



September 4, 2020

Dear County Administrator,

As a follow-up to the packet you received in June regarding Peoples Gas System’s request for an increase to our customer base rates and charges, I am enclosing a detailed synopsis of our filing.

We are focused on the safety of our team members, customers and the general public as we continue to deliver the essential service of natural gas. This requested increase in base rates, our first in 12 years, will enable us the continued ability to deliver safe, resilient and clean natural gas throughout Florida. Please know we do not take our decision to make this filing lightly, particularly during these unprecedented times. We continue to work diligently to support our customers, while focusing on the long-term financial health of our business, so that we can be best positioned to contribute and encourage Florida’s economic recovery. Customers in Florida value natural gas for its economic value, efficiency and the reassurance of back-up electric generation in the face of severe weather.

This letter and the enclosed copy of our synopsis are provided to you as required by Rule 25-22.0406 of the Florida Administrative Code, Notice and Public Information on General Rate Increase Requests. A copy of our entire rate request filing with the Florida Public Service Commission (PSC) is available online at peoplesgas.com/rates and on the PSC website. We also will be communicating this information with our customers.

We value our relationship with your community and all the communities we serve across Florida. In response to the pandemic we voluntarily suspended all disconnects for non-payment for several months and have contributed more than \$1 million to support Floridians who have lost their jobs or substantial income as a result of COVID-19. Peoples Gas is proud to deliver consistently high customer satisfaction and we embrace our essential role at the heart of Florida’s energy.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

James D. Adcock

James Adcock
Regional Manager, External Affairs
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Enclosures:
Peoples Gas System Rate Case Synopsis, Docket No. 20200051-GU
Exhibits A and B

Peoples Gas System
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peoplesgas.com

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 20200051-GU

**IN RE: PEOPLES GAS SYSTEM'S
PETITION FOR AN INCREASE IN BASE RATES**



SYNOPSIS OF RATE REQUEST

**THIS DOCUMENT IS PROVIDED BY PEOPLES GAS SYSTEM PURSUANT TO THE
REQUIREMENTS OF RULE 25-22.0406, FLORIDA ADMINISTRATIVE CODE,
NOTICE AND PUBLIC INFORMATION ON GENERAL RATE INCREASE REQUESTS**

SUMMARY OF RATE CASE

RATE CASE SYNOPSIS

On June 8, 2020, Peoples Gas System ("Peoples" or "Company") petitioned the Florida Public Service Commission ("Commission") for an increase in its permanent base rates and charges. The Commission, under Florida law, regulates rates, charges, and services provided by Florida investor-owned utilities. The case was assigned Docket No. 20200051-GU. Peoples' last rate case was filed in August 2008, with a final order being issued in May 2009.

Peoples filed its test year letter on February 7, 2020 advising that based on a review of the Company's projected 2020 and 2021 financial performance it must seek an increase in base rates to continue to meet the natural gas needs of existing and new customers, continue to provide safe, reliable, high quality customer service, and have an opportunity to earn a fair rate of return on the Company's investment.

The Company contemplated a filing date on or about April 7, 2020; however, after the Company filed its test year letter, a pandemic rapidly spread worldwide. The coronavirus is potentially endangering the lives of millions, and the efforts to try to prevent the spread have impacted Floridians' daily lives and the state's economy. Rarely in history have there been times of such sudden economic changes of fortune with virtually no warnings.

Peoples therefore requested, and received, an extension of the selected filing date of April 7, 2020 to June 8, 2020. This extension was requested out of consideration for the impacts of the pandemic on Peoples' customers. Peoples believed that delaying the rate case filing for an additional 60 days was appropriate given the sudden and unprecedented changes that were impacting the U.S. economy and more specifically, the state of Florida.

In the twelve years since Peoples' last rate case, many factors have contributed to the necessity for the Company to now seek rate relief. The Consumer Price Index during this period has increased more than 23 percent, which has not only required that the

Company pay more for the goods and services it purchases, but has also contributed to a steady increase in the level of the Company's direct and indirect payroll costs. Additionally, health care costs continue to escalate at a rate significantly higher than that of inflation. At the same time, the Company has been striving to improve the efficiency and economy of its operations without compromising the level of service rendered to its customers. In order to respond to customer growth and demand, improve system safety, and enhance system resiliency, the Company has an obligation to make prudent and necessary infrastructure investments that provide a safe and reliable natural gas distribution system in the communities Peoples serves. It is essential that the Company be permitted to recover these costs in order to maintain its financial integrity so that it can raise new capital needed to provide service to the public. The Company has calculated its revenue requirements based on an overall return on rate base of 6.63 percent. The request totals \$85.3 million which includes \$23.6 million of 2021 revenue requirements related to Peoples moving \$200.7 million of Cast Iron / Bare Steel Rider investments made through December 31, 2020 into adjusted rate base. Once that is accounted for, the net revenue deficiency is \$61.7 million.

Residential Comparison of Bills

In order to fairly accommodate residential customers with different volume and usage requirements, the Company has three residential tiers. Under the proposed rates, (including Peoples' the average purchased gas adjustment cost in 2019), the residential customer classes would receive gas bills as follows:

- Residential customers using less than 100 therms annually would be billed at the RS-1 rate. Customers using 6 therms a month would pay \$23.82 compared to \$19.10 currently, an increase of 24.67 percent.
- Residential customers using more than 99 therms but not more than 249 therms per year would be billed at the RS-2 rate. Customers using 15 therms a month would pay \$38.24 compared to \$33.51 currently, an increase of 14.13 percent.
- Residential customers using more than 249 but not more than 1,999 therms per year would be billed at the RS-3 rate. Customers using 35 therms a month would pay \$70.63 compared to \$63.95 currently, an increase of 10.45 percent.

- The minimum monthly bill for a residential standby generator service (“RSG”) customer would be \$27.74 compared to the current amount of \$19.01, an increase of 45.92 percent.
- The residential gas heat pump monthly price for 250 therms of \$300.31 would decrease to \$281.41, a change of 6.29 percent.

Residential customers using 2,000 or more therms per year would receive service under the general service rate schedule corresponding to their annual consumption and would be eligible to request that Peoples transport and deliver gas purchased by the customers from a third-party marketer.

Commercial and Interruptible Comparison of Bills

Under the proposed rates, (including Peoples’ average purchased gas adjustment in 2019), the commercial and interruptible customer classes would receive gas bills as follows:

- The minimum monthly bill for a commercial standby generator service (CSG) customer would be \$48.00 compared to the current amount of \$33.26, a change of 44.32 percent.
- The small general service (SGS) monthly price for 75 therms of \$122.19 would increase to \$134.01, a change of 9.68 percent.
- The commercial gas heat pump monthly price for 500 therms of \$605.32 would decrease to \$601.39, a change of 0.65 percent.
- The general service one (GS-1) monthly price for 400 therms of \$514.36 would increase to \$549.15, a change of 6.76 percent.
- The general service two (GS-2) monthly price for 1,500 therms of \$1,790.79 would increase to \$1,888.95, a change of 5.48 percent.
- The general service three (GS-3) monthly price for 7,500 therms of \$8,606.45 would increase to \$9,067.60, a change of 5.36 percent.
- The general service four (GS-4) monthly price for 36,000 therms of \$38,879.98 would increase to \$40,431.19, a change of 3.99 percent.
- The general service five (GS-5) monthly price for 80,000 therms of \$81,992.29 would increase to \$84,329.89, a change of 2.85 percent.

- The monthly bill for a commercial street lighting customer using 1,200 therms of \$1,388.56 would increase to \$1,461.12, a change of 5.23 percent.
- The monthly bill for a wholesale service customer using 12,000 therms of \$13,033.53 would increase to \$13,555.53, a change of 4.00 percent
- The monthly bill for a small interruptible service customer using 150,000 therms of \$10,450.59 would increase to \$15,198.00, a change of 45.43 percent (not including fuel*).
- The monthly bill for an interruptible service customer using 875,000 therms of \$29,483.89 would increase to \$42,941.25, a change of 45.64 percent (not including fuel*).
- The monthly bill for a large interruptible service customer using 5,250,000 therms of \$50,168.89 would increase to \$62,522.50, a change of 24.62 percent (not including fuel*).
- *See Exhibit B which includes a comparison of the proposed rate increase including fuel for rate classes SIS, IS, and ISLV.

Please note, Commercial and Interruptible customers may transport and purchase fuel from a third-party supplier.

Rate Case Process

All public utilities, as defined in Section 366.02, Florida Statutes, must petition the Commission to increase their rates to retail customers. After the filing of the request, which took place on June 8, 2020, the Commission has eight months to conduct the case. The formal request is distributed to the Commissioners, the Public Service Commission staff, the Office of the Public Counsel ("Public Counsel"), and other parties who express interest in the case. During the course of the proceeding, the Company responds to many requests for documents and information. The filing to request a base rate increase consists of the petition, the direct testimony, and exhibits from company witnesses and the Minimum Filing Requirements, which are an extensive set of documents containing detailed data in support of the rate increase. This information is distributed to Commissioners, the Commission staff, the Office of Public Counsel, and other parties who intervene in the case.

After the filing is made, the discovery process begins. During this process the utility responds to requests for information (interrogatories) and production of documents from the Commission staff and the parties (intervenors) to the case. The Commission staff performs a field audit of the company's filed data to ensure compliance with Commission rules and accuracy of the information provided. Formal depositions with company witnesses may also be conducted to gather information and better identify issues.

Intervenors in the case often present their own witnesses, testimony, and exhibits in response to the company's filing. They use the company's initial filing materials, as well as discovery responses from the company, as a basis for the positions they take in the case. The parties, their witnesses, testimony, and exhibits are subject to discovery as well. The company will then have the opportunity to present rebuttal testimony and exhibits to any intervenors who file testimony.

Toward the end of the discovery process and just before the hearing commences, the company, staff, and intervenors prepare issue lists and preliminary positions for the case. These lists of issues are then combined and narrowed in a Prehearing Order in an effort to help the Commission focus on the important facets of the case during the hearing.

In the following paragraphs, the Commission schedule for the case is discussed.

In consideration of COVID 19, the Commission has scheduled the following virtual public hearings to provide customers an opportunity to express their views of the requested rate increase:

Thursday, October 1, 2020 at 2:00 p.m.

Wednesday, October 7, 2020 at 6:30 p.m.

Thursday, October 8, 2020 at 9:30 a.m.

Customers interested in participating can contact the Commission by emailing: speakersignup@psc.state.fl.us or calling 1-850-413-7080. Customers should reference Peoples Gas Rate Case and specific hearing date if interested in participating.

The service hearings dates and times will be published in newspapers of general circulation in the Company's service areas and will also be available on the Company's website at peoplesgas.com/rates.

Public Counsel has intervened in this docket and will be participate at the service hearings to represent the public. Public Counsel may be contacted prior to the hearing at 111 West Madison Street, Suite 812, Claude Pepper Building, Tallahassee, Florida 32399-1400, or by phone at (800) 342-0222.

A technical hearing is scheduled to be held on October 27-29, 2020. At this hearing, the legal "record" is further established for deciding the case through direct, rebuttal, and cross examination testimony and the introduction of exhibits and other relevant evidence. More information on the technical hearing will be available on the Commission's website at <http://www.psc.state.fl.us/ClerkOffice/DocketFiling?docket=20200051>

After the hearing, legal briefs are filed by the parties to summarize their positions. The Commission staff reviews the briefs and the record produced at the hearing, and then produces a recommendation to the Commission that addresses each issue identified in the case.

The Commission then holds Special Agenda Conferences and votes on the issues, first on revenue requirements issues and then on rate issues. After the votes, Commission attorneys prepare a Final Order that reflects the Commission's votes and provides background for the case, the basis for each of the decisions reached, the new approved rates, and the effective dates of the new rates. After the Commission Order is issued, parties will have an opportunity to ask the Commission to reconsider its decision on the issues.

More detailed information on the Company's proposed rate increase is contained in exhibits that follow this discussion. A summary of the highlights of the case is set out in Exhibit A, and a bill comparison showing typical monthly bills is contained in Exhibit B. Copies of the complete Minimum Filing Requirements filed with the Commission are available for inspection online at [peoplesgas.com/rates](http://www.psc.state.fl.us/ClerkOffice/DocketFiling?docket=20200051) or the Commission Website at <http://www.psc.state.fl.us/ClerkOffice/DocketFiling?docket=20200051>.

Major Rate Case Issues

It is not possible to anticipate at the beginning of a rate case all the issues that may arise, but potential major revenue requirement issues involved in the case could include:

- Are the company's test year and sales forecasts reasonable?
- What should be the value of the company's test year investment in rate base?
- What should be the company's test year operating revenues?
- What should be the company's test year operating expenses?
- What should be the company's test year earned rate of return?
- What should be the company's test year allowed rate of return?
- What will be the company's test year revenue deficiency?
- What is the appropriate cost of service methodology to use in designing rates?
- What will be the appropriate rate levels for each customer class of service?
- What will be the appropriate charge for each miscellaneous service?

The specific issues in the case will be identified in a prehearing order issued prior to the hearing.

RATE CASE TIME SCHEDULE

Below is a tentative schedule of Peoples Gas System's rate case established by the PSC as of September 1, 2020:

Description	Due Date
MFRs Due	6/8/2020
Order Establishing Procedure	6/22/2020
First Order Modifying Order Establishing Procedure	7/30/2020
Audit Report Due	8/26/2020
Testimony - Intervenor	8/31/2020
Testimony - Staff	8/31/2020
Testimony – Rebuttal	9/21/2020
Notice of Prehearing and Hearing	9/23/2020
Prehearing Statements	9/28/2020
Customer Service Hearings	10/1/2020 – 2:00 p.m. 10/7/2020 – 6:30 p.m. 10/8/2020 – 9:30 a.m.
Discovery Actions Complete	10/9/2020
Prehearing	10/12/2020
Deadline for filing of cross-examination exhibits	10/20/2020
Hearing	10/27/2020 10/28/2020 10/29/2020
Briefs Due	11/12/2020
Revised CASR Due	11/23/2020

NOTE: THIS SCHEDULE IS TENTATIVE AND SUBJECT TO REVISION.

EXHIBIT A

**“MINIMUM FILING REQUIREMENTS
SCHEDULE A -
EXECUTIVE SUMMARY”**

PEOPLES GAS SYSTEM
DOCKET NO. 2020051-GU

MINIMUM FILING REQUIREMENTS
INDEX
SCHEDULE A - EXECUTIVE SUMMARY

SCHEDULE	REFERENCE PAGE	WITNESS	TITLE	BATES STAMP PAGE
A-1	p. 1 of 1	HILLARY	EXECUTIVE SUMMARY - MAGNITUDE OF CHANGE-PRESENT vs PRIOR RATE CASE	1
A-2	p. 1 of 1	HILLARY	EXECUTIVE SUMMARY - ANALYSIS OF PERMANENT RATE INCREASE REQUESTED	2
A-3	p. 1 of 1	HILLARY	EXECUTIVE SUMMARY - ANALYSIS OF JURISDICTIONAL RATE BASE	3
A-4	p. 1 of 1	HILLARY	EXECUTIVE SUMMARY - ANALYSIS OF JURISDICTIONAL N. O. I.	4
A-5	p. 1 of 1	HILLARY	EXECUTIVE SUMMARY - OVERALL RATE OF RETURN COMPARISON	5
A-6	p. 1 of 1	HILLARY	EXECUTIVE SUMMARY - FINANCIAL INDICATORS	6

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING THE MAGNITUDE OF CHANGE - PRESENT vs PRIOR RATE CASE.

TYPE OF DATA SHOWN:

HISTORIC BY LAST CASE: 12/31/07

PROJECTED TY LAST CASE: 12/31/09

PROJECTED TY CURRENT CASE: 12/31/21

COMPANY: PEOPLES GAS SYSTEM

WITNESS: S. HILLARY

DOCKET NO. 20200051-GU

LINE NO.	ITEM	LAST RATE CASE							CURRENT RATE CASE			
		REQUESTED				AUTHORIZED			REQUESTED			
		(1)*	(2)*	(3)*	(4)*	(5)*	(6)*	(7)*	(8)*	(9)	(10)**	(11)
		HISTORICAL N/A	ATTRITION N/A	TOTAL N/A	PROJECTED TEST YEAR 12/31/09	HISTORICAL N/A	ATTRITION N/A	TOTAL	PROJECTED TEST YEAR 12/31/09	PROJECTED TEST YEAR 12/31/21	DOLLAR OR PERCENT DIFFERENCE	PERCENTAGE CHANGE
1	DOCKET NUMBER				080318-GU				080318-GU	20200051-GU		
2	HISTORICAL DATA OR TEST YEAR				12/31/09				12/31/09	12/31/21		
3	PROJECTED TEST YEAR											
4	RATE INCREASE - PERMANENT				\$26,488,091				\$19,152,366	\$85,324,894	\$66,172,528	345.51%
5	RATE INCREASE - INTERIM				\$3,748,000				\$2,380,000	\$0	(\$2,380,000)	-100.00%
6	JURISDICTIONAL RATE BASE BEFORE RATE RELIEF				\$563,599,436				\$560,049,387	\$1,578,725,509	\$1,018,676,122	181.89%
7	JURISDICTIONAL NET OPERATING INCOME BEFORE RATE RELIEF				\$33,944,697				\$36,063,515	\$40,779,039	\$4,715,524	13.08%
8	RATE OF RETURN BEFORE RATE RELIEF				6.02%				6.44%	2.58%	-3.86%	-59.89%
9	SYSTEM CAPITALIZATION				\$563,599,436				\$560,049,387	\$1,578,725,509	\$1,018,676,122	181.89%
10	OVERALL RATE OF RETURN				8.88%				8.52%	6.63%	-1.89%	-22.21%
11	COST OF LONG-TERM DEBT				7.20%				7.20%	4.47%	-2.73%	-37.91%
12	COST OF PREFERRED STOCK				N/A				N/A	N/A	N/A	N/A
13	COST OF SHORT-TERM DEBT				4.50%				3.02%	2.80%	-0.22%	-7.28%
14	COST OF CUSTOMER DEPOSITS				6.65%				6.65%	2.51%	-4.14%	-62.26%
15	COST OF COMMON EQUITY				11.50%				10.75%	10.75%	0.00%	0.00%
16	NUMBER OF CUSTOMERS - AVERAGE				338,790				338,790	425,508	86,718	25.60%
17	DATE NEW PERMANENT RATES EFFECTIVE				4/12/2009				6/18/2009	1/1/2021 (A)		

(A) AS DETERMINED BY THE "FILE AND SUSPEND" PROVISIONS OF SECTION 366.06 (4), FLORIDA STATUTES.

* IF COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3) AND COLUMNS (5) - (7) UNDER THE HEADING "LAST RATE CASE". IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMNS (4) AND (8) UNDER THE HEADING "LAST RATE CASE".

** IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (7). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (8).

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS
OF PERMANENT RATE INCREASE REQUESTED

TYPE OF DATA SHOWN:
PROJECTED TY LAST CASE: 12/31/09
PROJECTED TY CURRENT CASE: 12/31/21

COMPANY: PEOPLES GAS SYSTEM

WITNESS: S. HILLARY

DOCKET NO. 20200051-GU

LINE NO.	DESCRIPTION	INCREASE IN GROSS REVENUE DOLLARS	% OF TOTAL
1	RESTORE ADJUSTED NET OPERATING INCOME TO PREVIOUSLY ALLOWED OVERALL RATE OF RETURN OF 8.52%	\$ 28,579,557	33.49%
2	DECREASE IN REQUESTED OVERALL RATE OF RETURN FROM 8.52% TO 6.63%	(23,931,992)	-28.05%
3	EFFECT OF PROJECTED TEST YEAR	<u>80,677,329</u>	<u>94.55%</u>
4	TOTAL PERMANENT RATE INCREASE REQUESTED	<u>\$85,324,894</u>	<u>100.00%</u>

5 Totals may be affected due to rounding.

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: PEOPLES GAS SYSTEM
 DOCKET NO. 20200051-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS
 OF JURISDICTIONAL RATE BASE

TYPE OF DATA SHOWN:
 HISTORIC BY LAST CASE: 12/31/07
 PROJECTED TY LAST CASE: 12/31/09
 PROJECTED TY CURRENT CASE: 12/31/21

WITNESS: S. HILLARY

LINE NO.	ITEM	RATE BASE DETERMINED BY COMMISSION IN LAST RATE CASE				RATE BASE REQUESTED BY COMPANY IN CURRENT RATE CASE		(6)** DOLLAR DIFFERENCE	(7)** PERCENT DIFFERENCE
		(1)* HISTORIC N/A	(2)* ATTRITION N/A	(3)* TOTAL	(4)* PROJECTED TEST YEAR 12/31/09	(5) PROJECTED TEST YEAR 12/31/21			
<u>UTILITY PLANT</u>									
1	PLANT IN SERVICE	\$0	\$0	\$0	\$986,863,870	\$2,264,926,587	\$1,278,062,717	129.51%	
2	CONSTRUCTION WORK IN PROGRESS	0	0	0	18,249,444	154,563,081	136,313,637	746.95%	
3	UTILITY PLANT ACQUISITION ADJUSTMENT	0	0	0	2,301,671	2,084,900	(216,771)	-9.42%	
4	GROSS UTILITY PLANT	0	0	0	1,007,414,985	2,421,574,568	1,414,159,583	140.38%	
<u>DEDUCTIONS</u>									
5	ACCUMULATED DEPRECIATION	0	0	0	(412,509,168)	(795,890,364)	(383,381,196)	92.94%	
6	ACCUMULATED AMORTIZATION	0	0	0	(13,925,764)	(21,334,035)	(7,408,271)	53.20%	
7	LIMITED TERM UTILITY PLANT	0	0	0	0	0	0	0.00%	
8	ACQUISITION ADJUSTMENT	0	0	0	(1,520,168)	(2,148,582)	(628,414)	41.34%	
9	CUSTOMER ADVANCES FOR CONSTRUCTION	0	0	0	(7,916,127)	(11,423,077)	(3,506,950)	44.30%	
10	TOTAL DEDUCTIONS	0	0	0	(435,871,227)	(830,796,058)	(394,924,831)	90.61%	
11	NET UTILITY PLANT	0	0	0	571,543,758	1,590,778,510	1,019,234,752	178.33%	
12	ALLOWANCE FOR WORKING CAPITAL	0	0	0	(11,494,371)	(12,053,001)	(558,630)	4.86%	
13	RATE BASE	\$0	\$0	\$0	\$560,049,387	\$1,578,725,509	\$1,018,676,122	181.89%	

* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3).
 IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

** IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS OF JURISDICTIONAL NET OPERATING INCOME

TYPE OF DATA SHOWN:

COMPANY: PEOPLES GAS SYSTEM

PROJECTED TY LAST CASE: 12/31/09
PROJECTED TY CURRENT CASE: 12/31/21

DOCKET NO. 20200051-GU

WITNESS: S. HILLARY

LINE NO.	ITEM	NET OPERATING INCOME AS DETERMINED BY COMMISSION IN LAST RATE CASE				NOI REQUESTED BY COMPANY IN CURRENT CASE	(8)** DOLLAR DIFFERENCE	(7) PERCENT DIFFERENCE
		(1)* HISTORIC N/A	(2)* ATTRITION N/A	(3)* TOTAL	(4)* PROJECTED TEST YEAR 12/31/09	(5) PROJECTED TEST YEAR 12/31/21		
1	OPERATING REVENUES (A)	\$0	\$0	\$0	\$171,474,802	\$330,679,959	\$159,205,157	92.84%
	OPERATING REVENUE DEDUCTIONS:							
2	COST OF GAS				0	0		
3	OPERATING & MAINTENANCE EXPENSE	0	0	0	72,124,723	121,397,579	49,272,856	68.32%
4	DEPRECIATION & AMORTIZATION	0	0	0	43,051,093	56,615,935	13,564,842	31.51%
5	AMORTIZATION - OTHER	0	0	0	640,000	1,000,000	360,000	56.25%
6	TAXES OTHER THAN INCOME	0	0	0	10,831,776	21,531,041	10,699,265	98.78%
7	INCOME TAXES (FEDERAL & STATE)	0	0	0	9,192,521	12,803,897	3,611,376	39.29%
8	DEFERRED TAXES (FEDERAL & STATE)	0	0	0	0	12,693,245	12,693,245	
9	INTEREST SYNCHRONIZATION	0	0	0	51,495	0	(51,495)	-100.00%
10	GAIN ON SALE OF PROPERTY	0	0	0	(480,321)	0	480,321	-100.00%
11	TOTAL OPERATING REVENUE DEDUCTIONS	0	0	0	135,411,287	226,041,697	90,630,410	66.93%
12	NET OPERATING INCOME	\$0	\$0	\$0	\$36,063,515	\$104,638,261	\$68,574,746	190.15%

(A) EXCLUDES FUEL AND CONSERVATION REVENUE.

* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

** IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING
OVERALL RATE OF RETURN COMPARISON

TYPE OF DATA SHOWN:
PROJECTED TY LAST CASE: 12/31/09
PROJECTED TY CURRENT CASE: 12/31/21

COMPANY: PEOPLES GAS SYSTEM

DOCKET NO. 20200051-GU

WITNESS: S. HILLARY

PROJECTED TEST YEAR 12/31/09 (AUTHORIZED)

PROJECTED TEST YEAR 12/31/21 (REQUESTED)

LINE NO.	ITEM	DOCKET NO. 080318-GU ORDER NO. PSC-10-0208-S-GU LAST RATE CASE (AUTHORIZED)							
		DOLLARS	RATIO	EMBEDDED COST	WEIGHTED COST	DOLLARS	RATIO	EMBEDDED COST	WEIGHTED COST
1	LONG-TERM DEBT	\$221,637,780	39.57%	7.20%	2.85%	\$506,325,941	32.07%	4.47%	1.43%
2	SHORT-TERM DEBT	3,438,768	0.61%	3.02%	0.02%	99,010,902	6.27%	2.80%	0.18%
3	CUSTOMER DEPOSITS	36,128,943	6.45%	6.65%	0.43%	25,962,434	1.64%	2.51%	0.04%
4	COMMON EQUITY	272,192,768	48.60%	10.75%	5.22%	730,962,783	46.30%	10.75%	4.98%
5	TAX CREDITS	7,862	0.00%		0.00%	0	0.00%		0.00%
6	DEFERRED TAXES	26,643,266	4.76%		0.00%	216,463,449	13.71%		0.00%
7	TOTAL CAPITALIZATION	<u>\$560,049,387</u>	<u>100.00%</u>		<u>8.52%</u>	<u>\$1,578,725,509</u>	<u>100.00%</u>		<u>6.63%</u>

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FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: PEOPLES GAS SYSTEM
 DOCKET NO. 20200051-GU

EXPLANATION: PROVIDE A SUMMARY OF FINANCIAL INDICATORS AS SPECIFIED BELOW FOR THE HISTORIC DATA BASE YEAR OF THE LAST RATE CASE, HISTORIC DATA BASE YEAR FOR THIS CASE, AND THE YEAR IMMEDIATELY FOLLOWING THE PRESENT HISTORIC DATA BASE YEAR.

TYPE OF DATA SHOWN:
 HISTORIC BY LAST CASE: 12/31/07
 HIS. BASE YR DATA CURRENT: 12/31/19
 BASE YR + 1 CURRENT CASE: 12/31/20
 PROJECTED TY CURRENT CASE: 12/31/21
 WITNESS: S. HILLARY

LINE NO.	INDICATORS	(1) DATA FROM HISTORIC BASE YR OR TY RELATED TO COMPANY'S PRIOR CASE	(2) DATA FROM HISTORIC BASE YEAR RELATED TO COMPANY'S CURRENT CASE	(3) YEAR AFTER CURRENT HISTORIC BASE YEAR WITHOUT ANY RATE INCREASE	(4) PROJECTED TEST YEAR WITHOUT ANY RATE INCREASE	(5) PROJECTED TEST YEAR INCLUDING REQUESTED RATE INCREASE
<u>INTEREST COVERAGE RATIOS:</u>						
1	INCLUDING AFUDC IN INCOME BEFORE INTEREST CHARGES	N/A	5.10	4.14	1.94	5.06
2	EXCLUDING AFUDC FROM INCOME BEFORE INTEREST CHARGES	3.25	5.06	3.96	1.87	4.99
<u>OTHER FINANCIAL RATIOS:</u>						
3	AFUDC AS A PERCENT OF INCOME AVAILABLE FOR COMMON	N/A	1.08%	6.90%	8.91%	2.15%
4	PERCENT OF CONSTRUCTION FUNDS GENERATED INTERNALLY	36.31%	22.61%	14.99%	22.99%	29.04%
<u>PREFERRED DIVIDEND COVERAGE:</u>						
5	INCLUDING AFUDC	Not Applicable - Peoples Gas has no Preferred Dividends				
6	EXCLUDING AFUDC	Not Applicable - Peoples Gas has no Preferred Dividends				
<u>RATIO OF EARNINGS TO FIXED CHARGES:</u>						
7	INCLUDING AFUDC	N/A	5.02	4.08	1.92	5.00
8	EXCLUDING AFUDC	1.40	4.98	3.90	1.85	4.93
<u>EARNINGS PER SHARE:</u>						
9	INCLUDING AFUDC					
10	EXCLUDING AFUDC	Not Applicable - Peoples Gas has no publicly traded stock				
11	DIVIDENDS PER SHARE					

12 Totals may be affected due to rounding.
 SUPPORTING SCHEDULES: D-11 p.1-3, G-3 p.9-11

EXHIBIT B

“COMPARISON OF MONTHLY BILLS”

Peoples Gas System
Comparison of Monthly Bills
Docket No. 20200051

Customer Class	Current Threshold	Proposed Threshold	Average Monthly Usage	*Present Rates With Fuel	*Proposed Rates With Fuel	Percent Increase
Residential 1	0 - 99	0 - 99	6	\$ 19.10	\$ 23.82	24.67%
Residential 2	100 - 249	100 - 249	15	\$ 33.51	\$ 38.24	14.13%
Residential 3	250 - 1,999	250 - 1,999	35	\$ 63.95	\$ 70.63	10.45%
Residential Standby Generator	> 20, distribution rate	> 20, distribution rate	Minimal	\$ 19.01	\$ 27.74	45.92%
Commercial Standby Generator	> 40, distribution rate	> 40, distribution rate	Minimal	\$ 33.26	\$ 48.00	44.32%
Small General Service	0 - 1,999	0 - 1,999	75	\$ 122.19	\$ 134.01	9.68%
General Service 1	2,000 - 9,999	2,000 - 9,999	400	\$ 514.36	\$ 549.15	6.76%
General Service 2	10,000 - 49,999	10,000 - 49,999	1,500	\$ 1,790.79	\$ 1,888.95	5.48%
General Service 3	50,000 - 249,999	50,000 - 249,999	7,500	\$ 8,606.45	\$ 9,067.60	5.36%
General Service 4	250,000 - 499,999	250,000 - 499,999	36,000	\$ 38,879.98	\$ 40,431.19	3.99%
General Service 5	> 500,000	> 500,000	80,000	\$ 81,992.29	\$ 84,329.89	2.85%
SIS	1,000,000 - 3,999,999	1,000,000 - 3,999,999	150,000	\$ 145,881.09	\$ 150,628.50	3.25%
IS	4,000,000 - 49,999,999	4,000,000 - 49,999,999	875,000	\$ 819,495.14	\$ 832,952.50	1.64%
ISLV	> 50,000,000	> 50,000,000	5,250,000	\$ 4,790,236.39	\$ 4,802,590.00	0.26%
Residential Gas Heat Pump			250	\$ 300.31	\$ 281.41	-6.29%
Commercial Gas Heat Pump			500	\$ 605.32	\$ 601.39	-0.65%
Commercial Street Lighting			1,200	\$ 1,388.56	\$ 1,461.12	5.23%
Wholesale			12,000	\$ 13,033.53	\$ 13,555.53	4.01%