
RATE

Customer: Various

Expiration: See "Special Conditions"

Point of Delivery:

At connection along Kentucky West Virginia Gas Company's well connection and gathering system in Eastern Kentucky included in Peoples Gas KY LLC's service area.

Rate:

Customer Service Charge: \$7.50

	<u>Base Rate</u>	+	<u>Gas Cost Recovery Rate*</u>	=	<u>Total Rate</u>	
All Mcf	\$2.1322		\$6.0964 per MCF		\$8.2286	(R)

The minimum monthly bill shall be \$7.50.

*The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 4 and 5 of this tariff.

The following adjustment shall be made to the above rates:

- (1) Customer bills may also include gross receipts license taxes as authorized under the Kentucky Education Reform Act of 1990.

Gas delivered pursuant to this tariff is from pipelines owned and operated by Peoples Gas KY LLC's supplier and all gas sold hereunder is made available by said supplier. Peoples Gas KY LLC shall have the right to abandon gas service to any customer served from any line which is no longer operated by its supplier for any reason whatsoever. All gas sold and delivered under this Tariff shall be delivered at the varying pressures of Peoples Gas KY LLC's supplier's pipeline, and it shall be the responsibility of the customer to supply, maintain, and operate the necessary regulator and related equipment for the customer's use.

(R) Indicates Reduction.

ISSUED: September 22, 2014
EFFECTIVE: November 1, 2014

Issued By: Dawn Folks
Dawn Folks
Rate Analyst

PURCHASED GAS ADJUSTMENT CLAUSE

(Continued)

Definitions

For purposes of this tariff:

- a. "Average Expected Cost" is the cost of purchased gas which results from the application of supplier rates currently in effect, or reasonably expected to be in effect during the calendar quarter, on purchased gas volumes during the twelve-month period ending with the reporting period to which the GCR will apply, divided by the corresponding sales volume. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or the Company expects the volumes to change substantially, the Company may make appropriate adjustments to its calculations. Any adjustments of this type shall be described in the quarterly Gas Cost Recovery Report.
- b. "GCR" means the quarterly updated gas cost recovery rate and is the sum of the expected gas cost component plus the supplier refund adjustment plus the actual cost adjustment plus the balancing adjustment; i.e., $GCR = EGC + RA + ACA + BA$.
- c. "Calendar Quarters" means each of the four three-month periods of (1) February, March, and April; (2) May, June, and July; (3) August, September, and October; (4) November, December, and January.
- d. "Reporting Period" means the three-month accounting period that ended approximately sixty (60) days prior to the filing date of the updated gas cost recovery rates; i.e., the calendar quarters ended April 30, July 31, October 31, and January 31 of each year.

Gas Cost Recovery Rate (GCR):

Expected Gas Supply Cost (EGC)	5.8638	(R)
Refund Adjustment (RA)	0.0000	
Actual Cost Adjustment (ACA)	0.1497	(R)
Balance Adjustment (BA)	0.0829	(I)
Total Gas Cost Recovery Rate per Mcf	6.0964	(R)

(I) Indicates Increase. (R) Indicates Reduction.

ISSUED: September 22, 2014
EFFECTIVE: November 1, 2014

Issued By: _____



Dawn Folks
Rate Analyst

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	9.9787	7.8465	6.0964	(1.7501)	8.2286

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

(b) Rate approved by the Commission at Case No. 2014-00203.

Peoples Gas KY LLC

Summary of Gas Cost Recovery Rate
Proposed to Become Effective for the
Period Nov 1, 2014 through Jan 31, 2015

Line No.	<u>Units</u> (1)	<u>Amount</u> (2)	
<u>GCR Components</u>			
1	Expected Gas Cost (EGC)	\$/Mcf	5.8638
2	Supplier Refund (RA)	\$/Mcf	0.0000
3	Actual Cost Adjustment (ACA)	\$/Mcf	0.1497
4	Balance Adjustment (BA)	\$/Mcf	0.0829
5	Gas Cost Recovery Rate (EGC + RA + ACA + BA)	\$/Mcf	<u>6.0964</u>
 <u>Expected Gas Cost Calculation (EGC)</u>			
6	Total Expected Cost of Gas	\$	1,295,272 (a)
7	Total Normalized Annual Sales	Mcf	<u>220,891 (b)</u>
8	Expected Gas Cost Rate (EGC) (Line 6 ÷ Line 7)	\$/Mcf	<u>5.8638</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	0.0000 (f)
13	Supplier Refund Adjustment (RA)	\$/Mcf	<u>0.0000</u>
 <u>Actual Cost Adjustment Summary</u>			
14	Current Quarter Adjustment	\$/Mcf	(0.1944) (g)
15	Previous Quarter Adjustment	\$/Mcf	0.9209 (d)
16	2nd Previous Quarter Adjustment	\$/Mcf	(0.3251) (e)
17	3rd Previous Quarter Adjustment	\$/Mcf	(0.2517) (f)
18	Actual Cost Adjustment (ACA)	\$/Mcf	<u>0.1497</u>
 <u>Balance Adjustment Summary</u>			
19	Current Quarter Adjustment	\$/Mcf	0.0055 (h)
20	Previous Quarter Adjustment	\$/Mcf	0.0864 (d)
21	2nd Previous Quarter Adjustment	\$/Mcf	0.0046 (e)
22	3rd Previous Quarter Adjustment	\$/Mcf	(0.0136) (f)
23	Balance Adjustment (BA)	\$/Mcf	<u>0.0829</u>

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during May 2014 through July 2014.

(d) As approved in Case No. 2014-00203.

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

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

(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 July 2014 At Supplier
Costs Estimated to Become Effective November 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 August 2013	3,562	3,697	5.0921	18,825
2 September	4,432	4,324	5.0921	22,018
3 October	14,406	6,123	5.0921	31,179
4 November	28,366	20,429	5.0921	104,027
5 December	28,389	34,230	5.0921	174,303
6 January 2014	49,542	49,514	5.0921	252,130
7 February	39,217	50,938	5.0921	259,381
8 March	33,354	40,494	5.0921	206,199
9 April	12,019	21,500	5.0921	109,480
10 May	9,284	12,324	5.0921	62,755
11 June	4,494	5,813	5.0921	29,600
12 July 2014	4,304	4,983	5.0921	25,374
13 Total	<u>231,370</u>	<u>254,369</u>	<u>-</u>	<u>1,295,272</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>No.</u>	<u>Month</u>	<u>Normalized</u> <u>Sales</u> (1) Mcf
1	August	4,112
2	September	4,622
3	October	14,855
4	November	24,130
5	December	30,098
6	January	41,866
7	February	36,245
8	March	27,982
9	April	17,220
10	May	12,369
11	June	3,639
12	July	3,754
13	Total	<u>220,891</u>

Peoples Gas KY LLC

Calculation of Actual Cost Adjustment for the Period
May 2014 through July 2014

<u>Description</u>	<u>Unit</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Total</u>
	(1)	(2)	(3)	(4)	(5)
1 Supply Volume Per Invoice	Dth	8,784	1,817	(1,042)	9,559
2 Supply Cost Per Books	\$	51,854	20,972	9,287	82,113
3 Sales Volume (c)	Mcf	1,757 7,527	4,494	4,304	18,082
4 EGC Rate in Effect (a), (c)	\$/Mcf	6.6083			
EGC Rate in Effect (b), (c)		6.9489	6.9489	6.9489	
5 EGC Revenue (Line 3 x Line 4)	\$	63,917	31,228	29,908	125,053
6 Over/(Under) Recovery (Line 5 - Line 2)	\$	12,063	10,256	20,621	42,940
7 Total Current Quarter Actual Cost to be included in rates					42,940
8 Normalized Sales					220,891
9 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					(0.1944)

(a) Approved in Case No. 2014-0004.

(b) Approved in Case No. 2014-00105.

(c) May 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 August 2013

	<u>Sales</u>	<u>ACA Rate</u>	<u>ACA Recovery</u>	<u>Over/(Under) Collection Balance</u>
	(1)	(2)	(3)	(4)
	Mcf	\$/Mcf	\$ (1) x (2)	\$
Balance Approved by the Commission in Case No. 2013-00236.				13,926
<u>Actual</u>				
August 2013	3,562	(0.0654)	(233)	13,693
September	4,432	(0.0654)	(290)	13,403
October	14,406	(0.0654)	(942)	12,461
November	28,366	(0.0654)	(1,855)	10,606
December	28,389	(0.0654)	(1,857)	8,749
January 2014	49,542	(0.0654)	(3,240)	5,509
February	39,217	(0.0654)	(2,565)	2,945
March	33,354	(0.0654)	(2,181)	763
April	12,019	(0.0654)	(786)	(23)
May	9,284	(0.0654)	(607)	(630)
June	4,494	(0.0654)	(294)	(924)
July 2014	4,304	(0.0654)	(281)	(1,205)
 Total	 <u>231,370</u>		 <u>(15,132)</u>	

Normalized Sales 220,891 Mcf

Balancing Adjustment \$0.0055 /Mcf
(\$1,205 ÷ 231,370 Mcf)