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August 21, 2024

VIA: ELECTRONIC FILING

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

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

Dear Mr. Teitzman:

Attached for filing in the above-styled matter is the Peoples Gas System, Inc.'s Application for Authority to Issue and Sell Securities for the year ending December 31, 2025.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'V. Ponder'.

Virginia Ponder

VLP/ne
Attachment

5. The balance sheet submitted with this Application shows the following information for each class and series of capital stock and funded debt as of December 31, 2023. PGS issued its inaugural debt in December 2023 and used part of the proceeds to repay the intercompany loan from Tampa Electric Company.

(a) Brief description	(b) Amount authorized (face value and number of shares)	(c) Amount outstanding (exclusive of any amount held in the treasury)	(d) Amount held as reacquired securities	(e) Pledged by applicant	(f) Amount owned by affiliated corporations	(g) Amount held in any fund
Common Stock	100 shares, \$1.00 par value	None	None	None	None	None
Funded Debt:						
Unsecured Notes:						
5.42% Series, due 2028	350,000,000	350,000,000	None	None	None	None
5.63% Series, due 2033	350,000,000	350,000,000	None	None	None	None
5.94% Series, due 2053	225,000,000	225,000,000	None	None	None	None
Total Funded Debt	\$925,000,000	\$925,000,000				

6. Statement of Proposed Transactions

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

The equity securities may take the form of common stock, or options or rights with respect to the foregoing with such par values, terms and conditions, and conversion rights

as may be permitted by PGS's Articles of Incorporation, as the same may be amended to permit the issuance of any such securities. The long-term debt securities may take the form of first mortgage bonds, debentures, notes, bank borrowings, convertible securities, or options, rights, interest rate swaps, or other derivative instruments with respect to the foregoing, with maturities ranging from one year to one hundred years and may be issued in both domestic and international markets. The issuance and/or sale of equity securities and long-term debt requested may be through negotiated underwritten public offering, public offering at competitive bidding, direct public or private sale or placement, sale through agents, or distribution to security holders of PGS, or affiliated companies. The short-term debt may take the form of short-term tax-exempt notes, borrowings under bank credit facilities, or other bank borrowings.

- (b) The amount of all equity and long-term debt securities issued, sold, exchanged, or assumed and liabilities and obligations assumed or guaranteed as guarantor, endorser, or surety will not exceed in the aggregate **\$300 million** during the period covered by this Application, including any amounts issued to retire existing long-term debt securities. The maximum amount of short-term debt, as described above, outstanding at any one time will be **\$500 million**.
- (c) With respect to equity and long-term debt securities and liabilities and obligations to be assumed or guaranteed as grantor, endorser, or surety; the amount of **\$300 million** is needed based on the projected long-term debt levels and for other purposes including, but not limited to, the refinancing of outstanding short-term borrowings, the potential long-term emergency funding, the potential for unforeseen business and capital expenditures, and for other general corporate purposes. With respect to short-term debt, the amount of

up to **\$500 million** at any time outstanding is needed to enable PGS to fully draw existing short-term credit facilities including what may be needed to avail the company of short-term emergency funding, the potential for unforeseen business and capital expenditures, and for other general corporate purposes.

- (d) The interest rate that PGS could pay on debt securities will vary depending on the type and terms of debt instrument, including the term of the debt along with market conditions at the time of the debt offering. The estimated interest rates for the debt securities are **5.20% for long-term debt** and **4.63% for short-term debt**. Actual dividend rates for the equity securities and interest rates will be determined at the time of the issuance and/or sale of the applicable securities.

7. Purpose of Issuance

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

(a) Construction

Although the 2025 business plan is still preliminary, PGS currently estimates that construction expenditures during the 12 months ending December 31, 2025, will be \$355 million for maintenance and expansion. There are no capital requirements for major generating plants and transmission lines requiring certification of need.

(b) Reimbursement of the Treasury

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

(c) Refunding Obligations

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

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

8. PGS submits that the proposed issuance and sale of securities is for lawful objectives within the corporate purposes of PGS, is necessary for the proper performance of PGS as a public utility, is compatible with the public interest, and is reasonable, necessary, and appropriate. In support thereof, PGS states that the proposed issuance and sale of securities and the proposed application of funds derived therefrom, as described in paragraphs 6 and 7 above, are consistent with similar actions PGS in the past has found to be lawful, reasonable, necessary, and appropriate for the conduct of its business. PGS

further states that this application for authority to issue and sell securities is consistent in its objectives with those of applications PGS has filed, and this Commission has found to be lawful, reasonable, necessary, and appropriate, on numerous occasions in the past.

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

On April 14, 1981, the shareholders of Tampa Electric Company (“Tampa Electric”) approved a restructuring plan under which Tampa Electric and its subsidiaries became separate wholly owned subsidiaries of the holding company TECO Energy, Inc. In 1997, TECO Energy, Inc. purchased Peoples Gas System and that corporation was merged into the TECO Energy family as an operating division of Tampa Electric. On July 1, 2016, TECO Energy, Inc. became a wholly owned subsidiary of Emera US Holdings Inc., a wholly owned subsidiary of Emera Inc. On May 24, 2021, the new corporate entity, Peoples Gas System, Inc., was formed and on January 1, 2023, became a wholly owned

subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., which at that time was a subsidiary of TECO Energy, Inc. On April 1, 2024, TECO Energy, Inc. transferred the stock of TECO Gas Operations, Inc. to TECO Holdings, Inc., which is a wholly owned subsidiary of Emera US Holdings Inc.

12. Required Exhibits.

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

- (a) Exhibit A: Items 1 through 5 are being satisfied through the 2023 Annual Report of Natural Gas Utilities.
- (b) Exhibit B: Projected Financial Information (Sources and Uses of Funds Statements and Construction Budgets).

WHEREFORE, Peoples Gas System, Inc. respectfully requests that the Commission enter its Order approving its application for authority to issue and sell securities during the 12-month period ending December 31, 2025, in the amounts specified in paragraph 6 and 7, above.

DATED this 21 day of August 2024.

Respectively submitted,



Jonathan DeVries
Vice President, Finance
Peoples Gas System, Inc.



J. Jeffry Wahlen
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ATTORNEYS FOR
PEOPLES GAS SYSTEM, INC.

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

INDEX TO EXHIBITS

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Exhibit A

**ANNUAL REPORT OF
NATURAL GAS UTILITIES**

PEOPLES GAS SYSTEM

(EXACT NAME OF RESPONDENT)

702 N. Franklin Street

Tampa, Florida 33602

(ADDRESS OF RESPONDENT)

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2023

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

Name Rosemary Barbour

Title Controller

Address P.O Box 2562

City Tampa

State FL 33601-2562

Telephone No. (813) 228-4191

PSC/AFD 020-G (12/03)



Ernst & Young LLP
One Tampa City Center
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Report of Independent Auditors

To the Board of Directors of Peoples Gas System

Opinion

We have audited the financial statements of Peoples Gas System (the Company), which comprise the comparative balance sheets as of December 31, 2023 and 2022, and the related statements of income and retained earnings for the years then ended and the related notes to the financial statements, included on pages 6 to 11 in the accompanying Annual Report of Natural Gas Utilities (collectively referred to as the “financial statements”) filed with the Florida Public Service Commission as required by Rule 25-7.135(2).

In our opinion, the accompanying financial statements present fairly, in all material respects, the regulatory basis financial position of the Company as of December 31, 2023 and 2022, and the results of its regulatory basis operations for the years then ended on the basis of the financial reporting provisions of the Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts and published accounting releases described in the opening paragraphs preceding the notes.

Basis for Opinion

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

Regulatory Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Restriction on Use

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

Ernst & Young LLP

April 24, 2024

ANNUAL REPORT OF NATURAL GAS UTILITIES

IDENTIFICATION

01 Exact Legal Name of Respondent Peoples Gas System, Inc	02 Year of Report 2023
03 Previous Name and Date of Change (if name changed during year) Peoples Gas System, a Division of Tampa Electric Company as of January 1, 2023	
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 702 N. Franklin Street Tampa, Florida 33602	
05 Name of Contact Person Rosemary Barbour	06 Title of Contact Person Controller
07 Address of Contact Person (Street, City, State, Zip Code) P.O Box 2562 Tampa, Florida 33601-2562	
08 Telephone of Contact Person, Including Area Code (813) 228 - 4191	09 Date of Report (Mo., Day, Yr) Dec. 31, 2023

ATTESTATION

I certify that I am the responsible accounting officer of

Peoples Gas System, Inc;

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, 2023 to December 31, 2023, 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

4/24/24
 Date

Rosemary Barbour
 Name

Controller
 Title

**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.

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2023	
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Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2023
CONTROL OVER RESPONDENT	
<p>1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s).</p> <p>2. If the above required information is available from the SEC 10K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed provided the fiscal years for both the 10-K report and this report are compatible.</p>	
<p>Peoples Gas System (PGS) was a wholly owned subsidiary of Tampa Electric Company (TEC). Tampa Electric Company is a wholly owned subsidiary of TECO Energy. On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called Peoples Gas System, Inc. See "Separation of PGS from TEC" on page 11-E of the financial statement notes for information regarding the separation that occurred which resulted in PGS being a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., a wholly owned subsidiary of TECO Energy.</p>	

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

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2023
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 & CEO, PGS	H. Wesley	\$ 351,982
VP Engineering, Construction & Technology, PGS	C. Richard	\$ 273,000
VP Strategy, Marketing & Comm.	J. Wehle	\$ 208,000
VP Ops, Sustainability & External Affairs, PGS	T. O'Connor	\$ 278,780
VP, Human Resources, PGS	D. Bluestone	\$ 257,500
VP Customer Experience	K. Sparkman	\$ 76,792
Head of Financial Performance, PGS	R. Parsons	\$ 232,780
VP Business Development, PGS	L. Rutkin	\$ 233,200
VP Pipeline Safety & Regulatory Affairs, PGS	L. Buzard	\$ 242,450
VP Res and Comm Business	S. Connell	\$ 122,628
Salaries for the year represent the Peoples Gas System share of individual salaries.		

DIRECTORS			
1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.		2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.	
Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
S.C. Balfour (Chair of the Board) C. Sprowls D.P. Muldoon H. Wesley (PGS Pres./CEO) J.L. Bradley P. Iorio P. Geraghty R. Tedesco R. Thakkar R. Law	702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa	6 meetings	Total: \$122,666

Name of Respondent	For the Year Ended			
Peoples Gas System	Dec. 31, 2023			
SECURITY HOLDERS AND VOTING POWERS				
<p>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.</p> <p>2. If any security other than stock carries voting rights, explain in a supplemental statement of circumstances whereby such security became</p>	<p>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.</p> <p>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.</p> <p>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.</p>			
VOTING SECURITIES				
Name (Title) and Address of Security Holder (a)	Number of votes as of (date):			
	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
TOTAL votes of all voting securities				
TOTAL number of security holders				
TOTAL votes of security holders listed below				
<p>Prior to January 1, 2023, Peoples Gas System, as a division of Tampa Electric Company ("TEC"), had no outstanding shares of Tampa Electric Company common stock. All outstanding shares of Tampa Electric Company common stock were held by its parent, TECO Energy, Inc. On July 1, 2016, TECO Energy and Emera completed the Merger contemplated by the Merger Agreement entered into on September 4, 2015. Therefore, TEC continues to be a wholly owned subsidiary of Emera as of July 1, 2016. Pursuant to the Merger Agreement, upon the closing of the Merger, each issued and outstanding share of TECO Energy common stock was cancelled and converted automatically in the right to receive \$27.55 in cash, without interest. As described on page 3 of this report, effective January 1, 2023, PGS separated and is now a wholly owned subsidiary of TECO Gas Operations, Inc. a wholly owned subsidiary of TECO Energy (on April 1, 2024, TECO Gas Operations, Inc. became a subsidiary of TECO Holdings, Inc., which is an indirect wholly owned subsidiary of Emera). As part of the January 1, 2023 transaction, PGS issued 100 shares of common stock to TEC, which were subsequently distributed to TECO Energy, Inc., and then contributed to TECO Gas Operations, Inc..</p>				

IMPORTANT CHANGES DURING THE YEAR	
<p>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.</p> <p>1. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p>
<p>1 Please see separation of PGS from TEC on page 11-E - effective 1/1/23</p> <p>2 None</p> <p>3 None</p> <p>4 Please see the Commitments and Contingencies section of the included Notes to the Financial Statements - page 11-R.</p> <p>5 None</p>	

Name of Respondent			For the Year Ended	
Peoples Gas System			Dec. 31, 2023	
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	12	2,687,741,747	3,120,273,034
3	Construction Work in Progress (107)	12	246,108,952	142,812,968
4	TOTAL Utility Plant Total of lines 2 and 3)		2,933,850,699	3,263,086,002
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)	12	881,239,460	906,669,814
6	Net Utility Plant (Total of line 4 less 5)		2,052,611,239	2,356,416,188
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)	-		11,111,248
11	(Less) Accum. Prov. for Depr. and Amort. (122)	-		(38,889)
12	Investments in Associated Companies (123)	-		
13	Investment in Subsidiary Companies (123.1)	-	846,205	1,001,717
14	Other Investments (124)	-		
15	Special Funds (125, 126, 128)	-		
16	TOTAL Other Property and Investments (Total of lines 10 through 15)		846,205	12,074,076
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)	-	3,398,831	11,705,647
19	Special Deposits (132-134)	-	25,000	25,000
20	Working Funds (135)	-	2,950	2,950
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	-		
23	Customer Accounts Receivable (142)	-	37,678,297	34,477,675
24	Other Accounts Receivable (143)	-	1,528,487	2,176,951
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)	-	(888,665)	(1,001,587)
26	Notes Receivable from Associated Companies (145)	-	9,393,666	9,177,700
27	Accounts Receivable from Associated Companies (146)	-	3,816,943	1,804,781
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)	-	4,817,154	5,043,901
32	Merchandise (155)	-		
33	Other Material and Supplies (156)	-		
34	Stores Expenses Undistributed (163)	-		
35	Gas Stored Underground & LNG Stored (164.1-164.3)	-	413,689	-
36	Prepayments (165)	18	3,955,618	5,776,664
37	Advances for Gas (166-167)	-		
38	Interest and Dividends Receivable (171)	-		
39	Rents Receivable (172)	-		
40	Accrued Utility Revenues (173)	-	16,225,985	16,051,380
41	Miscellaneous Current and Accrued Assets (174)	-		
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		80,367,955	85,241,062
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	-	4,543,244	1,992,576
45	Extraordinary Property Losses (182.1)	18		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	18		
47	Other Regulatory Assets (182.3)	19	60,509,344	80,881,787
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	4,343,041	4,655,757
52	Deferred Losses from Disposition of Utility Plant. (187)	-		
53	Research, Development and Demonstration Expenditures (188)	-		
54	Unamortized Loss on Reacquired Debt (189)	20		
55	Accumulated Deferred Income Taxes (190)	24	62,146,609	65,861,658
56	Unrecovered Purchased Gas Costs (191)	-	2,081,893	(3,228,959)
57	TOTAL Deferred Debits (Total of lines 44 through 56)		133,624,131	150,162,819
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		2,267,449,530	2,603,894,145

Name of Respondent		For the Year Ended		
Peoples Gas System		Dec. 31, 2023		
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)	-		100
3	Preferred Stock Issued (204)	-		
4	Other Paid-In Capital (208-214)	-	870,550,169	963,050,169
5	Retained Earnings (215, 216)	10	120,661,286	124,406,949
6	Other Comprehensive Income (219)		(274,732)	-
7	Unappropriated Undistributed Subsidiary Earnings (216.1)	10	397,515	553,027
8	(Less) Reacquired Capital Stock (217)	-		
9	TOTAL Proprietary Capital (Total of lines 2 through 8)		991,334,238	1,088,010,245
10	LONG-TERM DEBT			
11	Bonds (221)	21		
12	(Less) Reacquired Bonds (222)	21		
13	Advances from Associated Companies (223)	21		
14	Other Long-Term Debt (224)	21	570,000,000	925,000,000
15	Unamortized Premium on Long-Term Debt (225)	21		
16	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	21	(1,612,031)	-
17	TOTAL Long-Term Debt (Total of lines 11 through 16)		568,387,969	925,000,000
18	OTHER NONCURRENT LIABILITIES			
19	Obligations Under Capital Leases - Noncurrent (227)	-		
20	Accumulated Provision for Property Insurance (228.1)	-		
21	Accumulated Provision for Injuries and Damages (228.2)	-	3,723,647	2,633,190
22	Accumulated Provision for Pensions and Benefits (228.3)	-	23,561,790	23,959,733
23	Accumulated Miscellaneous Operating Provisions (228.4)	-	201,167	225,873
24	Accumulated Provision for Rate Refunds (229)	-		
25	TOTAL Other Noncurrent Liabilities (Total of lines 19 through 24)		27,486,604	26,818,796
26	CURRENT AND ACCRUED LIABILITIES			
27	Notes Payable (231)	-	166,097,150	55,000,000
28	Accounts Payable (232)	-	69,856,886	51,496,350
29	Notes Payable to Associated Companies (233)	-		
30	Accounts Payable to Associated Companies (234)	-	28,136,525	16,188,836
31	Customer Deposits (235)	-	29,859,419	29,259,217
32	Taxes Accrued (236)	-	5,191,933	5,918,022
33	Interest Accrued (237)	-	4,458,907	2,022,943
34	Dividends Declared (238)	-		
35	Matured Long-Term Debt (239)	-		
36	Matured Interest (240)	-		
37	Tax Collections Payable (241)	-	1,011,036	1,187,812
38	Miscellaneous Current and Accrued Liabilities (242)	22	20,767,789	21,004,532
39	Obligations Under Capital Leases-Current (243)	-		
40	Derivative Liabilities (245)			
41	TOTAL Current and Accrued Liabilities (Total of lines 27 through 40)		325,379,645	182,077,712
42	DEFERRED CREDITS			
43	Customer Advances for Construction (252)	-	22,520,306	27,387,592
44	Other Deferred Credits (253)	22	3,322,922	2,667,017
45	Other Regulatory Liabilities (254)	22	92,149,754	89,427,552
46	Accumulated Deferred Investment Tax Credits (255)	23		
47	Deferred Gains from Disposition of Utility Plant (256)	-		
48	Unamortized Gain on Reacquired Debt (257)	20		
49	Accumulated Deferred Income Taxes (281-283)	24	236,868,092	262,505,231
50	TOTAL Deferred Credits (Total of lines 43 through 49)		354,861,074	381,987,392
51	TOTAL Liabilities and Other Credits (Total of lines 9, 17, 25, 41 and 50)		2,267,449,530	2,603,894,145

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2023

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	533,368,174	637,199,054
3	Operating Expenses			
4	Operation Expenses (401)	27-29	301,014,601	397,577,952
5	Maintenance Expenses (402)	27-29	11,862,597	11,953,103
6	Depreciation Expense (403)	15-16	42,286,521	42,022,468
7	Amortization & Depletion of Utility Plant (404-405)	-	5,556,509	4,013,369
8	Amortization of Utility Plant Acquisition Adjustment (406)	-	3,744	-
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)	-	2,923,976	8,673,251
12	(Less) Regulatory Credits (407.4)	-	(15,245,897)	(6,691,412)
13	Taxes Other Than Income Taxes (408.1)	23	55,906,732	53,866,712
14	Income Taxes - Federal (409.1)	-	(12,770)	3,901,927
15	- Other (409.1)	-	(601,840)	461,000
16	Provision for Deferred Income Taxes (410.1)	24	22,417,342	21,535,034
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	24		
18	Investment Tax Credit Adjustment - Net (411.4)	23		
19	(Less) Gains from Disposition of Utility Plant (411.6)	-		
20	Losses from Disposition of Utility Plant (411.7)	-		
21	Other Operating Income (412-414)	-	1,421,918	1,057,655
22	TOTAL Utility Operating Expenses (Total of lines 4 -21)		424,689,597	536,255,749
23	Net Utility Operating Income (Total of line 2 less 22)			
24	(Carry forward to page 9, line 25)		108,678,577	100,943,305

Name of Respondent		For the Year Ended		
Peoples Gas System		Dec. 31, 2023		
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)		108,678,577	100,943,305
26	Other Income and Deductions			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	-	-	14,570
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	-	13,062	(4,239)
31	Revenues From Nonutility Operations (417)	-		
32	(Less) Expenses of Nonutility Operations (417.1)	-	(111,697)	
33	Nonoperating Rental Income (418)	-		
34	Equity in Earnings of Subsidiary Companies (418.1)	10	3,584,799	3,255,184
35	Interest and Dividend Income (419)	-	765,453	337,887
36	Allowance for Other Funds Used During Construction (419.1)	-	3,359,006	3,104,356
37	Miscellaneous Nonoperating Income (421)	-	261,844	10,779
38	Gain on Disposition of Property (421.1)	-	556,819	285,810
39	TOTAL Other Income (Total of lines 29 through 38)		8,429,286	7,004,347
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	-	61,983	61,983
42	Miscellaneous Amortization (425)	33		
43	Miscellaneous Income Deductions (426.1-426.5)	33	768,635	711,176
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		830,618	773,159
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	-	500	
47	Income Taxes - Federal (409.2)	-	64,541	(82,433)
48	Income Taxes - Other (409.2)	-	17,887	(22,846)
49	Provision for Deferred Income Taxes (410.2)	24	385,029	-
50	(Less) Provision for Deferred Income Taxes - Credit (411.2)	24	(2,922,657)	
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)		(2,454,700)	(105,279)
54	Net Other Income and Deductions (Total of lines 39,44,53)		10,053,368	6,336,467
55	Interest Charges			
56	Interest on Long-Term Debt (427)	-	1,879,222	20,999,791
57	Amortization of Debt Discount and Expense (428)	21	8,532	425,290
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	39,380,572	4,607,000
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)	-	(1,071,133)	(989,927)
64	Net Interest Charges (Total of lines 56 through 63)		40,197,193	25,042,154
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		78,534,752	82,237,618
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)		78,534,752	82,237,618

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2023	
STATEMENT OF RETAINED EARNINGS			
1. Report all changes in appropriated retained earnings, and unappropriated retained earnings for the year.		5. Show dividends for each class and series of capital stock.	
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).		6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.	
3. State the purpose and amount for each reservation or appropriation of retained earnings.		7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservations or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.	
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.		8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 11.	
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance - Beginning of Year		120,784,070
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)		74,949,953
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL		
13	Dividends Declared - Common Stock (Account 438) TOTAL		(74,633,576)
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		3,584,799
15	FAS 133 Other Comprehensive Income		274,730
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		124,959,976
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)		124,959,976

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2023

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>
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DEFINITIONS

Acronyms and defined terms used in this report include the following:

Term	Meaning
AFUDC	allowance for funds used during construction
AFUDC-equity	equity component of allowance for funds used during construction
APBO	accumulated postretirement benefit obligation
ARO	asset retirement obligation
ASU	Accounting Standards Update
CMO	collateralized mortgage obligation
CNG	compressed natural gas
CPI	consumer price index
Emera	Emera Inc., a geographically diverse energy and services company headquartered in Nova Scotia, Canada and the indirect parent company of TECO Energy
ERISA	Employee Retirement Income Security Act
EROA	expected return on plan assets
EUSHI	Emera US Holdings Inc.
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FPSC	Florida Public Service Commission
ICSID	International Centre for the Settlement of Investment Disputes
IRS	Internal Revenue Service
MBS	mortgage-backed securities
MGP	manufactured gas plant
MRV	market-related value
NAV	net asset value
NOL	net operating loss
Note	Note to consolidated financial statements
NPNS	normal purchase normal sale
OCI	other comprehensive income
OPC	Office of Public Counsel
Parent	TECO Energy (the holding company, excluding subsidiaries)
PBGC	Pension Benefit Guarantee Corporation
PBO	projected benefit obligation
PGS	Peoples Gas System, Inc., subsidiary of TECO Gas Operations, Inc.
PRP	potentially responsible party
REIT	real estate investment trust
ROE	return on common equity
RNG	renewable natural gas
Regulatory ROE	return on common equity as determined for regulatory purposes
SeaCoast	SeaCoast Gas Transmission, subsidiary of TECO Gas Operations, Inc.
SERP	Supplemental Executive Retirement Plan
STIF	short-term investment fund
Tampa Electric	Tampa Electric Company
TBA	to be announced
TEC	Tampa Electric Company
TECO Energy	TECO Energy, Inc.
TGOI	TECO Gas Operations, Inc.
U.S. GAAP	generally accepted accounting principles in the United States

The accompanying financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). See Note 14 for additional information.

Peoples Gas System's (PGS) Notes to the Financial Statements have been prepared in conformity with generally accepted accounting principles. Accordingly, certain footnotes are not reflective of PGS's Financial Statements contained herein.

**PEOPLES GAS SYSTEM
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Significant Accounting Policies

Description of the Business

PGS (or the company) is engaged in the purchase, distribution and sale of natural gas for residential, commercial, industrial and electric power generation customers in the state of Florida. Gas is delivered to the PGS distribution system through three interstate pipelines. PGS operates a natural gas distribution system that serves approximately 490,000 customers. The system includes approximately 15,400 miles (unaudited) of gas mains and 8,700 miles (unaudited) of service lines. PGS has operations in Florida's major metropolitan areas.

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of PGS and its subsidiary, TECO Partners Inc. Intercompany balances and transactions have been eliminated in consolidation.

These consolidated financial statements are prepared and presented in accordance with United States Generally Accepted Accounting Principles ("US GAAP"). In the opinion of management, these consolidated financial statements include all adjustments that are of a recurring nature and necessary to fairly state the financial position of the company.

PGS was a wholly owned subsidiary of TEC, which contains electric and natural gas divisions. TEC is a wholly owned subsidiary of TECO Energy. On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called Peoples Gas System, Inc. See "Separation of PGS from TEC" below for information regarding the separation that occurred which resulted in PGS being a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., a wholly owned subsidiary of TECO Energy.

Use of Estimates

The use of estimates is inherent in the preparation of financial statements in accordance with US GAAP. Actual results could differ from these estimates.

Cash Equivalents

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

Property, Plant and Equipment

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

As a regulated utility, PGS must file depreciation studies periodically and receive approval from the FPSC before implementing new depreciation rates. Included in approved depreciation rates is either an implicit net salvage factor or a cost of removal factor, expressed as a percentage. The net salvage factor is principally comprised of two components—a salvage factor and a cost of removal factor. The company uses the current cost of removal factor as part of the estimation method to approximate the amount of cost of removal in accumulated depreciation. The original cost of utility plant retired or otherwise disposed of and the cost of removal, less salvage value, is charged to accumulated depreciation and the accumulated cost of removal reserve reported as a regulatory liability, respectively. For other property dispositions, the cost and accumulated depreciation are removed from the balance sheet and a gain or loss is recognized.

Property, plant and equipment consisted of the following assets:

<i>(millions)</i>	<i>Estimated Useful Lives</i>	<i>December 31, 2023</i>	<i>December 31, 2022</i>
Gas transmission and distribution	15-75 years	\$ 2,912	\$ 2,567
General plant and other	3-40 years	186	122
Total cost		3,098	2,689
Less accumulated depreciation		(712)	(687)
Construction work in progress		145	249
Total property, plant and equipment, net		<u>\$ 2,531</u>	<u>\$ 2,251</u>

Depreciation

The provision for total regulated utility plant in service, expressed as a percentage of the original cost of depreciable property, was 1.67% and 1.81% for 2023 and 2022, respectively. Construction work in progress is not depreciated until the asset is placed in service.

PGS computes depreciation and amortization using the following methods:

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

Total depreciation expense for the years ended December 31, 2023 and 2022 was \$42 million and \$42 million, respectively.

Allowance for Funds Used During Construction

AFUDC is a non-cash credit to income with a corresponding charge to utility plant which represents the cost of borrowed funds and a reasonable return on other funds used for construction. The rates used to calculate AFUDC are revised periodically to reflect significant changes in cost of capital. PGS's rate used to calculate its AFUDC in 2023 and 2022 was 6.00% and 6.00%, respectively. Total AFUDC for the years ended December 31, 2023 and 2022 was \$4 million and \$4 million, respectively.

Inventory

PGS values materials and supplies using a weighted-average cost method. These material and supplies inventories are carried at the lower of weighted-average cost or net realizable value.

Regulatory Assets and Liabilities

PGS is subject to accounting guidance for the effects of certain types of regulation (see **Note 3**).

Deferred Income Taxes

PGS uses the asset and liability method in the measurement of deferred income taxes. Under the asset and liability method, the temporary differences between the financial statement and tax bases of assets and liabilities are reported as deferred taxes measured at enacted tax rates. PGS 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 regulatory tax liability reflecting the amount payable to customers through future rates. See **Note 4** for additional details.

Investment Tax Credits

ITCs earned on regulated assets are deferred and amortized as required by regulatory practices. ITCs earned on non-regulated assets are recorded as a reduction of income tax expense in the period the assets are placed in service.

Employee Postretirement Benefits

PGS is a participant in the retirement plans of TECO Energy. TECO Energy sponsors a defined benefit retirement plan and other postretirement benefits. The measurement of the plans is based on several statistical and other factors, including those that attempt to anticipate future events (see **Note 5**).

Revenue Recognition

Regulated Gas Revenue

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

Other

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

Revenues and Cost Recovery

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

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

Receivables and Allowance for Credit Losses

Receivables on the Consolidated Balance Sheets include receivables from contracts with customers, which consist of services to residential, commercial, industrial and other customers, totaling \$59 million and \$61 million as of December 31, 2023 and 2022, respectively.

An allowance for credit losses is established based on PGS's collection experience and reasonable and supportable forecasts that affect the collectability of the reported amount. Circumstances that impact PGS's estimates of credit losses include but are not limited to customer credit issues, fuel prices, customer deposits and general economic conditions. Accounts are reserved to the allowance or written off once they are deemed to be uncollectible.

PGS accrues base revenues primarily for services rendered but unbilled to provide for matching of revenues and expenses. As of December 31, 2023 and 2022, unbilled revenues of \$16 million and \$16 million, respectively, are included in the "Receivables" line item on the company's Consolidated Balance Sheets.

Accounting for Franchise Fees and Gross Receipts Taxes

PGS is allowed to recover certain costs incurred on a dollar-for-dollar basis from customers through rates approved by the FPSC. The amounts included in customers' bills for franchise fees and gross receipt taxes are included as revenues on the Consolidated Statements of Income. Franchise fees and gross receipt taxes payable by PGS are included as an expense on the Consolidated Statements of Income in "Taxes, other than income". These amounts totaled \$31 million and \$31 million for the years ended December 31, 2023 and 2022, respectively.

Deferred Charges and Other Assets

Deferred charges and other assets consist primarily of pension assets net of accrued pension liabilities (see **Note 5**) and excess insurance recovery.

Deferred Credits and Other Liabilities

Deferred credits and other liabilities primarily include accrued other postretirement benefits (see **Note 5**), MGP environmental remediation liability (see **Note 8**), lease liabilities (see **Note 11**), a reserve for auto, general and workers' compensation liability claims, and customer deposits for construction activity.

TECO Energy and its subsidiaries, including PGS, have a self-insurance program supplemented by excess insurance coverage for the cost of claims whose ultimate value exceeds the company's retention amounts. The company estimates its liabilities for auto, general and workers' compensation using discount rates mandated by statute or otherwise deemed appropriate for the circumstances. Discount rates used in estimating these other self-insurance liabilities at December 31, 2023 and 2022 ranged from 4.00% to 5.99% and 4.00% to 5.78%, respectively.

Derivatives and Hedging Activities

PGS's physical contracts qualify for the NPNS exception to derivative accounting rules, provided they meet certain criteria. Generally, NPNS applies if PGS deems the counterparty creditworthy, if the counterparty owns or controls resources within the proximity to allow for physical delivery of the commodity, if PGS intends to receive physical delivery and if the transaction is reasonable in relation to PGS's business needs. As of December 31, 2023 and 2022, all of PGS's physical contracts qualified for the NPNS exception, which was elected.

The company classifies cash inflows and outflows related to derivative and hedging instruments in the appropriate cash flow sections associated with the item being hedged. For natural gas, the cash inflows and outflows are included in the operating section of the Consolidated Statement of Cash Flows. For interest rate swaps that settle coincident with the debt issuance, the cash inflows and outflows are treated as premiums or discounts and included in the financing section of the Consolidated Statements of Cash Flows. No such activity occurred during the years ended December 31, 2023 and 2022.

Separation of PGS from TEC

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

On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called Peoples Gas System, Inc. (PGS) pursuant to a Contribution Agreement. This new corporation is a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., a wholly owned subsidiary of TECO Energy. On January 1, 2023, the assets, liabilities, and equity that had been recorded in the books of PGS were transferred from TEC to the newly formed PGS at book value in a tax-free transaction. PGS issued 100 shares of common stock to TEC related to the transfer of PGS, which were subsequently distributed to TECO Energy, Inc. and then contributed to TECO Gas Operations, Inc. The PGS Consolidated Statement of Cash Flows for the year ended December 31, 2023 does not include the non-cash impact of separating the PGS assets, liabilities and equity from TEC on January 1, 2023.

Prior to the separation, as a division of TEC, PGS had received an allocation of outstanding unsecured notes and outstanding short-term borrowings issued by TEC. The obligations related to these combined borrowings were reflected in an affiliate loan agreement between TEC and PGS. The initial obligation of PGS under the loan agreement at January 1, 2023 was a term loan in the principal amount of \$670 million and a revolving loan in the principal amount of \$66 million, net of discounts and issuance costs of \$6 million. The maturity date for both was December 29, 2023. On December 20, 2023, PGS repaid TEC the outstanding principal amount of the term loan and revolving loan of \$670 million and \$286 million, respectively, plus outstanding interest. The repayment terminates the affiliate loan agreement. PGS accessed the third-party lending market during 2023 to obtain capital (see **Note 6** and **Note 7**).

2. New Accounting Pronouncements

PGS considers the applicability and impact of all ASUs issued by the FASB. The company was not required to and did not adopt any new ASUs in 2023. The following updates have been issued by FASB, but have not yet been adopted by the company. Any ASUs not included below were assessed and determined to be either not applicable to the company or have insignificant impact on the consolidated financial statements.

Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The standard enhances the transparency, decision usefulness and effectiveness of income tax disclosures by requiring consistent categories and greater disaggregation of information in the reconciliation of income taxes computed using the enacted statutory income tax rate to the actual income tax provision and effective income tax rate, as well as the disaggregation of income taxes paid (refunded) by jurisdiction. The standard also requires disclosure of income (loss) before provision for income taxes and income tax expense (benefit) in accordance with U.S. Securities and Exchange Commission (SEC) Regulation S-X 210.4-08(h), Rules of General Application – General Notes to Financial Statements: Income Tax Expense, and the removal of disclosures no longer considered cost beneficial or relevant. The guidance will be effective for annual reporting periods beginning after December 15, 2025. Early adoption is permitted. The standard will be applied on a prospective basis, with retrospective application permitted. PGS is currently evaluating the impact of adoption of the standard on its consolidated financial statements.

3. Regulatory

PGS is regulated by the FPSC. The FPSC sets rates based on a cost of service methodology which allows utilities to collect total revenues (revenue requirements) equal to their prudently incurred cost of providing service or products, plus a reasonable return on equity invested or assets.

As a result, PGS qualifies for the application of accounting guidance for certain types of regulation. This guidance recognizes that the actions of a regulator can provide reasonable assurance of the existence of an asset or liability. Regulatory assets and liabilities arise as a result of a difference between US GAAP and the accounting principles imposed by the regulatory authorities. Regulatory assets generally represent incurred costs that have been deferred, as their future recovery in customer rates is probable. Regulatory liabilities generally represent obligations to make refunds to customers from previous collections for costs that are not likely to be incurred. In addition to regulatory assets and regulatory liabilities, rate regulation impacts other financial statement balances and activity, including, but not limited to, property, plant, and equipment, revenues, and expenses.

PGS Base Rates

PGS's 2023 and 2022 results reflected a rate case settlement agreement filed by PGS and OPC and approved by the FPSC on November 19, 2020. This settlement agreement includes an allowed regulatory ROE range of 8.90% to 11.00% with a 9.90% midpoint, including the ability to reverse a total of \$34 million of accumulated depreciation through 2023. PGS reversed accumulated depreciation of \$14 million in 2022 and \$20 million in 2023. In addition, the agreement set new depreciation rates effective January 1, 2021, that are consistent with PGS's current overall average depreciation rate.

On April 4, 2023, PGS filed a petition with the FPSC for a base rate increase. A hearing for this matter was held in September 2023. On December 27, 2023, the FPSC issued the final order which granted an approximately \$118 million increase to PGS's base revenues. This includes approximately \$11 million transferred from the cast iron and bare steel replacement rider, resulting in a net incremental increase of \$107 million to base revenues. This reflects a 10.15% midpoint ROE, with a range of 9.15% to 11.15% ROE, and an approved equity capital structure of 54.7%. These new rates will be effective as of the first billing cycle of January 2024. Additionally, the final order set new depreciation rates effective January 1, 2024. These new rates are consistent with PGS's current overall average depreciation rate. The final order also approved a one-time long-term debt true-up mechanism adjustment to base rates to reflect PGS's actual cost rate for its inaugural long-term debt issuance. This increase was requested through a limited proceeding which was filed in February 2024.

Regulatory Assets and Liabilities

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

<i>(millions)</i>	<i>December 31,</i> <i>2023</i>	<i>December 31,</i> <i>2022</i>
Regulatory assets:		
Regulatory tax asset ⁽¹⁾	\$ 4	\$ 3
Cost-recovery clauses ⁽²⁾	16	7
Environmental remediation ⁽³⁾	20	20
Postretirement benefits ⁽⁴⁾	33	30
Storm reserve ⁽⁵⁾	1	1
Other	7	1
Total regulatory assets	81	62
Less: Current portion	23	9
Long-term regulatory assets	<u>\$ 58</u>	<u>\$ 53</u>
Regulatory liabilities:		
Regulatory tax liability ⁽⁶⁾	\$ 88	\$ 89
Cost-recovery clauses - deferred balances ⁽²⁾	3	2
Accumulated reserve—cost of removal ⁽⁷⁾	195	196
Other	2	1
Total regulatory liabilities	288	288
Less: Current portion	14	11
Long-term regulatory liabilities	<u>\$ 274</u>	<u>\$ 277</u>

- (1) The regulatory tax asset is primarily associated with the depreciation and recovery of AFUDC-equity. This asset does not earn a return but rather is included in the capital structure, which is used in the calculation of the weighted cost of capital used to determine revenue requirements. It will be recovered over the expected life of the related assets.
- (2) These assets and liabilities are related to FPSC clauses and riders, primarily related to the fuel clause and the increase in natural gas prices experienced in 2022. They are recovered or refunded through cost-recovery mechanisms approved by the FPSC on a dollar-for-dollar basis in a subsequent period.
- (3) This asset is related to costs associated with environmental remediation primarily at MGP sites. The balance is included in rate base, partially offsetting the related liability, and earns a rate of return as permitted by the FPSC. The timing of recovery is based on a settlement agreement approved by the FPSC.
- (4) This asset is related to the deferred costs of postretirement benefits and it is amortized over the remaining service life of plan participants. Deferred costs of postretirement benefits that are included in expense are recognized as cost of service for rate-making purposes as permitted by the FPSC.
- (5) The regulatory asset is included in rate base and earns a rate of return as permitted by the FPSC.
- (6) The regulatory tax liability is primarily related to the revaluation of PGS's deferred income tax balances recorded on December 31, 2017 at the lower corporate income tax rate due to U.S. tax reform. The liability related to the revaluation of the deferred income tax balances is amortized and returned to customers through rate reductions or other revenue offsets based on IRS regulations and the settlement agreement for tax reform benefits approved by the FPSC.
- (7) This item represents the non-ARO cost of removal in the accumulated reserve for depreciation. AROs are costs for legally required removal of property, plant and equipment. Non-ARO cost of removal represents estimated funds received from customers through depreciation rates to cover future non-legally required cost of removal of property, plant and equipment, net of salvage value upon retirement, which reduces rate base for ratemaking purposes. This liability is reduced as costs of removal are incurred.

4. Income Taxes

Inflation Reduction Act

On August 16, 2022, the Inflation Reduction Act was signed into legislation and includes numerous tax incentives for clean energy, such as the extension and modification of existing investment tax credits, including the expansion of ITC for qualified biogas facilities beginning 2023 for projects placed in service through 2024, and introduces new technology-neutral clean energy related credits beginning in 2025. PGS recognized a \$3 million reduction in tax expense for its ITC related to its qualified biogas facilities placed in service during 2023.

Income Tax Expense

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

Income tax expense consists of the following:

Income Tax Expense (Benefit)

(millions)

For the year ended December 31,

	2023	2022
Continuing Operations		
Current income taxes		
Federal	\$ 0	\$ 4
State	0	1
Deferred income taxes		
Federal	18	17
State	5	5
Investment tax credits	(3)	0
Total income tax expense	<u>\$ 20</u>	<u>\$ 27</u>

For the two years presented, the overall effective tax rate on continuing operations differs from the U.S. federal statutory rate as presented below:

Effective Income Tax Rate

(millions)

For the year ended December 31,

	2023	2022
Income before provision for income taxes	\$ 98	\$ 109
Federal statutory income tax rate	21.0%	21.0%
Income taxes, at statutory income tax rate	21	23
Increase (decrease) due to:		
State income tax, net of federal income tax	4	4
Investment tax credits	(3)	0
AFUDC-equity	(1)	(1)
Other	(1)	1
Total income tax expense from continuing operations	<u>\$ 20</u>	<u>\$ 27</u>
Income tax expense as a percent of income from continuing operations, before income taxes	20.4%	24.8%

The major components of the company's deferred tax assets and liabilities recognized are as follows:

Deferred Income Taxes

(millions)

As of December 31,

	2023	2022
Deferred tax liabilities ⁽¹⁾		
Property related	\$ 226	\$ 201
Pension and postretirement benefits	14	13
Insurance related	4	10
Other	3	0
Total deferred tax liabilities	<u>247</u>	<u>224</u>
Deferred tax assets ⁽¹⁾		
Loss and credit carryforwards ⁽²⁾	7	4
Medical benefits	4	4
Pension and postretirement benefits	7	6
Capitalized energy conservation assistance costs	27	23
Insurance related	4	11
Total deferred tax assets	<u>49</u>	<u>48</u>
Total deferred tax liability, net	<u>\$ 198</u>	<u>\$ 176</u>

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

(2) Deferred tax assets for net operating loss and tax credit carryforwards have been reduced by unrecognized tax benefits of \$0.9 million and \$0.4 million at December 31, 2023 and 2022, respectively.

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

(millions)	December 31, 2023	Expiration Year
General business credits	\$ 7	2027-2043
Federal NOL carryforwards	10	2036-2037
State NOL carryforwards	1	2036-2037
Total tax credits and NOL carryforwards	<u>\$ 18</u>	

As a result of TECO Energy's merger with Emera in 2016, PGS's NOLs and credits will be utilized by EUSHI, in accordance with the benefits-for-loss allocation which provide that tax attributes are utilized by the consolidated tax return group of EUSHI.

PGS establishes valuation allowances on its deferred tax assets, including losses and tax credits, when the amount of expected future taxable income is not likely to support the use of the deduction or credit. At this time, PGS considers it more likely than not that PGS will have sufficient taxable income in the future that will allow the Company to realize these deferred tax assets. As of December 31, 2023 and 2022, a valuation allowance is not required.

Unrecognized Tax Benefits

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

As of December 31, 2023 and 2022, PGS's uncertain tax positions for federal R&D tax credits were \$0.9 million and \$0.4 million respectively, all of which was recorded as a reduction of deferred income tax assets for tax credit carryforwards. The unrecognized tax benefits, if recognized, would reduce PGS's effective tax rate.

PGS recognizes interest accruals related to uncertain tax positions in "Other income" or "Interest expense", as applicable, and penalties in "Operation and maintenance expense" in the Consolidated Statements of Income. In 2023 and 2022, the company did not recognize any pre-tax charges (benefits) for interest. Additionally, PGS did not have any accrued interest or amounts recorded for penalties at December 31, 2023 and 2022.

The U.S. federal statute of limitations remains open for the year 2017 and forward. Florida's statute of limitations is three years from the filing of an income tax return. The state impact of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states. Years still open to examination by Florida's tax authorities include 2005 and forward as a result of TECO Energy's consolidated Florida net operating loss still being utilized.

5. Employee Postretirement Benefits

Pension Benefits

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

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

Other Postretirement Benefits

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

TECO Energy has made a change to the postretirement health plan to replace the pharmacy services provider. The change was treated as a plan amendment and the plan was remeasured as of September 30, 2023. See "Plan amendments" line item in the "Obligations and Plan Assets" table below.

Obligations and Funded Status

PGS recognizes in its statement of financial position the over-funded or under-funded status of its allocated portion of TECO Energy's postretirement benefit plans. This status is measured as the difference between the fair value of plan assets and the PBO in the case of its defined benefit plan, or the APBO in the case of its other postretirement benefit plan. Changes in the funded status are reflected, net of estimated tax benefits, in the benefit liabilities and regulatory assets. The results of operations are not impacted.

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

TECO Energy

Obligations and Plan Assets (millions)	Pension Benefits		Other Benefits ⁽²⁾	
	2023	2022	2023	2022
Change in benefit obligation				
Benefit obligation at beginning of year	\$ 666	\$ 850	\$ 142	\$ 200
Service cost	15	18	1	2
Interest cost	35	23	7	6
Plan participants' contributions	0	0	4	4
Benefits paid	(59)	(79)	(19)	(19)
Actuarial loss (gain)	27	(142)	7	(51)
Plan amendments	0	0	(10)	0
Plan settlements ⁽³⁾	(6)	(4)	0	0
Benefit obligation at end of year	<u>\$ 678</u>	<u>\$ 666</u>	<u>\$ 132</u>	<u>\$ 142</u>

Change in plan assets

Fair value of plan assets at beginning of year	\$ 650	\$ 924	\$ 0	\$ 0
Actual gain (loss) return on plan assets	78	(214)	0	0
Employer contributions	16	18	0	0
Employer direct benefit payments	7	5	15	15
Plan participants' contributions	0	0	4	4
Benefits paid	(58)	(78)	0	0
Direct benefit payments	(1)	(1)	(19)	(19)
Plan settlements ⁽³⁾	(6)	(4)	0	0
Fair value of plan assets at end of year ⁽¹⁾	<u>\$ 686</u>	<u>\$ 650</u>	<u>\$ 0</u>	<u>\$ 0</u>

- (1) The MRV of plan assets is used as the basis for calculating the EROA component of periodic pension expense. MRV reflects the fair value of plan assets adjusted for experience gains and losses (i.e. the differences between actual investment returns and expected returns) spread over five years.
- (2) Represent amounts for TECO Energy's Florida-based other postretirement benefit plan.
- (3) Represents TECO Energy's SERP and Restoration settlement charges as a result of the retirement of certain executives. These charges did not impact PGS's consolidated financial statements.

Increases in the benefit obligation for the period ended December 31, 2023 are the result of decreases in the discount rate used to calculate the benefit obligation and the updating of the salary assumption as the result of an experience study performed during the year.

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

Funded Status

<i>(millions)</i>	Pension Benefits		Other Benefits ⁽¹⁾	
	2023	2022	2023	2022
Benefit obligation (PBO/APBO)	\$ 678	\$ 666	\$ 132	\$ 142
Less: Fair value of plan assets	686	650	0	0
Funded status at end of year	<u>\$ 8</u>	<u>\$ (16)</u>	<u>\$ (132)</u>	<u>\$ (142)</u>

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

The accumulated benefit obligation for all TECO Energy defined benefit pension plans was \$642 million at December 31, 2023 and \$634 million at December 31, 2022.

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

PGS

Amounts recognized in balance sheet

<i>(millions)</i>	Pension Benefits		Other Benefits	
	2023	2022	2023	2022
Noncurrent assets	\$ 0	\$ 0	\$ 0	\$ 0
Accrued benefit costs and other current liabilities	\$ 0	\$ 0	\$ (1)	\$ (1)
Deferred credits and other liabilities	(3)	(4)	(15)	(15)
Net amount recognized at end of year	<u>\$ (3)</u>	<u>\$ (4)</u>	<u>\$ (16)</u>	<u>\$ (16)</u>

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

PGS

Amounts recognized in regulatory assets

<i>(millions)</i>	Pension Benefits		Other Benefits	
	2023	2022	2023	2022
Net actuarial loss	\$ 31	\$ 30	\$ 1	\$ 0
Amount recognized	<u>\$ 31</u>	<u>\$ 30</u>	<u>\$ 1</u>	<u>\$ 0</u>

Assumptions used to determine benefit obligations at December 31,

	<u>Pension Benefits</u> <u>2023</u>	<u>Pension Benefits</u> <u>2022</u>	<u>Other Benefits</u> <u>2023</u>	<u>Other Benefits</u> <u>2022</u>
Discount rate	5.27%	5.55%	5.28%	5.53%
Rate of compensation increase	4.42%	3.79%	4.42%	3.79%
Healthcare cost trend rate				
Immediate rate	n/a	n/a	6.09%	6.39%
Ultimate rate	n/a	n/a	4.00%	4.00%
Year rate reaches ultimate trend rate	n/a	n/a	2047	2047

The discount rate assumption used to determine the December 31, 2023 and 2022 benefit obligations was based on a cash flow matching technique that matches yields from high-quality (AA-rated, non-callable) corporate bonds to TECO Energy's projected cash flows for the plans to develop a present value that is converted to a discount rate assumption.

Amounts Recognized in Net Periodic Benefit Cost, OCI and

Regulatory Assets

TECO Energy

(millions)

	<u>Pension Benefits</u>		<u>Other Benefits ⁽¹⁾</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Service cost	\$ 15	\$ 18	\$ 1	\$ 2
Interest cost	35	23	7	5
Expected return on plan assets	(54)	(51)	0	0
Amortization of:				
Actuarial loss	5	17	0	3
Prior service cost	0	0	(2)	(2)
Settlement loss ⁽²⁾	2	2	0	0
Net periodic benefit cost	<u>\$ 3</u>	<u>\$ 9</u>	<u>\$ 6</u>	<u>\$ 8</u>
Net loss (gain) arising during the year (includes curtailment gain)	\$ 2	\$ 123	\$ 7	\$ (50)
Prior service cost	0	0	(11)	0
Amounts recognized as component of net periodic benefit cost:				
Amortization or curtailment recognition of prior service credit	0	0	3	2
Amortization or settlement of actuarial loss	(7)	(19)	0	(3)
Total recognized in OCI and regulatory assets	<u>\$ (5)</u>	<u>\$ 104</u>	<u>\$ (1)</u>	<u>\$ (51)</u>
Total recognized in net periodic benefit cost, OCI and regulatory assets	<u>\$ (2)</u>	<u>\$ 113</u>	<u>\$ 5</u>	<u>\$ (43)</u>

- (1) Represents amounts for TECO Energy's Florida-based other postretirement benefit plan.
- (2) Represents TECO Energy's SERP and Restoration settlement charges as a result of the retirement of certain executives. These charges did not impact PGS's consolidated financial statements.

PGS's portion of the net periodic benefit costs for pension benefits was \$2 million and \$3 million for 2023 and 2022, respectively. PGS's portion of the net periodic benefit costs for other benefits was \$1 million and \$1 million for 2023 and 2022, respectively. The components of net periodic benefit cost other than the service cost component are included in the line item "Other income" in the Consolidated Statements of Income.

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

	Pension Benefits		Other Benefits	
	2023	2022	2023	2022
Discount rate ⁽¹⁾	4.19%-5.55%	2.77%	5.53%-6.14%	2.84%
Expected long-term return on plan assets	7.05%	6.50%	n/a	n/a
Rate of compensation increase	3.79%	3.05%	3.79%	3.04%
Healthcare cost trend rate				
Initial rate	n/a	n/a	6.39%	5.61%
Ultimate rate	n/a	n/a	4.00%	4.00%
Year rate reaches ultimate trend rate	n/a	n/a	2047	2045

(1) Discount rate range is the result of remeasurements that occurred in 2023.

The discount rate assumption used to determine the benefit cost in 2023 and 2022 was based on the same technique that was used to determine the December 31, 2023 and 2022 benefit obligation as discussed above.

The expected return on assets assumption was based on historical returns, fixed income spreads and equity premiums consistent with the portfolio and asset allocation. A change in asset allocations could have a significant impact on the expected return on assets. Additionally, expectations of long-term inflation, real growth in the economy and a provision for active management and expenses paid were incorporated in the assumption. For the year ended December 31, 2023, TECO Energy's pension plan's actual return was approximately 14.7%.

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

Pension Plan Assets

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

TECO Energy

Asset Category	Target Allocation		Actual Allocation, End of Year	
	2023	2022	2023	2022
Cash and cash equivalents	0%-10%	n/a	3%	n/a
Equity securities	48%-68%	50%-70%	57%	58%
Fixed income securities	29%-49%	30%-50%	40%	42%
Total	100%	100%	100%	100%

TECO Energy reviews the plan's asset allocation periodically and re-balances the investment mix to maximize asset returns, optimize the matching of investment yields with the plan's expected benefit obligations, and minimize pension cost and funding. TECO Energy will continue to monitor the matching of plan assets with plan liabilities over the long term.

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

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

As required by the fair value accounting standards, the investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The plan's assessment of the significance of a particular input to the fair value

measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. For cash equivalents, the cost approach was used in determining fair value. For bonds and U.S. government agencies, the income approach was used. For other investments, the market approach was used. The following tables set forth by level within the fair value hierarchy the plan's investments as of December 31, 2023 and 2022.

Pension Plan Investments

TECO Energy

(millions)

	At Fair Value as of December 31, 2023				
	Level 1	Level 2	Level 3	Using NAV ⁽¹⁾	Total
Cash	\$ (1)	\$ 0	\$ 0	\$ 0	\$ (1)
Accounts receivable	3	0	0	0	3
Accounts payable	(10)	0	0	0	(10)
Short-term investment funds (STIFs)	24	0	0	0	24
Common Stock	1	0	0	0	1
Real estate investment trusts (REITs)	3	0	0	0	3
Mutual funds	38	0	0	0	38
Municipal bonds	0	2	0	0	2
Government bonds	0	108	0	0	108
Corporate bonds	0	57	0	0	57
Long Futures	5	0	0	0	5
Short Sales	0	(1)	0	0	(1)
Investments not utilizing the practical expedient	63	166	0	0	229
Common and collective trusts ⁽¹⁾	0	0	0	443	443
Mutual fund ⁽¹⁾	0	0	0	14	14
Total investments	\$ 63	\$ 166	\$ 0	\$ 457	\$ 686

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

TECO Energy

(millions)

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

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

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

- Cash collateral is valued at cash posted due to its short-term nature.
- The STIF is valued at net asset value (NAV). The fund is an open-end investment, resulting in a readily-determinable fair value. Additionally, shares may be redeemed any business day at the NAV calculated after the order is accepted. The NAV is validated with purchases and sales at NAV. These factors make the STIF a level 1 asset.
- The primary pricing inputs in determining the fair value of the Common stocks and REITs are closing quoted prices in active markets.
- The primary pricing inputs in determining the level 1 mutual funds are the mutual funds' NAVs. The funds are registered open-end mutual funds and the NAVs are validated with purchases and sales at NAV. Since the fair values are determined and published, they are considered readily-determinable fair values and therefore Level 1 assets.
- The primary pricing inputs in determining the fair value of Municipal bonds are benchmark yields, historical spreads, sector curves, rating updates, and prepayment schedules. The primary pricing inputs in determining the fair value of Government bonds are the U.S. treasury curve, CPI, and broker quotes, if available. The primary pricing inputs in determining the fair value of Corporate bonds are the U.S. treasury curve, base spreads, YTM, and benchmark quotes. CMOs are priced using to-be-announced (TBA) prices, treasury curves, swap curves, cash flow information, and bids and offers as inputs. MBS are priced using TBA prices, treasury curves, average lives, spreads, and cash flow information.
- Swaps are valued using benchmark yields, swap curves, and cash flow analyses.
- The primary pricing input in determining the fair value of the mutual fund utilizing the practical expedient is its NAV. It is an unregistered open-end mutual fund. The fund holds primarily corporate bonds, debt securities and other similar instruments issued by U.S. and non-U.S. public- or private-sector entities. The fund may purchase or sell securities on a when-issued basis. These transactions are made conditionally because a security has not yet been issued in the market, although it is authorized. A commitment is made regarding these transactions to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. Since this mutual fund is an open-end mutual fund and the prices are not published to an external source, it uses NAV as a practical expedient. The redemption frequency is daily. The redemption notice period is the same day. There were no unfunded commitments at December 31, 2023.
- The common collective trusts are private funds valued at NAV. The NAVs are calculated based on bid prices of the underlying securities. Since the prices are not published to external sources, NAV is used as a practical expedient. Certain funds invest primarily in equity securities of domestic and foreign issuers while others invest in long duration U.S. investment-grade fixed income assets and seeks to increase return through active management of interest rate and credit risks. The redemption frequency of the funds ranges from daily to weekly and the redemption notice period ranges from 1 business day to 30 business days. There were no unfunded commitments as of December 31, 2023.
- Treasury bills are valued using benchmark yields, reported trades, broker dealer quotes, and benchmark securities.
- Futures are valued using futures data, cash rate data, swap rates, and cash flow analyses.

Additionally, the non-qualified SERP had \$4 million and \$8 million of assets as of December 31, 2023 and 2022, respectively. Since the plan is non-qualified, its assets are included in the "Deferred charges and other assets" line item in the Consolidated Balance Sheets rather than being netted with the related liability. The non-qualified trust holds investments in a money market fund. The fund is an open-end investment, resulting in a readily-determinable fair value. Additionally, shares may be redeemed any business day at the NAV calculated after the order is accepted. The NAV is validated with purchases and sales at NAV. These factors make it a level 1 asset. The SERP was fully funded as of December 31, 2023 and 2022.

Other Postretirement Benefit Plan Assets

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

Contributions

The qualified pension plan's actuarial value of assets, including credit balance, was 107.24% of the Pension Protection Act funded target as of January 1, 2023 and is estimated at 111.50% of the Pension Protection Act funded target as of January 1, 2024.

TECO Energy's policy is to fund the qualified pension plan at or above amounts determined by its actuaries to meet ERISA guidelines for minimum annual contributions. PGS's contribution is first set equal to its service cost. If a contribution in excess of service cost for the year is made, PGS's portion is based on PGS's proportion of the TECO Energy unfunded liability. TECO Energy made contributions to this plan in 2023 and 2022, which met the minimum funding requirements for each year. PGS's portion of the contribution was \$3 million and \$3 million in 2023 and 2022, respectively. These amounts are reflected in the "Other" line on the Consolidated Statements of Cash Flows. PGS estimates its portion of the 2024 contribution to be \$3 million. The amount TECO Energy expects to contribute is in excess of the minimum funding required under ERISA guidelines.

The other postretirement benefits are funded annually to meet benefit obligations. TECO Energy’s contribution toward health care coverage for most employees who retired after the age of 55 between January 1, 1990 and June 30, 2001 is limited to a defined dollar benefit based on service. TECO Energy’s contribution toward pre-65 and post-65 health care coverage for most employees retiring on or after July 1, 2001 is limited to a defined dollar benefit based on an age and service schedule. In 2024, PGS expects to contribute approximately \$1 million. Postretirement benefit levels are substantially unrelated to salary.

Benefit Payments

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

Expected Benefit Payments

TECO Energy

(including projected service and net of employee contributions)

<i>(millions)</i>	Pension Benefits	Other Postretirement Benefits
2024	\$ 76	\$ 12
2025	67	12
2026	66	12
2027	66	12
2028	65	11
2029-2033	295	51

Defined Contribution Plan

TECO Energy has a defined contribution savings plan covering substantially all employees of TECO Energy and its subsidiaries that enables participants to save a portion of their compensation up to the limits allowed by IRS guidelines. TECO Energy and its subsidiaries match 75% of the first 6% of the participant’s payroll savings deductions. Effective January 1, 2017, the employer matching contributions increased from 70% to 75% with an additional incentive match of up to 25% of eligible participant contributions based on the achievement of certain operating company financial goals. For the years ended December 31, 2023 and 2022, PGS’s portion of expense totaled \$3 million and \$3 million, respectively, related to the matching contributions made to this plan. The expense related to the matching contribution is included in the line item “Operations and maintenance” in the Consolidated Statements of Income.

6. Short-Term Debt

The following is a summary of PGS's notes payable on the Consolidated Balance Sheets as of December 31:

<i>(millions)</i>	2023	Facilities	2022
Notes Payable to TEC ⁽¹⁾	\$ 0	\$	736
Unamortized debt expense	0		(6)
PGS 5-year credit facility ⁽²⁾	55		0
Total Notes Payable	\$ 55	\$	730

- (1) At December 31, 2022, PGS’s allocated short-term borrowings outstanding from TEC was \$100 million for Credit Facilities and \$66 million for Commercial Paper. Additionally, PGS’s allocated long-term borrowings outstanding from TEC was \$570 million, net of \$6 million unamortized debt expense.
- (2) On December 1, 2023, PGS entered into a 5-year facility that matures on December 1, 2028.

On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called PGS pursuant to a Contribution Agreement (see **Note 1**). Included in the liabilities transferred was PGS’s allocation of outstanding unsecured notes issued by TEC and outstanding short-term borrowings. The obligations related to these combined borrowings were reflected in an affiliate loan agreement between Tampa Electric and PGS. The initial obligation of PGS under the affiliate loan agreement at January 1, 2023 was a term loan in the principal amount of \$670 million and a revolving loan in the principal amount of \$66 million. The maturity date for both was December 29, 2023. On December 20, 2023, PGS repaid Tampa Electric the outstanding principal amount of the term loan and revolving loan of \$670 million and \$286 million, respectively, plus outstanding interest. The repayment terminates the affiliate loan agreement and Tampa Electric will no longer provide capital for the operations of PGS.

Credit Facilities

The following is a summary of credit facilities held by Tampa Electric Company as of December 31, 2022 and Peoples Gas System as of December 31, 2023:

(millions)	2023				2022			
	Credit Facilities	Borrowings Outstanding - Credit Facilities	Borrowings Outstanding - Commercial Paper	Letters of Credit Outstanding	Credit Facilities	Borrowings Outstanding - Credit Facilities ⁽⁴⁾	Borrowings Outstanding - Commercial Paper ⁽⁴⁾	Letters of Credit Outstanding
PGS:								
5-year facility ⁽¹⁾	\$ 250	\$ 55	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TEC:								
5-year facility ⁽²⁾	0	0	0	0	800	0	619	1
1-year term facility ⁽³⁾	0	0	0	0	400	400	0	0
Total	<u>\$ 250</u>	<u>\$ 55</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,200</u>	<u>\$ 400</u>	<u>\$ 619</u>	<u>\$ 1</u>

- (1) This 5-year PGS facility matures on December 1, 2028. PGS does not have an active commercial paper program.
- (2) This 5-year TEC facility matures on December 17, 2026. TEC also has an active commercial paper program for up to \$800 million, of which the full amount outstanding is backed by TEC's credit facility. The amount of commercial paper issued results in an equal amount of its credit facility being considered drawn and unavailable.
- (3) This 1-year term facility was set to mature on December 16, 2022. On December 13, 2022, TEC extended the maturity date to December 13, 2023.
- (4) At December 31, 2022, PGS's allocated portion of borrowing outstanding was \$100 million for Credit Facilities and \$66 million for Commercial Paper. The maturity date for the term loan and the revolving loans was December 29, 2023. Based on this maturity date, the amounts outstanding as of December 31, 2022 related to the borrowings outstanding for Credit Facilities and to borrowings outstanding for Commercial Paper are reported as notes payable on the Consolidated Balance Sheet as of December 31, 2022.

The PGS credit facility required commitment fees of 10 basis points. The weighted-average interest rate on outstanding amounts payable under the PGS credit facilities at December 31, 2023 was 6.36%. The TEC credit facilities required commitment fees of 12.5 basis points. The TEC weighted-average interest rate on outstanding amounts payable under the TEC credit facilities and commercial paper program December 31, 2022 was 5.0%.

PGS Credit Facility

On December 1, 2023, PGS entered into a \$250 million senior unsecured revolving credit facility with a group of banks, maturing on December 1, 2028 (subject to further extension with the consent of each lender). The credit agreement contains customary representations and warranties, events of default, and financial and other covenants and provides for interest to accrue at variable rates based on the federal funds rate plus a margin. PGS may request the lenders to increase their commitments under the credit facility by up to \$100 million in the aggregate subject to agreement from participating lenders.

7. Long-Term Debt

At December 31, 2023, long-term debt had a carrying amount of \$923 million and an estimated fair market value of \$943 million. At December 31, 2022, there was no long-term debt. The fair value of the debt securities is determined using Level 2 measurements (see **Note 12** for information regarding the fair value hierarchy).

PGS's gross maturities of long-term debt are as follows:

As of December 31, 2023 (millions)	2024	2025	2026	2027	2028	Thereafter	Total Long-Term Debt
PGS	0	0	0	0	350	575	925

PGS 5.42% Notes due 2028, 5.63% Notes due 2033 and 5.94% Notes due 2053

On December 19, 2023, PGS completed a sale of (i) \$350 million aggregate principal amount of 5.42% Senior Notes due December 19, 2028 (the 2028 Notes), (ii) \$350 million aggregate principal amount of 5.63% Senior Notes due December 19, 2033 (the 2033 Notes), (iii) \$225 million aggregate principal amount of 5.94% Senior Notes due December 19, 2053 (the 2053 Notes, and

collectively, the Notes). PGS may redeem all or any part of the Notes at its option at a redemption price equal to the discounted value of the remaining principal equal to the sum of the present value of the remaining payments of principal and interest on the notes to be redeemed, discounted at an applicable treasury rate (as defined in the note agreement), plus 50 basis points.

PGS had the following allocated portion of TEC's long-term debt for December 31, 2022 and PGS long-term debt for December 31, 2023:

Long-Term Debt

<i>(millions)</i>		<i>Due</i>	<i>2023</i>	<i>2022⁽⁴⁾</i>
PGS	Notes ⁽¹⁾⁽²⁾ :			
	3.88% ⁽³⁾	2024	0	38
	5.42%	2028	350	0
	2.40% ⁽³⁾	2031	0	115
	5.63%	2033	350	0
	6.15% ⁽³⁾	2037	0	60
	4.10% ⁽³⁾	2042	0	50
	4.35% ⁽³⁾	2044	0	10
	4.20% ⁽³⁾	2045	0	20
	4.30% ⁽³⁾	2048	0	75
	4.45% ⁽³⁾	2049	0	25
	3.63% ⁽³⁾	2050	0	25
	3.45% ⁽³⁾	2051	0	115
	5.00% ⁽³⁾	2052	0	37
	5.94%	2053	225	0
	Total long-term debt of PGS		<u>925</u>	<u>570</u>
Unamortized debt discount, net			0	(2)
Debt issuance costs			(2)	(4)
Total carrying amount of Notes			923	564
Less amount due within one year			0	0
Total long-term debt			<u>\$ 923</u>	<u>\$ 564</u>

- (1) The agreements for these senior unsecured long-term debt securities contain various restrictive financial covenants.
- (2) These securities are subject to redemption in whole or in part, at any time, at the option of the issuer.
- (3) In 2022, the amounts shown are allocations from Tampa Electric to PGS of TEC Notes. As described in **Note 1** and **Note 6**, PGS separated from TEC on January 1, 2023.
- (4) In 2022, the Notes are reported as notes payable on the Consolidated Balance Sheet as of December 31, 2022 (see **Note 6**).

8. Commitments and Contingencies

Legal Contingencies

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

Superfund and Former Manufactured Gas Plant Sites

As of December 31, 2023 and 2022, PGS was a PRP for certain superfund sites and certain former MGP sites. While the joint and several liability associated with these sites presents the potential for significant response costs, as of December 31, 2023 and 2022, PGS estimated its ultimate financial liability to be \$11 million and \$13 million, respectively. This amount has been accrued and is reflected in the long-term liability section under "Deferred credits and other liabilities" on the Consolidated Balance Sheets. The environmental remediation costs associated with these sites are expected to be paid over many years.

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

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

Factors that could impact these estimates include the ability of other PRPs to pay their pro-rata portion of the cleanup costs, additional testing and investigation which could expand the scope of the cleanup activities, additional liability that might arise from the cleanup activities themselves or changes in laws or regulations that could require additional remediation. Under current regulations, these costs are recoverable through customer rates established in subsequent base rate proceedings.

Long-Term Commitments

PGS has commitments for various purchases as disclosed below, including contractual agreements for transportation, fuel and gas supply that are recovered from customers under regulatory clauses. The following is a schedule of future payments under minimum lease payments with non-cancelable lease terms in excess of one year and other net purchase obligations/commitments at December 31, 2023:

<i>(millions)</i>	<i>Transportation ⁽¹⁾</i>	<i>Fuel and Gas Supply</i>	<i>Total</i>
Year ended December 31:			
2024	\$ 142	\$ 5	\$ 147
2025	132	0	132
2026	128	1	129
2027	125	1	126
2028	121	0	121
Thereafter	884	0	884
Total future minimum payments	<u>\$ 1,532</u>	<u>\$ 7</u>	<u>\$ 1,539</u>

- (1) As of December 31, 2023, \$100 million is related to a gas transportation contract between SeaCoast and PGS through 2040.

Financial Covenants

PGS must meet certain financial tests, including a debt to capital ratio, as defined in the applicable debt agreements. PGS has certain restrictive covenants in specific agreements and debt instruments. At December 31, 2022, all debt allocable to PGS was held at Tampa Electric. Therefore, TEC had to meet certain financial tests, including a debt to capital ratio, as defined in the applicable debt agreements. TEC had certain restrictive covenants in specific agreements and debt instruments for 2022. At December 31, 2023 and 2022, PGS and TEC, respectively, were in compliance with all required financial covenants.

9. Revenue

The following disaggregates PGS's revenue by major source:

<i>(millions)</i>	<i>2023</i>		<i>2022</i>	
For the years ended December 31,				
Regulated gas revenue				
Residential	\$	209	\$	229
Commercial		191		200
Industrial ⁽¹⁾		36		31
Other ⁽²⁾		112		184
Total gas revenue ⁽³⁾		548		644
Unregulated revenue		15		12
Total revenue	<u>\$</u>	<u>563</u>	<u>\$</u>	<u>656</u>

- (1) Industrial includes sales to power generation customers.
(2) Other includes off-system sales to other utilities, franchise fees, gross receipts, energy conservation charges, regulatory deferrals and various other items.
(3) Includes fuel revenue.

10. Related Party Transactions

A summary of activities between PGS and its affiliates follows:

Net transactions with affiliates:

<i>(millions)</i>	2023	2022
Services provided to/(received from) affiliates	\$ (32)	\$ (31)
Natural gas sales to/(from) affiliates	(19)	(8)
Interest expense to affiliate	38	0
Equity contributions from Parent	92	205
Dividends to Parent	74	82

Amounts due from or to affiliates at December 31,

<i>(millions)</i>	2023	2022
Accounts receivable ⁽¹⁾	\$ 2	\$ 4
Accounts payable ⁽¹⁾	15	27
Note payable to Tampa Electric ⁽²⁾	0	730
Taxes payable ⁽³⁾	1	0

- (1) Accounts receivable and accounts payable were incurred in the ordinary course of business and do not bear interest.
- (2) The note payable for the term loan bears interest at primarily the stated rate and the revolving loan rate approximates the market rate of Tampa Electric's commercial paper. See "Separation of PGS from TEC" in **Note 1** and see **Note 6** for further information.
- (3) Taxes payable were due to EUSHI. See **Note 4** for additional information.

11. Leases

PGS determines whether a contract contains a lease at inception by evaluating if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

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

Lessor

Commencing in October 2023, the company leased a renewable natural gas (RNG) facility to a biogas producer that is classified as a sales-type lease. The term of the facility lease is 15 years, with a nominal value purchase at the end of the term and a net investment of approximately \$35 million.

The total net investment in sales-type leases consists of the following as of December 31:

<i>(millions)</i>	2023	2022
Minimum lease payments receivable	\$ 59	\$ 0
Less unearned finance lease income	(24)	0
Net investment in direct finance and sales-type leases	\$ 35	\$ 0
Principal due within one year (included in "Receivables")	(4)	0
Net investment in direct finance and sales-type leases - long-term (included in "Deferred charges and other assets")	\$ 31	\$ 0

The unearned income related to this sales-type leases is recognized in income over the life of the lease using a constant rate of interest equal to the internal rate of return on the lease and is recorded as "Gas revenues" on the Consolidated Statements of Income. Less than \$1 million of interest income related to this lease was recognized in 2023.

The credit risk associated with the RNG facility is mitigated by a lease guaranty for two years of the lease payments of \$8 million.

As of December 31, 2023, future minimum sales-type lease payments to be received for each of the next five years and in aggregate thereafter consisted of the following:

(millions)

Year ended December 31:	2024	2025	2026	2027	2028	Thereafter	Total
Minimum lease payments receivable	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 39	\$ 59

12. Fair Value Measurements

Items Measured at Fair Value on a Recurring Basis

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

Level 1: Observable inputs, such as quoted prices in active markets;

Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

As of December 31, 2023 and 2022, the fair value of PGS's short-term debt is not materially different from the carrying value due to the short-term nature of the instruments and because the stated rates approximate market rates. The fair value of PGS's short-term debt is determined using Level 2 measurements.

See **Note 5** for information regarding the fair value of the company's pension plan investments and **Note 7** for the company's long-term debt.

13. Subsequent Events

PGS is a wholly owned subsidiary of TECO Gas Operations, Inc. ("TGOI"). Prior to April 1, 2024, TGOI was a wholly owned subsidiary of TECO Energy, Inc., which is an indirect wholly owned subsidiary of Emera Inc. On April 1, 2024, TECO Energy distributed its investment in TGOI to TECO Holdings, Inc. This new corporation is also an indirect, wholly owned subsidiary of Emera.

These financial statements and notes reflect PGS's evaluation of events occurring subsequent to the balance sheet date through April 15, 2024, the date the financial statements were issued.

14. Difference between Uniform System of Accounts and GAAP

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

- the balance sheet classification of cost of removal collections from customers,
- the balance sheet classification of plant leased to others under capital leases,
- the balance sheet classification of ASC 740-10-45 deferred income tax,
- the balance sheet classification of regulatory assets and liabilities,
- the balance sheet classification of debt issuance costs,
- the balance sheet classification of unbilled revenue,
- the balance sheet classification of insurance recoveries,
- the balance sheet classification of accumulated provision for pension benefits,
- the income statement classification of amortization of regulatory assets and liabilities,
- the equity method of accounting for wholly owned subsidiaries,
- The income statement classification of revenues and expenses.

Subsequent events have been included through the date of the PGS GAAP financial statements issuance on April 15, 2024. In accordance with FERC requirements, subsequent events occurring in 2024 after that date have not been disclosed.

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2023	
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
Line No.	Item (a)	Total (b)	Gas (c)
1	UTILITY PLANT		
2	In Service		
3	101 Plant in Service (Classified)	2,576,700,071	2,576,700,071
4	101.1 Property Under Capital Leases	-	-
5	102 Plant Purchased or Sold	-	-
6	106 Completed Construction not Classified	503,196,979	503,196,979
7	103 Experimental Plant Unclassified	-	-
8	104 Leased to Others	38,436,431	38,436,431
9	105 Held for Future Use	1,939,552	1,939,552
10	114 Acquisition Adjustments	-	-
11	TOTAL Utility Plant (Total of lines 3 through 10)	3,120,273,034	3,120,273,034
12	107 Construction Work in Progress	142,812,968	142,812,968
13	Accum. Provision for Depreciation, Amortization, & Depletion	906,669,814	906,669,814
14	Net Utility Plant (Total of lines 11 plus 12 less line 13)	2,356,416,188	2,356,416,188
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	905,498,898	905,498,898
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)	905,498,898	905,498,898
22	Leased to Others		
23	108 Depreciation	1,170,915	1,170,915
24	111 Amortization and Depletion	-	-
25	TOTAL Leased to Others (Total of lines 23 and 24)	1,170,915	1,170,915
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	-	-
32	TOTAL Accum. Provisions (Should agree with line 13 above) (Total of lines 21, 25, 29, 30, and 31)	906,669,814	906,669,814

Annual Status Report										
Analysis of Plant in Service Accounts										
Company: Peoples Gas System										
For the Year Ended Dec. 31, 2023										
Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*	
Amortizable General Plant Assets:										
30100	Organization	0.0	12,620	-	-	-	-	-	12,620	
30200	Franchise & Consents	4.0	-	-	-	-	-	-	-	
30300	Misc Intangible Plant	4.0	815,325	-	-	-	-	-	815,325	
30301	Custom Intangible Plant	6.6	61,701,028	44,779,294	-	-	-	-	106,480,322	
37402	Land Rights	1.3	4,268,873	-	-	-	-	-	4,268,873	
39002	Structures & Improve Leases	2.4	134,160	-	-	-	-	-	134,160	
	Subtotal		66,932,005	44,779,294	-	-	-	-	111,711,299	
Depreciable Assets:										
37400	Land Distribution	0.0	16,157,149	11,231,482	-	-	-	-	27,388,632	
37500	Structures & Improvements	2.8	26,530,873	1,578,531	(4,237)	-	-	-	28,105,166	
37600	Mains Steel	2.1	736,309,135	111,503,448	(1,062,985)	-	(3,657,963)	-	843,091,636	
37602	Mains Plastic	1.6	752,443,785	103,197,124	(2,804,098)	-	-	-	852,836,812	
37700	37700 - Compressor Equipment	3.0	19,187,298	(9,497)	-	-	-	-	19,177,801	
37800	Meas & Reg Station Equip Gen	2.7	22,131,053	4,420,496	(29,743)	-	-	-	26,521,806	
37900	Meas & Reg Station Equip City	2.1	95,966,774	14,801,183	(13,202)	-	-	-	110,754,756	
38000	Services Steel	4.0	68,085,342	5,022,650	(529,142)	-	-	-	72,578,850	
38002	Services Plastic	2.7	549,279,831	82,606,651	(929,925)	-	-	-	630,956,556	
38100	Meters	5.0	92,581,814	7,417,214	(1,070,743)	-	-	-	98,928,285	
38200	Meter Installations	2.2	92,345,039	11,988,784	-	-	-	-	104,333,823	
38300	House Regulators	1.8	19,925,781	1,558,002	-	-	-	-	21,483,783	
38400	House Regulator Installs	1.9	38,677,155	3,969,428	-	-	-	-	42,646,583	
38500	Meas & Reg Station Equip Ind	2.3	15,196,827	3,849	-	-	-	-	15,200,675	
38700	Other Equipment	3.0	13,431,843	552,042	-	-	-	-	13,983,885	
39000	Structures & Improvements	2.4	28,184	-	-	-	-	-	28,184	
39100	Office Furniture	5.9	1,910,249	218,702	-	-	-	-	2,128,952	
39101	Computer Equipment	11.1	3,258,364	2,439,462	-	-	-	-	5,697,827	
39102	Office Equipment	6.7	1,529,674	40,190	-	-	-	-	1,569,864	
39201	Vehicles up to 1/2 Tons	7.0	9,211,747	1,182,519	(300,763)	-	-	-	10,093,502	
39202	Vehicles from 1/2 - 1 Tons	5.6	17,803,655	2,190,102	(62,127)	-	-	-	19,931,630	
39203	Airplane	0.0	-	-	-	-	-	-	-	
39204	Trailers & Other	2.9	3,296,463	114,330	-	-	-	-	3,410,792	
39205	Vehicles over 1 Ton	6.6	2,564,139	154,777	-	-	-	-	2,718,916	
39300	Stores Equipment	4.2	1,283	-	-	-	-	-	1,283	
39400	Tools, Shop & Garage Equip	5.6	7,110,422	276,891	(3,292)	-	-	-	7,384,020	
39401	CNG Stations	5.0	59,037	40,832	-	-	-	-	99,869	
39500	Laboratory Equipment	5.0	-	-	-	-	-	-	-	
39600	Power Operated Equipment	2.7	3,116,056	85,820	-	-	-	-	3,201,876	
39700	Communication Equipment	7.7	2,960,151	-	-	-	-	-	2,960,151	
39800	Miscellaneous Equipment	5.0	212,167	757,668	-	-	-	-	969,835	
39900	Other Tangible Property	0.0	-	-	-	-	-	-	-	

Annual Status Report Analysis of Plant in Service Accounts Company: Peoples Gas System For the Year Ended Dec. 31, 2023 Page 2 of 2										
Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*	
Capital Recovery Schedules:										
			2,678,243,296	412,121,975	(6,810,258)	-	(3,657,963)	-	3,079,897,051	
10400	Lease to Others	5.0	2,527,001	35,909,430	-	-	-	-	38,436,431	
10500	Property Held for Future Use	0.0	1,939,562	-	(5,031,897)	-	-	-	1,939,562	
11400	Acquisition Adjustment	0.0	5,031,897	-	(5,031,897)	-	-	-	-	
	Subtotal		9,498,450	35,909,430	(5,031,897)	-	-	-	40,375,983	
	Total Utility Plant **		2,687,741,747	448,031,405	(11,842,155)	-	(3,657,963)	-	3,120,273,034	
Note: * The total of ending balances must agree to acct. 101,106, Plant in Service, Line 3, and Line 6, Page 12. Note: ** The total of ending balances must agree to Line 11, Page 12.										

Annual Status Report											
Analysis of Entries in Accumulated Depreciation & Amortization											
Page 1 of 2											
Company: Peoples Gas System For the Year Ended Dec. 31, 2023	Acct. No.	Account Description	Beginning Balance*	Depreciation Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:											
	30100	Organization	-	-	-	-	-	-	-	-	-
	30200	Franchise & Consents	-	-	-	-	-	-	-	-	-
	30300	Misc Intangible Plant	815,325	-	-	-	-	-	-	-	815,325
	30301	Custom Intangible Plant	24,184,470	-	-	-	-	-	-	-	29,682,129
	37402	Land Rights	1,039,134	5,497,660	-	-	-	-	-	-	1,094,629
	39002	Structures & Improve Leases	33,455	55,495	-	-	-	-	-	-	36,809
		Subtotal 108 - 404 *	26,072,384	5,556,509	-	-	-	-	-	-	31,628,893
Items necessary to reconcile the total amortization accrual amount to Acct. 404.3, Amortization Expense, shown on Line 7, Page 8.											
Depreciable Assets:											
	37400	Land Distribution	(60,225)	-	-	-	-	-	-	-	(60,225)
	37500	Structures & Improvements	8,476,960	768,754	(4,237)	(7,929)	-	-	-	-	9,233,547
	37600	Mains Steel	207,270,000	(3,571,771)	(1,062,985)	(814,068)	320,332	-	(32,195)	-	202,109,313
	37602	Mains Plastic	221,652,318	12,606,034	(2,804,098)	72,585	245,970	-	-	-	231,772,810
	37700	37700 - Compressor Equipment	770,155	575,523	-	50,533	44,177	-	-	-	1,440,389
	37800	Meas & Reg Station Equip	5,207,902	637,610	(29,743)	(957)	-	-	-	-	5,814,812
	37900	Meas & Reg Station Exp Gen	18,547,252	2,095,970	(13,202)	(24,976)	-	-	-	-	20,605,044
	38000	Services Steel	39,718,188	2,791,473	(629,142)	(8,597,930)	31,867	-	-	-	33,414,457
	38002	Services Plastic	207,266,522	15,713,924	(929,925)	(4,321,884)	181,361	-	-	-	217,909,997
	38100	Meters	37,791,913	4,800,850	(1,070,743)	(14,233)	-	-	-	-	41,507,788
	38200	Meter Installations	37,820,276	2,140,594	-	-	-	-	-	-	39,960,870
	38300	House Regulators	9,097,090	371,242	-	-	-	-	-	-	9,468,333
	38400	House Regulator Installs	15,453,935	777,015	-	-	-	-	-	-	16,230,950
	38500	Meas & Reg Station Exp Ind	6,981,591	349,540	-	-	-	-	-	-	7,331,131
	38700	Other Equipment	5,430,199	407,297	-	-	-	-	-	-	5,837,495
	39000	Structures & Improvements	15,559	676	-	-	-	-	-	-	16,235
	39100	Office Furniture	991,573	123,287	-	-	-	-	-	-	1,114,859
	39101	Computer Equipment	2,827,395	373,447	-	-	-	-	-	-	3,200,842
	39102	Office Equipment	862,791	103,716	-	-	-	-	-	-	966,507
	39201	Vehicles up to 1/2 Tons	5,098,371	667,987	(300,763)	16,004	83,870	-	-	-	5,565,468
	39202	Vehicles from 1/2 - 1 Tons	7,356,204	1,074,040	(62,127)	66,451	36,634	-	-	-	8,471,202
	39203	Airplane	-	-	-	-	-	-	-	-	-
	39204	Trailers & Other	693,834	98,095	-	-	-	-	-	-	791,928
	39205	Vehicles over 1 Ton	1,098,099	175,107	-	-	41,843	-	-	-	1,315,049
	39300	Stores Equipment	538	54	-	-	-	-	-	-	592
	39400	Tools, Shop & Garage Equip	4,096,945	403,781	(3,292)	-	855	-	-	-	4,498,289
	39401	CNG Stations	8,584	3,140	-	-	-	-	-	-	11,724
	39500	Laboratory Equipment	-	-	-	-	-	-	-	-	-
	39600	Power Operated Equipment	2,068,335	85,292	-	-	-	-	-	-	2,153,627
	39700	Communication Equipment	2,710,155	227,932	-	-	-	-	-	-	2,938,086
	39800	Miscellaneous Equipment	229,081	19,804	-	-	-	-	-	-	248,885
	39900	Other Tangible Property	-	-	-	-	-	-	-	-	-

Annual Status Report										
Analysis of Entries in Accumulated Depreciation & Amortization										
Company: Peoples Gas System										
For the Year Ended Dec. 31, 2023										
Acct. No.	Account Description	Beginning Balance*	Depreciation Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)										
Capital Recovery Schedules:										
	Subtotal 108-403 *	875,553,924	49,376,920	(6,810,258)	(13,576,403)	986,909	-	(32,195)	-	905,498,898
Items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on Line 6, Page 8.										
10400	Lease to Others	657,383	513,532	-	-	-	-	-	-	1,170,915
10500	Property Held for Future Use	-	-	-	-	-	-	-	-	-
11400	Acquisition Adjustment	5,028,153	3,744	(5,031,897)	-	-	-	-	-	0
	Subtotal	5,685,536	517,277	(5,031,897)	-	-	-	-	-	1,170,915
	Total Accumulated Reserve**	881,239,460	49,894,197	(11,842,155)	(13,576,403)	986,909	-	(32,195)	-	906,669,814
Note: * The total of ending balances must agree to Line 17, Page 12.										
Note: ** The total of ending balances must agree to Line 32, Page 12.										
Per rule 25-7.045(9), there has been no change of plans or utility experience requiring a change of rates, amortization or capital recovery schedule.										

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2023	
CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)			
1. Report below descriptions and balances at end of year of projects in process of construction (107). 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research,		Development, and Demonstration (see Account 107 of the Uniform System of Accounts). 3. Minor projects (less than \$500,000) may be grouped.	
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Cast Iron / Bare Steel Main Replacements	1,421,714	8,635,877
2	Cathodic Protection	320,633	641,000
3	City Gates	4,102,799	1,131,127
4	CNG	645,487	764,435
5	Distribution System Improvement	5,912,741	20,348,218
6	Governmental / Municipal Improvements	18,451,490	59,472,863
7	Improvements to Property	2,562,321	6,907,745
8	Main Replacements	11,077,672	20,951,864
9	Measuring & Regulating Station and Equipment	1,847,903	30,908,366
10	Miscellaneous Non-Revenue Producing	464,458	9,141
11	New Revenue Main Installations	35,812,405	86,816,697
12	New Revenue Mains - New Developments	8,534,249	15,729,201
13	New Revenue Mains - System Growth	1,515,793	2,503,460
14	Office / Furniture Equipment	2,864,007	1,444,429
15	TOTAL (Continued on 17b)	95,533,672	256,264,423

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

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2023	
CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)			
1. Report below descriptions and balances at end of year of projects in process of construction (107). 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research,		Development, and Demonstration (see Account 107 of the Uniform System of Accounts). 3. Minor projects (less than \$500,000) may be grouped.	
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Power / Testing / Tools Equipment	1,472,876	2,180,716
2	Problematic Plastic Pipe Replacements	5,698,694	47,380,327
3	Service Lines Blankets	1,331,122	-
4	Software	5,006,681	27,841,840
5	Strategic	9,943,445	33,613,054
6	Transportation Vehicles	2,842,685	6,003,401
7	Structures - Headquarters Building	20,983,793	46,300,346
8			
9			
10			
11			
12			
13			
14			
15	TOTAL (including pg 17a)	142,812,968	419,584,107

CONSTRUCTION OVERHEADS-GAS			
1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items. 2. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain the accounting procedures employed		and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction. 3. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc. which are first assigned to a blanket work order and then prorated to construction jobs.	
Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1	Supervision and Management	18,487,700	333,789,642
2	(These costs are allocated to WIP as outlined		
3	in instruction 3 above)		
4			
5	Corporate G&A	11,009,621	352,277,342
6			
7			
8			
9			
10			
11			
12	TOTAL	29,497,321	

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2023
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	3,162,615
2	Short term debt facility fees	1,183,223
3	Software/Technology Maint.	1,430,826
4		
5		
6		
7		
8	TOTAL	5,776,664

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)						
Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	n/a					
2						
3						
4						
5						
6						
7						
8						
9						
10	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	n/a					
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, 2023		
OTHER REGULATORY ASSETS (Account 182.3)						
1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includible in other amounts).			2. For regulatory assets being amortized, show period of amortization in column (a). 3. Minor items (amounts less than \$25,000) may be grouped by classes.			
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amounts (e)	
1	Cast Iron Bare Steel Replacement Rider	845,047	199,513	407	942,061	102,499
2						
3	Transm Integrity Mgmt Prgm	425,187	4,692,282	887	1,610,904	3,506,564
4						
5	Competitive Rate Adjustment	3,792,773	5,514,956	142/4XX	5,383,116	3,924,614
6						
7	FAS 158 - Current portion	-	-	182.3	-	-
8						
9	FAS 109 - Reg Asset FAS109 ITax	3,313,118	1,910,174	283	816,472	4,406,820
10						
11	Reg Asset Tax Reform	-	1,166,807	407	-	1,166,807
12						
13	Reg Asset Prop Sale Current	-	51,653	182	41,322	10,331
14						
15	Energy Conservation (ECCR)	-	11,590,787	407	-	11,590,787
16						
17	FAS 158 - Non-current portion	30,211,330	2,975,204	228	656,678	32,529,856
18						
19	Environmental MGP - Current	1,000,000	2,352,432	182/407	2,352,432	1,000,000
20						
21	Environmental MGP - Non-Current	6,592,523	985,545	182	399,220	7,178,848
22						
23	Environmental Liability	12,618,620	11,412,295	242	12,618,620	11,412,295
24						
25	Deferred Loss on Property Sale	72,315	-	421	72,315	-
26						
27	Prov Property Ins - Storm	746,637	159,392	924/880	380,000	526,029
28						
29	Software Implementation Costs	468,317	427,848	232	126,535	769,630
30						
27	Rate Case Expense	423,477	2,756,706	928	423,476	2,756,706
28	TOTAL	60,509,344	46,195,595		25,823,152	80,881,786

MISCELLANEOUS DEFERRED DEBITS (Account 186)						
1. Report below the particulars (details) called for concerning miscellaneous deferred debits. 2. For any deferred debit being amortized, show period of amortization in column (a).			3. Minor items (amounts less than \$25,000) may be grouped by classes.			
Line No.	Description of Miscellaneous Deferred Debit (a)	Beginning of Year (b)	Debits (c)	Account Charged (d)	Amount (e)	Balance End of Year (f)
1						
2	Deferred Debit SERP Trust	1,474,890	371,468	146		1,846,358
3						
4	Contract Amortization (167 months)	1,706,586		495	215,569	1,491,017
5						
6	Project-Year End timing	296,576	55,801			352,377
7						
8	Ft. Myers Main	-	394,560			394,560
9						
10	Jacksonville PE	-	99,810			99,810
11						
12	Reimburseable - Shands	-	96,598			96,598
13						
14	Rate Case Costs - 2024	508,043	2,248,663		2,756,706	0
15						
16	Misc. Work in Progress	356,946				375,035
17						
18	TOTAL	4,343,041				4,655,757

Name of Respondent	For the Year Ended	
Peoples Gas System	Dec. 31, 2023	
SECURITIES ISSUED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR		
<p>1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses.</p> <p>2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded.</p>	<p>and gains or losses relating to securities retired or refunded.</p> <p>3. Included in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares.</p> <p>4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.</p>	
<u>Securities Retired</u>		
Long Term Debt 6.15%	Due 05/15/2037	(60,000,000)
Long Term Debt 4.10%	Due 06/01/2042	(50,000,000)
Long Term Debt 4.35%	Due 05/15/2044	(10,000,000)
Long Term Debt 4.20%	Due 05/15/2045	(20,000,000)
Long Term Debt 4.30%	Due 06/15/2048	(75,000,000)
Long Term Debt 4.45%	Due 06/15/2049	(25,000,000)
Long Term Debt 3.625%	Due 06/15/2050	(25,000,000)
Long Term Debt 2.40%	Due 03/15/2031	(115,000,000)
Long Term Debt 3.45%	Due 03/15/2051	(115,000,000)
Long Term Debt 3.875%	Due 07/12/2024	(37,500,000)
Long Term Debt 5.00%	Due 07/15/2052	(37,500,000)
Total Retired		(570,000,000)
<u>Securities Issued</u>		
Long Term Debt 5.42%	Due 2028	350,000,000
Long Term Debt 5.63%	Due 2033	350,000,000
Long Term Debt 5.94%	Due 2053	225,000,000
Total Issued		\$925,000,000

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

Name of Respondent					For the Year Ended		
Peoples Gas System					Dec. 31, 2023		
LONG-TERM DEBT (Accounts 221, 222, 223, and 224)							
1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form Filing, a specific reference to the report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.				3. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.			
2. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated				4. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.			
Line No.	Class and Series of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Original Amount Issued (d)	Interest for Year		Total Amount Outstanding (g)
					Rate (in %) (e)	Amount (f)	
1	Other Long Term Debt - Acct 224						
2							
3	Note Issued by Peoples Gas PD0047	12/19/23	12/19/28	350,000,000	5.420	685,028	350,000,000
4	Note Issued by Peoples Gas PD0048	12/19/23	12/19/33	350,000,000	5.630	711,569	350,000,000
5	Note Issued by Peoples Gas PD0049	12/19/23	12/19/53	225,000,000	5.940	482,625	225,000,000
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18	TOTAL			925,000,000		1,879,222	925,000,000

UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)								
1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.				5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year.				
2. Show premium amounts by enclosing the figures in parentheses.				6. Identify separately indisposed amounts applicable to issues which were redeemed in prior years.				
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.				7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.				
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.								
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	Note/Peoples Gas 5.42%	350,000,000	760,421	12-2023	12-2028	-	(5,315)	(5,315)
3	Note/Peoples Gas 5.63%	350,000,000	760,421	12-2023	12-2033	-	(2,657)	(2,657)
4	Note/Peoples Gas 5.94%	225,000,000	480,266	12-2023	12-2053	-	(560)	(560)
5								
6								
7								
8	Beg Bal of \$4,543,245 in acct 181 and \$1,612,031 in acct 226 related to the PGS portion of TEC debt are not included in this section.				Acct 428		(8,532)	
9	As part of the separation of PGS from TEC, these amounts were reclassified to notes payable and paid in 2023.							
10								
11								
12								
13								
	New Charges to 181							
14	Note/Peoples Gas 5.42%	350,000,000	760,421	12-2023	12-2028	-	760,421	760,421
15	Note/Peoples Gas 5.63%	350,000,000	760,421	12-2023	12-2033	-	760,421	760,421
16	Note/Peoples Gas 5.94%	225,000,000	480,266	12-2023	12-2053	-	480,266	480,266
17								
18					Acct 181	0		1,992,576

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2023
MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)		
1. Describe and report the amount of other current and accrued liabilities at the end of year.		2. Minor items (less than \$50,000) may be grouped under appropriate title.
Line No.	Item	Balance at End of Year
1	Vacation Liability	4,844,989
2		
3	SERP Liability FAS 158 - Current	160,695
4		
5	FAS 106 Liability FAS 158 - Current	1,190,359
6		
7	Manufactured Gas Plant Estimated Environmental Liability	11,412,295
8		
9	Long Term Incentive	1,280,067
10		
11	Restoration FAS 158 - Curr	-
12		
13	Other	2,116,127
14		
15	TOTAL	21,004,532

OTHER DEFERRED CREDITS (Account 253)						
1. Report below the particulars (details) called for concerning other deferred credits.						
2. For any deferred credit being amortized, show the period of amortization.						
3. Minor items (less than \$25,000) may be grouped by classes.						
Line No.	Description of Other Deferred Credit (a)	Balance Beginning of Year (b)	DEBITS		Credits (e)	Balance End of Year (f)
			Contra Account (c)	Amount (d)		
1	Contractor Retention	902,569	CWIP	13,576,588	13,782,213	1,108,194
2						
3	Settlement Reserve	92,000	131	-	-	92,000
4						
5	Deferred Billing Credit-JEA	187,917	488	205,000	205,000	187,917
6						
7	Long term incentive	1,122,640	242/926	4,644,293	4,789,286	1,267,633
8						
9	Advance Deposit	1,000,000	131	1,000,000	-	-
10						
11	Other	17,795		349,615	343,093	11,273
12	TOTAL	3,322,921		19,775,496	19,119,592	2,667,017

OTHER REGULATORY LIABILITIES (Account 254)						
1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).				2. For regulatory liabilities being amortized, show period of amortization in column (a).		
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$50,000, whichever is less) may be grouped by classes.						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance Beginning of Year (b)	Debits		Credits (d)	Balance End of Year (e)
			Contra Account (b)	Amount (c)		
1						
2	FAS 106 Tax	88,659,849	282 283	2,256,392	1,639,448	88,042,904
3						
4	Reg Liab-Tax Reform	-	254	-	-	-
5						
6	Def Gain Property Sale	1,941,467	421.1	1,113,638	556,819	1,384,648
7						
8	Energy Conservation (ECCR)	1,548,438	407	1,571,975	23,537	-
9						
10						
11	TOTAL	92,149,754		4,942,006	2,219,804	89,427,552

Name of Respondent		TAXES OTHER THAN INCOME TAXES (Account 408.1)										For the Year Ended	
Peoples Gas System												Dec. 31, 2023	
	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	19,353,061									19,353,061		
2	Internal Revenue Service (FICA)				5,148,789						5,148,789		
3	FL Public Service Commission					2,632,604					2,632,604		
4	FL Dept of Revenue					17,161,144					17,161,144		
5	Various FL Municipalities								13,460,339		13,460,339		
6	Internal Revenue Svc (FUTA)				35,338						35,338		
7	Internal Revenue Svc (SUTA)				16,996						16,996		
8	Various FL Counties (tags)										-		
9	Various FL Municipalities								54,249		54,249		
10	Federal							64			64		
11	Out of Period Adj - account 408.1				-		9,076				9,076		
12	Less: Other Adjustments				(200,140)						(200,140)		
13	Less: charged to other revenue (495)						(87,531)				(87,531)		
14	Less: Charged to Construction				(1,677,257)						(1,677,257)		
15	Less: Charged to clearing, jobbing, AR										-		
16	TOTAL Taxes Charged During Year												
	(Lines 1-15) to Account 408.1	19,353,061	-	-	3,323,726	17,161,144	2,554,149	64	13,460,339	54,249	55,906,732		
	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)	Notes
				Acct. No. (d)	Amount (e)				
1	Gas Utility								
2	3%	0		411	0		0		
3	4%								
4	7%								
5	10%								
6									
7									
8									
9									
10	TOTAL	0			0		0		

Name of Respondent		ACCUMULATED DEFERRED INCOME TAXES (Account 190)										For the Year Ended			
Peoples Gas System		2. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided.										Dec. 31, 2023			
Line No.	Description	Balance at Beginning of Year	Changes During Year		Amounts Credited to Account 410.1		Amounts Debited to Account 410.2		Amounts Debited to Account 411.1		Amounts Debited to Account 411.2		Adjustments		Balance at End of Year
			Federal	State	Amount	Account No.	Amount	Account No.	Amount	Account No.	Amount	Account No.	Amount	Account No.	
1	GAS														
2	FAS 158	11,442,393													12,030,023
3	FAS 133	594,901													263,173
4															
5	Gas	43,875,647			235,947										44,111,594
6	INOL	3,963,755			(428,001)										3,535,754
7	Tax Credit	2,269,913			745,325										3,015,238
8															
9															
10															
11	TOTAL Gas (Lines 2 - 10)	62,146,609			553,271										62,955,782
12	Other (Specify Tax Credit Non-Utility)				(16,781)										2,905,876
13	TOTAL (Account 190) (Total of lines 11 and 12)	62,146,609			536,490										65,861,658
Notes		Deferred Income Tax Other Adjustments Includes:		Total											
		Federal	State												
		(298,372)	(33,356)	(331,728)	FAS 133										
		460,111	127,519	587,630	FAS 158										
		161,739	94,163	255,902											

Line No.	Description	Balance at Beginning of Year	Changes During Year		Amounts Debited to Account 410.1		Amounts Debited to Account 410.2		Amounts Debited to Account 411.1		Amounts Debited to Account 411.2		Adjustments		Balance at End of Year
			Federal	State	Amount	Account No.	Amount	Account No.	Amount	Account No.	Amount	Account No.	Amount	Account No.	
1	Account 281 - Accelerated Amortization Property														
2	Electric														
3	Gas														
4	Other														
5	TOTAL Account 281 (Lines 2 thru 4)														
6	Account 282 - Other Property														
7	Electric														
8	Gas	298,213,053			21,478,040										319,691,093
9	Other	(63,683,071)			(16,781)										(62,032,777)
10	TOTAL Account 282 (Lines 7 thru 9)	234,529,982			21,461,259										257,658,316
11	Account 283 - Other														
12	Electric														
13	Gas	24,001,771			1,492,574										26,081,976
14	Other	(21,663,661)													(21,235,062)
15	TOTAL Account 283 - Other (Lines 12 thru 14)	2,338,110			1,492,574										4,846,914
16	GAS														
17	Federal Income Tax	189,815,940			18,158,787										209,410,786
18	State Income Tax	47,052,152			5,180,075										53,094,444
19															
20	TOTAL Gas (Lines 17 thru 19)	236,868,092			23,338,862										262,505,290
21	OTHER														
22	Federal Income Tax														
23	State Income Tax														
24	TOTAL Other (Lines 22 and 23)														
25	TOTAL (Total of lines 5, 10 and 15)	236,868,092			22,953,833										262,505,231
NOTES:		Deferred income tax adjustment includes:		Total											
		Federal	State												
		(460,111)	(127,518)	(587,629)	FAS 158										
		(975,947)	(734,700)	(1,710,647)	FAS 109										
		(1,436,058)	(862,218)	(2,298,276)											
	Total 283														

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2023
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES		
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, allocation, assignment, or sharing of the consolidated tax among the group members.</p>		
Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 9)	78,534,752
2	Reconciling Items for the Year	
3	Federal Income Tax	14,687,967
4	<i>Taxable Income Not Reported on Books</i>	
5	AIAC	4,867,286
6	CIAC	(158,970)
7	Total	4,708,316
8	<i>Deductions Recorded on Books Not Deducted for Return</i>	
9	Amortization Capitalized Customer Assistant Costs	16,883,142
10	Interest Capitalized SEC 263A	6,809,672
11	Deferred Fuel	2,081,893
12	Accrued Bonus	1,023,552
13	CI-BS Replacement	742,548
14	Hedges	497,357
15	Meals	451,227
16	Lease Plant	399,033
17	Others	6,173,098
18	Total	35,061,522
19	<i>Income Recorded on Books Not Included in Return</i>	
20	Equity Earnings	3,584,799
21		
22		
23		
24		
25	Total	3,584,799
26	<i>Deductions on Return Not Charged Against Book Income</i>	
27	Depreciation Book Tax Difference	62,901,111
28	Repairs Capitalized on Books	36,888,352
29	Energy Conservation	13,139,225
30	AFUDC Equity	3,359,006
31	Transmission Integrity Program	3,081,378
32	Cost of Removal	2,869,829
33	Amortization SEC174	2,046,926
34	Other	13,266,811
35	Total	137,552,638
36		
37	Federal Taxable Net Income	(8,144,880)
38	<i>Show Computation of Tax:</i>	
39	State Tax Deduction	(583,953)
40	Federal Taxable Net Income before NOL	(7,560,927)
41	NOL Utilization	(1,202,515)
42	Federal Taxable Income	(8,763,442)
43	Federal Income Tax @ 21%	(1,840,323)
44	Prior Year True-up Provision to Actual Per Return and NOL Reclass to Deferred	1,892,093
45	Federal Income Tax	51,770
46	Federal Income Tax Allocation to Other Income	64,541

NAME OF RESPONDENT: Peoples Gas System	This Report is an Original	YEAR OF REPORT: Dec. 31, 2023
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

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

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

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

Affiliates included in the consolidated return are:

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

Name of Respondent		For the Year Ended					
Peoples Gas System		Dec. 31, 2023					
GAS OPERATING REVENUES (Account 400)							
1. Report below natural gas operating revenues for each prescribed account in total. 2. Report number of customers, columns (f) and (g), on the basis of meters, except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month. 3. Report quantities of natural gas sold in therms (14.73 psia at 60 F). 4. Report gas service revenues and therms sold by rate schedule. 5. If increases or decreases from previous year (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.							
Line No.	Title of Account (a)	Operating Revenues		Therms of Natural Gas Sold		Avg. No. of Natural Gas Customers Per Mo.	
		Amount for Year (b)	Amount for Previous Year (c)	Current Year (d)	Previous Year (e)	Current Year (f)	Previous Year (g)
1	Gas Service Revenues						
2	Firm Sales Service						
3	480 Residential RS1 - RS3	196,161,512	214,525,318	82,762,630	81,524,823	436,909	415,172
4	480 Residential GS1	8,396,034	9,610,297	5,938,266	5,754,629	2,340	2,287
5	480 Residential GS2	804,319	900,175	655,755	598,830	46	47
6	480 Residential GS3	(5,338)	7,531	(61)	(1,208)	18	5
7	481 Commercial Street Lighting	42,326	47,834	37,097	32,020	-	-
8	481 Small General Service	8,476,782	9,747,955	4,474,355	4,409,077	7,591	7,446
9	481 General Service 1	22,567,534	27,516,841	16,761,214	16,416,125	4,869	4,799
10	481 General Service 2	15,700,040	19,397,524	12,955,907	12,655,537	861	825
11	481 General Service 3	4,091,386	3,973,965	3,628,557	2,690,881	44	48
12	481 General Service 4	1,517,438	746,996	1,690,649	647,040	3	4
13	481 General Service 5	2,503,458	4,694,895	2,757,512	3,622,043	3	5
14	481 Commercial Gas Heat Pump	535	4,517	352	2,693	0	1
15	Interruptible Sales Service						
16	481 Small Interruptible Service	157,254	752,180	275,122	918,645	-	-
17	481 Interruptible Lg. Vol - 1	503,257	609,973	947,383	685,906	-	-
18	481 Interruptible Lg. Vol - 2	0	-	-	-	-	-
19	481 Interruptible Contract Service	(1,014,076)	(679,943)	659,106	664,361	-	-
20	481 Mutually Beneficial	82,256	121,612	235,220	109,880	0	1
21	481 Off System Sales	31,741,620	97,506,936	75,220,070	108,650,280	2	4
22	Firm Transportation Service						
23	489 Res-General Svc 1	807,777	833,716	1,775,502	1,845,899	403	405
24	489 Res-General Svc 2	1,738,609	1,723,662	5,204,005	5,133,960	247	253
25	489 Res-General Svc 3	1,033,763	1,120,611	3,287,686	3,588,257	48	50
26	489 Commercial Street Lighting	125,540	127,880	444,815	453,106	-	-
27	489 Natural Gas Vehicles		-	-	-	-	-
28	489 Small General Service	4,023,426	4,028,547	4,966,437	5,209,072	5,141	4,892
29	489 General Service 1	31,322,443	31,746,574	71,833,898	73,096,061	13,676	13,658
30	489 General Service 2	40,837,994	40,429,383	119,263,904	118,451,572	6,588	6,378
31	489 General Service 3	20,413,521	20,103,929	70,245,339	69,689,655	721	678
32	489 General Service 4	12,170,089	11,747,649	60,112,571	58,047,849	147	142
33	489 General Service 5	24,734,099	22,930,996	171,274,316	158,630,322	181	185
34	489 Interruptible Contract Serv.Trans.	25,327,243	19,763,679	1,144,261,483	1,051,669,708	14	14
35	489 Small Interruptible Transp	3,936,480	3,850,694	44,638,098	43,655,422	27	27
36	489 Interruptible Transp LG - 1	7,188,895	6,563,544	145,545,930	153,574,866	14	14
37	489 Interruptible Transp LG - 2	-	-	-	-	-	-
38	482 Other Sales to Public Authorities						
39	484 Flex Rate - Refund						
40	TOTAL Sales to Ultimate Consumers	465,386,218	554,455,467	2,051,853,117	1,982,427,309	479,893	457,339
41	483 Sales for Resale	2,638,496	3,336,959	4,926,676	4,907,054	10	11
42	Off-System Sales						
43	TOTAL Nat. Gas Service Revenues	468,024,715	557,792,426				
44	TOTAL Gas Service Revenues	468,024,715	557,792,426				
45	Other Operating Revenues						
46	485 Intracompany Transfers						
47	487 Forfeited Discounts	1,199,854	1,404,024				
48	488 Misc. Service Revenues	5,554,460	5,827,355				
49	488						
50	488 Individual Transp Charge	870,946	871,791				
51	489 Rev. from Trans. of Gas of Others	5,594	1,101				
52	not included in above rate schedules)						
53	493 Rent from Gas Property	221,556	217,611				
54	494 Interdepartmental Rents						
55	495 Other Gas Revenues						
56	Gross Recpts Tax/Franch Fee Coll	30,741,678	31,246,949				
57	Reconnect for Cause						
58	Collection in lieu of disconnect						
59	Returned Check						
60	Other	26,749,370	39,837,796				
61	495.1 Overrecoveries Purchased Gas						
62	TOTAL Other Operating Revenues	65,343,459	79,406,629				
63	TOTAL Gas Operating Revenues	530,729,677	633,862,095				
64	(Less) 496 Provision for Rate Refunds						
65	TOTAL Gas Operating Revenues						
66	Net of Provision for Refunds	530,729,677	633,862,095				
67	Sales for Resale	2,638,496	3,336,959				
68	Other Sales to Public Authority						
69	Interdepartmental Sales						
70	TOTAL	533,368,174	637,199,054	2,056,779,792	1,987,334,362		

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2023	
GAS OPERATION AND MAINTENANCE EXPENSES			
If the amount for previous year is not derived from previously reported figures, explain in footnotes.			
Line No.	Account	Amount for Current Year	Amount for Previous Year
1	1. Production Expenses		
2	A. TOTAL Manufactured Gas Production (Total of Accounts 700-742)		
3	B. TOTAL Natural Gas Prod. and Gathering (Total of Accts. 750 - 769)		
4	C. TOTAL Products Extraction (Total of Accounts 770 through 791)		
5	D. TOTAL Exploration and Development (Total of Accts. 795 through 798)		
6	E. Other Gas Supply Expenses		
7	Operation		
8	800 Natural Gas Well Head Purchases		
9	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
10	801 Natural Gas Field Line Purchases	68,201,956	176,008,593
11	802 Natural Gas Gasoline Plant Outlet Purchases		
12	803 Natural Gas Transmission Line Purchases		
13	804 Natural Gas City Gate Purchases	80,726,621	82,546,749
14	804.1 Liquefied Natural Gas Purchases		
15	805 Other Gas Purchases		
16	805.1 Purchased Gas Cost Adjustments - Debit/(Credit)	4,819,177	4,942,301
17	TOTAL Purchased Gas (Total of Lines 8 to 16)	153,747,754	263,497,644
18	806 Exchange Gas		
19	Purchased Gas Expenses		
20	807.1 Well Expenses--Purchased Gas		
21	807.2 Operation of Purchased Gas Measuring Stations		
22	807.3 Maintenance of Purchased Gas Measuring Stations		
23	807.4 Purchased Gas Calculations Expenses		
24	807.5 Other Purchased Gas Expenses		
25	TOTAL Purchased Gas Expenses (Total of lines 20 through 24)		
26	808.1 Gas Withdrawn from Storage--Debit	950,647	679,842
27	(Less) 808.2 Gas Delivered to Storage--Credit	(528,101)	(228,345)
28	809.1 Withdrawals of Liquefied Natural Gas for Processing--Debit		
29	(Less) 809.2 Deliveries of Natural Gas for Processing--Credit		
30	Gas Used in Utility Operations--Credit		
31	810 Gas Used for Compressor Station Fuel--Credit		
32	811 Gas Used for Products Extraction--Credit		
33	812 Gas Used for Other Utility Operations--Credit	(563,240)	(510,822)
34	TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33)	(563,240)	(510,822)
35	813 Other Gas Supply Expenses		
36	TOTAL Other Gas Supply Exp. (Total of Lines 17,18,25,26 through 29,34,35)	153,607,060	263,438,319
37	TOTAL Production Expenses (Total of Lines 2,3,4,5 and 36)	153,607,060	263,438,319
38	2. Natural Gas Storage, Terminating and Processing Expenses		
39	A. TOTAL Underground Storage Expenses (Total of Accounts 814 through 837)		
40	B. TOTAL Other Storage Expenses (Total of Accounts 840 through 843.9)		
41	C. TOTAL Liquefied Nat Gas Terminating & Processing Expenses (Total of Accounts 844.1 through 847.8)		
42	TOTAL Natural Gas Storage (Total of lines 39, 40, and 41)	-	-
43	3. Transmission Expenses		
44	TOTAL Transmission Expenses (Total of Accounts 850 through 867)	-	-
45			
46			

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2023	
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			
Line No.	Account	Amount for Current Year	Amount for Previous Year
47	4. Distribution Expenses		
48	Operation		
49	870 Operation Supervision and Engineering	1,716,340	1,683,296
50	871 Distribution Load Dispatching	495,100	508,470
51	872 Compressor Station Labor and Expenses	326,703	478,898
52	873 Compressor Station Fuel and Power	63,868	49,049
53	874 Mains and Services Expenses	11,609,645	11,870,726
54	875 Measuring and Regulating Station Expenses--General	162,435	28,879
55	876 Measuring and Regulating Station Expenses--Industrial	29,621	28,531
56	877 Measuring and Regulating Station Expenses--City Gate Check Station	254,131	154,679
57	878 Meter and House Regulator Expenses	5,958,047	6,209,145
58	879 Customer Installations Expenses	3,267,359	3,135,605
59	880 Other Expenses	5,108,906	5,356,215
60	881 Rents	255,770	232,667
61	TOTAL Operation (Total of lines 49 through 60)	29,247,925	29,736,159
62	Maintenance		
63	885 Maintenance Supervision and Engineering	3,073	40,760
64	886 Maintenance of Structures and Improvements	227,471	247,156
65	887 Maintenance of Mains	5,362,115	4,957,600
66	888 Maintenance of Compressor Station Equipment	30,119	4,648
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	857,979	856,863
68	890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial	1,193,137	824,095
69	891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Station	1,610,728	1,978,239
70	892 Maintenance of Services	1,483,776	1,473,218
71	893 Maintenance of Meters and House Regulators	553,839	1,032,712
72	894 Maintenance of Other Equipment	62,958	95,721
73	TOTAL Maintenance (Total of Lines 63 through 72)	11,385,195	11,511,012
74	TOTAL Distribution Expenses (Total of Lines 61 and 73)	40,633,120	41,247,171
75	5. Customer Accounts Expenses		
76	Operation		
77	901 Supervision		
78	902 Meter Reading Expenses	1,259,220	1,384,353
79	903 Customer Records and Collection Expenses	14,391,939	13,191,923
80	904 Uncollectible Accounts	1,356,186	990,792
81	905 Miscellaneous Customer Accounts Expenses		
82	TOTAL Customer Accounts Expenses (Total of Lines 77 through 81)	17,007,345	15,567,069
83	6. Customer Service and Informational Expenses		
84	Operation		
85	907 Supervision		
86	908 Customer Assistance Expenses	29,383,024	21,618,636
87	909 Informational and Instructional Expenses	1,109,462	1,206,015
88	910 Miscellaneous Customer Service and Informational Expenses		
89	TOTAL Customer Service and Informational Expenses (Total of Lines 85 through 88)	30,492,486	22,824,651
90	7. Sales Expenses		
91	Operation		
92	911 Supervision		
93	912 Demonstrating and Selling Expenses	8,355,640	7,907,602
94	913 Advertising Expenses	807,190	1,049,215
95	916 Miscellaneous Sales Expenses	111,375	43,550
96	TOTAL Sales Expenses (Total of lines 92 through 95)	9,274,205	9,000,367
97			

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2023	
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	20,777,193	17,067,522
101	921 Office Supplies and Expenses	4,361,038	3,660,723
102	(Less) (922) Administrative Expenses Transferred--Credit	(12,987,514)	(12,782,188)
103	923 Outside Services Employed	3,579,198	4,898,718
104	924 Property Insurance	213,308	452,023
105	925 Injuries and Damages	10,754,559	8,888,973
106	926 Employee Pensions and Benefits	9,240,901	10,183,270
107	927 Franchise Requirements		
108	928 Regulatory Commission Expenses	423,476	423,476
109	(Less) (929) Duplicate Charges--Credit		
110	930.1 General Advertising Expenses	3,663	8,842
111	930.2 Miscellaneous General Expenses	24,505,373	23,704,250
112	931 Rents	514,386	505,779
113	TOTAL Operation (Total of lines 100 through 112)	61,385,581	57,011,388
114	Maintenance		
115	935 Maintenance of General Plant	477,402	442,091
116	TOTAL Administrative and General Expense (Total of lines 113 and 115)	61,862,983	57,453,479
117			
118	TOTAL Gas O&M Expenses (Lines 37, 42, 44, 74, 82, 89, 96, and 116)	312,877,199	409,531,055
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) 12/31/2023
3	2. Total Regular Full-Time Employees 768
4	3. Total Part-Time and Temporary Employees
5	4. Total Employees 768
6	
7	
8	
9	
10	
11	
12	
13	

Name of Respondent		For the Year Ended		
Peoples Gas System		Dec. 31, 2023		
GAS PURCHASES (Accounts 800, 800.1, 801, 802, 803, 804, 804.1, 805, 805.1, 808.1, 808.2)				
1. Provide totals for the following accounts: 800 - Natural Gas Well Head Purchases 800.1- Natural Gas Well Head Purchases Intracompany Transfers 801 - Natural Gas Field Line Purchases 802 - Natural Gas Gasoline Plant Outlet Purchases 803 - Natural Gas Transmission Line Purchases 804 - Natural Gas City Gate Purchases 804.1- Liquefied Natural Gas Purchases 805 - Other Gas Purchases 805.1- Purchases Gas Cost Adjustments 808.1- Gas Withdrawn from Storage-Debit 808.2 Gas Delivered to Storage-Credit		The totals shown in columns (b) and (c) should agree with the books of account. Reconcile any differences in a footnote. 2. State in column (b) the volume of purchased gas as finally measured for the purpose of determining the amount payable for the gas. Include current year receipts of makeup gas that was paid for in prior years. 3. State in column (c) the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in column (b). 4. State in column (d) the average cost per Therm to the nearest hundredth of a cent. (Average means column (c) divided by column (b) multiplied by 100.)		
Line No.	Account Title (a)	Gas Purchased- Therms (14.73 psia 60 F) (b)	Cost of Gas (In dollars) (c)	Average Cost Per Therm (To nearest .01 of a cent) (d)
1	801 - Natural Gas Field Line Purchases		68,201,956	
2	808.1 - Gas Withdrawn from Storage-Debit		950,647	
3	808.2 - Gas Delivered to Storage-Credit		(528,101)	
4	804 - Natural Gas City Gate Purchases-Commodity		80,726,621	
5	805.1 - Purchased Gas Cost Adjustments		4,819,177	
6				
7				
8				
9				
10				
11	TOTAL (Total of lines 1 through 10)	244,328,442	154,170,300	63.10
Notes to Gas Purchases				

GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 812)				
1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.		4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Therms of gas used, omitting entries in columns (d) and (e).		
2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.		5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 degrees F.		
3. If the reported Therms for any use is an estimated quantity, state such fact in a footnote.				
Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Therms of Gas Used (c)	Natural Gas Amount of Credit (d)
1	812 Gas used for Other Utility Operations Credit (Report separately for each principal uses. Group minor uses.)			
2				
3	Operations Expense	880	24,856	23,371
4				
5	Transportation Clearing Account CNG	184	448	405
6				
7	Other Income Deductions	426	20,863	18,458
8				
9	Administrative Use	921	N/A	
10				
11	Sales Tax Account	241	N/A	(1,509)
12				
13	Gas Lost - Damaged Facilities	143	N/A	522,514
14				
15				
16				
17				
18	TOTAL		46,167	563,240

Name of Respondent							For the Year Ended		
Peoples Gas System							Dec. 31, 2023		
REGULATORY COMMISSION EXPENSES (Account 928)									
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.					3. The totals of columns (c), (f), (h), and (i) must agree with the totals shown at the bottom of page 19 for Account 186				
2. Show in column (h) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.					4. List in Column (d) and (e) expenses incurred during year which were charged currently to income, plant, or other accounts.				
					5. Minor items (less than \$25,000) may be grouped.				
Line No.	Description (Name of regulatory commission, the docket number, and a description of the case.) (a)	Total Expenses to Date (b)	Deferred in Account 186 Beginning of Year (c)	Expenses Incurred During Year			Amortized During Year		Deferred in Account 186 End of Year (i)
				Charged Currently to Account No. (d)	Amount (e)	Deferred to Account 186 (f)	Contra Account (g)	Amount (h)	
1	Florida Public Service Commission								
2	Docket 20200051-GU / Order PSC-2020-0485-FOF-GU.								
3	Three year amortization of \$1,230,449								
4	beginning Jan 2021	1,230,449	423,476		-	423,476		423,476	-
5									
6									
7	Florida Public Service Commission								
8	Docket 20230023-GU / Order PSC-2023-0388-FOF-GU.								
9	Three year amortization of \$2,756,706 (at 12/31/23)*								
10	beginning Jan 2024	2,756,706	508,043	186	2,248,663	2,248,663			2,756,706
11									
12									
13	*Note - balance was transferred to 182 at the end of 2023.								
14									
15									
16	TOTAL	3,987,155	931,519		2,248,663	2,672,139		423,476	2,756,706

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)		
Line No.	Description (a)	Amount (b)
1	Industry Association Dues	925,208
2	Experimental and General Research Expenses:	
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the Respondent.	
4	Other expenses (items of \$5,000 or more must be listed separately in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Amounts of less than \$5,000 may be grouped by classes if the number of items so grouped is shown.)	
5	Emera Intercompany Charges	1,026,409
6	Direct Software/Hardware Maintenance/Support	1,585,596
7	Registration/Report Filing Fees/Bank and Letter of Credit Fees	557,742
8	Facility Costs	423,153
9	Director Fees and Expenses	122,666
10	New Mexico Gas Company (NMGC) - I.T. charges	40,509
11	Tampa Electric (TEC) - Telecom	435,731
12	Tampa Electric (TEC) - Facilities Charge	301,409
13	Tampa Electric Other Direct Intercompany Charges	4,370,728
14	Tampa Electric Shared Services (TEC) Corporate Overhead Allocation	3,591,020
15	Tampa Electric Shared Services (TEC) - Human Resources and Employee Relations	539,406
16	Tampa Electric Shared Services (TEC) - Procurement	524,888
17	Tampa Electric Shared Services (TEC) - I.T.	6,982,441
18	Tampa Electric Shared Services (TEC) - Admin, Emergency Mgmt, Security, Accounts Payable, Claims	1,681,995
19	Tampa Electric (TEC) - IT and Telecom Asset Usage	1,173,332
20	Peoples Gas miscellaneous internal costs	223,140
21		
22		
23		
24	TOTAL	24,505,373

Name of Respondent		For the Year Ended		
Peoples Gas System		Dec. 31, 2023		
DISTRIBUTION OF SALARIES AND WAGES				
<p>Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.</p>				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	TOTAL Operation and Maintenance - Electric			
3	Gas			
4	Operation			
5	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	844,615		
6	Transmission			
7	Distribution	19,130,655		
8	Customer Accounts	1,579,134		
9	Customer Service and Informational	380,116		
10	Sales	2,973		
11	Administrative and General	21,017,255		
12	TOTAL Operation (Total of lines 5 through 11)	42,954,748		
13	Maintenance			
14	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	-		
15	Transmission	-		
16	Distribution	5,862,911		
17	Administrative and General	9,441		
18	TOTAL Maintenance (Total of lines 14 through 17)	5,872,352		
19	Total Operation and Maintenance	48,827,100		
20	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	844,615		
21	Transmission (Enter Total of lines 6 and 15)	-		
22	Distribution (Total of lines 7 and 16)	24,993,566		
23	Customer Accounts (Transcribe from line 8)	1,579,134		
24	Customer Service and Informational (Transcribe from line 9)	380,116		
25	Sales (Transcribe from line 10)	2,973		
26	Administrative and General (Total of lines 11 and 17)	21,026,696		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	48,827,100		48,827,100
28	Other Utility Departments			
29	Operation and Maintenance			
30	TOTAL All Utility Dept. (Total of lines 2, 27, and 29)	48,827,100	-	48,827,100
31	Utility Plant			
32	Construction (By Utility Departments)			
33	Electric Plant			
34	Gas Plant	17,871,495		17,871,495
35	Other			
36	TOTAL Construction (Total of lines 33 through 35)	17,871,495	-	17,871,495
37	Plant Removal (By Utility Department)			
38	Electric Plant			
39	Gas Plant	1,707,460		1,707,460
40	Other			
41	TOTAL Plant Removal (Total of lines 38 through 40)	1,707,460	-	1,707,460
42				
43	Other Accounts (Specify):			
44				
45				-
46	Accounts Receivable - Associated Companies	2,272,201		2,272,201
47	Misc Deferred Debits/Credits	123,022		123,022
48	Merchandise / Jobbing	6,942		6,942
49	Reg Asset	233,612		233,612
50	Other	11,553	290,409	301,962
51				
52				
53	TOTAL Other Accounts	2,647,330	290,409	2,937,739
54	TOTAL SALARIES AND WAGES	71,053,385	290,409	71,343,794

Name of Respondent	For the Year Ended	
Peoples Gas System	Dec. 31, 2023	
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES		
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than \$25,000, including</p>		
	<p>payments for legislative services, except those which should be reported in Account 426.4 - Expenditures for Certain Civic, Political and Related Activities.</p> <p>(a) Name of person or organization rendering services, (b) description of services received, (c) basis of charges, (d) total charges for the year, detailing account charged.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract.</p> <p>3. Designate with an asterisk associated companies.</p>	
	Description	Amount
1		
2	American Innovations LTD	166,105
3	Analysis Group Inc	188,433
4	Arcadis US Inc.	400,645
5	Assetworks LLC	1,499,187
6	Ausley and McMullen PA	1,657,708
7	AVEVA Software	616,712
8	Ayres Associates Inc	196,370
9	Bajo Cohen Agliano PA	229,496
10	Baker & Hostetler LLP	122,317
11	Barnett & Chistolini PLLC	110,713
12	Bioferm	121,497
13	Brandmark Advertising, Inc.	586,617
14	Clearesult Consulting Inc.	31,682
15	Cleveland Integrity Services, Inc.	1,331,947
16	Collier Engineering & Design Inc	351,526
17	Concentric Energy Advisors Inc.	181,289
18	Corpro Companies Inc	432,062
19	Daniels Engineering, Inc.	377,850
20	Deloitte Consulting LLP	10,078,254
21	Dive-tech International Inc.	52,868
22	DNV GL Noble Denton USA LLC	74,515
23	Duard Max Blevins	27,039
24	EN Engineering LLC	44,055
25	Environmental Consulting (ECT)	28,036
26	Ernst & Young US LLP	315,800
27	Florida Public Broadcasting Services	103,574
28	Gary L Wood Associates	30,325
29	Geosyntec	610,385
30	HBK Engineering LLC	880,322
31	Heath Consultants	1,313,165
32	Holland & Knight	3,100,462
33	Jones Day	736,564
34	JRGO LLC	4,294,100

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS		
<p>Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.</p> <p>(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charges, the total of amortization charged for the year, and the period of amortization.</p> <p>(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$25,000 may be grouped by classes within the above accounts.</p> <p>(c) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.</p>		
	Item	Amount
1		
2	Account 426.1 - Donations	524,474
3	Account 426.3 - Other Penalties	74,571
4	Account 426.4 - Lobbying	111,025
5	Account 426.5 - Other Deductions	58,564
6		768,635
7		
8		
9	Account 431 - Other Interest Expense	
10		
11	Customer Deposits	735,374
12	Interest on Lines of Credit-Intercompany	38,419,373
13	Purchased Gas Adjustment (PGA)	402,420
14	Energy Conservation Cost Recovery	11,999
15	Cast Iron Bare Steel Recovery	6,188
16	Capitalized Interest - Long Term Debt	(345,567)
17	Short Term Interest	126,232
18	Miscellaneous	24,553
19		39,380,572

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2023
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES		
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than \$25,000, including</p>		
<p>payments for legislative services, except those which should be reported in Account 426.4 - Expenditures for Certain Civic, Political and Related Activities.</p> <p>(a) Name of person or organization rendering services, (b) description of services received, (c) basis of charges, (d) total charges for the year, detailing account charged.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract.</p> <p>3. Designate with an asterisk associated companies.</p>		
	Description	Amount
1	continued from page 33a	
2	Lau, Lane, Pieper, Conley & McCreddie PA	923/925-legal services 1,966,156
3	Lifework Education	923-HR consultant 31,338
4	Living HR	923-HR consultant 27,000
5	Mac Consulting	186-consultant-rate case 51,988
6	Mai Engineering	various-engineering services 891,400
7	Manson Volves Donaldson Varn PA	107-legal 64,030
8	McDaniel and Cullen Supply Chain	107/923-process consultant 376,765
9	McKim&Creed	various-engineering services 1,418,568
10	Milbank LLP	165-legal fees credit facility 229,259
11	Mott Macdonald Group Inc	107-engineering design services 35,295
12	Patrick Engineering Inc	107-capital 444,006
13	PLUS Consulting	107-project-WAM-SW Consultants 64,545
14	Powerplan Inc	107-project-WAM-SW Consultants 205,337
15	PRICEWATERHOUSECOOPERS	923-consulting services 80,000
16	Project Consulting LLC	107-capital 60,498
17	Quorum Business Solutions	107-capital 480,358
18	Richard Wall	107/923-consulting services 132,000
19	RSM US LLP	923-audit/review services 192,710
20	SAP America Inc	107-project-WAM 178,756
21	Schifino Lee Inc	913-mkting strategy/media buys 109,696
22	Scott Madden Inc	107-legal services 122,358
23	Summit Resources	107-land agents 817,478
24	Taylor White	923-HR consultant 48,750
25	The Carl Auxilliary LLC	913-advertising service 38,100
26	The Goldstein Environmental Law Group	182/923-legal services 36,180
27	The Hunter Group	923-RNG consulting services 95,905
28	The Paradigm Alliance, Inc	925-pipeline awareness 113,641
29	Tripp Scott PA	923/925-legal services 448,064
30	Universal Ensco Inc	107-capital management 135,335
31	Vimocity LLC	923-health consultant 57,794
32	Wade Trim Inc	107-capital 90,648
33	World Wide Nondestructive Testing	107/various operations services 758,003
34	Yardley Associates	186-consultant-rate case 26,989
35	Yuro and Associates LLC	various-engineering services 370,173
36		
37		
38	Emera Inc.*	930.2/various-labor and corp support 2,650,102
39	Tampa Electric*	930.2/various 32,133,878
40	Teco Partners*	912/107-marketing services 9,315,665
41	New Mexico Gas Company*	930.2-I.T. Support services 40,509
42		
43		
44		
45		
46		
47		

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

Name of Respondent						For the Year Ended
Peoples Gas System						Dec. 31, 2023
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)	291,726,338		291,726,338	291,726,338	-
2	Sales for Resale (483)	2,638,496		2,638,496	2,638,496	-
3	Total Natural Gas Service Revenues					
		294,364,834		294,364,834	294,364,834	-
4	Total Other Operating Revenues (485-495)	239,003,340		239,003,340	239,003,340	-
5	Total Gas Operating Revenues	533,368,174		533,368,174	533,368,174	-
6	Revenue from Property Leased to Other (412)	-			1,458,522	(1,458,522)
7	Provision for Rate Refunds (496)	-				
8	Wholesale Sales & Wholesale Transport Adj.				(2,638,496)	2,638,496
9	Mutually Beneficial Wholesale Adjustment				(82,256)	82,256
10	Unbilled Revenue Adjustment				174,605	(174,605)
11	Off System Sales for Resale Adjustment				(5,759,817)	5,759,817
12	Total Gross Operating Revenues	533,368,174		533,368,174	526,520,732	6,847,442
Notes:						
Column F differences are due to RAF return adjustments for exempt revenue, and addition of revenue from property leased to others.						

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2023

CORPORATE STRUCTURE

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

Effective Date: Dec. 31, 2023

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

Name of Respondent			For the Year Ended		
Peoples Gas System			Dec. 31, 2023		
SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS					
Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved. (a) Enter name of affiliate. (b) Give description of type of service, or name the product involved. (c) Enter contract or agreement effective dates. (d) Enter the letter "p" if the service or product is purchased by the Respondent; "s" if the service or product is sold by the Respondent. (e) Enter utility account number in which charges are recorded. (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.					
Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
TECO Partners, Inc	Real property sublease		S	493	98,243
	G&A Allocation		S	922	229,995
	Labor services		S	146	213,299
	Marketing		P	912	7,995,673
	Marketing Service		P	107	900,000
	Other service/labor		P	multiple	419,992
TECO Energy Inc.	Labor services		S	146	10,330
Tampa Electric Co.	Real property sublease		S	146	19,232
	Labor & Other Services		S	146	2,312,357
	Natural Gas sales		S	489/146	10,306,530
	Real property sublease		P	931/multiple	882,326
	Labor services		P	930.2/multiple	14,440,922
	Natural Gas purchases		P	801	25,451
	IT Usage Fee		P	930.2/multiple	3,602,738
	Telecom		P	930.2/multiple	450,294
	Facilities		P	930.2/multiple	320,174
	Corporate Overhead Allocation		P	930.2	3,591,020
	IT Assessment		P	930.2	6,982,441
	Benefits Admin Assessment		P	930.2	518,995
	Employee Relations Assessment		P	930.2	20,410
	Administrative Services Assessment		P	930.2	370,483
	Emergency Management Assessment		P	930.2	82,768
Accounts Payable Assessment		P	930.2	573,872	
Claims Assessment		P	930.2	654,873	
Procurement Assessment		P	930.2	524,888	
New Mexico Gas Company	Labor / IT Services		P	930.2	40,509
SeaCoast Gas Transmission	Labor services		S	146	693,628
	G&A Allocation		S	922	1,757,519
	Natural Gas Sales		S	146	1,479,065
	Natural Gas Purchases		P	801	7,587,795
Continued on next page (36b)					

Name of Respondent			For the Year Ended		
Peoples Gas System			Dec. 31, 2023		
SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS					
Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved. (a) Enter name of affiliate. (b) Give description of type of service, or name the product involved. (c) Enter contract or agreement effective dates. (d) Enter the letter "p" if the service or product is purchased by the Respondent; "s" if the service or product is sold by the Respondent. (e) Enter utility account number in which charges are recorded. (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.					
Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	"p" or "s" (d)	Total Charge for Year	
				Account Number (e)	Dollar Amount (f)
Continued from page 36a					
Emera Energy Services Inc.	Natural Gas Sales		S	146	4,526,888
	Natural Gas Purchases		P	801	27,917,199
Emera Inc.	Labor Services/Benefits		S	146	50,065
	Labor Services		P	930.2/Multiple	1,624,008
	Other-Services/Allocations		P	930.2/Multiple	1,026,094
Nova Scotia Power (an Emera Company)	Labor Services		P	930.2/Multiple	19,391
Emera Carribean Inc.	Labor Services		P	930.2/Multiple	23,960

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2023

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
Tampa Electric Company (TEC)	Affiliate Addendum effective January 1, 2023, to Amended and Restated Services Agreement dated January 1, 2013, with Schedule dates January 1, 2015, whereby PGSI was added as a customer to receive services from TEC, and whereby PGSI was added as a provider of services to TEC as customer.
	Affiliate Addendum effective January 1, 2023, to Services Agreement dated January 1, 2014, with Schedule dates January 1, 2015 (assigned from TECO Services Inc., to TEC as of January 1, 2020), whereby PGSI was added as a Customer, to receive services from TEC, whereby PGSI was added as a provider of services to TEC as customer.
	Memorandum of Understanding between TEC and PGS, a division of TEC, dated August 16, 2022 assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.
	Memorandum of Understanding between TEC and PGS, a division of TEC, dated April 4, 2020 assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.
	Memorandum of Understanding between TEC and PGS, a division of TEC, dated September 20, 2018 assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.
TECO Partners	Marketing Agreement between PGS, a division of TEC, and TECO Partners, Inc., effective January 1, 2008, whereby PGS retained TPI to market and sell services to present and future customers of PGS, including Energy Services, Energy Conservation Programs, Program Services and Promotional Services. This marketing agreement was assigned from PGS, a division of TEC, to PGSI, pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.
	Affiliate Addendum effective January 1, 2023, to Amended and Restated Services Agreement dated January 1, 2013, with Schedule dated January 1, 2015, whereby PGSI was added as a service provider to Other Affiliates, including TECO Partners, Inc., as Customers; and Other Affiliates were enabled to provide services to PGSI as Customer.
	Affiliate Addendum effective January 1, 2023, to Services Agreement dated January 1, 2014, with Schedule dated January 1, 2015 (assigned from TECO Services Inc., to TEC as of January 1, 2020), whereby PGSI was added as a service provider of certain services to Other Affiliates, including TECO Partners, Inc., as Customer; and Other Affiliates were enabled to provide services to PGSI as Customer.

INDIVIDUAL AFFILIATED TRANSACTIONS IN EXCESS OF \$25,000

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

Name of Affiliate	Description of Transaction	Dollar Amount	
TECO Partners, Inc.	Real property sublease	98,243	
	G&A Allocation	229,995	
	Labor services	213,299	
	Marketing	(8,895,673)	
	Other service/labor	(419,992)	
	Tampa Electric Company	Labor & other services	2,312,357
		Natural Gas sales	10,306,530
		Real property sublease	(882,326)
		Labor services	(14,440,922)
		Natural Gas purchases	(25,451)
IT Usage Fee		(3,602,738)	
Telecom		(450,294)	
Facilities		(320,174)	
Corporate Overhead Allocation		(3,591,020)	
IT Assessment		(6,982,441)	
SeaCoast Gas Transmission	Benefits Admin and Employee Relations	(539,405)	
	Administrative Services Assessment	(370,483)	
	Emergency Management Assessment	(82,768)	
	Accounts Payable Assessment	(573,872)	
	Claims Assessment	(654,873)	
	Procurement Assessment	(524,888)	
	Labor services		693,628
		G&A Allocation	1,757,519
		Natural Gas Sales-Reservation	1,479,065
	New Mexico Gas Company	Natural Gas purchases	(7,587,795)
Labor and IT Services		(40,509)	
Emera Energy Services Inc.	Natural Gas Sales	4,526,888	
	Natural Gas Purchases	(27,917,199)	
Emera Inc.	Labor Services	50,065	
	Labor Services	(1,624,008)	
	Other Services/Allocations	(1,026,094)	

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2023

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
<i>Continued from page 37a</i>	
Emera Energy US Sub No.1	Secondment Agreement by and between Emera Energy US Sub No. 1 and PGS, a division of TEC; assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.
New Mexico Gas Company, Inc.	Affiliate Addendum effective July 1, 2016 to Amended and Restated Services Agreement dated January 1, 2013, with Schedule dated January 1, 2015, whereby New Mexico Gas, Inc. was added as a provider of services, such as IT Services, to other affiliates, including PGS, a division of TEC, as Customer; assigned from PGS, a division of Tampa Electric Company, to PGSI pursuant to that Assignment of Affiliate Addendum dated as of January 1, 2023.
SeaCoast Gas Transmission, LLC	<p>NAESB between SeaCoast Gas Transmission, LLC and PGS, a division of TEC, dated October 15, 2010; assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Firm Service Agreement, Contract No. FT1-PGS-0008, between SeaCoast Gas Transmission, LLC and PGS, a division of TEC, original contract date February 17, 2021, and commencement October 17, 2021. This agreement was assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Firm Service Agreement, Contract No. FT1-PGS-0003, between SeaCoast Gas Transmission, LLC and PGS, a division of TEC, dated July 19, 2019, and commencement on May 1, 2022. This agreement was assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Affiliate Addendum effective January 1, 2023 to Amended and Restated Services Agreement dated January 1, 2013, with Schedule dated January 1, 2015, whereby PGSI was added as provider of services to Other Affiliates, including SeaCoast Gas Transmission, LLC, as Customer; and Other Affiliates were enabled to provide services to PGSI as Customer.</p> <p>Affiliate Addendum effective January 1, 2023 to Services Agreement dated January 1, 2014, with Schedule dated January 1, 2015 (assigned from TECO Services, Inc., to TEC as of January 1, 2020), whereby PGSI was added as a service provider of certain services to Other Affiliates, including SeaCoast Gas Transmission, LLC, as Customer; and Other Affiliates were enabled to provide services to PGSI as Customer.</p>
TECO Energy, Inc.	<p>Affiliate Addendum effective January 1, 2023 to Amended and Restated Services Agreement dated January 1, 2013, with Schedule dated January 1, 2015, whereby PGSI was added as provider of services to Other Affiliates, including TECO Energy, Inc., as Customer; and Other Affiliates were enabled to provide services to PGSI as Customer.</p> <p>Affiliate Addendum effective January 1, 2023 to Services Agreement dated January 1, 2014, with Schedule dated January 1, 2014 (assigned from TECO Services, Inc., to TEC as of January 1, 2020), whereby PGSI was added as a provider of certain services to Other Affiliates, including TECO Energy, Inc., as Customer; and Other Affiliates were enabled to provide services to PGSI as Customer.</p>
Emera Caribbean, Inc.	Shared Services Agreement between Emera (Caribbean) Inc. and PGSI dated as of January 1, 2023.
Emera Incorporated	Shared Services Agreement between Emera Incorporated and PGSI dated as of January 1, 2023.
Emera Energy Services, Inc.	<p>NAESB between Emera Energy Services, Inc. and PGS, a division of TEC, dated February 1, 2017. This NAESB was assigned from PGS, a division of TEC, to PGSI, pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Amended and Restated Asset Management Agreement and Transaction Confirmation entered into between Emera Energy Services, Inc. and Peoples Gas System, a division of TEC, dated August 31, 2022; assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Asset Management Agreement entered into between Emera Energy Services, Inc. and PGS, a division of Tampa Electric, dated July 1, 2019, as amended September 22, 2020; assigned from PGS, a division of Tampa Electric Company, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p>

Name of Respondent						For the Year Ended	
Peoples Gas System						Dec. 31, 2023	
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:	Mccooy Street	\$ -	\$ -	\$ -	\$ -	\$ 5,288	Yes
Total						5,288	
Sales to Affiliates:	None	\$	\$	\$	\$	Sales Price	
None							
Total						\$	

EMPLOYEE TRANSFERS				
List employees earning more than \$50,000 annually transferred to/from the utility to/from an affiliate company.				
Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
Tampa Electric	Peoples Gas	IT Architect	IT Architect	Permanent
Peoples Gas	Tampa Electric	Dispatcher Analyst III	Account Coordinator II	Permanent
Tampa Electric	Peoples Gas	Mgr IT PGS Gas Ops	Mgr IT PGS Gas Ops	Permanent
Tampa Electric	Peoples Gas	Systems Analyst, Web Developer	Systems Analyst Consultant	Permanent
Peoples Gas	Tampa Electric	Coord Market Svcs & Transportation	CE Quality Specialist	Permanent
Tampa Electric	Peoples Gas	Systems Analyst Consultant	Systems Analyst Consultant	Permanent
TECO Partners	Peoples Gas	Dir Communications & Marketing	Dir Communications & Marketing	Permanent
Peoples Gas	Tampa Electric	Business Ops Support Spec (PGS)	Field Locating Support Spec II	Permanent
Tampa Electric	Peoples Gas	Mgr EAM Functional & Solutions Architect	Mgr EAM Functional & Solutions Architect	Permanent
Peoples Gas	Tampa Electric	Real Estate Analyst	Real Estate Analyst	Permanent
Tampa Electric	Peoples Gas	Legal Specialist	Real Estate Coordinator	Permanent
Tampa Electric	Peoples Gas	IT Technical Architect, Gas Operations	IT Technical Architect, Gas Operations	Permanent
Peoples Gas	Tampa Electric	Admin Specialist Lead	Technical Trainer Coord ES	Permanent
Peoples Gas	Tampa Electric	WAM Business Systems Mgr	Mgr Maintenance	Permanent
Tampa Electric	Peoples Gas	GIS Systems Analyst Consultant	GIS Systems Analyst Consultant	Permanent
Tampa Electric	Peoples Gas	GIS Solutions Architect	GIS Solutions Architect	Permanent
Peoples Gas	Tampa Electric	Mgr Dist Design & Construction PGS	Mgr Renewable Energy Projects	Permanent
Peoples Gas	Tampa Electric	Utility Technician Sr	Facility Svc Mech II - Electrician	Permanent
Tampa Electric	Peoples Gas	Mgr Business Planning	Dir Work and Capital Management	Permanent
Peoples Gas	Tampa Electric	Technology Consultant	Mgr Digital Customer Experience	Permanent
Peoples Gas	TECO Partners	Program Manager	Program Manager	Permanent
Tampa Electric	Peoples Gas	Customer Service Professional V	Dispatcher Analyst I	Permanent
Tampa Electric	Peoples Gas	Sr IT Project Manager	IT Project Manager Sr	Permanent
Peoples Gas	TECO Partners	Key Acct Specialist/Marketing Analyst	Key Acct Specialist/Marketing Analyst	Permanent
Peoples Gas	TECO Partners	Dir Marketing Services	Dir Marketing Services	Permanent
Peoples Gas	Tampa Electric	Dispatcher Analyst II	Planner Scheduler	Permanent
Peoples Gas	TECO Partners	Key Acct Specialist/Marketing Analyst	Key Acct Specialist/Marketing Analyst	Permanent
Tampa Electric	Peoples Gas	IT Architect	IT Architect	Permanent
Peoples Gas	Tampa Electric	Dispatcher Analyst I	Dispatcher/Planner Analyst ED	Permanent
Tampa Electric	Peoples Gas	Dispatcher/Planner Analyst ED	Dispatcher Analyst I	Permanent
Peoples Gas	Tampa Electric	Portfolio Planner II	Engineer II	Permanent
Tampa Electric	Peoples Gas	SAP Functional Consultant	SAP Functional Consultant	Permanent

Exhibit B

**PEOPLES GAS SYSTEM, INC.
PROJECTED STATEMENT OF SOURCES
AND USES OF FUNDS FOR THE TWELVE MONTHS
ENDED DECEMBER 31, 2025 (MILLIONS)**

Cash Flows from Operating Activities:	
Depreciation	\$ 96
Deferred Taxes	26
Other	<u>124</u>
	246
Cash Flows from Investing Activities:	
Capital Expenditures, excluding AFUDC	(355)
Cash Flows from Financing Activities:	
Changes in Financing	<u>109</u>
Total Cash Flows	<u>\$ 0</u>

**PEOPLES GAS SYSTEM, INC.
PROJECTED CONSTRUCTION BUDGET
FOR THE TWELVE MONTHS ENDED
DECEMBER 31, 2025 (MILLIONS)**

Revenue Producing	\$ 190
Maintenance	104
Cast Iron Bare Steel / Problematic Plastic Pipe	<u>61</u>
Total Projected Construction Budget, excluding AFUDC	<u>\$ 355</u>