

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	9.2737	7.1415	7.8465	0.7050	9.9787

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

(b) Rate approved by the Commission at Case No. 2014-00105.

## Peoples Gas KY LLC

Summary of Gas Cost Recovery Rate  
Proposed to Become Effective for the  
Period Aug 1, 2014 through Oct 31, 2014

Line No.	<u>Units</u> (1)	<u>Amount</u> (2)	
<u>GCR Components</u>			
1	Expected Gas Cost (EGC)	\$/Mcf	6.5635
2	Supplier Refund (RA)	\$/Mcf	0.0000
3	Actual Cost Adjustment (ACA)	\$/Mcf	1.2092
4	Balance Adjustment (BA)	\$/Mcf	<u>0.0738</u>
5	Gas Cost Recovery Rate (EGC + RA + ACA + BA)	\$/Mcf	<u><u>7.8465</u></u>
<u>Expected Gas Cost Calculation (EGC)</u>			
6	Total Expected Cost of Gas	\$	1,499,404 (a)
7	Total Annual Sales	Mcf	<u>228,444 (b)</u>
8	Expected Gas Cost Rate (EGC) (Line 6 ÷ Line 7)	\$/Mcf	<u><u>6.5635</u></u>
<u>Supplier Refund Adjustment Summary</u>			
9	Current Quarter Refund Adjustment	\$/Mcf	0.0000 (c)
10	Previous Quarter Refund Adjustment	\$/Mcf	0.0000 (d)
11	2nd Previous Quarter Refund Adjustment	\$/Mcf	0.0000 (e)
12	3rd Previous Quarter Refund Adjustment	\$/Mcf	<u>0.0000 (f)</u>
13	Supplier Refund Adjustment (RA)	\$/Mcf	<u><u>0.0000</u></u>
<u>Actual Cost Adjustment Summary</u>			
14	Current Quarter Adjustment	\$/Mcf	0.9209 (g)
15	Previous Quarter Adjustment	\$/Mcf	(0.3251) (d)
16	2nd Previous Quarter Adjustment	\$/Mcf	(0.2517) (e)
17	3rd Previous Quarter Adjustment	\$/Mcf	0.8651 (f)
18	Actual Cost Adjustment (ACA)	\$/Mcf	<u><u>1.2092</u></u>
<u>Balance Adjustment Summary</u>			
19	Current Quarter Adjustment	\$/Mcf	0.0864 (h)
20	Previous Quarter Adjustment	\$/Mcf	0.0046 (d)
21	2nd Previous Quarter Adjustment	\$/Mcf	(0.0136) (e)
22	3rd Previous Quarter Adjustment	\$/Mcf	(0.0036) (f)
23	Balance Adjustment (BA)	\$/Mcf	<u><u>0.0738</u></u>

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during Feb 2014 through Apr 2014.

(d) As approved in Case No. 2014-00105.

(e) As approved in Case No. 2014-00004.

(f) As approved in Case No. 2013-00352.

(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 April 2014 At Supplier  
Costs Estimated to Become Effective August 1, 2014

	<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 May 2013	8,095	13,116	5.6274	73,809
2 June	3,484	6,477	5.6274	36,449
3 July	3,578	4,684	5.6274	26,359
4 August	3,562	3,697	5.6274	20,804
5 September	4,432	4,324	5.6274	24,333
6 October	14,406	6,123	5.6274	34,457
7 November	28,366	20,429	5.6274	114,962
8 December	28,389	40,255	5.6274	226,531
9 January 2014	49,542	49,514	5.6274	278,635
10 February	39,217	50,938	5.6274	286,649
11 March	33,354	40,494	5.6274	227,876
12 April	12,019	26,396	5.6274	148,541
13 Total	<u>228,444</u>	<u>266,447</u>	<u>-</u>	<u>1,499,404</u>

(a) Estimated average rate based on average Nymex prices plus TCO basis for a 3 month period, plus \$0.72065/Dth VTS Rate from Kentucky West Virginia Gas Company, and adjusted for 11% retainage.

Peoples Gas KY LLC

Summary of Sales

<u>Line</u> <u>No.</u>	<u>Month</u>	<u>Sales</u> (1) Mcf
1	May 2013	8,095
2	June	3,484
3	July	3,578
4	August	3,562
5	September	4,432
6	October	14,406
7	November	28,366
8	December	28,389
9	January 2014	49,542
10	February	39,217
11	March	33,354
12	April	12,019
13	Total	<u>228,444</u>

## Peoples Gas KY LLC

Calculation of Actual Cost Adjustment for the Period  
February 2014 through April 2014

<u>Description</u>	<u>Unit</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>Total</u>
	(1)	(2)	(3)	(4)	(5)
1 Supply Volume Per Invoice	Dth	56,519	34,721	26,396	117,636
2 Supply Cost Per Books	\$	397,244	216,734	155,167	769,145
3 Sales Volume (c)	Mcf	501 38,716	33,354	12,019	84,590
4 EGC Rate in Effect (a), (c)	\$/Mcf	6.177			
EGC Rate in Effect (b), (c)		6.6083	6.6083	6.6083	
5 EGC Revenue (Line 3 x Line 4)	\$	258,938	220,415	79,428	558,781
6 Over/(Under) Recovery (Line 5 - Line 2)	\$	(138,306)	3,681	(75,739)	(210,364)
7 Total Current Quarter Actual Cost to be included in rates					(210,364)
8 Sales for the 12 Months Ended April 2014					228,444
9 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					0.9209

(a) Approved in Case No. 2013-00352.

(b) Approved in Case No. 2014-00004.

(c) February pro-rated for rate change.

## Peoples Gas KY LLC

Calculation of Balancing Adjustment for  
Over/(Under) Recoveries of Gas Cost Incurred  
During the Twelve Month Period Beginning May 2013

	<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. 2013-00111.				82,501
<u>Actual</u>				
May 2013	9,142	(0.4421)	(4,042)	78,460
June	3,484	(0.4421)	(1,540)	76,919
July	3,387	(0.4421)	(1,497)	75,422
August	3,753	(0.4421)	(1,659)	73,763
September	4,432	(0.4421)	(1,959)	71,804
October	12,429	(0.4421)	(5,495)	66,309
November	30,343	(0.4421)	(13,415)	52,894
December	28,389	(0.4421)	(12,551)	40,343
January 2014	50,043	(0.4421)	(22,124)	18,219
February	38,716	(0.4421)	(17,116)	1,103
March	33,354	(0.4421)	(14,746)	(13,643)
April	13,776	(0.4421)	(6,091)	(19,733)
 Total	 <u>231,248</u>		 <u>(102,235)</u>	

Estimated Annual Sales 228,444 Mcf

Balancing Adjustment \$0.0864 /Mcf  
(\$19,733 ÷ 228,444 Mcf)