

Peoples Gas KY LLC

Summary of Proposed Tariff Rates

	<u>Current Tariff Rate</u>	<u>Current GCR Rate</u>	<u>Proposed GCR Rate</u>	<u>Difference</u>	<u>Proposed Tariff Rate</u>
	(1)	(2)	(3)	(4)	(5)
	\$/Mcf	\$/Mcf	\$/Mcf	\$/Mcf	\$/Mcf
	(a)	(b)		(3) - (2)	(1) + (4)
All MCF	7.0712	4.9390	4.0525	(0.8865)	6.1847

(a) Non-Gas Rate approved by the Commission at Case No. 2003-00411.

(b) Rate approved by the Commission at Case No. 2015-00307.

## Peoples Gas KY LLC

Summary of Gas Cost Recovery Rate  
Proposed to Become Effective for the  
Period February 1, 2016 through April 30, 2016

Line No.	<u>Units</u> (1)	<u>Amount</u> (2)	
<u>GCR Components</u>			
1	\$/Mcf	3.7287	
2	\$/Mcf	0.0000	
3	\$/Mcf	0.2878	
4	\$/Mcf	0.0360	
5	\$/Mcf	<u>4.0525</u>	
			(EGC + RA + ACA + BA)
 <u>Expected Gas Cost Calculation (EGC)</u>			
6	\$	741,046	(a)
7	Mcf	<u>198,740</u>	(b)
8	\$/Mcf	<u>3.7287</u>	
			(Line 6 ÷ Line 7)
 <u>Supplier Refund Adjustment Summary</u>			
9	\$/Mcf	0.0000	(c)
10	\$/Mcf	0.0000	(d)
11	\$/Mcf	0.0000	(e)
12	\$/Mcf	0.0000	(f)
13	\$/Mcf	<u>0.0000</u>	
 <u>Actual Cost Adjustment Summary</u>			
14	\$/Mcf	(0.0476)	(g)
15	\$/Mcf	0.1431	(d)
16	\$/Mcf	0.5344	(e)
17	\$/Mcf	(0.3421)	(f)
18	\$/Mcf	<u>0.2878</u>	
 <u>Balance Adjustment Summary</u>			
19	\$/Mcf	0.0063	(h)
20	\$/Mcf	0.0071	(d)
21	\$/Mcf	0.0037	(e)
22	\$/Mcf	0.0189	(f)
23	\$/Mcf	<u>0.0360</u>	

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during August 2015 through October 2015.

(d) As approved in Case No. 2015-00307.

(e) As approved in Case No. 2015-00183.

(f) As approved in Case No. 2015-00083.

(g) See Schedule 4.

(h) See Schedule 5.

## Peoples Gas KY LLC

Calculation of Expected Gas Cost Based on Purchases  
for the Twelve Months Ended October 2015 At Supplier  
Costs Estimated to Become Effective February 1, 2016

	<u>Purchases</u>	<u>Purchases</u>	<u>Average Rate</u>	<u>Annual Cost</u>
	(1)	(2)	(3)	(4)
	Mcf	Dth	\$/Dth	\$
			(a)	(2) x (3)
<u>PURCHASES</u>				
1 November 2014	25,472	32,106	2.8360	91,051
2 December	30,868	37,813	2.8360	107,239
3 January 2015	41,460	50,789	2.8360	144,037
4 February	47,164	50,413	2.8360	142,971
5 March	29,792	36,495	2.8360	103,501
6 April	13,669	16,745	2.8360	47,488
7 May	7,489	8,819	2.8360	25,012
8 June	4,512	5,527	2.8360	15,674
9 July	2,980	3,651	2.8360	10,353
10 August	3,939	3,529	2.8360	10,009
11 September	4,139	5,070	2.8360	14,379
12 October 2015	8,443	10,343	2.8360	29,332
13 Total	<u>219,928</u>	<u>261,300</u>	<u>-</u>	<u>741,046</u>

(a) Estimated average rate based on average Nymex prices plus TCO basis for a 3 month period, plus \$0.7251/Dth VTS Rate from Kentucky West Virginia Gas Company, and adjusted for 11% retainage.

Peoples Gas KY LLC

Summary of Normalized Sales

<u>Line</u>	<u>Month</u>	<u>Normalized</u>
<u>No.</u>		<u>Sales</u>
		(1)
		Mcf
1	November	19,694
2	December	32,853
3	January	40,842
4	February	34,698
5	March	29,466
6	April	15,586
7	May	7,489
8	June	3,337
9	July	3,458
10	August	3,461
11	September	3,365
12	October	4,491
13	Total	<u>198,740</u>

## Peoples Gas KY LLC

Calculation of Actual Cost Adjustment for the Period  
August 2015 through October 2015

<u>Description</u>	<u>Unit</u>	<u>August</u>	<u>September</u>	<u>October 1/</u>	<u>Total</u>
	(1)	(2)	(3)	(4)	(5)
1 Supply Volume Per Invoice	Mcf	3,364	3,585	8,841	15,790
2 Supply Cost Per Books	\$	19,143	15,818	36,891	71,851
3 Sales Volume (c)	Mcf	1,058 2,881	4,139	8,443	16,521
4 EGC Rate in Effect (a), (c)	\$/Mcf	4.8065			
EGC Rate in Effect (b), (c)		4.9299	4.9299	4.9299	
5 EGC Revenue (Line 3 x Line 4)	\$	19,288	20,405	41,623	81,316
6 Over/(Under) Recovery (Line 5 - Line 2)	\$	145	4,587	4,732	9,465
7 Total Current Quarter Actual Cost to be included in rates					9,465
8 Normalized Sales					198,740
9 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					(0.0476)

(a) Approved in Case No. 2015-00083.

(b) Approved in Case No. 2015-00183.

(c) August pro-rated for rate change.

1/ October 2015 costs are estimated.

## Peoples Gas KY LLC

Calculation of Balancing Adjustment for  
Over/(Under) Recoveries of Gas Cost Incurred  
During the Twelve Month Period Beginning November 2014

	<u>Sales</u>	<u>ACA</u> <u>Rate</u>	<u>ACA</u> <u>Recovery</u>	<u>Over/(Under)</u> <u>Collection</u> <u>Balance</u>
	(1)	(2)	(3)	(4)
	Mcf	\$/Mcf	\$ (1) x (2)	\$
Balance Approved by the Commission in Case No. 2014-00332.				42,940
<u>Actual</u>				
November 2014	26,208	(0.1944)	(5,095)	37,845
December	30,868	(0.1944)	(6,001)	31,845
January 2015	47,472	(0.1944)	(9,229)	22,616
February	41,152	(0.1944)	(8,000)	14,616
March	29,792	(0.1944)	(5,792)	8,824
April	13,959	(0.1944)	(2,714)	6,111
May	7,199	(0.1944)	(1,400)	4,711
June	4,512	(0.1944)	(877)	3,834
July	4,038	(0.1944)	(785)	3,049
August	2,881	(0.1944)	(560)	2,489
September	4,139	(0.1944)	(805)	1,684
October 2015	15,065	(0.1944)	(2,929)	(1,244)
 Total	 <u>227,286</u>		 <u>(44,184)</u>	
 Normalized Sales				 198,740 Mcf
Balancing Adjustment (\$1,244) ÷ 198,740 Mcf				\$0.0063 /Mcf