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August 8, 2018

**VIA E-PORTAL FILING**

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

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

Dear Ms. Stauffer:

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

We appreciate your usual assistance.

Sincerely,

ANDREW M. BROWN

AB/a  
Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated )  
with Tax Cuts and Jobs Act of 2017 for Peoples )  
Gas System. )  
\_\_\_\_\_)

DOCKET NO. 20180044-GU

FILED: 8-8-2018

**JOINT MOTION SEEKING COMMISSION  
APPROVAL OF SETTLEMENT AGREEMENT**

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

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

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

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

Respectfully submitted this 8th day of August, 2018.



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Tallahassee, Florida 32399-1400

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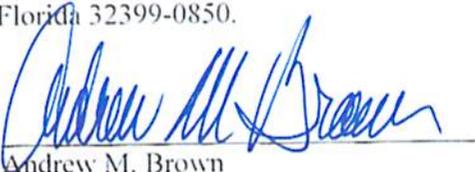


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Moyle Law Firm, P.A.  
118 North Gadsden Street  
Tallahassee, Florida 32301

Attorneys for Florida Industrial  
Power Users Group

### CERTIFICATE OF SERVICE

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



Andrew M. Brown

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated )  
 with Tax Cuts and Jobs Act of 2017 for Peoples )  
 Gas System. )  
 \_\_\_\_\_)

DOCKET NO. 20180044-GU

FILED: 8-8-2018

**SETTLEMENT AGREEMENT**

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

**BACKGROUND**

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

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

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

### **The Prior Settlement Agreement**

3. Among other things, the Prior Settlement Agreement:
- a. resulted in a decrease in the Company's annual depreciation expense;
  - b. authorized Peoples to amortize at least \$32,000,000 of the Company's manufactured gas plant ("MGP") environmental liability (inclusive of amounts the Company agreed to amortize over two years beginning in 2016) over the period 2016 through 2020 to the extent the expenses are/were reasonably and prudently incurred; and
  - c. reduced the bottom of Peoples' range of ROE established by the Commission's Order No. PSC-09-0411-FOF-GU to 9.25% for all regulatory purposes, such "bottom" to remain until the earlier to occur of (i) the effective date of new base rates established in Peoples' next general base rate proceeding (which Peoples agreed not to file

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

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

**Certain Impacts of the TCJA on Peoples**

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

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

**TERMS OF SETTLEMENT**

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

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

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

**C. Depreciation.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

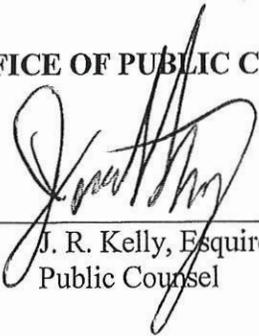
O. This Settlement Agreement may be executed in counterpart originals and a facsimile or scan of an original signature shall be deemed an original.

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

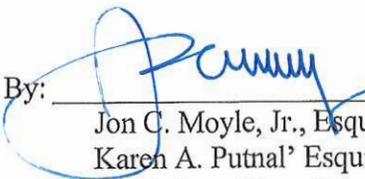
*[signature page follows]*

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

**OFFICE OF PUBLIC COUNSEL**

By:  \_\_\_\_\_  
J. R. Kelly, Esquire  
Public Counsel

**FLORIDA INDUSTRIAL POWER USERS GROUP**

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

**PEOPLES GAS SYSTEM**

By: \_\_\_\_\_  
Thomas J. Szelistowski  
President

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

**OFFICE OF PUBLIC COUNSEL**

By: \_\_\_\_\_  
J. R. Kelly, Esquire  
Public Counsel

**FLORIDA INDUSTRIAL POWER USERS GROUP**

By: \_\_\_\_\_  
Jon C. Moyle, Jr., Esquire  
Karen A. Putnal, Esquire  
Moyle Law Firm, P.A.

**PEOPLES GAS SYSTEM**

By:  \_\_\_\_\_  
Thomas J. Szelistowski  
President

## **Exhibit A**

### **Proposed Tariff Changes: Legislative and Clean Format**

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

**RESIDENTIAL SERVICE  
Rate Schedule RS**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

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

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

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

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

**Monthly Rate:**

<u>Billing Class</u>	<u>Customer Charge</u>
RS-1	<del>\$12.00</del> <u>11.40</u> per month
RS-2	<del>\$15.00</del> <u>14.25</u> per month
RS-3	<del>\$20.00</del> <u>19.01</u> per month
RS-GHP	<del>\$20.00</del> <u>19.01</u> per month

Distribution Charge: ~~\$0.2678~~20.25465 per Therm for RS-1, RS-2, and RS-3  
~~\$0.09990~~0.09598 per Therm for RS-GHP

Minimum Bill: The Customer charge.

**Issued By:** T. J. Szelistowski, President  
**Issued On:** ~~May 9, 2018~~

**Effective:** Pending Commission Approval

## SMALL GENERAL SERVICE Rate Schedule SGS

### Availability:

Throughout the service areas of the Company.

### Applicability:

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

### Monthly Rate:

Customer Charge: ~~\$25.00~~23.76 per month

Distribution Charge: ~~\$0.3389~~40.32206 per Therm

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

Minimum Bill: The Customer charge.

### Special Conditions:

1. When the Customer receives transportation service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth of Sheet No. 7.101-5.

Issued By: ~~William N. Cantrell~~T. J. Szelistowski, President **Effective:** ~~June 18, 2009~~ January 1, 2019

Issued On: ~~May 19, 2009~~

**GENERAL SERVICE - 1  
Rate Schedule GS-1**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using 2,000 through 9,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.

**Monthly Rate:**

Customer Charge: ~~\$35.00~~33.26 per month

Distribution Charge: ~~\$0.268000~~0.25468 per Therm

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

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

**GENERAL SERVICE - 2  
Rate Schedule GS-2**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

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

**Monthly Rate:**

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

Distribution Charge: ~~\$0.227460~~0.21615 per Therm

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

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

## GENERAL SERVICE - 3 Rate Schedule GS-3

### Availability:

Throughout the service areas of the Company.

### Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using, and RNG delivered into Company's system by any Customer delivering, 50,000 through 249,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS and may be eligible for transportation service under Rider ITS.

### Monthly Rate:

Customer Charge:	<del>\$150.00</del> <u>142.55</u> per month
Distribution Charge:	<del>\$0.196700</del> <u>0.18692</u> per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS or Rider ITS. Company's Purchased Gas Adjustment Clause shall not apply to bills for Therms of RNG delivered into Company's system.

Minimum Bill: The Customer charge.

### Special Conditions:

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. Except in the case of Therms of RNG delivered into the Company's system, the rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

**GENERAL SERVICE - 4  
Rate Schedule GS-4**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using, and RNG delivered into Company's system by any Customer delivering, 250,000 through 499,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS or Rider ITS.

**Monthly Rate:**

Customer Charge: ~~\$250.00~~237.58 per month

Distribution Charge: ~~\$0.152~~150.14459 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS or Rider ITS. Company's Purchased Gas Adjustment Clause shall not apply to bills for Therms of RNG delivered into Company's system.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. Except in the case of Therms of RNG delivered into the Company's system, the rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

## GENERAL SERVICE - 5 Rate Schedule GS-5

### Availability:

Throughout the service areas of the Company.

### Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using, and RNG delivered into Company's system by any Customer delivering, a minimum of 500,000 Therms per year or more at one billing location.

A Customer eligible for service under this rate schedule is eligible for transportation service under either Rider NCTS or Rider ITS.

### Monthly Rate:

Customer Charge: ~~\$300.00~~285.09 per month

Distribution Charge: ~~\$0.113~~210.10758 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under either the Company's Rider NCTS or Rider ITS. Company's Purchased Gas Adjustment Clause shall not apply to bills for Therms of RNG delivered into Company's system.

Minimum Bill: The Customer charge.

### Special Conditions:

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. Except in the case of Therms of RNG delivered into the Company's system, the rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

## COMMERCIAL STREET LIGHTING SERVICE Rate Schedule CSLS

### Availability:

Throughout the service areas of the Company.

### Applicability:

Gas delivered for use in commercial street lighting devices for public or private use in common areas around subdivisions, complexes, streets, highways or roadway lighting. To qualify for this rate, Customer must have at least ten (10) Gas street lights or a total of forty (40) individual mantles installed and separately metered from other gas-using equipment. A Customer eligible for service under this rate schedule is eligible for transportation service under the Company's Rider NCTS.

### Monthly Rate:

Distribution Charge: ~~\$0.188590~~.17922 per Therm

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

### Special Conditions:

1. When the Customer receives service under the Company's Natural Choice Transportation Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth above shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule will require one street light to be metered per account. The metered volume multiplied by the number of lights will equal total Therm usage per month.

**NATURAL GAS VEHICLE SERVICE-1  
Rate Schedule NGVS-1**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer through a separate Meter for compression and delivery (through the use of equipment furnished by Customer) into motor vehicle fuel tanks or other transportation containers. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or ITS Rider. Service under this rate schedule is only available to those Customers receiving service thereunder as of August 1, 2013. Customers seeking natural gas vehicle service after that date shall take service under Rate Schedule NGVS-2.

**Monthly Rate:**

Customer Charge: ~~\$45.00~~42.76 per month

Distribution Charge: ~~0.1839~~20.17478 per Therm

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

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth of Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this rate schedule, unless an extension of facilities or an agreement for payment of a Monthly Facilities Charge pursuant to Rate Schedule NGVS-2 is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension or the Monthly Facilities Charge.
4. The rates set forth above schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

Peoples Gas System  
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Original Volume No. 3

~~First~~ ~~Second~~ Revised Sheet No. 7.402-1  
Cancels ~~Original~~ ~~First~~ ~~Revised~~ Sheet No. 7.402-1

## RESIDENTIAL STANDBY GENERATOR SERVICE Rate Schedule RS-SG

### Availability:

Throughout the service areas of the Company.

### Applicability:

Gas delivered to any Customer otherwise eligible to receive Gas Service under Rate Schedule RS whose only Gas-consuming appliance or equipment is a standby electric generator.

### Monthly Rate:

Customer Charge:	<del>\$20.00</del> <u>19.01</u>	
Distribution Charge:	0 – 20.0 therms	\$.00000 per Therm
	In excess of 20.0 therms	<del>\$0.25465</del> <u>26782</u> per Therm
Minimum Monthly Bill:	\$20.00	

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set for the on Sheet No. 7.101-1.

### Special Conditions:

1. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2 and will apply to each Therm delivered to Customer during a Billing Period.
2. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to each Therm delivered to Customer during a Billing Period.
3. The rates set forth in this tariff shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to each Therm delivered to Customer during a Billing Period.
4. Subject to Special Condition 5 below, a Customer receiving Gas Service under this schedule shall remain obligated to remain on this schedule for 12 months. This 12-month requirement shall be renewed at the end of each 12-month period unless customer terminates Gas Service at the end of any 12-month period.
5. If Customer installs an additional Gas appliance at the premise at which service is provided hereunder, then Customer will be transferred to the otherwise applicable rate schedule.

**Issued By:** ~~William N. Cantrell~~ T. J. Szelistowski, President **Effective:** ~~June 18, 2009~~ January 1, 2019  
**Issued On:** ~~May 19, 2009~~

## COMMERCIAL STANDBY GENERATOR SERVICE Rate Schedule CS-SG

### Availability:

Throughout the service areas of the Company.

### Applicability:

Gas delivered to any Customer eligible to receive Gas Service under Rate Schedule SGS, GS-1, GS-2, GS-3, GS-4 or GS-5 whose only Gas-consuming appliance or equipment is a standby electric generator.

### Monthly Rate:

Customer Charge:	<del>\$35.00</del> <u>\$33.26</u>	
Distribution Charge:	0 – 40.0 Therms	\$0.00000 per Therm
	In excess of 40.0 Therms	<del>\$0.33894</del> <u>\$0.32206</u> per Therm

Minimum Monthly Bill: \$35.00

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

Minimum Bill: The Minimum Monthly Bill.

### Special Conditions:

1. When the Customer receives transportation service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2 and will apply to each Therm delivered to Customer during a Billing Period.
3. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.4 and will apply to each Therm delivered to Customer during a Billing Period.
4. The rates set forth in this tariff shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to each Therm delivered to Customer during a Billing Period.

Issued By: ~~William N. Cantrell~~ T. J. Szelistowski, President **Effective:** ~~June 18, 2009~~ January 1, 2019

Issued On: ~~May 19, 2009~~

**COMMERCIAL GAS HEAT PUMP SERVICE  
RATE SCHEDULE CS-GHP**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Commercial Customer utilizing a Gas Heat Pump for heating and cooling.

**Monthly Rate:**

Customer Charge: ~~\$35.00~~33.26 per month  
Distribution Charge: ~~\$0.206~~30.19605 per Therm  
Minimum Bill: The Customer charge

**Special Conditions:**

1. The gas provided for GHP would be separately metered and would appear separately on Customer bills.
2. The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless the customer receives transportation service under the Company's Rider NCTS.
3. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth in Sheet No. 7.101-2.
4. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
5. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
6. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
7. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

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~~Seventh-Eighth~~ Revised Sheet No. 7.501  
Cancels ~~Sixth-Seventh~~ Revised Sheet No. 7.501

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**WHOLESALE SERVICE - FIRM  
Rate Schedule WHS**

**Availability:**

For other Gas distribution or electric utility companies throughout service areas of the Company.

**Applicability:**

Service under this schedule will only be rendered when the Company has sufficient Gas and interstate pipeline capacity to meet all its other needs during the term of the sale under this schedule. Firm Gas Service for other Gas utility's residential or commercial resale or for use by an electric utility for its own consumption. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider ITS.

**Monthly Rate:**

Customer Charge: ~~\$150.00~~142.55 per month

Distribution Charge: ~~\$0.1493~~40.14192 per Therm

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

**Special Conditions:**

1. An executed contract for a period of at least one year is required as a condition precedent to service hereunder.
2. The rates set forth above shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
3. If any facilities other than metering and regulating equipment are required to render service under this schedule, the Customer shall pay for these facilities prior to the commencement of service.
4. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
5. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
6. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.

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**Issued By:** ~~G. L. Gillette~~T. J. Szelistoski, President **Effective:** ~~January 1, 2013~~January 1, 2019  
**Issued On:** ~~December 14, 2011~~

Peoples Gas System  
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~~Seventh-Eighth~~ Revised Sheet No. 7.601  
Cancels ~~Sixth-Seventh~~ Revised Sheet No. 7.601

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**SMALL INTERRUPTIBLE SERVICE  
Rate Schedule SIS**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Interruptible Service for non-residential commercial or industrial service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 1,000,000 through 3,999,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

**Monthly Rate:**

Customer Charge: ~~\$300.00~~285.09 per month

Distribution Charge: ~~\$0.0713~~10.06777 per Therm

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

Minimum Bill: The Customer charge.

**Special Conditions:**

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but shall not be less than one year.
2. If the Customer's requirements for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.
3. The rates set forth above shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

## INTERRUPTIBLE SERVICE Rate Schedule IS

### Availability:

Throughout the service areas of the Company.

### Applicability:

Interruptible Gas for non-residential commercial or industrial use. Service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 4,000,000 through 49,999,999 Therms per year (see Special Condition 7). A Customer eligible for service pursuant to this rate schedule is also eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

### Monthly Rate:

Customer Charge: ~~\$475.00~~451.39 per month

Distribution Charge: ~~\$0.0349~~0.03318 per Therm

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

Minimum Bill: The Customer charge.

### Special Conditions:

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but shall not be less than one year.
2. If the Customer's requirements for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.

## INTERRUPTIBLE SERVICE - LARGE VOLUME Rate Schedule ISLV

### Availability:

Throughout the service areas of the Company.

### Applicability:

Interruptible Gas for non-residential commercial or industrial use. Service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 50,000,000 Therms per year or more. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

### Monthly Rate:

Customer Charge: ~~\$475.00~~451.39 per month

Distribution Charge: ~~\$0.009960~~0.00947 per Therm

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

Minimum Bill: The Customer charge.

### Special Conditions:

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but not less than one year.
2. If the Customer's requirement for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.

**RESIDENTIAL SERVICE  
Rate Schedule RS**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

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

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

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

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

**Monthly Rate:**

<u>Billing Class</u>	<u>Customer Charge</u>
RS-1	\$11.40 per month
RS-2	\$14.25 per month
RS-3	\$19.01 per month
RS-GHP	\$19.01 per month

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

Minimum Bill: The Customer charge.

**SMALL GENERAL SERVICE  
Rate Schedule SGS**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

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

**Monthly Rate:**

Customer Charge: \$23.76 per month

Distribution Charge: \$0.32206 per Therm

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

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives transportation service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth of Sheet No. 7.101-5.

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**GENERAL SERVICE - 1  
Rate Schedule GS-1**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using 2,000 through 9,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.

**Monthly Rate:**

Customer Charge: \$33.26 per month

Distribution Charge: \$0.25468 per Therm

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

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

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**GENERAL SERVICE - 2  
Rate Schedule GS-2**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

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

**Monthly Rate:**

Customer Charge: \$47.52 per month

Distribution Charge: \$0.21615 per Therm

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

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

**GENERAL SERVICE - 3  
Rate Schedule GS-3**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using, and RNG delivered into Company's system by any Customer delivering, 50,000 through 249,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS and may be eligible for transportation service under Rider ITS.

**Monthly Rate:**

Customer Charge:	\$142.55 per month
Distribution Charge:	\$0.18692 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS or Rider ITS. Company's Purchased Gas Adjustment Clause shall not apply to bills for Therms of RNG delivered into Company's system.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. Except in the case of Therms of RNG delivered into the Company's system, the rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

**GENERAL SERVICE - 4  
Rate Schedule GS-4**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using, and RNG delivered into Company's system by any Customer delivering, 250,000 through 499,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS or Rider ITS.

**Monthly Rate:**

Customer Charge:	\$237.58 per month
Distribution Charge:	\$0.14459 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS or Rider ITS. Company's Purchased Gas Adjustment Clause shall not apply to bills for Therms of RNG delivered into Company's system.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. Except in the case of Therms of RNG delivered into the Company's system, the rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

**GENERAL SERVICE - 5  
Rate Schedule GS-5**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using, and RNG delivered into Company's system by any Customer delivering, a minimum of 500,000 Therms per year or more at one billing location.

A Customer eligible for service under this rate schedule is eligible for transportation service under either Rider NCTS or Rider ITS.

**Monthly Rate:**

Customer Charge: \$285.09 per month

Distribution Charge: \$0.10758 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under either the Company's Rider NCTS or Rider ITS. Company's Purchased Gas Adjustment Clause shall not apply to bills for Therms of RNG delivered into Company's system.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. Except in the case of Therms of RNG delivered into the Company's system, the rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

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**COMMERCIAL STREET LIGHTING SERVICE  
Rate Schedule CSLS**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered for use in commercial street lighting devices for public or private use in common areas around subdivisions, complexes, streets, highways or roadway lighting. To qualify for this rate, Customer must have at least ten (10) Gas street lights or a total of forty (40) individual mantles installed and separately metered from other gas-using equipment. A Customer eligible for service under this rate schedule is eligible for transportation service under the Company's Rider NCTS.

**Monthly Rate:**

Distribution Charge: \$0.17922 per Therm

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

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth above shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule will require one street light to be metered per account. The metered volume multiplied by the number of lights will equal total Therm usage per month.

**NATURAL GAS VEHICLE SERVICE-1  
Rate Schedule NGVS-1**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer through a separate Meter for compression and delivery (through the use of equipment furnished by Customer) into motor vehicle fuel tanks or other transportation containers. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or ITS Rider. Service under this rate schedule is only available to those Customers receiving service thereunder as of August 1, 2013. Customers seeking natural gas vehicle service after that date shall take service under Rate Schedule NGVS-2.

**Monthly Rate:**

Customer Charge: \$42.76 per month

Distribution Charge: 0.17478 per Therm

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

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth of Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this rate schedule, unless an extension of facilities or an agreement for payment of a Monthly Facilities Charge pursuant to Rate Schedule NGVS-2 is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension or the Monthly Facilities Charge.
4. The rates set forth above schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

Peoples Gas System  
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Original Volume No. 3

Second Revised Sheet No. 7.402-1  
Cancels First Revised Sheet No. 7.402-1

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**RESIDENTIAL STANDBY GENERATOR SERVICE  
Rate Schedule RS-SG**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer otherwise eligible to receive Gas Service under Rate Schedule RS whose only Gas-consuming appliance or equipment is a standby electric generator.

**Monthly Rate:**

Customer Charge:	\$19.01	
Distribution Charge:	0 – 20.0 therms	\$.00000 per Therm
	In excess of 20.0 therms	\$0.25465 per Therm
Minimum Monthly Bill:	\$20.00	

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set for the on Sheet No. 7.101-1.

**Special Conditions:**

1. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2 and will apply to each Therm delivered to Customer during a Billing Period.
2. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to each Therm delivered to Customer during a Billing Period.
3. The rates set forth in this tariff shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to each Therm delivered to Customer during a Billing Period.
4. Subject to Special Condition 5 below, a Customer receiving Gas Service under this schedule shall remain obligated to remain on this schedule for 12 months. This 12-month requirement shall be renewed at the end of each 12-month period unless customer terminates Gas Service at the end of any 12-month period.
5. If Customer installs an additional Gas appliance at the premise at which service is provided hereunder, then Customer will be transferred to the otherwise applicable rate schedule.

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**Issued By:** T. J. Szelistowski, President  
**Issued On:**

**Effective:** January 1, 2019

**COMMERCIAL STANDBY GENERATOR SERVICE  
Rate Schedule CS-SG**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer eligible to receive Gas Service under Rate Schedule SGS, GS-1, GS-2, GS-3, GS-4 or GS-5 whose only Gas-consuming appliance or equipment is a standby electric generator.

**Monthly Rate:**

Customer Charge:	\$33.26	
Distribution Charge:	0 – 40.0 Therms	\$0.00000 per Therm
	In excess of 40.0 Therms	\$0.32206 per Therm

Minimum Monthly Bill: \$35.00

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

Minimum Bill: The Minimum Monthly Bill.

**Special Conditions:**

1. When the Customer receives transportation service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2 and will apply to each Therm delivered to Customer during a Billing Period.
3. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.4 and will apply to each Therm delivered to Customer during a Billing Period.
4. The rates set forth in this tariff shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to each Therm delivered to Customer during a Billing Period.

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**COMMERCIAL GAS HEAT PUMP SERVICE  
RATE SCHEDULE CS-GHP**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Commercial Customer utilizing a Gas Heat Pump for heating and cooling.

**Monthly Rate:**

Customer Charge:	\$33.26 per month
Distribution Charge:	\$0.19605 per Therm
Minimum Bill:	The Customer charge

**Special Conditions:**

1. The gas provided for GHP would be separately metered and would appear separately on Customer bills.
2. The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless the customer receives transportation service under the Company's Rider NCTS.
3. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth in Sheet No. 7.101-2.
4. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
5. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
6. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
7. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

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**WHOLESALE SERVICE - FIRM  
Rate Schedule WHS**

**Availability:**

For other Gas distribution or electric utility companies throughout service areas of the Company.

**Applicability:**

Service under this schedule will only be rendered when the Company has sufficient Gas and interstate pipeline capacity to meet all its other needs during the term of the sale under this schedule. Firm Gas Service for other Gas utility's residential or commercial resale or for use by an electric utility for its own consumption. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider ITS.

**Monthly Rate:**

Customer Charge:	\$142.55 per month
Distribution Charge:	\$0.14192 per Therm

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

**Special Conditions:**

1. An executed contract for a period of at least one year is required as a condition precedent to service hereunder.
2. The rates set forth above shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
3. If any facilities other than metering and regulating equipment are required to render service under this schedule, the Customer shall pay for these facilities prior to the commencement of service.
4. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
5. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
6. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.

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**SMALL INTERRUPTIBLE SERVICE  
Rate Schedule SIS**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Interruptible Service for non-residential commercial or industrial service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 1,000,000 through 3,999,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

**Monthly Rate:**

Customer Charge: \$285.09 per month

Distribution Charge: \$0.06777 per Therm

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

Minimum Bill: The Customer charge.

**Special Conditions:**

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but shall not be less than one year.
2. If the Customer's requirements for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.
3. The rates set forth above shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

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**INTERRUPTIBLE SERVICE  
Rate Schedule IS**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Interruptible Gas for non-residential commercial or industrial use. Service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 4,000,000 through 49,999,999 Therms per year (see Special Condition 7). A Customer eligible for service pursuant to this rate schedule is also eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

**Monthly Rate:**

Customer Charge: \$451.39 per month

Distribution Charge: \$0.03318 per Therm

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

Minimum Bill: The Customer charge.

**Special Conditions:**

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but shall not be less than one year.
2. If the Customer's requirements for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.

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**INTERRUPTIBLE SERVICE - LARGE VOLUME  
Rate Schedule ISLV**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Interruptible Gas for non-residential commercial or industrial use. Service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 50,000,000 Therms per year or more. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

**Monthly Rate:**

Customer Charge: \$451.39 per month

Distribution Charge: \$0.00947 per Therm

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

Minimum Bill: The Customer charge.

**Special Conditions:**

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but not less than one year.
2. If the Customer's requirement for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.

## **Exhibit B**

### **Depreciation Study Summary Schedules**

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

Current Rates - Effective 2016 - 2018

Company Proposed - Effective 1/1/2019

Account Number	Account Title	Current Rates - Effective 2016 - 2018						Company Proposed - Effective 1/1/2019					
		Whole Life			Remaining Life			Whole Life			Remaining Life		
		Average Service Life (yrs)	Average Remaining Life (yrs)	Future Net Salvage Rate (%)	Reserve Ratio Approved (%)	Depreciation Rate (%)	Curve Type	Average Service Life (yrs)	Average Remaining Life (yrs)	Future Net Salvage Rate (%)	Reserve Ratio OPC (%)	Depreciation Rate (%)	Curve Type
<b>Distribution Plant</b>													
37402	Land Rights	Confirm 75	Confirm 59.0	Confirm 0	Confirm 20.90	Confirm 1.3	Confirm 75	Dep Val 15.7	Dep Val 59.3	Dep Val 0	1.3	File	File
37500	Structures & Improvements	R3 40	24.0	0	39.58	2.5	R3 40	17.8	24.2	0	2.5	59.0	1.3
37600	Mains Steel	R2 55	41.0	(40)	48.16	2.2	R2 55	16.8	41.2	(40)	2.5	24.0	2.5
37602	Mains Plastic	R3 45	34.0	(25)	42.75	2.4	R2 75	12.1	64.5	(25)	1.7	41.0	1.8
37800	Meas & Reg Station Eq Gen	R1 31	25.0	(5)	21.46	3.3	R1 31	9.4	24.7	(5)	3.4	65.0	1.4
37900	Meas & Reg Station Eq City	R1 31	26.0	(5)	18.70	3.3	R1 31	8.1	25.5	(5)	3.4	25.0	3.3
38000	Services Steel	R0.5 45	31.0	(100)	84.71	3.7	R0.5 50	24.0	35.9	(100)	4.0	26.0	3.3
38002	Services Plastic	R3 40	28.0	(55)	62.07	3.3	R1.5 55	12.7	45.0	(55)	2.8	36.0	2.6
38100	Meters	L1 16	10.8	5	31.17	5.9	R1 21	8.5	15.2	5	4.5	45.0	2.3
38200	Meter Installations	R4 27	15.3	(20)	51.87	4.5	R0.5 43	13.3	35.1	(20)	2.8	15.2	4.5
38300	House Regulators	R2 28	16.6	0	40.54	3.6	R2 28	14.9	16.6	0	3.6	35.0	2.8
38400	House Regulator Installs	R4 27	15.7	(20)	50.32	4.4	R4 27	12.5	15.7	(20)	4.4	16.6	3.6
38500	Meas & Reg Station Eq Ind	R4 32	12.9	0	59.64	3.1	R4 32	20.6	12.9	0	3.1	15.7	4.4
38600	Other Property Cust Premise	R1 15	15.0	0	0.00	6.7	R1 15	0.0	15.0	0	6.7	12.9	3.1
38700	Other Equipment	S2 16	10.2	0	36.21	6.3	S2 16	6.8	10.2	0	6.3	15.0	6.7

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

Current Rates - Effective 2016 - 2018

Company Proposed - Effective 1/1/2019

Account Number	Account Title	Whole Life					Remaining Life					Round Depreciation Rate (%)
		Curve Type	Average Service Life (yrs)	Average Remaining Life (yrs)	Future Net Salvage (%)	Whole Life Rate (%)	Curve Type	Average Service Life (yrs)	Average Remaining Life (yrs)	Future Net Salvage (%)	Round Depreciation Rate (%)	
<b>Transportation Equipment</b>												
39201	Vehicles up to 1/2 Tons	S1	8	4.5	10	38.92	11.4					
39202	Vehicles from 1/2 - 1 Tons	S1	7	3.3	10	47.17	13.0					
39204	Trailers & Other	S3	20	15.5	20	18.09	4.0					
39205	Vehicles over 1 Ton	S4	12	7.0	10	37.17	7.5					
<b>General Plant</b>												
30100	Organization Costs	Not Depreciable					0.0					
30200	Franchise & Consents	SQ	25	25	0	0.00	4.0					
30300	Misc Intangible Plant	SQ	25	4.5	0	81.93	4.0					
30301	Custom Intangible Plant	SQ	15	9.9	0	33.98	6.7					
39000	Structures & Improvements	R3	40	34.0	0	13.90	2.5					
39100	Office Furniture	SQ	15	5.8	0	61.01	6.7					
39101	Computer Equipment	SQ	8	1.8	0	77.82	12.3					
39102	Office Equipment	SQ	15	8.5	0	43.42	6.7					
39300	Stores Equipment	S4	25	22.0	0	14.03	3.9					
39400	Tools, Shop & Garage Equip	SQ	15	11.1	0	25.83	6.7					
39401	CNC Station Equipment	SQ	20	20	0	0.00	5.0					
39500	Laboratory Equipment	SQ	20	20.0	0	0.00	5.0					
39600	Power Operated Equipment	S4	15	8.0	5	44.63	6.3					
39700	Communication Equipment	SQ	12	4.6	0	62.08	8.2					
39800	Miscellaneous Equipment	SQ	17	3.8	0	77.38	6.0					

PEOPLES GAS SYSTEM  
2016 Depreciation Rate Review  
Change in Annual Accruals

Account Number	Account Title	Current Rates - Effective 2016 - 2018				Company Proposed - Effective 1/1/2019			
		Total Plant Cost 12/31/2015 (\$)	Post Transfer Accumulated Reserve 12/31/2015 (\$)	Depreciation Rate (%)	Depreciation Expense (\$)	Whole Life		Remaining Life	
						Depreciation Rate (%)	Change in Depreciation Expense (\$)	Depreciation Rate (%)	Change in Depreciation Expense (\$)
<b>Distribution Plant</b>									
37402	Land Rights	2,836,412	592,695	1.3	36,873	-	1.3	36,873	-
37500	Structures & Improvements	19,415,983	7,684,556	2.5	485,400	-	2.5	485,400	-
37600	Mains Steel	385,317,174	255,378,733	2.2	8,476,978	1,155,951	1.8	6,935,709	(1,541,269)
37602	Mains Plastic	401,310,012	132,440,315	2.4	9,631,440	(2,809,170)	1.4	5,618,340	(4,013,100)
37800	Meas & Reg Station Eq Gen	12,924,984	2,773,069	3.3	426,524	12,925	3.3	426,524	-
37900	Meas & Reg Station Eq City	34,586,108	6,466,837	3.3	1,141,342	34,586	3.3	1,141,342	-
38000	Services Steel	46,376,347	49,170,925	3.7	1,715,925	139,129	2.6	1,205,785	(510,140)
38002	Services Plastic	247,505,036	130,868,961	3.3	8,167,666	(1,237,525)	2.3	5,692,616	(2,475,050)
38100	Meters	63,032,755	16,445,112	5.9	3,718,933	(882,459)	4.5	2,836,474	(882,459)
38200	Meter Installations	49,175,177	10,887,733	4.5	2,212,883	(835,978)	2.8	1,376,905	(835,978)
38300	House Regulators	14,633,325	5,932,047	3.6	526,800	-	3.6	526,800	-
38400	House Regulator Installs	19,915,060	10,020,798	4.4	876,263	-	4.4	876,263	-
38500	Meas & Reg Station Eq Ind	9,089,094	5,420,679	3.1	281,762	-	3.1	281,762	-
38600	Other Property Cust Premise	-	-	6.7	-	-	6.7	-	-
38700	Other Equipment	5,889,159	2,132,612	6.3	371,017	-	6.3	371,017	-
<b>Total Distribution Plant</b>		<b>1,312,006,627</b>	<b>636,215,072</b>	<b>2.9</b>	<b>38,069,806</b>	<b>(4,422,541)</b>	<b>2.1</b>	<b>27,811,810</b>	<b>(10,257,996)</b>

PEOPLES GAS SYSTEM  
2016 Depreciation Rate Review  
Change in Annual Accruals

Account Number	Account Title	Current Rates - Effective 2016 - 2018				Company Proposed - Effective 1/1/2019				
		Total Plant Cost 12/31/2015 (\$)	Post Transfer Accumulated Reserve 12/31/2015 (\$)	Depre- ciation Rate (%)	Depre- ciation Expense (\$)	Whole Life		Remaining Life		
						Depre- ciation Rate (%)	Depre- ciation Expense (\$)	Depre- ciation Rate (%)	Depre- ciation Expense (\$)	
<b>Transportation Equipment</b>										
39201	Vehicles up to 1/2 Tons	8,035,686	3,127,353	11.4	916,068	11.3	908,033	11.4	916,068	-
39202	Vehicles from 1/2 - 1 Tons	6,569,197	3,098,777	13.0	853,996	12.9	847,426	(6,570)	853,996	-
39204	Trailers & Other	1,153,494	208,703	4.0	46,140	4.0	46,140	-	46,140	-
39205	Vehicles over 1 Ton	1,769,839	657,801	7.5	132,738	7.5	132,738	-	132,738	-
<b>General Plant</b>										
30100	Organization Costs	12,620	-	0.0	-	0.0	-	-	-	-
30200	Franchise & Consents	-	-	4.0	-	4.0	-	-	-	-
30300	Misc Intangible Plant	815,325	668,002	4.0	32,613	4.0	32,613	-	32,613	-
30301	Custom Intangible Plant	25,717,580	8,738,083	6.7	1,723,078	6.7	1,723,078	-	1,723,078	-
39000	Structures & Improvements	149,951	20,841	2.5	3,749	2.5	3,749	-	3,749	-
39100	Office Furniture	1,470,244	896,947	6.7	98,506	6.7	98,506	-	98,506	-
39101	Computer Equipment	5,293,685	4,119,598	12.3	651,123	12.5	661,711	10,588	651,123	-
39102	Office Equipment	922,076	400,399	6.7	61,779	6.7	61,779	-	61,779	-
39300	Stores Equipment	1,283	180	3.9	50	4.0	51	1	50	-
39400	Tools, Shop & Garage Equip	6,105,880	1,577,372	6.7	409,094	6.7	409,094	-	409,094	-
39401	CNG Station Equipment	-	-	5.0	-	5.0	-	-	-	-
39500	Laboratory Equipment	-	-	5.0	-	5.0	-	-	-	-
39600	Power Operated Equipment	2,775,668	1,238,693	6.3	174,867	6.3	174,867	-	174,867	-
39700	Communication Equipment	4,841,709	3,005,855	8.2	397,020	8.3	401,862	4,842	397,020	-
39800	Miscellaneous Equipment	468,234	362,299	6.0	28,094	5.9	27,626	(468)	28,094	-
<b>Total General Plant</b>		<b>66,102,470</b>	<b>28,120,903</b>	<b>8.4</b>	<b>5,528,915</b>	<b>8.4</b>	<b>5,529,273</b>	<b>358</b>	<b>5,528,915</b>	<b>-</b>
<b>Total Distribution &amp; General Plant</b>		<b>1,378,109,097</b>	<b>664,335,975</b>	<b>3.2</b>	<b>43,598,721</b>	<b>2.8</b>	<b>39,176,538</b>	<b>(4,422,183)</b>	<b>33,340,725</b>	<b>(10,257,996)</b>