

Peoples Gas KY LLC

Summary of Proposed Tariff Rates

	<u>Current Tariff Rate</u> (1) \$/Mcf (a)	<u>Current GCR Rate</u> (2) \$/Mcf (b)	<u>Proposed GCR Rate</u> (3) \$/Mcf	<u>Difference</u> (4) \$/Mcf (3) - (2)	<u>Proposed Tariff Rate</u> (5) \$/Mcf (1) + (4)
All MCF	8.2286	6.0964	5.4750	(0.6214)	7.6072

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

(b) Rate approved by the Commission at Case No. 2014-00332.

Peoples Gas KY LLC

Summary of Gas Cost Recovery Rate
Proposed to Become Effective for the
Period Feb 1, 2015 through April 30, 2015

Line No.	<u>Units</u> (1)	<u>Amount</u> (2)	
<u>GCR Components</u>			
1	Expected Gas Cost (EGC)	\$/Mcf	5.4128
2	Supplier Refund (RA)	\$/Mcf	0.0000
3	Actual Cost Adjustment (ACA)	\$/Mcf	0.0260
4	Balance Adjustment (BA)	\$/Mcf	<u>0.0362</u>
5	Gas Cost Recovery Rate (EGC + RA + ACA + BA)	\$/Mcf	<u><u>5.4750</u></u>
 <u>Expected Gas Cost Calculation (EGC)</u>			
6	Total Expected Cost of Gas	\$	1,181,995 (a)
7	Total Normalized Annual Sales	Mcf	<u>218,372 (b)</u>
8	Expected Gas Cost Rate (EGC) (Line 6 ÷ Line 7)	\$/Mcf	<u><u>5.4128</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	(0.3754) (g)
15	Previous Quarter Adjustment	\$/Mcf	(0.1944) (d)
16	2nd Previous Quarter Adjustment	\$/Mcf	0.9209 (e)
17	3rd Previous Quarter Adjustment	\$/Mcf	(0.3251) (f)
18	Actual Cost Adjustment (ACA)	\$/Mcf	<u><u>0.0260</u></u>
 <u>Balance Adjustment Summary</u>			
19	Current Quarter Adjustment	\$/Mcf	(0.0603) (h)
20	Previous Quarter Adjustment	\$/Mcf	0.0055 (d)
21	2nd Previous Quarter Adjustment	\$/Mcf	0.0864 (e)
22	3rd Previous Quarter Adjustment	\$/Mcf	0.0046 (f)
23	Balance Adjustment (BA)	\$/Mcf	<u><u>0.0362</u></u>

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during August 2014 through September 2014.

(d) As approved in Case No. 2014-00332.

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

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

(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 2014 At Supplier
Costs Estimated to Become Effective February 1, 2015

	<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 2013	28,366	20,429	4.6217	94,417
2 December	28,389	34,230	4.6217	158,201
3 January 2014	49,542	49,514	4.6217	228,839
4 February	39,217	50,938	4.6217	235,420
5 March	33,354	40,494	4.6217	187,151
6 April	12,019	21,500	4.6217	99,367
7 May	9,284	12,324	4.6217	56,958
8 June	4,494	5,813	4.6217	26,866
9 July	4,304	4,983	4.6217	23,030
10 August	3,600	4,392	4.6217	20,299
11 September	4,544	5,566	4.6217	25,724
12 October	14,526	5,566	4.6217	25,724
13 Total	<u>231,639</u>	<u>255,749</u>	<u>-</u>	<u>1,181,995</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.

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Summary of Normalized Sales

<u>Line</u> <u>No.</u>	<u>Month</u>	<u>Normalized</u> <u>Sales</u> (1) Mcf
1	November	24,149
2	December	30,068
3	January	41,941
4	February	36,281
5	March	28,008
6	April	17,118
7	May	12,249
8	June	3,871
9	July	3,971
10	August	3,933
11	September	3,782
12	October	13,003
13	Total	<u>218,372</u>

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Calculation of Actual Cost Adjustment for the Period
August 2014 through October 2014

<u>Description</u>	<u>Unit</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>Total</u>
	(1)	(2)	(3)	(4)	(5)
1 Supply Volume Per Invoice	Mcf	2,617	3,520	5,673	11,810
2 Supply Cost Per Books	\$	8,280	22,632	36,019	66,932
3 Sales Volume (c)	Mcf	296 3,304	4,544	14,526	22,669
4 EGC Rate in Effect (a), (c)	\$/Mcf	6.9489			
EGC Rate in Effect (b), (c)		6.5635	6.5635	6.5635	
5 EGC Revenue (Line 3 x Line 4)	\$	23,740	29,822	95,340	148,902
6 Over/(Under) Recovery (Line 5 - Line 2)	\$	15,460	7,190	59,321	81,970
7 Total Current Quarter Actual Cost to be included in rates					81,970
8 Normalized Sales					218,372
9 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					(0.3754)

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

(b) Approved in Case No. 2014-00203.

(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 November 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. 2013-00352.				(188,293)
<u>Actual</u>				
November 2013	30,343	0.8651	26,250	(162,043)
December	28,389	0.8651	24,560	(137,483)
January 2014	50,043	0.8651	43,292	(94,191)
February	38,716	0.8651	33,493	(60,698)
March	33,354	0.8651	28,855	(31,844)
April	13,776	0.8651	11,918	(19,926)
May	7,527	0.8651	6,512	(13,414)
June	4,494	0.8651	3,888	(9,526)
July	4,600	0.8651	3,979	(5,547)
August	3,304	0.8651	2,858	(2,689)
September	4,544	0.8651	3,931	1,242
October	13,790	0.8651	11,930	13,172
Total	<u>232,880</u>		<u>201,464</u>	
Normalized Sales				218,372 Mcf
Balancing Adjustment (\$13,172 ÷ 201,464 Mcf)				(\$0.0603) /Mcf