

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: October 24, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Accounting and Finance (Souchik, D. *ALM*)
Buys) Office of the General Counsel (Farooqi) *AED*

RE: Docket No. 20240128-GU - Application for authority to issue and sell securities for 12 months ending December 31, 2025, by Peoples Gas System, Inc.

AGENDA: 11/5/2024 - Consent Agenda - Final Action - Interested Persons May Participate

SPECIAL INSTRUCTIONS: None

Please place the following application for authority to issue and sell securities on the consent agenda for approval.

Docket No. 20240128-GU – Application for authority to issue and sell securities for 12 months ending December 31, 2025, by Peoples Gas System, Inc.

Peoples Gas System, Inc. (PGS or Company) seeks authority to issue, sell, and/or exchange equity securities and issue, sell, exchange and/or assume long-term or short-term debt securities and/or to assume liabilities or obligations as guarantor, endorser, or surety during calendar year 2025. The Company also seeks authority to enter into interest rate swaps or other derivative instruments related to debt securities during calendar year 2025.

The amount of all equity and long-term debt securities issued, sold, exchanged, or assumed liabilities and obligations assumed or guaranteed, as guarantor, endorser, or surety will not exceed in the aggregate \$300 million during the period covered by this application, including any amounts issued to retire existing long-term debt securities. The maximum amount of short-term debt outstanding at any one time will be \$500 million.

In its application, PGS states it confirms the capital raised pursuant to this application will be used in connection with the activities of the Company's regulated gas activities and not the unregulated activities of the utility or its affiliates.

Staff has reviewed PGS's projected capital expenditures in Exhibit B. PGS's estimated construction expenditures for 2025 are \$355 million. The amount requested by the Company (\$800 million) exceeds its expected capital expenditures (\$355 million). The additional amount requested exceeding the estimated capital expenditures allows for financial flexibility with

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regard to unexpected events such as hurricanes, financial market disruptions and other unforeseen circumstances. Staff believes the requested amounts are reasonable and appropriate. Staff recommends PGS's application for authority to issue and sell securities during calendar year 2025 be approved.

For monitoring purposes, this docket should remain open until May 1, 2026, to allow the Company time to file the required Consummation Report.