

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
ORDER NO. PSC-2018-0501-S-GU
ISSUED: October 18, 2018

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
JULIE I. BROWN
DONALD J. POLMANN
GARY F. CLARK
ANDREW GILES FAY

FINAL ORDER APPROVING STIPULATIONS
AND GRANTING JOINT MOTION REQUESTING COMMISSION
APPROVAL OF SETTLEMENT AGREEMENT AND TARIFFS

BY THE COMMISSION:

CASE BACKGROUND

On February 21, 2018, the Florida Public Service Commission opened Docket No. 20180044-GU to consider the tax impacts on Peoples Gas System (Peoples Gas) due to the passage of the Tax Cuts and Jobs Act of 2017. By Order No. PSC-2018-0212-PCO-GU, the Order Establishing Procedure, issued April 25, 2018, the schedule and procedure were set. On May 24, 2018, a First Revised Order Establishing Procedure, Order No. PSC-2018-0260-PCO-GU, was issued to revise certain controlling dates. On May 31, 2018, Peoples Gas filed its petition for limited proceeding. The Office of Public Counsel (OPC) and the Florida Industrial Power Users Group (FIPUG) intervened.

At the Prehearing Conference held on August 6, 2018, the parties indicated that they had agreed to the stipulations of Issues 1-5, 8-18, 19 and 21, which are appended to this Order in Attachment A. The parties also indicated that they were working towards a settlement on the remaining four unresolved issues. On August 8, 2018, Peoples Gas, OPC, and FIPUG (the signatories) filed a joint motion seeking Commission approval of their Settlement Agreement proposing resolution of the remaining four issues. The Settlement Agreement also proposed changes to depreciation rates and recording of additional manufacturing gas plant expense that were outside the scope of this proceeding. In order to provide those who may be substantially affected by the new matters contained within the Settlement Agreement, the final hearing originally scheduled to begin on August 20, 2018, was postponed. Order No. PSC-2018-0405-PCO-GU, was issued on August 14, 2018, to establish the procedures to be followed to address the matters contained within the Settlement Agreement.

The final hearing was held on September 12, 2018, at which time the parties agreed that all identified issues were either stipulated as set forth in Exhibit A, or were resolved through a Settlement Agreement (SA), as set forth in Exhibit B.

PROPOSED STIPULATIONS

The parties have proposed stipulations to Issues 1-5, 8-17, 19, and 21, which are attached as Exhibit A.

SETTLEMENT AGREEMENT TO RESOLVE REMAINING ISSUES

The parties proposed a Settlement Agreement (SA) to resolve the remaining issues in the docket and it is attached as Exhibit B. The new tariffs that accompanied the SA are attached as Exhibit C. The new depreciation rates can be found at Exhibit D.

The following is a summary of the notable terms of the SA:

- Beginning January 1, 2019, Peoples Gas will reduce base rates by \$11,599,038, an amount equal to the amount of the decrease in annual revenue requirement resulting from the benefits of the Tax Cut and Jobs Act.
- The depreciation rates in Exhibit C (Exhibit B of the SA), will supersede current rates and result in an estimated decrease of \$10.3 million to the Utility's 2019 depreciation expense, effective January 1, 2019.
- Peoples Gas shall book unamortized Manufactured Gas Plant expense of \$10,947,747 in 2018 and offset this with forecasted 2018 annual revenue requirement reduction of \$11,599,038.
- In 2018, Peoples Gas will request a Private Letter Ruling from the Internal Revenue Service regarding the classification of excess accumulated deferred income taxes.
- Peoples Gas shall be permitted to initiate a base rate proceeding in 2020 regardless of earned rate of return, provided new rates do not become effective prior to January 1, 2021.
- Except as modified above, the prior Settlement Agreement approved in Order No. PSC-17-0066-AS-GU remains in effect.
- The SA will take effect the day after it is approved by the Commission.

DECISION

The standard for approval of a settlement agreement is whether it is in the public interest.¹ A determination of public interest requires a case-specific analysis based on consideration of the proposed settlement taken as a whole.² Section 120.57(4), Florida Statutes (F.S.), permits us to informally dispose of any proceeding by stipulation, agreed settlement, or consent order. Section 120.57(2), F.S., permits this Commission to proceed with hearings not involving disputed issues of material fact. Pursuant to Rule 28-106.302(2), Florida Administrative Code, at the hearing prefiled testimony was entered into the record and we heard argument regarding Peoples Gas's and Intervenors' request for approval of the SA.

Based on our review of the SA, the prior 2017 Settlement Agreement, the exhibits entered into the record, the support of the Parties, the prefiled testimony and the stipulated issues, we find that the SA benefits the Utility's customers and is in the public interest. We commend the parties for achieving an agreement wherein the customers of Peoples Gas would receive a base rate reduction of approximately 5 percent beginning January 1, 2019.³ Therefore, the SA, to include the new tariffs that reflect the final rates and charges, and the new depreciation rates, are hereby approved.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations, findings, and rulings herein are hereby approved. It is further

ORDERED that each utility that was a party to this docket shall abide by the stipulations, findings, and rulings herein which are applicable to it. It is further

ORDERED that all matters contained in the Settlement Agreement and the Exhibits attached to the Agreement, and incorporated by reference, are approved. It is further

¹ Order No. PSC-13-0023-S-EI, issued January 14, 2013, in Docket No. 120015-EI, In re: Petition for increase in rates by Florida Power & Light Company; Order No. PSC-11-0089-S-EI, issued February 1, 2011, in Docket Nos. 080677-EI and 090130, In re: Petition for increase in rates by Florida Power & Light Company and In re: 2009 depreciation and dismantlement study by Florida Power & Light Company; Order No. PSC-13-0023-S-EI, issued January 14, 2013, in Docket No. 120015-EI, In re: Petition for increase in rates by Florida Power & Light Company; PSC-10-0398-S-EI, issued June 18, 2010, in consolidated Docket Nos. 090079-EI, In re: Petition for increase in rates by Progress Energy Florida, Inc.; and 090144-EI, In re: Petition for limited proceeding to include Bartow repowering project in base rates, by Progress Energy Florida, Inc.; Docket No. 090145-EI, In re: Petition for expedited approval of the deferral of pension expenses, authorization to charge storm hardening expenses to the storm damage reserve, and variance from or waiver of Rule 25-6.0143(1)(c), (d), and (f), F.A.C., by Progress Energy Florida, Inc.; and Docket No. 100136-EI, In re: Petition for approval of an accounting order to record a depreciation expense credit, by Progress Energy Florida, Inc.; and Order No. PSC-05-0945-S-EI, issued September 28, 2005, in Docket No. 050078-EI, In re: Petition for rate increase by Progress Energy Florida, Inc.

² Order No. PSC-13-0023-S-EI, at p. 7.

³The terms of the prior 2107 Settlement Agreement shall continue and the Utility may seek a rate increase if earnings as reported in the future quarterly Earnings Surveillance Report fall below 9.25%.

ORDERED that the new and revised tariff sheets and depreciation sheets implementing the Settlement Agreement and reflecting the approved final rates and charges are approved. It is further

By ORDER of the Florida Public Service Commission this 18th day of October, 2018.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

WLT

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

Type 1 Stipulated Issues.

ISSUE 1: In the absence of an approved agreement addressing the impact of federal tax reform, was it reasonable for Peoples Gas to use its 2018 forecasted earnings surveillance report filed on March 15, 2018 to calculate the impact of the Tax Cuts and Jobs Act of 2017 ("TCJA")?

STIPULATION: Yes. The 2018 Forecasted Earnings Surveillance Report as filed on March 15, 2018 should be used to calculate the annual impact of the TCJA on income tax expense and the Company's revenue requirement.

ISSUE 2: Were "protected excess deferred taxes" for 2018 using a 21 percent corporate tax rate appropriately calculated and flowed back?

STIPULATION: Yes. The amount of protected ADIT as of December 31, 2017 is \$87.0 million; however, the flow back has yet to occur. Excess protected ADIT amounts were properly reflected in the calculation of 2018 income tax expense using the average rate assumption method in accordance with the Internal Revenue Code.

ISSUE 3: Were "unprotected excess deferred taxes" for 2018 using a 21 percent corporate tax rate appropriately calculated and flowed back?

STIPULATION: Yes. The amount of unprotected excess ADIT as of December 31, 2017 is an excess tax deficiency of \$17.9 million and should be reduced ratably over a ten-year period; however, the flow back has yet to occur. The amount to be reflected in the calculation of income tax expense for 2018 is approximately \$1.8 million.

ISSUE 4: Were Accumulated Deferred Income Taxes (ADIT) appropriately calculated?

STIPULATION: Yes. Peoples Gas identified the book-tax differences that would be impacted by the TCJA, then calculated income tax expense to remeasure ADIT balances at the new applicable corporate rate, 21 percent. All excess deferred taxes, the difference between the new rate and 35 percent, were reclassified as a regulatory asset or liability which will be included in the FPSC adjusted capital structure.

ISSUE 5: Are Peoples Gas's classifications of the excess ADIT between "protected" and "unprotected" appropriate?

STIPULATION : Yes. As described in witness Felsenthal's testimony, PricewaterhouseCoopers has tested and verified the Company's classification of excess ADIT and its calculation of the impact of the TCJA.

ISSUE 8: Were appropriate adjustments made to Peoples Gas's cast iron/bare steel replacement rider for the impact of the TCJA for the tax year 2018?

STIPULATION: Yes. Adjustments to the cast iron/bare steel replacement rider were made to consider the impact of the TCJA for the tax year 2018.

ISSUE 9: What is the forecasted tax expense for Peoples Gas's for the tax year 2018 at a 21 percent corporate tax rate?

STIPULATION: The forecasted tax expense under the TCJA, for the tax year 2018 at a corporate tax rate of 21 percent for Peoples Gas is \$17.3 million, a reduction in forecasted tax expense of \$9.6 million when compared to tax expense without tax reform.

ISSUE 10: What is the forecasted tax expense for Peoples Gas for the tax year 2018 at a 35 percent corporate tax rate?

STIPULATION: The forecasted tax expense without tax reform for the tax year 2018 at a corporate tax rate of 35 percent for Peoples Gas is \$26.9 million.

ISSUE 11: What is the forecasted NOI for the tax year 2018 at a 21 percent corporate tax rate?

STIPULATION: The forecasted FPSC adjusted 13-month average NOI for 2018 adjusted for the effects of the TCJA (21 percent tax rate) is \$61.9 million.

ISSUE 12: What is the forecasted NOI for the tax year 2018 at a 35 percent corporate tax rate?

STIPULATION: The forecasted FPSC adjusted 13-month average NOI for 2018 using the normal budget process on a pre-TCJA basis (35 percent tax rate) is \$53.0 million.

ISSUE 13: What is the forecasted capital structure for the tax year 2018 at a 21 percent corporate tax rate?

STIPULATION: The average, mid-range, forecasted capital structure for the tax year 2018, under the TCJA at a 21 percent corporate tax rate on an FPSC adjusted basis is as follows:

	Adjusted Retail (\$000)	Ratio (%) (%)	Cost Rate (%)	Weighted Cost (%)
Long Term Debt	241,612	27.10	5.03	1.36
Short Term Debt	59,859	6.71	2.36	0.16
Residential Deposits	6,555	0.74	2.00	0.01

Commercial Deposits	18,150	2.04	3.00	0.06
Inactive Deposits	375	0.04		
Common Equity	373,494	41.89	10.75	4.50
Deferred Income Taxes	191,512	21.48		
Total	891,557	100.00		6.09

ISSUE 14: What is the annual forecasted capital structure for the tax year 2018 at a 35 percent corporate tax rate.

STIPULATION: The average, mid-range, forecasted capital structure for the tax year 2018, under the TCJA at a 35 percent corporate tax rate on an FPSC adjusted basis is as follows:

	Adjusted Retail (\$000)	Ratio (%) (%)	Cost Rate (%)	Weighted Cost (%)
Long Term Debt	241,237	27.00	5.03	1.36
Short Term Debt	55,041	6.16	2.36	0.15
Residential Deposits	6,555	0.73	2.00	0.01
Commercial Deposits	18,150	2.03	3.00	0.06
Inactive Deposits	375	0.04		
Common Equity	371,490	41.58	10.75	4.47
Deferred Income Taxes	200,581	22.45		
Total	893,429	100.00		6.05

ISSUE 15: What is the forecasted annual revenue requirement for Peoples Gas for the tax year 2018 using a 21 percent corporate tax rate?

STIPULATION: The forecasted 13-month average NOI for Peoples Gas for the tax year 2018 using a 21 percent corporate tax rate is \$61.9 million, and the application of the 0.74655 tax gross-up factor results in a revenue requirement of \$82.9 million.

ISSUE 16: What is the forecasted annual revenue requirement for Peoples Gas for the tax year 2018 using a 35 percent corporate tax rate?

STIPULATION: The forecasted 13-month average NOI for Peoples Gas for the tax year 2018 using a 35 percent corporate tax rate is \$53.0 million, and the application of the 0.74655 tax gross-up factor results in a revenue requirement of \$70.9 million.

ISSUE 17: What is the forecasted annual revenue requirement decrease attributable to the TCJA for 2018?

STIPULATION: The full year annual revenue requirement decrease attributable to the TCJA for 2018, net of the rate base and overall rate of return impact is \$11,599,038.

ISSUE 19: What process should the Commission use to approve the revised tariffs necessary to make the permanent base rate adjustment specified above?

STIPULATION: The Commission should direct Peoples Gas to submit proposed 2019 revised tariff sheets reflecting the approved revenue requirement decrease for administrative approval by Staff.

ISSUE 21: Should this docket be closed?

STIPULATION: The docket should remain open to consider feedback from the IRS through the PLR to ensure that the determination as to the treatment of certain excess deferred tax balances is proper.

ATTACHMENT 1

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

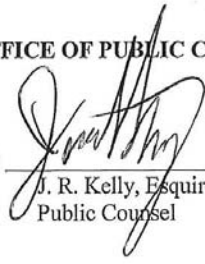
O. This Settlement Agreement may be executed in counterpart originals and a facsimile or scan of an original signature shall be deemed an original.

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.

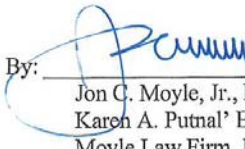
[signature page follows]

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

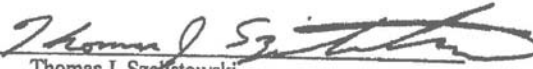
By: 
Thomas J. Szefstowski
President

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
Cancels 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	\$12.00 11.40 per month
RS-2	\$45.00 14.25 per month
RS-3	\$20.00 19.01 per month
RS-GHP	\$20.00 19.01 per month

Distribution Charge: ~~\$0.2678~~20.25465 per Therm for RS-1, RS-2, and RS-3
~~\$0.0999~~0.09598 per Therm for RS-GHP

Minimum Bill: The Customer charge.

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

Effective: January 1, 2019

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

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

**SMALL GENERAL SERVICE
Rate Schedule SGS**

Availability:

Throughout the service areas of the Company.

Applicability:

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

Monthly Rate:

Customer Charge: ~~\$25.00~~23.76 per month
Distribution Charge: ~~\$0.3389~~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.

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

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

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

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

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using 2,000 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.

Issued By: ~~William N. Cantrell~~ T. J. Szelistowski, President **Effective:** ~~June 18, 2009~~ January 1, 2019
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Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

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

GENERAL SERVICE - 2
Rate Schedule GS-2

Availability:

Throughout the service areas of the Company.

Applicability:

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

Monthly Rate:

Customer Charge:	\$ 50.00 <u>47.52</u> per month
Distribution Charge:	\$ 0.227460 <u>0.21615</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.

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.

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

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

Fourth-Fifth Revised Sheet No. 7.303-2
Cancels Third-Fourth Revised Sheet No. 7.303-2

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

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using, 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:	\$150.00 <u>142.55</u> per month
Distribution Charge:	\$0.496790 <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.

Issued By: T. J. Szelistowski, President
Issued On: ~~September 19, 2017~~
Effective: ~~December 12, 2017~~ January 1, 2019

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

Fourth-Fifth Revised Sheet No. 7.303-4
Cancels Third-Fourth Revised Sheet No. 7.303-4

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

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using, 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 <u>237.58</u> per month
Distribution Charge:	\$0.162150 <u>.14459</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.

Issued By: T. J. Szelistowski, President
Issued On: September 19, 2017

Effective: December 12, 2017/January 1, 2019

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

Eighth-Ninth Revised Sheet No. 7.304
Cancels ~~Seventh-Eighth~~ Revised Sheet No. 7.304

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

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using, 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 <u>285.09</u> per month
Distribution Charge:	\$0-113240 <u>.10758</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 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.

Issued By: T. J. Szelistowski, President **Effective:** ~~December 12, 2017~~ January 1, 2019
Issued On: ~~September 19, 2017~~

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

Fifth-Sixth Revised Sheet No. 7.306
Cancels ~~Fourth-Fifth~~ Revised Sheet No. 7.306

**COMMERCIAL STREET LIGHTING SERVICE
Rate Schedule CSLS**

Availability:

Throughout the service areas of the Company.

Applicability:

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

Monthly Rate:

Distribution Charge: \$0-188590.17922 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.

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

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

~~Sixth-Seventh Revised Sheet No. 7.401~~
Cancels ~~Fifth-Sixth Revised Sheet No. 7.401~~

NATURAL GAS VEHICLE SERVICE-1
Rate Schedule NGVS-1

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer through a separate 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: ~~0.483920~~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.

Issued By: G. L. Gillette, J. Szelistowski, President**Effective:** ~~September 25, 2013~~January 1, 2019
Issued On: ~~July 25, 2013~~

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

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

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

Availability:

Throughout the service areas of the Company.

Applicability:

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

Monthly Rate:

Customer Charge:	\$20.00 <u>19.01</u>	
Distribution Charge:	0 – 20.0 therms	\$0.00000 per Therm
	In excess of 20.0 therms	\$0.25465-26782 per Therm
Minimum Monthly Bill:	\$20.00 <u>19.01</u>	

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~~

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

~~Second~~Third Revised Sheet No. 7.403
Cancels ~~First~~Second Revised Sheet No. 7.403

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

Availability:

Throughout the service areas of the Company.

Applicability:

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

Monthly Rate:

Customer Charge:	\$35.00 <u>33.26</u>	
Distribution Charge:	0 – 40.0 Therms	\$0.00000 per Therm
	In excess of 40.0 Therms	\$0.338940 <u>0.32206</u> per Therm
Minimum Monthly Bill:	\$35.00 <u>33.26</u>	

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 forth 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~~

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

~~Second~~Third Revised Sheet No. 7.403
Cancels ~~First~~Second Revised Sheet No. 7.403

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

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

Original ~~First Revised~~ Sheet No. 7.405
Cancels Original Sheet No. 7.405

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

Availability:

Throughout the service areas of the Company.

Applicability:

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

Monthly Rate:

Customer Charge: ~~\$35.00~~ 33.26 per month
Distribution Charge: ~~\$0.20630~~ 1.9605 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.

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

Effective: January 1, 2019

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

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

**WHOLESALE SERVICE - FIRM
Rate Schedule WHS**

Availability:

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

Applicability:

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

Monthly Rate:

Customer Charge:	\$150-00 <u>142.55</u> per month
Distribution Charge:	\$0-449340- <u>14192</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 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.

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

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

Seventh ~~Eighth~~ Revised Sheet No. 7.601
Cancels Sixth ~~Seventh~~ Revised Sheet No. 7.601

**SMALL INTERRUPTIBLE SERVICE
Rate Schedule SIS**

Availability:

Throughout the service areas of the Company.

Applicability:

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

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

Monthly Rate:

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

Distribution Charge: \$~~0.074340~~.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.

Issued By: G. L. Gillette, T. J. Szelistowski, President **Effective:** March 13, 2012 January 1, 2019
Issued On: October 24, 2014

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

Sixth ~~Seventh~~ Revised Sheet No. 7.603
Cancels Fifth ~~Sixth~~ Revised Sheet No. 7.603

**INTERRUPTIBLE SERVICE
Rate Schedule IS**

Availability:

Throughout the service areas of the Company.

Applicability:

Interruptible Gas for non-residential commercial or industrial use. Service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 4,000,000 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: \$475.00451.39 per month
Distribution Charge: \$0.034940.03318 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.

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

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

~~Fifth-Sixth~~ Revised Sheet No. 7.605
Cancels ~~Fourth-Fifth~~ Revised Sheet No. 7.605

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

Availability:

Throughout the service areas of the Company.

Applicability:

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

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

Monthly Rate:

Customer Charge: ~~\$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.

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

Exhibit B

Depreciation Study Summary Schedules

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

Account Number	Account Title	Current Rates - Effective 2016 - 2018					Company Proposed - Effective 1/1/2019											
		Curve Type	Average Service Life	Average Remaining Life	Future Net Salvage	Reserve Ratio Approved	Depreciation Rate	Whole Life			Remaining Life							
			(yrs)	(yrs)	(%)	(%)	(%)	Curve Type	Average Service Life	Future Net Salvage	Whole Life Rate	Average Age	Average Remaining Life	Round Average Remaining Life	Future Net Salvage	Reserve Ratio OPC	Depreciation Rate	Round Depreciation Rate
	<u>Distribution Plant</u>	Confirm	Confirm	Confirm	Confirm	Confirm	Confirm											
37402	Land Rights	SQ	75	59.0	0	20.90	1.3	Dep Va	Dep Val	Dep Val	1.3	15.7	59.3	59.0	0	20.90	1.3	1.3
37500	Structures & Improvements	R3	40	24.0	0	39.58	2.5	R3	40	0	2.5	17.8	24.2	24.0	0	39.58	2.5	2.5
37600	Mains Steel	R2	55	41.0	(40)	48.16	2.2	R2	55	(40)	2.5	16.8	41.2	41.0	(40)	66.28	1.8	1.8
37602	Mains Plastic	R3	45	34.0	(25)	42.75	2.4	R2	75	(25)	1.7	12.1	64.5	65.0	(25)	33.00	1.4	1.4
37800	Meas & Reg Station Eq Gen	R1	31	25.0	(5)	21.46	3.3	R1	31	(5)	3.4	9.4	24.7	25.0	(5)	21.46	3.4	3.3
37900	Meas & Reg Station Eq City	R1	31	26.0	(5)	18.70	3.3	R1	31	(5)	3.4	8.1	25.5	28.0	(5)	18.70	3.4	3.3
38000	Services Steel	R0.5	45	31.0	(100)	84.71	3.7	R0.5	50	(100)	4.0	24.0	35.9	38.0	(100)	106.03	2.6	2.6
38002	Services Plastic	R3	40	28.0	(55)	62.07	3.3	R1.5	55	(55)	2.8	12.7	45.0	45.0	(55)	52.88	2.3	2.3
38100	Meters	L1	16	10.8	5	31.17	5.9	R1	21	5	4.5	8.5	15.2	15.2	5	26.09	4.5	4.5
38200	Meter Installations	R4	27	15.3	(20)	51.87	4.5	R0.5	43	(20)	2.8	13.3	35.1	35.0	(20)	22.14	2.8	2.8
38300	House Regulators	R2	28	16.6	0	40.54	3.6	R2	28	0	3.6	14.9	16.6	16.6	0	40.54	3.6	3.6
38400	House Regulator Installs	R4	27	15.7	(20)	50.32	4.4	R4	27	(20)	4.4	12.5	15.7	15.7	(20)	50.32	4.4	4.4
38500	Meas & Reg Station Eq Ind	R4	32	12.9	0	59.64	3.1	R4	32	0	3.1	20.6	12.9	12.9	0	59.64	3.1	3.1
38600	Other Property Cust Premise	R1	15	15.0	0	0.00	6.7	R1	15	0	6.7	0.0	15.0	15.0	0	0.00	6.7	6.7
38700	Other Equipment	S2	16	10.2	0	36.21	6.3	S2	16	0	6.3	6.8	10.2	10.2	0	36.21	6.3	6.3

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

Account Number	Account Title	Current Rates - Effective 2016 - 2018						Company Proposed - Effective 1/1/2019										
		Curve Type	Average Service Life (yrs)	Average Remaining Life (yrs)	Future Net Salvage (%)	Reserve Ratio Approved (%)	Depreciation Rate (%)	Whole Life			Remaining Life							
								Average Service Life (yrs)	Future Net Salvage (%)	Whole Life Rate (%)	Average Age (yrs)	Average Remaining Life (yrs)	Average Remaining Life (yrs)	Future Net Salvage (%)	Reserve Ratio OPC (%)	Depreciation Rate (%)	Round Depreciation Rate (%)	
Transportation Equipment																		
39201	Vehicles up to 1/2 Tons	S1	8	4.5	10	38.92	11.4	S1	8	10	11.3	4.9	4.5	4.5	10	38.92	11.4	11.4
39202	Vehicles from 1/2 - 1 Tons	S1	7	3.3	10	47.17	13.0	S1	7	10	12.9	5.4	3.3	3.3	10	47.17	13.0	13.0
39204	Trailers & Other	S3	20	15.5	20	18.09	4.0	S3	20	20	4.0	5.4	15.5	15.5	20	18.09	4.0	4.0
39205	Vehicles over 1 Ton	S4	12	7.0	10	37.17	7.5	S4	12	10	7.5	5.8	7.0	7.0	10	37.17	7.5	7.5
General Plant																		
30100	Organization Costs	Not Depreciable					0.0	0.0	Not Depreciable					0.0	0.0	0.0	0.0	
30200	Franchise & Consents	SQ	25	25	0	0.00	4.0	SQ	25	0	4.0	0.0	25.0	25.0	0	0.00	4.0	4.0
30300	Misc Intangible Plant	SQ	25	4.5	0	81.93	4.0	SQ	25	0	4.0	20.5	4.5	4.5	0	81.93	4.0	4.0
30301	Custom Intangible Plant	SQ	15	9.9	0	33.98	6.7	SQ	15	0	6.7	5.2	9.9	9.9	0	33.98	6.7	6.7
39000	Structures & Improvements	R3	40	34.0	0	13.90	2.5	R3	40	0	2.5	5.7	34.4	34.0	0	13.90	2.5	2.5
39100	Office Furniture	SQ	15	5.8	0	61.01	6.7	SQ	15	0	6.7	9.2	5.8	5.8	0	61.01	6.7	6.7
39101	Computer Equipment	SQ	8	1.8	0	77.82	12.3	SQ	8	0	12.5	6.6	1.8	1.8	0	77.82	12.3	12.3
39102	Office Equipment	SQ	15	8.5	0	43.42	6.7	SQ	15	0	6.7	6.8	8.5	8.5	0	43.42	6.7	6.7
39300	Stores Equipment	S4	25	22.0	0	14.03	3.9	S4	25	0	4.0	3.5	21.5	22.0	0	14.03	4.0	3.9
39400	Tools, Shop & Garage Equip	SQ	15	11.1	0	25.83	6.7	SQ	15	0	6.7	4.0	11.1	11.1	0	25.83	6.7	6.7
39401	CNC Station Equipment	SQ	20	20	0	0.00	5.0	SQ	20	0	5.0	0.0	20.0	20.0	0	0.00	5.0	5.0
39500	Laboratory Equipment	SQ	20	20.0	0	0.00	5.0	SQ	20	0	5.0	0.0	20.0	20.0	0	0.00	5.0	5.0
39600	Power Operated Equipment	S4	15	8.0	5	44.63	6.3	S4	15	5	6.3	8.9	8.0	8.0	5	44.63	6.3	6.3
39700	Communication Equipment	SQ	12	4.6	0	62.08	8.2	SQ	12	0	8.3	7.8	4.6	4.6	0	62.08	8.2	8.2
39800	Miscellaneous Equipment	SQ	17	3.8	0	77.38	6.0	SQ	17	0	5.9	15.0	3.8	3.8	0	77.38	6.0	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 (%)	Depreciation Expense (\$)	Change in Depreciation Expense (\$)	Depreciation Rate (%)	Depreciation Expense (\$)	Change in Depreciation Expense (\$)
Distribution Plant											
37402	Land Rights	2,836,412	592,695	1.3	36,873	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	-	2.5	485,400	-
37600	Mains Steel	385,317,174	255,378,733	2.2	8,476,978	2.5	9,632,929	1,155,951	1.8	6,935,709	(1,541,269)
37602	Mains Plastic	401,310,012	132,440,315	2.4	9,631,440	1.7	6,822,270	(2,809,170)	1.4	5,618,340	(4,013,100)
37800	Meas & Reg Station Eqp Gen	12,924,984	2,773,069	3.3	426,524	3.4	439,449	12,925	3.3	426,524	-
37900	Meas & Reg Station Eqp City	34,586,108	6,466,837	3.3	1,141,342	3.4	1,175,928	34,586	3.3	1,141,342	-
38000	Services Steel	46,376,347	49,170,925	3.7	1,715,925	4.0	1,855,054	139,129	2.6	1,205,785	(510,140)
38002	Services Plastic	247,505,036	130,868,961	3.3	8,167,666	2.8	6,930,141	(1,237,525)	2.3	5,692,616	(2,475,050)
38100	Meters	63,032,755	16,445,112	5.9	3,718,933	4.5	2,836,474	(882,459)	4.5	2,836,474	(882,459)
38200	Meter Installations	49,175,177	10,887,733	4.5	2,212,883	2.8	1,376,905	(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	-	3.6	526,800	-
38400	House Regulator Installs	19,915,060	10,020,798	4.4	876,263	4.4	876,263	-	4.4	876,263	-
38500	Meas & Reg Station Eqp Ind	9,089,094	5,420,679	3.1	281,762	3.1	281,762	-	3.1	281,762	-
38600	Other Property Cust Premise	-	-	6.7	-	6.7	-	-	6.7	-	-
38700	Other Equipment	5,889,159	2,132,612	6.3	371,017	6.3	371,017	-	6.3	371,017	-
Total Distribution Plant		1,312,006,627	636,215,072	2.9	38,069,806	2.6	33,647,265	(4,422,541)	2.1	27,811,810	(10,257,996)

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 (%)	Depreciation Expense (\$)	Change in Depreciation Expense (\$)	Depreciation Rate (%)	Depreciation Expense (\$)	Change in Depreciation Expense (\$)
Transportation Equipment											
39201	Vehicles up to 1/2 Tons	8,035,686	3,127,353	11.4	916,068	11.3	908,033	(8,035)	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)	13.0	853,996	-
39204	Trailers & Other	1,153,494	208,703	4.0	46,140	4.0	46,140	-	4.0	46,140	-
39205	Vehicles over 1 Ton	1,769,839	657,801	7.5	132,738	7.5	132,738	-	7.5	132,738	-
General Plant											
30100	Organization Costs	12,620	-	0.0	-	0.0	-	-	0.0	-	-
30200	Franchise & Consents	-	-	4.0	-	4.0	-	-	4.0	-	-
30300	Misc Intangible Plant	815,325	668,002	4.0	32,613	4.0	32,613	-	4.0	32,613	-
30301	Custom Intangible Plant	25,717,580	8,738,083	6.7	1,723,078	6.7	1,723,078	-	6.7	1,723,078	-
39000	Structures & Improvements	149,951	20,841	2.5	3,749	2.5	3,749	-	2.5	3,749	-
39100	Office Furniture	1,470,244	896,947	6.7	98,506	6.7	98,506	-	6.7	98,506	-
39101	Computer Equipment	5,293,685	4,119,598	12.3	651,123	12.5	661,711	10,588	12.3	651,123	-
39102	Office Equipment	922,076	400,399	6.7	61,779	6.7	61,779	-	6.7	61,779	-
39300	Stores Equipment	1,283	180	3.9	50	4.0	51	1	3.9	50	-
39400	Tools, Shop & Garage Equip	6,105,880	1,577,372	6.7	409,094	6.7	409,094	-	6.7	409,094	-
39401	CNG Station Equipment	-	-	5.0	-	5.0	-	-	5.0	-	-
39500	Laboratory Equipment	-	-	5.0	-	5.0	-	-	5.0	-	-
39600	Power Operated Equipment	2,775,668	1,238,693	6.3	174,867	6.3	174,867	-	6.3	174,867	-
39700	Communication Equipment	4,841,709	3,005,855	8.2	397,020	8.3	401,862	4,842	8.2	397,020	-
39800	Miscellaneous Equipment	468,234	362,299	6.0	28,094	5.9	27,626	(468)	6.0	28,094	-
Total General Plant		66,102,470	28,120,903	8.4	5,528,915	8.4	5,529,273	358	8.4	5,528,915	-
Total Distribution & General Plant		1,378,109,097	664,335,975	3.2	43,598,721	2.8	39,176,538	(4,422,183)	2.4	33,340,725	(10,257,996)

PEOPLES GAS SYSTEM
 2016 Depreciation Rate Review
 Summary of Reserve Transfers

Account Number	Account Title	2016 Approved		OPC Data Set
		Reserve Balances 12/31/2015 (\$)	Proposed Reserve Transfers (\$)	After Reserve Transfers 12/31/2015 (\$)
<u>Distribution Plant</u>				
37402	Land Rights	592,695	-	592,695
37500	Structures & Improvements	7,684,556	-	7,684,556
37600	Mains Steel	185,571,117	69,807,617	255,378,733
37602	Mains Plastic	171,546,122	(39,105,806)	132,440,315
37800	Meas & Reg Station Eq Gen	2,773,069	-	2,773,069
37900	Meas & Reg Station Eq City	6,466,837	-	6,466,837
38000	Services Steel	39,283,507	9,887,417	49,170,925
38002	Services Plastic	153,636,596	(22,767,635)	130,868,961
38100	Meters	19,646,963	(3,201,851)	16,445,112
38200	Meter Installations	25,507,475	(14,619,742)	10,887,733
38300	House Regulators	5,932,047	-	5,932,047
38400	House Regulator Installs	10,020,798	-	10,020,798
38500	Meas & Reg Station Eq Ind	5,420,679	-	5,420,679
38600	Other Property Cust Premise	-	-	-
38700	Other Equipment	2,132,612	-	2,132,612
Total Distribution Plant		636,215,072	(0)	636,215,072

PEOPLES GAS SYSTEM
 2016 Depreciation Rate Review
 Summary of Reserve Transfers

Account Number	Account Title	2016 Approved		OPC Data Set	
		Reserve Balances 12/31/2015 (\$)	Proposed Reserve Transfers (\$)	Reserve Balances 12/31/2015 (\$)	After Reserve Transfers 12/31/2015 (\$)
Transportation Equipment					
39201	Vehicles up to 1/2 Tons	3,127,353	-	3,127,353	
39202	Vehicles from 1/2 - 1 Tons	3,098,777	-	3,098,777	
39204	Trailers & Other	208,703	-	208,703	
39205	Vehicles over 1 Ton	657,801	-	657,801	
General Plant					
30100	Organization Costs	-	-	-	
30200	Franchise & Consents	-	-	-	
30300	Misc Intangible Plant	668,002	-	668,002	
30301	Custom Intangible Plant	8,738,083	-	8,738,083	
39000	Structures & Improvements	20,841	-	20,841	
39100	Office Furniture	896,947	-	896,947	
39101	Computer Equipment	4,119,598	-	4,119,598	
39102	Office Equipment	400,399	-	400,399	
39300	Stores Equipment	180	-	180	
39400	Tools, Shop & Garage Equip	1,577,372	-	1,577,372	
39401	CNC Station Equipment	-	-	-	
39500	Laboratory Equipment	-	-	-	
39600	Power Operated Equipment	1,238,693	-	1,238,693	
39700	Communication Equipment	3,005,855	-	3,005,855	
39800	Miscellaneous Equipment	362,299	-	362,299	
Total General Plant		28,120,903	-	28,120,903	
Total Distribution & General Plant		664,335,975	(0)	664,335,975	