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FILED 8/30/2024  
DOCUMENT NO. 08764-2024  
FPSC - COMMISSION CLERK

August 30, 2024

**VIA ELECTRONIC FILING**

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

Re: New Docket No. \_\_\_\_\_  
Petition of Peoples Gas System, Inc. for Approval of 2023 True-Up, the Projected 2024 True-Up and 2025 Revenue Requirements and Surcharges Associated with Cast Iron/Bare Steel Replacement Rider

Dear Mr. Teitzman:

Attached for filing is Peoples Gas System, Inc.'s Petition for Approval of 2023 True-Up, the Projected 2024 True-Up and 2025 Revenue Requirements and Surcharges Associated with Cast Iron/Bare Steel Replacement Rider.

Thank you for your assistance in connection with this matter.

Sincerely,

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

Virginia Ponder

VLP/ne  
Attachment

cc: Walt L. Trierweiler, Office of Public Counsel (w/ att.)  
Charles J. Rehwinkel, Office of Public Counsel (w/ att.)

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for approval of 2023 True-up, )  
the Projected 2024 true-up and 2025 )  
Revenue Requirements and Surcharges )  
associated with Cast Iron / Bare Steel )  
Replacement Rider, by Peoples Gas )  
System, Inc. )  
\_\_\_\_\_ )

Docket No. \_\_\_\_\_

Submitted for Filing:  
August 30, 2024

**PETITION OF PEOPLES GAS SYSTEM, INC. FOR APPROVAL OF 2023 TRUE-UP,  
THE PROJECTED 2024 TRUE-UP AND 2025 REVENUE REQUIREMENTS  
AND SURCHARGES ASSOCIATED WITH CAST IRON/BARE STEEL  
REPLACEMENT RIDER**

Peoples Gas System, Inc. (“Peoples” or the “company”), by its undersigned counsel, petitions the Commission for approval of (i) the 2023 true-up amount, (ii) the projected true-up amount for 2024, (iii) the Revenue Requirements to be recovered by the company during the period January through December 2025, and (iv) the Surcharges to be collected from customers for such recovery, all as provided by the company’s Cast Iron/Bare Steel Replacement Rider (Rider CI/BS), 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, Inc.  
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:

Jeff Wahlen  
[jwahlen@ausley.com](mailto:jwahlen@ausley.com)  
Malcolm N. Means  
[mmeans@ausley.com](mailto:mmeans@ausley.com)  
Virginia Ponder  
[vponder@ausley.com](mailto:vponder@ausley.com)  
Ausley McMullen  
123 S. Calhoun St.  
Tallahassee, FL 32301-1517

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

Karen L. Bramley  
Director, Regulatory Affairs  
Peoples Gas System, Inc.  
P. O. Box 2562  
Tampa, Florida 33601-2562

Matthew E. Elliott  
Manager, Regulatory Affairs  
Peoples Gas System, Inc.  
P.O. Box 2562  
Tampa, FL 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, Florida Statutes.

## **BACKGROUND**

### **Rider CI/BS History**

5. By its Order No. PSC-12-0476-TRF-GU, issued on September 18, 2012 (the "2012 Order"), in Docket No. 20110320-GU, the Commission approved Peoples' Rider CI/BS, together with projected Revenue Requirements contemplated by the rider for recovery during 2013 and Surcharges through which to recover the projected Revenue Requirements. Additionally, it was contemplated that the replaced infrastructure would continue to be recovered through the Rider CI/BS and would be rolled into Peoples' overall rate base and the surcharge would be "reset to zero" in a future rate proceeding.

6. Peoples' petition for approval of Rider CI/BS 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 actual expenditures could be more or less than the estimate during any year in which the program is in effect. In Peoples' 2008 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. Rider CI/BS, and the Commission's 2012 Order approving it, contemplates the filing by Peoples on September 1 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 2025). 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 2012 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/BS associated with Peoples' replacement of Problematic Plastic Pipe ("PPP") beginning in 2017 and continuing through 2028.

9. This petition is the filing contemplated by the rider and the Commission's 2012 Order approving it. The Commission approved the true-up for calendar year 2022, the estimated true-up for calendar year 2023, and the Revenue Requirements and Surcharges for calendar year 2024 in Order No. PSC-2023-0363-TRF-GU, issued November 29, 2023, in Docket No.

20230098-GU.

10. By its Order No. PSC-2023-0388-FOF-GU (the “2023 Rate Case Order”), issued December 27, 2023, in Docket No. 20230023-GU, the Commission approved Peoples’ petition for rate increase, including moving \$11.2 million of the 2024 Rider CI/BS revenue requirement related to Peoples’ Rider CI/BS investments made through December 31, 2023 (\$93.3 million) from recovery through the Rider CI/BS Surcharges, to recovery through base rates, effective January 1, 2024. The company recorded the difference between the actual Rider CI/BS net book value as of December 31, 2023, and the \$93.3 million referred to above as an adjustment to the Rider CI/BS net beginning book value as of January 1, 2024.

11. In the 2023 Rate Case Order, the Commission approved of the Long-Term Debt Cost Rate True-Up Mechanism<sup>1</sup> (“LTDR True-Up Mechanism”) which allowed the company to make a one-time adjustment to the company’s forecasted long-term debt cost rate after its inaugural debt issuance. In Order No. PSC-2024-0170-TRF-GU, issued on May 23, 2024 (the “LTDR True-Up Mechanism Order”), the Commission approved (a) implementation of the LTDR True-Up Mechanism; (b) the associated incremental base rate revenue increase of \$874,085; and (c) the company’s request to defer recovery of the incremental revenue increase for the six-month period from January 1, 2024, through June 30, 2024, to Rider CI/BS for 2025. The LTDR True-Up Order required the company to include the actual incremental amount for recovery in the 2024 Rider CI/BS docket.

### **July 2024 Petition to Modify Rider CI/BS**

12. On July 26, 2024, the company filed petition to modify Rider CI/BS to (a) expand the definition of eligible replacements to include additional safety-driven activities; and (b) rename

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<sup>1</sup> 2023 Rate Case Order, page 107-110.

RIDER CI/BS as the Safety of Facilities and Infrastructure Replacement Rider (“SAFIR”).<sup>2</sup> Specifically, the additional safety-driven activities subject to the SAFIR petition include: (a) pipeline safety and compliance driving pipeline work; (b) replacement of other problematic pipeline; (c) system enhancement projects to reduce the loss of natural gas service to critical customers; and (d) risk-based relocation of pipeline facilities near rear easements (the “SAFIR Modifications”).

### **RELIEF REQUESTED**

13. Peoples seeks the Commission’s approval of the final true-up amount for the calendar year 2023 of \$102,499 under-recovery (including interest). This amount is calculated in Exhibit A, Page 2 of 3, attached to this petition.

14. Peoples also seeks approval of the projected true-up for calendar year 2024, as shown in Exhibit B, to this petition, and has projected that its actual expenditures for eligible replacements under Rider CI/BS during 2024 will be \$19,345,291. This projected total does not include the first \$1 million in such expenditures. Exhibit B, Page 2 of 4, reflects on line 10 an “End of Period Total True-up” of \$276,028 under-recovery, derived as the addition of the remaining 2023 under-recovery of \$91,819, the estimated 2024 over-recovery including interest of \$291,825 for CI/BS and PPP replacement, and under-recovery of \$476,034 related to the LTDR True-Up Mechanism. In recognition of the company’s pending SAFIR petition in Docket No. 20240107-GU, the company proposes the following alternative requests for relief.<sup>3</sup>

15. Should the Commission approve the company’s pending SAFIR petition prior to November 30, 2024, the company seeks approval of the revenue requirement and surcharge for (a)

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<sup>2</sup> See Document No. 07856-2024 filed in Docket No. 20240107-GU.

<sup>3</sup> The revenue requirements in the alternative requests for relief differ slightly to that filed with the SAFIR petition in Docket No. 20240107-GU due to updated forecasting for CI/BS and PPP replacement with the availability of two additional months of actuals for 2024.

CI/BS and PPP replacement; and (b) SAFIR Modifications. Exhibit C, Page 1 of 4, includes projected capital expenditures for the replacement of CI/BS infrastructure and PPP and the additional activities included in the petition filed under Docket No. 20240107-GU projected to incur during calendar year 2025 and Exhibit D, Page 1 of 2, contains revised surcharges to be collected from customers commencing with bills rendered for meter readings taken on and after January 1, 2025. Subsequent to Peoples' petition filed in Docket No. 20240107-GU related to the SAFIR Modifications and upon further review of the Commission's 2012 Order approving Rider CIBS, the company recognizes that the 2012 Order contemplates the inclusion of the costs of the new asset constructed and *not* the retirement capital expenditures of the replaced asset. Accordingly, in this Petition, the company removed the retirement capital expenditures of inactive services from the modifications requested with SAFIR. The company notes that it will address this issue further in Docket No. 20240107-GU in its response to Staff's First Data Request issued on August 27, 2024, in that docket. The estimated total true-up for 2024, an under-recovery of \$276,028, increases the total amount to be collected through the revised surcharges during 2025. Projected capital expenditures for replacements during 2025 are \$65,776,989, (excluding the first \$1 million of such expenditures). Fifteenth Revised Sheet No. 7.806 to Peoples' Natural Gas Tariff, Original Volume No. 3, setting forth the revised surcharges that includes the SAFIR Modifications, accompanies the filing of this petition.

16. Alternatively, if the SAFIR petition remains pending on November 30, 2024, the company seeks the revenue requirement and surcharge for CI/BS and PPP replacement. Exhibit C, Page 2 of 4, includes projected capital expenditures for the replacement of cast iron/bare steel infrastructure and PPP during calendar year 2025 and Exhibit D, Page 2 of 2, contains revised surcharges without the SAFIR Modifications to be collected from customers commencing with

bills rendered for meter readings taken on and after January 1, 2025. The estimated total true-up for 2024, an under-recovery of \$276,028, increases the total amount to be collected through the revised surcharges during 2025. Projected capital expenditures for replacements during 2025 without the SAFIR modifications are \$32,120,344, (excluding the first \$1 million of such expenditures). Fifteenth Revised Sheet No. 7.806 to Peoples' Natural Gas Tariff, Original Volume No. 3, setting forth the revised surcharges without the SAFIR Modifications, accompanies the filing of this petition.



WHEREFORE, Peoples respectfully requests that the Commission enter an order approving:

- A. The final true-up for calendar year 2023, the calculation of which is contained in Exhibit A;
- B. The projected Revenue Requirements for 2025 (as calculated in Exhibit C for the alternative requests for relief, and as adjusted by the projected true-up for 2024 calculated in Exhibit B); and
- C. Peoples' billing of the recovery surcharges for 2025 set forth in Exhibit D to this petition for Scenarios 1 and 2 commencing with bills rendered for meter readings taken on and after January 1, 2025.

DATED this 30<sup>th</sup> day of August,

Respectfully submitted,



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(850) 224-9115

Attorneys for Peoples Gas System, Inc.

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing petition has been furnished by electronic mail this 30th day of August 2024, to the following:

Walt Trierweiler  
Charles Rehwinkel  
Office of Public Counsel  
111 W. Madison Street – Room 812  
Tallahassee, Florida 32399-1400.  
[Trierweiler.walt@leg.state.fl.us](mailto:Trierweiler.walt@leg.state.fl.us)  
[rehwinkel.charles@leg.state.fl.us](mailto:rehwinkel.charles@leg.state.fl.us)



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ATTORNEY

**PEOPLES GAS SYSTEM, INC.**

***Tariff Sheet 7.806  
With SAFIR Modifications***

***Clean and Legislative***

**CAST IRON/BARE STEEL REPLACEMENT RIDER**  
**RIDER C/BSRSAFETY OF FACILITIES & INFRASTRUCTURE REPLACEMENT RIDER**  
**(SAFIR)**

The monthly bill for Gas Service in any Billing Period shall be increased by the C/BSRSAFIR Surcharge determined in accordance with this Rider. C/BSRSAFIR Surcharges approved by the Commission for bills rendered for meter readings taken on or after January 1, ~~2024~~2025, are as follows with respect to Customers receiving Gas Service under the following rate schedules:

<u>Rate Schedule</u>	<u>C/BSRSAFIR Surcharge</u>
Residential/Residential Standby Generator / Residential Gas Heat Pump Service	\$ <u>0.003220.02073</u> per therm
Small General Service	\$ <u>0.001740.01218</u> per therm
General Service – 1/ Commercial Standby Generator Service / Commercial Gas Heat Pump Service	\$ <u>0.001140.00769</u> per therm
General Service – 2	\$ <u>0.001180.00711</u> per therm
General Service – 3	\$ <u>0.001190.00697</u> per therm
General Service – 4	\$ <u>0.001290.00496</u> per therm
General Service – 5	\$ <u>0.000590.00339</u> per therm
Commercial Street Lighting	\$ <u>0.001040.00542</u> per therm
Wholesale	\$ <u>0.000840.00401</u> per therm
Small Interruptible Service	\$ <u>0.000590.00189</u> per therm
Interruptible Service	\$ <u>0.000130.00045</u> per therm
Interruptible Service – Large Volume	\$ 0.00000 per therm

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

C/BSRSAFIR 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 (“PHMSA”) 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.

Additionally, mains and service lines, as replacements for existing facilities located in rear easements with limited access, improvements to facilities aboveground and spanning over areas such as waterways, replacement of pipeline inserted within casing pipe that has been identified as a potential safety threat, improvements to plastic pipeline that is undetectable to ensure that it is locatable for the purpose of preventing pipeline damage, verification of maximum allowable operating pressure and pipeline material as required by PHMSA, improvements to pressure monitoring equipment as required by PHMSA, replacement of mains and service lines as a result of excavation damage or leaks, and improvements to pipeline systems providing gas service to critical customers (e.g., hospitals, nursing homes, law enforcement facilities, fire rescue facilities, and schools).

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

## SAFETY OF FACILITIES & INFRASTRUCTURE REPLACEMENT RIDER (SAFIR)

The monthly bill for Gas Service in any Billing Period shall be increased by the SAFIR Surcharge determined in accordance with this Rider. SAFIR Surcharges approved by the Commission for bills rendered for meter readings taken on or after January 1, 2025, are as follows with respect to Customers receiving Gas Service under the following rate schedules:

<u>Rate Schedule</u>	<u>SAFIR Surcharge</u>
Residential/Residential Standby Generator / Residential Gas Heat Pump Service	\$ 0.02073 per therm
Small General Service	\$ 0.01218 per therm
General Service – 1/ Commercial Standby Generator Service / Commercial Gas Heat Pump Service	\$ 0.00769 per therm
General Service – 2	\$ 0.00711 per therm
General Service – 3	\$ 0.00697 per therm
General Service – 4	\$ 0.00496 per therm
General Service – 5	\$ 0.00339 per therm
Commercial Street Lighting	\$ 0.00542 per therm
Wholesale	\$ 0.00401 per therm
Small Interruptible Service	\$ 0.00189 per therm
Interruptible Service	\$ 0.00045 per therm
Interruptible Service – Large Volume	\$ 0.00000 per therm

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

SAFIR 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 (“PHMSA”) 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.

Additionally, mains and service lines, as replacements for existing facilities located in rear easements with limited access, improvements to facilities aboveground and spanning over areas such as waterways, replacement of pipeline inserted within casing pipe that has been identified as a potential safety threat, improvements to plastic pipeline that is undetectable to ensure that it is locatable for the purpose of preventing pipeline damage, verification of maximum allowable operating pressure and pipeline material as required by PHMSA, improvements to pressure monitoring equipment as required by PHMSA, replacement of mains and service lines as a result of excavation damage or leaks, and improvements to pipeline systems providing gas service to critical customers (e.g., hospitals, nursing homes, law enforcement facilities, fire rescue facilities, and schools).

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

**PEOPLES GAS SYSTEM, INC.**

***Tariff Sheet 7.806  
Without SAFIR Modifications***

***Clean and Legislative***

## 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, 20242025, 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	\$ <u>0.003220.01391</u> per therm
Small General Service	\$ <u>0.001740.00818</u> per therm
General Service – 1/ Commercial Standby Generator Service /	
Commercial Gas Heat Pump Service	\$ <u>0.001140.00516</u> per therm
General Service – 2	\$ <u>0.001180.00477</u> per therm
General Service – 3	\$ <u>0.001190.00468</u> per therm
General Service – 4	\$ <u>0.001290.00333</u> per therm
General Service – 5	\$ <u>0.000590.00228</u> per therm
Commercial Street Lighting	\$ <u>0.001040.00364</u> per therm
Wholesale	\$ <u>0.000840.00269</u> per therm
Small Interruptible Service	\$ <u>0.000590.00127</u> per therm
Interruptible Service	\$ <u>0.000430.00030</u> per therm
Interruptible Service – Large Volume	\$ 0.00000 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.



## 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, 2025, 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	\$ 0.01391 per therm
Small General Service	\$ 0.00818 per therm
General Service – 1/ Commercial Standby Generator Service /	
Commercial Gas Heat Pump Service	\$ 0.00516 per therm
General Service – 2	\$ 0.00477 per therm
General Service – 3	\$ 0.00468 per therm
General Service – 4	\$ 0.00333 per therm
General Service – 5	\$ 0.00228 per therm
Commercial Street Lighting	\$ 0.00364 per therm
Wholesale	\$ 0.00269 per therm
Small Interruptible Service	\$ 0.00127 per therm
Interruptible Service	\$ 0.00030 per therm
Interruptible Service – Large Volume	\$ 0.00000 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, INC.**

**“EXHIBIT A”**

***CALCULATION OF THE FINAL AMOUNT FOR 2023 (PAGE 1 OF 3)***

***CALCULATION OF THE FINAL TRUE-UP AMOUNT FOR 2023  
(PAGE 2 OF 3)***

***INTEREST PROVISION FOR 2023 (PAGE 3 OF 3)***

PEOPLES GAS SYSTEM, INC.  
 Cast Iron / Bare Steel Replacement Rider  
 Calculation of the Final Amount for the Period  
 January 2023 to December 2023  
**Total Return on CIBS & 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		2,018,153	2,812,361	3,407,729	1,830,440	1,533,437	4,404,754	1,481,765.21	1,870,709.90	2,058,580.29	1,606,918.94	615,827.38	1,210,060.18	24,850,736
	a. Eligible Replacements - Mains (Plastic)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Eligible Replacements - Mains (Steel)		6,429	66,277	(31,614)	44,878	3,305	11,615	26,092.69	12,242.94	4,442.60	218.87	18,768.26	5,718.53	168,374
	c. Eligible Replacements - Services (Plastic)		222	(222)	0	0	0	0	0	0	0	1,831.90	5,954.91	0	7,787
	d. Eligible Replacements - Services (Steel)		0	0	0	0	0	0	0	0	0	0	0	0	0
	e. Eligible Replacements - Regulators		(245,264)	(223,834)	(530,903)	0	0	0	0	0	0	0	0	0	(1,000,000)
	f. First \$1,000,000 Adjustment to Rate Base		1,208,084	3,016,458	3,958,580	769,285	637,950	28,674,680	3,226,549.75	937,523.13	1,790,516.98	1,976,034.43	516,867.32	2,537,054.20	49,249,583
	g. Cleanings to Plant														
2.	Gross Plant-in-Service/Depreciation Base	35,006,919	36,215,003	39,231,461	43,190,041	43,959,326	44,597,276	73,271,956	76,498,505.80	77,436,029	79,226,546	81,202,580	81,719,448	84,256,502	
	Less: Accumulated Depreciation	(333,426)	(374,056)	(416,153)	(462,027)	(512,815)	(564,546)	(616,454)	(704,984.76)	(797,730)	(891,357)	(987,219)	(1,085,481)	(1,184,060)	
3.	CWIP - Noninterest Bearing	34,717,714	35,289,170	34,927,294	33,813,927	34,919,960	35,818,752	11,560,440	9,841,748.61	10,787,178	11,059,684	10,692,620	10,816,303	9,495,027	
4.	Net Book Value (Lines 2 + 3 + 4)	69,391,207	71,130,117	73,742,602	76,541,941	78,366,471	79,851,482	84,215,943	85,635,269.65	87,425,478	89,394,873	90,907,981	91,450,269	92,567,469	
5.	Average Net Book Value		70,260,662	72,436,359	75,142,271	77,454,206	79,108,977	82,033,712	84,925,606	86,530,374	88,410,175	90,151,427	91,179,125	92,008,869	
6.	Return on Average Net Book Value		358,786	369,896	383,714	395,520	403,970	418,905	433,672	441,867	451,466	460,358	465,606	469,843	5,053,603
	a. Equity component Grossed up for taxes (A)		76,772	79,149	82,105	84,631	86,440	89,635	92,795	94,549	96,603	98,505	99,628	100,535	1,081,347
	b. Debt component (B)		435,558	449,045	465,819	480,151	490,410	508,240	526,467	536,416	548,869	558,863	565,234	570,378	6,134,950
7.	Investment Expenses		46,500	48,071	51,992	57,179	58,224	59,067	96,345.62	100,566	101,797	104,129	106,702	107,405	937,969
	a. Depreciation Expense (C)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Amortization		48,237	45,480	45,480	45,480	45,480	45,480	45,480	45,480	45,480	45,480	45,480	43,724	545,761
	c. Property taxes (D)		(5,870)	(5,373)	(6,113)	(6,391)	(6,493)	(7,149)	(7,813)	(7,821)	(8,170)	(8,268)	(8,439)	(8,626)	(87,334)
	d. Depreciation savings														
8.	Total Recoverable Costs (Lines 7 + 8)		524,425	536,622	557,172	576,420	587,621	605,928	660,478	674,641	687,176	700,204	708,977	711,681	7,531,345
															\$

Notes:

- (A) Line 7a = Line 6 x 6.1278% x 1/12. Based on FOC of 9.90%, and weighted income tax rate of 25.345%. Net Operating Income Multiplier of 1.35087
- (B) Line 7b = Line 6 x 1.3112% x 1/12
- (C) Depreciation rates: 1.6% Mains Plastic, 2.1% Mains Steel, 2.7% Services Plastic, 4.0% Services Steel, 2.7% Regulator Station
- (D) Ad Valorem Tax Rate is 1.574%

PEOPLES GAS SYSTEM, INC.  
 Cast Iron / Bare Steel Replacement Rider  
 Calculation of the Final True-Up Amount  
 January 2023 to December 2023  
 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)	972,531	791,748	768,307	757,714	624,732	606,380	553,931	537,160	558,930	576,570	658,124	809,365	8,215,491
2.	True-Up Provision	(60,097)	(60,097)	(60,097)	(60,097)	(60,097)	(60,097)	(60,097)	(60,097)	(60,097)	(60,097)	(60,097)	(60,101)	(721,168)
3.	CIBSR Revenues Applicable to Period (Lines 1 + 2)	912,434	731,651	708,210	697,617	564,635	546,283	493,834	477,063	498,833	516,473	598,027	749,264	7,494,323
4.	CIBSR Costs													
a.	Return on Investment	435,558	449,045	465,819	480,151	490,410	508,540	526,467	536,416	548,069	558,863	565,234	570,378	6,134,950
b.	Depreciation	46,500	48,071	51,992	57,179	58,224	59,057	96,346	100,566	101,797	104,129	106,702	107,405	937,969
c.	Property Taxes	48,237	45,480	45,480	45,480	45,480	45,480	45,480	45,480	45,480	45,480	45,480	42,724	545,761
d.	Depreciation Savings	(5,870)	(5,973)	(6,119)	(6,391)	(6,493)	(7,149)	(7,815)	(7,821)	(8,170)	(8,268)	(8,439)	(8,826)	(87,334)
	d. Total CIBSR Costs	524,425	536,622	557,172	576,419	587,621	605,928	660,478	674,641	687,176	700,205	708,977	711,681	7,531,346
5.	Over/(Under) Recovery (Line 3 - Line 4d)	388,009	195,028	151,037	121,198	(22,986)	(59,644)	(166,644)	(197,578)	(188,343)	(183,731)	(110,950)	37,583	(37,021)
6.	Interest Provision	(2,109)	(827)	72	872	1,356	1,474	1,283	771	179	(383)	(776)	(670)	1,242
7.	Beginning Balance True-Up & Interest Provision	(787,888)	(341,891)	(87,593)	123,613	305,780	344,247	346,174	240,910	104,200	(23,867)	(147,884)	(199,513)	(787,888)
8.	True-Up Collected/(Refunded)	60,097	60,097	60,097	60,097	60,097	60,097	60,097	60,097	60,097	60,097	60,097	60,101	721,168
9.	End of Period Total True-Up (Lines 5+6+7+8)	(341,891)	(87,593)	123,613	305,780	344,247	346,174	240,910	104,200	(23,867)	(147,884)	(199,513)	(102,499)	(102,499)
9.a	Regulatory Adjustment													0
10.	Adjusted End of Period Total True Up	(\$341,891)	(\$87,593)	\$123,613	\$305,780	\$344,247	\$346,174	\$240,910	\$104,200	(\$23,867)	(\$147,884)	(\$199,513)	(\$102,499)	(\$102,499)

PEOPLES GAS SYSTEM, INC.  
 Cast Iron / Bare Steel Replacement Rider  
 Calculation of the Final True-Up Amount  
 January 2023 to December 2023  
 Interest Provision  
 (in Dollars)

Exhibit A  
 Page 3 of 3

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.	Beginning True-Up Amount	(\$787,888)	(\$341,891)	(\$87,593)	\$123,613	\$305,780	\$344,247	\$346,174	\$240,910	\$104,200	(\$23,867)	(\$147,884)	(\$199,513)	
2.	Ending True-Up Amount Before Interest	(339,782)	(86,766)	123,541	304,308	342,891	344,700	239,627	103,429	(24,046)	(147,501)	(198,737)	(101,829)	
3.	Total of Beginning & Ending True-Up (Lines 1 + 2)	(1,127,670)	(428,657)	35,948	428,521	648,671	688,947	585,801	344,339	80,154	(171,368)	(346,621)	(301,342)	
4.	Average True-Up Amount (Line 3 x 1/2)	(563,835)	(214,329)	17,974	214,261	324,336	344,474	292,901	172,170	40,077	(85,684)	(173,311)	(150,671)	
5.	Interest Rate (First Day of Reporting Business Month)	4.37%	4.61%	4.66%	4.88%	4.89%	5.14%	5.13%	5.37%	5.37%	5.33%	5.40%	5.34%	
6.	Interest Rate (First Day of Subsequent Business Month)	4.61%	4.66%	4.88%	4.89%	5.14%	5.13%	5.37%	5.37%	5.33%	5.40%	5.34%	5.34%	
7.	Total of Beginning & Ending Interest Rates (Lines 5 + 6)	8.98%	9.27%	9.54%	9.77%	10.03%	10.27%	10.50%	10.74%	10.70%	10.73%	10.74%	10.68%	
8.	Average Interest Rate (Line 7 x 1/2)	4.490%	4.635%	4.770%	4.885%	5.015%	5.135%	5.250%	5.370%	5.350%	5.365%	5.370%	5.340%	
9.	Monthly Average Interest Rate (Line 8 x 1/12)	0.374%	0.386%	0.398%	0.407%	0.418%	0.428%	0.438%	0.448%	0.446%	0.447%	0.448%	0.445%	
10.	Interest Provision for the Month (Line 4 x Line 9)	(\$2,109)	(\$827)	\$72	\$872	\$1,356	\$1,474	\$1,283	\$771	\$179	(\$383)	(\$776)	(\$670)	\$1,242

**PEOPLES GAS SYSTEM, INC.**

**“EXHIBIT B”**

***CALCULATION OF ACTUAL AND REFORECAST AMOUNT  
FOR 2024 (PAGE 1 OF 4)***

***PROJECTED TRUE-UP AMOUNT FOR 2024(PAGE 2 OF 4)***

***INTEREST PROVISION FOR 2024 (PAGE 3 OF 4)***

***CALCULATION OF DEBT AND EQUITY RETURN  
(PAGE 4 OF 4)***

PEOPLES GAS SYSTEM, INC.  
 Cast Iron/Bare Steel Replacement Rider  
 Calculation of the Actual and Reforecast Amount (7 + 5 forecast) for the Period  
 January 2024 to December 2024  
**Total Return on CIBS & 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		1,393,207	1,465,779	1,600,509	2,230,952	2,515,288	3,012,620	1,710,946	1,664,506	1,300,123	1,237,703	943,352	1,103,498	20,178,482
	a. Eligible Replacements - Mains (Plastic)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Eligible Replacements - Mains (Steel)		2,458	17,927	16,044	17,254	25,846	20,096	47,019	0	0	0	0	0	146,643
	c. Eligible Replacements - Services (Plastic)		(2,556)	19,391	2,917	0	0	414	0	0	0	0	0	0	20,166
	d. Eligible Replacements - Services (Steel)		0	0	0	0	0	0	0	0	0	0	0	0	0
	e. Eligible Replacements - Regulators		(190,838)	(377,863)	(431,299)	0	0	0	0	0	0	0	0	0	(1,000,000)
	f. FFA \$1,000,000 Adjustment to Rate Base		228,880	1,273,288	305,917	899,026	671,098	1,820,929	846,772	4,682,492	3,654,708	3,019,247	2,353,097	2,120,771	21,876,226
	g. Clearings to Plant		(7,477,158)	(5,974,990)	(5,669,073)	(4,770,046)	(4,098,949)	(2,278,020)	(1,431,247.65)	3,251,244	6,905,552	9,925,199	12,278,297	14,399,067.39	
2.	Gross Plant-in-Service/Depreciation Base		89,929	115,518	126,610	137,774	147,723	156,980	163,863.63	169,727	168,868	162,828	152,562	139,067.51	
3.	Less: Accumulated Depreciation		6,886,251	7,111,588	8,393,841	9,743,020	11,613,055	12,825,236	13,736,448.69	10,718,463	8,363,878	6,582,334	5,172,589	4,155,316.08	
4.	CWIP - Noninterest Bearing		514,258	1,652,116	2,851,377	5,110,747	7,661,630	10,704,217	12,469,064.67	14,139,434	15,438,698	16,670,362	17,603,447	18,693,451	
5.	Net Book Value (Lines 2 + 3 + 4)		(93,360)	1,083,187	2,251,747	3,381,062	6,386,289	9,183,024	11,586,641	13,304,249	14,789,066	16,054,530	17,136,905	18,148,449	
6.	Average Net Book Value		(499)	5,783	12,022	21,256	34,098	49,030	61,864	71,034	78,362	85,719	91,488	96,899	607,866
7.	Return on Average Net Book Value		(111)	1,279	2,660	4,703	7,544	10,847	13,687	15,715	17,470	18,965	20,243	21,438	134,440
	a. Equity component Grossed up for taxes (A)		(610)	7,062	14,682	25,959	41,642	59,877	75,551	86,749	96,432	104,684	111,741	118,337	742,106
	b. Debt component (B)		(11,014)	(10,671)	(8,761)	(8,278)	(6,911)	(5,876)	(3,121.32)	(1,799)	5,224	10,706	15,235	18,765	(6,501)
8.	Investment Expenses		0	0	0	0	0	0	0	0	0	0	0	0	0
	a. Depreciation Expense (C)		(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(116,279)
	b. Amortization		(1,952)	(1,952)	(2,331)	(2,886)	(3,039)	(3,361)	(3,762)	(4,064)	(4,365)	(4,667)	(4,969)	(5,270)	(42,637)
	c. Property taxes (D)		(23,265)	(15,250)	(6,099)	5,106	22,004	40,932	58,978	71,197	87,602	101,034	112,319	122,136	576,693
	d. Depreciation Savings														
9.	Total Recoverable Costs (Lines 7 + 8)														

**Notes:**  
 (A) Line 7a = Line 6 x 6.4071% x 1/12. Based on ROE of 10.15%, weighted income tax rate of 25.345%, and Net Operating Income Multiplier of 1.34623.  
 (B) Line 7b = Line 6 x 1.4175% x 1/12  
 (C) Depreciation rates: 1.8% Mains Plastic, 2.4% Mains Steel, 3.1% Services Plastic, 4.3% Services Steel, 3.0% Regulator Station  
 (D) Ad Valorem Tax Rate is 1.574%

PEOPLES GAS SYSTEM, INC.  
 Cast Iron/Bare Steel Replacement Rider  
 Calculation of the Actual and Reforecast Amount (7 + 5 forecast) for the Period  
 January 2024 to December 2024  
 Current Period Actual / Reforecast True-Up Amount  
 (in Dollars)

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)	95,811	92,401	86,367	81,831	70,317	46,281	58,653	57,552	62,733	63,262	72,904	94,944	883,056
		(890)	(890)	(890)	(890)	(890)	(890)	(890)	(890)	(890)	(890)	(890)	(890)	(10,680)
2.	True-Up Provision	94,921	91,511	85,477	80,941	69,427	45,391	57,763	56,662	61,843	62,372	72,014	94,054	872,376
3.	CIBSR Revenues Applicable to Period (Lines 1 + 2)	(610)	7,062	14,682	25,959	41,642	59,877	75,551	86,749	96,432	104,684	111,741	118,337	742,106
		(11,014)	(10,671)	(8,761)	(8,278)	(6,911)	(5,876)	(3,121)	(1,799)	5,224	10,706	15,235	18,765	(6,501)
		(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(9,689)	(116,275)
		(1,952)	(1,952)	(2,331)	(2,886)	(3,039)	(3,381)	(3,762)	(4,064)	(4,385)	(4,667)	(4,969)	(5,270)	(42,637)
		(23,265)	(15,250)	(6,099)	5,106	22,003	40,931	58,979	71,197	87,602	101,034	112,319	122,135	576,693
4.	CIBSR Costs	118,186	106,761	91,576	75,835	47,424	4,460	(1,216)	(14,535)	(25,759)	(38,662)	(40,305)	(28,081)	295,684
		(191)	311	272	164	442	(8)	(566)	(601)	(689)	(831)	(1,005)	(1,157)	(3,859)
5.	Over/(Under) Recovery (Line 3 - Line 4d)	(102,499)	16,386	124,348	(1,434)	75,455	124,211	(127,961)	(128,853)	(143,099)	(168,657)	(207,260)	(247,680)	(102,499)
6.	Interest Provision	890	890	890	890	890	890	890	890	890	890	890	890	10,680
7.	Beginning Balance True-Up & Interest Provision	16,386	124,348	217,086	75,455	124,211	129,553	(128,853)	(143,099)	(168,657)	(207,260)	(247,680)	(276,028)	200,006
8.	True-Up Collected/(Refunded)	0	0	(218,520)	0	0	(257,514)	0	0	0	0	0	0	(476,034)
9.	End of Period Total True-Up (Lines 5+6+7+8)	\$16,386	\$124,348	(\$1,434)	\$75,455	\$124,211	(\$127,961)	(\$128,853)	(\$143,099)	(\$168,657)	(\$207,260)	(\$247,680)	(\$276,028)	(\$276,028)
9.a	LTDR True-Up Mechanism Adjustment													
10.	Adjusted End of Period Total True Up													



PEOPLES GAS SYSTEM, INC.  
 Cast Iron/Bare Steel Replacement Rider  
 Calculation of the Actual and Reforecast Amount (7 + 5 forecast) for the Period  
 January 2024 to December 2024  
 Interest Provision  
 (in Dollars)

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.	Beginning True-Up Amount	(\$102,499)	\$16,386	\$124,348	(\$1,434)	\$75,455	\$124,211	(\$127,961)	(\$128,853)	(\$143,099)	(\$168,657)	(\$207,260)	(\$247,680)	
2.	Ending True-Up Amount Before Interest	16,577	124,037	(1,706)	75,291	123,769	(127,953)	(128,287)	(142,498)	(167,968)	(206,429)	(246,675)	(274,871)	
3.	Total of Beginning & Ending True-Up (Lines 1 + 2)	(85,922)	140,423	122,642	73,857	199,224	(3,742)	(256,248)	(271,351)	(311,067)	(375,086)	(453,935)	(522,551)	
4.	Average True-Up Amount (Line 3 x 1/2)	(42,961)	70,212	61,321	36,929	99,612	(1,871)	(128,124)	(135,676)	(155,534)	(187,543)	(226,968)	(261,276)	
5.	Interest Rate (First Day of Reporting Business Month)	5.34%	5.34%	5.29%	5.33%	5.34%	5.31%	5.30%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%
6.	Interest Rate (First Day of Subsequent Business Month)	5.34%	5.29%	5.33%	5.34%	5.31%	5.30%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%
7.	Total of Beginning & Ending Interest Rates (Lines 5 + 6)	10.68%	10.63%	10.62%	10.67%	10.65%	10.61%	10.61%	10.62%	10.62%	10.62%	10.62%	10.62%	10.62%
8.	Average Interest Rate (Line 7 x 1/2)	5.340%	5.315%	5.310%	5.335%	5.325%	5.305%	5.305%	5.310%	5.310%	5.310%	5.310%	5.310%	5.310%
9.	Monthly Average Interest Rate (Line 8 x 1/12)	0.445%	0.443%	0.443%	0.445%	0.444%	0.442%	0.442%	0.443%	0.443%	0.443%	0.443%	0.443%	0.443%
10.	Interest Provision for the Month (Line 4 x Line 9)	(\$191)	\$311	\$272	\$164	\$442	(\$8)	(\$566)	(\$601)	(\$689)	(\$831)	(\$1,005)	(\$1,157)	(\$3,859)

**PEOPLES GAS SYSTEM, INC.  
CAST IRON / BARE STEEL RIDER  
EXHIBIT B  
PAGE 4 OF 4  
FILED: AUGUST 30, 2024**

**PEOPLES GAS SYSTEM, INC.  
Cast Iron/Bare Steel Replacement Rider  
Calculation of Debt and Equity Return  
January 2024 through December 2024  
Dec 2022 Cap Structure with Update to ROE to 10.15%  
Calculation of Revenue Requirement Rate of Return  
(In Dollars)**

Exhibit B  
Page 4 of 4

	(1)	(2)	(3)	(4)
	Rate Base ESR (\$000)	Ratio %	Cost Rate %	Weighted Cost Rate %
Long Term Debt	\$ 514,059	29.65%	3.97%	1.1771%
Short Term Debt	159,284	9.19%	2.20%	0.2022%
Preferred Stock	0	0.00%	0.00%	0.0000%
Residential Customer Deposits	0	0.00%	0.00%	0.0000%
Commercial Customer Deposits	26,702	1.54%	2.48%	0.0382%
Inactive Customer Deposits	0	0.00%	0.00%	0.0000%
Common Equity	813,066	46.89%	10.15%	4.7593%
Deferred Income Tax	220,848	12.74%	0.00%	0.0000%
Tax Credits - Zero Cost	0	0.00%	0.00%	0.0000%
<b>Total</b>	<b>\$ 1,733,959</b>	<b>100%</b>		<b>6.1768%</b>
 ITC split between Debt and Equity:				
Long Term Debt	\$ 514,059		Long Term Debt	38.73%
Equity - Preferred	0		Equity - Preferred	0.00%
Equity - Common	813,066		Equity - Common	61.27%
<b>Total</b>	<b>\$ 1,327,125</b>		<b>Total</b>	<b>100.00%</b>
 Deferred ITC - Weighted Cost:				
Debt = 0.0% * 38.73%	0.0000%			
Equity = 0.0% * 61.27%	0.0000%			
Weighted Cost	0.0000%			
 Total Equity Cost Rate:				
Preferred Stock	0.0000%			
Common Equity	4.7593%			
Deferred ITC - Weighted Cost	0.0000%			
	4.7593%			
Times Tax Multiplier (A)	1.34623			
Total Equity Component	6.4071%			
 Total Debt Cost Rate:				
Long Term Debt	1.1771%			
Short Term Debt	0.2022%			
Customer Deposits	0.0382%			
Deferred ITC - Weighted Cost	0.0000%			
Total Debt Component	1.4175%			
	<u>7.8246%</u>			

(A) The bad debt rate has been removed from the tax multiplier.

**PEOPLES GAS SYSTEM, INC.**

**“EXHIBIT C”**

***CALCULATION OF THE PROJECTED AMOUNT FOR 2025  
WITH SAFIR MODIFICATIONS  
(PAGE 1 OF 4)***

***CALCULATION OF THE PROJECTED AMOUNT FOR 2025  
WITHOUT SAFIR MODIFICATIONS  
(PAGE 2 OF 4)***

***CALCULATION OF DEBT AND EQUITY RETURN FOR 2025  
(PAGE 3 OF 4)***

***CALCULATION OF THE ACTUAL AND FORECASTED  
AMOUNT (7 + 5 FORECAST) FOR THE PERIOD OF  
JANUARY 2025 TO DECEMBER 2024  
(PAGE 4 OF 4)***

PEOPLES GAS SYSTEM, INC.  
 Safety of Facilities & Infrastructure Replacement  
 Return on Capital Investments, Depreciation and Taxes for Eligible Replacements  
 January 2025 to December 2025  
 (in Dollars)

SAFIR REQUEST

Exhibit C  
 Page 1 of 4

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														
	a. Eligible Replacements - Mains	\$	455,614	402,917	388,446	265,626	277,396	318,871	250,114	255,132	301,637	332,293	312,389	349,184	3,906,616
	b. Eligible Replacements - Services	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
	c. Eligible Replacements - Regulators	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
	d. Eligible Replacements - Mains	\$	1,971,427	2,415,406	2,309,233	2,071,789	2,180,158	2,339,534	1,979,440	2,294,711	2,712,986	2,988,719	2,809,693	3,140,633	29,113,728
	e. Eligible Replacements - Services	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
	f. Eligible Replacements - Regulators	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
	g. MAOP/Material Verification - Mains (Steel)	\$	108,428	108,428	108,428	108,428	108,428	108,428	108,428	108,428	108,428	108,428	108,428	108,428	1,301,141
	h. Pressurization Monitoring/Mgmt - Mains & Reg Station Exp City	\$	212,425	212,425	212,425	212,425	212,425	212,425	212,425	212,425	212,425	212,425	212,425	212,425	2,549,102
	i. Inactive Service Line Retirement - Services (Steel)	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
	j. Inactive Service Line Retirement - Services (Plastic)	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
	k. Damages/Leaks - Mains (Steel)	\$	834,004	834,004	834,004	834,004	834,004	834,004	834,004	834,004	834,004	834,004	834,004	834,004	10,008,048
	l. Damages/Leaks - Mains (Plastic)	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
	m. Damages/Leaks - Services (Steel)	\$	688,833	688,833	688,833	688,833	688,833	688,833	688,833	688,833	688,833	688,833	688,833	688,833	8,266,000
	n. Damages/Leaks - Services (Plastic)	\$	33,360	33,360	33,360	33,360	33,360	33,360	33,360	33,360	33,360	33,360	33,360	33,360	400,322
	o. Spans - Mains (Plastic)	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
	p. Spans - Mains (Steel)	\$	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	1,000,000
	q. Shallow & Exposed Pipe - Mains (Steel)	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
	r. Shallow & Exposed Pipe - Mains (Plastic)	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
	s. Casings - Mains (Steel)	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
	t. Casings - Mains (Plastic)	\$	191,801	191,801	191,801	191,801	191,801	191,801	191,801	191,801	191,801	191,801	191,801	191,801	2,201,610
	u. Unserviceable Facilities - Mains (Plastic)	\$	371,755	371,755	371,755	371,755	371,755	371,755	371,755	371,755	371,755	371,755	371,755	371,755	4,461,061
	v. Rear Easements - Mains (Plastic)	\$	184,572	184,572	184,572	184,572	184,572	184,572	184,572	184,572	184,572	184,572	184,572	184,572	2,214,862
	w. Rear Easements - Mains (Steel)	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
	x. Rear Easements - Services (Plastic)	\$	96,208	96,208	96,208	96,208	96,208	96,208	96,208	96,208	96,208	96,208	96,208	96,208	1,154,500
	y. Rear Easements - Services (Steel)	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
	z. First \$1,000,000 Adjustment to Rate Base	\$	(455,614)	(402,917)	(388,446)	(265,626)	(277,396)	(318,871)	(250,114)	(255,132)	(301,637)	(332,293)	(312,389)	(349,184)	(3,906,616)
	CBS Clearings to Plant	\$	316,033	237,025	363,001	345,732	336,033	352,480	292,510	285,674	312,517	333,090	317,962	344,165	3,836,620
	PPP Clearings to Plant	\$	2,201,366	2,476,866	2,381,871	2,185,629	2,238,445	2,343,406	2,072,367	2,285,589	2,601,575	2,836,228	2,740,081	3,005,889	29,889,111
	SAFIR	\$	2,484,250	2,564,367	2,624,456	2,669,522	2,703,321	2,728,671	2,747,683	2,761,943	2,772,637	2,780,658	2,786,674	2,791,815	32,415,367
2.	Gross Plant-in-Service/Depreciation Base	\$	19,400,716	24,678,974	30,048,301	35,249,183	40,526,982	45,951,539	51,064,099	56,337,304	62,084,434	68,034,409	73,879,126	80,020,166	
3.	Less: Accumulated Depreciation	\$	122,554	97,144	62,993	18,143	(35,371)	(96,276)	(170,801)	(252,485)	(343,664)	(444,874)	(556,512)	(678,421)	
4.	Net Book Value (Lines 2 + 3 + 4)	\$	18,699,450	24,453,085	29,923,308	35,068,864	40,427,655	45,855,165	50,893,298	55,864,819	61,740,967	67,589,535	73,322,614	79,341,745	
5.	Net Book Value (Lines 2 + 3 + 4)	\$	21,073,268	26,050,443	31,310,890	36,521,421	41,673,244	46,977,734	52,158,719	57,276,033	62,776,555	68,652,897	74,572,740	80,566,637	
6.	Average Net Book Value	\$	113,740	140,603	168,995	197,118	224,924	253,555	281,518	309,138	338,825	370,543	402,494	434,845	3,236,298
7.	Return on Average Net Book Value	\$	32,358	40,000	48,078	56,079	63,989	72,135	80,090	87,947	96,593	105,417	114,506	123,710	920,702
	a. Equity component Grossed up for taxes (A)	\$	146,098	180,603	217,073	253,197	288,913	325,690	361,608	397,085	435,218	475,960	517,000	558,555	4,157,000
	b. Debt component (B)	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
8.	Investment Expenses	\$	21,946	31,663	41,825	52,145	62,229	72,440	82,881	92,861	103,177	114,028	125,276	136,369	986,841
	a. Depreciation (C)	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
	b. Amortization	\$	19,069	19,069	19,069	19,069	19,069	19,069	19,069	19,069	19,069	19,069	19,069	19,071	228,830
	c. Property Taxes (D)	\$	(5,433)	(6,253)	(7,074)	(7,894)	(8,715)	(9,536)	(10,356)	(11,177)	(11,998)	(12,818)	(13,639)	(14,460)	(119,353)
	d. Depreciation Savings	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)	\$	181,680	225,082	270,889	316,516	361,496	407,664	453,202	497,838	545,467	596,239	647,706	699,935	5,203,318
	a. CIBS/PPP excluding True-up (Excluding CIBS Rider)	\$	171,958	189,095	210,333	230,413	249,810	270,374	290,308	309,347	331,307	356,616	382,560	408,898	3,402,010
	b. Expansion Items for SAFIR	\$	9,722	35,087	60,556	86,104	111,685	137,289	162,894	188,491	214,069	239,623	265,146	290,037	1,801,309
10.	Est. projected 2024 true-up over/(under)	\$	(276,028)												
	a. Est. 2024 True-up (CIBS/PPP Only)	\$	200,006												
	b. Long-term Debt True-up (Jan - Jun 2024)	\$	(476,034)												
11.	Revenue Requirements Net of Est Projected Recovery	\$	457,708	682,791	953,884	1,270,200	1,631,696	2,089,359	2,492,561	2,990,999	3,555,866	4,135,105	4,779,811	5,473,346	

Notes:  
 (A) Line 7a = Line 6 x 6.4768% x 1/12. Based on ROE of 10.15%, and weighted income tax rate of 25.34%, Net Operating Income Multiplier of 1.34623  
 (B) Line 7b = Line 6 x 1.8426% x 1/12  
 (C) Depreciation rates: 1.8% Mains Plastic, 2.4% Mains Steel, 3.1% Services Plastic, 3.0% Regulator Stations  
 (D) Ad Valorem Tax Rate is 1.574%

PEOPLES GAS SYSTEM, INC.  
 Cast Iron/Bare Steel Replacement Rider  
 Return on Capital Investments, Depreciation and Taxes for Eligible Replacement  
 January 2025 to December 2025  
 (in Dollars)

C/BS\_PPP ONLY  
 REQUEST

Exhibit C  
 Page 2 of 4

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														
	CBS a. Eligible Replacements - Mains	\$ 455,614	\$ 402,917	\$ 262,626	\$ 388,446	\$ 262,626	\$ 277,396	\$ 318,871	\$ 250,114	\$ 255,132	\$ 301,637	\$ 332,293	\$ 312,389	\$ 349,184	\$ 3,906,616
	CBS b. Eligible Replacements - Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	CBS c. Eligible Replacements - Regulators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	PPP d. Eligible Replacements - Mains	\$ 1,971,427	\$ 2,415,406	\$ 2,309,233	\$ 2,071,789	\$ 2,180,158	\$ 2,339,534	\$ 1,979,440	\$ 2,294,711	\$ 2,712,986	\$ 2,988,719	\$ 2,809,693	\$ 3,140,633	\$ 29,213,728	
	PPP e. Eligible Replacements - Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	PPP f. Eligible Replacements - Regulators	\$ (455,614)	\$ (402,917)	\$ (141,470)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,000,000)
	CBS First \$1,000,000 Adjustment to Rate Base	\$ 316,033	\$ 237,025	\$ 363,001	\$ 345,732	\$ 336,033	\$ 352,480	\$ 292,510	\$ 285,674	\$ 312,917	\$ 333,090	\$ 317,962	\$ 344,165	\$ 3,856,620	
	PPP Clearings to Plant	\$ 2,201,366	\$ 2,478,866	\$ 2,381,871	\$ 2,185,629	\$ 2,438,445	\$ 2,343,406	\$ 2,072,367	\$ 2,285,589	\$ 2,601,575	\$ 2,836,228	\$ 2,740,081	\$ 3,005,689	\$ 29,369,111	
2.	Gross Plant-in-Service/Depreciation Base	\$ 14,399,067.39	\$ 16,916,467	\$ 19,630,357	\$ 22,275,228	\$ 24,906,589	\$ 27,481,067	\$ 30,176,952	\$ 32,541,829	\$ 35,113,091	\$ 38,027,584	\$ 41,196,901	\$ 44,254,944	\$ 47,604,799	
3.	Less: Accumulated Depreciation	\$ 139,067.51	\$ 122,554	\$ 103,085	\$ 80,366	\$ 54,350	\$ 25,358	\$ (6,675)	\$ (41,932)	\$ (79,915)	\$ (120,935)	\$ (165,505)	\$ (214,009)	\$ (266,279)	
4.	CWIP - Noninterest Bearing	\$ 4,155,316.08	\$ 3,609,344	\$ 3,310,859	\$ 3,122,197	\$ 2,925,251	\$ 2,808,327	\$ 2,770,846	\$ 2,635,523	\$ 2,614,103	\$ 2,714,233	\$ 2,865,928	\$ 2,929,966	\$ 3,069,929	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 38,693,450.98	\$ 20,648,364	\$ 23,044,301	\$ 25,577,791	\$ 27,886,190	\$ 30,314,751	\$ 32,941,123	\$ 35,135,420	\$ 37,647,279	\$ 40,620,882	\$ 43,897,323	\$ 46,970,902	\$ 50,408,448	
6.	Average Net Book Value	\$ 19,670,908	\$ 21,846,333	\$ 24,311,046	\$ 26,731,990	\$ 29,100,471	\$ 31,627,937	\$ 34,038,271	\$ 36,391,349	\$ 39,134,081	\$ 42,259,103	\$ 45,434,112	\$ 48,689,675		
7.	Return on Average Net Book Value	\$ 106,171	\$ 117,912	\$ 131,215	\$ 144,281	\$ 157,065	\$ 170,707	\$ 183,716	\$ 196,416	\$ 211,219	\$ 228,087	\$ 245,223	\$ 262,794	\$ 280,806	
	a. Equity component Grossed up for taxes (A)	\$ 30,205	\$ 33,545	\$ 37,330	\$ 41,047	\$ 44,684	\$ 48,565	\$ 52,266	\$ 55,879	\$ 60,090	\$ 64,889	\$ 69,764	\$ 74,763	\$ 79,787	
	b. Debt component (B)	\$ 136,376	\$ 151,457	\$ 168,545	\$ 185,328	\$ 201,749	\$ 219,272	\$ 235,982	\$ 252,295	\$ 271,309	\$ 292,976	\$ 314,987	\$ 337,557	\$ 361,019	
8.	Investment Expenses														
	a. Depreciation (C)	\$ 21,946	\$ 25,722	\$ 29,793	\$ 33,910	\$ 37,707	\$ 41,569	\$ 45,613	\$ 49,160	\$ 53,017	\$ 57,389	\$ 62,143	\$ 66,730	\$ 71,699	
	b. Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	c. Property Taxes (D)	\$ 19,069	\$ 19,069	\$ 19,069	\$ 19,069	\$ 19,069	\$ 19,069	\$ 19,069	\$ 19,069	\$ 19,069	\$ 19,069	\$ 19,069	\$ 19,069	\$ 19,069	
	d. Depreciation Savings	\$ (5,433)	\$ (6,233)	\$ (7,074)	\$ (7,894)	\$ (8,715)	\$ (9,536)	\$ (10,356)	\$ (11,177)	\$ (11,998)	\$ (12,818)	\$ (13,639)	\$ (14,460)	\$ (15,281)	
9.	Revenue Requirements (Lines 7 + 8)	\$ 171,958	\$ 189,995	\$ 210,333	\$ 230,413	\$ 249,810	\$ 270,374	\$ 290,308	\$ 309,347	\$ 331,397	\$ 356,616	\$ 382,560	\$ 408,898	\$ 436,080	
	a. C/BS/PPP excluding True-up (Existing C/BS Rider)	\$ 171,958	\$ 189,995	\$ 210,333	\$ 230,413	\$ 249,810	\$ 270,374	\$ 290,308	\$ 309,347	\$ 331,397	\$ 356,616	\$ 382,560	\$ 408,898	\$ 436,080	
10.	Est projected 2024 true-up over/(under)	\$ (276,028)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	a. Est. 2024 True-up (C/BS/PPP Only)	\$ 200,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	b. Long-term Debt True-up (Jan - Jun 2024)	\$ (476,034)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11.	Revenue Requirements Net of Est Projected Recovery	\$ 447,986	\$ 637,981	\$ 848,315	\$ 1,078,727	\$ 1,328,538	\$ 1,598,912	\$ 1,889,219	\$ 2,198,567	\$ 2,529,964	\$ 2,886,580	\$ 3,269,139	\$ 3,678,038		

Notes:  
 (A) Line 7a = Line 6 x 6.4768% x 1/12. Based on ROE of 10.15%, and weighted income tax rate of 25.345%, Net Operating Income Multiplier of 1.3462;  
 (B) Line 7b = Line 6 x 1.8426% x 1/12  
 (C) Depreciation rates: 1.8% Mains Steel, 2.4% Mains Steel, 3.1% Services Steel, 3.0% Regulator Stations  
 (D) Ad Valorem Tax Rate is 1.574%

PEOPLES GAS SYSTEM, INC.  
Cast Iron/Bare Steel Replacement Rider  
Calculation of Debt and Equity Return  
January 2025 through December 2025  
Dec 2023 Cap Structure with Update to ROE to 10.15%  
Calculation of Revenue Requirement Rate of Return  
(In Dollars)

Exhibit C  
Page 3 of 4

	(1)	(2)	(3)	(4)
	Rate Base ESR (\$'000)	Ratio %	Cost Rate %	Weighted Cost Rate %
Long Term Debt	\$ 543,872	27.35%	4.07%	1.1131%
Short Term Debt	236,704	11.90%	5.84%	0.6950%
Preferred Stock	0	0.00%	0.00%	0.0000%
Residential Customer Deposits	0	0.00%	0.00%	0.0000%
Commercial Customer Deposits	28,387	1.43%	2.41%	0.0345%
Inactive Customer Deposits	0	0.00%	0.00%	0.0000%
Common Equity	942,551	47.40%	10.15%	4.8111%
Deferred Income Tax	237,187	11.93%	0.00%	0.0000%
Tax Credits - Zero Cost	0	0.00%	0.00%	0.0000%
<b>Total</b>	<b>\$ 1,988,701</b>	<b>100%</b>		<b>6.6537%</b>
ITC split between Debt and Equity:				
Long Term Debt	\$ 543,872		Long Term Debt	36.59%
Equity - Preferred	0		Equity - Preferred	0.00%
Equity - Common	942,551		Equity - Common	63.41%
<b>Total</b>	<b>\$ 1,486,423</b>		<b>Total</b>	<b>100.00%</b>
Deferred ITC - Weighted Cost:				
Debt = 0.0% * 38.73%	0.0000%			
Equity = 0.0% * 61.27%	0.0000%			
Weighted Cost	0.0000%			
Total Equity Cost Rate:				
Preferred Stock	0.0000%			
Common Equity	4.8111%			
Deferred ITC - Weighted Cost	0.0000%			
	4.8111%			
Times Tax Multiplier (A)	1.34623			
Total Equity Component	6.4768%			
Total Debt Cost Rate:				
Long Term Debt	1.1131%			
Short Term Debt	0.6950%			
Customer Deposits	0.0345%			
Deferred ITC - Weighted Cost	0.0000%			
Total Debt Component	1.8426%			
	<u>8.3194%</u>			

(A) The bad debt rate has been removed from the tax multiplier.

**Note: This is applicable to both SAFIR and CI/BS\_PPP Scenarios.**

PEOPLES GAS SYSTEM, INC.  
 Cast Iron / Bare Steel Replacement Program  
 Calculation of the Actual and Reforecast Amount (7 + 5 forecast) for the Period  
 January 2024 to December 2024  
 Return on TOTAL CI/BS + PPP Capital Investments, Depreciation and Taxes for Eligible Replacements  
 (in Dollars)

Exhibit C  
 Page 4 of 4

Line Description	December 31, 2023		December 31, 2023		Difference equals January 1, 2024 Beginning of Period Amount
	2024 CIBSR Filing Actual Amount	2024 CIBSR Filing Actual Amount	2024 Rate Case Filing Projected Amount	2024 Rate Case Filing Projected Amount	
2. Gross Plant-in-Service/Depreciation Base	\$ 84,256,502	\$ 84,256,502	\$ 91,733,660	\$ 91,733,660	\$ (7,477,158)
3. Less: Accumulated Depreciation	\$ (1,184,060)	\$ (1,184,060)	\$ (1,273,990)	\$ (1,273,990)	\$ 89,929
4. CWIP - NonInterest Bearing	\$ 9,495,027	\$ 9,495,027	\$ 2,808,776	\$ 2,808,776	\$ 6,686,251
5. Net Book Value (Lines 2 + 3 + 4)	\$ 92,567,469	\$ 92,567,469	\$ 93,268,447	\$ 93,268,447	\$ (700,978)

Line Description	December 31, 2023		December 31, 2023		Difference equals January 1, 2024 Beginning of Period Amount
	2023 CIBSR Actual Amount	2023 CIBSR Actual Amount	2024 Rate Case Filing Projected Amount	2024 Rate Case Filing Projected Amount	
Gross Plant-in-Service/Depreciation Base	\$ 83,098,279	\$ 83,098,279	\$ 90,751,598	\$ 90,751,598	\$ (7,653,319)
Less: Accumulated Depreciation	\$ 1,141,314	\$ 1,141,314	\$ 972,940	\$ 972,940	\$ 168,374
CWIP - NonInterest Bearing	\$ -	\$ -	\$ -	\$ -	\$ -
Net Book Value (Lines 2 + 3 + 4)	\$ 16,908	\$ 16,908	\$ 9,121	\$ 9,121	\$ 7,787
	\$ 84,256,502	\$ 84,256,502	\$ 91,733,660	\$ 91,733,660	\$ (7,477,158)

Line Description	December 31, 2023		December 31, 2023		Difference equals January 1, 2024 Beginning of Period Amount
	2023 CIBSR Actual Amount	2023 CIBSR Actual Amount	2024 Rate Case Filing Projected Amount	2024 Rate Case Filing Projected Amount	
Accumulated Depreciation	\$ 1,121,983	\$ 1,121,983	\$ 1,214,391	\$ 1,214,391	\$ (92,408)
Less: Accumulated Depreciation	\$ 62,521	\$ 62,521	\$ 60,144	\$ 60,144	\$ 2,377
CWIP - NonInterest Bearing	\$ -	\$ -	\$ -	\$ -	\$ -
Net Book Value (Lines 2 + 3 + 4)	\$ (444)	\$ (444)	\$ (545)	\$ (545)	\$ 101
	\$ 1,184,060	\$ 1,184,060	\$ 1,273,990	\$ 1,273,990	\$ (89,929)

**Note: This is applicable to both SAFIR and CI/BS\_PPP Scenarios.**

**PEOPLES GAS SYSTEM, INC.**

**“EXHIBIT D”**

***SURCHARGE CALCULATION FOR 2025 (PAGE 1 OF 2)  
WITH SAFIR MODIFICATIONS***

***SURCHARGE CALCULATION FOR 2025 (PAGE 2 OF 2)  
WITHOUT SAFIR MODIFICATIONS***



# SAFIR REQUEST

## PEOPLES GAS SYSTEM, INC. Safety of Facilities & Infrastructure Replacement SAFIR Surcharge Calculation January 2025 Through December 2025

Exhibit D  
Page 1 of 2

RATE SCHEDULE	MAINS NET PLANT*	SERVICES NET PLANT*	TOTAL NET PLANT*	% OF TOTAL PLANT	REVENUES	PROJECTED THERM SALES	SURCHARGE PER THERM	AVERAGE THERMS PER BILL	AVERAGE CHARGE PER BILL
RS, RS-SG & RS-HP	\$ 243,510,379	\$ 378,346,643	\$ 621,857,022	34.72%	\$ 1,902,191	91,766,151	\$0.02073	RS1 = \$0.11 RS2 = \$0.27 RS3 = \$0.72	\$ 0.77
SGS	\$ 25,400,386	\$ 15,745,257	\$ 41,145,643	2.30%	\$ 125,860	10,332,885	\$0.01218	63	\$ 3.13
GS-1, CS-SG, & CS-HP	\$ 220,747,691	\$ 34,610,695	\$ 255,358,386	14.26%	\$ 781,113	101,545,895	\$0.00769	408 (GS1)	\$ 10.78
GS-2	\$ 320,669,194	\$ 12,978,605	\$ 333,647,799	18.63%	\$ 1,020,591	143,576,246	\$0.00711	1,517	\$ 54.84
GS-3	\$ 181,708,434	\$ 1,883,068	\$ 183,591,501	10.25%	\$ 561,586	80,534,023	\$0.00697	7,865	\$ 167.08
GS-4	\$ 109,694,165	\$ 423,136	\$ 110,117,301	6.15%	\$ 336,837	67,937,002	\$0.00496	33,699	\$ 283.22
GS-5	\$ 187,853,902	\$ 747,199	\$ 188,601,101	10.53%	\$ 576,910	170,087,415	\$0.00339	83,499	\$ 8.13
CSLS	\$ 956,317	\$ -	\$ 956,317	0.05%	\$ 2,925	539,245	\$0.00542	1,498	\$ 96.23
WHS	\$ 6,372,784	\$ 44,698	\$ 6,417,482	0.36%	\$ 19,630	4,896,295	\$0.00401	24,001	\$ 262.40
SIS	\$ 27,183,515	\$ 610,012	\$ 27,793,527	1.55%	\$ 85,017	44,928,911	\$0.00189	138,669	\$ 427.47
IS	\$ 21,502,743	\$ 297,849	\$ 21,800,592	1.22%	\$ 66,686	147,733,131	\$0.00045	947,007	\$ -
ISLV	\$ -	\$ -	\$ -	0.00%	\$ -	0	\$0.00000	\$0.00000	\$ -
<b>TOTAL</b>	<b>\$1,345,599,510</b>	<b>\$445,687,161</b>	<b>\$1,791,286,672</b>	<b>100%</b>	<b>\$ 5,479,346</b>	<b>863,877,199</b>			

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

**CI/BS\_PPP ONLY  
REQUEST**

**PEOPLES GAS SYSTEM, INC.  
Cast Iron/Bare Steel Replacement Rider  
CI/BS Rider Surcharge Calculation  
January 2025 Through December 2025**

**Exhibit D  
Page 2 of 2**

RATE SCHEDULE	MAINS NET PLANT*	SERVICES NET PLANT*	TOTAL NET PLANT*	% OF TOTAL PLANT	REVENUES	PROJECTED THERM SALES	SURCHARGE PER THERM	AVERAGE THERMS PER BILL	AVERAGE CHARGE PER BILL
RS, RS-SG & RS-HP	\$ 243,510,379	\$ 378,346,643	\$ 621,857,022	34.72%	\$ 1,276,855	91,766,151	\$0.01391	RS1 = 5 RS2 = 13 RS3 = 35	RS1 = \$0.07 RS2 = \$0.18 RS3 = \$0.48
SGS	\$ 25,400,386	\$ 15,745,257	\$ 41,145,643	2.30%	\$ 84,484	10,332,885	\$0.00818	63	\$ 0.52
GS-1, CS-SG, & CS-HP	\$ 220,747,691	\$ 34,610,695	\$ 255,358,386	14.26%	\$ 524,326	101,545,895	\$0.00516	408 (GS1)	\$ 2.10
GS-2	\$ 320,669,194	\$ 12,978,605	\$ 333,647,799	18.63%	\$ 685,077	143,576,246	\$0.00477	1,517	\$ 7.24
GS-3	\$ 181,708,434	\$ 1,883,068	\$ 183,591,501	10.25%	\$ 376,967	80,534,023	\$0.00468	7,865	\$ 36.81
GS-4	\$ 109,694,165	\$ 423,136	\$ 110,117,301	6.15%	\$ 226,103	67,937,002	\$0.00333	33,699	\$ 112.15
GS-5	\$ 187,853,902	\$ 747,199	\$ 188,601,101	10.53%	\$ 387,253	170,087,415	\$0.00228	83,499	\$ 190.11
CSLS	\$ 956,317	\$ -	\$ 956,317	0.05%	\$ 1,964	539,245	\$0.00364	1,498	\$ 5.45
WHS	\$ 6,372,784	\$ 44,698	\$ 6,417,482	0.36%	\$ 13,177	4,896,295	\$0.00269	24,001	\$ 64.59
SIS	\$ 27,183,515	\$ 610,012	\$ 27,793,527	1.55%	\$ 57,068	44,928,911	\$0.00127	138,669	\$ 176.14
IS	\$ 21,502,743	\$ 297,849	\$ 21,800,592	1.22%	\$ 44,763	147,733,131	\$0.00030	947,007	\$ 286.94
ISLV	\$ -	\$ -	\$ -	0.00%	\$ -	0	\$0.00000	\$0.00000	\$ -
<b>TOTAL</b>	<b>\$1,345,599,510</b>	<b>\$445,687,161</b>	<b>\$1,791,286,672</b>	<b>100%</b>	<b>\$ 3,678,038</b>	<b>863,877,199</b>			

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

**PEOPLES GAS SYSTEM, INC.  
CAST IRON / BARE STEEL RIDER  
EXHIBIT D  
PAGE 2 OF 2  
FILED: AUGUST 30, 2024**