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September 1, 2020

**VIA E-PORTAL FILING**

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

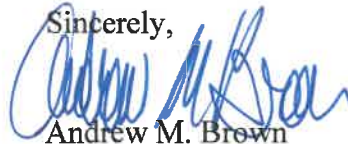
Re: Petition of Peoples Gas System for Approval of 2019 True-Up, The  
Projected 2020 True-Up and 2021 Revenue Requirements and Surcharges  
Associated with Cast Iron/Bare Steel Pipe Replacement Rider

Dear Mr. Teitzman:

Attached for electronic filing in the above docket on behalf of Peoples Gas System,  
please find Peoples' Petition referenced above.

Please note that this tariff filing is not being made pursuant to the file-and-suspend  
provisions of Section 366.06(3), *Florida Statutes*, in order to permit the Commission Staff  
sufficient time to address the filing. Peoples hereby waives the 60-day requirement set  
forth in the statute for the handling of this petition and tariff filing.

Your assistance in this matter is greatly appreciated.

Sincerely,  
  
Andrew M. Brown

AB/plb

Attachments

cc: Office of Public Counsel  
Ms. Kandi M. Floyd  
Thomas R. Farrior, Esq.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for approval of 2019 True-up, )  
the Projected 2020 true-up and 2021 )  
Revenue Requirements and Surcharges )  
associated with Cast Iron / Bare Steel) )  
Replacement Rider, by Peoples Gas )  
System. )  
\_\_\_\_\_ )

Docket No.

Submitted for Filing:  
September 1, 2020

**PETITION OF PEOPLES GAS SYSTEM FOR APPROVAL OF 2019 TRUE-UP,  
THE PROJECTED 2020 TRUE-UP AND 2021 REVENUE REQUIREMENTS  
AND SURCHARGES ASSOCIATED WITH CAST IRON/BARE STEEL PIPE  
REPLACEMENT RIDER**

Peoples Gas System (“Peoples” or the “Company”), by its undersigned counsel, petitions the Commission for approval of (i) the 2019 true-up amount, (ii) the projected true-up amount for 2020, (iii) the Revenue Requirements to be recovered by the Company during the period January through December 2021, and (iv) the Surcharges to be collected from customers for such recovery, all as provided by the Company’s Cast Iron/Bare Steel Pipe Replacement Rider (Rider CI/BSR), and in support of this petition states:

1. The name of the petitioner and the mailing address of its principal office are:

Peoples Gas System  
P.O. Box 2562  
Tampa, Florida 33601-2562

2. The names and mailing address of the persons authorized to receive notices and communications with respect to this petition are:

Andrew M. Brown  
Thomas R. Farrior  
Macfarlane Ferguson & McMullen  
P. O. Box 1531  
Tampa, Florida 33601-1531

Ms. Paula K. Brown  
Regulatory Affairs  
Peoples Gas System  
P. O. Box 111  
Tampa, Florida 33601-0111

Ms. Kandi M. Floyd  
Director – Regulatory Affairs  
Peoples Gas System  
P. O. Box 2562  
Tampa, Florida 33601-2562

3. The Commission has jurisdiction to entertain this petition pursuant to Sections 366.04(1), 366.05(1) and 366.06, *Florida Statutes*.

4. Peoples is a natural gas local distribution company providing sales and transportation delivery of natural gas throughout most of the State of Florida and is a natural gas public utility subject to the Commission’s statutory jurisdiction to establish rates and charges under Section 366.06.

#### **BACKGROUND**

5. By its Order No. PSC-12-0476-TRF-GU, issued on September 18, 2012, in Docket No. 20110320-GU, the Commission approved Peoples’ Rider CI/BSR, together with projected Revenue Requirements contemplated by the rider for recovery during 2013 and Surcharges through which to recover the projected Revenue Requirements.

6. Peoples’ petition for approval of Rider CI/BSR contemplated annual capital expenditures of approximately \$8 million for the replacement of bare steel and cast iron infrastructure, but made clear that annual amount was only an estimate, and that the expenditures could be more or less during any year in which the program is in effect. In Peoples’ last rate case, the Commission approved \$1 million in rate base for the 2009 projected test year for replacement of aging infrastructure. As such, in continuing with its commitment to spend \$1 million annually for replacement activities, Peoples excludes the first \$1 million of its annual capital expenditures for replacement activities and those dollars will be included in rate base in a future rate case.

7. The rider, and the Commission's order approving it, contemplates the filing by Peoples in September of each year of a petition to establish revised Surcharges to be effective the following calendar year (in the case of this petition, calendar year 2021). The petitions are to contain an actual/estimated true-up showing seven months of actual and five months of projected costs and revenues for the calendar year in which the petition is filed, and a projection showing 12 months of projected rider Revenue Requirements for the 12-month period beginning January 1 following the filing of the petition. The order also requires a final true-up showing the actual replacement costs and actual Surcharge revenues for the most recent 12-month historical period from January 1 through December 31 that ends prior to the annual petition filing, including the final over- or under-recovery for the final true-up period.

8. By its Order No. PSC-17-0066-AS-GU, issued February 28, 2017, in Docket No. 20160159-GU, the Commission approved a Settlement Agreement between Peoples and the Office of Public Counsel ("OPC") that allows for cost recovery through Rider CI/BSR associated with Peoples' replacement of Problematic Plastic Pipe ("PPP") beginning in 2017 and continuing through 2028.

9. On August 8, 2018, Peoples, OPC and the Florida Industrial Power Users Group, ("FIPUG") filed in Docket No. 20180044-GU a joint motion for Commission approval of a Settlement Agreement addressing certain impacts of the Tax Cuts and Jobs Act of 2017 ("TCJA") on Peoples. Certain portions of the Settlement Agreement directly affect the relief sought by this petition as it relates to depreciation expense and the federal income tax rate. In the Settlement Agreement, the Parties agreed to a reduction of Peoples' 2019 depreciation expense of approximately \$10.3 million resulting from extending the lives of certain main and service assets.

The resulting revised rates reduced the depreciation expense collected through the CIBS rider. Additionally, the federal income tax expense reflected in the calculations contemplated by the rider are affected by the TCJA's reduction in the federal income tax rate.

10. This petition is the filing contemplated by the rider and the Commission's order approving it.<sup>1</sup> Revised Surcharges for the recovery by Peoples of revised Revenue Requirements as provided by Rider CI/BSR for calendar year 2019 were approved by the Commission's Order No. PSC-18-0540-TRF-GU, issued November 19, 2018. The Commission's Order No. PSC-19-0549-TRF-GU, issued December 30, 2019, approved the true-up for calendar year 2018, the estimated true-up for calendar year 2019, and revised Revenue Requirements and Surcharges for calendar year 2020.

11. On June 8, 2020, Peoples filed its petition for rate case in Docket No. 20200051-GU. In the petition, Peoples requested to move \$200.7 million of CI/BSR investments made through December 2020 into rate base, thereby adding the related \$23.6 million of 2021 revenue requirements to be recovered through base rates pursuant to Commission Order No. PSC-12-04760-TRF-GU.

Additionally, as part of testimony filed by Daniel P. Yardley, Peoples proposed that customers in rate classes SIS, IS, and ISLV begin paying the CIBSR surcharge January 1, 2021 and the rates, if approved, for these customer classes would be determined in this instant petition. Peoples proposes that the revenue requirement for recovery of the CI/BSR surcharge is consistent

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<sup>1</sup> The initial Commission order approving Rider CI/BSR indicated that Peoples had agreed to identify and report any O&M and depreciation expense savings in its annual surcharge petitions, beginning the second year. Peoples has been able to quantify the depreciation savings and those savings have accordingly been reflected as reductions in the expenses.

with current methodology considering the allocation of mains and services to the appropriate rate classes and rates to be effective commencing with bills rendered for meter readings taken on and after January 1, 2021. Peoples believes including these rate classes is appropriate as all customers benefit from the replacing of aging infrastructure which ensures a safe and reliable system and additionally customers are paying the fair proportional cost of the infrastructure replacement program.

### **RELIEF REQUESTED**

12. Peoples seeks the Commission's approval of the final true-up amount for the calendar year 2019 of \$3,382,549 under-recovery (including interest). The calculation of this amount is contained in Exhibit A attached to this petition.

13. Peoples also seeks approval of the projected true-up for calendar year 2020 and as shown in Exhibit B to this petition, has re-projected that its actual expenditures for eligible replacements under Rider CI/BSR during 2020 will be \$46,195,593. This re-projected total does not include the first \$1 million in such expenditures. Exhibit B, Page 2 of 4, reflects on line 9 an "End of Period Total True-up" of \$4,024,341 under-recovery. Additionally, "Calculation of Revenue Requirement Rate of Return" schedules have been included to reflect the adjusted tax rate as of February 6, 2018.

14. Exhibit C includes projected capital expenditures for the replacement of cast iron/bare steel infrastructure and PPP during calendar year 2021 and Exhibit D contains revised Surcharges to be collected from customers commencing with bills rendered for meter readings taken on and after January 1, 2021. The estimated true-up for 2020, an under-recovery of \$4,024,341, increases the total amount to be collected through the revised Surcharges during 2021.

Projected capital expenditures for replacements during 2021 are \$35,475,247, (not including the first \$1 million of such expenditures).

15. Peoples requests permission to apply the surcharges to three additional rate classes, Rate Class SIS, Rate Class IS, and Rate Class ISLV, as these rate classes also derive a benefit from a safer and more reliable natural gas system.

16. For comparison purposes, Exhibit D, page 1 of 2 shows the surcharges including the true-up for existing rate classes without including the Rate Class SIS, Rate Class IS, and Rate Class ISLV. Exhibit D, page 2 of 2 shows the surcharges including Rate Class SIS, Rate Class IS, and Rate Class ISLV with the appropriate true-up amount to be applied only to existing customers effective January 1, 2021. In both cases, the surcharges are consistent with Peoples cost allocation methodology approved by the Commission.

17. Tenth Revised Sheet No. 7.806 to Peoples' Natural Gas Tariff, Original Volume No. 3, setting forth the revised surcharges, accompanies the filing of this petition.

WHEREFORE, Peoples respectfully requests that the Commission enter its order:

- A. approving the final true-up for calendar year 2019, the calculation of which is contained in Exhibit A;
- B. approving the projected Revenue Requirements for 2021 (as calculated in Exhibit C, and as adjusted by the projected true-up for 2020 calculated in Exhibit B); and
- C. approving Peoples' billing of the recovery Surcharges for 2021 set forth in Exhibit D to this petition commencing with bills rendered for meter readings taken on and after January 1, 2021.

Respectfully submitted,



ANDREW M. BROWN

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THOMAS R. FARRIOR

Phone: (813) 273-4232

E-mail: [trf@macfar.com](mailto:trf@macfar.com)

Macfarlane Ferguson & McMullen

P. O. Box 1531

Tampa, Florida 33601-1531

Fax: (813) 273-4396

Attorneys for Peoples Gas System

#### **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing petition has been furnished by electronic mail this 1st day of September 2020, to Office of Public Counsel, J.R. Kelly/Charles Rehwinkel, c/o The Florida Legislature, 111 W. Madison Street, Room 812, Tallahassee, Florida 32399-1400.



ANDREW M. BROWN



**PEOPLES GAS SYSTEM**

**“Version 1”**

***Tariff Sheet 7.806  
Without Interruptible Classes***

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**CAST IRON/BARE STEEL REPLACEMENT RIDER  
RIDER CI/BSR**

The monthly bill for Gas Service in any Billing Period shall be increased by the CI/BSR Surcharge determined in accordance with this Rider. CI/BSR Surcharges approved by the Commission for bills rendered for meter readings taken on or after January 1, ~~2020~~2021, are as follows with respect to Customers receiving Gas Service under the following rate schedules:

<u>Rate Schedule</u>	<u>CI/BSR Surcharge</u>
Residential/Residential Standby Generator / Residential Gas Heat Pump Service	\$ 0. <del>0221409203</del> per therm
Small General Service	\$ 0. <del>0172606508</del> per therm
General Service – 1/ Commercial Standby Generator Service /	
Commercial Gas Heat Pump Service	\$ 0. <del>0088303264</del> per therm
General Service – 2	\$ 0. <del>0085003018</del> per therm
General Service – 3	\$ 0. <del>0076502648</del> per therm
General Service – 4	\$ 0. <del>0049504790</del> per therm
General Service – 5	\$ 0. <del>0020800907</del> per therm
Commercial Street Lighting	\$ 0. <del>0143104634</del> per therm
Natural Gas Vehicle Service	\$ 0. <del>0203507622</del> per therm
Wholesale	\$ 0. <del>0064904124</del> per therm

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The CI/BSR Surcharges set forth above shall remain in effect until changed pursuant to an order of the Commission.

CI/BSR Surcharges shall be determined in accordance with the provisions of this Rider set forth below.

**Definitions**

For purposes of this Rider:

“Eligible Replacements” means the following Company plant investments that (i) do not increase revenues by directly connecting new customers to the plant asset, (ii) are in service and used and useful in providing utility service and (iii) were not included in the Company’s rate base for purposes of determining the Company’s base rates in its most recent general base rate proceeding:

Mains and service lines, as replacements for existing materials recognized/identified by the Pipeline Safety and Hazardous Materials Administration as being obsolete and that present a potential safety threat to operations and the general public, including cast iron, wrought iron, bare steel, and specific polyethylene/plastic facilities, and regulators and other pipeline system components the installation of which is required as a consequence of the replacement of the aforesaid facilities.

“CI/BSR Revenues” means the revenues produced through CI/BSR Surcharges, exclusive of revenues from all other rates and charges.

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**CAST IRON/BARE STEEL REPLACEMENT RIDER  
RIDER CI/BSR**

The monthly bill for Gas Service in any Billing Period shall be increased by the CI/BSR Surcharge determined in accordance with this Rider. CI/BSR Surcharges approved by the Commission for bills rendered for meter readings taken on or after January 1, 2021, are as follows with respect to Customers receiving Gas Service under the following rate schedules:

<u>Rate Schedule</u>	<u>CI/BSR Surcharge</u>
Residential/Residential Standby Generator / Residential Gas Heat Pump Service	\$ 0.02214 per therm
Small General Service	\$ 0.01726 per therm
General Service – 1/ Commercial Standby Generator Service / Commercial Gas Heat Pump Service	\$ 0.00883 per therm
General Service – 2	\$ 0.00850 per therm
General Service – 3	\$ 0.00765 per therm
General Service – 4	\$ 0.00495 per therm
General Service – 5	\$ 0.00208 per therm
Commercial Street Lighting	\$ 0.01431 per therm
Natural Gas Vehicle Service	\$ 0.02035 per therm
Wholesale	\$ 000649 per therm

The CI/BSR Surcharges set forth above shall remain in effect until changed pursuant to an order of the Commission.

CI/BSR Surcharges shall be determined in accordance with the provisions of this Rider set forth below.

**Definitions**

For purposes of this Rider:

“Eligible Replacements” means the following Company plant investments that (i) do not increase revenues by directly connecting new customers to the plant asset, (ii) are in service and used and useful in providing utility service and (iii) were not included in the Company’s rate base for purposes of determining the Company’s base rates in its most recent general base rate proceeding:

Mains and service lines, as replacements for existing materials recognized/identified by the Pipeline Safety and Hazardous Materials Administration as being obsolete and that present a potential safety threat to operations and the general public, including cast iron, wrought iron, bare steel, and specific polyethylene/plastic facilities, and regulators and other pipeline system components the installation of which is required as a consequence of the replacement of the aforesaid facilities.

“CI/BSR Revenues” means the revenues produced through CI/BSR Surcharges, exclusive of revenues from all other rates and charges.

**PEOPLES GAS SYSTEM**

**“Version 2”**

**Tariff Sheet 7.806  
With Interruptible Classes**

**CAST IRON/BARE STEEL REPLACEMENT RIDER  
RIDER CI/BSR**

The monthly bill for Gas Service in any Billing Period shall be increased by the CI/BSR Surcharge determined in accordance with this Rider. CI/BSR Surcharges approved by the Commission for bills rendered for meter readings taken on or after January 1, ~~2020~~2021, are as follows with respect to Customers receiving Gas Service under the following rate schedules:

<u>Rate Schedule</u>	<u>CI/BSR Surcharge</u>
Residential/Residential Standby Generator /	
Residential Gas Heat Pump Service	\$ 0. <del>0218809203</del> per therm
Small General Service	\$ 0. <del>0170606508</del> per therm
General Service – 1/ Commercial Standby	
Generator Service /	
Commercial Gas Heat Pump Service	\$ 0. <del>0087203264</del> per therm
General Service – 2	\$ 0. <del>0084003018</del> per therm
General Service – 3	\$ 0. <del>0075602648</del> per therm
General Service – 4	\$ 0. <del>0048904790</del> per therm
General Service – 5	\$ 0. <del>0020500907</del> per therm
Commercial Street Lighting	\$ 0. <del>0141404634</del> per therm
Natural Gas Vehicle Service	\$ 0. <del>0201107622</del> per therm
Wholesale	\$ 0. <del>0064104124</del> per therm
<u>Small Interruptible Service</u>	<u>\$0.00081 per therm</u>
<u>Interruptible Service</u>	<u>\$0.00022 per therm</u>
<u>Interruptible Service – Large Volume</u>	<u>\$0.00001 per therm</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

The CI/BSR Surcharges set forth above shall remain in effect until changed pursuant to an order of the Commission.

CI/BSR Surcharges shall be determined in accordance with the provisions of this Rider set forth below.

**Definitions**

For purposes of this Rider:

“Eligible Replacements” means the following Company plant investments that (i) do not increase revenues by directly connecting new customers to the plant asset, (ii) are in service and used and useful in providing utility service and (iii) were not included in the Company’s rate base for purposes of determining the Company’s base rates in its most recent general base rate proceeding:

Mains and service lines, as replacements for existing materials recognized/identified by the Pipeline Safety and Hazardous Materials Administration as being obsolete and that present a potential safety threat to operations and the general public, including cast iron, wrought iron, bare steel, and specific polyethylene/plastic facilities, and regulators and other pipeline system components the installation of which is required as a consequence of the replacement of the aforesaid facilities.

“CI/BSR Revenues” means the revenues produced through CI/BSR Surcharges, exclusive of revenues from all other rates and charges.

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**CAST IRON/BARE STEEL REPLACEMENT RIDER  
RIDER CI/BSR**

The monthly bill for Gas Service in any Billing Period shall be increased by the CI/BSR Surcharge determined in accordance with this Rider. CI/BSR Surcharges approved by the Commission for bills rendered for meter readings taken on or after January 1, 2021, are as follows with respect to Customers receiving Gas Service under the following rate schedules:

<u>Rate Schedule</u>	<u>CI/BSR Surcharge</u>
Residential/Residential Standby Generator / Residential Gas Heat Pump Service	\$ 0.02188 per therm
Small General Service	\$ 0.01706 per therm
General Service – 1/ Commercial Standby Generator Service / Commercial Gas Heat Pump Service	\$ 0.00872 per therm
General Service – 2	\$ 0.00840 per therm
General Service – 3	\$ 0.00756 per therm
General Service – 4	\$ 0.00489 per therm
General Service – 5	\$ 0.00205 per therm
Commercial Street Lighting	\$ 0.01414 per therm
Natural Gas Vehicle Service	\$ 0.02011 per therm
Wholesale	\$ 0.00641 per therm
Small Interruptible Service	\$0.00081 per therm
Interruptible Service	\$0.00022 per therm
Interruptible Service – Large Volume	\$0.00001 per therm

The CI/BSR Surcharges set forth above shall remain in effect until changed pursuant to an order of the Commission.

CI/BSR Surcharges shall be determined in accordance with the provisions of this Rider set forth below.

**Definitions**

For purposes of this Rider:

“Eligible Replacements” means the following Company plant investments that (i) do not increase revenues by directly connecting new customers to the plant asset, (ii) are in service and used and useful in providing utility service and (iii) were not included in the Company’s rate base for purposes of determining the Company’s base rates in its most recent general base rate proceeding:

Mains and service lines, as replacements for existing materials recognized/identified by the Pipeline Safety and Hazardous Materials Administration as being obsolete and that present a potential safety threat to operations and the general public, including cast iron, wrought iron, bare steel, and specific polyethylene/plastic facilities, and regulators and other pipeline system components the installation of which is required as a consequence of the replacement of the aforesaid facilities.

“CI/BSR Revenues” means the revenues produced through CI/BSR Surcharges, exclusive of revenues from all other rates and charges.

**PEOPLES GAS SYSTEM**

**“EXHIBIT A”**

***CALCULATION OF THE FINAL AMOUNT FOR 2019 (PAGE 1 OF 3)***

***CALCULATION OF THE FINAL TRUE-UP AMOUNT FOR 2019  
(PAGE 2 OF 3)***

***INTEREST PROVISION FOR 2019 (PAGE 3 OF 3)***

Peoples Gas System  
 Cast Iron / Bare Steel Replacement Rider  
 Calculation of the Final Amount for the Period  
 January 2019 to December 2019

Total Return on C/BS & PPP Capital Investments, Depreciation and Taxes for Eligible Replacements  
 (in Dollars)

Line	Description	Beginning of Period Amount	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1.	Investments														
	a. Eligible Replacements - Mains (Plastic)		\$3,834,090	\$1,969,196	\$4,659,596	\$2,829,929	\$4,871,062	\$6,240,673	\$3,995,362	\$5,675,603	\$2,542,725	\$5,370,598	\$4,992,688	\$6,051,027	\$53,032,552
	b. Eligible Replacements - Mains (Steel)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Eligible Replacements - Services (Plastic)		(68,843)	23,597	28,306	18,014	6,926	14,139	10,512	11,386	17,433	63,214	302	88,004	212,990
	d. Eligible Replacements - Services (Steel)		0	0	0	403	267	0	0	0	0	0	658	91	1,419
	e. Eligible Replacements - Regulators		0	0	0	0	0	0	0	0	0	0	0	0	0
	f. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
	g. Clearings to Plant		2,514,175	8,716,224	4,222,089	1,882,063	4,450,878	2,562,920	5,479,573	1,255,807	4,236,152	1,658,060	10,390,141	3,661,172	51,029,254
2.	Gross Plant-in-Service/Depreciation Base	\$102,328,472	\$104,842,648	\$113,558,872	\$117,780,961	\$119,665,025	\$124,113,902	\$126,676,822	\$132,156,395	\$133,412,202	\$137,648,354	\$139,306,414	\$149,696,555	\$153,357,727	
3.	Less: Accumulated Depreciation	(4,820,765)	(4,943,500)	(5,068,884)	(5,204,203)	(5,344,590)	(5,487,219)	(5,635,187)	(5,785,690,31)	(5,942,734)	(6,101,293)	(6,264,816)	(6,429,857)	(6,607,342)	
4.	CWIP - Noninterest Bearing	8,478,828	9,729,500	3,006,469	3,472,281	4,438,564	4,865,942	8,557,835	7,084,136,22	11,515,318	9,839,325	13,615,077	8,218,583	10,696,534	
5.	Net Book Value (Lines 2 + 3 + 4)	\$105,986,536	\$109,628,648	\$111,496,457	\$116,049,039	\$118,756,999	\$123,492,626	\$129,599,470	\$133,454,841	\$138,984,786	\$141,386,386	\$146,656,675	\$151,485,281	\$157,446,918	
6.	Average Net Book Value	107,807,592	107,807,592	110,562,552	113,772,748	117,403,019	121,124,812	126,546,048	131,527,155	136,219,814	140,185,586	144,021,531	149,070,978	154,466,100	
7.	Return on Average Net Book Value														
	a. Equity component Grossed up for taxes (A)		\$553,421	\$567,563	\$584,043	\$602,679	\$621,784	\$649,613	\$675,384	\$699,273	\$719,631	\$739,332	\$765,244	\$792,939	\$7,970,696
	b. Debt component (B)		158,217	162,260	166,971	172,299	177,761	183,277	189,027	195,914	202,734	211,363	218,774	226,692	2,278,729
			\$711,638	\$729,823	\$751,014	\$774,978	\$799,545	\$833,330	\$866,211	\$895,187	\$925,365	\$950,685	\$984,018	\$1,019,631	\$10,249,425
8.	Investment Expenses														
	a. Depreciation Expense (C)		\$128,571	\$131,540	\$142,016	\$147,102	\$149,374	\$154,720	\$157,805	\$164,388	\$165,903	\$170,999	\$173,033	\$185,502	\$1,870,952
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Property Taxes (D)		145,449	145,449	145,449	145,449	145,449	145,449	145,449	145,449	145,449	145,449	145,449	145,449	1,745,388
	d. Depreciation Savings		(5,436)	(6,555)	(6,697)	(6,715)	(6,745)	(6,751)	(7,302)	(7,344)	(7,345)	(7,476)	(7,991)	(8,016)	(84,375)
9.	Total Recoverable Costs (Lines 7 + 8)	\$980,222	\$1,000,257	\$1,031,782	\$1,060,814	\$1,087,623	\$1,126,748	\$1,164,164	\$1,201,679	\$1,229,373	\$1,259,657	\$1,294,508	\$1,342,565	\$1,378,130	

Notes:  
 (A) Line 7a = Line 6 x 6.1603% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 24.522%, Net Operating Income Multiplier of 1.33761  
 (B) Line 7b = Line 6 x 1.7611% x 1/12  
 (C) Depreciation rates: 1.4% Mains Plastic, 1.8% Mains Steel, 2.3% Services Plastic, 3.3% Regulator Stations  
 (D) Ad Valorem Tax Rate is 1.75%



Docket No.  
 Exhibit A  
 Page 2 of 3

Peoples Gas System  
 Cast Iron / Bare Steel Replacement Rider  
 Calculation of the Final True-Up Amount  
 January 2019 to December 2019

Final True-Up Amount  
 (in Dollars)

Line	Description	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1.	CIBSR Revenues (net of Revenue Taxes)	\$1,192,928	\$1,200,026	\$997,021	\$923,650	\$830,039	\$711,870	\$675,554	\$669,628	\$687,531	\$685,639	\$771,530	\$1,053,115	\$10,398,531
2.	True-Up Provision	119,764	119,764	119,764	119,764	119,764	119,764	119,764	119,764	119,764	119,764	119,764	119,764	1,437,164
3.	CIBSR Revenues Applicable to Period (Lines 1 + 2)	\$1,312,692	\$1,319,790	\$1,116,785	\$1,043,414	\$949,803	\$831,634	\$795,318	\$789,392	\$807,295	\$805,403	\$891,294	\$1,172,875	\$11,835,695
4.	CIBSR Costs													
a.	Return on Investment	\$711,638	\$729,823	\$751,014	\$774,978	\$799,545	\$835,330	\$868,211	\$899,187	\$925,365	\$950,685	\$984,018	\$1,019,631	\$10,249,425
b.	Depreciation	128,571	131,540	142,016	147,102	149,374	154,720	157,805	164,388	165,903	170,999	173,033	185,502	1,870,952
c.	Property Taxes	145,449	145,449	145,449	145,449	145,449	145,449	145,449	145,449	145,449	145,449	145,449	145,449	1,745,388
d.	Depreciation Savings	(5,436)	(6,555)	(6,697)	(6,715)	(6,745)	(6,751)	(7,302)	(7,344)	(7,345)	(7,476)	(7,991)	(8,016)	(84,375)
d.	Total CIBSR Costs	\$980,222	\$1,000,257	\$1,031,782	\$1,060,814	\$1,087,623	\$1,128,747	\$1,164,163	\$1,201,680	\$1,229,373	\$1,259,657	\$1,294,508	\$1,342,565	\$13,781,390
5.	Over/(Under) Recovery (Line 3 - Line 4d)	\$332,470	\$319,534	\$85,003	(\$17,399)	(\$137,819)	(\$297,114)	(\$368,845)	(\$412,288)	(\$422,077)	(\$454,254)	(\$403,215)	(\$169,690)	(\$1,945,694)
6.	Interest Provision	\$246	\$661	\$840	\$670	\$261	(\$406)	(\$1,215)	(\$2,027)	(\$2,874)	(\$3,430)	(\$3,840)	(\$4,462)	(\$15,576)
7.	Beginning Balance True-Up & Interest Provision	\$15,885	\$228,837	\$429,268	\$395,347	\$258,854	\$1,532	(\$415,752)	(\$905,576)	(\$1,439,655)	(\$1,984,370)	(\$2,561,818)	(\$3,088,637)	\$15,885
8.	True-Up Collected/(Refunded)	(\$119,764)	(\$119,764)	(\$119,764)	(\$119,764)	(\$119,764)	(\$119,764)	(\$119,764)	(\$119,764)	(\$119,764)	(\$119,764)	(\$119,764)	(\$119,764)	(\$1,437,164)
9.	End of Period Total True-Up (Lines 5+6+7+8)	\$228,837	\$429,268	\$395,347	\$258,854	\$1,532	(\$415,752)	(\$905,576)	(\$1,439,655)	(\$1,984,370)	(\$2,561,818)	(\$3,088,637)	(\$3,382,549)	(\$3,382,549)
10.	Adjusted End of Period Total True Up	\$228,837	\$429,268	\$395,347	\$258,854	\$1,532	(\$415,752)	(\$905,576)	(\$1,439,655)	(\$1,984,370)	(\$2,561,818)	(\$3,088,637)	(\$3,382,549)	(\$3,382,549)

Peoples Gas System  
 Cast Iron / Bare Steel Replacement Rider  
 Calculation of the Final True-Up Amount  
 January 2019 to December 2019

Line	Description	Interest Provision (in Dollars)												End of Period Total			
		Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December				
1.	Beginning True-Up Amount	\$15,885	\$228,837	\$429,268	\$395,347	\$258,854	\$1,532	(\$415,752)	(\$905,576)	(\$1,439,655)	(\$1,984,370)	(\$2,561,818)	(\$3,088,637)				
2.	Ending True-Up Amount Before Interest	228,591	428,607	394,507	258,184	1,271	(415,346)	(904,361)	(1,437,628)	(1,981,496)	(2,558,388)	(3,084,797)	(3,378,087)				
3.	Total of Beginning & Ending True-Up (Lines 1 + 2)	244,476	657,444	823,775	653,531	260,125	(413,814)	(1,320,113)	(2,343,204)	(3,421,151)	(4,542,758)	(5,646,615)	(6,466,724)				
4.	Average True-Up Amount (Line 3 x 1/2)	122,238	328,722	411,888	326,766	130,063	(206,907)	(660,057)	(1,171,602)	(1,710,576)	(2,271,379)	(2,823,308)	(3,233,362)				
5.	Interest Rate (First Day of Reporting Business Month)	2.42%	2.41%	2.41%	2.48%	2.43%	2.39%	2.32%	2.10%	2.05%	1.97%	1.66%	1.60%				
6.	Interest Rate (First Day of Subsequent Business Month)	2.41%	2.41%	2.48%	2.43%	2.39%	2.32%	2.10%	2.05%	1.97%	1.66%	1.60%	1.71%				
7.	Total of Beginning & Ending Interest Rates (Lines 5 + 6)	4.83%	4.82%	4.89%	4.91%	4.82%	4.71%	4.42%	4.15%	4.02%	3.63%	3.26%	3.31%				
8.	Average Interest Rate (Line 7 x 1/2)	2.415%	2.410%	2.445%	2.455%	2.410%	2.355%	2.210%	2.075%	2.010%	1.815%	1.630%	1.655%				
9.	Monthly Average Interest Rate (Line 8 x 1/12)	0.201%	0.201%	0.204%	0.205%	0.201%	0.196%	0.184%	0.173%	0.168%	0.151%	0.136%	0.138%				
10.	Interest Provision for the Month (Line 4 x Line 9)	\$246	\$661	\$840	\$670	\$261	(\$406)	(\$1,215)	(\$2,027)	(\$2,874)	(\$3,430)	(\$3,840)	(\$4,462)				

**PEOPLES GAS SYSTEM**

**“EXHIBIT B”**

***CALCULATION OF ACTUAL AND REFORECAST AMOUNT FOR 2020  
(PAGE 1 OF 4)***

***PROJECTED TRUE-UP AMOUNT FOR 2020 (PAGE 2 OF 4)***

***INTEREST PROVISION FOR 2020 (PAGE 3 OF 4)***

***CALCULATION OF REVENUE REQUIREMENT RATE OF RETURN,  
JANUARY 2020 THROUGH DECEMBER 2020  
(PAGE 4 OF 4)***

Peoples Gas System  
 Cast Iron/Bare Steel Replacement Rider  
 Calculation of the Actual and Forecast Amount (7 + 5 forecast) for the Period  
 January 2020 to December 2020

Total Return on C/BS & PPP Capital Investments, Depreciation and Taxes for Eligible Replacements  
 (in Dollars)

Line Description	Beginning of Period Amount	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Forecast August	Forecast September	Forecast October	Forecast November	Forecast December	End of Period Total
1. Investments														
a. Eligible Replacements - Mains (Plastic)	\$2,915,893	\$2,410,921	\$4,114,495	\$2,287,681	\$3,560,270	\$2,793,832	\$4,729,091	\$4,653,080	\$4,263,680	\$4,958,373	\$4,653,080	\$4,595,310	\$4,759,172	\$46,041,798
b. Eligible Replacements - Mains (Steel)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c. Eligible Replacements - Services (Plastic)	27,342	39,924	22,668	27,864	14,691	5,637	13,812	0	0	0	0	0	0	15,1937
d. Eligible Replacements - Services (Steel)	0	0	0	1,858	0	0	0	0	0	0	0	0	0	1,858
e. Eligible Replacements - Regulators	0	0	0	0	0	0	0	0	0	0	0	0	0	0
f. Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
g. Cleanings to Plant	1,148,952	3,586,261	9,890,584	2,164,551	2,390,831	770,678	1,686,416	6,203,820	6,203,820	6,239,805	5,690,477	5,387,800	5,312,574	50,472,748
2. Gross Plant-in-Service/Depreciation Base	\$153,357,727	\$154,506,679	\$158,092,940	\$167,983,524	\$170,148,075	\$172,538,906	\$173,309,584	\$174,996,000	\$181,199,816	\$187,439,624	\$191,130,101	\$198,517,901	\$203,830,475	
3. Less: Accumulated Depreciation	(6,607,342)	(6,788,909)	(6,971,313)	(7,157,520)	(7,345,088)	(7,535,188)	(7,727,791)	(7,924,288,13)	(8,126,516)	(8,334,945)	(8,548,600)	(8,768,821)	(9,057,244)	
4. CWIP- Noninterest Bearing	10,696,534	12,490,817	11,355,100	5,601,979	5,754,830	6,039,960	6,967,753	12,024,238,88	10,084,099	8,903,668	7,765,271	6,972,781	6,419,338	
5. Net Book Value (Lines 2 + 3 + 4)	\$157,446,918	\$160,208,586	\$162,477,027	\$166,427,983	\$168,547,817	\$171,392,698	\$174,539,544	\$179,058,970	\$183,117,403	\$187,865,346	\$192,296,771	\$196,665,861	\$201,192,603	
6. Average Net Book Value	158,827,752	161,342,807	164,452,505	167,487,900	170,235,258	173,221,121	176,789,257	181,088,186	185,490,374	190,080,059	194,481,316	198,929,235		
7. Return on Average Net Book Value														
a. Equity component Grossed up for taxes(A)	\$841,972	\$855,305	\$871,790	\$887,881	\$902,445	\$918,274	\$937,190	\$959,978	\$999,978	\$993,316	\$1,007,646	\$1,030,978	\$1,054,557	\$11,251,332
b. Debt component (B)	221,458	224,966	229,302	233,534	237,364	241,528	246,504	252,497	258,536	256,636	265,095	271,172	277,373	2,959,369
	\$1,063,430	\$1,080,271	\$1,101,092	\$1,121,415	\$1,139,809	\$1,159,802	\$1,183,694	\$1,212,475	\$1,241,952	\$1,272,681	\$1,302,150	\$1,331,930	\$1,361,930	\$14,210,701
8. Investment Expenses														
a. Depreciation Expense (C)	\$189,957	\$191,355	\$195,686	\$207,571	\$210,189	\$213,069	\$213,987	\$213,987	\$216,031	\$223,475	\$230,963	\$237,792	\$244,257	\$2,574,342
b. Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c. Property Taxes (D)	218,903	218,903	218,903	218,903	218,903	218,903	218,903	218,903	218,903	218,903	218,903	218,903	218,999	2,626,832
d. Depreciation Savings	(8,390)	(8,951)	(9,480)	(10,002)	(10,109)	(10,446)	(10,521)	(10,783)	(10,783)	(11,046)	(11,309)	(11,571)	(11,834)	(124,440)
9. Total Recoverable Costs (Lines 7 + 8)	\$1,463,901	\$1,481,578	\$1,506,202	\$1,537,887	\$1,558,792	\$1,581,328	\$1,606,074	\$1,636,626	\$1,673,285	\$1,711,239	\$1,747,274	\$1,783,252	\$1,819,287,435	

Notes:  
 (A) Line 7a = Line 6 x 3.614% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 24.522%, Net Operating Income Multiplier of 1.33761  
 (B) Line 7b = Line 6 x 1.6732% x 1/12  
 (C) Depreciation rates: 1.4% Mains Plastic, 1.8% Mains Steel, 2.3% Services Plastic, 2.6% Services Steel; 3.3% Regulator Station  
 (D) Ad Valorem Tax Rate is 1.79%

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Peoples Gas System  
 Cast Iron/Bare Steel Replacement Rider  
 Calculation of the Actual and Reforecast Amount (7 + 5 forecast) for the Period  
 January 2020 to December 2020

Current Period Actual / Reforecast True-Up Amount

Line	Description	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Forecast August	Forecast September	Forecast October	Forecast November	Forecast December	End of Period Total
1.	CIBSR Revenues (net of Revenue Taxes)	\$2,102,489	\$2,047,408	\$1,908,810	\$1,437,140	\$1,279,014	\$1,276,412	\$1,168,942	\$1,306,611	\$1,417,462	\$1,329,895	\$1,521,329	\$1,864,955	\$18,660,466
2.	True-Up Provision	(179,433)	(179,433)	(179,433)	(179,433)	(179,433)	(179,433)	(179,433)	(179,433)	(179,433)	(179,433)	(179,433)	(179,433)	(2,153,196)
3.	CIBSR Revenues Applicable to Period (Lines 1 + 2)	\$1,923,056	\$1,867,975	\$1,729,377	\$1,257,707	\$1,099,581	\$1,096,979	\$989,509	\$1,127,178	\$1,238,029	\$1,150,462	\$1,341,896	\$1,685,522	\$16,507,270
4.	CIBSR Costs													
a.	Return on Investment	\$1,063,430	\$1,080,271	\$1,110,092	\$1,121,415	\$1,139,809	\$1,159,802	\$1,183,694	\$1,212,475	\$1,241,952	\$1,272,681	\$1,302,150	\$1,331,930	\$14,210,701
b.	Depreciation	189,957	191,355	195,686	207,571	210,189	213,069	213,997	216,031	223,475	230,963	237,792	244,257	2,574,342
c.	Property Taxes	218,903	218,903	218,903	218,903	218,903	218,903	218,903	218,903	218,903	218,903	218,903	218,899	2,626,832
d.	Depreciation Savings	(8,390)	(8,951)	(9,480)	(10,002)	(10,109)	(10,446)	(10,521)	(10,783)	(11,046)	(11,309)	(11,571)	(11,834)	(124,440)
d.	Total CIBSR Costs	\$1,463,900	\$1,481,578	\$1,506,201	\$1,537,886	\$1,558,792	\$1,581,328	\$1,606,074	\$1,636,626	\$1,673,285	\$1,711,239	\$1,747,274	\$1,783,252	\$19,287,435
5.	Over/(Under) Recovery (Line 3 - Line 4d)	\$459,156	\$386,397	\$223,176	(\$280,180)	(\$459,211)	(\$484,349)	(\$616,565)	(\$509,448)	(\$435,255)	(\$560,776)	(\$405,378)	(\$97,731)	(\$2,780,164)
6.	Interest Provision	(\$4,289)	(\$3,279)	(\$3,115)	(\$1,745)	(\$122)	(\$186)	(\$269)	(\$308)	(\$337)	(\$369)	(\$399)	(\$406)	(\$14,824)
7.	Beginning Balance True-Up & Interest Provision	(\$3,382,549)	(\$2,748,249)	(\$2,185,698)	(\$1,786,204)	(\$1,888,696)	(\$2,168,596)	(\$2,473,698)	(\$2,911,099)	(\$3,241,422)	(\$3,497,581)	(\$3,879,293)	(\$4,105,637)	(\$3,382,549)
8.	True-Up Collected/(Refunded)	\$179,433	\$179,433	\$179,433	\$179,433	\$179,433	\$179,433	\$179,433	\$179,433	\$179,433	\$179,433	\$179,433	\$179,433	\$2,153,196
9.	End of Period Total True-Up (Lines 5+6+7+8)	(\$2,748,249)	(\$2,185,698)	(\$1,786,204)	(\$1,888,696)	(\$2,168,596)	(\$2,473,698)	(\$2,911,099)	(\$3,241,422)	(\$3,497,581)	(\$3,879,293)	(\$4,105,637)	(\$4,024,341)	(\$4,024,341)
9.a	Regulatory Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10.	Adjusted End of Period Total True Up	(\$2,748,249)	(\$2,185,698)	(\$1,786,204)	(\$1,888,696)	(\$2,168,596)	(\$2,473,698)	(\$2,911,099)	(\$3,241,422)	(\$3,497,581)	(\$3,879,293)	(\$4,105,637)	(\$4,024,341)	(\$4,024,341)

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**Peoples Gas System**  
 Cast Iron/Bare Steel Replacement Rider  
 Calculation of the Actual and Reforecast Amount (7 + 5 forecast) for the Period  
**January 2020 to December 2020**

Line	Description	Interest Provision (in Dollars)												End of Period Total
		Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Forecast August	Forecast September	Forecast October	Forecast November	Forecast December	
1.	Beginning True-Up Amount	(\$3,382,549)	(\$2,748,249)	(\$2,185,698)	(\$1,786,204)	(\$1,888,696)	(\$2,168,596)	(\$2,473,698)	(\$2,911,099)	(\$3,241,422)	(\$3,497,581)	(\$3,879,293)	(\$4,105,637)	
2.	Ending True-Up Amount Before Interest	(2,743,960)	(2,182,419)	(1,783,089)	(1,886,951)	(2,168,474)	(2,473,512)	(2,910,830)	(3,241,114)	(3,497,244)	(3,878,924)	(4,105,238)	(4,023,935)	
3.	Total of Beginning & Ending True-Up (Lines 1 + 2)	(6,126,509)	(4,930,668)	(3,968,787)	(3,673,155)	(4,057,170)	(4,642,108)	(5,384,528)	(6,152,213)	(6,738,666)	(7,376,505)	(7,984,531)	(8,129,572)	
4.	Average True-Up Amount (Line 3 x 1/2)	(3,063,255)	(2,465,334)	(1,984,394)	(1,836,578)	(2,028,585)	(2,321,054)	(2,692,264)	(3,076,107)	(3,369,333)	(3,688,253)	(3,992,266)	(4,064,786)	
5.	Interest Rate (First Day of Reporting Business Month)	1.71%	1.64%	1.56%	2.21%	0.06%	0.08%	0.11%	0.12%	0.12%	0.12%	0.12%	0.12%	
6.	Interest Rate (First Day of Subsequent Business Month)	1.64%	1.56%	2.21%	0.06%	0.08%	0.11%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	
7.	Total of Beginning & Ending Interest Rates (Lines 5 + 6)	3.35%	3.20%	3.77%	2.27%	0.14%	0.19%	0.23%	0.24%	0.24%	0.24%	0.24%	0.24%	
8.	Average Interest Rate (Line 7 x 1/2)	1.675%	1.600%	1.885%	1.135%	0.070%	0.095%	0.115%	0.120%	0.120%	0.120%	0.120%	0.120%	
9.	Monthly Average Interest Rate (Line 8 x 1/12)	0.140%	0.133%	0.157%	0.095%	0.006%	0.008%	0.010%	0.010%	0.010%	0.010%	0.010%	0.010%	
10.	Interest Provision for the Month (Line 4 x Line 9)	(\$4,289)	(\$3,279)	(\$3,115)	(\$1,745)	(\$122)	(\$186)	(\$269)	(\$308)	(\$337)	(\$369)	(\$399)	(\$406)	
													(\$14,824)	

Peoples Gas System  
 Cast Iron/Bare Steel Replacement Rider  
 Calculation of Debt and Equity Return  
 January 2020 through December 2020

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Calculation of Revenue Requirement Rate of Return  
 (In Dollars)

	(1)	(2)	(3)	(4)
	Revised 2018 December Rate Base ESR (\$000)	Ratio %	Cost Rate %	Weighted Cost Rate %
Long Term Debt	\$ 253,286	29.38%	5.00%	1.4690%
Short Term Debt	44,513	5.16%	2.42%	0.1249%
Preferred Stock	0	0.00%	0.00%	0.0000%
Residential Customer Deposits	6,083	0.71%	2.00%	0.0142%
Commercial Customer Deposits	18,703	2.17%	3.00%	0.0651%
Inactive Customer Deposits	125	0.01%	0.00%	0.0000%
Common Equity	381,431	44.24%	10.75%	4.7558%
Deferred Income Tax	157,989	18.33%	0.00%	0.0000%
Tax Credits - Zero Cost	0	0.00%	0.00%	0.0000%
<b>Total</b>	<b>\$ 862,130</b>	<b>100%</b>		<b>6.4290%</b>

**ITC split between Debt and Equity:**

Long Term Debt	\$ 253,286	Long Term Debt	39.91%
Equity - Preferred	0	Equity - Preferred	0.00%
Equity - Common	<u>381,431</u>	Equity - Common	<u>60.09%</u>
<b>Total</b>	<b>\$ 634,717</b>	<b>Total</b>	<b>100.00%</b>

**Deferred ITC - Weighted Cost:**

Debt = 0.0% * 39.91%	0.0000%
Equity = 0.0% * 60.09%	<u>0.0000%</u>
<b>Weighted Cost</b>	<b><u>0.0000%</u></b>

**Total Equity Cost Rate:**

Preferred Stock	0.0000%
Common Equity	4.7558%
Deferred ITC - Weighted Cost	<u>0.0000%</u>
	4.7558%
Times Tax Multiplier	1.33761
<b>Total Equity Component</b>	<b><u>6.3614%</u></b>

**Total Debt Cost Rate:**

Long Term Debt	1.4690%
Short Term Debt	0.1249%
Customer Deposits	0.0793%
Deferred ITC - Weighted Cost	<u>0.0000%</u>
<b>Total Debt Component</b>	<b><u>1.6732%</u></b>
	<b><u>8.0346%</u></b>

Notes:

Column (1) - From Revised December 2018 PGS ESR  
 Column (2) - Column (1) / Total Column (1)  
 Column (3) - From Revised December 2018 PGS ESR  
 Column (4) - Column (2) x Column (3)

**PEOPLES GAS SYSTEM**

**“EXHIBIT C”**

***CALCULATION OF THE PROJECTED AMOUNT FOR 2021  
(PAGE 1 OF 3)***

***CALCULATION OF DEBT AND EQUITY RETURN FOR 2021  
(PAGE 2 OF 3)***

***CALCULATION OF THE PROJECTED AMOUNT FOR 2021  
COMPARISON TO RATE CASE FILING  
(PAGE 3 of 3)***



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Peoples Gas System  
 Cast Iron/Bare Steel Replacement Rider  
 Calculation of the TOTAL C/RS + PPP Projected Amount for the Period  
 January 2021 to December 2021

Return on Capital Investments, Depreciation and Taxes for Eligible Replacements  
 (in Dollars)

Line	Description	Beginning of Period Amount (E)	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total													
1.	Investments		\$926,891	\$2,260,915	\$4,713,977	\$2,241,137	\$3,041,411	\$1,156,886	\$2,635,608	\$3,228,667	\$3,721,660	\$3,825,154	\$3,883,236	\$3,839,715	\$35,475,247													
	a. Eligible Replacements - Mains		0	0	0	0	0	0	0	0	0	0	0	0	0													
	b. Eligible Replacements - Services		0	0	0	0	0	0	0	0	0	0	0	0	0													
	c. Eligible Replacements - Regulators		0	0	0	0	0	0	0	0	0	0	0	0	0													
	d. Other		0	0	0	0	0	0	0	0	0	0	0	0	0													
	e. Clearings to Plant		1,366,503	2,257,118	2,597,864	2,272,262	2,864,686	2,995,474	2,644,868	3,087,347	3,492,422	3,627,352	3,720,357	3,728,441	34,654,694													
2.	Gross Plant-in-Service/Depreciation Base	(\$2,302,790)	(\$936,287)	\$1,320,831	\$3,918,695	\$6,190,957	\$9,055,643	\$12,051,117	\$14,695,985	\$17,783,333	\$21,275,755	\$24,903,107	\$28,623,464	\$32,351,904														
	Less: Accumulated Depreciation	122,860	125,927	127,417	126,083	121,448	113,967	102,812	87,798.72	69,419	47,052	20,132	11,531	(48,066)														
3.	Net Book Value (Lines 2 + 3 + 4)	2,685,339	2,245,727	2,249,524	2,365,637	2,334,512	2,511,237	2,672,849	2,663,388.92	2,804,708	3,033,946	3,231,748	3,394,618	3,505,892														
4.	Net Book Value (Lines 2 + 3 + 4)	\$505,409	\$1,435,367	\$3,697,772	\$6,410,415	\$8,646,917	\$11,680,847	\$14,836,578	\$17,447,173	\$20,657,460	\$24,356,753	\$28,154,987	\$32,006,550	\$35,809,730														
5.	Average Net Book Value		970,388	2,566,570	5,054,094	7,528,666	10,163,882	13,253,713	16,136,875	19,052,316	22,507,107	26,255,870	30,080,768	33,908,140														
6.	Return on Average Net Book Value		\$5,384	\$14,243	\$28,046	\$41,778	\$56,401	\$73,547	\$89,547	\$105,725	\$124,896	\$145,699	\$166,923	\$188,162	\$1,040,351													
	a. Equity component Grossed up for taxes (A)		1,319	3,488	6,870	10,233	13,814	18,014	21,932	25,896	30,591	35,686	40,884	46,086	254,813													
	b. Debt component (B)		\$6,703	\$17,731	\$34,916	\$52,011	\$70,215	\$91,561	\$111,479	\$131,621	\$155,487	\$181,385	\$207,807	\$234,248	\$1,295,164													
7.	Investment Expenses		(\$3,067)	(\$1,154)	\$2,006	\$5,643	\$8,824	\$12,834	\$17,028	\$20,731	\$25,053	\$29,943	\$35,021	\$40,229	\$193,091													
	a. Depreciation (C)		0	0	0	0	0	0	0	0	0	0	0	0														
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0														
	c. Property Taxes (D)		(3,252)	(3,252)	(3,252)	(3,252)	(3,252)	(3,252)	(3,252)	(3,252)	(3,252)	(3,252)	(3,252)	(3,249)														
	d. Depreciation Savings		0	(936)	(672)	(1,007)	(1,343)	(1,679)	(2,015)	(2,351)	(2,687)	(3,022)	(3,358)	(3,694)	(22,165)													
8.	Revenue Requirements (Lines 7 + 8)		\$384	\$12,988	\$32,998	\$53,394	\$74,444	\$99,465	\$123,241	\$146,750	\$174,601	\$205,054	\$236,217	\$267,534	\$1,427,069													
9.	Est projected 2020 true-up over/(under)		\$	(4,024,341)																								
10.	Revenue Requirements Net of Est Projected Recovery		\$	4,024,725	\$	4,037,713	\$	4,070,711	\$	4,124,105	\$	4,186,549	\$	4,298,014	\$	4,421,255	\$	4,568,005	\$	4,742,606	\$	4,947,660	\$	5,183,877	\$	5,451,411		
11.	NOTES:																											

Peoples Gas System  
Cast Iron/Bare Steel Replacement Rider  
Calculation of Debt and Equity Return  
January 2021 through December 2021

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Calculation of Revenue Requirement Rate of Return  
(In Dollars)

	(1)	(2)	(3)	(4)
	December Rate Base ESR (\$000)	Ratio %	Cost Rate %	Weighted Cost Rate %
Long Term Debt	\$ 284,152	30.02%	4.73%	1.4199%
Short Term Debt	46,599	4.92%	3.04%	0.1496%
Preferred Stock	0	0.00%	0.00%	0.0000%
Residential Customer Deposits	0	0.00%	0.00%	0.0000%
Commercial Customer Deposits	23,652	2.50%	2.46%	0.0615%
Inactive Customer Deposits	0	0.00%	0.00%	0.0000%
Common Equity	438,447	46.31%	10.75%	4.9783%
Deferred Income Tax	153,845	16.25%	0.00%	0.0000%
Tax Credits - Zero Cost	0	0.00%	0.00%	0.0000%
<b>Total</b>	<b>\$ 946,696</b>	<b>100%</b>		<b>6.6093%</b>

**ITC split between Debt and Equity:**

Long Term Debt	\$ 284,152	Long Term Debt	39.32%
Equity - Preferred	0	Equity - Preferred	0.00%
Equity - Common	438,447	Equity - Common	60.68%
<b>Total</b>	<b>\$ 722,600</b>	<b>Total</b>	<b>100.00%</b>

**Deferred ITC - Weighted Cost:**

Debt = 0.0% * 39.32%	0.0000%
Equity = 0.0% * 60.68%	0.0000%
<b>Weighted Cost</b>	<b>0.0000%</b>

**Total Equity Cost Rate:**

Preferred Stock	0.0000%
Common Equity	4.9783%
Deferred ITC - Weighted Cost	0.0000%
	4.9783%
Times Tax Multiplier	1.33761
<b>Total Equity Component</b>	<b>6.6590%</b>

**Total Debt Cost Rate:**

Long Term Debt	1.4199%
Short Term Debt	0.1496%
Customer Deposits	0.0615%
Deferred ITC - Weighted Cost	0.0000%
<b>Total Debt Component</b>	<b>1.6310%</b>
	<b>8.2900%</b>

Notes:

Column (1) - From December 2019 PGS ESR  
Column (2) - Column (1) / Total Column (1)  
Column (3) - From December 2019 PGS ESR  
Column (4) - Column (2) x Column (3)

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**Peoples Gas System**  
 Cast Iron / Bare Steel Replacement Program  
 Calculation of the Projected Amount for the Period  
**January 2021 to December 2021**

**Return on TOTAL CI/BS + PPP Capital Investments, Depreciation and Taxes for Eligible Replacements**  
 (in Dollars)

Line Description	December 31, 2020 2021 CIBSR Filing Projected Amount	December 31, 2020 2021 Rate Case Filing Projected Amount*	Difference equals January 1, 2021 Beginning of Period Amount
2. Gross Plant-in-Service/Depreciation Base	\$ 203,830,475	\$ 206,133,265	\$ (2,302,790)
3. Less: Accumulated Depreciation	\$ (9,057,244)	\$ (9,180,104)	\$ 122,860
4. CWIP - NonInterest Bearing	\$ 6,419,378	\$ 3,734,039	\$ 2,685,339
5. Net Book Value (Lines 2 + 3 + 4)	\$ 201,192,609	\$ 200,687,200	\$ 505,409

Gross Plant-in-Service/Depreciation Base	Gross Plant-in-Service/Depreciation Base	Difference equals	
December 31, 2020 2021 CIBSR Filing Projected Amount	December 31, 2020 2021 Rate Case Filing Projected Amount	January 1, 2021 Beginning of Period Amount	
MAINS PLASTIC	\$ 195,259,063	\$ 197,715,648	\$ (2,456,585)
SERVICES PLASTIC	\$ 8,452,526	\$ 8,300,589	\$ 151,937
REGULATOR STN	\$ -	\$ -	\$ -
MAINS STEEL	\$ -	\$ -	\$ -
SERVICES STEEL	\$ 118,887	\$ 117,029	\$ 1,858
	\$ 203,830,475	\$ 206,133,265	\$ (2,302,790)

Accumulated Depreciation	Accumulated Depreciation	Difference equals	
December 31, 2020 2021 CIBSR Filing Projected Amount	December 31, 2020 2021 Rate Case Filing Projected Amount	January 1, 2021 Beginning of Period Amount	
MAINS PLASTIC	\$ 8,200,893	\$ 8,326,317	\$ (125,425)
SERVICES PLASTIC	\$ 834,724	\$ 832,192	\$ 2,532
REGULATOR STN	\$ -	\$ -	\$ -
MAINS STEEL	\$ -	\$ -	\$ -
SERVICES STEEL	\$ 21,627	\$ 21,594	\$ 33
	\$ 9,057,244	\$ 9,180,104	\$ (122,860)

\* Per Peoples response to Staff's 2nd Set, Interrogatory No. 20 filed 08/04/2020, Docket No. 20200051-GU.

**PEOPLES GAS SYSTEM**

**“EXHIBIT D”**

***SURCHARGE CALCULATION FOR 2021 (PAGE 1 OF 2)  
NOT INCLUDING INTERRUPTIBLE CLASSES***

***SURCHARGE CALCULATION FOR 2021 (PAGE 1 OF 2)  
INCULUDING INTERRUPTIBLE CLASSES***

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Peoples Gas System  
 Cast Iron/Bare Steel Replacement Rider  
 Summary of CI/BSR Surcharge Calculation Without Interruptible Rate Classes  
 January 2021 Through December 2021

RATE SCHEDULE	MAINS NET PLANT*	SERVICES NET PLANT*	TOTAL NET PLANT*	% OF TOTAL PLANT	CI/BSR REVENUES	THERMS	CI/BSR SURCHARGE PER THERM
RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	\$1,901,927	85,918,098	\$0.02214
SGS	5,474,814	5,937,386	11,412,200	2.87%	156,186	9,048,017	\$0.01726
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	802,246	90,890,536	\$0.00883
GS-2	81,315,915	8,975,978	90,291,893	22.67%	1,235,724	145,317,010	\$0.00850
GS-3	46,157,083	2,496,659	48,653,742	12.21%	665,869	87,021,862	\$0.00765
GS-4	25,447,491	447,292	25,894,783	6.50%	354,393	71,639,159	\$0.00495
GS-5	22,396,181	427,101	22,823,282	5.73%	312,357	150,361,273	\$0.00208
NGVS	244,131	48,338	292,469	0.07%	4,003	196,668	\$0.02035
CSLS	534,119	10,816	544,935	0.14%	7,458	521,118	\$0.01431
WHS	786,453	35,448	821,901	0.21%	11,248	1,734,498	\$0.00649
TOTAL	\$288,145,860	\$110,177,751	\$398,323,611	100%	\$5,451,411	642,648,237	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case

**Peoples Gas System  
Cast Iron/Bare Steel Replacement Rider  
Summary of CI/BSR Surcharge Calculation With Interruption Rate Classes  
January 2021 Through December 2021**

RATE SCHEDULE	MAINS NET PLANT*	SERVICES NET PLANT*	TOTAL NET PLANT*	% OF TOTAL PLANT for 2020 True-Up Allocation	% OF TOTAL PLANT for 2021 Rev.Reg.Allocation	C/BSR REVENUES 2020 True-Up	C/BSR REVENUES 2021	THERMS	C/BSR SURCHARGE PER THERM
RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	33.32%	\$1,404,040	\$475,555	85,918,098	\$0.02188
SGS	5,474,814	5,937,386	11,412,200	2.87%	2.74%	\$115,300	\$39,053	9,048,017	\$0.01706
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	14.06%	\$592,234	\$200,592	90,890,536	\$0.00872
GS-2	81,315,915	8,975,978	90,291,893	22.67%	21.65%	\$912,237	\$308,979	145,317,010	\$0.00840
GS-3	46,157,083	2,496,659	48,653,742	12.21%	11.67%	\$491,558	\$166,493	87,021,862	\$0.00756
GS-4	25,447,491	447,292	25,894,783	6.50%	6.21%	\$261,620	\$88,612	71,639,159	\$0.00489
GS-5	22,396,181	427,101	22,823,282	5.73%	5.47%	\$230,588	\$78,101	150,361,273	\$0.00205
NGVS	244,131	48,338	292,469	0.07%	0.07%	\$2,955	\$1,001	196,668	\$0.02011
CSLS	534,119	10,816	544,935	0.14%	0.13%	\$5,506	\$1,865	521,118	\$0.01414
WHS	786,453	35,448	821,901	0.21%	0.20%	\$8,304	\$2,813	1,734,498	\$0.00641
SIS	10,157,851	150,223	10,308,074	0.00%	2.47%	\$0	\$35,274	43,370,927	\$0.00081
IS	8,190,104	45,585	8,235,689	0.00%	1.97%	\$0	\$28,183	128,823,343	\$0.00022
ISLV	155,859	4,531	160,390	0.00%	0.04%	\$0	\$549	54,522,387	\$0.00001
TOTAL	\$306,649,674	\$110,378,090	\$417,027,764	100%	100%	\$4,024,341	\$1,427,069	869,364,894	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case