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March 31, 2025

ELECTRONIC FILING

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

Re: Docket 20250029-GU, Petition for Rate Increase by Peoples Gas System, Inc.

Dear Mr. Teitzman:

Attached for filing on behalf of Peoples Gas System, Inc. in the above-referenced docket is the Direct Testimony of John Taylor and Exhibit No. JT-1.

Thank you for your assistance with this matter.

(Document 11 of 16)

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeff Wahlen', with a long horizontal flourish extending to the right.

Jeffry Wahlen

cc: Major Thompson, OGC
Jacob Imig, OGC
Walt Trierweiler, Public Counsel
Jon Moyle, FIPUG

JJW/dh
Attachments

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250029-GU
IN RE: PETITION FOR RATE INCREASE
BY PEOPLES GAS SYSTEM, INC.

PREPARED DIRECT TESTIMONY AND EXHIBIT
OF
JOHN TAYLOR

ON BEHALF OF
PEOPLES GAS SYSTEM, INC.

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PREPARED DIRECT TESTIMONY AND EXHIBIT

OF

JOHN TAYLOR

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

JOHN TAYLOR

ON BEHALF OF PEOPLES GAS SYSTEM, INC.

I. INTRODUCTION

Q. Please state your name, address, occupation and employer.

A. My name is John D. Taylor, and my business address is 10 Hospital Center Commons, Suite 400, Hilton Head Island, South Carolina 29926.

Q. On whose behalf are you appearing in this proceeding?

A. I am appearing on behalf of Peoples Gas System, Inc. ("Peoples" or the "company").

Q. By whom are you employed and in what capacity?

A. I am employed by Atrium Economics, LLC ("Atrium") as a Managing Partner.

Q. Please describe your educational background and professional experience.

1 **A.** My professional experience and educational background are
2 presented in Exhibit No. JT-1, Document No.6.
3
4 **Q.** What are the purposes of your prepared direct testimony
5 in this proceeding?
6
7 **A.** The purposes of my prepared direct testimony are to
8 present the embedded class cost of service study ("COSS"),
9 discuss its results, present the proposed revenue
10 increase apportionment, and discuss the rate design
11 proposals filed by the company in this proceeding. My
12 direct testimony consists of this introduction and
13 summary section and the following additional sections:
14

- 15 • Embedded Class Cost of Service Study
- 16 • Principles of Sound Rate Design
- 17 • Proposed Consolidation of Existing Residential Rate
- 18 • Development of Proposed Class Revenues
- 19 • Proposed Rate Design
- 20 • Subsequent Year Adjustment

21
22 **Q.** Are you sponsoring any Minimum Filing Requirement ("MFR")
23 Schedules?
24
25 **A.** Yes. I am sponsoring MFR Schedules E-1, E-2, E-4, E-5, E-

1 7, E-8, G-2 (Pages 09-11), H-1, H-2, and H-3.

2
3 **Q.** Please provide a summary of the MFR Schedules you are
4 sponsoring.

5
6 **A.** A summary of the MFR Schedules I am sponsoring is provided
7 below.

- 8 • E-1: This schedule summarizes sales and revenue
9 computed using proposed rates and projected billing
10 determinants.
- 11 • E-2: This schedule provides revenue calculation at
12 present and proposed rates summarizing data shown
13 within the E-1 schedules.
- 14 • E-4: This schedule demonstrates monthly sales for the
15 historical years of 2021, 2022, 2023, 2024, and the
16 projected test year 2026. It also shows the historical
17 sales that occurred, by rate schedule, coincident with
18 each historical peak month.
- 19 • E-5: This schedule illustrates monthly bill comparisons
20 under present and proposed rates by rate class.
- 21 • E-7: This schedule develops the average meter set and
22 service cost by the current and proposed rate classes.
- 23 • E-8: This schedule is used for documenting the direct
24 assignment of facilities.
- 25 • G-2 Pages 9-11: This schedule provides the calculation

1 for revenue and cost of gas under the proposed rates
2 for the test year 2026.

- 3 • **H Schedules:** These schedules reflect the Florida Public
4 Service Commission's ("Commission") provided MFR
5 template for the COSS displaying the cost for providing
6 service to each rate class.

7

8 **Q.** In addition to the MFR Schedules you listed, are you
9 sponsoring any exhibits as part of your direct testimony?

10

11 **A.** Yes. I am sponsoring Exhibit JT-1, entitled "Exhibit of
12 John Taylor" Document Nos. 1 through 6, prepared by me or
13 under my direct supervision. The documents are as follows:

14

15 Document No. 1: List of MFR Schedules Sponsored Or
16 Co-Sponsored by John Taylor

17 Document No. 2: Peak and Average Methodology
18 Schedules H-1, H-2, and H-3 COSS
19 based on the prior case methodology

20 Document No. 3: Peoples' Allocation of Proposed
21 Revenue Increase to Rate Classes

22 Document No. 4: 2027 Subsequent Year Adjustment
23 Supplemental Schedules

24 Document No. 5: Referenced Endnotes for the Prepared
25 Direct Testimony of John Taylor

II. EMBEDDED CLASS COST OF SERVICE STUDY

Q. What is the general purpose and use of a COSS in regulatory proceedings?

A. The purpose of a COSS is to allocate the local distribution company's ("LDC's") overall adjusted test year costs to the various classes of service in a manner that reflects the relative costs of providing service to each class. The requirement to develop a COSS results from the nature of utility costs. Utility costs are characterized by the existence of common costs. In addition, utility costs may be fixed or variable in nature. Fixed costs do not change with the level of gas throughput, while variable costs change directly with changes in gas throughput. Most non-fuel related utility costs are fixed in the short run and do not vary with changes in customers' loads. This includes the cost of distribution mains, service lines, meters, and regulators.

Finally, COSS provides insights into the development of economically efficient rates and the cost responsibility by rate class. This is accomplished through analyzing

1 costs and assigning each rate class its proportionate
2 share of the utility's total revenues and costs within
3 the test year. The results of these studies can be
4 utilized to determine the relative cost of service for
5 each rate class, help determine the individual class
6 revenue responsibility and provide guidance with rate
7 design. Using the cost information per unit of demand,
8 customer, and energy developed in the COSS to understand
9 and quantify the allocated costs in each rate class is a
10 useful step in the rate design process to guide the
11 development of rates.

12
13 **Q.** Are there factors that influence a gas utility's overall
14 cost allocation framework when performing a COSS?

15
16 **A.** Yes. First, the fundamental and underlying philosophy
17 applicable to all cost studies pertains to the concept of
18 cost causation to allocate costs to customer groups. Cost
19 causation addresses the question - which customer or group
20 of customers causes the utility to incur particular costs?
21 To answer this question, it is necessary to establish a
22 linkage between a utility's customers and the particular
23 costs incurred by the utility in serving those customers.
24 The factors which can influence the cost allocation
25 methods used to perform a COSS include: (1) the physical

1 configuration of the utility's gas system; (2) the
2 availability of data within the utility; and (3) the state
3 regulatory policies and requirements applicable to the
4 utility. It is important to understand these
5 considerations because they influence the overall context
6 of a utility's cost of service study and indicate where
7 efforts should be focused to conduct a more detailed
8 analysis of the utility's gas system.

9
10 **Q.** Are cost of service studies an application of economic
11 theory to cost allocation?

12
13 **A.** The allocation of costs using COSS is not a theoretical
14 economic exercise. Rather, it is a practical requirement
15 of regulation since rates must be set based on the cost
16 of service for the utility under cost-based regulatory
17 models. As a general matter, utilities must be allowed a
18 reasonable opportunity to earn a return of and on the
19 assets used to serve their customers and recover their
20 operating expenses. This is the cost of service standard
21 and equates to the revenue requirements for utility
22 service. The opportunity for the utility to earn its
23 allowed rate of return depends on the rates applied to
24 customers producing that revenue requirement. Using the
25 cost information in the COSS to understand and quantify

1 the allocated costs in each customer class is a useful
2 step in the rate design process to guide the development
3 of rates.

4
5 **Q.** What principles are used in the allocation of common
6 costs?

7
8 **A.** As noted above, the practical reality of regulation often
9 requires that common costs be allocated among
10 jurisdictions, classes of service, rate schedules, and
11 customers within rate schedules. The key to a reasonable
12 cost allocation is an understanding of cost causation.
13 Cost causation addresses the need to identify which
14 customer or group of customers causes the utility to incur
15 particular types of costs. To answer this question, it is
16 necessary to establish a linkage between a LDC's customers
17 and the particular costs incurred by the utility in
18 serving those customers. An important element in the
19 selection and development of a reasonable COSS allocation
20 methodology is the establishment of relationships between
21 customer requirements, load profiles and usage
22 characteristics on the one hand and the costs incurred by
23 the company in serving those requirements on the other
24 hand. For example, providing a customer with gas service
25 during peak periods can have much different cost

1 implications for the utility than service to a customer
2 who requires off peak gas service.

3
4 **Q.** Why are the relationships between customer requirements,
5 load profiles, and usage characteristics significant to
6 cost causation?

7
8 **A.** The company's distribution system is designed to meet
9 three primary objectives: (1) to extend distribution
10 services to all customers entitled to be attached to the
11 system; (2) to meet the aggregate design day peak capacity
12 requirements of all customers entitled to service on the
13 peak day; and (3) to deliver volumes of natural gas to
14 those customers either on a sales or transportation basis.
15 There are certain costs associated with each of these
16 objectives. Also, there is generally a direct link between
17 the manner in which such costs are defined and their
18 subsequent allocation.

19
20 Customer-related costs are incurred to attach a customer
21 to the distribution system, meter any gas usage, and
22 maintain the customer's account. Customer costs are a
23 function of the number of customers served and continue
24 to be incurred whether or not the customer uses any gas.
25 They generally include capital costs associated with

1 minimum size distribution mains, services, meters,
2 regulators and customer service and accounting expenses.
3

4 Demand - or capacity-related costs are associated with
5 plant that is designed, installed, and operated to meet
6 maximum hourly or daily gas flow requirements, such as
7 the transmission and distribution mains, or more
8 localized distribution facilities that are designed to
9 satisfy individual customer maximum demands. Gas supply
10 contracts also have a capacity related component of cost
11 relative to the company's requirements for serving their
12 customers.
13

14 Commodity-related costs are those costs that vary with
15 the throughput sold to, or transported for, customers.
16 Costs related to gas supply are classified as commodity
17 related to the extent they vary with the amount of gas
18 volumes purchased by the company for its sales service
19 customers.
20

21 Where costs are incurred for a customer or class of
22 customers and can be so identified, direct assignment of
23 costs can be utilized. Where costs cannot be directly
24 assigned, the development of allocation factors by
25 customer class uses principles of both economics and

1 engineering. This results in appropriate allocation
2 factors for different elements of costs based on cost
3 causation. For example, we know from the manner in which
4 customers are billed that each customer requires a meter.
5 Meters differ in size and type depending on the customer's
6 load characteristics. These meters have different costs
7 based on size and type. Therefore, meter costs are
8 customer-related, but differences in the cost of meters
9 are reflected by using a different meter cost for each
10 class of service.

11 12 **III. PEOPLES' COSS**

13 **A. PROCESS STEPS AND STRUCTURE OF THE COSS**

14 **Q.** Please describe the process of performing Peoples' COSS
15 analysis.

16
17 **A.** In this case, the company prepared two COSS: (1) the Peak
18 and Average Study and (2) the Customer/Demand Study. The
19 Peak and Average Study was conducted in accordance with
20 methods used in prior cases and is presented in Document
21 No. 2 of my exhibit. The Customer/Demand Study reflects
22 the company's proposed classification and allocation of
23 mains investments, which I will discuss later in my direct
24 testimony.

1 Q. Please describe the cost of service model utilized to
2 develop the COSS?

3
4 A. The company used the Commission's required Excel-based
5 cost of service model within the MFR H Schedules. The
6 required cost of service model within the MFR H Schedules
7 consists of several pages utilized to allocate various
8 components of the company's revenue requirements. The MFR
9 H-1 Schedule summarizes the results of these allocations
10 showing the current rate of return for each rate class
11 and the revenue requirement at proposed rate of return.
12

13 Q. What was the source of the cost data analyzed in the COSS?

14
15 A. All cost of service data was extracted from the company's
16 total revenue requirement and schedules in this filing.
17 Where more detailed information was required to perform
18 various analyses related to certain plant and expense
19 elements, the data were derived from the historical books
20 and records of the company and information provided by
21 company personnel.
22

23 Q. Please describe the organization of the COSS?

24
25 A. The COSS starts with the population of MFR Schedule H-3.

1 Within MFR Schedule H-3, all projected expenses
2 (operating, maintenance, depreciation, amortization,
3 income taxes, and taxes other than income taxes), rate
4 base, and accumulated depreciation are listed by the
5 Federal Energy Regulatory Commission general ledger and
6 plant account classifier. MFR Schedule H-3 classifies
7 costs as Customer, Capacity, and Commodity. Then, MFR
8 Schedule H-2 allocates these classified costs to each rate
9 class included in the COSS. MFR Schedule H-1 summarizes
10 these allocations, illustrating the deficiency for each
11 rate class and the current rate of return.

12
13 **Q.** Please describe the content of MFR Schedule H-1, which
14 summarizes the results of the COSS?

15
16 **A.** The difference between the computed revenue requirement
17 and the revenue that would be derived without making any
18 rate changes equals the company's Net Operating Income
19 deficiency, MFR Schedule H-1 Schedule D. The rate of
20 return is determined by subtracting the revenue derived
21 from each rate class from the expenses attributable to
22 each rate class and then dividing the result by the rate
23 base attributed to each rate class. MFR Schedule H-1
24 Schedule C within the Commission provided MFR H Schedule
25 contains two pages. Page one contains the rate of return

1 projected to be otherwise realized by rate class, absent
2 a rate increase in the results for the projected test
3 year. Page two shows the rate of return resulting from
4 each rate class, providing the company's proposed revenue
5 targets by rate class, further described in Section V
6 below. Lastly, MFR Schedule H-1 Schedule A contains the
7 company's proposed revenue targets by rate class,
8 customer charge rates, and volumetric rates.

9
10 **Q.** How are the rate classes structured for purposes of
11 conducting the cost of service model?

12
13 **A.** The rate classes in the COSS are structured based on
14 customer characteristics, usage patterns, and system
15 demand contributions. The company grouped customers into
16 distinct rate classes to reflect similarities in cost
17 causation and service requirements. These classes
18 typically include Residential, Commercial, Industrial,
19 and Interruptible Service categories, with further
20 segmentation based on annual consumption levels or demand
21 characteristics. This structure ensures that costs are
22 allocated equitably among customer classes based on how
23 they utilize the company's infrastructure and resources.
24 Additionally, customers with negotiated rates are
25 classified under the Special Contract customer class.

1 Q. Were direct assignments of plant made in the COSS?

2
3 A. Yes. A special study was performed to directly assign a
4 portion of distribution plant installed to serve specific
5 customers within SIS, IS, and SP classes. The costs
6 related to these facilities from the various plant
7 accounts were directly assigned to this class as shown on
8 MFR Schedule H-3.

9
10 B. DEVELOPMENT OF WEIGHTED CUSTOMER ALLOCATOR

11 Q. Please discuss the development of the Weighted Customer
12 Allocator.

13
14 A. The Meter-Regulators and Services studies are used to
15 calculate the "Weighted Customer Allocator" that is being
16 used to allocate some customer-related costs in the COSS.
17 The weighted customer-related allocation factor is
18 derived based on the results of Meter-Regulators and
19 Services studies. It's a composite allocation factor that
20 incorporates the unit costs for meters, regulators, and
21 services into one factor and is applied to account
22 balances to allocate costs to the customer classes.

23
24 Q. Please discuss the development of the Meter and Regulator
25 study.

1 **A.** The study was developed using the quantities and types of
2 meters installed per premise or rate schedule as the
3 primary basis for analysis. However, historical cost data
4 at the premise or rate schedule level was not available
5 at that level. Since historical cost information was
6 unavailable, the study instead utilized the estimated
7 replacement cost of each meter type. The average meter
8 and regulator replacement costs were then linked to the
9 meter records dataset, which includes a comprehensive
10 count of all meter types associated with each rate
11 schedule.

12
13 Using this data, the study determined the total
14 replacement cost for each customer class. The relative
15 unit cost for each customer class was then developed.
16 This process allowed for an accurate allocation of costs
17 and ensured that each customer class was assigned an
18 appropriate share of the total cost of meters and
19 regulators.

20
21 **Q.** Please discuss the development of the Service Study.

22
23 **A.** The Service Study was developed by allocating investment
24 in service lines to customer classes based on the number
25 of customers, with weighting factors applied to account

1 for relative differences in unit investment cost and
2 service line length. The investment incurred to connect
3 customers is determined by the average service line length
4 and the unit cost per foot of service line.

5
6 To ensure accuracy, service lines were categorized into
7 three groups based on diameter: (1) small services, which
8 included diameters of up to one inch; (2) medium services,
9 which included diameters between one and two inches; (3)
10 large services, which included service lines with
11 diameters over two inches. The original cost data for
12 service lines was indexed to current dollars (2024) using
13 the Handy-Whitman Index for the South Atlantic Region.
14 This adjustment ensured that all costs reflected
15 replacement cost values rather than historical costs.

16
17 Customers were then grouped based on meter size into small
18 meters, medium meters, and industrial meters. Service
19 unit costs were applied to the number of customers in
20 each group to calculate the total estimated service costs
21 by customer class and the corresponding cost per customer.
22 The unit costs for meters, regulators, and services were
23 added to derive the total unit cost. The relative
24 weighting factor was then calculated using the
25 Residential Class as a baseline. This factor was then

multiplied by the test year customer count for each customer class to derive the final allocation factors.

C. CLASSIFICATION AND ALLOCATION OF DISTRIBUTION MAINS

Q. How does the company categorize investment in Distribution Mains for purposes of COSS analysis?

A. Following the approach from the prior rate case, for purposes of COSS analysis the company categorizes its investment in Distribution Mains into three primary groups based on pipe diameter: Small, Medium, and Large Diameter Mains. This categorization allows for a more accurate allocation of costs, ensuring that customer classes are charged in proportion to their usage and the infrastructure required to serve them.

To determine the appropriate categorization, the company calculates the total investment cost for each category by multiplying the estimated unit cost per foot (utilizing actual book investment costs) by the total length of mains within that size classification. The study findings indicate that approximately 40 percent of the total mains investment is attributed to small diameter mains, 21 percent to medium and 39 percent to large diameter mains.

1 The classification system also aligns with cost causation
2 principles by recognizing that different customer groups
3 place varying demands on the distribution system. Smaller
4 diameter mains primarily serve residential and small
5 commercial customers, providing localized distribution,
6 whereas medium-sized mains act as intermediaries between
7 transmission pipelines and neighborhood distribution
8 networks, serving both residential, small commercial, and
9 larger commercial and industrial users. The largest
10 diameter mains function as the backbone of the
11 distribution system, delivering capacity and reliability
12 for high-demand areas and ensuring overall system
13 integrity. By structuring the allocations in this manner,
14 the company ensures that costs are assigned fairly and
15 proportionally to each customer class based on their use
16 of the system.

17
18 **Q.** How did the company's COSS classify and allocate
19 investment in Distribution Mains?

20
21 **A.** As discussed above, the company conducted two sets of
22 COSS analyses to evaluate the classification and
23 allocation of distribution mains investment. Consistent
24 with past filings, the company presented a study using
25 the Peak and Average methodology for allocating

1 distribution mains for informational purposes as shown on
2 Document No. 2 of my exhibit. However, the company is
3 proposing a shift toward a Customer/Demand classification
4 and allocation methodology to refine cost allocation to
5 better match cost causation.

6
7 Since this represents a new approach for the company, the
8 company proposes to implement the Customer/Demand
9 classification and allocation methodology only to small
10 diameter mains while continuing to allocate larger
11 diameter mains using the Peak and Average method.

12
13 In the Customer/Demand COSS, small diameter mains are
14 classified as 48 percent customer-related and 52 percent
15 demand-related, as further detailed in my direct
16 testimony. The customer-related portion is allocated
17 based on the number of customers, while the demand-related
18 portion is allocated according to peak period
19 requirements.

20
21 **Q.** Were there any other differences in methodology between
22 the Peak and Average and Customer/Demand Studies proposed
23 in this case?

24
25 **A.** No. The only difference between the studies is the

1 application of the distribution mains allocation factors
2 and their impact on the calculation of related allocation
3 factors.

4
5 **Q.** Please discuss the primary difference between the two
6 methods.

7
8 **A.** The use of a commodity-based allocation factor (such as
9 the Peak and Average Method) assigns more cost to higher
10 load factor customers and less cost to lower load factor
11 customers. On most gas distribution systems, the result
12 of such an allocation is to reduce costs for residential
13 customers and increase costs for industrial or large
14 volume customers. The rationale for using a commodity-
15 based allocation factor, usually discussed by cost
16 analysts supporting such a method, is that the gas
17 distribution system would not be built if it were not for
18 customers' commodity consumption throughout the year.
19 Their argument relies upon the "annual gas delivery
20 function" concept; a notion that a gas distribution
21 utility delivers a gas commodity through its distribution
22 system throughout the year. These cost analysts view the
23 "annual gas delivery function" as the reason for the
24 existence of gas distribution utilities, and it is the
25 reason why those facilities were originally installed.

1 They then conclude that the allocation of costs using
2 cost causation principles should match the use of the
3 system across the year regardless of how that usage
4 relates to specific investments. While it is obvious that
5 all customers utilize the utility's gas distribution
6 system to receive delivery service throughout the year,
7 that fact provides little to no insight into the manner
8 in which the utility actually incurs costs to provide
9 such service. In reality, there are two cost factors that
10 influence the level of distribution mains installed by an
11 LDC. First, the size of the distribution main (i.e., the
12 diameter of the main) is directly influenced by the sum
13 of the peak period gas demands placed on the LDC's gas
14 system by its customers. Second, the total installed
15 footage of distribution mains is influenced by the need
16 to expand the distribution system grid to connect new
17 customers to the system. Therefore, to recognize that
18 these two cost factors influence the level of investment
19 in distribution mains, it is appropriate to allocate such
20 investment based on both peak period demands and the
21 number of customers served by the LDC.

22
23 **Q.** Is annual throughput a reasonable basis for assigning
24 costs to a gas utility's customers?
25

1 **A.** No. In my opinion, there is no cost causative basis for
2 using annual throughput to allocate the costs of a gas
3 utility such as Peoples, to its classes of service. It is
4 easy to demonstrate from a number of different
5 considerations that throughput does not cause
6 distribution main costs. First, there is the regulatory
7 test: whenever costs are related to throughput,
8 regulators recognize that the level of those costs must
9 be adjusted for the test year in the rate case to
10 normalize the costs for weather. If distribution main
11 costs were a function of throughput, there would be a
12 weather normalization adjustment required to determine
13 the test year level of costs to be included in the
14 utility's rates. There is no regulatory body that adjusts
15 the cost of distribution mains for normal weather because
16 no one can demonstrate that mains cost varies with
17 throughput. Second, there is a logical argument that
18 proves no distribution main costs are caused by
19 throughput. Once this amount of capacity is installed,
20 the costs are fixed and do not change for any amount of
21 gas flowing through the utility's gas system on any other
22 days. So long as the design day requirements of the system
23 do not change and no new customers are added to the
24 system, the cost for mains will not change regardless of
25 the annual changes in throughput that result from weather

1 and conservation. A simple example will illustrate this
2 fundamental principle. Consider two customers that impose
3 the same design day demand on the gas utility's
4 distribution system but have different annual load
5 factors. To serve the identical demand or capacity
6 requirements of these customers, the gas utility must
7 provide sufficient distribution mains capacity for each
8 based on the design characteristics of their loads.
9 Therefore, the demand-related costs are the same to serve
10 these two customers because their design day demands are
11 the same. However, each customer would be allocated a
12 different level of costs if an annual throughput
13 allocation factor was used. This occurs because the
14 customer with the higher load factor (and higher annual
15 usage) would receive a greater share of costs relative to
16 the customer with the lower load factor (and lower annual
17 usage). In effect, the customer with a high load factor,
18 who is using the company's gas system most efficiently,
19 is penalized for his efficiency.

20
21 **Q.** Is the method used by the company to determine a customer
22 cost component of distribution mains a generally accepted
23 technique for determining customer costs?

24
25 **A.** Yes. Two of the more commonly accepted literary references

1 relied upon when preparing embedded cost of service
2 studies, Electric Utility Cost Allocation Manual, by John
3 J. Doran et al, National Association of Regulatory Utility
4 Commissioners ("NARUC"), and Gas Rate Fundamentals,
5 American Gas Association, both describe minimum system
6 concepts and methods as an appropriate technique for
7 determining the customer component of utility
8 distribution facilities. The use of a customer component
9 for distribution facilities, particularly distribution
10 mains, is a widely accepted approach in the gas industry.

11
12 The two most commonly used methods for determining the
13 customer cost component of distribution mains facilities
14 consist of the following: (1) the zero-intercept approach
15 and (2) the most commonly installed, minimum-sized unit
16 of plant investment.

17
18 Under the zero-intercept approach, a customer cost
19 component is developed through regression analyses to
20 determine the unit cost associated with a zero-inch
21 diameter distribution main. The method regresses unit
22 costs associated with the various sized distribution
23 mains installed on the LDC's gas system against the size
24 (diameter) of the various distribution mains installed.
25 The zero-intercept method seeks to identify that portion

1 of plant representing the smallest size pipe required
2 merely to connect any customer to the LDC's distribution
3 system, regardless of the customer's peak or annual gas
4 consumption.

5
6 The most commonly installed, minimum-sized unit approach
7 is intended to reflect the engineering considerations
8 associated with installing distribution mains to serve
9 gas customers. That is, the method utilizes actual
10 installed investment units to determine the minimum
11 distribution system rather than a statistical analysis
12 based upon investment characteristics of the entire
13 distribution system.

14
15 For purposes of determining the customer component of
16 distribution mains to be used in Peoples' COSS, the zero-
17 intercept method was utilized. The zero-intercept method
18 resulted in a 48 percent customer component.

19
20 **Q.** Would one expect there to be a strong correlation between
21 the number of customers served by Peoples and the cost of
22 its system of distribution mains?

23
24 **A.** Yes. Development of the company's distribution system
25 over time is a dynamic process. Customers are added to

1 the distribution system on a continuous basis under a
2 variety of installation conditions. Accordingly, this
3 process cannot be viewed as a static situation where a
4 particular customer being added to the system at any one
5 point in time can serve as a representative example for
6 all customers. Rather, it is more appropriate to
7 understand and appreciate that for every situation where
8 a customer can be added with little or no additional
9 footage of mains installed, there are contrasting
10 situations where a customer can be added only by extending
11 the distribution mains to the customer's "off-system"
12 location.

13
14 Recognizing that the goal is to more reasonably classify
15 and allocate the total cost of Peoples distribution mains
16 facilities, it is appropriate to analyze the cost
17 causation factors that relate to these facilities based
18 on the total number of customers serviced from such
19 facilities. Accordingly, the concept of using a zero-
20 intercept approach for classifying distribution mains
21 simply reflects the fact that the average customer
22 serviced by the company requires a minimum amount of mains
23 investment to receive such service. Thus, it is entirely
24 appropriate to conclude that the number of customers
25 served by Peoples represents a primary causal factor in

1 determining the amount of distribution mains cost that
2 should be assessed to any particular group of customers.
3 One can readily conclude that a customer component of
4 distribution mains is a distinct and separate cost
5 category that has much support from an engineering and
6 operating standpoint.
7

8 **Q.** Have you analyzed the relationship between the number of
9 customers served by Peoples and its level of investment
10 in distribution mains?
11

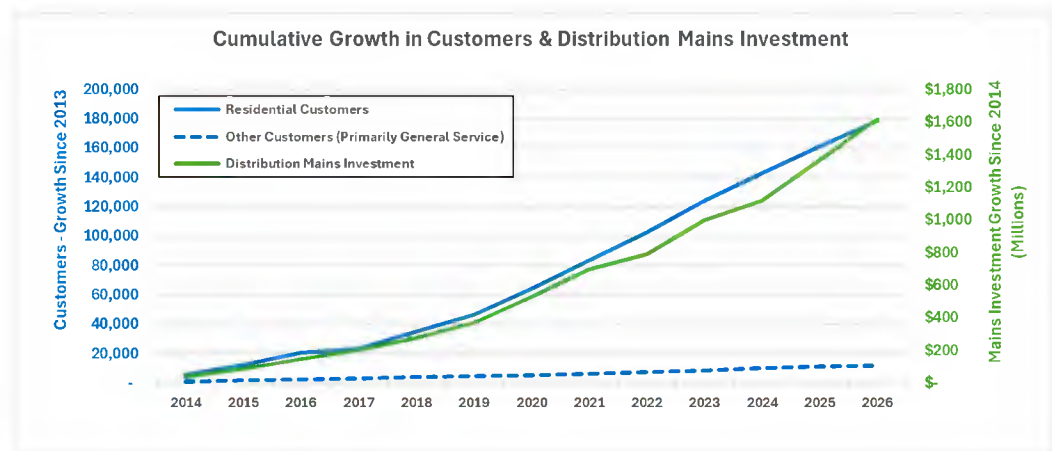
12 **A.** Yes. I analyzed both customer growth and the investment
13 in distribution mains. The results of the analysis are
14 presented in Table 1 below. The graph illustrates the
15 relationship between customer growth and distribution
16 mains investment over the 12-year period from 2014 to
17 2026. The two primary customer segments – Residential
18 Customers and Other Customers (Primarily General
19 Service), show a steady increase in investment and
20 customer count, with residential customers experiencing
21 the most significant growth. It is important to note that
22 the correlation coefficient between mains investment and
23 customer growth is 0.99.
24

25 The Total Distribution Mains investment closely follows

the trend of customer growth, indicating that infrastructure expansion has been aligned with rising customer segment. This suggests that as more customers were added, there was a proportional increase in investment to support the necessary distribution infrastructure.

This data underscores a strong correlation between customer growth—primarily in the residential sector—and the ongoing investment in distribution mains, ensuring reliability and capacity for future expansion.

Table 1 – Customer Growth and Distribution Mains Investments



Q. How does this analysis support the company’s proposal to introduce customer components in the classification of the distribution mains?

1 **A.** The analysis highlights a strong correlation between
2 customer growth and investment in distribution mains,
3 demonstrating that as the number of customers increases,
4 so too does the total investment in infrastructure. This
5 relationship highlights how customer expansion drives
6 mains investment rather than being driven solely by peak
7 demand or annual usage. This relationship highlights how
8 customer expansion drives mains investment rather than
9 being driven solely by peak demand or annual usage.

10
11 Among all customer segments, residential customers
12 exhibit the most significant growth, aligning closely
13 with increases in distribution mains investment. This
14 trend suggests that a substantial portion of mains
15 investment relates to connecting customers rather than
16 merely accommodating higher consumption levels. The
17 infrastructure expansion, therefore, is not just a
18 response to increased gas usage but a direct function of
19 growing customer numbers.

20
21 This observed relationship supports the argument that
22 part of the cost of distribution mains is properly
23 classified as customer-related.

24
25 The expansion of the distribution network is primarily

1 driven by the need to connect new customers, rather than
2 just ensuring capacity for peak demand or to serve average
3 annual usage. This approach aligns with regulatory
4 principles that emphasize cost causation—allocating costs
5 based on what drives the investment in the first place.

6
7 Recognizing that customer growth, particularly in the
8 residential sector, is a key driver of distribution mains
9 expansion, the analysis makes a compelling case for
10 introducing a customer component in cost allocation. This
11 classification ensures a fairer distribution of costs,
12 particularly for small-diameter mains, which are
13 predominantly installed to serve new residential
14 customers. By incorporating a customer component into the
15 classification of distribution mains, the study provides
16 a more accurate reflection of the underlying cost drivers
17 and supports a more equitable rate structure.

18
19 D. OPERATION & MAINTENANCE, CUSTOMER ACCOUNTS & SERVICES,
20 AND ADMINISTRATIVE & GENERAL EXPENSES

21 Q. How were operations and maintenance ("O&M") expenses
22 classified and allocated in the COSS?

23
24 A. Generally, the classification and allocation of the O&M
25 expenses followed the treatment of the related plant

1 accounts. For example, the treatment of FERC Account 879
2 (Customer Installations Expense), was allocated using the
3 weighted customer allocation factor. Similarly, FERC
4 Account 874 (Mains and Services Expenses) was allocated
5 based on the allocation methodology applied to the Plant
6 accounts for Mains and Services. This approach ensures
7 that O&M expenses are assigned in a manner consistent
8 with cost causation principles and the underlying
9 infrastructure they support.

10
11 **Q.** Please describe the classification and allocation of
12 customer accounts and customer service expenses in the
13 COSS.

14
15 **A.** Customer accounts and services expenses were classified
16 as customer-related costs and allocated based on the
17 average number of distribution customers by class. One
18 exception to this treatment was FERC Account 904
19 (Uncollectible Accounts). Uncollectible Accounts expenses
20 were assigned to the customer classes based on number of
21 customers, reflecting historical uncollectible expense
22 trends.

23
24 **Q.** Please explain the treatment of Administrative and
25 General ("A&G") expenses in the COSS.

A. The majority of the A&G expenses were classified and allocated based on the internally generated allocation factor of total O&M expenses. Taxes Other than Income Taxes and their corresponding allocation basis include Property taxes, and Payroll, and Other taxes. Income taxes were allocated based on rate base.

E. COST OF SERVICE RESULTS

Q. Please summarize the results of the company's proposed COSS.

A. Table 2 below presents a summary of the results of the COSS. The COSS shows an overall revenue requirement of \$579.9 million and a deficiency of \$103.6 million

Table 2 - Summary Results Proposed COSS

Line No.	Customer Classes	Current Revenues	Cost to Serve	Class Revenue (Deficiency)/ Excess	Percentage Change to Cost to Serve	Current Rate of Return	Current Relative Rate of Return	Current Revenue to Cost Ratio	Current Parity Ratio
1	Residential	\$ 187,866,055	\$ 260,823,871	\$ (72,957,816)	38.8%	2.5%	0.51	0.72	0.88
2	Residential Standby Generators	568,576	756,354	(187,778)	33.0%	3.1%	0.63	0.75	0.92
3	Residential Heat Pump	1,839	3,835	(1,996)	108.5%	-0.2%	(0.04)	0.48	0.58
4	Commercial Heat Pump	16,034	14,982	1,052	-6.6%	9.0%	1.82	1.07	1.30
5	Commercial Street Lighting	214,317	153,796	60,521	-28.2%	13.7%	2.75	1.39	1.70
6	Small General Service	12,627,843	15,443,063	(2,815,220)	22.3%	4.9%	0.98	0.82	1.00
7	General Service - 1	64,774,046	63,304,152	1,469,894	-2.3%	8.3%	1.67	1.02	1.25
8	General Service - 2	69,070,292	74,022,081	(4,951,789)	7.2%	7.0%	1.40	0.93	1.14
9	General Service - 3	33,353,034	36,806,156	(3,453,122)	10.4%	6.6%	1.32	0.91	1.10
10	General Service - 4	15,587,462	20,153,213	(4,565,751)	29.3%	4.7%	0.94	0.77	0.94
11	General Service - 5	39,036,466	52,106,046	(13,069,580)	33.5%	4.3%	0.87	0.75	0.91
12	Commercial Standby Generators	958,224	1,715,984	(757,761)	79.1%	0.6%	0.11	0.56	0.68
13	Small Interruptible Service	5,638,148	7,049,789	(1,411,641)	25.0%	5.1%	1.02	0.80	0.97
14	Interruptible Service	8,295,277	10,331,387	(2,036,110)	24.5%	5.1%	1.03	0.80	0.98
15	Wholesale	652,202	1,231,838	(579,636)	88.9%	1.0%	0.21	0.53	0.64
16	Special Contract	37,695,908	36,028,352	1,667,556	-4.4%	8.6%	1.74	1.05	1.27
17	Total System	\$ 476,355,723	\$ 579,944,901	\$ (103,589,178)	21.7%	5.0%	1.00	0.82	1.00

1 Table 2 presents the revenue deficiency/(surplus) for
2 each rate class and the class rate of return on the net
3 rate base at present rates. As shown on Table 2 the
4 resulting rate class revenue levels, as measured under a
5 revenue-to-cost ("R:C") ratio (at the proposed system
6 rate of return) and parity ratio (at the current system
7 rate of return), show that the majority of the rate
8 classes are being charged rates that recover less than
9 their indicated cost of service. Only Commercial Heat
10 Pump, Commercial Street Lighting, General Service 1, and
11 Special Contract classes currently provide revenues in
12 excess of their indicated cost of service at both the R:C
13 ratio at the proposed system rate of return ("ROR") and
14 the parity ratio at the current system ROR.

15
16 **Q.** Have you prepared a summary of COSS results prepared using
17 methodology from the prior case.

18
19 **A.** Yes. Table 3 below summarizes results of COSS using
20 methodology used in the prior case. As stated previously
21 in my direct testimony, the methodology in the prior case
22 classified distribution mains as capacity related only
23 and allocated costs based on peak and average allocation
24 factor. As the results demonstrate, despite refinements
25 in methodology and adjustments to cost classification and

allocation for distribution mains, the results remain fundamentally consistent with prior cases. The same customer classes continue to exhibit deficiencies, reaffirming the persistence of cost recovery imbalances.

Table 3 - Summary Results of COSS (Prior Case Methodology)

Line No.	Customer Classes	Current Revenues	Cost to Serve	Class Revenue (Deficiency)/ Excess	Percentage Change to Cost to Serve	Current Rate of Return	Current Relative Rate of Return	Current Revenue to Cost Ratio	Current Parity Ratio
1	Residential	\$ 187,866,055	\$ 225,555,231	\$ (37,689,176)	20.1%	4.5%	0.90	0.83	1.01
2	Residential Standby Generators	568,576	639,408	(70,832)	12.5%	5.6%	1.13	0.89	1.08
3	Residential Heat Pump	1,839	4,542	(2,702)	146.9%	-1.3%	(0.26)	0.40	0.49
4	Commercial Heat Pump	16,034	19,481	(3,447)	21.5%	5.3%	1.06	0.82	1.00
5	Commercial Street Lighting	214,317	208,771	5,545	-2.6%	8.3%	1.68	1.03	1.25
6	Small General Service	12,627,843	15,250,978	(2,623,135)	20.8%	5.0%	1.01	0.83	1.01
7	General Service - 1	64,774,046	71,914,105	(7,140,059)	11.0%	6.4%	1.29	0.90	1.10
8	General Service - 2	69,070,292	88,112,959	(19,042,666)	27.6%	4.8%	0.96	0.78	0.95
9	General Service - 3	33,353,034	45,364,751	(12,011,717)	36.0%	4.1%	0.82	0.74	0.90
10	General Service - 4	15,587,462	25,640,893	(10,053,431)	64.5%	2.3%	0.46	0.61	0.74
11	General Service - 5	39,036,466	51,373,717	(12,337,251)	31.6%	4.5%	0.91	0.76	0.93
12	Commercial Standby Generators	958,224	1,679,077	(720,853)	75.2%	0.7%	0.14	0.57	0.69
13	Small Interruptible Service	5,638,148	6,951,544	(1,313,395)	23.3%	5.3%	1.06	0.81	0.99
14	Interruptible Service	8,295,277	10,196,703	(1,901,426)	22.9%	5.3%	1.07	0.81	0.99
15	Wholesale	652,202	1,471,486	(819,284)	125.6%	-0.2%	(0.03)	0.44	0.54
16	Special Contract	37,695,908	35,561,255	2,134,653	-5.7%	8.8%	1.78	1.06	1.29
17	Total System	\$ 476,355,723	\$ 579,944,901	\$ (103,589,178)	21.7%	5.0%	1.00	0.82	1.00

IV. PRINCIPLES OF SOUND RATE DESIGN

Q. What guiding principles inform Peoples' rate design proposals?

A. Peoples' rates seek to balance a number of policy objectives for its customers while providing the company the ability to recover its prudently incurred costs and an opportunity to earn its authorized ROR. The following rate design principles draw heavily upon the "Attributes of a Sound Rate Structure" developed by James Bonbright

1 in his work, Principles of Public Utility Rates. Each of
2 these principles plays an important role in analyzing the
3 rate design proposals of Peoples and provides a roadmap
4 that help guide utilities and regulators when considering
5 how to achieve utility rates that are fair, efficient and
6 practical. The foundation of rates should include:

- 7 • Fairness: Rates should be fair to all customer classes,
8 avoiding undue discrimination.
- 9 • Efficiency: Rates should promote the efficient use of
10 resources and encourage conservation while avoiding
11 undue restriction of economic use.
- 12 • Simplicity: Rates should be simple and understandable
13 for customers.
- 14 • Stability: Rates should provide revenue stability for
15 the utility and bill stability for customers.
- 16 • Reflective of Costs: Rates should reflect the cost of
17 providing service to different customer classes.
- 18 • Revenue Sufficiency: Rates should generate enough
19 revenue to cover the utility's costs, including a
20 reasonable return on investment.

21
22 **Q.** How are these principles translated into the design of
23 rates?

24
25 **A.** The overall rate design process, which includes both the

1 apportionment of the revenues to be recovered among rate
2 classes and the determination of rate structures within
3 rate classes, consists of finding a reasonable balance
4 between the above-described criteria or guidelines that
5 relate to the design of utility rates. Economic,
6 regulatory, historical, and social factors all enter the
7 process. In other words, both quantitative and
8 qualitative information is evaluated before reaching a
9 final rate design determination. Out of necessity, the
10 rate design process must be, in part, influenced by
11 judgmental evaluations.

12
13 **Q.** How did Peoples incorporate these principles in their
14 vision of rate design?

15
16 **A.** In the context of these principles, the company envisions
17 a rate design that aligns its revenue allocation and rate
18 design with its cost of service (i.e., cost-based rates).
19 In doing so, this will better ensure that customers are
20 paying for their cost of energy services and result in
21 rates that are more equitable and understandable, lead to
22 more stable utility bills, and send the appropriate price
23 signals to its customers, which also promotes rational
24 conservation.

1 From the perspective of the customer, cost-based rates
2 provide a more reliable means of determining future levels
3 of natural gas costs. If rates are based on factors other
4 than the cost to serve, it becomes much more difficult
5 for customers to translate expected utility-wide cost
6 changes, such as expected increases in overall revenue
7 requirements, into changes in the rates charged to
8 particular customer classes and to customers within the
9 class. This situation reduces the attractiveness of
10 expansion, as well as continued operations, in the
11 utility's service territory because of the limited
12 ability to plan and budget for future energy costs.

13
14 From the perspective of the utility, when rates are
15 closely tied to costs, the impact on the utility's
16 revenues due to changes in customer use patterns will be
17 minimized. Rates that are designed to track changes in
18 the level of costs result in revenue changes that mirror
19 cost changes. Thus, cost-based rates provide an important
20 enhancement to a utility's earnings stability. A key
21 element within cost-based rate design is a Straight-
22 Fixed-Variable ("SFV") characteristic, which perfectly
23 aligns fixed costs, costs that do not change with energy
24 usage, with fixed charges and variable costs, costs that
25 do change due to energy usage, with variable charges. An

1 SFV rate design would reduce volatility for both customers
2 and the company. However, the company recognizes that
3 movement to an SFV rate design is a departure from current
4 practice and, at this time, is proposing higher fixed
5 charges without full movement to an SFV rate design.
6

7 **V. DETERMINATION OF PROPOSED CLASS REVENUES**

8 **Q.** Please describe the approach to apportion Peoples'
9 proposed revenue increase to its rate classes.
10

11 **A.** As discussed above, the apportionment of revenues among
12 rate classes consists of deriving a reasonable balance
13 between various criteria or guidelines related to the
14 design of utility rates. The various criteria that were
15 considered in the process included: (1) class
16 contribution to present revenue levels, (2) customer
17 impact considerations, and (3) cost of service. These
18 criteria were evaluated for the company's rate classes to
19 facilitate the development of the proposed class revenue
20 targets. The first step in this process is to analyze the
21 current return and R:C ratios by each customer class
22 (i.e., the amount of revenue Peoples is receiving in
23 comparison to the costs to serve each customer class).
24

25 **Q.** Did you consider various class revenue options in

1 conjunction with your evaluation and determination of
2 Peoples interclass revenue proposal?

3
4 **A.** Yes. Using Peoples proposed revenue increase and the
5 results of the COSS, Atrium evaluated a few options for
6 the assignment of that increase among its customer classes
7 and, in conjunction with Peoples personnel and
8 management, ultimately decided upon one of those options
9 as the preferred method. The first benchmark option I
10 evaluated was to set revenues to the cost to serve for
11 each rate class resulting from the methods employed in
12 the Peoples Proposed COSS, as shown in Document No. 3 of
13 my exhibit. Under this method, the revenue level for each
14 customer class was set so that the revenue-to-cost for
15 each class was equal to 1.00 (Unity). As a matter of
16 judgment, it was decided that this fully cost-based option
17 was not the preferred solution to the interclass revenue
18 issue. This decision was also made in consideration of
19 the Bonbright rate design criteria discussed earlier. It
20 should be pointed out, however, that those class revenue
21 results represented an important guide for purposes of
22 evaluating subsequent rate design options from a cost of
23 service perspective.

24
25 A second option I considered was assigning the increase

1 in revenues to Peoples' customer classes based on an equal
2 percentage basis of its current non-gas revenues. By
3 definition, this option resulted in each customer class
4 receiving an increase in revenues. However, when this
5 option was evaluated against the COSS results (as measured
6 by changes in the R:C ratio for each customer class) there
7 was no movement towards cost for most of Peoples' customer
8 classes (i.e., there was no convergence of the resulting
9 R:C ratios towards unity). While this option was not the
10 preferred solution to the interclass revenue issue,
11 together with the fully cost-based option, it defined a
12 range of results that provides further guidance to develop
13 Peoples' class revenue proposal.

14
15 **Q.** What was the result of this process?

16
17 **A.** To ensure a fair and balanced distribution of revenue
18 adjustments across various customer classes, Peoples' is
19 proposing an approach that takes into account the cost to
20 serve each class while maintaining a degree of rate
21 stability and gradualism. The principles guiding this
22 revenue distribution approach are as follows:

- 23 • Principle 1: No Decreases to Any Classes - Ensuring
24 that no customer class experiences a reduction in its
25 revenue contribution prevents undue disruptions to the

existing rate structure and helps maintain the financial stability of the system.

- Principle 2: No Increases Greater Than 1.5 Times the System Increase - To prevent any class from bearing a disproportionate burden of the overall revenue adjustment, rate increases are capped at 1.5 times the system-wide percentage increase.
- Principle 3: Bring All Classes to Their Cost to Serve If They Require Less Than 1.5 Times the System Increase - One of the core objectives of the revenue allocation process is to align each customer class's rates with its actual cost of service. If a class requires an increase lower than 1.5 times the system increase to reach its cost to serve, its rate adjustment is set to this cost-reflective level.
- Principle 4: Reallocate the Remaining Delta to Classes That Receive Less Than 1.5 Times the Increase - Any remaining revenue gap, after applying the above principles, is redistributed among the customer classes that have not yet reached the maximum allowable increase of 1.5 times the system increase.

This structured approach balances the need for cost-based rates with customer impact considerations, ensuring that rate adjustments are fair, sustainable, and aligned with

industry best practices.

Table 4- Proposed Class Revenue Apportionment

Line No.	Customer Classes	Current Revenues	Proposed Revenue	Proposed Revenue Change	Proposed Percentage Change	Proposed Rate of Return	Proposed Revenue to Cost Ratio	Applied Principles
1	Residential	\$ 187,866,055	\$ 248,565,095	\$ 60,699,040	32.3%	6.7%	0.95	Princ. 2
2	Residential Standby Generators	568,576	753,864	185,287	32.6%	7.5%	1.00	Princ. 2
3	Residential Heat Pump	1,839	2,449	610	33.1%	2.1%	0.64	Princ. 2
4	Commercial Heat Pump	16,034	16,792	758	4.7%	9.3%	1.12	Princ. 1 & 4
5	Commercial Street Lighting	214,317	224,460	10,143	4.7%	14.0%	1.46	Princ. 1 & 4
6	Small General Service	12,627,843	16,008,703	3,380,860	26.8%	8.2%	1.04	Princ. 3 & 4
7	General Service - 1	64,774,046	67,816,114	3,042,068	4.7%	8.6%	1.07	Princ. 1 & 4
8	General Service - 2	69,070,292	77,272,610	8,202,317	11.9%	8.2%	1.04	Princ. 3 & 4
9	General Service - 3	33,353,034	38,383,367	5,030,334	15.1%	8.2%	1.04	Princ. 3 & 4
10	General Service - 4	15,587,462	20,804,679	5,217,217	33.5%	8.0%	1.03	Princ. 2
11	General Service - 5	39,036,466	51,996,594	12,960,128	33.2%	7.5%	1.00	Princ. 2
12	Commercial Standby Generators	958,224	1,262,020	303,796	31.7%	3.3%	0.74	Princ. 2
13	Small Interruptible Service	5,638,148	7,513,852	1,875,704	33.3%	8.5%	1.07	Princ. 2
14	Interruptible Service	8,295,277	10,724,491	2,429,214	29.3%	8.1%	1.04	Princ. 3 & 4
15	Wholesale	652,202	857,626	205,424	31.5%	3.3%	0.70	Princ. 2
16	Special Contract	37,695,908	37,742,186	46,278	0.1%	8.3%	1.05	Princ. 1
17	Total System	\$ 476,355,723	\$ 579,944,901	\$ 103,589,178	21.7%	7.6%	1.00	

Q. How do customer classes transition toward their cost of service under the proposed revenue distribution?

A. The proposed revenue apportionment follows a structured and measured approach to moving customer classes closer to their cost of service while mitigating potential rate shocks. As demonstrated in the summary Table 5 below, the adjustments are designed to ensure gradual progress toward cost parity rather than implementing abrupt changes that could create financial hardship for customers. A full and immediate alignment of rates with cost-to-serve would result in substantial increases for some customer classes, leading to significant bill impacts. To avoid this, the proposed distribution

strategy incorporates a phased approach, balancing revenue recovery with rate stability.

Table 5 - Cost of Service and Rate of Return Under Present and Proposed Rates

Line No.	Customer Classes	Current Total Revenues	Total Revenues at Proposed	Current Return	Proposed Return	Current Revenue to Cost Parity Ratio	Proposed Revenue to Cost Parity Ratio
1	Residential	\$ 187,866,055	\$ 248,565,095	2.5%	6.7%	0.88	0.95
2	Residential Standby Generators	568,576	753,864	3.1%	7.5%	0.92	1.00
3	Residential Heat Pump	1,839	2,449	-0.2%	2.1%	0.58	0.64
4	Commercial Heat Pump	16,034	16,792	9.0%	9.3%	1.30	1.12
5	Commercial Street Lighting	214,317	224,460	13.7%	14.0%	1.70	1.46
6	Small General Service	12,627,843	16,008,703	4.9%	8.2%	1.00	1.04
7	General Service - 1	64,774,046	67,816,114	8.3%	8.6%	1.25	1.07
8	General Service - 2	69,070,292	77,272,610	7.0%	8.2%	1.14	1.04
9	General Service - 3	33,353,034	38,383,367	6.6%	8.2%	1.10	1.04
10	General Service - 4	15,587,462	20,804,679	4.7%	8.0%	0.94	1.03
11	General Service - 5	39,036,466	51,996,594	4.3%	7.5%	0.91	1.00
12	Commercial Standby Generators	958,224	1,262,020	0.6%	3.3%	0.68	0.74
13	Small Interruptible Service	5,638,148	7,513,852	5.1%	8.5%	0.97	1.07
14	Interruptible Service	8,295,277	10,724,491	5.1%	8.1%	0.98	1.04
15	Wholesale	652,202	857,626	1.0%	3.3%	0.64	0.70
16	Special Contract	37,695,908	37,742,186	8.6%	8.3%	1.27	1.05
17	Total System	\$ 476,355,723	\$ 579,944,901	5.0%	7.6%	1.00	1.00

VI. PROPOSED RATE DESIGN

A. RESIDENTIAL RATE SCHEDULE CONSOLIDATION

Q. Please summarize the proposed rate design.

A. The company proposes to consolidate its existing Residential-2 (RS-2) and Residential-3 (RS-3) customer classifications into a single, unified residential rate schedule. Additionally, the Residential-1 (RS-1) rate schedule will be closed to new customers. Consequently, all new residential customers connecting to Peoples' system will be automatically served under the newly

1 established residential rate schedule.

2

3 **Q.** Please describe specifics around the proposal to close
4 RS-1 rate schedule.

5

6 **A.** Peoples' proposal includes maintaining service for
7 existing RS-1 customers under the current rate schedule
8 while restricting any new customers from enrolling.
9 Customers remaining on the RS-1 rate schedule will
10 continue to receive service in accordance with existing
11 tariff provisions, including an annual volume review to
12 determine their eligibility. Once a customer is removed
13 from the RS-1 rate schedule, whether due to changes in
14 service requirements, relocation, or other qualifying
15 events, they shall not be eligible for re-enrollment into
16 this rate schedule.

17

18 **Q.** Why does the company propose to close the smallest
19 residential classes to new customers?

20

21 **A.** The company's primary objective in rate consolidation is
22 to move customers closer to their cost to serve by
23 consolidating three residential rate schedules into one
24 class and reduce intra-class subsidization. However, the
25 initial analysis indicated that this approach would lead

1 to significant bill increases for customers in the smaller
2 usage categories. To prevent such bill impacts on these
3 customers, the company has selected to take a phased
4 approach, starting with closing the smallest residential
5 class to new customers.

6
7 **Q.** Why is there a need to consolidate the existing three
8 residential schedules?

9
10 **A.** The necessity to consolidate the three existing
11 residential rate schedules (RS-1, RS-2, and RS-3) arises
12 from several critical factors related to the economic and
13 usage trends among residential customers.

14
15 There has been a consistent downward trend in the average
16 Use Per Customer ("UPC"). This decline reduces the revenue
17 generated from variable charges, which are based on the
18 volume of gas consumed. As UPC decreases, so does the
19 revenue from these charges, potentially leading to
20 revenue shortfalls. Additionally, per Peoples' current
21 policy of annual consumption review, more customers are
22 being transferred to RS-1 and RS-2 than are transferred
23 to RS-3. The customer charge for these classes has lower
24 customer charge rates which contributes to continued cost
25 under-recovery. This means that these customers are not

1 contributing enough to cover the costs associated with
2 providing service. The growth in customer numbers within
3 the RS-1 and RS-2 classes, coupled with the under-recovery
4 of fixed costs, indicates that the current rate structure
5 fails to properly recover costs for providing services to
6 these customers.

7
8 Peoples expects these trends of declining UPC and the
9 mismatch in cost recovery will persist in the coming
10 years. Without corrective measures, these financial
11 imbalances are likely to continue. This projection
12 necessitates action to prevent further financial
13 imbalances across customers.

14
15 By consolidating these schedules into a single, more
16 uniform rate structure, and determining appropriate cost
17 responsibilities among classes, Peoples plans to modify
18 rate design to better reflect the actual cost of service
19 delivery. Overall, the company's proposal not only
20 addresses the current revenue shortfall but also provides
21 a more sustainable model for revenue collection in the
22 face of ongoing consumption trends.

23
24 **Q.** Are there other considerations relating to the movement
25 towards consolidating the residential rate classes?

1 **A.** The consolidation of residential rate classes by Peoples
2 is based on the fact that the cost of providing gas
3 service to residential customers is largely independent
4 of their consumption levels. The primary cost of providing
5 service to residential customers involves fixed
6 infrastructure such as pipelines, meters, and
7 maintenance. These costs are incurred whether a customer
8 uses a little or a lot of gas. Similarly, the delivery of
9 gas to each residential property involves similar
10 activities regardless of consumption: meter reading,
11 billing, customer service, and emergency response. These
12 operational costs do not scale directly with usage volume
13 but are more uniform across all customers.

14
15 The consolidation promotes fairness in cost distribution
16 among customers, as different rates based on consumption
17 do not necessarily reflect the true cost of service and
18 provides more equitable rate designs, ensuring rates
19 reflect actual service delivery costs.

20
21 **B.** CUSTOMER CHARGES

22 **Q.** Please describe the process to determine the proposed
23 changes to the Customer Charges and the other rate
24 components for the respective tariff schedules.

1 **A.** Once revenue targets per class are set, the process of
2 determining the rate components for each tariff schedule
3 begins with establishing the Customer Charge. Once the
4 Customer Charge was set, the revenues to be recovered
5 through this charge for each rate schedule were deducted.
6 The remaining revenue requirement was then allocated to
7 the Distribution Charge, which was calculated by dividing
8 the remaining revenue by the projected sales volume under
9 the applicable rate schedule. The detailed calculations
10 for each rate schedule are provided in MFR Schedule G2-
11 08.

12
13 **Q.** Please further discuss the importance of the Customer
14 Charge component.

15
16 **A.** To properly recover fixed costs that the utility incurs
17 to provide service to its customers, the Customer Charge
18 component of each rate schedule needs to be set at or
19 near the cost per customer component identified in the
20 COSS.

21
22 The customer-based charge can be characterized as a
23 connection charge for access to service. It is imperative
24 that appropriate fixed costs be collected through the
25 monthly charge in order to minimize intra-class subsidies

1 and provide customers with the appropriate economic price
2 signals. Increasing the Customer Charge to the amount
3 identified as necessary to recover at least the customer-
4 related fixed costs does not provide a disincentive to
5 use energy wisely. Customers' conservation efforts are
6 rewarded through lower bills because of lower energy
7 consumption. Other benefits of better aligning cost
8 recovery with cost causation include:

- 9 • Mitigating the impact of significantly colder or warmer
10 than normal weather on customers' bills;
- 11 • Mitigating the impact abnormal weather has on the
12 company's ability to recover fixed costs in the
13 customers' regular monthly bills.;
- 14 • Providing more stability in residential customers'
15 bills as a higher percentage of the total bill will be
16 fixed each month and not subject to changes in weather;
17 and
- 18 • Providing a better match of revenues to the investment
19 made to serve each customer.

20
21 If fixed costs are not recovered from fixed charges,
22 average or higher than average use customers subsidize
23 low use customers, regardless of the reason a customer
24 uses less gas than average.

1 **Q.** How were proposed monthly customer changes determined?

2
3 **A.** The proposed customer charge adjustments were determined
4 by considering multiple factors. The customer-related
5 unit cost, as calculated in MFR Schedule H-1, served as
6 the baseline. The proposed customer charge for
7 residential classes reflects a strategic effort to
8 consolidate rate classes and ensure that fixed costs are
9 more accurately recovered while considering bill impacts.

10
11 In general, the customer charge rates were adjusted to
12 align more closely with the unit cost. Some classes
13 received a monthly customer charge increase that was set
14 at either the system-wide increase percentage or the
15 class-specific percentage increase.

16
17 Table 6 below summarizes the results of the customer costs
18 in the COSS and compares them to Peoples' current customer
19 charges.

Table 6 – Customer Costs in COSS Compared to Peoples’ Current Customer Charges

Line No.	Customer Classes	Current Basic Facilities Charge	Proposed Basic Facilities Charge	Customer Related Unit Cost
1	Residential - 1	\$ 19.10	\$ 26.50	\$ 33.97
2	Residential - 2	\$ 24.41	\$ 35.50	
3	Residential - 3	\$ 31.54	\$ 35.50	
4	Residential Standby Generators	\$ 31.54	\$ 41.00	\$ 41.45
5	Residential Heat Pump	\$ 31.54	\$ 56.00	\$ 55.78
6	Commercial Heat Pump	\$ 52.64	\$ 64.00	\$ 58.06
7	Commercial Street Lighting	\$ -	\$ -	
8	Small General Service	\$ 43.07	\$ 63.00	\$ 63.13
9	General Service - 1	\$ 66.05	\$ 81.00	\$ 79.74
10	General Service - 2	\$ 123.47	\$ 151.00	\$ 153.43
11	General Service - 3	\$ 502.52	\$ 615.00	\$ 307.67
12	General Service - 4	\$ 952.39	\$ 1,272.00	\$ 379.54
13	General Service - 5	\$ 2,101.00	\$ 2,805.00	\$ 540.64
14	Commercial Standby Generators	\$ 52.64	\$ 70.00	\$ 102.74
15	Small Interruptible Service	\$ 2,440.80	\$ 3,259.00	\$ 638.13
16	Interruptible Service	\$ 2,823.66	\$ 3,652.00	\$ 2,856.96
17	Interruptible Service Large Volume	\$ 3,110.82	\$ 4,024.00	n/a
18	Wholesale	\$ 665.24	\$ 888.00	\$ 276.00

Q. Have you provided a schedule detailing the proposed rates and corresponding revenues?

A. Yes. MFR Schedule H-1 Schedule A contains the proposed customer charges and volumetric charges and the corresponding revenues generated for each of the proposed rate classes. Each of these three sections follows the same format of developing rates. First, the portion of revenues recovered through the customer charge is calculated. Then, the remaining targeted revenues are recovered through the volumetric charges.

1 Q. What are the corresponding bill comparisons for Peoples
2 customers?

3
4 A. As required by MFR Schedule E-5, the company's prepared
5 total bill impacts for each of the rate classes.
6

7 **VII. SUBSEQUENT YEAR ADJUSTMENT**

8 Q. Have you developed a set of illustrative customer rates
9 that reflect the proposed 2027 Subsequent Year Adjustment
10 ("SYA")?
11

12 A. Yes. Document No. 4 of my exhibit contains supplemental
13 Schedules E-1, E-2, and E-5 showing how adding the
14 proposed 2027 SYA annual revenue increase to the company's
15 proposed 2026 revenue increase would impact customer
16 rates in 2027. These schedules for 2027 were prepared
17 using the COSS, class revenue allocation percentages, and
18 billing determinants that I used to develop the company's
19 proposed 2026 customer rates and charges. These schedules
20 are included in the company's petition filed on March 31,
21 2025, in Document No. 16 (2027 Subsequent Year Adjustment
22 Supplemental Schedules), and are for illustrative
23 purposes only. If the Commission approves a SYA in this
24 case, the company proposes to file proposed 2027 SYA rates
25 and tariffs in September 2026 so that they will reflect

1 the then-current billing determinants and the approved
2 2027 SYA revenue increase. This will allow the Commission
3 to approve the tariffs implementing the 2027 SYA in time
4 to become effective with the first billing cycle in
5 January 2027.

6
7 **Q.** Please discuss a process of SYA revenue increase
8 appointment.

9
10 **A.** The SYA revenue increase requirement is addressed by
11 Peoples witness Jeff Chronister in his prepared direct
12 testimony. The SYA revenue increase is primarily driven
13 by capital investment updates, reflecting year-end
14 balances as of December 31, 2026, whereas the test year
15 in the filing is based on a 13-month average investment
16 balance. Given this distinction, it is appropriate to
17 utilize the company's proposed COSS for the 2026 test
18 year as the foundation for revenue allocation.

19
20 Peoples proposes that SYA revenue increases align with
21 the revenue apportionment established for the 2026 test
22 year, with minor adjustments. Specifically, customer
23 classes that required a revenue decrease in the 2026 COSS—
24 such as Commercial Heat Pump, Commercial Street Lighting,
25 and General Service 1 will not receive any revenue

increases in 2027. For all other customer classes, revenue increases will be allocated in proportion to the 2026 test year revenue apportionment.

Table 7 below summarizes the proposed 2027 SYA revenue increase distribution.

Table 7 – 2027 SYA Revenue Apportionment

Line No.	Customer Classes	Current Base Revenue	2026 Required Increase Under EROR	2026 Proposed Revenue Change	2026 Revenue Change Allocation	2027 Proposed Revenue Change	2027 Revenue Change Allocation
1	Residential	\$ 187,866,055	\$ 72,957,816	\$ 60,699,040	58.6%	\$ 16,041,564	60.1%
2	Residential Standby Generators	568,576	187,778	185,287	0.2%	49,031	0.2%
3	Residential Heat Pump	1,839	1,996	610	0.0%	163	0.0%
4	Commercial Heat Pump	16,034	(1,052)	758	0.0%	-	0.0%
5	Commercial Street Lighting	214,317	(60,521)	10,143	0.0%	-	0.0%
6	Small General Service	12,627,843	2,815,220	3,380,860	3.3%	901,584	3.4%
7	General Service - 1	64,774,046	(1,469,894)	3,042,068	2.9%	-	0.0%
8	General Service - 2	69,070,292	4,951,789	8,202,317	7.9%	2,197,753	8.2%
9	General Service - 3	33,353,034	3,453,122	5,030,334	4.9%	1,349,594	5.1%
10	General Service - 4	15,587,462	4,565,751	5,217,217	5.0%	1,400,040	5.2%
11	General Service - 5	39,036,466	13,069,580	12,960,128	12.5%	3,477,924	13.0%
12	Commercial Standby Generators	958,224	757,761	303,796	0.3%	81,043	0.3%
13	CNG/RNG	-	-	-	0.0%	-	0.0%
14	Small Interruptible Service	5,638,148	1,411,641	1,875,704	1.8%	503,356	1.9%
15	Interruptible Service	8,295,277	2,036,110	2,429,214	2.3%	651,904	2.4%
16	Interruptible Service Large Volume	-	-	-	0.0%	-	0.0%
17	CNG -Service	-	-	-	0.0%	-	0.0%
18	Wholesale	652,202	579,636	205,424	0.2%	55,122	0.2%
19	Special Contract	37,695,908	(1,667,556)	46,278	0.0%	-	0.0%
20	Total System	\$ 476,355,723	\$ 103,589,178	\$ 103,589,178	100.0%	\$ 26,709,076	100.0%

VIII. SUMMARY

Q. Please summarize your direct testimony

A. My testimony provides an overview of the company's Class Cost of Service Study, the apportionment of the proposed revenue increase, and the rate design proposals submitted in this proceeding.

1 **Q.** Does this conclude your prepared direct testimony?

2

3 **A.** Yes.

4

5

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25

DOCKET NO. 20250029-GU
WITNESS: TAYLOR

EXHIBIT

OF

JOHN TAYLOR

ON BEHALF OF
PEOPLES GAS SYSTEM, INC.

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**LIST OF MINIMUM FILING REQUIREMENT SCHEDULES
SPONSORED OR CO-SPONSORED BY JOHN TAYLOR**

MFR Schedule	Page No.	MFR Title
E-01	P. 1-2	Cost of Service: Therm Sales and Revenue by Rate Schedule Under Present Rates
E-01	P. 3-4	Cost of Service: Therm Sales and Revenue by Rate Schedule Under Present Rates, Adjusted for Growth in Bills and Therms, Without Rate Increase
E-01	P. 5-6	Cost of Service: Therm Sales and Revenue by Rate Schedule Under Proposed Rates
E-02	P. 1-5	Cost of Service: Provide Revenues Calculated at Present Rates, Present Rates Adjusted for Growth Only for the Projected Test Year, and Final Rates Historic Base Year Data
E-04	P. 1-2	Cost of Service - System Peak Month Sales by Rate Class
E-05	P. 1-4	Cost of Service – PGSI Residential/Monthly Bill Comparison
E-05	P. 5	Cost of Service – PGSI Commercial/CSLS Monthly Bill Comparison
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E-05	P. 13	Cost of Service – PGSI Commercial/NGVS Monthly Bill Comparison
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E-05	P. 15	Cost of Service – PGSI Industrial/SIS Monthly Bill Comparison

MFR Schedule	Page No.	MFR Title
E-05	P. 16	Cost of Service – PGSI Industrial/IS Monthly Bill Comparison
E-05	P. 17	Cost of Service – PGSI Commercial/ISLV Monthly Bill Comparison
E-05	P. 18	Cost of Service – PGSI Commercial/WHs Monthly Bill Comparison
E-07	P. 1-2	Cost Study – Meter Set
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G-02	P. 9 (a-g)	Projected Test Year – Revenues and Cost of Gas (Contd.) at New Rates
G-02	P. 10-11	Projected Test Year – Revenues and Cost of Gas
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H-01	P. 5-6	Cost of Service – Fully Allocated Embedded Cost of Service – Rate of Return Present Rates
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H-01	P. 11-12	Cost of Service – Fully Allocated Embedded Cost of Service – Rate Design
H-01	P. 13	Fully Allocated Embedded Cost of Service - Summary
H-02	P. 1, 10-11	Fully Allocated Embedded Cost of Service – Summary
H-02	P. 2-3	Fully Allocated Embedded Cost of Service – Development of Allocation Factors
H-02	P. 4-5	Fully Allocated Embedded Cost of Service – Allocation of Rate Base to Customer Classes
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H-02	P. 8-9	Fully Allocated Embedded Cost of Service – Allocation of Cost of Service to Customer Classes
H-03	P. 1	Cost of Service – Fully Allocated Embedded Cost of Service – Gross Plant Investment
H-03	P. 2	Cost of Service – Fully Allocated Embedded Cost of Service – Accumulated Reserve for Depreciation

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PAGE 3 OF 3
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MFR Schedule	Page No.	MFR Title
H-03	P. 3	Cost of Service – Fully Allocated Embedded Cost of Service – Classification of O&M Expenses
H-03	P. 4	Cost of Service – Fully Allocated Embedded Cost of Service – Classification of Depreciation and Tax Expense
H-03	P. 5	Cost of Service – Fully Allocated Embedded Cost of Service – Summary

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-1

PAGE 1 OF 13

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

COST OF SERVICE

EXPLANATION: FULLY ALLOCATED
EMBEDDED COST OF SERVICE STUDY
PEAK AND AVERAGE

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR:
WITNESS: J. TAYLOR

12/31/26

SUMMARY

LINE NO.	SUMMARY	TOTAL	RESIDENTIAL (1, 2, 3)	RESIDENTIAL GENERATORS	RESIDENTIAL HEAT PUMP	COMMERCIAL HEAT PUMP	COMMERCIAL STREET LIGHTING	SMALL GENERAL SERVICE	GENERAL SERVICE 1	GENERAL SERVICE 2	GENERAL SERVICE 3
1	RATE BASE	2,954,441,634	923,782,841	2,577,742	24,944	109,826	1,228,216	76,280,886	398,439,419	505,746,007	284,883,845
2	ATTRITION	0	0	0	0	0	0	0	0	0	0
3	O&M	161,541,469	95,385,635	277,748	1,005	3,894	34,045	4,505,419	15,449,466	16,346,271	7,722,418
4	DEPRECIATION	96,259,724	30,091,092	83,952	813	3,579	40,025	2,484,821	12,982,162	16,479,381	8,631,566
5	AMORTIZATION EXPENSES	10,398,041	1,688,471	1,460	97	463	6,037	154,582	1,505,151	2,109,970	1,218,428
6	TAXES OTHER THAN INCOME - OTHER	34,457,537	11,551,048	33,873	287	1,243	13,467	946,650	4,595,512	5,733,353	2,946,123
7	TAXES OTHER THAN INCOME - REV RELATED	3,736,621	1,430,913	4,080	30	128	1,384	96,552	468,844	581,978	300,859
8	GAIN ON SALE OF PROPERTY	(224,601)	(205,114)	(574)	(1)	(2)	0	(5,686)	(8,793)	(3,422)	(354)
9	RETURN	223,651,232	69,930,346	195,135	1,888	8,314	92,976	5,774,463	30,161,864	38,284,973	20,051,707
10	INCOME TAXES TOTAL	50,124,879	15,672,841	43,734	423	1,863	20,838	1,294,177	6,759,899	8,580,456	4,494,003
11	REVENUE CREDITED TO COS:	(18,296,688)	(10,475,965)	(26,150)	(36)	(262)	(727)	(738,376)	(1,442,607)	(636,420)	(142,875)
12	TOTAL COST - CUSTOMER	203,336,678	155,317,237	559,036	1,159	3,189	(706)	9,106,906	18,306,235	14,424,483	3,072,166
13	TOTAL COST - CAPACITY	354,574,914	58,331,116	50,142	3,316	15,901	207,366	5,309,144	51,696,420	72,470,078	41,848,851
14	TOTAL COST - COMMODITY	0	0	0	0	0	0	0	0	0	0
15	TOTAL COST - REVENUE	3,736,621	1,430,913	4,080	30	128	1,384	96,552	468,844	581,978	300,859
16	NO. OF CUSTOMERS	538,098	491,409	1,375	2	5	0	13,623	21,065	8,198	848
17	PEAK MONTH SALES	346,404,031	21,533,336	18,486	1,225	5,873	76,589	1,960,426	19,092,669	26,765,515	15,456,331
18	ANNUAL SALES	1,983,862,290	96,477,443	86,557	8,473	47,348	525,047	9,881,110	100,528,085	141,731,351	82,693,781

SUPPORTING SCHEDULES: E-2 p.1, E-3 p.1-6, H-1 p.2

RECAP SCHEDULES:

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-1		COST OF SERVICE				PAGE 2 OF 13			
FLORIDA PUBLIC SERVICE COMMISSION COMPANY: PEOPLES GAS SYSTEM, INC. DOCKET NO.: 20250029-GU		EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY PEAK AND AVERAGE				TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/26 WITNESS: J. TAYLOR			
LINE NO.	SUMMARY	GENERAL SERVICE 4	GENERAL SERVICE 5	COMMERCIAL GENERATORS	SMALL INTERRUPTIBLE SERVICE	INTERRUPTIBLE SERVICE	INTERRUPTIBLE LARGE VOLUME	WHOLESALE	SPECIAL CONTRACTS
1	RATE BASE	150,470,552	305,837,139	8,484,327	41,374,947	81,325,139	0	8,593,325	205,282,680
2	ATTRITION	0	0	0	0	0	0	0	0
3	O&M	4,243,303	7,887,459	488,228	1,089,017	1,476,825	0	250,196	6,400,541
4	DEPRECIATION	4,903,400	9,966,365	276,333	1,348,287	1,998,417	0	280,027	6,889,505
5	AMORTIZATION EXPENSES	721,391	1,470,026	8,244	197,798	295,755	0	40,182	969,983
6	TAXES OTHER THAN INCOME - OTHER	1,658,946	3,369,983	109,769	456,443	675,238	0	95,250	2,270,353
7	TAXES OTHER THAN INCOME - REV. RELATED	170,420	339,278	10,777	45,962	67,721	0	9,527	208,170
8	GAIN ON SALE OF PROPERTY	(62)	(80)	(483)	(12)	(5)	0	(5)	(10)
9	RETURN	11,390,621	23,151,871	642,264	3,132,084	4,642,313	0	650,515	15,539,899
10	INCOME TAXES TOTAL	2,552,874	5,188,815	143,945	701,965	1,040,439	0	145,794	3,482,814
11	REVENUE CREDITED TO COS:	(25,267)	(377,201)	(59,182)	(43,041)	(17,678)	0	(39,498)	(4,271,403)
12	TOTAL COST - CUSTOMER	687,855	1,250,255	1,325,995	215,311	394,083	0	42,339	(1,348,864)
13	TOTAL COST - CAPACITY	24,777,351	49,406,984	283,123	6,647,230	9,717,221	0	1,380,123	32,430,546
14	TOTAL COST - COMMODITY	0	0	0	0	0	0	0	0
15	TOTAL COST - REVENUE	170,420	339,278	10,777	45,962	67,721	0	9,527	208,170
16	NO. OF CUSTOMERS	149	192	1,156	28	12	0	13	23
17	PEAK MONTH SALES	9,151,234	32,216,997	104,514	8,404,696	25,223,347	0	509,731	185,883,064
18	ANNUAL SALES	52,669,966	188,953,310	604,077	47,399,664	151,139,143	0	2,315,711	1,108,801,224

SUMMARY

SUPPORTING SCHEDULES: E-2 p.1, E-3 p.1-6, H-1 p.2

RECAP SCHEDULES:

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-1												
PEAK AND AVERAGE METHODOLOGY SCHEDULES												
COST OF SERVICE												
EXPLANATION: FULLY ALLOCATED												
EMBEDDED COST OF SERVICE STUDY												
PEAK AND AVERAGE												
REVENUE DEFICIENCY (SCHEDULE D)												
LINE NO.	TOTAL	RESIDENTIAL (1, 2, 3)	RESIDENTIAL GENERATORS	RESIDENTIAL HEAT PUMP	COMMERCIAL HEAT PUMP	COMMERCIAL STREET LIGHTING	SMALL GENERAL SERVICE	GENERAL SERVICE 1	GENERAL SERVICE 2	GENERAL SERVICE 3	TYPE OF DATA SHOWN:	PROJECTED TEST YEAR:
1	203,336,678	155,317,237	559,036	1,159	3,189	(706)	9,106,906	18,306,235	14,424,483	3,072,166		
2	354,574,914	58,331,116	50,142	3,316	15,901	207,366	5,309,144	51,696,420	72,470,078	41,848,851		
3	0	0	0	0	0	0	0	0	0	0		
4	3,736,621	1,430,913	4,080	30	128	1,384	96,552	468,844	581,978	300,859		
5	561,648,213	215,079,266	613,258	4,506	19,218	208,045	14,512,602	70,471,499	87,476,538	45,221,876		
6	less: REVENUE AT PRESENT RATES	478,313,259	545,010	1,807	15,780	213,590	11,910,743	63,364,339	68,446,676	33,211,483		
7	(in the projected test year)											
8	equals: GAS SALES REVENUE DEFICIENCY	36,766,007	68,248	2,699	3,438	(5,545)	2,601,859	7,107,160	19,029,862	12,010,393		
9	plus: DEFICIENCY IN OTHER OPER. REV.	923,169	2,584	4	8	0	21,276	32,899	12,804	1,324		
10	equals: TOTAL BASE-REVENUE DEFICIENCY	37,689,176	70,832	2,702	3,447	(5,545)	2,623,135	7,140,059	19,042,666	12,011,717		
11	UNIT COSTS:											
12	Customer	26,339	33,871	48,308	50,623	0,000	55,709	72,419	146,623	301,982		
13	Capacity	1,024	2,709	2,707	2,706	2,708	2,708	2,708	2,708	2,708		
14	Commodity	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		

SUPPORTING SCHEDULES: E-2 p.1, E-3 p.1-6, H-1 p.2

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
DOCUMENT NO. 2
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FILED: 03/31/2025

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-1		COST OF SERVICE					PAGE 4 OF 13		
FLORIDA PUBLIC SERVICE COMMISSION COMPANY: PEOPLES GAS SYSTEM, INC. DOCKET NO.: 20250029-GU		EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY PEAK AND AVERAGE					TYPE OF DATA SHOWN: PROJECTED TEST YEAR: WITNESS: J. TAYLOR		
REVENUE DEFICIENCY (SCHEDULE D)									
LINE NO.	GENERAL SERVICE 4	GENERAL SERVICE 5	COMMERCIAL GENERATORS	SMALL INTERRUPTIBLE SERVICE	INTERRUPTIBLE SERVICE	INTERRUPTIBLE LARGE VOLUME	WHOLESALE	SPECIAL CONTRACTS	
1	CUSTOMER COSTS	667,855	1,250,255	1,325,995	215,311	394,083	0	42,339	(1,348,864)
2	CAPACITY COSTS	24,777,351	49,406,984	283,123	6,647,230	9,717,221	0	1,380,123	32,430,546
3	COMMODITY COSTS	0	0	0	0	0	0	0	0
4	REVENUE COSTS	170,420	339,278	10,777	45,962	67,721	0	9,527	208,170
5	TOTAL	25,615,626	50,996,516	1,619,895	6,908,503	10,179,025	0	1,431,988	31,289,852
6	less: REVENUE AT PRESENT RATES	15,562,427	38,659,565	900,848	5,595,151	8,277,617	0	612,724	33,424,540
7	(in the projected test year)								
8	equals: GAS SALES REVENUE DEFICIENCY	10,053,199	12,336,952	719,048	1,313,352	1,901,408	0	819,264	(2,134,688)
9	plus: DEFICIENCY IN OTHER OPER. REV.	232	300	1,806	44	18	0	20	36
10	equals: TOTAL BASE-REVENUE DEFICIENCY	10,053,431	12,337,251	720,853	1,313,395	1,901,426	0	819,284	(2,134,653)
11	UNIT COSTS:								
12	Customer	374,568	542,645	95,581	640,805	2855,674	0.000	271,401	-4922,863
13	Capacity	2,708	1,534	2,709	0.791	0.385	0.000	2,708	0.174
14	Commodity	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

SUPPORTING SCHEDULES: E-2 p.1, E-3 p.1-6, H-1 p.2

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
DOCUMENT NO. 2
PAGE 4 OF 29
FILED: 03/31/2025

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-1		PAGE 5 OF 13									
FLORIDA PUBLIC SERVICE COMMISSION COMPANY: PEOPLES GAS SYSTEM, INC. DOCKET NO.: 20250029-GU		COST OF SERVICE EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY PEAK AND AVERAGE RATE OF RETURN BY CUSTOMER CLASS SCHEDULE C, PAGE 1 OF 2: PRESENT RATES									
LINE NO.		TOTAL	RESIDENTIAL (1, 2, 3)	RESIDENTIAL GENERATORS	RESIDENTIAL HEAT PUMP	COMMERCIAL HEAT PUMP	COMMERCIAL STREET LIGHTING	SMALL GENERAL SERVICE	GENERAL SERVICE 1	GENERAL SERVICE 2	GENERAL SERVICE 3
1	REVENUES: (projected test year)										
2	Gas Sales	459,055,558	178,313,259	545,010	1,807	15,780	213,590	11,910,743	63,364,339	68,446,676	33,211,483
3	Other Operating Revenue	17,300,165	9,552,797	23,566	32	254	727	717,100	1,409,707	623,617	141,551
4	Total	476,355,723	187,866,055	568,576	1,839	16,034	214,317	12,627,843	64,774,046	69,070,292	33,353,034
5	EXPENSES:										
6	Purchased Gas Cost	0	0	0	0	0	0	0	0	0	0
7	O&M Expenses	161,248,281	95,212,516	277,243	1,003	3,887	33,983	4,497,242	15,421,427	16,316,603	7,708,402
8	Depreciation Expenses	96,259,724	30,091,092	83,952	813	3,579	40,025	2,484,821	12,982,162	16,479,381	8,631,566
9	Amortization Expenses	10,398,041	1,698,471	1,460	97	463	6,037	154,582	1,505,151	2,109,970	1,218,428
10	Taxes Other Than Income-Fixed	34,457,537	11,551,048	33,873	287	1,243	13,467	946,650	4,595,512	5,733,353	2,946,123
11	Taxes Other Than Income--Revenue	3,218,666	1,269,383	3,842	12	108	1,448	85,324	437,669	466,698	225,362
12	Gain on Sale of Property	(224,601)	(205,114)	(574)	(1)	(2)	0	(5,686)	(8,793)	(3,422)	(354)
13	Total Expenses excl. Income Taxes	305,357,647	139,617,396	399,797	2,211	9,277	94,960	8,162,934	34,933,127	41,102,582	20,729,527
14	INCOME TAXES:	24,075,302	6,793,065	23,763	(52)	951	16,805	628,627	4,201,387	3,937,653	1,777,299
15	NET OPERATING INCOME:	146,922,774	41,455,594	145,017	(319)	5,806	102,552	3,836,282	25,639,532	24,030,057	10,846,207
16	RATE BASE:	2,954,441,634	923,782,641	2,577,742	24,944	109,826	1,228,216	76,280,886	398,439,419	505,746,007	264,883,845
17	RATE OF RETURN	4.97%	4.49%	5.63%	-1.28%	5.29%	8.35%	5.03%	6.43%	4.75%	4.09%

RECAP SCHEDULES:

SUPPORTING SCHEDULES: E-2 p.1, E-3 p.1-6, H-1 p.2

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-1		PAGE 6 OF 13									
FLORIDA PUBLIC SERVICE COMMISSION COMPANY: PEOPLES GAS SYSTEM, INC. DOCKET NO.: 20250029-GU		COST OF SERVICE EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY PEAK AND AVERAGE RATE OF RETURN BY CUSTOMER CLASS SCHEDULE C, PAGE 1 OF 2: PRESENT RATES									
		TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/26 WITNESS: J. TAYLOR									
LINE NO.		GENERAL SERVICE 4	GENERAL SERVICE 5	COMMERCIAL GENERATORS	SMALL INTERRUPTIBLE SERVICE	INTERRUPTIBLE SERVICE	INTERRUPTIBLE LARGE VOLUME	WHOLESALE	SPECIAL CONTRACTS		
1	REVENUES: (projected test year)										
2	Gas Sales	15,562,427	38,659,565	900,848	5,595,151	8,277,617	0	612,724	33,424,540		
3	Other Operating Revenue	25,035	376,901	57,376	42,997	17,660	0	39,478	4,271,368		
4	Total	15,587,462	39,036,466	958,224	5,638,148	8,295,277	0	652,202	37,695,908		
5	EXPENSES:										
6	Purchased Gas Cost	0	0	0	0	0	0	0	0		
7	O&M Expenses	4,235,602	7,873,144	487,342	1,067,077	1,474,145	0	249,742	6,388,924		
8	Depreciation Expenses	4,903,400	9,966,365	276,333	1,348,287	1,998,417	0	280,027	6,689,505		
9	Amortization Expenses	721,391	1,470,026	8,244	197,798	295,755	0	40,182	969,983		
10	Taxes Other Than Income--Fixed	1,658,946	3,369,963	109,769	456,443	675,238	0	95,250	2,270,353		
11	Taxes Other Than Income--Revenue	105,322	263,764	6,475	38,096	56,050	0	4,407	254,706		
12	Gain on Sale of Property	(62)	(80)	(483)	(12)	(5)	0	(5)	(10)		
13	Total Expenses excl. Income Taxes	11,624,599	22,943,202	887,681	3,107,689	4,499,600	0	689,603	16,573,462		
14	INCOME TAXES:	557,943	2,265,816	9,932	356,270	534,404	0	(2,450)	2,973,889		
15	NET OPERATING INCOME:	3,404,920	13,827,448	60,611	2,174,189	3,261,273	0	(14,951)	18,148,557		
16	RATE BASE:	150,470,552	305,837,139	8,484,327	41,374,947	61,325,139	0	8,593,325	205,282,680		
17	RATE OF RETURN	2.26%	4.52%	0.71%	5.25%	5.32%	0.00%	-0.17%	8.84%		

SUPPORTING SCHEDULES: E-2 p.1, E-3 p.1-6, H-1 p.2

RECAP SCHEDULES:

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-1

PAGE 7 OF 13

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

COST OF SERVICE

EXPLANATION: FULLY ALLOCATED

EMBEDDED COST OF SERVICE STUDY

PEAK AND AVERAGE

RATE OF RETURN BY CUSTOMER CLASS

SCHEDULE C, PAGE 2 OF 2. PROPOSED RATES

TYPE OF DATA SHOWN:

PROJECTED TEST YEAR:

WITNESS: J. TAYLOR

12/31/26

LINE NO.	TOTAL	RESIDENTIAL (1, 2, 3)	RESIDENTIAL GENERATORS	RESIDENTIAL HEAT PUMP	COMMERCIAL HEAT PUMP	COMMERCIAL STREET LIGHTING	SMALL GENERAL SERVICE	GENERAL SERVICE 1	GENERAL SERVICE 2	GENERAL SERVICE 3
1	REVENUES:									
2	Gas Sales	561,648,213	238,089,428	727,714	2,413	16,529	223,733	15,270,318	66,373,369	38,240,695
3	Other Operating Revenue	18,296,688	10,475,965	26,150	36	262	727	738,376	1,442,607	142,875
4	Total	579,944,901	248,565,394	753,864	2,449	16,792	224,460	16,008,694	67,815,975	38,383,570
5	EXPENSES:									
6	Purchased Gas Cost	0	0	0	0	0	0	0	0	0
7	O&M Expenses	161,541,469	95,385,635	277,748	1,005	3,894	34,045	4,505,419	15,449,466	7,722,418
8	Depreciation Expenses	96,259,724	30,091,092	83,952	813	3,579	40,025	2,484,821	12,982,162	8,631,566
9	Amortization Expenses	10,398,041	1,698,471	1,460	97	463	6,037	154,582	1,505,151	1,218,428
10	Taxes Other Than Income-Fixed	34,457,537	11,551,048	33,873	287	1,243	13,467	946,650	4,595,512	2,946,123
11	Taxes Other Than Income-Revenue	3,736,621	1,430,913	4,080	30	128	1,384	96,552	468,844	300,859
12	Gain on Sale of Property	(224,601)	(205,114)	(574)	(1)	(2)	-	(5,686)	(8,793)	(354)
12	Total Expenses excl. Income Taxes	306,168,790	139,952,044	400,539	2,230	9,304	94,958	8,182,338	34,992,342	20,819,040
13	PRE TAX NOI:	273,776,111	108,613,349	353,325	219	7,488	129,502	7,826,355	32,823,633	17,564,530
14	INCOME TAXES:	50,124,879	19,885,705	64,689	40	1,371	23,710	1,432,905	6,009,584	3,215,839
15	NET OPERATING INCOME:	223,651,232	88,727,644	288,635	179	6,117	105,792	6,393,451	26,814,049	14,348,690
16	RATE BASE:	2,954,441,634	923,782,641	2,577,742	24,944	109,826	1,228,216	76,280,886	398,439,419	264,883,845
17	RATE OF RETURN	7.57%	9.60%	11.20%	0.72%	5.57%	8.61%	8.38%	6.73%	5.42%

SUPPORTING SCHEDULES: E-2 p.1, E-3 p.1-6, H-1 p.2

RECAP SCHEDULES:

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-1

PAGE 8 OF 13

FLORIDA PUBLIC SERVICE COMMISSION COMPANY: PEOPLES GAS SYSTEM, INC. DOCKET NO.: 20250029-GU		COST OF SERVICE EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY PEAK AND AVERAGE RATE OF RETURN BY CUSTOMER CLASS SCHEDULE C, PAGE 2 OF 2: PROPOSED RATES		TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/26 WITNESS: J. TAYLOR	
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LINE NO.	GENERAL SERVICE 4	GENERAL SERVICE 5	COMMERCIAL GENERATORS	SMALL INTERRUPTIBLE SERVICE	INTERRUPTIBLE SERVICE	INTERRUPTIBLE LARGE VOLUME	WHOLESALE	SPECIAL CONTRACTS
1	REVENUES:							
2	Gas Sales	20,779,362	51,619,004	1,202,840	7,470,753	10,707,380	0	33,470,782
3	Other Operating Revenue	25,267	377,201	59,182	43,041	17,678	0	4,271,403
4	Total	20,804,629	51,996,205	1,262,022	7,513,794	10,725,057	0	37,742,186
5	EXPENSES:							
6	Purchased Gas Cost	0	0	0	0	0	0	0
7	O&M Expenses	4,243,303	7,887,459	488,228	1,069,017	1,476,825	0	6,400,541
8	Depreciation Expenses	4,903,400	9,966,365	276,333	1,348,287	1,998,417	0	6,689,505
9	Amortization Expenses	721,391	1,470,026	8,244	197,798	295,755	0	969,983
10	Taxes Other Than Income--Fixed	1,658,946	3,369,983	109,769	456,443	675,238	0	2,270,353
11	Taxes Other Than Income--Revenue	170,420	339,278	10,777	45,962	67,721	0	208,170
12	Gain on Sale of Property	(62)	(80)	(483)	(12)	(5)	(5)	(10)
12	Total Expenses excl. Income Taxes	11,697,398	23,033,031	892,869	3,117,495	4,513,951	0	16,538,543
13	PRE TAX NOI:	9,107,231	28,963,173	369,153	4,396,299	6,211,106	0	21,203,643
14	INCOME TAXES:	1,667,417	5,302,784	67,587	804,906	1,137,174	0	3,882,114
15	NET OPERATING INCOME:	7,439,814	23,660,389	301,566	3,591,393	5,073,933	0	17,321,529
16	RATE BASE:	150,470,552	305,837,139	8,484,327	41,374,947	61,325,139	0	205,282,680
17	RATE OF RETURN	4.94%	7.74%	3.55%	8.68%	8.27%	0.00%	8.44%

SUPPORTING SCHEDULES: E-2 p.1, E-3 p.1-6, H-1 p.2

RECAP SCHEDULES:

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-1

PAGE 9 OF 13

FLORIDA PUBLIC SERVICE COMMISSION		COST OF SERVICE		TYPE OF DATA SHOWN:	
COMPANY: PEOPLES GAS SYSTEM, INC.		EXPLANATION: FULLY ALLOCATED		PROJECTED TEST YEAR:	
DOCKET NO.: 20250029-GU		EMBEDDED COST OF SERVICE STUDY		WITNESS: J. TAYLOR	
		PEAK AND AVERAGE			

SUMMARY

LINE NO.	TOTAL	RESIDENTIAL (1, 2, 3)	RESIDENTIAL GENERATORS	RESIDENTIAL HEAT PUMP	COMMERCIAL HEAT PUMP	COMMERCIAL STREET LIGHTING	SMALL GENERAL SERVICE	GENERAL SERVICE 1	GENERAL SERVICE 2	GENERAL SERVICE 3
1	PRESENT RATES (Projected Test Year)									
2	459,055,558	178,313,259	545,010	1,807	15,780	213,590	11,910,743	63,364,339	68,446,676	33,211,483
3	17,300,165	9,552,797	23,566	32	254	727	717,100	1,409,707	623,617	141,551
4	476,355,723	187,866,055	568,576	1,839	16,034	214,317	12,627,843	64,774,046	69,070,292	33,353,034
5	4.97%	4.49%	5.63%	-1.28%	5.29%	8.35%	5.03%	6.43%	4.75%	4.09%
6	1.00	0.90	1.13	-0.26	1.06	1.68	1.01	1.29	0.96	0.82
7	PROPOSED RATES									
8	581,648,213	238,089,428	727,714	2,413	16,529	223,733	15,270,318	86,373,369	76,635,774	38,240,695
9	18,296,688	10,475,965	26,150	38	262	727	738,376	1,442,607	636,420	142,875
10	579,944,901	248,565,394	753,864	2,449	16,792	224,460	16,008,694	87,815,975	77,272,194	38,383,570
11	103,589,178	60,699,339	185,287	610	757	10,143	3,380,851	3,041,929	8,201,902	5,030,536
12	21.75%	32.31%	32.59%	33.14%	4.72%	4.73%	26.77%	4.70%	11.87%	15.08%
13	7.57%	9.60%	11.20%	0.72%	5.57%	8.61%	8.38%	6.73%	5.82%	5.42%
14	1.00	1.27	1.48	0.09	0.74	1.14	1.11	0.89	0.77	0.72

SUPPORTING SCHEDULES: E-2 p.1, E-3 p.1-6, H-1 p.2

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-1

PAGE 10 OF 13

FLORIDA PUBLIC SERVICE COMMISSION		COST OF SERVICE		PAGE 10 OF 13	
COMPANY: PEOPLES GAS SYSTEM, INC.		EXPLANATION: FULLY ALLOCATED		TYPE OF DATA SHOWN:	
DOCKET NO.: 20250029-GU		EMBEDDED COST OF SERVICE STUDY		PROJECTED TEST YEAR:	
		PEAK AND AVERAGE		WITNESS: J. TAYLOR	
				12/31/26	

SUMMARY

LINE NO.	GENERAL SERVICE 4	GENERAL SERVICE 5	COMMERCIAL GENERATORS	SMALL INTERRUPTIBLE SERVICE	INTERRUPTIBLE SERVICE	INTERRUPTIBLE LARGE VOLUME	WHOLESALE	SPECIAL CONTRACTS
1	PRESENT RATES (Projected Test Year)							
2	15,562,427	38,659,565	900,848	5,595,151	8,277,617	0	612,724	33,424,540
3	25,035	376,901	57,376	42,997	17,660	0	39,478	4,271,368
4	15,587,462	39,036,466	958,224	5,638,148	8,295,277	0	652,202	37,695,908
5	2.26%	4.52%	0.71%	5.25%	5.32%	0.00%	-0.17%	8.84%
6	0.46	0.91	0.14	1.06	1.07	0.00	-0.03	1.78
7	PROPOSED RATES							
8	20,779,362	51,619,004	1,202,840	7,470,753	10,707,380	0	818,120	33,470,782
9	25,267	377,201	59,182	43,041	17,678	0	39,498	4,271,403
10	20,804,629	51,996,205	1,262,022	7,513,794	10,725,057	0	857,618	37,742,186
11	5,217,167	12,959,739	303,798	1,875,646	2,429,781	0	205,416	46,278
12	33.47%	33.20%	31.70%	33.27%	29.29%	0.00%	31.50%	0.12%
13	4.94%	7.74%	3.55%	8.68%	8.27%	0.00%	1.73%	8.44%
14	0.65	1.02	0.47	1.15	1.09	-	0.23	1.11

SUPPORTING SCHEDULES: E-2 p.1, E-3 p.1-6, H-1 p.2

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
DOCUMENT NO. 2
PAGE 10 OF 29
FILED: 03/31/2025

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-1

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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: FULLY ALLOCATED
EMBEDDED COST OF SERVICE STUDY
PEAK AND AVERAGE

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR:
WITNESS: J. TAYLOR

12/31/26

RATE DESIGN (SCHEDULE A)												
LINE NO.	TOTAL	RESIDENTIAL (1, 2, 3)	RESIDENTIAL GENERATORS	RESIDENTIAL HEAT PUMP	COMMERCIAL HEAT PUMP	COMMERCIAL STREET LIGHTING	SMALL GENERAL SERVICE	GENERAL SERVICE 1	GENERAL SERVICE 2	GENERAL SERVICE 3		
1	PROPOSED TOTAL TARGET REVENUES	579,944,901	248,565,095	753,864	2,449	16,792	224,460	16,008,703	67,816,114	77,272,610	38,383,367	
2	LESS: OTHER OPERATING REVENUE	18,296,688	10,475,965	28,150	36	262	727	738,376	1,442,607	636,420	142,875	
3	LESS: CUSTOMER CHARGE REVENUES											
4	PROPOSED CUSTOMER CHARGES		(see lines 6-11 below)									
5	NUMBER OF BILLS	6,457,173	5,896,913	16,505	24	63	0	163,472	252,781	98,378	10,173	
6	RS 1. Residential Bills (0<100 annual therms)		1,770,930									
7	Residential Customer Charge (0<100 annual therms)	\$	26.50									
8	RS 2. Residential Bills (>=100 < 250 annual therms)		2,744,923									
9	Residential Customer Charge (>=100 < 250 annual therms)	\$	35.50									
10	RS 3. Residential Bills (>=250 < 1,999 annual therms)		1,381,060									
11	Residential Customer Charge (>=250 < 1,999 annual therms)	\$	35.50									
12	PRORATED PERCENTAGE OF BILLS		0.00%									
13	CUST. CHARGE REV. BY RATE CLASS	257,408,927	193,402,042	676,705	1,344	4,032	0	10,298,736	20,475,261	14,855,078	6,256,395	
14	LESS: OTHER NON-THERM-RATE REV.	0	0	0	0	0	0	0	0	0	0	
15	EQUALS: PER-THERM TARGET REVENUE	304,239,287	44,687,088	51,009	1,069	12,497	223,733	4,971,591	45,898,247	61,781,111	31,984,098	
16	DIVIDED BY: NUMBER OF THERMS	1,983,862,290	96,477,443	86,557	8,473	47,348	525,047	9,881,110	100,528,085	141,731,351	82,693,761	
17	BASE RATE PER-THERM (UNROUNDED)		0.463187	0.589309	0.126168	0.263942	0.426121	0.503141	0.456571	0.435903	0.386778	
18	BASE RATE PER-THERM (ROUNDED)		0.46319	0.58931	0.12617	0.26394	0.42612	0.50314	0.45657	0.43590	0.38678	
19	PER-THERM-RATE REV. (RND'D RATES)	304,239,287	44,687,387	51,009	1,069	12,497	223,733	4,971,582	45,898,108	61,780,696	31,984,300	
20	SUMMARY: PROPOSED TARIFF RATES											
21	CUSTOMER CHARGES	\$26.50, \$35.50, \$35.50	\$41.00	\$56.00	\$84.00	\$63.00	\$0.00	\$63.00	\$81.00	\$151.00	\$815.00	
22	ENERGY CHARGES											
23	NON-GAS (CENTS PER THERM)	46.319	58.931	12.617	26.394	42.612	50.314	50.314	45.657	43.590	38.678	
24	PURCHASED GAS ADJUSTMENT		70.805	70.805	70.805	70.805	70.805	70.805	70.805	70.805	70.805	
25	TOTAL (INCLUDING PGA)	117,124	129,736	83,422	97,199	113,417	121,119	121,119	116,462	114,395	109,483	
26	SUMMARY: PRESENT TARIFF RATES											
27	CUSTOMER CHARGES	\$19.10, \$24.41, \$31.54	RS1	Res GHP	Com GHP	CSLS	SGS	GS1	GS2	GS3		
28	ENERGY CHARGES		\$31.54	\$31.54	\$52.64	\$0.00	\$43.07	\$66.05	\$123.47	\$502.52		
29	NON-GAS (CENTS PER THERM)	0.351650	0.215790	0.215790	0.066670	0.406800	0.492860	0.464230	0.397230	0.339800		
30	PURCHASED GAS ADJUSTMENT		70.805	70.805	70.805	70.805	70.805	70.805	70.805	70.805	70.805	
31	TOTAL (INCLUDING PGA)	105,970	92,384	92,384	77,472	111,485	120,091	117,228	110,528	104,795		

SUPPORTING SCHEDULES: E-2 p.1, E-3 p.1-6, H-1 p.2

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
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PEAK AND AVERAGE METHODOLOGY SCHEDULES

PAGE 12 OF 13											
TYPE OF DATA SHOWN: 12/31/26											
PROJECTED TEST YEAR: WITNESS: J. TAYLOR											
EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY											
PEAK AND AVERAGE											
RATE DESIGN (SCHEDULE A)											
LINE NO.	GENERAL SERVICE 4	GENERAL SERVICE 5	COMMERCIAL GENERATORS	SMALL INTERRUPTIBLE SERVICE	INTERRUPTIBLE SERVICE	INTERRUPTIBLE LARGE VOLUME	WHOLESALE CONTRACTS				
1	20,804,679	51,996,594	1,262,020	7,513,852	10,724,491	0	857,626	37,742,186			
2	25,267	377,201	59,182	43,041	17,678	0	39,498	4,271,403			
3											
4	\$ 1,272.00	\$ 2,805.00	\$ 70.00	\$ 3,259.00	\$ 3,652.00	\$ 4,024.00	\$ 888.00	\$0.00			
5	1,783	2,304	13,873	336	138	0	156	274			
6											
7											
8											
9											
10											
11											
12	2,267,976	6,462,720	971,110	1,095,024	503,976	0	138,528	0			
13											
14	0	0	0	0	0	0	0	0			
15	18,511,437	45,156,673	231,728	6,375,787	10,202,837	0	679,600	33,470,782			
16	52,669,966	188,953,310	604,077	47,399,864	151,139,143	0	2,315,711	1,108,801,224			
17	0.351461	0.238983	0.383607	0.134511	0.067506	0.017510	0.293473	Negotiated			
18	0.35146	0.23898	0.38361	0.13451	0.06751	0.01751	0.29347	Negotiated			
19	18,511,386	45,156,284	231,730	6,375,729	10,203,404	0	679,592	33,470,782			
20											
21	\$1,272.00	\$2,805.00	\$70.00	\$3,259.00	\$3,652.00	\$4,024.00	\$888.00	\$0.00			
22	35,146	23,898	38,361	13,451	6,751	1,751	29,347	0.000			
23											
24	70,805	70,805	70,805	N/A	N/A	N/A	70,451	N/A			
25	105,951	94,703	109,166	13,451	6,751	1,751	99,798	0.000			
26											
27	GS 4	CS 5	CSG	SIS	IS	ISLV	WHS	SC			
28	\$952.39	\$2,101.00	\$52.64	\$2,440.80	\$2,823.66	\$3,110.82	\$665.24	\$0.00			
29	0.263230	0.178980	0.066670	0.100740	0.052190	0.013540	0.219780	0.000000			
30	0.000	70,805	0.000	48,044	N/A	N/A	70,451	N/A			
31	26,323	88,703	6,667	58,118	5,219	1,354	92,429	0.000			
SUPPORTING SCHEDULES: E-2 p.1, E-3 p.1-6, H-1 p.2											
RECAP SCHEDULES:											

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-1	PAGE 13 OF 13
FLORIDA PUBLIC SERVICE COMMISSION COMPANY: PEOPLES GAS SYSTEM, INC. DOCKET NO.: 20250029-GU	TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/26 WITNESS: J. TAYLOR
EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY PEAK AND AVERAGE	

SUMMARY

	PRESENT REVENUE	PROPOSED REVENUE
1 SERVICE CHARGES - PGS		
2		
3 CONNECTION / RECONNECT CHARGE-RESIDENTIAL	\$82.03	\$94.93
4 CONNECTION / RECONNECT CHARGE-COMMERCIAL	\$107.00	\$121.00
5 TRIP CHARGE	\$29.00	\$387.704
6 MISSED APPOINTMENT	\$25.00	\$30.084
7 ACCOUNT ACTIVATION ONLY (CHANGE OUT)	\$25.00	\$0
8 RETURN CHECK CHARGE	\$33.00	\$1.485.543
9 IT ADMINISTRATION CHARGE	\$25.00	\$340.975
10 POOL MANAGER CHARGES	\$216.00	\$1,273.012
11 FORFEITED DISCOUNTS	\$148.00	\$25.00
12 OTHER REVENUE (RENT)	\$0.00	\$31.00
13 TEMPORARY DISCONNECT CHARGE	Varies	\$25.00
14 FAILED TRIP CHARGE	\$33.00	\$313.80
15 AMORTIZATION / MAINTENANCE (ALLIANCE RNG)	\$25.00	\$148.00
16 MISCELLANEOUS SERVICE REVENUES - OTHER	\$0.00	\$142+\$0.91 per acct
17 GAS PLANT LEASED TO OTHERS	\$25.00	Varies
18	\$0.00	\$33.00
19 TOTAL	\$14,654.277	\$23.223
		\$31.00
		\$59.892
		(\$215.569)
		\$0.00
		\$25.00
		\$0.00
		\$4,473.320
		\$15,650.800

SUPPORTING SCHEDULES: E-2 p.1, E-3 p.1-6, H-1 p.2

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
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PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-2		PAGE 1 OF 11	
FLORIDA PUBLIC SERVICE COMMISSION COMPANY: PEOPLES GAS SYSTEM, INC. DOCKET NO.: 20250029-GU		COST OF SERVICE EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY (SUMMARY) PEAK AND AVERAGE	
		TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/26 WITNESS: J. TAYLOR	

LINE NO.	SUMMARY:	TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE
1	ADMINISTRATION					
2	O&M	181,541,489	105,470,203	58,071,188	-	-
3	DER	96,259,724	27,335,515	68,924,210	-	-
4	AMORTIZATION OF OTHER GAS PLANT	9,398,041	-	9,398,041	-	-
5	AMORTIZATION OF ENVIRONMENTAL	1,000,000	-	1,000,000	-	-
6	AMORTIZATION OF LIMITED TERM INVESTMENT	-	-	-	-	-
7	AMORTIZATION OF ACQUISITION ADJUSTMENT	-	-	-	-	-
8	AMORTIZATION OF CONVERSION COSTS	-	-	-	-	-
9	TAXES OTHER THAN INCOME TAXES	38,194,157	11,288,232	23,186,304	-	3,736,621
10	GAIN ON SALE OF PROPERTY	(224,601)	(224,601)	-	-	-
11	RETURN	223,651,232	63,542,684	160,108,548	-	-
12	INCOME TAXES	50,124,879	14,241,233	35,883,646	-	-
13	REVENUE CREDITED TO COST OF SERVICE	(18,296,688)	(18,296,688)	-	-	-
14	TOTAL COST OF SERVICE	579,944,901	221,633,366	354,574,914	-	3,736,621
15	RATE BASE	2,954,441,634	839,401,374	2,115,040,260	-	-
16	KNOWN DIRECT & SPECIAL ASSIGNMENTS:					
17	RATE BASE ITEMS(PLANT-ACC.DEP):					
18	381-393 METERS	179,027,638	179,027,638	-	-	-
19	383-394 HOUSE REGULATORS	34,474,515	34,474,515	-	-	-
20	395 INDUSTRIAL MEAS & REG.EQ.	7,099,867	7,099,867	-	-	-
21	376 MAINS	1,672,181,046	-	1,672,181,046	-	-
22	380 SERVICES	586,544,303	586,544,303	-	-	-
23	378 MEAS & REG.STA.EQ.-GEN.	20,356,610	-	20,356,610	-	-
24	336 PURIFICATION EQUIPMENT (RNG)	48,400,405	-	48,400,405	-	-
25	377 COMPRESSOR STAT. EQUIPMENT	16,918,017	-	16,918,017	-	-
26	O & M ITEMS	-	-	-	-	-
27	892 MAINT. OF SERVICES	1,701,580	1,701,580	-	-	-
28	876 MEAS & REG.STA.EQ.-IND.	15,878	15,878	-	-	-
29	878 METER HOUSE REG.	6,023,364	6,023,364	-	-	-
30	893 MAINT. OF REG.STA.EQ.-IND.	1,833,605	1,833,605	-	-	-
31	893 MAINT. OF METERS AND HOUSE REG.	833,605	833,605	-	-	-
32	874 MAINS AND SERVICES	14,616,451	4,220,522	10,394,929	-	-
33	887 MAINT. OF MAINS	7,107,891	-	7,107,891	-	-
34	413 GAS PLANT LEASED TO OTHERS	468,936	-	468,936	-	-
35	904 UNCOLLECTIBLE ACCOUNTS	2,108,291	2,108,291	-	-	-
36	911-916 SALES EXPENSE	10,109,143	10,109,143	-	-	-

SUPPORTING SCHEDULES: H-3.p.5

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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FILED: 03/31/2025

RECAP SCHEDULES: H-2.p.1

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-2		COST OF SERVICE										PAGE 2 OF 11	
FLORIDA PUBLIC SERVICE COMMISSION COMPANY: PEOPLES GAS SYSTEM, INC. DOCKET NO.: 20250029-GU		EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY PEAK AND AVERAGE										TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/26 WITNESS: J. TAYLOR	
LINE NO.		DEVELOPMENT OF ALLOCATION FACTORS SCHEDULE G											
		(1 - 1,999) RESIDENTIAL (1, 2, 3)	RESIDENTIAL GENERATORS	RESIDENTIAL HEAT PUMP	COMMERCIAL HEAT PUMP	COMMERCIAL STREET LIGHTING	(1 - 1,999) SMALL GENERAL SERVICE	(2,000 - 9,999) GENERAL SERVICE 1	(10,000 - 49,999) GENERAL SERVICE 2	(50,000 - 249,999) GENERAL SERVICE 3			
TOTAL													
1		CUSTOMER COSTS											
2	No. of Customers	538,098	491,409	1,375	2	5	13,623	21,065	8,198	848			
3	Weighting	NA	1.00	1.41	2.25	2.53	2.80	3.72	7.93	17.06			
4	Weighted No. of Customers	705,243	491,409	1,938	5	13	38,112	78,414	65,044	14,466			
5	Allocation Factors	100.00%	69.68%	0.27%	0.00%	0.00%	5.40%	11.12%	9.22%	2.09%			
6	Weighted No. of Customers - (No Direct Assignment)	703,861	491,409	1,938	5	13	38,112	78,414	65,044	14,466			
7	Allocation Factor	100.00%	69.82%	0.28%	0.00%	0.00%	5.41%	11.14%	9.24%	2.06%			
8	CUSTOMER ALLOCATORS												
9	CUST	100.00%	91.32%	0.26%	0.00%	0.00%	2.53%	3.91%	1.52%	0.16%			
10	Average Number Customers - TY 2026	538,098	491,409	1,375	2	5	13,623	21,065	8,198	848			
11	CUST SMALL	100.00%	91.37%	0.26%	0.00%	0.00%	2.53%	3.92%	1.52%	0.16%			
12	Average Number Customers - TY 2026 - Small	537,843	491,409	1,375	2	5	13,623	21,065	8,198	848			
13	CMET	100.00%	91.74%	0.26%	0.00%	0.00%	2.54%	3.93%	1.53%	0.00%			
14	Meter Reading	535,678	491,409	1,375	2	5	13,623	21,065	8,198	848			
15	UNCOLLECT	100.00%	75.87%	0.24%	0.00%	0.00%	2.80%	12.64%	5.21%	0.65%			
		2,097,661	1,591,415	5,022	-	-	58,688	265,116	109,270	13,601			
16	CAPACITY COSTS												
17	Peak & Avg. Month Sales Vol. (Therms)	346,404,031	21,533,336	18,486	1,225	5,873	1,960,426	19,092,669	26,765,515	15,456,331			
18	Allocation Factors	100.00%	6.22%	0.01%	0.00%	0.00%	0.57%	5.51%	7.73%	4.46%			
19	Peak & Avg. Month Sales Vol. (Therms) - No Direct C.	143,247,469	21,533,336	18,486	1,225	5,873	1,960,426	19,092,669	26,765,515	15,456,331			
20	Allocation Factor	100.00%	15.03%	0.01%	0.00%	0.00%	1.37%	13.33%	18.68%	10.79%			
21	Small and Medium Customer Peak & Avg. Month Sale	135,093,858	21,533,336	18,486	1,225	5,873	1,960,426	19,092,669	26,765,515	15,456,331			
22	Allocation Factor	100.00%	15.94%	0.01%	0.00%	0.00%	1.45%	14.13%	19.81%	11.44%			
23	Small Customer Peak & Avg. Month Sales Vol. (therms)	94,675,927	21,533,336	18,486	1,225	5,873	1,960,426	19,092,669	26,765,515	15,456,331			
24	Allocation Factor	100.00%	22.74%	0.02%	0.00%	0.01%	2.07%	20.17%	28.27%	16.33%			
25	Industrial Measuring and Regulating	252,342,349	0	0	0	0	0	0	0	0			
26	Allocation Factor	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
27	Existing Revenues	459,055,558	178,313,259	545,010	1,807	15,780	11,910,743	63,364,339	68,446,676	33,211,483			
28	Allocation Factor	100.00%	38.84%	0.12%	0.00%	0.00%	2.59%	13.80%	14.91%	7.23%			
29	Sales Expense	10,109,143	4,039,678	3,624	355	678	7,522	141,568	2,030,605	1,184,765			
30	Allocation Factor	100.00%	39.96%	0.04%	0.00%	0.01%	1.40%	14.25%	20.09%	11.72%			
31	DEMAND ALLOCATORS												
32	January Sales Volumes Small Classes	55,386,625	14,038,925	11,679	500	1,725	1,168,358	10,949,128	15,268,931	8,732,586			
33	Allocation Factor	100.00%	25.35%	0.02%	0.00%	0.00%	2.11%	19.77%	27.57%	15.77%			
34	COMMODITY COSTS												
35	Annual Sales Vol. (therms)	1,963,862,290	96,477,443	86,557	8,473	47,348	9,881,110	100,528,085	141,731,351	82,693,781			
36	Allocation Factors	100.00%	4.86%	0.00%	0.00%	0.03%	0.50%	5.07%	7.14%	4.17%			
37	REVENUE-RELATED COSTS												
38	Revenue Assessments	2,806,295	1,074,651	3,064	23	96	1,040	352,113	437,080	225,953			
39	Allocation Factors	100.00%	38.29%	0.11%	0.00%	0.00%	0.04%	12.55%	15.57%	8.05%			
40	Allocation Factors excl. Direct Assign												
SUPPORTING SCHEDULES: E-2 p.3, E-4 p.1, H-2 p.6												RECAP SCHEDULES: H-2 p.1	

RECAP SCHEDULES: H-2 p.1

SUPPORTING SCHEDULES: E-2 p.3, E-4 p.1, H-2 p.8

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-2	COST OF SERVICE	PAGE 3 OF 11
FLORIDA PUBLIC SERVICE COMMISSION COMPANY: PEOPLES GAS SYSTEM, INC. DOCKET NO.: 20250029-GU	EXPLANATION: FULLY ALLOCATED EMBEDDED COST COST OF SERVICE STUDY PEAK AND AVERAGE	TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/26 WITNESS: J. TAYLOR

DEVELOPMENT OF ALLOCATION FACTORS SCHEDULE G

LINE NO.		(250,000 - 499,999) GENERAL SERVICE 4	(500,000 -) GENERAL SERVICE 5	COMMERCIAL GENERATORS	(1,000,000 - 3,999,999) SMALL INTERRUPTIBLE SERVICE	(4,000,000 - 50,000,000) INTERRUPTIBLE SERVICE	(50,000,000 -) LARGE VOLUME	WHOLESALE	SPECIAL CONTRACTS
1	CUSTOMER COSTS								
2	No. of Customers	149	192	1,156	28	12	-	13	23
3	Weighting	21.26	25.91	5.00	24.95	32.42	-	26.43	22.21
4	Weighted No. of Customers	3,159	4,976	5,784	696	373	-	344	507
5	Allocation Factors	0.45%	0.71%	0.82%	0.10%	0.09%	0.00%	0.09%	0.07%
6	Weighted No. of Customers - (No Direct Assignment)	3,159	4,976	5,784	-	-	-	344	196
7	Allocation Factor	0.45%	0.71%	0.82%	0.00%	0.00%	0.00%	0.09%	0.03%
8	CUSTOMER ALLOCATORS								
9	CUST	0.03%	0.04%	0.21%	0.01%	0.00%	0.00%	0.00%	0.00%
10	Average Number Customers - TY 2026	149	192	1,156	28	12	-	13	23
11	CUST_SMALL	0.03%	0.00%	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%
12	Average Number Customers - TY 2026 - Small	149	-	1,156	-	-	-	13	-
13	CMET	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Meter Reading								
15	UNCOLLECT	0.00%	2.25%	0.35%	0.00%	0.00%	0.00%	0.00%	0.00%
		-	47,250	7,289	-	-	-	-	-
16	CAPACITY COSTS								
17	Peak & Avg. Month Sales Vol. (Therms)	9,151,234	32,216,997	104,514	8,404,696	25,223,347	-	509,731	185,883,064
18	Allocation Factors	2.64%	9.30%	0.03%	2.43%	7.28%	0.00%	0.16%	53.86%
19	Peak & Avg. Month Sales Vol. (Therms) - No Direct Cr.	9,151,234	32,216,997	104,514	4,309,060	8,153,612	-	509,731	3,891,873
20	Allocation Factor	6.39%	22.49%	0.07%	3.01%	9.69%	0.00%	0.36%	2.72%
21	Small and Medium Customer Peak & Avg. Month Sale	9,151,234	32,216,997	104,514	4,309,060	0	0	509,731	3,891,873
22	Allocation Factor	6.77%	23.85%	0.08%	3.19%	0.00%	0.00%	0.38%	2.88%
23	Small Customer Peak & Avg. Month Sales Vol. (therms)	9,151,234	-	104,514	-	-	-	509,731	-
24	Allocation Factor	9.67%	0.00%	0.11%	0.00%	0.00%	0.00%	0.54%	0.00%
25	Industrial Measuring and Regulating	0	32,216,997	104,514	8,404,696	25,223,347	-	509,731	185,883,064
26	Allocation Factor	0.00%	12.77%	0.04%	3.33%	10.00%	0.00%	0.20%	73.86%
27	Existing Revenues	15,562,427	38,659,565	900,848	5,595,151	8,277,617	-	612,724	33,424,540
28	Allocation Factor	3.39%	8.42%	0.20%	1.22%	1.80%	0.00%	0.13%	7.28%
29	Sales Expense	754,610	244,633	782	61,367	195,876	-	2,998	0
30	Allocation Factor	7.46%	2.42%	0.01%	0.61%	1.94%	0.00%	0.03%	0.00%
31	DEMAND ALLOCATORS								
32	January Sales Volume Small Classes	4,759,351	-	54,559	-	-	-	329,133	-
33	Allocation Factor	8.67%	0.00%	0.10%	0.00%	0.00%	0.00%	0.59%	0.00%
34	COMMODITY COSTS								
35	Annual Sales Vol. (Therms)	52,659,666	188,953,310	604,077	47,399,664	151,139,143	-	2,315,711	1,108,801,224
36	Allocation Factors	2.65%	9.52%	0.03%	2.39%	7.62%	0.00%	0.12%	55.89%
37	REVENUE-RELATED COSTS								
38	Revenue Assessments	127,989	254,806	8,094	34,519	50,860	0	7,155	166,341
39	Allocation Factors	4.56%	9.06%	0.29%	1.23%	1.81%	0.00%	0.25%	5.97%
40	Allocation Factors excl. Direct Assign								

SUPPORTING SCHEDULES: E-2 p.3, E-4 p.1, H-2 p.6 RECAP SCHEDULES: H-2 p.1

SCHEDULE H-2		PAGE 4 OF 11
COST OF SERVICE	EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY PEAK AND AVERAGE	TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/26 WITNESS: J. TAYLOR
FLORIDA PUBLIC SERVICE COMMISSION COMPANY: PEOPLES GAS SYSTEM, INC. DOCKET NO.: 20250029-GU		

SCHEDULE H-2		COST OF SERVICE				PAGE 4 OF 11				
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: FULLY ALLOCATED EMBEDDED				TYPE OF DATA SHOWN:				
COMPANY: PEOPLES GAS SYSTEM, INC.		COST OF SERVICE STUDY				PROJECTED TEST YEAR:				
DOCKET NO.: 20250029-GU		PEAK AND AVERAGE				WITNESS: J. TAYLOR				
		SCHEDULE F								
		ALLOCATION OF RATE BASE TO CUSTOMER CLASSES								
LINE NO.		RESIDENTIAL (1, 2, 3)	RESIDENTIAL GENERATORS	RESIDENTIAL PUMP	COMMERCIAL PUMP	COMMERCIAL LIGHTING	SMALL GENERAL SERVICE	GENERAL SERVICE 1	GENERAL SERVICE 2	GENERAL SERVICE 3
RATE BASE BY CUSTOMER CLASS		TOTAL								
1	DIRECT AND SPECIAL ASSIGNMENTS:									
2	Customer	123,713,229	487,991	1,134	3,348	-	9,594,688	19,740,879	16,375,024	3,641,937
3	Meiers	177,198,302				-				
4	Meiers - Direct	1,829,338				-				
5	House Regulators	34,474,515	94,940	221	651	-	1,866,678	3,840,663	3,185,815	708,551
6	Industrial Meas.& Reg. Sta. Eq.	7,099,887				-				
7	Mains					-				
8	Services	594,881,393	408,321,373	1,610,639	3,744	11,050	31,687,723	65,155,708	94,046,542	12,020,386
9	Services - Direct	1,892,910				-				
10	Other Equipment (387 acct)	2,890,638	1,933,679	7,627	18	52	140,668	201,556	255,947	56,025
11	General Working Capital	23,443,443	18,388,278	64,565	160	443	1,269,458	3,811,881	2,188,550	481,895
12	Other	4,967,380	427,312	1,244	153	153	20,184	89,211	73,229	34,596
13	All Other	3,468,024	13,680	32	94	57	268,954	553,388	404,884	102,093
14	Total	839,401,374	578,300,688	2,280,687	5,303	15,656	44,837,662	92,280,277	76,562,141	17,046,345
Capacity										
15	Industrial Meas.& Reg. Sta. Eq.					-				
16	Meas.&Reg.Sta.Eq.-Gen.					-				
17	Meas.&Reg.Sta.Eq.-Gen. - Direct	9,908,719	1,489,505	1,279	85	406	5,298	1,320,679	1,851,425	1,089,146
18	Mains - Large Diameter	10,450,891								
19	Mains - Medium Diameter	313,052,985	92,161,747	79,119	5,242	25,135	327,796	8,390,539	81,715,799	114,555,248
20	Mains - Small Diameter	330,626,149	52,864,339	45,228	2,997	14,368	187,385	4,796,458	46,712,994	65,485,602
21	Mains - Direct Assignment	628,817,360	143,019,631	122,779	6,135	39,006	508,605	13,020,732	126,809,443	177,770,850
22	Plant - Direct	48,044,562				-				
23	Plant - Direct (377 acct)	23,525,655				-				
24	Comp. Station Equip. - Direct (377 acct)	15,336,665	2,305,448	1,979	131	629	8,200	209,891	2,044,140	2,865,626
25	Other Equipment (387 acct)	1,881,352				-				
26	General Plant - Direct	5,629,160	933,980	802	255	3,322	85,031	828,120	1,160,919	670,398
27	General Plant - Direct	23,757,443	3,541,752.50	3,383.94	224.21	1,075.04	358,866.52	3,405,015.74	4,899,571.41	2,829,364.44
28	Working Capital	3,319,323				-				
29	All Other	384,730	227,172.04	681.49	2.39	81.08	10,730.18	36,794.71	38,930.56	18,391.84
30	Total	324,090,526	48,718,139	41,823	2,771	13,287	173,278	4,435,370	43,195,248	60,555,693
31	Total	2,115,040,260	345,481,954	297,055	19,641	94,170	1,228,063	31,443,224	306,159,742	425,183,865
32	Commodity	16.592%		0.014%	0.001%	0.005%	0.059%	1.511%	14.711%	20.623%
33	Account #	-	-	-	-	-	-	-	-	-
34	Account #	-	-	-	-	-	-	-	-	-
35	Account #	-	-	-	-	-	-	-	-	-
36	All Other	-	-	-	-	-	-	-	-	-
37	Total	-	-	-	-	-	-	-	-	-

SUPPORTING SCHEDULES: H-2 p.5, H-2 p.6

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PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-2	COST OF SERVICE	PAGE 5 OF 11
FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION: FULLY ALLOCATED EMBEDDED COST	TYPE OF DATA SHOWN:
COMPANY: PEOPLES GAS SYSTEM, INC.	OF SERVICE STUDY	PROJECTED TEST YEAR: 12/31/26
DOCKET NO.: 20250029-GU	PEAK AND AVERAGE	WITNESS: J. TAYLOR

ALLOCATION OF RATE BASE TO CUSTOMER CLASSES										
SCHEDULE F										
LINE NO.	RATE BASE BY CUSTOMER CLASS	GENERAL SERVICE 4	GENERAL SERVICE 5	COMMERCIAL GENERATORS	SMALL INTERRUPTIBLE SERVICE	INTERRUPTIBLE SERVICE	INTERRUPTIBLE LARGE VOLUME	WHOLESALE	SPECIAL CONTRACTS	
1	DIRECT AND SPECIAL ASSIGNMENTS:									
2	Customer									
3	Meiers	755,343	1,252,607	1,456,243	-	-	-	86,495	40,384	
4	Meiers - Direct	-	-	-	115,658	135,192	-	-	1,578,485	
5	House Regulators	154,737	243,699	283,317	-	-	-	16,828	9,608	
6	Industrial Meas.& Reg. Sta. Eq.	-	906,453	2,941	236,473	709,680	-	14,342	5,229,979	
7	Mains	-	-	-	-	-	-	-	-	
8	Services	2,625,066	4,134,289	4,806,400	-	-	-	285,479	162,994	
9	Services - Direct	-	-	-	748,144	277,795	-	-	686,972	
10	Other Equipment (387 acct)	12,431	22,731	22,772	3,826	3,904	-	1,402	26,765	
11	General Plant	105,230	192,411	192,760	32,385	33,044	-	11,866	226,955	
12	Working Capital	19,009	35,335	2,187	4,789	6,616	-	1,121	28,673	
13	All Other	22,296	35,114	40,822	-	-	-	2,425	1,394	
14	Total	3,734,112	6,822,637	6,897,441	1,141,275	1,166,231	-	419,957	7,960,610	
15	Capacity									
16	Industrial Meas. & Reg. Sta. Eq.	-	-	-	-	-	-	-	-	
17	Meas.&Reg.Sta.Eq.-Gen.	633,010	2,228,515	7,229	298,066	564,002	-	35,259	269,209	
18	Meas.&Reg.Sta.Eq.-Gen. - Direct	-	-	-	92,856	2,691,802	-	-	7,676,233	
19	Mains - Large Diameter	39,166,886	137,887,357	447,315	18,442,592	34,897,107	-	2,181,627	16,657,047	
20	Mains - Medium Diameter	22,389,784	78,923,421	255,708	10,542,723	-	-	1,247,129	9,522,015	
21	Mains - Small Diameter	60,780,550	-	694,159	-	-	-	3,385,625	-	
22	Mains - Direct Assignment	-	-	-	153,302	1,996,681	-	-	97,594,680	
23	Purification - Direct (336 acct)	-	-	-	-	872,959	-	-	48,400,405	
24	Comp Station Equip. (377 acct)	979,769	3,440,285	11,190	461,346	-	-	54,574	416,680	
25	Comp Station Equip. - Direct (377 acct)	-	-	-	-	-	-	-	1,581,352	
26	Other Equipment (387 acct)	396,923	712,151	4,533	96,007	131,365	-	22,109	583,192	
27	General Plant	1,675,182.86	3,005,578.77	19,131.62	405,417.28	554,417.90	-	93,308.99	2,461,317.29	
28	General Plant - Direct	10,105.92	18,794.91	1,162.77	2,545.99	3,517.23	-	595.87	3,319,323.07	
29	Working Capital	20,713,250	7,899,100	226,589	9,799,345	19,744.58	-	1,119,340	15,243,164	
30	All Other	146,736,440	295,014,592	1,676,895	40,233,672	60,158,008	-	8,123,368	192,301,871	
31	Total	7,051%	12.851%	0.081%	1.705%	2.334%	0.000%	0.393%	10.360%	
32	Commodity									
33	Account #									
34	Account #									
35	Account #									
36	All Other									
37	Total									
38	TOTAL	150,470,952	305,837,139	8,484,327	41,374,947	61,325,139	-	8,593,325	205,282,680	
39	Customer Related Rate Base	0.44%	0.81%	0.81%	0.14%	0.14%	0.00%	0.05%	0.95%	
40	Capacity Related Rate Base	6.94%	14.14%	0.05%	1.50%	2.59%	0.00%	0.36%	9.33%	
41	Commodity Related Rate Base	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

SUPPORTING SCHEDULES: H-2,p.5, H-2,p.6 RECAP SCHEDULES: H-2,p.1

SCHEDULE H-2		PAGE 6 OF 11
FLORIDA PUBLIC SERVICE COMMISSION COMPANY: PEOPLES GAS SYSTEM, INC. DOCKET NO.: 20250029-GU	COST OF SERVICE EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY PEAK AND AVERAGE ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES SCHEDULE 1 OF 2	TYPE OF DATA SHOWN: 12/31/26 PROJECTED TEST YEAR: WITNESS: J. TAYLOR

LINE NO.	TOTAL	REPAIRS (1,2,3)	GENERATORS	PUMP	PUMP	LIFTING	SMALL SERVICE	SERVICE 1	SERVICE 2	SERVICE 3
OPERATIONS AND MAINTENANCE EXPENSE:										
DIRECT AND SPECIAL ASSIGNMENTS:										
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SUPPORTING SCHEDULES: H-2 p.5, H-2 p.6										
RECAP SCHEDULES: H-2 p.1										

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-2									
PEOPLES GAS SYSTEM, INC.									
DOCKET NO. 20250029-GU									
PAGE 7 OF 11									
FLORIDA PUBLIC SERVICE COMMISSION									
COMPANY: PEOPLES GAS SYSTEM, INC.									
DOCKET NO. 20250029-GU									
TYPE OF DATA SHOWN: 12/31/26									
PROJECTED TEST YEAR: WITNESS: J. TAYLOR									
SCHEDULE E 1 OF 2									
ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES									
LINE NO.	GENERAL SERVICE 4	GENERAL SERVICE 5	COMMERCIAL GENERATORS	SMALL INTERRUPTIBLE SERVICE	INTERRUPTIBLE SERVICE	INTERRUPTIBLE LARGE VOLUME	WHOLESALE	SPECIAL CONTRACTS	
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SUPPORTING SCHEDULES: H-2 p.s. H-2 p.8

RECAP SCHEDULES: H-2 p.1

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-2	COST OF SERVICE	TYPE OF DATA SHOWN:	12/31/26
FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION: FULLY ALLOCATED EMBEDDED	PROJECTED TEST YEAR:	
COMPANY: PEOPLES GAS SYSTEM, INC.	COST OF SERVICE STUDY	WITNESS: J. TAYLOR	
DOCKET NO.: 20250029-GU	PEAK AND AVERAGE		
	ALLOCATION OF COST OF SERVICE		
	TO CUSTOMER CLASSES		
	SCHEDULE E 2 OF 2		

LINE NO.	TOTAL	RESIDENTIAL (1, 2, 3)	RESIDENTIAL GENERATORS	RESIDENTIAL HEAT PUMP	COMMERCIAL HEAT PUMP	COMMERCIAL STREET LIGHTING	SMALL GENERAL SERVICE	GENERAL SERVICE 1	GENERAL SERVICE 2	GENERAL SERVICE 3
TAXES OTHER THAN INCOME TAXES:										
1										
2	11,268,232	7,763,182.92	30,616	71	210	2	601,907	1,238,782	1,027,780	228,832
3	23,489,304	3,787,865	3,257	215	1,032	13,464	344,744	3,395,729	4,705,572	2,717,291
4	34,457,537	11,951,048	33,873	287	1,243	13,467	946,650	4,595,512	5,733,353	2,946,123
5	3,736,621	1,430,913	4,080	30	128	1,384	96,552	468,844	581,978	300,899
6	38,194,157	12,981,960	37,953	317	1,371	14,851	1,043,202	5,064,395	6,315,330	3,246,982
GAIN ON SALE OF PROPERTY										
7										
8	(224,601)	(205,114)	(574)	(1)	(2)	-	(5,686)	(8,793)	(3,422)	(394)
9	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-
11	(224,601)	(205,114)	(574)	(1)	(2)	-	(5,686)	(8,793)	(3,422)	(394)
RETURN (NOI)										
12										
13	63,542,894	43,777,362	172,848	401	1,185	12	3,394,211	6,895,817	5,705,754	1,200,408
14	160,108,546	26,153,884	22,487	1,487	7,129	92,964	2,380,252	23,776,247	32,489,219	18,761,299
15	-	-	-	-	-	-	-	-	-	-
16	223,651,232	69,930,346	195,135	1,888	8,314	92,976	5,774,463	30,161,864	38,294,973	20,051,707
INCOME TAXES										
17										
18	14,241,233	9,811,415	38,694	90	266	3	760,713	1,865,622	1,298,949	289,207
19	35,893,646	5,861,426	5,040	333	1,598	20,635	533,464	5,194,278	7,281,508	4,204,796
20	-	-	-	-	-	-	-	-	-	-
21	50,124,879	15,672,841	43,734	423	1,863	20,638	1,294,177	6,759,899	8,580,456	4,494,003
REVENUE CREDITED TO COS:										
22										
23	(18,266,688)	(10,475,965)	(26,150)	(36)	(262)	(727)	(738,376)	(1,442,607)	(636,420)	(142,875)
TOTAL COST OF SERVICE:										
24										
25	203,306,678	155,317,237	559,036	1,459	3,189	(706)	9,106,906	18,306,235	14,424,483	3,072,166
26	394,574,914	58,331,116	50,142	3,316	15,901	207,366	5,309,144	51,896,420	72,470,078	41,848,851
27										
28	957,911,593	213,648,353	609,178	4,476	19,090	206,660	14,416,051	70,002,659	86,894,561	44,921,017
29	3,736,621	1,430,913	4,080	30	128	1,384	96,552	468,844	581,978	300,899
30	961,648,213	215,079,266	613,258	4,506	19,218	208,045	14,512,602	70,471,499	87,476,538	45,221,876

SUPPORTING SCHEDULES: H-2.p.s. H-2 p.6

RECAP SCHEDULES: H-2.p.1

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-2	COST OF SERVICE	PAGE 9 OF 11
FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION: FULLY ALLOCATED EMBEDDED COST	TYPE OF DATA SHOWN:
COMPANY: PEOPLES GAS SYSTEM, INC.	OF SERVICE STUDY	PROJECTED TEST YEAR: 12/31/26
DOCKET NO.: 20250029-GU	PEAK AND AVERAGE	WITNESS: J. TAYLOR
	ALLOCATION OF COST OF SERVICE	
	TO CUSTOMER CLASSES	
	SCHEDULE E 2 OF 2	

LINE NO.	GENERAL SERVICE 4	GENERAL SERVICE 5	COMMERCIAL GENERATORS	SMALL INTERRUPTIBLE SERVICE	INTERRUPTIBLE SERVICE	INTERRUPTIBLE LARGE VOLUME	WHOLESALE	SPECIAL CONTRACTS
TAXES OTHER THAN INCOME TAXES:								
1	Customer	50,127	91,598	91,384	15,321	15,656	-	5,638
2	Capacity	1,608,819	3,278,395	18,385	441,122	659,582	-	89,613
3	Subtotal	1,658,946	3,369,993	109,769	456,443	675,238	-	95,250
4	Revenue	170,420	339,278	10,777	45,952	67,721	-	9,927
5	Total	1,829,366	3,709,271	120,546	502,405	742,959	-	104,777
GAIN ON SALE OF PROPERTY								
7	Customer	(62)	(60)	(483)	(12)	(6)	-	(6)
8	Capacity	-	-	-	-	-	-	-
9	Subtotal	-	-	-	-	-	-	-
10	Revenue	-	-	-	-	-	-	-
11	Total	(62)	(60)	(483)	(12)	(6)	-	(6)
RETURN (NOI)								
12	Customer	282,672	516,474	515,323	86,395	88,284	-	31,791
13	Capacity	11,107,949	22,635,398	128,940	3,045,689	4,554,029	-	618,724
14	Subtotal	-	-	-	-	-	-	-
15	Revenue	-	-	-	-	-	-	-
16	Total	11,390,621	23,151,871	642,264	3,132,084	4,642,313	-	650,515
INCOME TAXES								
17	Customer	63,353	115,752	115,495	19,353	19,786	-	7,125
18	Capacity	2,489,522	5,073,062	28,450	682,602	1,020,652	-	138,669
19	Subtotal	-	-	-	-	-	-	-
20	Revenue	-	-	-	-	-	-	-
21	Total	2,552,874	5,188,815	143,945	701,955	1,040,439	-	145,794
REVENUE CREDITED TO COS:								
22	Customer	(25,267)	(377,201)	(59,182)	(43,041)	(17,678)	-	(39,498)
23	Capacity	-	-	-	-	-	-	-
24	Subtotal	-	-	-	-	-	-	-
25	Revenue	-	-	-	-	-	-	-
26	Total	(25,267)	(377,201)	(59,182)	(43,041)	(17,678)	-	(39,498)
TOTAL COST OF SERVICE:								
27	Customer	667,855	1,250,255	1,325,905	215,311	384,083	-	42,339
28	Capacity	24,777,351	49,406,984	283,123	6,547,230	9,717,221	-	1,380,123
29	Subtotal	25,445,207	50,657,239	1,609,118	6,862,541	10,111,304	-	1,422,461
30	Revenue	170,420	339,278	10,777	45,952	67,721	-	9,927
31	Total	25,615,626	50,996,516	1,619,895	6,908,503	10,179,025	-	1,431,888

SUPPORTING SCHEDULES: H-2 p.5, H-2 p.6

RECAP SCHEDULES: H-2 p.1

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-2		COST OF SERVICE		PAGE 10 OF 11	
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: FULLY ALLOCATED EMBEDDED		TYPE OF DATA SHOWN:	
COMPANY: PEOPLES GAS SYSTEM, INC.		COST OF SERVICE STUDY (SUMMARY)		PROJECTED TEST YEAR:	
DOCKET NO.: 20250029-GU		PEAK AND AVERAGE		WITNESS: J. TAYLOR	

LINE NO.	SUMMARY	TOTAL	RESIDENTIAL (1,2,3)	RESIDENTIAL GENERATORS	RESIDENTIAL HEAT PUMP	COMMERCIAL HEAT PUMP	COMMERCIAL STREET LIGHTING	SMALL GENERAL SERVICE	GENERAL SERVICE 1	GENERAL SERVICE 2	GENERAL SERVICE 3
1	ADDITION	2,994,441,634	923,782,641	2,577,742	24,944	109,626	1,228,216	76,260,886	396,439,419	505,746,007	284,683,046
2	ADDITION	0	0	0	0	0	0	0	0	0	0
3	DEPRECIATION	161,541,469	95,385,635	277,748	1,005	3,894	34,045	4,505,419	15,449,486	16,346,271	7,722,418
4	AMORTIZATION EXPENSES	96,256,724	30,091,092	63,952	813	3,579	40,025	2,484,821	12,982,162	16,479,381	8,631,666
5	TAXES OTHER THAN INCOME - OTHER	10,396,041	1,698,471	1,490	97	463	6,037	154,582	1,505,151	2,109,970	1,218,428
6	TAXES OTHER THAN INCOME - REV. RELATED	34,457,537	11,551,048	33,873	287	1,243	13,467	946,650	4,595,512	5,733,353	2,946,123
7	GAIN ON SALE OF PROPERTY	3,736,621	1,430,913	4,090	30	1,384	92,976	96,552	468,844	581,978	300,859
8	INCOME TAXES TOTAL	(224,601)	(205,114)	(574)	(1)	(2)	-	(5,686)	(8,793)	(3,422)	(384)
9	REVENUE CREDITED TO COS:	223,651,232	69,930,346	195,135	1,888	8,314	20,838	1,254,177	6,759,899	8,890,456	4,494,003
10	TOTAL COST - CUSTOMER	(18,256,688)	(10,475,965)	(26,150)	(36)	(262)	(727)	(738,376)	(1,442,607)	(636,420)	(142,875)
11	TOTAL COST - CAPACITY	203,336,678	155,317,237	559,036	1,159	3,189	-706	9,106,506	18,306,235	14,424,463	3,072,166
12	TOTAL COST - COMMODITY	394,574,914	58,331,116	50,142	3,316	15,901	207,366	5,309,144	51,696,420	72,470,078	41,848,851
13	TOTAL COST - REVENUE	0	0	0	0	0	0	0	0	0	0
14	NO. OF CUSTOMERS	3,736,621	1,430,913	4,090	30	1,384	92,976	96,552	468,844	581,978	300,859
15	PEAK MONTHLY SALES	538,096	21,451,409	1,375	5	5	13,623	13,623	21,065	6,196	846
16	ANNUAL SALES	346,049,551	21,533,435	19,486	1,223	5,973	76,589	1,960,740	19,226,069	26,765,515	15,466,331
17	ANNUAL SALES	1,983,862,290	96,477,443	86,537	8,473	47,346	525,047	9,861,110	100,526,065	141,731,351	82,680,761

SUPPORTING SCHEDULES: H-2.p.5 RECAP SCHEDULES: H-2.p.1

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-2		COST OF SERVICE		PAGE 11 OF 11	
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: FULLY ALLOCATED EMBEDDED COST		TYPE OF DATA SHOWN:	
COMPANY: PEOPLES GAS SYSTEM, INC.		OF SERVICE STUDY (SUMMARY)		PROJECTED TEST YEAR:	
DOCKET NO.: 20250029-GU		PEAK AND AVERAGE		WITNESS: J. TAYLOR	

LINE NO.	SUMMARY	GENERAL SERVICE 1	GENERAL SERVICE 2	GENERAL SERVICE 3	COMMERCIAL GENERATORS	SMALL INTERRUPTIBLE SERVICE	INTERRUPTIBLE SERVICE LARGE VOLUME	WHOLESALE	SPECIAL CONTRACTS
1	ADDITION	150,470,552	305,637,159	8,404,347	41,374,547	61,325,139	0	8,593,325	205,262,860
2	O&M	4,243,303	7,887,469	488,228	1,069,017	1,476,825	0	0	6,400,541
3	DEPRECIATION	4,503,400	9,696,365	276,333	1,248,267	1,938,417	0	250,196	6,680,505
4	AMORTIZATION EXPENSES	721,391	1,470,026	8,244	197,758	295,755	0	40,182	969,983
5	TAXES OTHER THAN INCOME - OTHER	1,658,946	3,369,983	109,769	456,443	675,238	0	96,250	2,270,353
6	TAXES OTHER THAN INCOME - REV. RELATED	170,420	339,278	10,777	45,962	67,721	0	9,527	208,170
7	GAIN ON SALE OF PROPERTY	(62)	(80)	(483)	(12)	(5)	(10)	(5)	(10)
8	RETURN	11,390,621	23,151,871	642,264	3,132,084	4,642,313	0	650,515	15,539,899
9	INCOME TAXES TOTAL	2,552,874	5,188,815	143,945	701,565	1,040,439	0	145,794	3,482,814
10	REVENUE CREDITED TO COS:	(25,267)	(377,201)	(59,182)	(43,041)	(17,676)	0	-39,468	-4,271,403
11	TOTAL COST - CUSTOMER	667,895	1,250,285	1,325,955	215,311	394,083	0	42,339	-1,348,864
12	TOTAL COST - CAPACITY	24,777,351	49,406,984	283,123	6,647,230	9,717,221	0	1,380,123	32,430,546
13	TOTAL COST - COMMODITY	0	0	0	0	0	0	0	0
14	TOTAL COST - REVENUE	170,420	339,278	10,777	45,962	67,721	0	9,527	208,170
15	NO. OF CUSTOMERS	149	82	1,155	28	12	0	13	23
16	PEAK CUSTOMER SALES	9,151,144	32,215,897	104,514	8,404,686	25,233,347	0	509,731	185,883,244
17	ANNUAL SALES	52,869,566	188,953,310	604,077	47,999,664	151,139,143	0	2,315,711	1,108,801,224

SUPPORTING SCHEDULES: H-2 p.2-5

RECAP SCHEDULES: H-2 p.1

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
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PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-3		COST OF SERVICE				PAGE 1 OF 5	
FLORIDA PUBLIC SERVICE COMMISSION COMPANY: PEOPLES GAS SYSTEM, INC. DOCKET NO.: 20250029-GU		EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY PEAK AND AVERAGE				TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/26 WITNESS: J. TAYLOR	
LINE NO.		CLASSIFICATION OF RATE BASE - PLANT SCHEDULE I: PAGE 1 OF 2				CLASSIFIER	
		TOTAL	CUSTOMER	CAPACITY	COMMODITY		
1	LOCAL STORAGE PLANT	1,398,587		1,398,587		100% capacity	
2	INTANGIBLE PLANT:	144,073,210		144,073,210		100% capacity	
3	336 PURIFICATION EQUIPMENT (RNG)	55,139,500		55,139,500		100% capacity	
4	DISTRIBUTION PLANT:						
5	374 Land and Land Rights	30,833,262		30,833,262		100% capacity	
6	375 Structures and Improvements	104,561,807		104,561,807		100% capacity	
7	376 Mains	2,149,347,769	-	2,149,347,769		18% customer, 82% capacity	
8	377 Comp Sta Eq.	19,851,446		19,851,446		100% capacity	
9	378 Meas & Reg Sta Eq.-Gen	27,911,297		27,911,297		100% capacity	
10	379 Meas & Reg Sta Eq.-CG	124,982,794		124,982,794		100% capacity	
11	380 Services	872,672,567		872,672,567		100% customer	
12	381-382 Meters	274,922,774		274,922,774		100% customer	
13	383-384 House Regulators	62,465,535		62,465,535		100% customer	
14	385 Industrial Meas & Reg Eq.	15,200,847		15,200,847		100% customer	
15	386 Property on Customer Premises	-		-		Accs 374-386	
16	387 Other Equipment	15,398,238	5,123,039	10,275,199		50% customer, 50% capacity	
17	106 Other Not Yet Classified						
18	Total Distribution Plant	3,698,148,336	1,230,384,762	2,467,763,574	-		
19	GENERAL PLANT:	94,914,732	47,457,366	47,457,366		50% customer, 50% capacity	
20	PLANT ACQUISITIONS:	-		-		100% capacity	
21	GAS PLANT FOR FUTURE USE:	-		-			
22	CWIP:	36,165,984	18,082,992	18,082,992		50% customer, 50% capacity	
23	TOTAL PLANT	4,029,840,349	1,295,925,120	2,733,915,229	-		

RECAP SCHEDULES: H-2 p.1

SUPPORTING SCHEDULES: E-6

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-3		COST OF SERVICE		PAGE 2 OF 5	
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED		TYPE OF DATA SHOWN:	
COMPANY: PEOPLES GAS SYSTEM, INC.		COST OF SERVICE STUDY		PROJECTED TEST YEAR: 12/31/26	
DOCKET NO.: 20250029-GU		PEAK AND AVERAGE		WITNESS: J. TAYLOR	
		CLASSIFICATION OF RATE BASE			
		ACCUMULATED DEPRECIATION			
		SCHEDULE I: PAGE 2 OF 2			

LINE NO.	LOCAL STORAGE PLANT:	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
1		(61,188)		(61,188)		Related Plant Account
2	INTANGIBLE PLANT:	(50,305,857)		(50,305,857)		Related Plant Account
3	336 PURIFICATION EQUIPMENT (RNG)	(6,739,095)		(6,739,095)		Related Plant Account
4	DISTRIBUTION PLANT:					
5	374 Land and Land Rights	0		0		Related Plant Account
6	375 Structures and Improvements	(6,345,829)		(6,345,829)		Related Plant Account
7	376 Mains	(477,166,723)		(477,166,723)		Related Plant Account
8	377 Compressor Sta. Eq.	(2,933,429)		(2,933,429)		Related Plant Account
9	378 Meas. & Reg. Sta. Eq.-Gen	(7,551,687)		(7,551,687)		Related Plant Account
10	379 Meas. & Reg. Sta. Eq.-CG	(25,460,893)		(25,460,893)		Related Plant Account
11	380 Services	(286,128,264)	(286,128,264)			Related Plant Account
12	381-382 Meters	(95,895,136)	(95,895,136)			Related Plant Account
13	383-384 House Regulators	(27,991,019)	(27,991,019)			Related Plant Account
14	385 Indust Meas. & Reg. Sta. Eq.	(8,100,980)	(8,100,980)			Related Plant Account
15	386 Property on Customer Premises	-	-			Related Plant Account
16	387 Other Equipment	(6,962,475)	(2,316,436)	(4,646,039)		Related Plant Account
17	Total A.D. on Dist. Plant	(944,536,435)	(420,431,835)	(524,104,600)		
18	GENERAL PLANT:					
19	RWIP:	(44,080,523)	(22,040,262)	(22,040,262)		50% customer, 50% capacity
20	AMORT. ACQ. ADJUSTMENT	-	-	-		Distribution Plant
21	AMORT. OTHER UTILITY PLANT	(1,233,367)		(1,233,367)		100% capacity
22	PRODUCTION PLANT	-		-		100% capacity
23	CUST. ADV. FOR CONSTRUCTION	(29,550,659)	(14,775,329)	(14,775,329)		50% customer 50% capacity
24	TOTAL ACCUMULATED DEPRECIATION	(1,076,507,125)	(457,247,426)	(619,259,699)		
25	NET PLANT (Plant less Accum Dep.)	2,953,333,224	838,677,694	2,114,655,530		
26	plus:WORKING CAPITAL	1,108,410	723,680	384,730		O&M Expense
27	equals:TOTAL RATE BASE	2,954,441,634	839,401,374	2,115,040,260		

SUPPORTING SCHEDULES: E-6

RECAP SCHEDULES: H-2 p.1

PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-3

COST OF SERVICE

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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED
COST OF SERVICE STUDY
PEAK AND AVERAGE
CLASSIFICATION OF EXPENSES AND
DERIVATION OF COST OF SERVICE BY COST CLASSIFICATION
SCHEDULE H: PAGE 1 OF 2

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/26
WITNESS: J. TAYLOR

LINE NO.		TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
1	OPERATIONS AND MAINTENANCE EXPENSES					
2	413 GAS PLANT LEASED TO OTHERS	468,936		468,936		100% capacity
3	740-848 LOCAL STORAGE PLANT:	-		-		100% capacity
4	PRODUCTION PLANT					
5	DISTRIBUTION:					
6	870 Operation Supervision & Eng.	2,842,329	1,532,327	1,310,002		Accts 871-879
7	871 Dist.Load Dispatch	603,962		603,962		100% capacity
8	872 Compr.Sta.Lab. & Ex.	490,273		490,273		100% capacity
9	873 Compr.Sta.Fuel & Power	59,628		59,628		100% capacity
10	874 Mains and Services	14,615,451	4,220,522	10,394,929		Accts 376, 380
11	875 Meas. & Reg. Sta.Eq.-Gen	346,688	-	346,688		Acct 378
12	876 Meas. & Reg. Sta.Eq.-Ind.	15,878	15,878	-		Acct 385
13	877 Meas. & Reg. Sta.Eq.-CG	238,525	-	238,525		Acct 379
14	878 Meter and House Reg.	6,023,304	6,023,304	-		Accts 381-384
15	879 Customer Instal.	3,933,614	3,933,614	-		100% Customer
16	880 Other Expenses	7,572,109	3,341,099	4,231,010		Accts 870-879, 881-894
17	881 Rents	365,211		365,211		100% capacity
18	885 Maintenance Supervision	20,484	5,256	15,228		Accts 886-894
19	886 Maint. of Struct. and Improv.	196,754		196,754		Acct 375
20	887 Maintenance of Mains	7,107,891	-	7,107,891		Acct 376
21	888 Maint. of Comp.Sta.Eq.	13,926	-	13,926		Acct 377
22	889 Maint. of Meas. & Reg. Sta.Eq.-Gen	1,035,027		1,035,027		Acct 378
23	890 Maint. of Meas. & Reg. Sta.Eq.-Ind.	1,152,555	1,152,555	-		Acct 385
24	891 Maint. of Meas. & Reg.Sta.Eq.-CG	2,376,039	-	2,376,039		Acct 379
25	892 Maintenance of Services	1,701,580	1,701,580	-		Acct 380
26	893 Maint. of Meters and House Reg.	833,605	833,605	-		Accts 381-383
27	894 Maint. of Other Equipment	149,457	49,725	99,733		Accts 885-894
28	Total Distribution Expenses	51,694,290	22,809,465	28,884,824	-	
29	CUSTOMER ACCOUNTS:					
30	901 Supervision	-	-			
31	902 Meter-Reading Expense	1,305,048	1,305,048			100% customer
32	903 Records and Collection Exp.	18,657,720	18,657,720			100% customer
33	904 Uncollectible Accounts	2,108,291	2,108,291			100% customer
34	905 Misc. Expenses	-				100% customer
35	Total Customer Accounts	22,071,060	22,071,060	-	-	
36	907-910 Customer Serv. & Info. Exp.	-	-			
37	911-916 Sales Expense	10,109,143	10,109,143			100% customer
38	932 Maint. Of General Plant	443,450	221,725	221,725		General Plant
39	920-931 Administration & General	76,754,592	50,258,910	26,495,681	-	O&M excl. A&G
40	TOTAL O&M EXPENSE	161,541,469	105,470,303	56,071,166	-	

SUPPORTING SCHEDULES: E-6

RECAP SCHEDULES: H-2 p.1

PEOPLES GAS SYSTEM, INC.
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PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-3		COST OF SERVICE				PAGE 4 OF 5	
FLORIDA PUBLIC SERVICE COMMISSION COMPANY: PEOPLES GAS SYSTEM, INC. DOCKET NO.: 20250029-GU		EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY PEAK AND AVERAGE				TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/26 WITNESS: J. TAYLOR	
SCHEDULE H-3		CLASSIFICATION OF EXPENSES AND DERIVATION OF COST OF SERVICE BY COST CLASSIFICATION SCHEDULE H: PAGE 2 OF 2					
LINE NO.	DEPRECIATION AND AMORTIZATION EXPENSE:	TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE	CLASSIFIER
1	Depreciation Expense	96,259,724	27,335,515	68,924,210			Net Plant
2	Amort. Of Environmental	1,000,000	-	1,000,000			100% capacity
3	Amort. Of Conversion Costs	-	-	-			100% capacity
4	Amort. Of Acquisition Adj.	-	-	-			Intangible plant
5	Amort. Of Lease Improvements/Other	9,398,041	-	9,398,041			100% capacity
6							
7							
8	Total Deprec. and Amort. Expense	106,657,765	27,335,515	79,322,250			
9	TAXES OTHER THAN INCOME TAXES:						
10	Revenue Related	3,736,621				3,736,621	100% revenue
11	O&M - Related	4,020,074	2,624,703	1,395,371			O&M
12	Other	30,437,462	8,643,529	21,793,934			net plant
13	Total Taxes other than Income Taxes	38,194,157	11,268,232	23,189,304	-	3,736,621	
14	GAIN ON SALE OF PROPERTY	(224,601)	(224,601)				100% customer
15	RETURN (REQUIRED NOI)	223,651,232	63,542,684	160,108,548			Rate Base
16	INCOME TAXES	50,124,879	14,241,233	35,883,646	-		Return
17	TOTAL OVERALL COST OF SERVICE	579,944,901	221,633,366	354,574,914	-	3,736,621	
18	REVENUE CREDIT TO COS	(18,296,688)	(18,296,688)	-	-	-	100% customer

SUPPORTING SCHEDULES: E-1 p.3, E-6

RECAP SCHEDULES: H-2 p.1

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
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PEAK AND AVERAGE METHODOLOGY SCHEDULES

SCHEDULE H-3

COST OF SERVICE

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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED
COST OF SERVICE STUDY - PEAK AND AVERAGE
(SUMMARY)

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/26
WITNESS: J. TAYLOR

LINE NO.	TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE
1	SUMMARY:				
2	ATTRITION				
3	O&M	161,541,469	56,071,166	-	-
4	DEP.	96,259,724	68,924,210	-	-
5	AMORTIZATION OF OTHER GAS PLANT	9,398,041	9,398,041	-	-
6	AMORTIZATION OF ENVIRONMENTAL	1,000,000	1,000,000	-	-
7	AMORTIZATION OF LIMITED TERM INVESTMENT	-	-	-	-
8	AMORTIZATION OF ACQUISITION ADJUSTMENT	-	-	-	-
9	AMORTIZATION OF CONVERSION COSTS	-	-	-	-
10	TOTAL TAXES OTHER THAN INCOME	38,194,157	23,189,304	-	3,736,621
11	GAIN ON SALE OF PROPERTY	(224,601)	-	-	-
12	RETURN	223,651,232	160,108,548	-	-
13	INCOME TAXES	50,124,879	35,883,646	-	-
14	REVENUES CREDITED TO COST OF SERVICE	(18,296,688)	-	-	-
15	TOTAL COST	579,944,901	354,574,914	-	3,736,621
16	RATE BASE	2,954,441,634	2,115,040,260	-	-
17	KNOWN DIRECT & SPECIAL ASSIGNMENTS:				
18	RATE BASE ITEMS(PLANT-ACC-DEP):				
19	381-382 METERS	179,027,638			
20	383-384 HOUSE REGULATORS	34,474,515			
21	385 INDUSTRIAL MEAS & REG EQ.	7,099,867			
22	376 MAINS	1,672,181,046	1,672,181,046	-	-
23	380 SERVICES	586,544,303			
24	378 MEAS & REG. STA EQ.-GEN.	20,359,610	20,359,610	-	-
25	336 PURIFICATION EQUIPMENT (RNG)	48,400,405	48,400,405	-	-
26	377 COMPRESSOR STAT. EQUIPMENT	16,918,017	16,918,017	-	-
27	O&M ITEMS				
28	892 MAINT. OF SERVICES	1,701,580			
29	876 MEAS & REG. STA EQ. IND.	15,878			
30	878 METER & HOUSE REG.	6,023,304			
31	890 MAINT OF MEAS & REG. STA EQ.-IND.	1,152,555			
32	893 MAINT OF METERS AND HOUSE REG.	833,605			
33	874 MAINS AND SERVICES	14,615,451	10,394,929	-	-
34	887 MAINT. OF MAINS	7,107,891	7,107,891	-	-
35	413 GAS PLANT LEASED TO OTHERS	468,936	468,936	-	-
36	904 UNCOLLECTIBLE ACCOUNTS	2,108,291			
37	911-916 SALES EXPENSE	10,109,143			

SUPPORTING SCHEDULES:

RECAP SCHEDULES: H-2 p.6

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
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Line No.	Category Description	Total System	Residential	Residential Standby Generators	Residential Heat Pump	Commercial Heat Pump	Commercial Street Lighting
1	Rate Base	\$2,954,441,634	\$ 1,142,241,546	\$ 3,299,756	\$ 20,807	\$ 83,532	\$ 902,809
2	Base Rate Revenue at Current Rates	\$ 459,055,558	\$ 178,313,259	\$ 545,010	\$ 1,807	\$ 15,780	\$ 213,590
3	Other Revenues	\$ 14,654,277	\$ 7,882,100	\$ 22,061	\$ 32	\$ 245	\$ -
4	Off System Sales	2,645,888	1,670,697	1,505	-	9	727
5	Total Revenue at Current Rates	\$ 476,355,723	\$ 187,866,055	\$ 568,576	\$ 1,839	\$ 16,034	\$ 214,317
6	Current Revenue to Cost Ratio	0.82	0.72	0.75	0.48	1.07	1.39
7	Current Parity Ratio	1.00	0.88	0.92	0.58	1.30	1.70
8	Scenario 1: Revenues at Equalized Rates of Return						
9	Total Revenue Increase/(Decrease)	\$ 103,689,178	\$ 72,957,816	\$ 187,778	\$ 1,996	\$ (1,052)	\$ (60,521)
10	Revenue at Current Rates	476,355,723	187,866,055	568,576	1,839	16,034	214,317
11	Total Revenue at Equalized Rates of Return	\$ 579,944,901	\$ 260,823,871	\$ 756,354	\$ 3,835	\$ 14,982	\$ 153,796
12	Base Rate Revenue Increase/(Decrease)	\$ 102,592,655	\$ 72,034,647	\$ 185,194	\$ 1,992	\$ (1,060)	\$ (60,521)
13	Base Rate Revenue at Current Rates	459,055,558	178,313,259	545,010	1,807	15,780	213,590
14	Base Rate Revenue at Equalized Rates of Ret	\$ 561,648,213	\$ 250,347,905	\$ 730,204	\$ 3,799	\$ 14,720	\$ 153,069
15	% Increase of Total Revenues	21.7%	38.8%	33.0%	108.5%	-6.6%	-28.2%
16	% Increase of Base Rate Revenues	22.3%	40.4%	34.0%	110.2%	-6.7%	-28.3%
17	Resulting Revenue to Cost Ratio	1.00	1.00	1.00	1.00	1.00	1.00
18	Resulting Parity Ratio	1.00	1.00	1.00	1.00	1.00	1.00
19	Scenario 2: Equal Percentage Increase on Service Revenue						
20	Percent Increase	22.3%	22.3%	22.3%	22.3%	22.3%	22.3%
21	Base Rate Revenue Increase/(Decrease)	\$ 102,592,655	\$ 39,850,581	\$ 121,802	\$ 404	\$ 3,527	\$ 47,734
22	Base Rate Revenue at Current Rates	459,055,558	178,313,259	545,010	1,807	15,780	213,590
23	Base Rate Revenue at Equalized Rates of Ret	\$ 561,648,213	\$ 218,163,840	\$ 666,812	\$ 2,211	\$ 19,306	\$ 261,325
24	Other Revenues	\$ 14,654,277	7,882,100	22,061	32	245	-
25	Change In Other Revenues	996,523	923,169	2,584	4	8	-
26	Off System Sales	2,645,888	1,670,697	1,505	-	9	727
27	Total Revenue at Equal Percentage Increase	\$ 579,944,901	\$ 228,639,805	\$ 692,962	\$ 2,247	\$ 19,569	\$ 262,051
28	Resulting Revenue to Cost Ratio	1.00	0.88	0.92	0.59	1.31	1.70
29	Resulting Parity Ratio	1.00	0.88	0.92	0.59	1.31	1.70

Line No.	Category Description	Total System	Residential		Residential Standby Generators	Residential Heat Pump		Commercial Heat Pump		Commercial Street Lighting
30	Scenario 3: Moderated based on Current Parity Ratio									
31	Multiple of System Increase	1.00		1.50	1.50		1.50		0.21	0.21
32	Percent Increase	22.3%		33.5%	33.5%		33.5%		4.7%	4.7%
33	Base Rate Revenue Increase/(Decrease)	\$ 102,592,655	\$	59,775,871	\$ 182,704	\$	606	\$	749	\$ 10,143
34	Total Base Rate Revenue at Proposed Rates	561,648,213		238,089,130	727,714		2,413		16,529	223,733
35	Total Revenue at Proposed Rates	\$ 579,944,901	\$	248,565,095	\$ 753,864	\$	2,449	\$	16,792	\$ 224,460
36	Percent Increase on Base Rate Margin	22.3%		33.5%	33.5%		33.5%		4.7%	4.7%
37	Proposed Revenue to Cost Ratio	1.00		0.95	1.00		0.64		1.12	1.46
38	Proposed Parity Ratio	1.00		0.95	1.00		0.64		1.12	1.46

Line No.	Category Description	Small General Service	General Service - 1	General Service - 2	General Service - 3	General Service - 4
1	Rate Base	\$ 77,601,035	\$ 346,968,522	\$ 421,202,629	\$ 213,522,895	\$ 117,682,494
2	Base Rate Revenue at Current Rates	\$ 11,910,743	\$ 63,364,339	\$ 68,446,676	\$ 33,211,483	\$ 15,562,427
3	Other Revenues	\$ 635,462	\$ 982,632	\$ 382,423	\$ 39,545	\$ 6,931
4	Off System Sales	81,638	427,076	241,193	102,005	18,104
5	Total Revenue at Current Rates	\$ 12,627,843	\$ 64,774,046	\$ 69,070,292	\$ 33,353,034	\$ 15,587,462
6	Current Revenue to Cost Ratio	0.82	1.02	0.93	0.91	0.77
7	Current Parity Ratio	1.00	1.25	1.14	1.10	0.94
8	<u>Scenario 1: Revenues at Equalized Rates of</u>					
9	Total Revenue Increase/(Decrease)	\$ 2,815,220	\$ (1,469,894)	\$ 4,951,789	\$ 3,453,122	\$ 4,565,751
10	Revenue at Current Rates	12,627,843	64,774,046	69,070,292	33,353,034	15,587,462
11	Total Revenue at Equalized Rates of Return	\$ 15,443,063	\$ 63,304,152	\$ 74,022,081	\$ 36,806,156	\$ 20,153,213
12	Base Rate Revenue Increase/(Decrease)	\$ 2,793,944	\$ (1,502,793)	\$ 4,938,985	\$ 3,451,798	\$ 4,565,519
13	Base Rate Revenue at Current Rates	11,910,743	63,364,339	68,446,676	33,211,483	15,562,427
14	Base Rate Revenue at Equalized Rates of Ret	\$ 14,704,687	\$ 61,861,545	\$ 73,385,661	\$ 36,663,281	\$ 20,127,946
15	% Increase of Total Revenues	22.3%	-2.3%	7.2%	10.4%	29.3%
16	% Increase of Base Rate Revenues	23.5%	-2.4%	7.2%	10.4%	29.3%
17	Resulting Revenue to Cost Ratio	1.00	1.00	1.00	1.00	1.00
18	Resulting Parity Ratio	1.00	1.00	1.00	1.00	1.00
19	<u>Scenario 2: Equal Percentage Increase on Se</u>					
20	Percent Increase	22.3%	22.3%	22.3%	22.3%	22.3%
21	Base Rate Revenue Increase/(Decrease)	\$ 2,661,889	\$ 14,161,065	\$ 15,296,898	\$ 7,422,313	\$ 3,477,990
22	Base Rate Revenue at Current Rates	11,910,743	63,364,339	68,446,676	33,211,483	15,562,427
23	Base Rate Revenue at Equalized Rates of Ret	\$ 14,572,631	\$ 77,525,404	\$ 83,743,574	\$ 40,633,796	\$ 19,040,418
24	Other Revenues	635,462	982,632	382,423	39,545	6,931
25	Change in Other Revenues	21,276	32,899	12,804	1,324	232
26	Off System Sales	81,638	427,076	241,193	102,005	18,104
27	Total Revenue at Equal Percentage Increase	\$ 15,311,007	\$ 78,968,011	\$ 84,379,994	\$ 40,776,671	\$ 19,065,684
28	Resulting Revenue to Cost Ratio	0.99	1.25	1.14	1.11	0.95
29	Resulting Parity Ratio	0.99	1.25	1.14	1.11	0.95

Line No.	Category Description	Small General Service	General Service - General Service	General Service - General Service	General Service - General Service
		1	2	3	4
30	Scenario 3: Moderated based on Current Parity				
31	Multiple of System Increase	1.26	0.21	0.54	1.50
32	Percent Increase	28.2%	4.7%	12.0%	33.5%
33	Base Rate Revenue Increase/(Decrease)	\$ 3,359,584	\$ 3,009,169	\$ 8,189,514	\$ 5,216,985
34	Total Base Rate Revenue at Proposed Rates	15,270,327	66,373,508	76,636,189	20,779,413
35	Total Revenue at Proposed Rates	\$ 16,008,703	\$ 67,816,114	\$ 77,272,610	\$ 20,804,679
36	Percent Increase on Base Rate Margin	28.2%	4.7%	12.0%	33.5%
37	Proposed Revenue to Cost Ratio	1.04	1.07	1.04	1.03
38	Proposed Parity Ratio	1.04	1.07	1.04	1.03

Line No.	Category Description	General Service					Commercial Standby Generators		Small Interruptible Service		Interruptible Service		Wholesale		Special Contract	
		5														
1	Rate Base	\$ 306,424,568	\$ 8,721,858	\$ 41,452,348	\$ 61,434,146	\$ 7,138,734	\$ 205,743,955									
2	Base Rate Revenue at Current Rates	\$ 38,659,565	\$ 900,848	\$ 5,595,151	\$ 8,277,617	\$ 612,724	\$ 33,424,540									
3	Other Revenues	\$ 294,840	\$ 53,928	\$ 42,997	\$ 17,660	\$ 606	\$ 4,292,814									
4	Off System Sales	82,062	3,448	-	-	38,871	(21,446)									
5	Total Revenue at Current Rates	\$ 39,036,466	\$ 958,224	\$ 5,638,148	\$ 8,295,277	\$ 652,202	\$ 37,695,908									
6	Current Revenue to Cost Ratio	0.75	0.56	0.80	0.80	0.53	1.05									
7	Current Parity Ratio	0.91	0.68	0.97	0.98	0.64	1.27									
Scenario 1: Revenues at Equalized Rates of Return																
8	Total Revenue Increase/(Decrease)	\$ 13,069,580	\$ 757,761	\$ 1,411,641	\$ 2,036,110	\$ 579,636	\$ (1,667,556)									
9	Revenue at Current Rates	39,036,466	958,224	5,638,148	8,295,277	652,202	37,695,908									
10	Total Revenue at Equalized Rates of Return	\$ 52,106,046	\$ 1,715,984	\$ 7,049,789	\$ 10,331,387	\$ 1,231,838	\$ 36,028,352									
11	Base Rate Revenue Increase/(Decrease)	\$ 13,069,281	\$ 755,955	\$ 1,411,597	\$ 2,036,092	\$ 579,616	\$ (1,667,591)									
12	Base Rate Revenue at Current Rates	38,659,565	900,848	5,595,151	8,277,617	612,724	33,424,540									
13	Base Rate Revenue at Equalized Rates of Return	\$ 51,728,845	\$ 1,656,803	\$ 7,006,748	\$ 10,313,709	\$ 1,192,340	\$ 31,756,949									
14	% Increase of Total Revenues	33.5%	79.1%	25.0%	24.5%	88.9%	-4.4%									
15	% Increase of Base Rate Revenues	33.8%	83.9%	25.2%	24.6%	94.6%	-5.0%									
16	Resulting Revenue to Cost Ratio	1.00	1.00	1.00	1.00	1.00	1.00									
17	Resulting Parity Ratio	1.00	1.00	1.00	1.00	1.00	1.00									
Scenario 2: Equal Percentage Increase on Sales																
18	Percent Increase	22.3%	22.3%	22.3%	22.3%	22.3%	22.3%									
19	Base Rate Revenue Increase/(Decrease)	\$ 8,639,885	\$ 201,327	\$ 1,250,440	\$ 1,849,934	\$ 136,936	\$ 7,469,929									
20	Base Rate Revenue at Current Rates	38,659,565	900,848	5,595,151	8,277,617	612,724	33,424,540									
21	Base Rate Revenue at Equalized Rates of Return	\$ 47,299,450	\$ 1,102,175	\$ 6,845,591	\$ 10,127,551	\$ 749,660	\$ 40,894,469									
22	Other Revenues	294,840	53,928	42,997	17,660	606	4,292,814									
23	Change In Other Revenues	300	1,806	44	18	20	36									
24	Off System Sales	82,062	3,448	-	-	38,871	(21,446)									
25	Total Revenue at Equal Percentage Increase	\$ 47,676,651	\$ 1,161,357	\$ 6,888,632	\$ 10,145,229	\$ 789,158	\$ 45,165,872									
26	Resulting Revenue to Cost Ratio	0.91	0.68	0.98	0.98	0.64	1.25									
27	Resulting Parity Ratio	0.91	0.68	0.98	0.98	0.64	1.25									

Line No.	Category Description	General Service		Commercial Standby Generators		Small		Wholesale	Special Contract
		5				Interruptible Service	Interruptible Service		
30	<u>Scenario 3: Moderated based on Current Parity</u>								
31	Multiple of System Increase		1.50		1.50		1.31	1.50	0.01
32	Percent Increase		33.5%		33.5%		29.3%	33.5%	0.1%
33	Base Rate Revenue Increase/(Decrease)		\$ 12,959,828		\$ 301,991		\$ 1,875,660	\$ 205,403	\$ 46,242
34	Total Base Rate Revenue at Proposed Rates		\$ 51,619,393		\$ 1,202,838		\$ 7,470,811	\$ 818,128	\$ 33,470,782
35	Total Revenue at Proposed Rates		\$ 51,996,594		\$ 1,262,020		\$ 7,513,852	\$ 857,626	\$ 37,742,186
36	Percent Increase on Base Rate Margin		33.5%		33.5%		29.3%	33.5%	0.1%
37	Proposed Revenue to Cost Ratio		1.00		0.74		1.07	0.70	1.05
38	Proposed Parity Ratio		1.00		0.74		1.07	0.70	1.05



**2027 SUBSEQUENT YEAR ADJUSTMENT
SUPPLEMENTAL SCHEDULES**

<u>Schedule</u>	<u>Witness</u>	<u>Title</u>	<u>Bates Stamped Page Number</u>
E-1	Buzard/Taylor	Cost of Service: Therms Sales and Revenues by Rate Schedule Under Proposed 2026 Rates and 2027 Proposed SYA (Illustrative)	100
E-2	Buzard/Taylor	Cost of Service: Provide Revenues Calculated Proposed 2026 Rates and 2027 Proposed SYA (Illustrative)	106
E-5	Buzard/Taylor	Cost of Service: Monthly Bill comparison 2026 Proposed Rate Schedule and 2027 Proposed SYA (Illustrative)	111

Introduction

As part of Peoples Gas System, Inc.'s ("Peoples" or the "company") petition for a base rate increase, Peoples requests approval of calendar year 2026 as its test year, with new base rates and charges to be effective with the first billing cycle of 2026, based on the 2026 test year. The company also requests a subsequent year adjustment ("SYA") for 2027 to be effective with the first billing cycle of January 2027.

The company requests that the Commission approve the SYA revenue amounts for 2027, and order the company to file proposed rates for January 2027 by September 2026 based on the company's then-current billing determinants. This will allow the Commission to consider and approve rates for 2027 that reflect the company's most recent billing determinants. However, for completeness, the company has developed and presents in this volume (a) illustrative rates developed as described below for its 2027 SYA and (b) typical bills reflecting the 2027 SYA illustrative rates.

A. 2027 Proposed Rates (SYA Schedules E-1, E-2, and E-5)

Peoples prepared the illustrative rates shown in the E schedules in this volume by applying its 2027 proposed SYA amounts pro rata to customer and distribution charges for its billing classes. The company allocated revenue to its billing classes by:

- (1) calculating the sum of its proposed 2026 operating revenue requirement;
- (2) calculating the percentage that rate class represents of the 2026 total in (1);
- (3) multiplying its 2027 proposed SYA revenue increase amounts by the percentages calculated in (2) to yield total proposed SYA revenues by rate classes for 2027; and
- (4) applying the company's forecasted 2026 billing determinants for each rate class to the class revenues in (3) to develop the 2027 proposed SYA illustrative rates for each rate class. These are the billing determinants reflected in 2027 proposed SYA Schedule E-2.

The rate design for the 2027 proposed SYA illustrative rates is based on the Customer and Demand cost classification approach used by the company for its proposed 2026 rates.

Table 1 below includes a summary of the revenue allocations described above.

Table 1. Summary of Revenue Allocations

Rate Class	2026 Operating Revenue	2027 SYA Revenue Allocation	2027 Revenue Requirement
RS-1	54,559,371	3,471,978	58,031,349
RS-2	119,488,950	7,716,770	127,205,720
RS-3	74,517,073	4,852,412	79,369,486
RS-SG	753,864	49,031	802,894
RS-GHP	2,449	163	2,612
CS-GHP	16,792	-	16,792
CSLS	224,460	-	224,460
CS-SG	1,262,022	81,042	1,343,064
SGS	16,008,694	901,585	16,910,278
GS-1	67,815,975	2,197,619	67,815,975
GS-2	77,272,194	2,197,619	79,469,813
GS-3	38,383,570	1,349,524	39,733,094
GS-4	20,804,629	1,400,028	22,204,657
GS-5	51,996,205	3,478,700	55,474,905
SIS	7,513,794	503,220	8,017,014
IS	10,725,057	651,868	11,376,925
ISLV	-	-	-
WHS	857,618	55,138	912,756
Special Contracts	37,742,186	-	37,742,186
Total	\$579,944,901	\$26,709,076	\$606,653,977

B. 2027 Typical Monthly Bills (Proposed SYA Schedules E5)

The company calculated typical monthly bill comparisons for the 2027 Proposed SYA using the rates developed in Section A above and the company's 2025 approved clause factors. These bill comparisons are shown in 2027 Proposed SYA Schedule E-5 in this volume.

* Ties to 2027 Proposed SYA Illustrative SCH-E1.

SCHEDULE E-1		COST OF SERVICE										PAGE 1 OF 6	
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: THERM SALES AND REVENUES BY RATE SCHEDULE										TYPE OF DATA SHOWN:	
COMPANY: PEOPLES GAS SYSTEM, INC.		PROPOSED 2026 RATES										2027 SYA	
DOCKET NO.: 20250029-GU												WITNESS: L BUZARD / J. TAYLOR	
LINE NO.		Residential 1	Residential 2	Residential 3	Residential Standby Generators	Residential Heat Pump	Commercial Heat Pump	Comm. Street Lighting	Commercial Standby Generators	Small General Service	General Service 1	General Service 2	General Service 3
1	NO. OF BILLS	1,770,930	2,744,923	1,391,060	16,505	24	63	0	13,873	163,472	252,781	98,378	10,173
2	THERM SALES	9,679,912	37,064,232	49,733,299	86,557	8,473	47,348	525,047	604,077	9,881,110	100,528,085	141,731,351	82,693,781
3	UNBILLED THERM SALES	-	-	-	-	-	-	-	-	-	-	-	-
4	TOTAL THERM SALES	9,679,912	37,064,232	49,733,299	86,557	8,473	47,348	525,047	604,077	9,881,110	100,528,085	141,731,351	82,693,781
5	CUSTOMER CHARGE REVENUE	\$46,929,645	\$97,444,767	\$46,027,630	\$676,705	\$1,344	\$4,032	\$0	\$971,110	\$10,298,736	\$20,475,261	\$14,855,078	\$6,255,395
6	BASE NON-FUEL REVENUE	4,483,638.54	17,167,781.60	23,035,966.82	51,008.76	1,069.08	12,497.08	223,732.94	231,730.02	4,971,581.66	45,896,107.55	61,780,695.98	31,684,300.44
7	UNBILLED BASE NON-FUEL REVENUE	-	-	-	-	-	-	-	-	-	-	-	-
8	TOTAL BASE NON-FUEL REVENUE	\$51,413,284	\$114,612,548	\$72,063,597	\$727,714	\$2,413	\$16,529	\$223,733	\$1,202,840	\$15,270,318	\$66,373,369	\$76,635,774	\$38,240,695
9	FUEL REVENUE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	UNBILLED FUEL REVENUE	-	-	-	-	-	-	-	-	-	-	-	-
11	TOTAL FUEL REVENUE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	OTHER REVENUE (1)	\$3,146,087	\$4,876,402	\$2,453,476	\$26,150	\$36	\$262	\$727	\$59,182	\$738,376	\$1,442,607	\$636,420	\$142,875
13	TOTAL REVENUE	\$54,559,371	\$119,488,950	\$74,517,073	\$753,864	\$2,449	\$16,792	\$224,460	\$1,262,022	\$16,008,694	\$67,815,975	\$77,272,194	\$38,383,570
SUPPORTING SCHEDULES:		RECAP SCHEDULES: E-2											

SCHEDULE E-1		COST OF SERVICE										PAGE 2 OF 6	
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: THERM SALES AND REVENUES BY RATE SCHEDULE										TYPE OF DATA SHOWN:	
COMPANY: PEOPLES GAS SYSTEM, INC.		PROPOSED 2026 RATES										2027 SYA	
DOCKET NO.: 20250029-GU												WITNESS: L BUZARD / J. TAYLOR	
LINE NO.		General Service 4	General Service 5	Small Inter. Service	Inter. Service Large Vol.	Vehicle Gas Sales	Wholesale Sales	Special Contracts	Other Revenue / Off System Sales	2026 TOTAL			
1	NO. OF BILLS	1,783	2,304	336	138	0	0	166	274	48	6,457,221		
2	THERM SALES	52,669,966	188,953,310	47,399,664	151,139,143	0	0	2,315,711	1,108,801,224	65,700,000	2,049,562,290		
3	UNBILLED THERM SALES	-	-	-	-	-	-	-	-	-	-		
4	TOTAL THERM SALES	52,669,966	188,953,310	47,399,664	151,139,143	0	0	2,315,711	1,108,801,224	65,700,000	2,049,562,290		
5	CUSTOMER CHARGE REVENUE	\$2,267,976	\$6,462,720	\$1,095,024	\$503,976	\$0	\$0	\$138,528	\$0	\$0	\$257,408,927		
6	BASE NON-FUEL REVENUE	18,511,386.34	45,156,283.60	6,375,728.76	10,203,403.54	-	-	679,591.73	33,470,782.32	-	\$304,239,287		
7	UNBILLED BASE NON-FUEL REVENUE	-	-	-	-	-	-	-	-	-	-		
8	TOTAL BASE NON-FUEL REVENUE	\$20,779,362	\$51,619,004	\$7,470,753	\$10,707,380	\$0	\$0	\$818,120	\$33,470,782	\$0	\$561,648,213		
9	FUEL REVENUE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
10	UNBILLED FUEL REVENUE												
11	TOTAL FUEL REVENUE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
12	OTHER REVENUE (1)	\$25,267	\$377,201	\$43,041	\$17,678	\$0	\$0	\$39,468	\$4,271,403	\$0	\$18,296,688		
13	TOTAL REVENUE	\$20,804,629	\$51,996,205	\$7,513,794	\$10,725,057	\$0	\$0	\$857,618	\$37,742,186	\$0	\$579,944,901		

RECAP SCHEDULES: E-2

SUPPORTING SCHEDULES:

SCHEDULE E-1		COST OF SERVICE										PAGE 3 OF 6	
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: THERM SALES AND REVENUES BY RATE SCHEDULE										TYPE OF DATA SHOWN:	
COMPANY: PEOPLES GAS SYSTEM, INC.		UNDER PROPOSED 2026 RATES										2027 SYA	
DOCKET NO.: 20250029-GU												WITNESS: L. BUZARD / J. TAYLOR	
LINE NO.		Residential 1	Residential 2	Residential 3	Residential Standby Generators	Residential Heat Pump	Commercial Heat Pump	Comm. Street Lighting	Commercial Standby Generators	Small General Service	General Service 1	General Service 2	General Service 3
22	NO. OF BILLS	1,770,930	2,744,923	1,381,060	16,505	24	63	0	13,873	163,472	252,781	98,378	10,173
23	THERM SALES	9,679,912	37,064,232	48,733,299	86,557	8,473	47,348	525,047	604,077	9,881,110	100,528,085	141,731,351	82,693,781
24	UNBILLED THERM SALES	0	0	0	0	0	0	0	0	0	0	0	0
25	TOTAL THERM SALES	9,679,912	37,064,232	48,733,299	86,557	8,473	47,348	525,047	604,077	9,881,110	100,528,085	141,731,351	82,693,781
26	CUSTOMER CHARGE REVENUE	\$46,929,645	\$97,444,767	\$49,027,630	\$876,705	\$1,344	\$4,032	\$0	\$971,110	\$10,288,736	\$20,475,261	\$14,855,078	\$6,256,395
27	BASE NON-FUEL REVENUE	4,483,638.54	17,167,781.60	23,035,966.82	51,008.76	1,069.08	12,497.08	223,732.94	231,730.02	4,971,581.66	45,898,107.55	61,780,695.98	31,984,300.44
28	UNBILLED BASE NON-FUEL REVENUE	0	0	0	0	0	0	0	0	0	0	0	0
29	TOTAL BASE NON-FUEL REVENUE	\$51,413,284	\$114,512,548	\$72,063,597	\$727,714	\$2,413	\$16,529	\$223,733	\$1,202,840	\$15,270,318	\$66,373,389	\$76,635,774	\$38,240,695
30	OTHER REVENUE	\$3,146,087	\$4,876,402	\$2,453,476	\$26,150	\$36	\$262	\$727	\$59,182	\$738,376	\$1,442,607	\$536,420	\$142,875
31	TOTAL REVENUE	\$4,559,371	\$119,488,950	\$74,517,073	\$753,864	\$2,449	\$16,792	\$224,460	\$1,262,022	\$16,008,694	\$67,815,975	\$77,272,194	\$38,383,570
32	DIFF. IN NO. OF BILLS	0	0	0	0	0	0	0	0	0	0	0	0
33	DIFF. IN THERM SALES	0	0	0	0	0	0	0	0	0	0	0	0
34	DIFF. IN CUSTOMER CHARGE REVENUE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	DIFF. IN BASE NON-FUEL REVENUE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36	DIFF. IN OTHER REVENUE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37	DIFF. IN TOTAL REVENUE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

RECAP SCHEDULES: E-2, G-6, H-1 p. 3-4, H-2 p. 2-3, H-9 p. 4-5

SUPPORTING SCHEDULES: G-2 p. 8

SCHEDULE E-1		COST OF SERVICE										PAGE 4 OF 6	
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: THERM SALES AND REVENUES BY RATE SCHEDULE										TYPE OF DATA SHOWN:	
COMPANY: PEOPLES GAS SYSTEM, INC.		UNDER PROPOSED 2026 RATES										2027 SYA	
DOCKET NO.: 20250029-GU												WITNESS: L. BUZARD / J. TAYLOR	
LINE NO.		General Service 4	General Service 5	Small Inter. Service	Inter. Service	Inter. Service Large Vol.	Vehicle Gas Sales	Wholesale	Special Contracts	Other Revenue / Of System Sales	2026 TOTAL		
22	NO. OF BILLS	1,763	2,304	336	138	0	0	156	274	48	6,457,221		
23	THERM SALES	52,669,966	188,953,310	47,399,664	151,136,143	0	0	2,315,711	1,108,801,224	65,700,000	2,049,562,290		
24	UNBILLED THERM SALES	0	0	0	0	0	0	0	0	0	0		
25	TOTAL THERM SALES	52,669,966	188,953,310	47,399,664	151,136,143	0	0	2,315,711	1,108,801,224	65,700,000	2,049,562,290		
26	CUSTOMER CHARGE REVENUE	\$2,267,976	\$6,462,720	\$1,095,024	\$503,976	\$0	\$0	\$138,528	\$0	\$0	\$257,408,927		
27	BASE NON-FUEL REVENUE	18,511,386.34	46,156,283.60	6,375,728.76	10,203,403.54	-	-	679,691.73	33,470,782.32	-	\$304,239,287		
28	UNBILLED BASE NON-FUEL REVENUE	0	0	0	0	0	0	0	0	0	\$0		
29	TOTAL BASE NON-FUEL REVENUE	\$20,779,362	\$51,619,004	\$7,470,753	\$10,707,380	\$0	\$0	\$818,120	\$33,470,782	\$0	\$561,648,213		
30	OTHER REVENUE	\$25,267	\$377,201	\$43,041	\$17,678	\$0	\$0	\$39,466	\$4,271,403	\$0	\$18,266,688		
31	TOTAL REVENUE	20,804,629	51,996,205	7,513,794	10,725,057	0	0	857,616	37,742,186	0	\$579,944,901		
32	DIFF. IN NO. OF BILLS	0	0	0	0	0	0	0	0	0	0		
33	DIFF. IN THERM SALES	0	0	0	0	0	0	0	0	0	0		
34	DIFF. IN CUSTOMER CHARGE REVENUE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
35	DIFF. IN BASE NON-FUEL REVENUE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
36	DIFF. IN OTHER REVENUE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
37	DIFF. IN TOTAL REVENUE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		

SUPPORTING SCHEDULES: G-2 p.8

RECAP SCHEDULES: E-2, G-6, H-1 p. 3-4, H-2 p. 2-3, H-3 p. 4-5

SCHEDULE E-1		COST OF SERVICE										PAGE 5 OF 6	
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: THERM SALES AND REVENUES BY RATE SCHEDULE										TYPE OF DATA SHOWN:	
COMPANY: PEOPLES GAS SYSTEM, INC.		2027 PROPOSED SYA (ILLUSTRATIVE)										2027 SYA	
DOCKET NO.: 20250029-GU		WITNESS: L. BUZARD / J. TAYLOR											
LINE NO.		Residential 1	Residential 2	Residential 3	Residential Standby Generators	Residential Heat Pump	Commercial Heat Pump	Comm. Street Lighting	Commercial Standby Generators	Small General Service	General Service 1	General Service 2	General Service 3
38	NO. OF BILLS	1,770,930	2,744,923	1,381,060	18,505	24	63	0	13,873	163,472	252,781	98,378	10,173
39	THERM SALES	9,679,912	37,064,232	49,733,269	86,567	8,473	47,348	525,047	604,077	9,881,110	100,528,085	141,731,351	82,693,781
40	CUSTOMER CHARGE REVENUE	\$50,099,610	\$104,005,132	\$52,328,363	\$722,259	\$1,434	\$4,032	\$0	\$1,038,991	\$10,906,852	\$20,475,261	\$15,281,055	\$6,477,149
41	BASE NON-FUEL REVENUE	\$4,785,652	\$18,324,186	\$24,587,646	\$54,486	\$1,141	\$12,497	\$223,733	\$247,291	\$5,255,051	\$45,898,108	\$63,552,338	\$33,113,071
42	FUEL REVENUE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43	OTHER REVENUE	\$3,146,087	\$4,876,402	\$2,453,476	\$26,150	\$36	\$262	\$727	\$59,182	\$738,376	\$1,442,607	\$636,420	\$142,875
44	TOTAL REVENUE	\$58,031,349	\$127,205,720	\$79,389,486	\$802,684	\$2,612	\$16,792	\$224,460	\$1,343,064	\$16,910,278	\$87,815,975	\$79,468,813	\$39,733,094
INCREASE													
45	DOLLAR AMOUNT (102+103+8)	\$3,471,978	\$7,716,770	\$4,852,412	\$49,031	\$163	\$0	\$0	\$81,042	\$901,585	\$0	\$2,197,619	\$1,349,524
46	DOLLAR AMOUNT (102+103+59)	\$3,471,978	\$7,716,770	\$4,852,412	\$49,031	\$163	\$0	\$0	\$81,042	\$901,585	\$0	\$2,197,619	\$1,349,524
47	% NON-FUEL ((102+103)/8)	106.75%	106.73%	106.73%	106.74%	106.74%	100.00%	100.00%	106.74%	105.90%	100.00%	102.87%	103.53%
48	% TOTAL (106/13)	106.36%	106.46%	106.51%	106.50%	106.64%	100.00%	100.00%	106.42%	105.63%	100.00%	102.64%	103.52%
SERVICE CHARGES - PGS													
49	CONNECTION / RECONNECT CHARGE-RESIDENTIAL	(* Blended rate for connect and Reconnect)										2027 SYA	
50	CONNECTION / RECONNECT CHARGE-COMMERCIAL												
51	TRIP CHARGE	49,927	\$94.93	\$	4,739,585	3,204	\$	387,704	1,203	\$	121.00	\$	387,704
52	MISSED APPOINTMENT	0	\$26.00	\$	30,084	0	\$	-	0	\$	25.00	\$	30,084
53	ACCOUNT ACTIVATION ONLY (CHARGE OUT)	47,921	\$31.00	\$	1,485,543	47,921	\$	31.00	13,639	\$	31.00	\$	1,485,543
54	RETURN CHECK CHARGE	13,639	\$25.00	\$	340,975	13,639	\$	25.00	338	\$	25.00	\$	340,975
55	IT ADMINISTRATION CHARGE	338	\$213.80	\$	1,273,012	338	\$	1,273,012	\$142-\$0.91 per acct	2,569	\$	142.00	376,696
56	POOL MANAGER CHARGES												
57	FORFEITED DISCOUNTS												
58	OTHER REVENUE (RENT)	704	\$33.00	\$	23,223	704	\$	33.00	1,932	\$	31.00	\$	59,892
59	TEMPORARY DISCONNECT CHARGE	1,932	\$31.00	\$	59,892	1,932	\$	59,892	\$0.00	\$	25.00	\$	180,000
60	FAILED TRIP CHARGE												
61	AMORTIZATION / MAINTENANCE												
62	MISCELLANEOUS SERVICE REVENUES - OTHER												
63	GAS PLANT LEASED TO OTHERS												
64		121,427	\$	4,473,320	\$	15,650,800	\$	15,650,800	\$	15,650,800	\$	15,650,800	\$

SCHEDULE E-1		COST OF SERVICE										PAGE 6 OF 6	
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: THERM SALES AND REVENUES BY RATE SCHEDULE										TYPE OF DATA SHOWN:	
COMPANY: PEOPLES GAS SYSTEM, INC.		2027 PROPOSED SYA (ILLUSTRATIVE)										2027 SYA	
DOCKET NO.: 20250029-GU												WITNESS: L BUZARD / J. TAYLOR	
LINE NO.		General Service 4	General Service 5	Small Inter. Service	Inter. Service Large Vol.	Vehicle Gas Sales	Wholesale	Special Contracts	Other Revenue / Of System Sales	2027 TOTAL			
38	NO. OF BILLS	1,763	2,304	336	138	0	0	156	274	48	6,457,221		
39	THERM SALES	52,669,966	168,953,310	47,399,664	151,136,143	0	0	2,315,711	1,108,801,224	65,700,000	2,049,562,290		
40	CUSTOMER CHARGE REVENUE	\$2,420,779	\$6,896,153	\$1,168,803	\$534,662	\$0	\$0	\$147,861	\$0	\$0	\$272,507,966		
41	BASE NON-FUEL REVENUE	\$19,759,611	\$48,199,551	\$6,805,170	\$10,824,585	\$0	\$0	\$725,396	\$33,470,762	\$0	\$315,849,294		
42	FUEL REVENUE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
43	OTHER REVENUE	\$25,267	\$377,201	\$43,041	\$17,678	\$0	\$0	\$39,468	\$4,271,403	\$0	\$18,296,688		
44	TOTAL REVENUE	\$22,204,637	\$55,474,905	\$55,017,014	\$11,376,925	\$0	\$0	\$912,766	\$37,742,186	\$0	\$86,653,977		
INCREASE													
45	DOLLAR AMOUNT (102+103-8)	\$1,400,028	\$3,478,700	\$503,220	\$651,868	\$0	\$0	\$55,138	\$0	\$0	\$26,709,076		
46	DOLLAR AMOUNT (102+103-59)	\$1,400,028	\$3,478,700	\$503,220	\$651,868	\$0	\$0	\$55,138	\$0	\$0	\$26,709,076		
47	% NON-FUEL ((102+103)/8)	106.74%	106.74%	106.74%	106.09%	0.00%	0.00%	106.74%	100.00%	#DIV/0!	104.76%		
48	% TOTAL (106/13)	106.73%	106.69%	106.70%	106.08%	0.00%	0.00%	106.43%	100.00%	#DIV/0!	104.61%		
SERVICE CHARGES - PGS													
49	CONNECTION / RECONNECT CHARGE-REL												
50	CONNECTION / RECONNECT CHARGE-CO												
51	TRIP CHARGE												
52	MISSED APPOINTMENT												
53	ACCOUNT ACTIVATION ONLY (CHANGE OF												
54	RETURN CHECK CHARGE												
55	IT ADMINISTRATION CHARGE												
56	POOL MANAGER CHARGES												
57	FORFEITED DISCOUNTS												
58	OTHER REVENUE (RENT)												
59	TEMPORARY DISCONNECT CHARGE												
60	FAILED TRIP CHARGE												
61	AMORTIZATION / MAINTENANCE												
62	MISCELLANEOUS SERVICE REVENUES - (												
63	GAS PLANT LEASED TO OTHERS												
64													
SUPPORTING SCHEDULES: G2 p 9													
RECAP SCHEDULES: E-8, H-1 p. 11-13													

SCHEDULE E-2

COST OF SERVICE

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FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: PROVIDE REVENUES CALCULATED AT P RATES, PROPOSED 2026 RATES AND 2027 PROPOSED SYA (ILLUSTRATIVE)				TYPE OF DATA SHOWN:			
COMPANY: PEOPLES GAS SYSTEM, INC.						2027 SYA WITNESS: L. BUZARD / J. TAYLOR			
DOCKET NO.: 20250029-GU									
RATE SCHEDULE		PROPOSED 2026			PROPOSED 2027 SYA				
		BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS	PROPOSED RATES	REVENUE		
RESIDENTIAL (1)	CUSTOMER CHARGE	1,770,930	\$26.50	\$46,929,645	1,770,930	\$28.29	\$50,099,610		
	ENERGY CHARGE	9,679,912	\$0.46319	4,483,639	9,679,912	\$0.49439	4,785,652		
	TOTAL			\$51,413,284			\$54,885,261		
RESIDENTIAL (2)	CUSTOMER CHARGE	2,744,923	\$35.50	\$97,444,767	2,744,923	\$37.89	\$104,005,132		
	ENERGY CHARGE	37,064,232	\$0.46319	17,167,782	37,064,232	\$0.49439	18,324,186		
	TOTAL			\$114,612,548			\$122,329,318		
RESIDENTIAL (3)	CUSTOMER CHARGE	1,381,060	\$35.50	\$49,027,630	1,381,060	\$37.89	\$52,328,363		
	ENERGY CHARGE	49,733,299	\$0.46319	23,035,967	49,733,299	\$0.49439	24,587,646		
	TOTAL			\$72,063,597			\$76,916,009		
RESIDENTIAL STAND BY GENERATORS	CUSTOMER CHARGE	16,505	\$41.00	\$676,705	16,505	\$43.76	\$722,259		
	ENERGY CHARGE	86,557	\$0.58931	51,009	86,557	\$0.62948	54,486		
	TOTAL			\$727,714			\$776,745		
RESIDENTIAL HEAT PUMP	CUSTOMER CHARGE	24	\$56.00	\$1,344	24	\$59.77	\$1,434		
	ENERGY CHARGE	8,473	\$0.12617	1,069	8,473	\$0.13468	1,141		
	TOTAL			\$2,413			\$2,576		
COMMERCIAL HEAT PUMP	CUSTOMER CHARGE	63	\$64.00	\$4,032	63	\$64.00	\$4,032		
	ENERGY CHARGE	47,348	\$0.26394	12,497	47,348	\$0.26394	12,497		
	TOTAL			\$16,529			\$16,529		

SUPPORTING SCHEDULES: E-1, H-1, Pg. 1

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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SCHEDULE E-2

COST OF SERVICE

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FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: PROVIDE REVENUES CALCULATED AT P RATES, PROPOSED 2026 RATES AND 2027 PROPOSED SYA (ILLUSTRATIVE)				TYPE OF DATA SHOWN:		
COMPANY: PEOPLES GAS SYSTEM, INC.						2027 SYA WITNESS: L. BUZARD / J. TAYLOR		
DOCKET NO.: 20250029-GU								
RATE SCHEDULE		PROPOSED 2026			PROPOSED 2027 SYA			
		BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS	PROPOSED RATES	REVENUE	
COMMERCIAL STREET LIGHTING	CUSTOMER CHARGE	0	\$0.00	\$0	0	\$0.00	\$0	
	ENERGY CHARGE	525,047	\$0.42612	223,733	525,047	\$0.42612	223,733	
	TOTAL			\$223,733			\$223,733	
COMMERCIAL STANDBY GENERATORS	CUSTOMER CHARGE	13,873	\$70.00	\$971,110	13,873	\$74.72	\$1,036,591	
	ENERGY CHARGE	604,077	\$0.38361	231,730	604,077	\$0.40937	247,291	
	TOTAL			\$1,202,840			\$1,283,882	
SMALL GENERAL SERVICE	CUSTOMER CHARGE	163,472	\$63.00	\$10,298,736	163,472	\$66.72	\$10,906,852	
	ENERGY CHARGE	9,881,110	\$0.50314	4,971,582	9,881,110	\$0.53284	5,265,051	
	TOTAL			\$15,270,318			\$16,171,902	
GENERAL SERVICE (1)	CUSTOMER CHARGE	252,781	\$81.00	\$20,475,261	252,781	\$81.00	\$20,475,261	
	ENERGY CHARGE	100,528,085	\$0.45657	45,898,108	100,528,085	\$0.45657	45,898,108	
	TOTAL			\$66,373,369			\$66,373,369	
GENERAL SERVICE (2)	CUSTOMER CHARGE	98,378	\$151.00	\$14,855,078	98,378	\$155.33	\$15,281,055	
	ENERGY CHARGE	141,731,351	\$0.43590	61,780,696	141,731,351	\$0.44840	63,552,338	
	TOTAL			\$76,635,774			\$78,833,393	

SUPPORTING SCHEDULES: E-1, H-1, Pg. 1

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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SCHEDULE E-2

COST OF SERVICE

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FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: PROVIDE REVENUES CALCULATED AT P RATES, PROPOSED 2026 RATES AND 2027 PROPOSED SYA (ILLUSTRATIVE)				TYPE OF DATA SHOWN:	
COMPANY: PEOPLES GAS SYSTEM, INC.						2027 SYA	
DOCKET NO.: 20250029-GU						WITNESS: L. BUZARD / J. TAYLOR	

RATE SCHEDULE	PROPOSED 2026			PROPOSED 2026			PROPOSED 2027 SYA		
	BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS	PROPOSED RATES	REVENUE
GENERAL SERVICE (3)									
CUSTOMER CHARGE	10,173	\$615.00	\$6,256,395	10,173	\$615.00	\$6,256,395	10,173	\$636.70	\$6,477,149
ENERGY CHARGE	82,693,781	\$0.38678	31,984,300	82,693,781	\$0.38678	\$31,984,300	82,693,781	\$0.40043	33,113,071
TOTAL			\$38,240,695			\$38,240,695			\$39,590,220
GENERAL SERVICE (4)									
CUSTOMER CHARGE	1,783	\$1,272.00	\$2,267,976	1,783	\$1,272.00	\$2,267,976	1,783	\$1,357.70	\$2,420,779
ENERGY CHARGE	52,669,966	\$0.35146	18,511,386	52,669,966	\$0.35146	\$18,511,386	52,669,966	\$0.37514	19,758,611
TOTAL			\$20,779,362			\$20,779,362			\$22,179,390
GENERAL SERVICE (5)									
CUSTOMER CHARGE	2,304	\$2,805.00	\$6,462,720	2,304	\$2,805.00	\$6,462,720	2,304	\$2,993.99	\$6,898,153
ENERGY CHARGE	188,953,310	\$0.23898	45,156,284	188,953,310	\$0.23898	\$45,156,284	188,953,310	\$0.25509	48,199,551
TOTAL			\$51,619,004			\$51,619,004			\$55,097,704
SMALL INTERRUPTIBLE SERVICE									
CUSTOMER CHARGE	336	\$3,259.00	\$1,095,024	336	\$3,259.00	\$1,095,024	336	\$3,478.58	\$1,168,803
ENERGY CHARGE	47,399,664	\$0.13451	6,375,729	47,399,664	\$0.13451	\$6,375,729	47,399,664	\$0.14357	6,805,170
TOTAL			\$7,470,753			\$7,470,753			\$7,973,973

SUPPORTING SCHEDULES: E-1, H-1, Pg. 1

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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SCHEDULE E-2

COST OF SERVICE

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FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION: PROVIDE REVENUES CALCULATED AT P RATES, PROPOSED 2026 RATES AND 2027 PROPOSED SYA (ILLUSTRATIVE)	TYPE OF DATA SHOWN:
COMPANY: PEOPLES GAS SYSTEM, INC.		2027 SYA
DOCKET NO.: 20250029-GU		WITNESS: L. BUZARD / J. TAYLOR

RATE SCHEDULE	PROPOSED 2026			PROPOSED 2027 SYA		
	BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS	PROPOSED RATES	REVENUE
INTERRUPTIBLE SERVICE						
CUSTOMER CHARGE	138	\$3,652.00	\$503,976	138	\$3,874.36	\$534,662
ENERGY CHARGE	151,139,143	\$0.06751	10,203,404	151,139,143	\$0.07162	10,824,585
TOTAL			\$10,707,380			\$11,359,247

INTERRUPTIBLE SERVICE						
LARGE VOLUME						
CUSTOMER CHARGE	0	\$0.00	\$0	0	\$0.00	\$0
ENERGY CHARGE	0	\$0.00	0	0	\$0.00	0
TOTAL			\$0			\$0

WHOLESALE						
CUSTOMER CHARGE	156	\$888.00	\$138,528	156	\$947.83	\$147,861
ENERGY CHARGE	2,315,711	\$0.29347	679,592	2,315,711	\$0.31325	725,396
TOTAL			\$818,120			\$873,258

SPECIAL CONTRACTS						
CUSTOMER CHARGE	274	\$0.00	\$0	274	\$0.00	\$0
ENERGY CHARGE	1,108,801,224	\$0.03019	33,470,782	1,108,801,224	\$0.03019	33,470,782
TOTAL			\$33,470,782			\$33,470,782

SUPPORTING SCHEDULES: E-1, H-1, Pg. 1

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
DOCUMENT NO. 4
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SCHEDULE E-2

COST OF SERVICE

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FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: PEOPLES GAS SYSTEM, INC.
 DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE REVENUES CALCULATED AT P RATES, PROPOSED 2026 RATES
 AND 2027 PROPOSED SYA (ILLUSTRATIVE)

TYPE OF DATA SHOWN:
 2027 SYA
 WITNESS: L. BUZARD / J. TAYLOR

RATE SCHEDULE	PROPOSED 2026			PROPOSED 2026			PROPOSED 2027 SYA		
	BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS	PROPOSED RATES	REVENUE
OFF SYSTEM SALES									
CUSTOMER CHARGE	48	\$0.00	\$0	48	\$0.00	\$0	48	\$0.00	\$0
ENERGY CHARGE	65,700,000	\$0.00000	0	65,700,000	\$0.00000	\$0	65,700,000	\$0.00000	0
TOTAL			\$0			\$0			\$0
SUB-TOTAL	Bills 6,457,221 Therms 2,049,562,290		561,648,213	6,457,221 2,049,562,290		\$561,648,213	6,457,221 2,049,562,290		\$588,357,290
MISCELLANEOUS SERVICE REVENUE			\$18,296,688			\$18,296,688			\$18,296,688
TOTAL			\$579,944,901			\$579,944,901			\$606,653,977

SUPPORTING SCHEDULES: E-1, H-1 p.1

RECAP SCHEDULES:

SUPPORTING SCHEDULES: E-1, H-1, Pg. 1

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
 DOCKET NO. 20250029-GU
 EXHIBIT NO. JT-1
 WITNESS: TAYLOR
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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE RESIDENTIAL RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZARD / J. TAYLOR

2026 PROPOSED RATE SCHEDULE: RESIDENTIAL SALES SERVICE (RS 1)
2027 PROPOSED SYA (ILLUSTRATIVE): RESIDENTIAL SALES SERVICE (RS 1)

RS 1	2026 PROPOSED RATES		2027 PROPOSED SYA (ILLUSTRATIVE)	
	CUSTOMER CHARGE	\$26.50	CUSTOMER CHARGE	\$28.29
	DISTRIB. CHARGE	\$0.46319 PER THERM	DISTRIB. CHARGE	\$0.49439 PER THERM
	CBS RIDER	\$0.01364 PER THERM	CBS RIDER	\$0.01364 PER THERM
	CRA	\$0.00850 PER THERM	CRA	\$0.00850 PER THERM
	Conservation Charge	\$0.17732 PER THERM	Conservation Charge	\$0.17732 PER THERM
EST. GAS COST \$1.00135 PER THERM				
THERM USAGE INCREMENT 2 THERMS				
AVERAGE USAGE PER CUSTOMER 5.5 THERMS/MONTH				
THERM USAGE	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL
0	\$26.50	\$26.50	\$28.29	\$28.29
2	\$27.83	\$29.83	\$29.68	\$31.68
4	\$29.15	\$33.16	\$31.07	\$35.07
6	\$30.48	\$36.48	\$32.45	\$38.46
8	\$31.80	\$39.81	\$33.84	\$41.85
10	\$33.13	\$43.14	\$35.23	\$45.24
12	\$34.45	\$46.47	\$36.62	\$48.63
14	\$35.78	\$49.80	\$38.00	\$52.02
16	\$37.10	\$53.12	\$39.39	\$55.41
18	\$38.43	\$56.45	\$40.78	\$58.80
20	\$39.75	\$59.78	\$42.17	\$62.19
PERCENT INCREASE W/O FUEL				
			6.75%	6.75%
			6.66%	6.21%
			6.57%	5.78%
			6.49%	5.42%
			6.41%	5.12%
			6.35%	4.87%
			6.28%	4.66%
			6.22%	4.47%
			6.17%	4.31%
			6.12%	4.17%
			6.07%	4.04%

*CRA and Conservation charge reflect current approved cost recovery factors.

SUPPORTING SCHEDULES: E-1 p.5, H-1 p.11, G-2 p.8

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE RESIDENTIAL RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZARD / J. TAYLOR

RS 2

2026 PROPOSED RATES				2027 PROPOSED SYA (ILLUSTRATIVE)			
CUSTOMER CHARGE	\$35.50			CUSTOMER CHARGE	\$37.89		
DISTRIB. CHARGE	\$0.46319	PER THERM		DISTRIB. CHARGE	\$0.49439	PER THERM	
CBS RIDER	\$0.01364	PER THERM		CBS RIDER	\$0.01364	PER THERM	
CRA	\$0.00850	PER THERM		CRA	\$0.00850	PER THERM	
Conservation Charge	\$0.17732	PER THERM		Conservation Charge	\$0.17732	PER THERM	

EST. GAS COST		\$1.00135	PER THERM
THERM USAGE INCREMENT		3	THERMS
AVERAGE USAGE PER CUSTOMER		13.5	THERMS/MONTH

THERM USAGE	PRESENT MONTHLY BILL		PROPOSED MONTHLY BILL		PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
	W/O FUEL	WITH FUEL	W/O FUEL	WITH FUEL		
0	\$35.50	\$35.50	\$37.89	\$37.89	6.73%	6.73%
3	\$37.16	\$39.66	\$39.62	\$42.13	6.64%	6.22%
5	\$38.81	\$43.82	\$41.36	\$46.37	6.56%	5.81%
8	\$40.47	\$47.98	\$43.09	\$50.60	6.48%	5.47%
10	\$42.13	\$52.14	\$44.83	\$54.84	6.41%	5.18%
13	\$43.78	\$56.30	\$46.56	\$59.08	6.35%	4.94%
15	\$45.44	\$60.46	\$48.30	\$63.32	6.29%	4.73%
18	\$47.10	\$64.62	\$50.03	\$67.56	6.23%	4.54%
20	\$48.75	\$68.78	\$51.77	\$71.79	6.18%	4.38%
23	\$50.41	\$72.94	\$53.50	\$76.03	6.13%	4.24%
25	\$52.07	\$77.10	\$55.24	\$80.27	6.09%	4.11%

SUPPORTING SCHEDULES: E-1 p.5, H-1 p.11, G2 p. 8
*CRA and Conservation charge reflect current approved cost recovery factors.

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE RESIDENTIAL RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZZARD / J. TAYLOR

2026 PROPOSED RATE SCHEDULE: RESIDENTIAL SALES SERVICE (RS 3)
2027 PROPOSED SYA (ILLUSTRATIVE): RESIDENTIAL SALES SERVICE (RS 3)

RS 3

2026 PROPOSED RATES				2027 PROPOSED SYA (ILLUSTRATIVE)			
CUSTOMER CHARGE	\$35.50			CUSTOMER CHARGE		\$37.89	
DISTRIB. CHARGE	\$0.46319 PER THERM			DISTRIB. CHARGE		\$0.49439 PER THERM	
CBS RIDER	\$0.01364 PER THERM			CBS RIDER		\$0.01364 PER THERM	
CRA	\$0.00850 PER THERM			CRA		\$0.00850 PER THERM	
Conservation Charge	\$0.17732 PER THERM			Conservation Charge		\$0.17732 PER THERM	
EST. GAS COST				\$1.00135 PER THERM			
THERM USAGE INCREMENT				5 THERMS			
AVERAGE USAGE PER CUSTOMER				36.0 THERMS/MONTH			
THERM USAGE	PRESENT		PRESENT	PROPOSED	PROPOSED	PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
	MONTHLY BILL W/O FUEL	MONTHLY BILL WITH FUEL	MONTHLY BILL W/O FUEL	MONTHLY BILL WITH FUEL			
	0	\$35.50	\$35.50	\$37.89	\$37.89	6.73%	6.73%
	5	\$38.81	\$43.82	\$41.36	\$46.37	6.56%	5.81%
	10	\$42.13	\$52.14	\$44.83	\$54.84	6.41%	5.18%
	15	\$45.44	\$60.46	\$48.30	\$63.32	6.29%	4.73%
	20	\$48.75	\$68.78	\$51.77	\$71.79	6.18%	4.38%
	25	\$52.07	\$77.10	\$55.24	\$80.27	6.09%	4.11%
	30	\$55.38	\$85.42	\$58.71	\$88.75	6.01%	3.89%
	35	\$58.69	\$93.74	\$62.17	\$97.22	5.93%	3.71%
40	\$62.01	\$102.06	\$65.64	\$105.70	5.87%	3.56%	
45	\$65.32	\$110.38	\$69.11	\$114.17	5.81%	3.44%	
50	\$68.63	\$118.70	\$72.58	\$122.65	5.76%	3.33%	

*CRA and Conservation charge reflect current approved cost recovery factors.

SUPPORTING SCHEDULES: E-1 p.5, H-1 p.11, G-2 p.8

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE RESIDENTIAL RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZARD / J. TAYLOR

RGHP

2026 PROPOSED RATES			2027 PROPOSED SYA (ILLUSTRATIVE)		
CUSTOMER CHARGE	\$56.00		CUSTOMER CHARGE	\$59.77	
DISTRIB. CHARGE	\$0.12617 PER THERM		DISTRIB. CHARGE	\$0.13468 PER THERM	
CBS RIDER	\$0.01459 PER THERM		CBS RIDER	\$0.01459 PER THERM	
CRA	\$0.00850 PER THERM		CRA	\$0.00850 PER THERM	
Conservation Charge	\$0.17732 PER THERM		Conservation Charge	\$0.17732 PER THERM	

EST. GAS COST \$1.00135 PER THERM

THERM USAGE INCREMENT	50 THERMS
AVERAGE USAGE PER CUSTOMER	353 THERMS/MONTH

THERM USAGE	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL	PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
0	\$56.00	\$56.00	\$59.77	\$59.77	6.73%	6.73%
50	\$72.33	\$122.40	\$76.52	\$126.59	5.80%	3.43%
100	\$88.66	\$188.79	\$93.28	\$193.41	5.21%	2.46%
150	\$104.99	\$255.19	\$110.03	\$260.24	4.81%	1.98%
200	\$121.32	\$321.59	\$126.79	\$327.06	4.51%	1.70%
250	\$137.64	\$387.98	\$143.54	\$393.88	4.28%	1.52%
300	\$153.97	\$454.38	\$160.30	\$460.70	4.11%	1.39%
350	\$170.30	\$520.78	\$177.05	\$527.52	3.96%	1.30%
400	\$186.63	\$587.17	\$193.81	\$594.35	3.84%	1.22%
450	\$202.96	\$653.57	\$210.56	\$661.17	3.74%	1.16%
500	\$219.29	\$719.96	\$227.31	\$727.99	3.66%	1.11%

*CRA and Conservation charge reflect current approved cost recovery factors.

SUPPORTING SCHEDULES: E-2 p.1, H-1 p.6

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE RESIDENTIAL RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZZARD / J. TAYLOR

2026 PROPOSED RATE SCHEDULE: RESIDENTIAL STANDBY GENERATOR (RSG)
2027 PROPOSED SYA (ILLUSTRATIVE): RESIDENTIAL STANDBY GENERATOR (RSG)

RSG	2026 PROPOSED RATES		2027 PROPOSED SYA (ILLUSTRATIVE)	
	CUSTOMER CHARGE	\$41.00	CUSTOMER CHARGE	\$43.76
	DISTRIB. CHARGE	\$0.58931 PER THERM	DISTRIB. CHARGE	\$0.62948 PER THERM
CIBS RIDER				
		\$0.01361 PER THERM	CIBS RIDER	\$0.01361 PER THERM
	CRA	\$0.00850 PER THERM	CRA	\$0.00850 PER THERM
Conservation Charge			Conservation Charge	\$0.17732 PER THERM
		\$0.17732 PER THERM		
EST. GAS COST		\$1.00135 PER THERM		
THERM USAGE INCREMENT		5 THERMS		
AVERAGE USAGE PER CUSTOMER		10.0 THERMS/MONTH		
THERM USAGE	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL
0	\$41.00	\$41.00	\$43.76	\$43.76
5	\$44.94	\$49.95	\$47.90	\$52.91
10	\$48.89	\$58.90	\$52.05	\$62.06
15	\$52.83	\$67.85	\$56.19	\$71.21
20	\$56.77	\$76.80	\$60.34	\$80.37
25	\$60.72	\$85.75	\$64.48	\$89.52
30	\$64.66	\$94.70	\$68.63	\$98.67
35	\$68.61	\$103.65	\$72.77	\$107.82
40	\$72.55	\$112.60	\$76.92	\$116.97
45	\$76.49	\$121.55	\$81.06	\$126.12
50	\$80.44	\$130.50	\$85.21	\$135.27
PERCENT INCREASE WITH FUEL		PERCENT INCREASE W/O FUEL		PERCENT INCREASE WITH FUEL
				6.73%
				5.93%
				5.37%
				4.96%
				4.64%
				4.39%
				4.19%
				4.02%
				3.88%
				3.76%
				3.65%

*CRA and Conservation charge reflect current approved cost recovery factors.

SUPPORTING SCHEDULES: E-1 p.5, H-1 p.11, G-2 p.8

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE COMMERCIAL RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZZARD / J. TAYLOR

2026 PROPOSED RATE SCHEDULE: COMMERCIAL STREET LIGHTING (CSLS)
2027 PROPOSED SYA (ILLUSTRATIVE): COMMERCIAL STREET LIGHTING (CSLS)

CSLS

2026 PROPOSED RATES		2027 PROPOSED SYA (ILLUSTRATIVE)			
CUSTOMER CHARGE	\$		CUSTOMER CHARGE	\$0.00	
DISTRIB. CHARGE	\$0.42612	PER THERM	DISTRIB. CHARGE	\$0.42612	PER THERM
CBS RIDER	\$0.00416	PER THERM	CBS RIDER	\$0.00416	PER THERM
CRA	\$0.00850	PER THERM	CRA	\$0.00850	PER THERM
Conservation Charge	\$0.03822	PER THERM	Conservation Charge	\$0.03822	PER THERM
EST. GAS COST \$1.00135 PER THERM					
		THERM USAGE INCREMENT		THERMS	
				200 THERMS	
				1,200 THERMS/MONTH	
THERM USAGE		PRESENT		PROPOSED	
		MONTHLY BILL W/O FUEL	MONTHLY BILL WITH FUEL	MONTHLY BILL W/O FUEL	MONTHLY BILL WITH FUEL
0		\$0.00	\$0.00	\$0.00	\$0.00
200		\$95.40	\$295.67	\$95.40	\$295.67
400		\$190.80	\$591.34	\$190.80	\$591.34
600		\$286.20	\$887.01	\$286.20	\$887.01
800		\$381.60	\$1,182.68	\$381.60	\$1,182.68
1,000		\$477.00	\$1,478.35	\$477.00	\$1,478.35
1,200		\$572.40	\$1,774.02	\$572.40	\$1,774.02
1,400		\$667.80	\$2,069.69	\$667.80	\$2,069.69
1,600		\$763.20	\$2,365.36	\$763.20	\$2,365.36
1,800		\$858.61	\$2,661.04	\$858.61	\$2,661.04
2,000		\$954.01	\$2,956.71	\$954.01	\$2,956.71
PERCENT INCREASE WITH FUEL 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%					
PERCENT INCREASE W/O FUEL 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%					

*CRA and Conservation charge reflect current approved cost recovery factors.

SUPPORTING SCHEDULES: E-2 p.1, H-1 p.6

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
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EXHIBIT NO. JT-1
WITNESS: TAYLOR
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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE COMMERCIAL RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZARD / J. TAYLOR

CSG

2026 PROPOSED RATES		2027 PROPOSED SYA (ILLUSTRATIVE)	
CUSTOMER CHARGE	\$70.00	CUSTOMER CHARGE	\$74.72
DISTRIB. CHARGE	\$0.38361 PER THERM	DISTRIB. CHARGE	\$0.40837 PER THERM
CBS RIDER	\$0.00514 PER THERM	CBS RIDER	\$0.00514 PER THERM
CRA	\$0.00850 PER THERM	CRA	\$0.00850 PER THERM
Conservation Charge	\$0.06851 PER THERM	Conservation Charge	\$0.05851 PER THERM

THERM USAGE	EST. GAS COST		THERM USAGE INCREMENT		AVERAGE USAGE PER CUSTOMER	
	\$1.00135 PER THERM		20 THERMS		43.5 THERMS/MONTH	
	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL	PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
0	\$70.00	\$70.00	\$74.72	\$74.72	6.74%	6.74%
20	\$79.12	\$89.14	\$84.35	\$104.38	6.62%	5.28%
40	\$88.23	\$128.28	\$93.98	\$134.03	6.52%	4.48%
60	\$97.35	\$157.43	\$103.61	\$163.69	6.44%	3.98%
80	\$106.46	\$186.57	\$113.24	\$193.35	6.37%	3.63%
100	\$115.58	\$215.71	\$122.87	\$223.01	6.31%	3.38%
120	\$124.69	\$244.85	\$132.50	\$252.66	6.26%	3.19%
140	\$133.81	\$274.00	\$142.13	\$282.32	6.22%	3.04%
160	\$142.92	\$303.14	\$151.76	\$311.98	6.19%	2.92%
180	\$152.04	\$332.28	\$161.39	\$341.64	6.15%	2.82%
200	\$161.15	\$361.42	\$171.02	\$371.29	6.13%	2.73%

*CRA and Conservation charge reflect current approved cost recovery factors.

SUPPORTING SCHEDULES: E-1 p.5, H-1 p.11, G-2 p.8

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE COMMERCIAL RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZZARD / J. TAYLOR

CGHP

2026 PROPOSED RATES		2027 PROPOSED SYA (ILLUSTRATIVE)	
CUSTOMER CHARGE	\$64.00	CUSTOMER CHARGE	\$64.00
DISTRIB. CHARGE	\$0.26394 PER THERM	DISTRIB. CHARGE	\$0.26394 PER THERM
CBS RIDER	\$0.00587 PER THERM	CBS RIDER	\$0.00587 PER THERM
CRA	\$0.00850 PER THERM	CRA	\$0.00850 PER THERM
Conservation Charge	\$0.06851 PER THERM	Conservation Charge	\$0.05851 PER THERM

EST. GAS COST \$1,001.35 PER THERM

THERM USAGE INCREMENT 150 THERMS

AVERAGE USAGE PER CUSTOMER 752 THERMS/MONTH

THERM USAGE	PRESENT		PROPOSED		PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
	MONTHLY BILL	W/O FUEL	MONTHLY BILL	W/O FUEL		
0	\$64.00	\$64.00	\$64.00	\$64.00	0.00%	0.00%
150	\$114.52	\$264.72	\$114.52	\$264.72	0.00%	0.00%
300	\$165.04	\$465.45	\$165.04	\$465.45	0.00%	0.00%
450	\$215.57	\$666.17	\$215.57	\$666.17	0.00%	0.00%
600	\$266.09	\$866.90	\$266.09	\$866.90	0.00%	0.00%
750	\$316.61	\$1,067.62	\$316.61	\$1,067.62	0.00%	0.00%
900	\$367.13	\$1,268.35	\$367.13	\$1,268.35	0.00%	0.00%
1,050	\$417.66	\$1,469.07	\$417.66	\$1,469.07	0.00%	0.00%
1,200	\$468.18	\$1,669.80	\$468.18	\$1,669.80	0.00%	0.00%
1,350	\$518.70	\$1,870.52	\$518.70	\$1,870.52	0.00%	0.00%
1,500	\$569.22	\$2,071.25	\$569.22	\$2,071.25	0.00%	0.00%

*CRA and Conservation charge reflect current approved cost recovery factors.

SUPPORTING SCHEDULES: E-1 p.5, H-1 p.11, G-2 p. 8

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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FLORIDA PUBLIC SERVICE COMMISSION
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EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE COMMERCIAL RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZZARD / J. TAYLOR

SGS

2026 PROPOSED RATES		2027 PROPOSED SYA (ILLUSTRATIVE)	
CUSTOMER CHARGE	\$63.00	CUSTOMER CHARGE	\$66.72
DISTRIB. CHARGE	\$0.50314 PER THERM	DISTRIB. CHARGE	\$0.53284 PER THERM
CBS RIDER	\$0.00890 PER THERM	CBS RIDER	\$0.00890 PER THERM
CRA	\$0.00850 PER THERM	CRA	\$0.00850 PER THERM
Conservation Charge	\$0.11074 PER THERM	Conservation Charge	\$0.11074 PER THERM

EST. GAS COST \$1,00135 PER THERM

THERM USAGE INCREMENT	THERM USAGE PER CUSTOMER	
	15 THERMS	60 THERMS/MONTH

THERM USAGE	PRESENT MONTHLY BILL		PROPOSED MONTHLY BILL		PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
	W/O FUEL	WITH FUEL	W/O FUEL	WITH FUEL		
0	\$63.00	\$63.00	\$66.72	\$66.72	5.90%	5.90%
15	\$72.47	\$87.49	\$76.63	\$91.65	5.75%	4.76%
30	\$81.94	\$111.98	\$86.55	\$116.59	5.63%	4.12%
45	\$91.41	\$136.47	\$96.46	\$141.52	5.53%	3.71%
60	\$100.88	\$160.96	\$106.38	\$166.46	5.45%	3.42%
75	\$110.35	\$185.45	\$116.29	\$191.39	5.39%	3.21%
90	\$119.82	\$209.94	\$126.21	\$216.33	5.34%	3.05%
105	\$129.28	\$234.43	\$136.12	\$241.26	5.29%	2.92%
120	\$138.75	\$258.92	\$146.04	\$266.20	5.25%	2.81%
135	\$148.22	\$283.41	\$155.95	\$291.13	5.21%	2.73%
150	\$157.69	\$307.89	\$165.87	\$316.07	5.18%	2.66%

*CRA and Conservation charge reflect current approved cost recovery factors.

SUPPORTING SCHEDULES: E-1 p.5, H-1 p.11, G-2 p.8

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
DOCUMENT NO. 4
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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE COMMERCIAL RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZZARD / J. TAYLOR

GS 1

2026 PROPOSED RATES		2027 PROPOSED SYA (ILLUSTRATIVE)	
CUSTOMER CHARGE	\$81.00	CUSTOMER CHARGE	\$81.00
DISTRIB. CHARGE	\$0.45657 PER THERM	DISTRIB. CHARGE	\$0.45657 PER THERM
CBS RIDER	\$0.00547 PER THERM	CBS RIDER	\$0.00547 PER THERM
CRA	\$0.00850 PER THERM	CRA	\$0.00850 PER THERM
Conservation Charge	\$0.05851 PER THERM	Conservation Charge	\$0.05851 PER THERM

EST. GAS COST		\$1.00135	PER THERM
THERM USAGE INCREMENT		100	THERMS
AVERAGE USAGE PER CUSTOMER		400	THERMS/MONTH

THERM USAGE	PRESENT		PROPOSED		PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
	MONTHLY BILL W/O FUEL	MONTHLY BILL WITH FUEL	MONTHLY BILL W/O FUEL	MONTHLY BILL WITH FUEL		
0	\$81.00	\$81.00	\$81.00	\$81.00	0.00%	0.00%
100	\$133.90	\$234.04	\$133.90	\$234.04	0.00%	0.00%
200	\$186.81	\$387.08	\$186.81	\$387.08	0.00%	0.00%
300	\$239.71	\$540.12	\$239.71	\$540.12	0.00%	0.00%
400	\$292.62	\$693.16	\$292.62	\$693.16	0.00%	0.00%
500	\$345.52	\$846.20	\$345.52	\$846.20	0.00%	0.00%
600	\$398.43	\$999.24	\$398.43	\$999.24	0.00%	0.00%
700	\$451.33	\$1,152.28	\$451.33	\$1,152.28	0.00%	0.00%
800	\$504.24	\$1,305.32	\$504.24	\$1,305.32	0.00%	0.00%
900	\$557.14	\$1,458.36	\$557.14	\$1,458.36	0.00%	0.00%
1,000	\$610.05	\$1,611.40	\$610.05	\$1,611.40	0.00%	0.00%

*CRA and Conservation charge reflect current approved cost recovery factors.

SUPPORTING SCHEDULES: E-1 p.5, H-1 p.11, G-2 p.8

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE COMMERCIAL RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZARD / J. TAYLOR

2026 PROPOSED RATE SCHEDULE: GENERAL SERVICE GS 2
2027 PROPOSED SYA (ILLUSTRATIVE): GENERAL SERVICE (GS 2)

GS 2

PRESENT RATES		PROPOSED RATES	
CUSTOMER CHARGE	\$151.00	CUSTOMER CHARGE	\$155.33
DISTRIB. CHARGE	\$0.43590 PER THERM	DISTRIB. CHARGE	\$0.44840 PER THERM
CBS RIDER	\$0.00509 PER THERM	CBS RIDER	\$0.00509 PER THERM
CRA	\$0.00850 PER THERM	CRA	\$0.00850 PER THERM
Conservation Charge	\$0.04497 PER THERM	Conservation Charge	\$0.04497 PER THERM

EST. GAS COST		\$1,00135	PER THERM
THERM USAGE INCREMENT		300	THERMS
AVERAGE USAGE PER CUSTOMER		1,440	THERMS/MONTH

THERM USAGE	PRESENT		PROPOSED		PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
	MONTHLY BILL	W/O FUEL	MONTHLY BILL	W/O FUEL		
0	\$151.00	\$151.00	\$155.33	\$155.33	2.87%	2.87%
300	\$283.30	\$583.70	\$291.38	\$591.78	2.85%	1.38%
600	\$415.60	\$1,016.41	\$427.43	\$1,028.24	2.85%	1.16%
900	\$547.89	\$1,449.11	\$563.47	\$1,464.69	2.84%	1.08%
1,200	\$680.19	\$1,881.81	\$699.52	\$1,901.14	2.84%	1.03%
1,500	\$812.49	\$2,314.52	\$835.57	\$2,337.60	2.84%	1.00%
1,800	\$944.79	\$2,747.22	\$971.62	\$2,774.05	2.84%	0.98%
2,100	\$1,077.09	\$3,179.92	\$1,107.67	\$3,210.50	2.84%	0.96%
2,400	\$1,209.39	\$3,612.63	\$1,243.71	\$3,646.95	2.84%	0.95%
2,700	\$1,341.68	\$4,045.33	\$1,379.76	\$4,083.41	2.84%	0.94%
3,000	\$1,473.98	\$4,478.03	\$1,515.81	\$4,519.86	2.84%	0.93%

*CRA and Conservation charge reflect current approved cost recovery factors.

SUPPORTING SCHEDULES: E-1 p.5, H-1 p.11, G2 p.8

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE COMMERCIAL RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZARD / J. TAYLOR

GS 3

2026 PROPOSED RATES		2027 PROPOSED SYA (ILLUSTRATIVE)	
CUSTOMER CHARGE	\$615.00	CUSTOMER CHARGE	\$636.70
DISTRIB. CHARGE	\$0.38678 PER THERM	DISTRIB. CHARGE	\$0.40043 PER THERM
CBS RIDER	\$0.00481 PER THERM	CBS RIDER	\$0.00481 PER THERM
CRA	\$0.00850 PER THERM	CRA	\$0.00850 PER THERM
Conservation Charge	\$0.03793 PER THERM	Conservation Charge	\$0.03793 PER THERM

EST. GAS COST		\$1,00135	PER THERM
THERM USAGE INCREMENT		1,150	THERMS
AVERAGE USAGE PER CUSTOMER		8,130	THERMS/MONTH

THERM USAGE	PRESENT		PROPOSED		PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
	MONTHLY BILL W/O FUEL	MONTHLY BILL WITH FUEL	MONTHLY BILL W/O FUEL	MONTHLY BILL WITH FUEL		
0	\$615.00	\$615.00	\$636.70	\$636.70	3.53%	3.53%
1,150	\$1,118.72	\$2,270.28	\$1,156.12	\$2,307.67	3.34%	1.65%
2,300	\$1,622.45	\$3,925.55	\$1,675.54	\$3,978.65	3.27%	1.35%
3,450	\$2,126.17	\$5,580.83	\$2,194.96	\$5,649.62	3.24%	1.23%
4,600	\$2,629.89	\$7,236.10	\$2,714.38	\$7,320.59	3.21%	1.17%
5,750	\$3,133.62	\$8,891.38	\$3,233.80	\$8,991.56	3.20%	1.13%
6,900	\$3,637.34	\$10,546.65	\$3,753.22	\$10,662.54	3.19%	1.10%
8,050	\$4,141.06	\$12,201.93	\$4,272.64	\$12,333.51	3.18%	1.08%
9,200	\$4,644.78	\$13,857.20	\$4,792.06	\$14,004.48	3.17%	1.06%
10,350	\$5,148.51	\$15,512.48	\$5,311.48	\$15,675.45	3.17%	1.05%
11,500	\$5,652.23	\$17,167.76	\$5,830.90	\$17,346.43	3.16%	1.04%

*CRA and Conservation charge reflect current approved cost recovery factors.

SUPPORTING SCHEDULES: E-1 p.5, H-1 p.11, G-2 p.8

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE COMMERCIAL RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZARD / J. TAYLOR

GS 4

2026 PROPOSED RATES

CUSTOMER CHARGE	\$1,272.00	CUSTOMER CHARGE	\$1,357.70
DISTRIB. CHARGE	\$0.35146 PER THERM	DISTRIB. CHARGE	\$0.37514 PER THERM
CBS RIDER	\$0.00456 PER THERM	CBS RIDER	\$0.00456 PER THERM
CRA	\$0.00850 PER THERM	CRA	\$0.00850 PER THERM
Conservation Charge	\$0.02739 PER THERM	Conservation Charge	\$0.02739 PER THERM

EST. GAS COST	\$1,001.35	PER THERM
6,000 THERMS		
29,540 THERMS/MONTH		

PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL	PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
0	\$1,272.00	\$1,272.00	\$1,357.70	6.74%	6.74%
6,000	\$3,623.43	\$9,631.53	\$9,859.31	6.29%	2.36%
12,000	\$5,974.86	\$17,991.06	\$18,360.92	6.19%	2.06%
18,000	\$8,326.29	\$26,350.59	\$26,862.53	6.15%	1.94%
24,000	\$10,677.72	\$34,710.12	\$35,364.14	6.13%	1.88%
30,000	\$13,029.15	\$43,069.65	\$43,865.75	6.11%	1.85%
36,000	\$15,380.58	\$51,429.18	\$52,367.36	6.10%	1.82%
42,000	\$17,732.01	\$59,788.71	\$60,868.97	6.09%	1.81%
48,000	\$20,083.44	\$68,148.24	\$69,370.58	6.09%	1.79%
54,000	\$22,434.87	\$76,507.77	\$77,872.19	6.08%	1.78%
60,000	\$24,786.30	\$84,867.30	\$86,373.80	6.08%	1.78%

*CRA and Conservation charge reflect current approved cost recovery factors.

SUPPORTING SCHEDULES: E-1 p.6, H-1 p.12, G-2 p.8

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE COMMERCIAL RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZARD / J. TAYLOR

GS 5

2026 PROPOSED RATES		2027 PROPOSED SYA (ILLUSTRATIVE)	
CUSTOMER CHARGE	\$2,805.00	CUSTOMER CHARGE	\$2,993.99
DISTRIB. CHARGE	\$0.23898 PER THERM	DISTRIB. CHARGE	\$0.25509 PER THERM
CBS RIDER	\$0.00194 PER THERM	CBS RIDER	\$0.00194 PER THERM
CRA	\$0.00850 PER THERM	CRA	\$0.00850 PER THERM
Conservation Charge	\$0.01918 PER THERM	Conservation Charge	\$0.01918 PER THERM

EST. GAS COST		\$1,00135	PER THERM
THERM USAGE INCREMENT		10,000	THERMS
AVERAGE USAGE PER CUSTOMER		82,010	THERMS/MONTH

THERM USAGE	PRESENT		PROPOSED		PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
	MONTHLY BILL W/O FUEL	MONTHLY BILL WITH FUEL	MONTHLY BILL W/O FUEL	MONTHLY BILL WITH FUEL		
0	\$2,805.00	\$2,805.00	\$2,993.99	\$2,993.99	6.74%	6.74%
10,000	\$5,491.00	\$15,504.50	\$5,841.06	\$15,854.56	6.38%	2.26%
20,000	\$8,177.00	\$28,204.00	\$8,688.12	\$28,715.12	6.25%	1.81%
30,000	\$10,863.01	\$40,903.51	\$11,535.19	\$41,575.69	6.19%	1.64%
40,000	\$13,549.01	\$53,603.01	\$14,382.25	\$54,436.25	6.15%	1.55%
50,000	\$16,235.01	\$66,302.51	\$17,229.32	\$67,296.82	6.12%	1.50%
60,000	\$18,921.01	\$79,002.01	\$20,076.38	\$80,157.38	6.11%	1.46%
70,000	\$21,607.01	\$91,701.51	\$22,923.45	\$93,017.95	6.09%	1.44%
80,000	\$24,293.01	\$104,401.01	\$25,770.51	\$105,878.51	6.08%	1.42%
90,000	\$26,979.02	\$117,100.52	\$28,617.58	\$118,739.08	6.07%	1.40%
100,000	\$29,665.02	\$129,800.02	\$31,464.64	\$131,599.64	6.07%	1.39%

*CRA and Conservation charge reflect current approved cost recovery factors.

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE INTERRUPTIBLE RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZARD / J. TAYLOR

2026 PROPOSED RATE SCHEDULE: SMALL INTERRUPTIBLE SERVICE (SIS)
2027 PROPOSED SYA (ILLUSTRATIVE): SMALL INTERRUPTIBLE SERVICE (SIS)

SIS

2026 PROPOSED RATES			2027 PROPOSED SYA (ILLUSTRATIVE)		
CUSTOMER CHARGE	\$3,259.00	CUSTOMER CHARGE	\$3,478.58		
DISTRIB. CHARGE	\$0.13451 PER THERM	DISTRIB. CHARGE	\$0.14357 PER THERM		
CBS RIDER	\$0.00129 PER THERM	CBS RIDER	\$0.00129 PER THERM		
CRA	\$0.00850 PER THERM	CRA	\$0.00850 PER THERM		
Conservation Charge	\$0.00000 PER THERM	Conservation Charge	\$0.00000 PER THERM		
EST. GAS COST		\$1,00135 PER THERM			
THERM USAGE INCREMENT		25,000 THERMS			
AVERAGE USAGE PER CUSTOMER		141,070 THERMS/MONTH			
THERM USAGE	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL WITH FUEL		
0	\$3,259.00	\$3,259.00	\$3,478.58		
25,000	\$6,866.40	\$31,900.15	\$32,346.24		
50,000	\$10,473.80	\$60,541.30	\$61,213.90		
75,000	\$14,081.20	\$89,182.45	\$90,081.55		
100,000	\$17,688.60	\$117,823.60	\$118,949.21		
125,000	\$21,296.00	\$146,464.75	\$147,816.87		
150,000	\$24,903.40	\$175,105.90	\$176,684.53		
175,000	\$28,510.80	\$203,747.05	\$205,552.19		
200,000	\$32,118.20	\$232,388.20	\$234,419.84		
225,000	\$35,725.60	\$261,029.35	\$263,287.50		
250,000	\$39,333.00	\$289,670.50	\$292,155.16		
			PERCENT INCREASE W/O FUEL		
			PERCENT INCREASE WITH FUEL		
			6.74%		
			6.50%		
			6.42%		
			6.39%		
			6.36%		
			6.35%		
			6.34%		
			6.33%		
			6.33%		
			6.32%		
			6.32%		
			0.87%		
			0.87%		
			0.86%		

*CRA and Conservation charge reflect current approved cost recovery factors.

SUPPORTING SCHEDULES: E-1 p.6, H-1 p.12, G-2 p. 8

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE INTERRUPTIBLE RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZARD / J. TAYLOR

ISLV

2026 PROPOSED RATES		2027 PROPOSED SYA (ILLUSTRATIVE)	
CUSTOMER CHARGE	\$4,024.00	CUSTOMER CHARGE	\$4,269.01
DISTRIB. CHARGE	\$0.01751 PER THERM	DISTRIB. CHARGE	\$0.01858 PER THERM
CBS RIDER	\$0.00000 PER THERM	CBS RIDER	\$0.00000 PER THERM
CRA	\$0.00000 PER THERM	CRA	\$0.00000 PER THERM
Conservation Charge	\$0.00000 PER THERM	Conservation Charge	\$0.00000 PER THERM

EST. GAS COST \$1,00135 PER THERM

750,000 THERMS

5,000,000 THERMS/MONTH

THERM USAGE	PRESENT		PROPOSED		PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
	MONTHLY BILL W/O FUEL	MONTHLY BILL WITH FUEL	MONTHLY BILL W/O FUEL	MONTHLY BILL WITH FUEL		
0	\$4,024.00	\$4,024.00	\$4,269.01	\$4,269.01	6.09%	6.09%
750,000	\$17,156.50	\$768,169.00	\$18,204.01	\$769,216.51	6.11%	0.14%
1,500,000	\$30,289.00	\$1,532,314.00	\$32,139.01	\$1,534,164.01	6.11%	0.12%
2,250,000	\$43,421.50	\$2,296,459.00	\$46,074.01	\$2,299,111.51	6.11%	0.12%
3,000,000	\$56,554.00	\$3,060,604.00	\$60,009.01	\$3,064,059.01	6.11%	0.11%
3,750,000	\$69,686.50	\$3,824,749.00	\$73,944.01	\$3,829,006.51	6.11%	0.11%
4,500,000	\$82,819.00	\$4,588,894.00	\$87,879.01	\$4,593,954.01	6.11%	0.11%
5,250,000	\$95,951.50	\$5,353,039.00	\$101,814.01	\$5,358,901.51	6.11%	0.11%
6,000,000	\$109,084.00	\$6,117,184.00	\$115,749.01	\$6,123,849.01	6.11%	0.11%
6,750,000	\$122,216.50	\$6,881,329.00	\$129,684.01	\$6,888,796.51	6.11%	0.11%
7,500,000	\$135,349.00	\$7,645,474.00	\$143,619.01	\$7,653,744.01	6.11%	0.11%

*CRA and Conservation charge reflect current approved cost recovery factors.

SUPPORTING SCHEDULES: E-1 p.6, H-1 p.12, G2 p.8

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
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WITNESS: TAYLOR
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FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: PEOPLES GAS SYSTEM, INC.
DOCKET NO.: 20250029-GU

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PROPOSED 2026 RATES
AND 2027 PROPOSED SYA (ILLUSTRATIVE) RATES FOR THE WHOLESALE RATE CLASS.

TYPE OF DATA SHOWN:

2027 SYA
WITNESS: L. BUZARD / J. TAYLOR

2026 PROPOSED RATE SCHEDULE: WHOLESALE (WHS)
2027 PROPOSED SYA (ILLUSTRATIVE): WHOLESALE (WHS)

WHS

2026 PROPOSED RATES

2027 PROPOSED SYA (ILLUSTRATIVE)

CUSTOMER CHARGE	\$888.00	CUSTOMER CHARGE	\$947.83
DISTRIB. CHARGE	\$0.28347 PER THERM	DISTRIB. CHARGE	\$0.31325 PER THERM
CBS RIDER	\$0.00291 PER THERM	CBS RIDER	\$0.00291 PER THERM
CRA	\$0.00850 PER THERM	CRA	\$0.00850 PER THERM
Conservation Charge	\$0.00000 PER THERM	Conservation Charge	\$0.00000 PER THERM

EST. GAS COST	\$1,001.35	PER THERM
2,000 THERMS		
14,840 THERMS/MONTH		

THERM USAGE INCREMENT

AVERAGE USAGE PER CUSTOMER

THRM USAGE	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL	PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
0	\$888.00	\$888.00	\$947.83	\$947.83	6.7%	6.7%
2,000	\$1,497.75	\$3,500.45	\$1,597.14	\$3,599.84	6.6%	2.8%
4,000	\$2,107.51	\$6,112.91	\$2,246.46	\$6,251.86	6.6%	2.3%
6,000	\$2,717.26	\$8,725.36	\$2,895.77	\$8,903.87	6.6%	2.0%
8,000	\$3,327.02	\$11,337.82	\$3,545.08	\$11,555.88	6.6%	1.9%
10,000	\$3,936.77	\$13,950.27	\$4,194.40	\$14,207.90	6.5%	1.8%
12,000	\$4,546.52	\$16,562.72	\$4,843.71	\$16,859.91	6.5%	1.8%
14,000	\$5,156.28	\$19,175.18	\$5,483.02	\$19,511.92	6.5%	1.8%
16,000	\$5,766.03	\$21,787.63	\$6,142.34	\$22,163.94	6.5%	1.7%
18,000	\$6,375.79	\$24,400.09	\$6,791.65	\$24,815.95	6.5%	1.7%
20,000	\$6,985.54	\$27,012.54	\$7,440.97	\$27,467.97	6.5%	1.7%

*CRA and Conservation charge reflect current approved cost recovery factors.

SUPPORTING SCHEDULES: E-1 p.6, H-1 p.12, G-2 p.8

RECAP SCHEDULES:

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
DOCUMENT NO. 4
PAGE 32 OF 32
FILED: 03/31/2025

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. JT-1
WITNESS: TAYLOR
DOCUMENT NO. 5
PAGE 1 OF 1
FILED: 03/31/2025

Referenced EndNotes
for the
Prepared Direct Testimony
of
John Taylor

1. James Bonbright et al. Principles of Public Utility Rates, Public Utilities Reports, Inc. 2nd Edition, 1988.

Appendix A

John D. Taylor

MANAGING PARTNER

Mr. Taylor has experience with a wide range of costing, ratemaking, and regulatory activities for gas and electric utilities. He has testified numerous times on these and other issues for clients across North America. He has extensive experience with costing and pricing rates and services, regulatory planning and strategy development, revenue recovery and tracking mechanisms, merger and acquisitions analysis, new product and service development, affiliate transaction reviews, line extension policies, market assessments, litigation support, and organizational and operations reviews. He has testified on numerous occasions as an expert witness on costing and ratemaking related issues on behalf of utilities before federal, state, and provincial regulatory bodies and has extensive experience in evaluating and implementing innovative ratemaking approaches and rate design concepts.

He has also testified on return on equity, electric vehicle and battery storage programs, time-of-use rates, and the appropriate use of statistical analysis during audit testing. Mr. Taylor has led engagements relating to gas supply planning and the review of midstream transportation and storage capacity resources. He has worked as the market monitor for New England ISO’s capacity market, supported the negotiation of PPAs, and supported feasibility and prudence studies of generation investments. He has also been involved in selling generating assets and distribution companies, supporting due diligence efforts, financial analyses, and regulatory approval processes.

Mr. Taylor received a master’s degree in Economics from American University and holds a bachelor’s degree in Environmental Economics from the University of North Carolina at Asheville.

EDUCATION

M.A., Economics, American University

B.A., Environmental Economics, University of North Carolina at Asheville

YEARS EXPERIENCE

18

RELEVANT EXPERTISE

Utility Costing and Pricing,
Expert Witness Testimony,
Transaction Facilitation,
Revenue Requirements,
Statistics, Valuation, Market
Studies, Rate Case
Management, New Product
and Service Development,
Strategic Business Planning,
Marketing and Sales



Appendix A

His consulting career includes Managing Partner with Atrium Economics, LLC; Principal Consultant – Advisory & Planning with Black & Veatch Management Consulting, LLC; Senior Project Manager & Principal of Concentric Energy Advisors, Inc.; and CEO of Nova Data Testing, Inc. Mr. Taylor started his career working on Capitol Hill working with NGOs that were seeking Public Private Partnerships with the Federal Government, World Bank, and International Monetary Fund to pursue various projects in developing countries.

EXPERT WITNESS TESTIMONY PRESENTATION

UNITED STATES:

- California Superior Court of California
- Delaware Public Service Commission
- Florida Public Service Commission
- Federal Energy Regulatory Commission
- Illinois Commerce Commission
- Indiana Utility Regulatory Commission
- Maine Public Service Commission
- Massachusetts Department of Public Utilities
- Maryland Public Service Commission
- Minnesota Public Utilities Commission
- New Hampshire Public Utilities Commission
- North Carolina Utilities Commission
- Oregon Public Utility Commission
- Ohio Public Utility Commission
- Pennsylvania Public Utility Commission
- Virginia State Corporation Commission
- Washington Utilities and Transportation Commission

CANADA:

- Alberta Utilities Commission
- British Columbia Utilities Commission
- Ontario Energy Board
- Public Service Commission of West Virginia

REPRESENTATIVE EXPERIENCE

RATE DESIGN AND REGULATORY PROCEEDINGS

Mr. Taylor has worked on dozens of electric and gas rate cases including the development of revenue requirements, class cost of service studies, and projects related to utility rate design issues. Specifically, he has:

- Lead expert and witness for class costs of service studies across North America and worked on dozens of other class cost of service and rate design projects for other lead witnesses.
- Developed WNA mechanism for a gas utility including back casting results and supporting expert witness testimony and exhibits.



Appendix A

- Developed revenue requirement model to comply with a new performance-based formula ratemaking process for a Midwest electric utility.
- Supported the development of time of use rates, demand rates, economic development rates, load retention rates, and line extension policies.
- Analyzed and summarized allocation methodology for a shared services company.
- Assessed the reasonableness of costs through various benchmarking efforts.
- Led the effort to collect and organize plant addition documentation for six Midwest utilities associated with the state commission's audit of rate base.
- Supported lead-lag analyses and testimonies.
- Analyzed customer usage profiles to support reclassification of rate classes for a gas utility.
- Helped conduct a marginal cost analysis to support rate design testimony.

LITIGATION SUPPORT AND EXPERT TESTIMONY

Mr. Taylor has testified in several cases on class cost of service studies and statistical audit methods. He has also supported numerous other expert testimonies. Specifically, he has:

- Filed testimony as an expert witness on allocated class cost of service studies for both electric and gas utilities.
- Filed testimony as an expert witness on the application of statistical analysis.
- Filed testimony before FERC on the rate of return for an Annual Transmission Revenue Requirement and participated in FERC settlement conferences.
- Part of two-person expert witness team that provided an expert report to the British Columbia Utilities Commission on the use of facilities for transportation balancing services for Fortis BC.
- Part of two-person expert witness team that provided an expert report on affiliate transactions and capitalized overhead allocations for Hydro One on three separate occasions.
- Sole expert for expert report on affiliate allocations for Alectra utilities, the second largest publicly owned electric utility in North America. This was conducted shortly after the merger of four distinct utilities.
- Sole expert for expert report on the allocation of overhead costs between transmission and distribution businesses for EPCOR.

TRANSACTION EXPERIENCE

Mr. Taylor has been involved with several generating asset transactions supporting both buy side and sell side analysis and due diligence. His work has included:



Appendix A

- Worked as buy side advisor for a large water utility in the mid-Atlantic region including supporting the review of revenue requirements, rates, and forecasts.
- Helped facilitate and manage processes for a nuclear plant auction by processing Q&A, collecting relevant documentation and managing the virtual data room for auction participants.
- Supported the auction process for steam and chilled water distribution and generation assets in the Midwest.
- Supported the development of a financial model to ascertain the net present value of several competing wholesale power purchase agreements and guided the client with a decision matrix for the qualitative aspects of the offers.
- Provided research on comparable transactions, previous mergers and acquisitions, and potential transaction opportunities for several clients.

FINANCIAL ANALYSIS AND MARKET RESEARCH

Other financial analysis and market research Mr. Taylor has conducted include:

- Estimated the rate impact and costs associated with moving California energy market to 100% renewable.
- Assessed the consequences of a divestiture on the cost-of-service model for a New England gas distribution company.
- Developed LNG market studies for two separate utilities and two separate competitive market participants.
- Modeling alternative mechanisms for the allocation of overhead costs to a nuclear plant.

