

OFFICIAL COPY
Public Service Commission
Do Not Remove from this Office

**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, 2005

09 MAY 2 11 14:38
ECONOMIC REGULATION

FLORIDA PUBLIC SERVICE COMMISSION

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

Name Bruce Narzissenfeld	Title Assistant Controller
Address P.O. Box 2562	City Tampa State FL 33601-2562
Telephone No. (813) 228-4526	PSC/ECR 020-G (10/03)

Report of Independent Certified Public Accountants

To the Board of Directors of
Tampa Electric Company:

We have audited the balance sheets of Peoples Gas System (a wholly-owned subsidiary of Tampa Electric Company) as of December 31, 2005 and 2004 and the related statements of income and of retained earnings for the years then ended, included on pages 6 through 10 of the accompanying Annual Report of Natural Gas Utilities. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note A, these 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Peoples Gas System as of December 31, 2005 and 2004, and the results of its operations for the years then ended 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.

This report is intended solely for the information and use of the board of directors and management of Peoples Gas System and the Florida Public Service Commission, and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

February 22, 2006

**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 <p style="text-align: center;">Peoples Gas System, a Division of Tampa Electric Company</p>	02 Year of Report <p style="text-align: center;">2005</p>
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) <p style="text-align: center;">702 N. Franklin Street Tampa, Florida 33602</p>	
05 Name of Contact Person <p style="text-align: center;">Bruce Narzissenfeld</p>	06 Title of Contact Person <p style="text-align: center;">Assistant Controller</p>
07 Address of Contact Person (Street, City, State, Zip Code) <p style="text-align: center;">P.O. Box 2562 Tampa, Florida 33602-2562</p>	
08 Telephone of Contact Person, Including Area Code <p style="text-align: center;">(813) 228-4526</p>	09 Date of Report (Mo., Day, Yr) <p style="text-align: center;">Dec. 31, 2005</p>

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, 2005 to December 31, 2005, inclusive.

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

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

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



Signature

4-28-06

Date

Bruce Narzissenfeld
Name

Assistant Controller
Title

Name of Respondent

For the Year Ended

Peoples Gas System

Dec. 31, 2005

TABLE OF CONTENTS

Title of Schedule (a)	Page No. (b)	Title of Schedule (a)	Page No. (b)
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS		INCOME ACCOUNT SUPPORTING SCHEDULES	
Control Over Respondent	3	Gas Operating Revenues	26
Corporations Controlled By Respondent	3	Gas Operation and Maintenance Expenses	27-29
Officers	4	Number of Gas Department Employees	29
Directors	4	Gas Purchases	30
Security Holders and Voting Powers	5	Gas Used in Utility Operations - Credit	30
Important Changes During the Year	5	Regulatory Commission Expenses	31
Comparative Balance Sheet	6-7	Miscellaneous General Expenses - Gas	31
Statement of Income	8-9	Distribution of Salaries and Wages	32
Statement of Retained Earnings	10	Charges for Outside Prof. and Other Consultative Services	33a-b
Notes to Financial Statements	11a-h	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	33a
BALANCE SHEET SUPPORTING SCHEDULES		REGULATORY ASSESSMENT FEE	
(Assets And Other Debits)		Reconciliation of Gross Operating Revenues - Annual Report versus Regulatory Assessment Fee Return	34
Summary of Utility Plant and Accum. Prov. for Depreciation, Amortization, and Depletion	12		
Gas Plant in Service	13-14	DIVERSIFICATION ACTIVITY	
Accumulated Depreciation & Amortization	15-16	Corporate Structure	35a-c
Construction Work in Progress - Gas	17a-b	Summary of Affiliated Transfers and Cost Allocations	36
Construction Overheads - Gas	17a	New or Amended Contracts with Affiliated Companies	37
Prepayments	18	Individual Affiliated Transactions in Excess of \$25,000	37
Extraordinary Property Losses	18	Assets or Rights Purchased from or Sold to Affiliates	38
Unrecovered Plant and Regulatory Study Costs	18	Employee Transfers	38
Other Regulatory Assets	19		
Miscellaneous Deferred Debits	19		
(Liabilities and Other Credits)			
Securities Issued and Securities Refunded or Retired During the Year	20		
Unamortized Loss and Gain on Reacquired Debt	20		
Long-Term Debt	21		
Unamortized Debt Exp., Premium and Discount on Long-Term Debt	21		
Miscellaneous Current and Accrued Liabilities	22		
Other Deferred Credits	22		
Other Regulatory Liabilities	22		
Taxes Other Than Income Taxes	23		
Accumulated Deferred Investment Tax Credits	23		
Accumulated Deferred Income Taxes	24		
Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	25		

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2005

CONTROL OVER RESPONDENT

- | | |
|---|--|
| 1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or | organization. If control was held by a trustee(s), state name of trustee(s).
2. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed provided the fiscal years for both the 10-K report and this report are compatible. |
|---|--|

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

CORPORATIONS CONTROLLED BY RESPONDENT

- | | |
|---|---|
| 1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved. | 3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
4. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed in column (a) provided the fiscal years for both the 10-K report and this report are compatible. |
|---|---|

DEFINITIONS

- | | |
|--|---|
| 1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively | control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party. |
|--|---|

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
None			

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2005

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policymaking functions.
 2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and date the change in incumbency was made.

Title (a)	Name of Officer (b)	Salary for Year (c)
President, Peoples Gas System	W. N. Cantrell	\$345,000

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.
 2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.

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

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2005

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.

Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
	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 are held by it's parent, TECO Energy, Inc.				

IMPORTANT CHANGES DURING THE YEAR

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

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

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

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

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

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

- 1 None
- 2 None
- 3 None
- 4 None
- 5 None

Name of Respondent		For the Year Ended		
Peoples Gas System		Dec. 31, 2005		
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	811,010,024	839,782,673
3	Construction Work in Progress (107)	12	9,469,624	12,437,597
4	TOTAL Utility Plant Total of lines 2 and 3)		820,479,648	852,220,270
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)	12	300,326,824	324,131,981
6	Net Utility Plant (Total of line 4 less 5)		520,152,824	528,088,289
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)	-		
14	Other Investments (124)	-		
15	Special Funds (125, 126, 128)	-		
16	TOTAL Other Property and Investments (Total of lines 10 through 15)			
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)	-	(1,358,478)	1,184,493
19	Special Deposits (132-134)	-	34,546	34,546
20	Working Funds (135)	-	10,700	8,650
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	-		
23	Customer Accounts Receivable (142)	-	25,363,201	49,470,092
24	Other Accounts Receivable (143)	-	7,102,012	5,172,513
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)	-	(300,000)	(685,343)
26	Notes Receivable from Associated Companies (145)	-		
27	Accounts Receivable from Associated Companies (146)	-		
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)	-	725,700	847,868
32	Merchandise (155)	-		
33	Other Material and Supplies (156)	-		
34	Stores Expenses Undistributed (163)	-		
35	Gas Stored Underground & LNG Stored (164.1-164.3)	-	251,035	73,066
36	Prepayments (165)	18	993,699	1,289,064
37	Advances for Gas (166-167)	-		
38	Interest and Dividends Receivable (171)	-	-	4,410
39	Rents Receivable (172)	-		
40	Accrued Utility Revenues (173)	-	20,140,879	24,247,426
41	Miscellaneous Current and Accrued Assets (174)	-	(3,910,160)	14,440,130
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		49,053,134	96,086,915
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	-	2,815,583	2,418,462
45	Extraordinary Property Losses (182.1)	18		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	18	-	
47	Other Regulatory Assets (182.3)	19	15,372,994	19,643,142
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	(4,100,420)	682,591
52	Deferred Losses from Disposition of Utility Plant. (187)	-		
53	Research, Development and Demonstration Expenditures (188)	-		
54	Unamortized Loss on Reacquired Debt (189)	20	2,623,851	2,279,503
55	Accumulated Deferred Income Taxes (190)	24		
56	Unrecovered Purchased Gas Costs (191)	-	13,308,516	(6,474,426)
57	TOTAL Deferred Debits (Total of lines 44 through 56)		30,020,524	18,549,272
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		599,226,482	642,724,476

Name of Respondent For the Year Ended

Peoples Gas System Dec. 31, 2005

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)	-	155,550,169	155,550,169
5	Retained Earnings (215, 216)	10		
6	Unappropriated Undistributed Subsidiary Earnings (216.1)	10	111,769,072	112,931,830
7	(Less) Reacquired Capital Stock (217)	-		
8	TOTAL Proprietary Capital (Total of lines 2 through 7)		267,319,241	268,481,999
9	LONG-TERM DEBT			
10	Bonds (221)	21		
11	(Less) Reacquired Bonds (222)	21		
12	Advances from Associated Companies (223)	21		
13	Other Long-Term Debt (224)	21	174,200,000	168,700,000
14	Unamortized Premium on Long-Term Debt (225)	21		
15	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	21	(590,562)	(499,957)
16	TOTAL Long-Term Debt (Total of lines 10 through 15)		173,609,438	168,200,043
17	OTHER NONCURRENT LIABILITIES			
18	Obligations Under Capital Leases - Noncurrent (227)	-		
19	Accumulated Provision for Property Insurance (228.1)	-		
20	Accumulated Provision for Injuries and Damages (228.2)	-		
21	Accumulated Provision for Pensions and Benefits (228.3)	-	5,495,013	5,648,141
22	Accumulated Miscellaneous Operating Provisions (228.4)	-		
23	Accumulated Provision for Rate Refunds (229)	-		
24	TOTAL Other Noncurrent Liabilities (Total of lines 18 through 23)		5,495,013	5,648,141
25	CURRENT AND ACCRUED LIABILITIES			
26	Notes Payable (231)	-	13,850,000	34,900,000
27	Accounts Payable (232)	-	31,252,704	50,586,294
28	Notes Payable to Associated Companies (233)	-		
29	Accounts Payable to Associated Companies (234)	-	10,778,886	1,236,382
30	Customer Deposits (235)	-	29,570,154	30,212,173
31	Taxes Accrued (236)	-	1,184,235	1,977,273
32	Interest Accrued (237)	-	4,704,983	4,458,975
33	Dividends Declared (238)	-		
34	Matured Long-Term Debt (239)	-		
35	Matured Interest (240)	-		
36	Tax Collections Payable (241)	-	1,902,670	3,103,828
37	Miscellaneous Current and Accrued Liabilities (242)	22	8,191,153	12,381,482
38	Obligations Under Capital Leases-Current (243)	-		
39	Derivative Instrument - Liabilities (245)		-	310,350
40	TOTAL Current and Accrued Liabilities (Total of lines 26 through 39)		101,434,785	139,166,757
41	DEFERRED CREDITS			
42	Customer Advances for Construction (252)	-	2,733,137	3,578,186
43	Other Deferred Credits (253)	22	7,760	4,359,455
44	Other Regulatory Liabilities (254)	22	16,971,952	14,309,506
45	Accumulated Deferred Investment Tax Credits (255)	23	141,871	98,484
46	Deferred Gains from Disposition of Utility Plant (256)	-		
47	Unamortized Gain on Reacquired Debt (257)	20		
48	Accumulated Deferred Income Taxes (281-283)	24	31,513,285	38,881,905
49	TOTAL Deferred Credits (Total of lines 42 through 48)		51,368,005	61,227,536
50				
51	TOTAL Liabilities and Other Credits (Total of lines 8, 16, 24, 40 and 49)		599,226,482	642,724,476

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2005

STATEMENT OF INCOME

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

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	549,461,974	417,171,964
3	Operating Expenses			
4	Operation Expenses (401)	27-29	419,711,225	294,685,394
5	Maintenance Expenses (402)	27-29	3,723,322	3,309,339
6	Depreciation Expense (403)	15-16	33,118,795	32,213,313
7	Amortization & Depletion of Utility Plant (404-405)	-	1,108,547	1,065,048
8	Amortization of Utility Plant Acquisition Adjustment (406)	-	156,372	156,372
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)	-	639,996	639,996
12	(Less) Regulatory Credits (407.4)	-		
13	Taxes Other Than Income Taxes (408.1)	23	28,022,444	25,162,405
14	Income Taxes - Federal (409.1)	-	15,434,451	8,975,583
15	- Other (409.1)	-	2,579,354	1,494,860
16	Provision for Deferred Income Taxes (410.1)	24	386,349	6,804,925
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	24		
18	Investment Tax Credit Adjustment - Net (411.4)	23	(43,387)	(43,387)
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)	-		
22	TOTAL Utility Operating Expenses (Total of lines 4 -21)		504,837,468	374,463,848
23	Net Utility Operating Income (Total of line 2 less 22)			
24	(Carry forward to page 9, line 25)		44,624,506	42,708,116

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2005

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)		44,624,506	42,708,116
26	Other Income and Deductions			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	-	(16,361)	27,772
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	-		
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		
35	Interest and Dividend Income (419)	-	338,268	(57,077)
36	Allowance for Other Funds Used During Construction (419.1)	-		
37	Miscellaneous Nonoperating Income (421)	-	(974)	809,638
38	Gain on Disposition of Property (421.1)	-		
39	TOTAL Other Income (Total of lines 29 through 38)		320,933	780,333
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	-	-	168,911
42	Miscellaneous Amortization (425)	33		
43	Miscellaneous Income Deductions (426.1-426.5)	33	120,245	311,238
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		120,245	480,149
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	-		
47	Income Taxes - Federal (409.2)	-	66,376	99,286
48	Income Taxes - Other (409.2)	-	11,038	16,510
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)		77,414	115,796
54	Net Other Income and Deductions (Total of lines 39,44,53)		123,274	184,388
55	Interest Charges			
56	Interest on Long-Term Debt (427)	-	11,830,753	12,384,691
57	Amortization of Debt Discount and Expense (428)	21	832,075	860,159
58	Amortization of Loss on Reacquired Debt (428.1)	-		
59	(Less) Amortization of Premium on Debt - Credit (429)	21		
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	-		
61	Interest on Debt to Associated Companies (430)	33		
62	Other Interest Expense (431)	33	2,467,299	1,938,504
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)	-		
64	Net Interest Charges (Total of lines 56 through 63)		15,130,127	15,183,354
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		29,617,653	27,709,150
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)		29,617,653	27,709,150

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		111,769,072
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)		29,617,653
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL		
13	Dividends Declared - Common Stock (Account 438) TOTAL		28,454,895
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
15	FAS 133 Other Comprehensive Income		0
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		112,931,830
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)		

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2005

NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

- | | |
|--|---|
| <p>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.</p> <p>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.</p> <p>3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and</p> | <p>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.</p> <p>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.</p> <p>5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.</p> <p>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.</p> |
|--|---|

The 2005 financial statements filed with the Securities and Exchange Commission in Tampa Electric Company's Annual Report on the Form 10-K included the financial results of the electric division of Tampa Electric Company and Peoples Gas System. Attached are the Notes to the Financial Statements relevant to Peoples Gas System.

NOTES TO FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies

Basis of Accounting

Peoples Gas System's regulated gas operations maintain their accounts in accordance with recognized policies prescribed or permitted by the Florida Public Service Commission (FPSC). In addition, Peoples Gas System maintains its accounts in accordance with recognized policies prescribed or permitted by the Federal Energy Regulatory Commission (FERC). These policies conform with generally accepted accounting principles in all material respects.

The impact of Financial Accounting Standard (FAS) No. 71, Accounting for the Effects of Certain Types of Regulation, has been minimal in the experience of the regulated utilities, but when cost recovery is ordered over a period longer than a fiscal year, costs are recognized in the period that the regulatory agency recognizes them in accordance with FAS 71.

The use of estimates is inherent in the preparation of financial statements in accordance with generally accepted accounting principles.

Basis of Reporting

The financial statements are presented in accordance with the reporting requirements of the Federal Energy Regulatory Commission. This is a comprehensive basis of accounting consistent with GAAP, except for:

- the balance sheet classification of cost of removal collections from customers
- the omission of the statement of retained earnings from the prior year
- the omission of the statement of cash flows for the current and prior year
- the classification of the current portion of long term debt of \$5.9 million and \$5.5 million at December 31, 2005 and 2004 respectively

Peoples Gas System does not publish an annual report for distribution to any security holders; Peoples Gas System is a subsidiary of Tampa Electric Company whose annual report includes the accounts of Peoples Gas System in published consolidated financial statements.

Revenues and Fuel Costs

Revenues include amounts resulting from cost recovery clauses which provide for monthly billing charges to reflect increases or decreases in purchased gas, interstate pipeline capacity and conservation costs for Peoples Gas System. These adjustment factors are based on costs projected for a specific recovery period. Any over-recovery 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 deferred credits and under-recoveries of costs are recorded as deferred debits.

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

The company accrues base revenues for services rendered but unbilled to provide a closer matching of revenues and expenses.

Depreciation

The company provides for depreciation primarily by the straight-line method at annual rates that amortize the original cost, less net salvage, of depreciable property over its estimated service life. The provision for utility plant in service, expressed as a percentage of the original cost of depreciable property, was 4.1% for 2005 and 4.2% for 2004.

The original cost of utility plant retired or otherwise disposed of and the cost of removal less salvage are charged to accumulated depreciation.

Deferred Income Taxes

The liability method is utilized in the measurement of deferred income taxes. Under the liability method, the temporary differences between the financial statement and tax bases of assets and liabilities are reported as deferred taxes measured at current tax rates. Peoples Gas System is regulated, and their books and records reflect approved regulatory treatment, including certain adjustments to accumulated deferred income taxes and the establishment of a corresponding net regulatory tax liability reflecting the amount payable to customers through future rates.

Investment Tax Credits

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

Derivatives and Hedging

From time to time, Peoples Gas System enters into futures, forwards, swaps and option contracts to limit the exposure to price fluctuations for physical purchases and sales of natural gas in the course of normal operations.

The company uses derivatives only to reduce normal operating and market risks, not for speculative purposes. The company's primary objective is to reduce the impact of market price volatility on ratepayers.

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

The company applies the provisions of FAS 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by FAS 138, *Accounting for Certain Derivative Instruments and Hedging Activities* and FAS 149, *Amendment on Statement 133 on Derivative Instruments and Hedging Activities*. These standards require companies to recognize derivatives as either assets or liabilities in the financial statements, to measure those instruments at fair value, and to reflect the changes in the fair value of those instruments as either components of other comprehensive income (OCI) or in net income, depending on the designation of those instruments. The changes in fair value that are recorded in OCI are not immediately recognized in current net income. As the underlying hedged transaction matures or the physical commodity is delivered, the deferred gain or the loss on the related hedging instrument must be reclassified from OCI to earnings based on its value at the time of its reclassification. For effective hedge transactions, the amount reclassified from OCI to earnings is offset in net income by the amount paid or received on the underlying physical transaction. Additionally, amounts deferred in OCI related to an effective designated cash flow hedge must be reclassified to current earnings if the anticipated hedged transaction is no longer probable of occurring.

At Dec. 31, 2005 and 2004, respectively, the company had net derivative assets (liabilities) of \$14.1 million and (\$3.9) million. As a result of applying the provision of FAS 71, the change in value of these derivatives is recorded as regulatory assets or liabilities as of Dec. 31, 2005 and 2004, respectively, to reflect the impact of the purchased gas adjustment clause on the risks of hedging activities.

B. Retained Earnings

Certain of Peoples Gas System's long-term debt issues contain provisions that limit the dividend payment on the company's common stock. At Dec. 31, 2005, substantially all of the company's retained earnings were available for dividends on its common stock.

C. Retirement Plan

Peoples Gas System is a participant in the comprehensive retirement plan of TECO Energy, including a non-contributory defined benefit retirement plan, which covers substantially all employees. Benefits are based on employees' age, years of service and final average salary. Effective April 1, 2000, the plan was amended to provide for benefits to be earned and payable substantially on a lump sum basis through an age and service credit schedule for eligible participants leaving the company on or after July 1, 2001. Other significant provisions of the plan, such as eligibility, definitions of credited service, final average earnings, etc., remain largely unchanged. This amendment resulted in decreased pension expense of approximately \$0.8 million and \$2.0 million in 2001 and 2000, respectively, and a reduction of benefit obligation of \$6.2 million and \$14.4 million at Sept. 30, 2001 and 2000, respectively.

TECO Energy's policy is to fund the plan within the guidelines set by ERISA for the minimum annual contribution and the maximum allowable as a tax deduction by the IRS. About 64 percent of plan assets were invested in common stocks and 36 percent in fixed income investments at Sept. 30, 2005.

Components of net pension expense, reconciliation of the funded status and the accrued pension liability are presented below for TECO Energy consolidated.

In 2001, TECO Energy elected to change the measurement date for pension obligations and plan assets from Dec. 31 to Sept. 30. The effect of this accounting change is not material.

Components of Net Pension Expense

(millions)	<u>2005</u>	<u>2004</u>
Service cost		
(benefits earned during the period)	\$16.2	\$17.0
Interest cost on projected		
Benefit obligations	32.7	33.0
Less: Expected return on plan assets	(37.2)	(39.1)
Amortization of:		
Unrecognized transition asset	(0.2)	(1.1)
Prior service cost	(0.5)	(0.5)
Actuarial (gain) loss	4.3	2.7
Net pension expense	<u>15.3</u>	<u>12.0</u>
Settlement	1.4	6.6
Additional amounts recognized	<u>--</u>	<u>0.4</u>
Net pension expense recognized in TECO Energy's Consolidated Statements of Income (1)	<u>\$16.7</u>	<u>\$19.0</u>

(1) Peoples Gas System's portion was \$1.9 million and \$1.3 million for 2005 and 2004 respectively.

**Reconciliation of the Funded Status of the Retirement Plan and the Accrued Pension
Prepayment/(Liability)
(millions)**

	Dec. 31, <u>2005</u>	Dec. 31, <u>2004</u>
Net benefit obligation at prior measurement date	\$545.4	\$554.5
Service cost	16.2	17.0
Interest cost	32.6	33.0
Actuarial loss	7.1	(0.9)
Plan amendments	--	1.5
Curtailment	--	(2.2)
Settlement	(3.1)	--
Gross benefits paid	<u>(36.1)</u>	<u>(57.5)</u>
Net benefit obligation at measurement date	<u>562.1</u>	<u>545.4</u>
Fair value of plan assets at prior measurement date	407.6	391.8
Actual return on plan assets	44.4	43.0
Employer contributions	21.9	30.3
Settlement	(3.1)	--
Gross benefits paid	<u>(36.1)</u>	<u>(57.5)</u>
Fair value of plan assets at measurement date	<u>434.7</u>	<u>407.6</u>
Funded status at measurement date	(127.4)	(137.8)
Net contributions after measurement date	0.3	0.4
Unrecognized net actuarial loss	143.3	149.2
Unrecognized prior service (benefit) cost	(4.9)	(5.4)
Unrecognized net transition asset	<u>--</u>	<u>(0.2)</u>
Accrued liability at end of year (2)	<u>\$11.3</u>	<u>\$6.2</u>

(2) Peoples Gas System's portion was \$1.9 million and \$2.2 million at Dec. 31, 2005 and 2004, respectively.

Assumptions Used in Determining Actuarial Valuations

	<u>2005</u>	<u>2004</u>
Discount rate to determine projected benefit obligation	5.50%	6.00%
Rates of increase in compensation levels	3.75%	4.25%

D. Postretirement Benefit Plan

Peoples Gas System currently provides certain postretirement health care benefits for substantially all employees retiring after age 55 meeting certain service requirements. The company contribution toward health care coverage for most employees retiring after Jan. 1, 1990 is limited to a defined dollar benefit based on years of service. Postretirement benefit levels are substantially unrelated to salary. Peoples Gas System reserves the right to terminate or modify the plan in whole or in part at any time.

Components of Postretirement Benefit Cost (millions)

	<u>2005</u>	<u>2004</u>
Service cost (benefits earned during the period)	\$0.4	\$0.5
Interest cost on projected benefit obligations	0.7	0.6
Amortization of transition obligation (straight line over 20 years)	0.2	0.2
Amortization of Prior Service Cost	0.2	0.2
Amortization of actuarial loss	0.0	(0.1)
Net periodic Postretirement benefit expense	<u>\$1.5</u>	<u>\$1.4</u>

Reconciliation of the Funded Status of the Postretirement Benefit Plan and the Accrued Liability (millions)

	<u>Dec. 31, 2005</u>	<u>Dec. 31, 2004</u>
Net benefit obligation at prior measurement date	\$10.8	\$11.7
Change in benefit obligation due to:		
Service cost	0.4	0.5
Interest cost	0.7	0.6
Plan participants' contributions	0.3	0.3
Plan amendments	0.0	0.0
Actuarial loss	0.2	(1.8)
Gross benefits paid	(0.7)	(0.5)
Net benefit obligation at measurement date	<u>\$11.7</u>	<u>\$10.8</u>
Funded status at measurement date	\$(11.7)	\$(10.8)
Net contribution after measurement date	0.1	0.0
Unrecognized net loss (gain) from past experience	(2.0)	(2.2)
Unrecognized prior service cost	1.9	2.2
Unrecognized net transition obligation	1.9	2.1
Accrued liability at end of year	<u>\$(9.8)</u>	<u>\$(8.7)</u>

Assumptions Used in Determining Actuarial Valuations

	<u>2005</u>	<u>2004</u>
Discount rate to determine projected benefit obligation	5.50%	6.00%

The assumed health care cost trend rate for medical costs was 9.50% in 2005 decreasing to an ultimate trend of 5.00% in 2013.

A 1-percent increase in the medical trend rates would produce a 2-percent (\$17,000) increase in the aggregate service and interest cost for 2005 and a 1-percent (\$174,000) increase in the accumulated postretirement benefit obligation as of Sept. 30, 2005.

A 1-percent decrease in the medical trend rates would produce a 1-percent (\$15,000) decrease in the aggregate service and interest cost for 2005 and a 1-percent (\$158,000) decrease in the accumulated postretirement benefit obligation as of Sept. 30, 2005.

E. Income Tax Expense

The company is included in the filing of a consolidated Federal income tax return with its parent and affiliates. The company's income tax expense is based upon a separate return computation. Income tax expense consists of the following components:

(millions of dollars)	<u>Federal</u>	<u>State</u>	<u>Total</u>
2005			
Currently payable	\$15.6	\$2.6	\$18.2
Deferred	0.3	0.0	0.3
Amortization of investment tax credits	0.0	0.0	0.0
Total income tax expense	<u>\$15.9</u>	<u>\$2.6</u>	18.5
Included in other income, net			0.1
Included in operating expenses			<u>\$18.4</u>
2004			
Currently payable	\$9.1	\$1.5	\$10.6
Deferred	5.8	1.0	6.8
Amortization of investment tax credits	0.0	0.0	0.0
Total income tax expense	<u>\$14.9</u>	<u>\$2.5</u>	17.4
Included in other income, net			0.1
Included in operating expenses			<u>\$17.3</u>

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

(millions of dollars)	Dec. 31, <u>2005</u>	Dec. 31, <u>2004</u>
Deferred tax assets(1)		
Property related	--	--
Energy Conservation Allowance	--	--
Leases	--	--
Insurance reserves	--	--
Early capacity payments	--	--
Other	--	--
Total deferred income tax assets	<u>0.0</u>	<u>0.0</u>
Deferred income tax liabilities(1)		
Property related	\$(52.1)	\$(48.5)
Other	13.3	17.0
Total deferred income tax liabilities	<u>(38.8)</u>	<u>(31.5)</u>
Accumulated deferred income taxes	<u>\$(38.8)</u>	<u>\$(31.5)</u>

(1) Certain property related assets and liabilities have been netted.

The total income tax provisions differ from amounts computed by applying the federal statutory tax rate to income before income taxes for the following reasons:

(millions of dollars)	<u>2005</u>	<u>2004</u>
Net income	\$29.6	\$27.7
Total income tax provision	<u>18.4</u>	<u>17.3</u>
Income before income taxes	<u>\$48.0</u>	<u>\$45.0</u>
Income taxes on above at federal statutory rate of 35%	\$16.8	\$15.7
Increase (decrease) due to		
State income tax, net of federal		
Income tax	1.7	1.6
Amortization of investment tax		
Credits	0.0	0.0
Equity portion of AFUDC	0.0	0.0
Other	0.0	0.0
Total income tax provision	<u>\$18.5</u>	<u>\$17.3</u>
Provision for income taxes as a percent of income before		
Income taxes	<u>38.5%</u>	<u>38.6%</u>

H. Short-term Debt

The weighted average interest rate on outstanding notes payable at Dec. 31, 2005 was 4.45%. Credit facilities of \$475 million exist of which \$215 million was drawn at Dec. 31, 2005, with an allocated amount of \$34.9 million to Peoples Gas System.

I. Related Party Transactions (millions)

Net transactions with affiliates are as follows:

	<u>2005</u>	<u>2004</u>
Fuel and Interchange related, net	\$0.0	\$1.8
Administrative and general, net	\$8.3	\$9.4

Amounts due from or to affiliates of the company at year-end are as follows:

	<u>2005</u>	<u>2004</u>
Accounts receivable	\$2.0	\$1.7
Accounts payable	\$1.0	\$3.7

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

Name of Respondent

For the Year Ended

Peoples Gas System

Dec. 31, 2005

**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)	791,417,488	791,417,488
4	101.1 Property Under Capital Leases		
5	102 Plant Purchased or Sold		
6	106 Completed Construction not Classified	42,887,560	42,887,560
7	103 Experimental Plant Unclassified		
8	104 Leased to Others		
9	105 Held for Future Use	228,955	228,955
10	114 Acquisition Adjustments	5,248,671	5,248,671
11	TOTAL Utility Plant (Total of lines 3 through 10)	839,782,673	839,782,673
12	107 Construction Work in Progress	12,437,597	12,437,597
13	Accum. Provision for Depreciation, Amortization, & Depletion	324,131,981	324,131,981
14	Net Utility Plant (Total of lines 11 plus 12 less line 13)	528,088,289	528,088,289
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	321,174,377	321,174,377
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)	321,174,377	321,174,377
22	Leased to Others		
23	108 Depreciation		
24	111 Amortization and Depletion		
25	TOTAL Leased to Others (Total of lines 23 and 24)		
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	2,957,604	2,957,604
32	TOTAL Accum. Provisions (Should agree with line 14 above) (Total of lines 21, 25, 29, 30, and 31)	324,131,981	324,131,981

**Annual Status Report
Analysis of Plant in Service Accounts**

**Company: Peoples Gas System
For the Year Ended December 31, 2005**

Page 1 of 2

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
374-00	Land-Distribution		2,071,554	265,984	(1,008)				2,336,530
	Amortizable General Plant Assets:								
301-00	Organization		12,620						12,620
302-00	Franchises and Consents		427,466						427,466
303-00	Misc Intangible Plant		815,325						815,325
303-01	Customized Software		14,533,939	148,131	(40,000)				14,642,070
374-02	Land Rights / Easements		1,167,549		(4,756)				1,162,793
386-02	Othr Prop Cust Prem-Desi		51,942						51,942
386-08	Othr Prop Cust Prem-CNG								
390-02	Structures&Improvem-Leas		39,043						39,043
<p>Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</p>									
375-00	Land/Building Struct&Imp	2.7%	14,416,133	54,951	(1,152)				14,469,931
376-00	Mains - Other than Plastic	3.7%	231,795,344	3,743,891	(2,473,978)		(2,140)		233,063,117
376-02	Mains - Plastic	2.8%	184,833,215	7,717,508	(479,226)		(1,486)	5,524	192,075,534
378-00	Regulator Stations-Meas&	3.9%	4,788,730	207,493	(51,630)				4,944,594
379-00	City Gate Stations-Meas&	3.0%	7,441,790	851,230	(14,896)				8,278,124
380-00	Service Lines - Steel	6.6%	36,285,481	714,541	(618,691)			(5,524)	36,375,807
380-02	Service Lines - Plastic	4.4%	137,545,054	10,361,022	(1,066,268)		(18,800)		146,821,009
381-00	Meters - All Types	5.4%	28,798,807	3,613,990	(1,409,305)				31,003,491
382-00	Meter Installations	4.3%	30,495,247	2,420,858	(816,016)		(7)		32,100,082
383-00	House Regulators	4.6%	8,965,346	382,910	(90,468)				9,257,787
384-00	House Regulator Installa	4.4%	11,125,712	1,011,041	(212,432)				11,924,320
385-00	Industrial Cust Regulator	3.0%	8,836,902	330,015					9,166,917
387-00	Other Equipment-DistribS	7.9%	1,494,450	160,182	(9,753)				1,644,879
390-00	Structures& Improvemen-U	2.7%	1,073,398	102,887				(45,666)	1,176,285
391-00	Office Furniture	9.7%	2,983,666	39,210	(293)				2,976,916
391-01	Computer Equipment	19.8%	7,118,142	1,255,103	(152,735)			12,334	8,232,844
391-02	Office Equipment/Machine	6.6%	612,183	17,334	(11,073)			33,332	651,777
392-01	Auto&Truck less than 1/2	14.3%	6,625,878	544,460	(982,523)			42,686	6,230,501
392-02	Auto&Truck 3/4 - 1 ton	11.3%	3,282,795	449,211	(130,505)			19,198	3,620,698
392-03	Airplanes	1.7%	6,029,716						6,029,716
392-04	Trailers, Other	3.9%	275,216	4,071	(7,725)				271,562
392-05	Trucks over 1 ton	7.3%	1,076,695		(37,911)				1,038,784
393-00	Stores Equipment	11.3%	56,473						56,473
394-00	Tools, Shop, & Garage Eq	6.7%	3,440,531	89,358	(19,082)				3,510,807

**Annual Status Report
Analysis of Plant in Service Accounts**

Company: Peoples Gas System
For the Year Ended December 31, 2005

Page 2 of 2

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
395-00	Laboratory Equipment	5.0%	129,578						129,578
396-00	Power Operated Equipment	6.3%	1,757,705	5,104	(11,695)				1,751,114
397-00	Communication Equipment	9.7%	4,594,525	176,000	(31,962)				4,738,563
398-00	Misc Equipment-Gas	3.2%	388,487						388,487
Capital Recovery Schedules:									
118	Other Utility Plant								
Total Account 101*			765,386,635	34,666,486	(8,675,085)	-	(22,433)	61,884	791,417,488
Amortizable Assets:									
114	Acquisition Adjustment		5,248,671						5,248,671
105	Property Held for Future Use		228,955						228,955
	Total Utility Plant		770,864,260	34,666,486	(8,675,085)		(22,433)	61,884	796,895,113

Note: * The total beginning and ending balances must agree to acct. 101, Plant in Service, Line 3, Page 12.

Annual Status Report Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System

For the Year Ended December 31, 2005

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:										
301-20	Organization	(3,116)								(3,116)
302-20	Franchises & Consents	(345,996)	(15,651)							(361,647)
303-20	Misc Intangible Plant	(355,277)	(32,610)							(387,887)
303-51	Customized Software	(9,610,962)	(1,007,534)		40,000					(10,578,496)
374-22	Land Rights / Easements	(685,185)	(46,504)		4,756					(726,933)
386-22	Other Prop Cust Prem-Desi	(9,955)	(5,194)							(15,149)
390-02	Structure & Improvements-Leased	(29,094)	(1,054)							(30,148)
SUB-TOTAL		(11,039,586)	(1,108,547)	-	44,756	-	-			(12,103,376)
Items necessary to reconcile the total amortization accrual amount to Acct. 404.3, Amortization Expense, shown on page 8.										
		(0)								(0)
The contra for this amortization is Acct. 907										
This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.										
374-50	Land	3,603			1,008			(1,008)		3,603
375-50	Land/Building Struct&Imp	(2,782,917)	(390,747)		1,152					(3,172,512)
376-50	Mains - Other than Plastic	(118,254,756)	(8,996,041)		2,473,978	(214,563)	713,685			(124,277,697)
376-52	Mains - Plastic	(47,030,268)	(6,055,552)		479,226	(101,532)	41,780		(562)	(52,666,908)
378-50	Regulator Stations-Meas&	(1,224,084)	(190,108)		51,630	(499)	34,991			(1,328,071)
378-51	Regulator Stations-Do no	(134,134)	(4,150)							(138,284)
379-50	City Gate Stations-Meas&	(2,095,015)	(247,248)		14,896		20,348			(2,307,018)
379-51	City Gate Stations-Do no	(30,651)	(904)							(31,555)
380-50	Service Lines - Steel	(31,041,156)	(2,388,907)		618,691		976,036		562	(31,834,774)
380-52	Service Lines - Plastic	(42,566,619)	(6,202,294)		1,066,268		619,725			(47,082,921)
381-50	Meters - All Types	(6,256,019)	(1,588,538)		1,409,305		19,104			(6,416,147)
381-51	Meters - Do not use	(2,504)	(164)							(2,667)
382-50	Meter Installations	(10,105,883)	(1,339,611)		816,016		117,763			(10,511,715)
383-50	House Regulators	(3,844,597)	(418,197)		90,468		(1,100)			(4,173,425)
384-50	House Regulator Installa	(3,158,978)	(500,788)		212,432		61,527			(3,385,807)
385-50	Industrial Cust Regulator	(2,885,847)	(269,349)							(3,155,196)
387-50	Other Equipment-DistribS	(680,825)	(129,662)		9,753					(800,734)
390-50	Structures& Improvemen-U	(170,282)	(30,748)							(201,029)
391-50	Office Furniture	(736,485)	(288,109)		293				24,124	(1,000,177)
391-51	Computer Equipment	(5,309,142)	(1,715,777)		152,735				(6,516)	(6,878,700)
391-52	Office Equipment/Machine	(235,433)	(42,516)		11,073				(17,608)	(284,485)
391-53	Office Furniture/Equip	-								-
392-51	Auto&Truck less than 1/2	(2,947,468)	(927,288)		982,523	(109,041)	13,370	5,900	(31,436)	(3,013,439)
392-52	Auto&Truck 3/4 - 1 ton	(906,736)	(384,890)		130,505	(11,000)	1,135		(12,716)	(1,183,702)
392-53	Airplanes	(226,163)	(102,529)							(328,692)
392-54	Trailers, Other	(135,080)	(10,489)		7,725	(1,000)	413			(138,431)
392-55	Trucks over 1 ton	(516,547)	(76,561)		37,911	(3,762)	430			(558,528)
393-50	Stores Equipment	(53,515)	(493)							(54,008)

Annual Status Report Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System

For the Year Ended December 31, 2005

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
	(Continued)									
394-50	Tools, Shop, & Garage Eq	(1,861,850)	(221,719)		19,082	(1,000)	543			(2,064,944)
394-51	Tools, Shop, & Garage-CNG	(115,464)	(11,321)							(126,785)
395-50	Laboratory Equipment	(44,380)	(6,102)							(50,482)
396-50	Power Operated Equipment	(1,190,319)	(110,386)		11,695	(400)	56			(1,289,356)
397-50	Communication Equipment	(1,195,647)	(455,077)		31,962					(1,618,761)
398-50	Misc Equipment-Gas	(213,552)	(12,530)							(226,082)
Capital Recovery Schedules:										
	Subtotal	(287,948,711)	(33,118,795)	-	8,630,329	(442,797)	2,619,807	4,892	(44,152)	(310,299,428)
List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 8.										
	Retirement Work in Progress (108)	1,462,705					(234,278)			1,228,427
	115 Acquisition Adjustment	(2,801,232)	(156,372)							(2,957,604)
	Subtotal	(1,338,527)	(156,372)	-	-	-	(234,278)	0	0	(1,729,177)
	Grand Total	(300,326,824)	(34,383,714)	-	8,675,085	(442,797)	2,385,528	4,892	(44,152)	(324,131,981)

Note: * The grand total of beginning and ending balances must agree to Line 17, Page 12.

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2005	
CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)			
1. Report below descriptions and balances at end of year of projects in process of construction (107).		Development, and Demonstration (see Account 107 of the Uniform System of Accounts).	
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research,		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	Service Lines	44,082	0
2	Revenue Main - Ocala / Villages - Phase 2	1,965,425	4,675,137
3	Revenue Main	2,622,240	11,885,557
4	Main Replacements	209,026	712,479
5	Distribution System Improvement - St Aug / Palatka	1,785,328	6,336,253
6	Distribution System Improvements	8,359	408,986
7	Government Improvements	1,771,870	2,066,073
8	Cathodic Protection	8,490	17,309
9	Transportation Vehicles	1,073,798	154,209
10	Communication Equipment	19,961	185,426
11	Office Equipment	392,644	102,591
12	Tools, Shop & Garage Equipment	211,245	135,539
13	Power Operated Equipment	27,220	31,592
14	Testing, Measuring & Detection Equipment	23,151	16,377
15	TOTAL Continued on 17b		

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.		and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction.	
2. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain the accounting procedures employed		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	Plant Accounting Dept. Costs and Supervision	823,883	43,138,738
2	(These costs are allocated to CWIP as outlined		
3	in Instruction 4 above.)		
4			
5	Corporate G & A	3,376,512	43,138,738
6			
7			
8			
9			
10			
11			
12	TOTAL	4,200,395	86,277,476

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2005	
CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)			
1. Report below descriptions and balances at end of year of projects in process of construction (107).		Development, and Demonstration (see Account 107 of the Uniform System of Accounts).	
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research,		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	Improvements to Property - St. Pete Dist. Office	517,137	261,433
2	Improvements to Property	82,852	94,475
3	Meas & Reg Station - Baldwin / Brandy Branch	737,979	101,223
4	Measuring & Regulating Station Equipment	293,717	1,139,925
5	Reimbursable Construction - Net	670,056	742,579
6	Miscellaneous - Non Revenue Producing	(42,512)	0
7	Miscellaneous - Revenue Producing	15,529	0
8			
9			
10			
11			
12			
13			
14			
15	TOTAL	12,437,597	29,067,160

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2005
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	674,802
2	Line of Credit	279,175
3	Postage	100,000
4		
5		
6	Miscellaneous Prepayments	235,087
7		
8	TOTAL	1,289,064

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	None					
2						
3						
4						
5						
6						
7						
8						
9						
10		TOTAL				

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)						
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	None					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13		TOTAL				

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2005

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	Other Regulatory - Env Remediation	16,881,340		254	2,688,759	14,192,581
2	Regulatory Tax Asset	(1,508,346)	55,780,664	282	48,821,757	5,450,561
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17	TOTAL	15,372,994	55,780,664		51,510,516	19,643,142

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)	Balance Beginning of Year (b)	Debits (c)	Account Charged (d)	Amount (e)	Balance End of Year (f)
1	Environmental Investigations	(4,711,519)	5,361,423	407	639,996	
2				131	9,888	
3						20
4						
5	Unbundling Transition	0	165	142	165	0
6						
7						
8	Other Work in Progress	436,099	158,972	Various	0	595,071
9						
10						
11	Rate Case	175,000	0	928	87,500	87,500
12						
13						
14						
15						
16						
17	Misc. Work in Progress					
18	Deferred Regulatory Comm. Expenses					
19	TOTAL	(4,100,420)				682,591

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2005

**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> |
|--|--|

Securities Retired

Long-Term Note 10.35%	Due 2007	800,000
Long-Term Note 10.33%	Due 2008	1,000,000
Long-Term Note 10.30%	Due 2009	800,000
Long-Term Note 9.93%	Due 2010	800,000
Long-Term Note 8.00%	Due 2012	2,100,000
		<hr/>
		2,100,000
		<hr/>
		<u>\$5,500,000</u>

Securities Issued

None

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						
2	31-Note/Tampa Elec 5.94%	07-01	12,000,000	(232,811)	93,669	
3	----Amortization				(14,325)	79,344
4	30-Note/Tampa Elec 7.375%	09-02	50,000,000	(3,542,552)	2,530,183	
5	----Amortization				(330,024)	2,200,159
6						
7						
8	Total Amortization - Acct 428				(344,349)	
9						
10						
11						
12	Loss on Reacquired Debt					2,279,503
13						

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2005

LONG-TERM DEBT (Accounts 221, 222, 223, and 224)

1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form Filing, a specific reference to the report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

2. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.

3. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

4. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

Line No.	Class and Series of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Original Amount Issued (d)	Interest for Year		Total Amount Outstanding (g)
					Rate (in %) (e)	Amount (f)	
1	Other Long Term Debt - Acct 224						
2							
3	Long Term Note 10.35%	06/26/87	07/02/07	10,000,000	10.35	227,930	1,800,000
4	Long Term Note 10.33%	06/29/88	07/02/08	10,000,000	10.33	361,837	3,000,000
5	Long Term Note 10.30%	06/28/89	07/02/09	10,000,000	10.30	535,829	4,800,000
6	Long Term Note 9.93%	12/20/90	07/02/10	10,000,000	9.93	536,441	5,000,000
7	Long Term Note 8.00%	12/03/92	07/02/12	35,000,000	8.00	1,612,466	19,100,000
8	Note Issued by Tampa Electric	06/20/01	06/15/12	40,000,000	6.875	2,750,000	40,000,000
9	Note Issued by Tampa Electric	08/15/02	08/15/07	25,000,000	5.375	1,343,750	25,000,000
10	Note Issued by Tampa Electric	08/15/02	08/15/12	70,000,000	6.375	4,462,500	70,000,000
11							
12							
13							
14							
15							
16							
17							
18							
19							
20	TOTAL			210,000,000		11,830,753	168,700,000

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.

2. Show premium amounts by enclosing the figures in parentheses.

3. In column (b) show the principal amount of bonds or other long-term debt originally issued.

4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year.

6. Identify separately indisposed amounts applicable to issues which were redeemed in prior years.

7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt issued (b)	Total Expense Premium or Discount (c)	Amortization Period		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 Exp - Acct 181							
2	26-Long term Note 10.35%	10,000,000	23,604	09-87	07-07	2,967	(1,186)	1,781
3	28-Long term Note 10.33%	10,000,000	11,350	08-88	07-08	2,001	(572)	1,429
4	29-Long term Note 10.30%	10,000,000	13,131	08-89	07-09	2,970	(660)	2,310
5	32-Long term Note 9.93%	10,000,000	88,318	03-91	07-10	2,846	(517)	2,329
6	33-Long term Note 8.00%	35,000,000	976,684	01-93	07-12	375,986	(50,131)	325,855
7	34-Note/Tampa Electric 6.875%	40,000,000	308,507	06-01	06-12	195,985	(26,132)	169,853
8	35-Note/Tampa Electric 6.375%	70,000,000	2,839,136	08-02	08-12	2,140,798	(282,303)	1,858,495
9	27-Note/Tampa Electric 5.375%	25,000,000	180,839	08-02	08-07	92,030	(35,620)	56,410
10						2,815,583	(397,121)	2,418,462
11								
12								
13	Unamortized Debt Disc - Acct 226							
14	34-Note/Tampa Electric 6.875%	40,000,000	168,800	06-01	06-12	115,091	(15,345)	99,745
15	35-Note/Tampa Electric 6.375%	70,000,000	562,100	08-02	08-12	426,259	(56,210)	370,049
16	27-Note/Tampa Electric 5.375%	25,000,000	95,250	08-02	08-07	49,213	(19,050)	30,163
17						590,563	(90,605)	499,957
18	Total of Acct 428						(487,726)	

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2005
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	Pension & Benefits	(2,341,358)
2	Insurance & Litigation Reserves	4,428,569
3	Post Retirement Benefits	8,578,596
4	Conservation Cost True Up	1,226,547
5	Other	489,128
6		
7		
8		
9		
10		
11		
12		
13	TOTAL	12,381,482

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	Deferred Compensation	7,760	232	133,059	125,299	-
2	Environ Insurance Recovery	-	186	352,076	4,711,531	4,359,455
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL	7,760		485,135	4,836,830	4,359,455

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	SFAS # 109 Implementation	33,103	282	10,116		22,987
2	West Florida Gas Tax Liab	43,277	282	13,248		30,029
3	Gas Technology Research	14,232	930	515,323	565,000	63,909
4	Environmental Remediation	16,881,340	182	2,688,759		14,192,581
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL	16,971,952		3,227,446	565,000	14,309,506

TAXES OTHER THAN INCOME TAXES (Account 408.1)

Name of Taxing Authority	Real Property	Tangible Personal Property	Intangible Personal Property	FICA, SUTA, FUTA	Gross Receipts	Regulatory Assessment Fees	Environmental, Excise	Franchise	Other*	Total
1 Various FL counties	7,916,808									7,916,808
2 Internal Revenue Service (FICA)				1,989,518						1,989,518
3 FL Public Service Commission					6,762,658	1,857,078	464			1,857,078
4 FI Department of Revenue								9,865,623		6,763,122
5 Various FL municipalities										9,865,623
6 Internal Revenue Service (FUTA)				33,423						33,423
7 Internal Revenue Service (SUTA)				112,804						112,804
8 Various FL Counties (tags)									34,631	34,631
9 Various FL municipalities									15,893	15,893
10 (occupational licenses)										-
11 Department of State										-
12 Other									(1,100)	(1,100)
13 Less: charged to other revenue (495)						(54,809)				(54,809)
14 Less: charged to construction						(82,827)				(82,827)
15 Less: charged to clearing, jobbing, a/r							(464)			(464)
16 TOTAL Taxes Charged During Year (Lines 1-15) to Account 408.1	7,916,808	-	-	1,708,490	6,762,658	1,719,442	-	9,865,623	49,424	28,022,444

Note: *List separately each item in excess of \$500.

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below the information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustment to the account balance shown in column (f).

Line No.	Account Subdivisions (a)	Balance Beginning of Year (b)	Amount Deferred for Year (c)	Allocations to Current Year's Income		Adjustments (f)	Balance End of Year (g)	Average Period of Allocation to Income (h)
				Acct. No. (d)	Amount (e)			
1	Gas Utility	141,871						
2	3%			411	43,387		98,484	
3	4%							
4	7%							
5	10%							
6								
7								
8								
9								
10	TOTAL	141,871			43,387		98,484	

Notes

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2005

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME
FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 9)	29,617,653
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Federal Income Tax	15,500,827
6	CIAC and AIAC	3,640,000
7	ECCR revenue true up	688,498
8	Competitive rate adjustment	440,852
9	Deductions Recorded on Books Not Deducted for Return	
10	Capitalized ECA costs	3,624,165
11	Reserves accrual	3,177,621
12	Natural gas cost adjustment	1,743,001
13	Interest during construction period capitalized	1,100,000
14	Restricted stock	460,182
15	Deferred taxes	386,349
16	Bad debts	385,343
17	Other	1,191,265
18	Income Recorded on Books Not Included in Return	
19	Gain/Loss on fixed assets	
20	Non taxable energy conservation revenue	
21	Amortization of investment tax credits	43,387
22		
23		
24		
25		
26	Deductions on Return Not Charged Against Book Income	
27	Depreciation of utility plant - excess over books	10,391,205
28	Cost of removal	2,619,807
29	Pension and property tax payments	1,988,402
30	Environmental cleanup costs	992,072
31	Deferred compensation distributions	390,265
32		
33		
34	Federal Tax Net Income	45,530,618
35	Show Computation of Tax:	
36	Federal income tax @ 35%	15,935,716
37	Prior year true up provision to actual per return	-434,889
38		15,500,827
39		
40	Allocation to other income	66,376

NOTE: Peoples Gas System operates as a division of Tampa Electric Company (59-9475140). As such, its 2005 taxable income will be included in the consolidated income tax return of TECO Energy, Inc., parent company of Tampa Electric Company. Income tax is allocated to Peoples Gas based on the computation as if a separate return is filed. There is no intercompany elimination which affects taxable income.

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	138,541,182	115,002,871	69,813,438	65,819,935	289,488	278,479
4	481 Commercial Street Lighting	314,543	230,972	245,727	240,449	40	41
5	481 Small General Service	5,255,814	4,149,801	2,829,721	2,534,046	5,576	5,720
6	481 General Service 1	67,426,770	56,245,969	47,353,599	48,996,404	10,774	11,316
7	481 General Service 2	20,810,636	17,829,213	15,328,259	16,509,082	670	740
8	481 General Service 3	10,573,485	10,152,885	8,063,712	9,763,522	103	127
9	481 General Service 4	3,989,247	1,867,055	2,905,956	1,857,157	10	7
10	481 General Service 5	1,689,499	1,191,741	1,428,245	1,310,473	4	5
11	481 Natural Gas Vehicle Sales	66,577	68,703	49,209	67,632	8	8
12	481 Mutually Beneficial	38,348,529	24,966,348	41,926,770	38,051,240	6	3
13	481 Off System Sales	138,308,435	71,376,872	144,665,900	140,148,240	13	14
14	Interruptible Sales Service						
15	481 Small Interruptible Service	596,645	34,294	478,721	44,733	0	0
16	481 Interruptible Lg. Vol-1	852,664	263,319	804,534	366,565	0	0
17	481 Interruptible Lg. Vol-2	(532,029)	(489,690)	793,910	434,076	0	0
18	Firm Transportation Service						
19	489 Condominium	356,834	0	916,599	0	98	0
20	489 Commercial Street Lighting	93,857	129,028	671,037	921,880	34	51
21	489 Natural Gas Vehicles	79,578	90,510	428,111	499,847	11	11
22	489 Small General Service	215,921	179,043	417,172	351,668	376	314
23	489 General Service 1	17,996,297	16,378,454	61,648,755	56,156,268	7,918	7,407
24	489 General Service 2	15,434,980	14,532,380	61,416,278	57,891,637	2,323	2,215
25	489 General Service 3	14,188,714	13,396,820	67,038,475	63,194,581	656	636
26	489 General Service 4	8,449,193	8,695,167	45,090,264	46,454,964	130	127
27	489 General Service 5	6,681,770	6,365,300	64,509,959	60,871,441	91	88
28	Interruptible Transportation Serv.						
29	489 Small Interruptible Trans. Service	3,574,067	3,521,307	48,737,827	46,717,644	29	31
30	489 Interruptible Transp. LG-1	8,869,073	9,339,146	195,267,217	210,711,102	15	18
31	489 Interruptible Transp. LG-2	11,230,675	8,615,741	253,647,034	254,619,716	5	7
32	482 Other Sales to Public Authorities	0	0	0	0	0	0
33	484 Flex Rate - Refund	0	0	0	0	0	0
34	TOTAL Sales to Ultimate Consumers	513,412,956	384,133,249	1,136,476,429	1,124,534,302	318,378	307,365
35	483 Sales for Resale	565,848	280,373	864,118	500,409	7	6
36	Off-System Sales	0	0	0	0	0	0
37	TOTAL Nat. Gas Service Revenues	513,978,804	384,413,622				
38	TOTAL Gas Service Revenues	513,978,804	384,413,622				
39	Other Operating Revenues						Notes
40	485 Intracompany Transfers	0	0				
41	487 Forfeited Discounts	852,136	803,222				
42	488 Misc. Service Revenues	6,829,360	6,326,469				
43	488 Gross Recpts Tax/Franch Fee Coll	16,628,281	14,237,729				
44	488 Individual Transportation Charge	612,500	612,998				
45	489 Rev. from Trans. of Gas of Others	0	0				
46	not included in above rate schedules)	0	0				
47	493 Rent from Gas Property	549,167	559,114				
48	494 Interdepartmental Rents	0	0				
49	495 Other Gas Revenues						
50	Initial Connection	0	0				
51	Reconnect for Cause	0	0				
52	Collection in lieu of disconnect	0	0				
53	Returned Check	0	0				
54	Other Gas Revenues	6,929,986	7,292,513				
55	495.5 Overrecoveries Purchased Gas	(3,081,739)	(2,926,297)				
56	TOTAL Other Operating Revenues	35,483,169	32,758,342				
57	TOTAL Gas Operating Revenues	548,896,126	416,891,591				
58	(Less) 495.10 Provision / Rate Refunds	0	0				
59	TOTAL Gas Operating Revenues Net of Provision for Refunds	548,896,126	416,891,591				
60	Sales for Resale	565,848	280,373	0	0		
61	Other Sales to Public Authority	0	0	0	0		
62	Interdepartmental Sales	0	0	0	0		
63	TOTAL	549,461,974	417,171,964	1,137,340,547	1,125,034,711		

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2005	
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)	0	0
3	B. TOTAL Natural Gas Prod. and Gathering (Total of Accts. 750 - 769)	0	0
4	C. TOTAL Products Extraction (Total of Accounts 770 through 791)	0	0
5	D. TOTAL Exploration and Development (Total of Accts. 795 through 798)	0	0
6	E. Other Gas Supply Expenses		
7	Operation		
8	800 Natural Gas Well Head Purchases	0	0
9	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0
10	801 Natural Gas Field Line Purchases	289,470,950	184,878,966
11	802 Natural Gas Gasoline Plant Outlet Purchases	0	0
12	803 Natural Gas Transmission Line Purchases	0	0
13	804 Natural Gas City Gate Purchases	58,872,895	46,714,915
14	804.1 Liquefied Natural Gas Purchases	0	0
15	805 Other Gas Purchases	0	0
16	805.1 Purchased Gas Cost Adjustments - Debit/(Credit)	1,891,237	(4,997,758)
17	TOTAL Purchased Gas (Total of Lines 8 to 16)	350,235,082	226,596,123
18	806 Exchange Gas	0	0
19	Purchased Gas Expenses		
20	807.1 Well Expenses--Purchased Gas	0	0
21	807.2 Operation of Purchased Gas Measuring Stations	0	0
22	807.3 Maintenance of Purchased Gas Measuring Stations	0	0
23	807.4 Purchased Gas Calculations Expenses	0	0
24	807.5 Other Purchased Gas Expenses	0	0
25	TOTAL Purchased Gas Expenses (Total of lines 20 through 24)	0	0
26	808.1 Gas Withdrawn from Storage--Debit	524,448	251,016
27	(Less) 808.2 Gas Delivered to Storage--Credit	(346,479)	(502,051)
28	809.1 Withdrawals of Liquefied Natural Gas for Processing--Debit	0	0
29	(Less) 809.2 Deliveries of Natural Gas for Processing--Credit	0	0
30	Gas Used in Utility Operations--Credit		
31	810 Gas Used for Compressor Station Fuel--Credit	0	0
32	811 Gas Used for Products Extraction--Credit	0	0
33	812 Gas Used for Other Utility Operations--Credit	(174,352)	(131,263)
34	TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33)	(174,352)	(131,263)
35	813 Other Gas Supply Expenses	0	0
36	TOTAL Other Gas Supply Exp. (Total of Lines 17,18,25,26 through 29,34,35)	350,238,699	226,213,825
37	TOTAL Production Expenses (Total of Lines 2,3,4,5 and 36)	350,238,699	226,213,825
38	2. Natural Gas Storage, Terminating and Processing Expenses		
39	A. TOTAL Underground Storage Expenses (Total of Accounts 814 through 837)	0	0
40	B. TOTAL Other Storage Expenses (Total of Accounts 840 through 843.9)	0	0
41	C. TOTAL Liquefied Nat Gas Terminating & Processing Expenses (Total of Accounts 844.1 through 847.8)	0	0
42	TOTAL Natural Gas Storage (Total of lines 39, 40, and 41)	0	0
43	3. Transmission Expenses		
44	TOTAL Transmission Expenses (Total of Accounts 850 through 867)	0	0
45			
46			

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2005	
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	247,116	286,552
50	871 Distribution Load Dispatching	28,740	53,101
51	872 Compressor Station Labor and Expenses	6,660	7,131
52	873 Compressor Station Fuel and Power	34	0
53	874 Mains and Services Expenses	6,139,035	5,575,823
54	875 Measuring and Regulating Station Expenses--General	142,240	124,491
55	876 Measuring and Regulating Station Expenses--Industrial	56,231	87,314
56	877 Measuring and Regulating Station Expenses--City Gate Check Station	55,661	43,543
57	878 Meter and House Regulator Expenses	2,569,571	2,332,211
58	879 Customer Installations Expenses	2,016,821	1,808,074
59	880 Other Expenses	1,482,809	1,572,965
60	881 Rents	108,508	120,357
61	TOTAL Operation (Total of lines 49 through 60)	12,853,426	12,011,562
62	Maintenance		
63	885 Maintenance Supervision and Engineering	0	1,483
64	886 Maintenance of Structures and Improvements	205,136	164,703
65	887 Maintenance of Mains	1,212,822	1,104,155
66	888 Maintenance of Compressor Station Equipment	0	0
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	233,415	222,647
68	890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial	457,246	220,296
69	891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Station	432,622	469,043
70	892 Maintenance of Services	503,310	433,182
71	893 Maintenance of Meters and House Regulators	361,421	364,676
72	894 Maintenance of Other Equipment	79,413	111,745
73	TOTAL Maintenance (Total of Lines 63 through 72)	3,485,385	3,091,930
74	TOTAL Distribution Expenses (Total of Lines 61 and 73)	16,338,811	15,103,492
75	5. Customer Accounts Expenses		
76	Operation		
77	901 Supervision	0	0
78	902 Meter Reading Expenses	1,969,114	1,876,328
79	903 Customer Records and Collection Expenses	4,883,263	4,884,156
80	904 Uncollectible Accounts	2,057,866	1,457,746
81	905 Miscellaneous Customer Accounts Expenses	0	0
82	TOTAL Customer Accounts Expenses (Total of Lines 77 through 81)	8,910,243	8,218,230
83	6. Customer Service and Informational Expenses		
84	Operation		
85	907 Supervision	0	0
86	908 Customer Assistance Expenses	8,458,262	10,102,922
87	909 Informational and Instructional Expenses	938,840	1,053,774
88	910 Miscellaneous Customer Service and Informational Expenses	0	0
89	TOTAL Customer Service and Informational Expenses (Total of Lines 85 through 88)	9,397,102	11,156,696
90	7. Sales Expenses		
91	Operation		
92	911 Supervision	0	0
93	912 Demonstrating and Selling Expenses	5,768,578	6,689,129
94	913 Advertising Expenses	25,816	47,631
95	916 Miscellaneous Sales Expenses	163,420	172,720
96	TOTAL Sales Expenses (Total of lines 92 through 95)	5,957,814	6,909,480
97			

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2005	
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	7,566,074	7,265,776
101	921 Office Supplies and Expenses	15,572,711	14,261,907
102	(Less) (922) Administrative Expenses Transferred--Credit	(3,700,512)	(3,322,731)
103	923 Outside Services Employed	606,397	580,404
104	924 Property Insurance	32,965	11,814
105	925 Injuries and Damages	3,929,796	3,891,081
106	926 Employee Pensions and Benefits	6,696,742	5,999,391
107	927 Franchise Requirements	0	0
108	928 Regulatory Commission Expenses	87,500	76,728
109	(Less) (929) Duplicate Charges--Credit	0	0
110	930.1 General Advertising Expenses	0	0
111	930.2 Miscellaneous General Expenses	1,021,578	904,803
112	931 Rents	540,690	506,428
113	TOTAL Operation (Total of lines 100 through 112)	32,353,941	30,175,601
114	Maintenance		
115	935 Maintenance of General Plant	237,936	217,409
116	TOTAL Administrative and General Expense (Total of lines 113 and 115)	32,591,877	30,393,010
117			
118	TOTAL Gas O&M Expenses (Lines 37, 42, 44, 74, 82, 89, 96, and 116)	423,434,546	297,994,733
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) 12/31/2005
3	2. Total Regular Full-Time Employees 559
4	3. Total Part-Time and Temporary Employees 7
5	4. Total Employees 566
6	
7	
8	
9	
10	
11	
12	
13	

Name of Respondent For the Year Ended
 Peoples Gas System Dec. 31, 2005

GAS PURCHASES (Accounts 800, 800.1, 801, 802, 803, 804, 804.1, 805, 805.1, 808.01, 808.2)

- | | |
|---|---|
| <p>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- Purchased Gas Cost Adjustments
 808.1-Gas Withdrawn from Storage-Debit
 808.2-Gas Delivered to Storage-Credit</p> | <p>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.)</p> |
|---|---|

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	338,014,229	\$289,470,950	85.64
2	808.1 - Gas Withdrawn from Storage-Debit	837,400	\$524,448	62.63
3	808.2 - Gas Delivered to Storage-Credit	(413,750)	(\$346,479)	83.74
4	804.1 - Gas Accounting and Gas Control Expenses		\$1,234,005	
5	804.2 - Natural Gas City Gate Purchases-Commodity	2,981,219	\$625,901	20.99
6	804.3 - Natural Gas City Gate Purchases-Other		\$2,322,111	
7	804.4 - Legal Costs		\$11,644	
8	804.5 - Natural Gas City Gate		\$54,461,905	
9	804.6 - Natural Gas City Gate-Penalty Transportation System		\$217,329	
10	805.1 - Purchased Gas Cost Adjustments		\$1,891,237	
11	TOTAL (Total of lines 1 through 10)	341,419,098	\$350,413,051	102.63

Notes to Gas Purchases

GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 812)

- | | |
|---|---|
| <p>1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.
 2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.
 3. If the reported Therms for any use is an estimated quantity, state such fact in a footnote.</p> | <p>4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Therms of gas used, omitting entries in columns (d) and (e).
 5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 degrees F.</p> |
|---|---|

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	880-01	133,114	160,561
4	Transportation Clearing Account (CNG)	184-01	10,034	11,600
5	Utilities clearing Account	184-90	11,898	14,286
6	Sales Tax Account	241-50	N/A	(12,095)
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18	TOTAL		155,046	174,352

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2005

REGULATORY COMMISSION EXPENSES (Account 928)

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. Show in column (h) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
3. The totals of columns (c), (f), (h), and (i) must agree with the totals shown at the bottom of page 19 for Account 186
4. List in Column (d) and (e) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

Line No.	Description (Name of regulatory commission, the 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)	
1	Florida Public Service Commission							
2	Docket 020384-GU - Rate case	394,389	175,000				928	87,500
3	Four year amortization							
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17	TOTAL	394,389	175,000		-	-	87,500	87,500

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	316,913
2	Experimental and General Research Expenses: (a) Gas Research Institute (GRI) (b) Other	500,000
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		
6	Employee Moving Expenses	56,754
7	Other Dues	435
8	Economic Development	144,687
9	Miscellaneous	2,789
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	TOTAL	\$ 1,021,578

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	TOTAL Operation and Maintenance - Electric			
3	Gas			
4	Operation			
5	Production - Manufd. Gas & Nat. Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing			
6	Transmission			
7	Distribution	8,015,533		
8	Customer Accounts	3,091,610		
9	Customer Service and Informational	274,279		
10	Sales	4,160		
11	Administrative and General	8,316,036		
12	TOTAL Operation (Total of lines 5 through 11)	19,701,618		
13	Maintenance			
14	Production - Manufd. Gas & Nat. Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing			
15	Transmission			
16	Distribution	1,837,410		
17	Administrative and General	2,761,518		
18	TOTAL Maintenance (Total of lines 14 through 17)	4,598,929		
19	Total Operation and Maintenance			
20	Production - Manufd. Gas & Nat. Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing			
21	Transmission (Enter Total of lines 6 and 15)			
22	Distribution (Total of lines 7 and 16)	9,852,943		
23	Customer Accounts (Transcribe from line 8)	3,091,610		
24	Customer Service and Informational (Transcribe from line 9)	274,279		
25	Sales (Transcribe from line 10)	4,160		
26	Administrative and General (Total of lines 11 and 17)	11,077,554		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	24,300,547	40,861	24,341,407
28	Other Utility Departments			
29	Operation and Maintenance			
30	TOTAL All Utility Dept. (Total of lines 2, 27, and 29)	24,300,547	40,861	24,341,407
31	Utility Plant			
32	Construction (By Utility Departments)			
33	Electric Plant			
34	Gas Plant	3,703,081	111,070	3,814,151
35	Other			
36	TOTAL Construction (Total of lines 33 through 35)	3,703,081	111,070	3,814,151
37	Plant Removal (By Utility Department)			
38	Electric Plant			
39	Gas Plant	845,853	4,354	850,206
40	Other			
41	TOTAL Plant Removal (Total of lines 38 through 40)	845,853	4,354	850,206
42				
43	Other Accounts (Specify):			
44				
45	Accts Receivable - Associated Companies	97,837		97,837
46	Clearing	-		
47	Other Work in Progress	194,877	13	194,890
48	Merchandise/Jobbing	60,533	344	60,878
49	Miscellaneous	-		
50				
51				
52				
53	TOTAL Other Accounts	353,247	358	353,604
54	TOTAL SALARIES AND WAGES	29,202,727	156,642	29,359,369

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2005
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	The following were charged to O&M or deferred debit accounts:	
2	Akerman Senterfitt & Edison	186/923/925-legal services 243,083
3	Berryman & Henigar Inc	186-environmental 35,000
4	Blasland, Bouck & Lee Inc	186-legal services 373,248
5	Bracewell & Giuliani LLP	804-legal services 32,115
6	Brand & Co	various-engineering services 53,919
7	Holland & Knight, LLP	186-legal services 105,630
8	Host Communication	909-advertising services 132,235
9	John J Crowley	921-consulting/accounting services 38,444
10	Lau, Lane, Pieper, Conley & McCreddie PA	925-legal services 183,957
11	Macfarlane Ferguson & McMullen	186/908/925-legal services 219,980
12	Marketing Talent	909-advertising services 523,210
13	Matrikon International Inc	891-software/consultants 32,427
14	SSA Global	921-software/consulting 316,897
15	Sunera LLC	921-consulting/accounting services 51,938
16	Sungard Energy Systems	804-software/consulting 66,183
17	Sykes Enterprises	874-engineering services 54,116
18	Tampa Electric*	various 6,916,218
19	Taylor White	921-consulting/accounting services 89,406
20	Teco Energy*	various 3,196,789
21	Teco Partners*	912-selling expense 5,716,924
22	Thompson Hine	804-legal services 144,320
23	Thompson, Sizemore & Gonzalez PA	921/925-legal services 26,504
24	Vernis & Bowling of Broward PA	925-legal services 45,652
25		
26		
27		
28		
29	continued on next page	
30		

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	Account 426-01 - Donations
3	Account 426-04 - Political Related Activities
4	Account 426-05 - Other Deductions
5	
6	
7	Account 431 - Other Interest Charges
8	Customer Deposits
9	ECCR
10	Syndicated Line of Credit
11	AR Facility
12	Fed Funds
13	Miscellaneous
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2005
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	The following were charged to capital accounts:	
2	Ash Engineering, Inc	102,183
3	Duval Engineering	55,162
4	GIS Utility Systems, Inc	53,500
5	Information Intellect	65,040
6	LMB Service Corp	90,247
7	Tampa Electric*	488,709
8	Teco Partners*	500,000
9	United Tribal	219,619
10	Utility Automated	53,491
11	Ybor Engineering LLC	48,339
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		

**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)	426,241,997		426,241,997	426,241,997	-
2	Sales for Resale (483)	565,848		565,848	565,848	-
3	Total Natural Gas Service Revenues					
		426,807,845		426,807,845	426,807,845	-
4	Total Other Operating Revenues (485-495)	122,654,129		122,654,129	122,654,129	-
5	Total Gas Operating Revenues	549,461,974		549,461,974	549,461,974	-
6	Provision for Rate Refunds (496)	-				
7	Other (Specify)					
8	Wholesale & Off System sales for resale				(174,343,270)	174,343,270
9	Unbilled Revenue Adjustment				(4,547,398)	4,547,398
10	True Up of Energy Conservation				1,715,251	(1,715,251)
11						
12	Total Gross Operating Revenues	549,461,974		549,461,974	372,286,556	177,175,418

Notes:

Difference due to RAF return adjustments for exempt revenue.

Name of Respondent For the Year Ended

Peoples Gas System Dec. 31, 2005

CORPORATE STRUCTURE

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

Effective Date: Dec. 31, 2005

TECO Energy, Inc.
Tampa Electric Company
Power Engineering & Construction
TEC Receivables Corp.
TECO Investments, Inc.
TECO Finance, Inc.
TECO Oil & Gas, Inc.
TECO Diversified, Inc.
TECO Coal Corporation
Bear Branch Coal Company
Raven Rock Development
Clintwood Elkhorn Mining Company
Gatliff Coal Company
Pike-Letcher Land Company
Premier Elkhorn Coal Company
Rich Mountain Coal Company
Perry County Coal Company
Ray Coal Company
Whitaker Coal Company
TECO Synfuel Operations, LLC
TECO Synfuel Holdings, LLC
Pike Letchr Synfuel, LLC
TECO Coalbed Methane Florida, Inc.
TECO Properties Corporation
Walden Woods Business Center, Ltd.
TECO Solutions, Inc.
TECO Thermal Systems, Inc.
TECO Gas Services, Inc.
TECO Partners, Inc.
TECO Fiber, Inc.
Litestream Technologies, LLC
TECO Propane Ventures, LLC
Prior Energy Corporation
Prior Intrastate Corporation
TECO Transport Corporation
TECO Bulk Terminal, LLC
TECO Barge Line, Inc.
TECO Marine Services, LLC
TECO Ocean Shipping, Inc.
TECO Ocean Shipping, LLC
TOS-II, LLC
Ocean Dry Bulk, LLC

Name of Respondent

For the Year Ended

Peoples Gas System

Dec. 31, 2005

CORPORATE STRUCTURE

TECO Towing Company
TT-II, LLC

Peoples Gas System (Florida), Inc.

Peoples Sales & Service Company

TECO Funding Company I, LLC

TECO Funding Company II, LLC

TECO Funding Company III, LLC

TECO Energy Foundation, Inc.

TECO Wholesale Generation, Inc.

TECO Guatemala, Inc.

Pasco Power GP, Inc.

Pasco Project Investment Partnership, Ltd.

Pasco Cogen, Ltd.

Pasco Cogen Realty, L.P.

H Power I, Inc.

H Power II, Inc.

TPS Guatemala One, Inc.

Tampa Centro Americana de Electricidad, Limitada

TECO Guatemala Holdings, LLC

TECO Guatemala Services, Ltd

TPS San Jose International, Inc.

Tecnologia Maritima, S.A.

TPS San Jose, LDC

TPS Palmera, LDC

Palm Import and Export Corporation

Triangle Finance Company, LLC

San Jose Power Holding Company, Ltd.

Central Generadora Electrica San Jose, Limitada

Tasajero I, LDC

TPS Operaciones de Guatemala, Ltda.

TPS International Power, Inc.

TPS De Ultramar, Ltd.

TPS De Ultramar Guatemala, S.A.

Distribucion Electrica CentroAmericana II, S.A.

Empresa Electrica de Guatemala, S.A.

Navega.com, S.A.

Navega.com, S.A. Sucursal El Salvador

MetroRed, S.A. de C.V.

Totalcom, S.A.

Almacenaje y Manejo de Materials Electricos, S.A.

Inversiones Electricas Centroamericanas, S.A.

Carieegsa, S.A.

Comercializadora Electrica de Guatemala S.A.

Energica, S.A.

Transportista Electrica CentroAmericana, S.A.

TPS Escuintla I, LDC

TPS Pavana, Ltd.

TWG Merchant, Inc.

TPS Dell, LLC

Name of Respondent

For the Year Ended

Peoples Gas System

Dec. 31, 2005

CORPORATE STRUCTURE

TM Power Ventures, LLC
 TM Czech Power, LLC
 TM ECK, LLC
 TM Delmarva Power LLC
TECO EnergySource, Inc.
McAdams Holding, LLC
 TPS McAdams Operations Company
 TPS McAdams, LLC
TPS Tejas GP, LLC
TPS GP, Inc.
TPS LP, Inc.
 TPGC, LP
TIE NEWCO Holdings, LLC
TPGC II, LP

Name of Respondent For the Year Ended
 Peoples Gas System Dec. 31, 2005

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 Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
Prior Energy	Accounting Services		s		2,706
Teco Partners	Rent		s		483,360
	G&A Allocation		s		324,000
	Marketing Services - O&M		p		5,716,924
	Marketing Services - Capital		p		500,000
	Various Goods & Services - O&M/Rev		s		1,415
	Payroll		s		15,861
	Plant Transactions & Adj		p		71,632
Tampa Electric	Off System Sales		s		26,484,125
	Mutually Beneficial Sales		s		179,250
	Various Goods & Services - O&M		p		6,916,218
	Various Goods & Services - Capital		p		488,709
	Company Aircraft Allocation		s		44,772
	Net Imbalance Trade Bookouts		s		547,919
	Net Imbalance Trade Bookouts & Overages		p		583,510
	Various Goods & Services		s		25,416
	Payroll		s		55,212
	Gas Purchases		p		13,168,010
Teco Guatemala	Company Aircraft Allocation		s		26,280
Teco Energy	Payroll		s		100,482
	Company Aircraft Allocation		s		133,380
	Various Goods & Services		p		3,196,789
Teco Gas Services	Payroll		s		24,952
Teco Solutions	Company Aircraft Allocation		s		3,120
Teco Transport	Company Aircraft Allocation		s		35,760

Name of Respondent Peoples Gas System	For the Year Ended Dec. 31, 2005
--	-------------------------------------

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	<p>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:</p> <ul style="list-style-type: none"> - Energy Services - Energy Conservation Program Services - Developer Services - Service and Program Development - Promotional Services <p>Payment to Partners under the agreement is targeted at \$6,240,000 annually. The agreement was entered into effective January 1, 2005 for a period of one year.</p> <p>One year agreements were entered into between Peoples and TECO Partners, whereby TECO Partners lease space in various Peoples buildings in Florida.</p>
Tampa Electric Company	<p>An agreement was entered into between Peoples and Tampa Electric Company in January 2002 for a period of three years with automatic renewal, if dual consent, for Tampa Electric to provide gas meter reading, and related field services to Peoples. Peoples contracts with Tampa Electric to provide monthly gas meter readings at a price of .545 cents per reading in Tampa, and .78 cents in Lakeland. The applied per read rate follows a schedule of mutually agreed to volumes that may be adjusted twice annually to reflect changes in the service area.</p>

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	Monthly Rent Charged to Teco Partners	483,360
	Monthly G&A Charged to Teco Partners	324,000
	Monthly Marketing Services (Costs) - O&M	5,716,924
	Monthly Marketing Services (Costs) - Capital	500,000
Tampa Electric	Off System Sales	26,484,125
	Mutually Beneficial Sales	179,250
	Monthly Various Products & Services (Costs) - O&M	6,916,218
	Monthly Various Products & Services (Costs) - Capital	488,709
	Gas Purchases	13,168,010
	Net Imbalance Trade Bookouts & Overages (Net Costs)	35,591
Teco Energy	Monthly Various Products & Services (Costs) - O&M	3,196,789
	Monthly Various Products & Services (Revenue)	

Name of Respondent Peoples Gas System		For the Year Ended Dec. 31, 2005					
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: TECO Partners	Vehicles	\$ 172,991.00	\$ 71,043.00	\$ 101,948.00	\$ 71,632.00	\$ 71,632.00	Y
Total		172,991.00	71,043.00	101,948.00	71,632.00	71,632.00	
Sales to Affiliates:		\$	\$	\$	\$	Sales Price	
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
TECO Partners	Peoples Gas System	Director, Growth&Development	Director, Technical Services	Permanent
TECO Partners	Peoples Gas System	Contract Analyst	Contract Analyst	Permanent
TECO Partners	Peoples Gas System	Mgr,Energy Mgmt & Energy Svc	Manager, Technical Services	Permanent
TECO Partners	Peoples Gas System	Manager, Industrial Accts	Mgr, Industrial & Wholesale	Permanent
TECO Partners	Peoples Gas System	Manager, Technical Developmt	Mgr, Technical Development	Permanent