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VIA ELECTRONIC FILING

June 20, 2014

Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RE: Peoples Gas KY LLC
GCR Filing Proposed to Become Effective August 1, 2014
Case No. 2014-00203

Dear Mr. Derouen:

Enclosed for filing on behalf of Peoples Gas KY LLC (Peoples KY) is the Gas Cost Recovery (GCR) filing for the calendar quarter ended April 30, 2014, for rates proposed to become effective August 1, 2014. Also included are Third Revised Sheet No. 2 and Third Revised Sheet No. 4, to Peoples KY PSC Kentucky No. 1 Tariff, which are being filed pursuant to the Purchased Gas Adjustment Provision of that Tariff. A hard copy will follow via regular mail delivery.

This filing proposes a GCR rate of \$7.8465 per Mcf of sales, an increase of \$0.7050 per Mcf from the current PGA, which was approved in Case No. 2014-00105 effective May 1, 2014.

For the purposes of forecasting its Expected Gas Cost (EGC), Peoples KY is assuming purchases based on the Appalachian Index price of gas for Columbia Transmission. This price is developed by averaging the estimated cost of gas over 3 months beginning August 2014.

Schedule 1 of the filing is a summary of the proposed PGA rate components. Schedule 2 is a summary of the expected gas costs based on purchases for the 12 months ended April 2014. Schedule 3 is a listing by month of Peoples KY's sales to its customer's for the 12 months ended April 2014. Schedules 4 and 5 are summaries of ACA components.

Sincerely,

Carol Luniewski

Rate Analyst

Enclosures