

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	7.6072	5.4750	4.8660	(0.6090)	6.9982

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

(b) Rate approved by the Commission at Case No. 2014-00431.

## Peoples Gas KY LLC

Summary of Gas Cost Recovery Rate  
Proposed to Become Effective for the  
Period May 1, 2015 through July 31, 2015

Line No.	<u>Units</u> (1)	<u>Amount</u> (2)	
<u>GCR Components</u>			
1	Expected Gas Cost (EGC)	\$/Mcf	4.8065
2	Supplier Refund (RA)	\$/Mcf	0.0000
3	Actual Cost Adjustment (ACA)	\$/Mcf	0.0090
4	Balance Adjustment (BA)	\$/Mcf	<u>0.0505</u>
5	Gas Cost Recovery Rate (EGC + RA + ACA + BA)	\$/Mcf	<u><u>4.8660</u></u>
 <u>Expected Gas Cost Calculation (EGC)</u>			
6	Total Expected Cost of Gas	\$	1,040,546 (a)
7	Total Normalized Annual Sales	Mcf	<u>216,487 (b)</u>
8	Expected Gas Cost Rate (EGC) (Line 6 ÷ Line 7)	\$/Mcf	<u><u>4.8065</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	(0.3421) (g)
15	Previous Quarter Adjustment	\$/Mcf	(0.3754) (d)
16	2nd Previous Quarter Adjustment	\$/Mcf	(0.1944) (e)
17	3rd Previous Quarter Adjustment	\$/Mcf	0.9209 (f)
18	Actual Cost Adjustment (ACA)	\$/Mcf	<u><u>0.0090</u></u>
 <u>Balance Adjustment Summary</u>			
19	Current Quarter Adjustment	\$/Mcf	0.0189 (h)
20	Previous Quarter Adjustment	\$/Mcf	(0.0603) (d)
21	2nd Previous Quarter Adjustment	\$/Mcf	0.0055 (e)
22	3rd Previous Quarter Adjustment	\$/Mcf	0.0864 (f)
23	Balance Adjustment (BA)	\$/Mcf	<u><u>0.0505</u></u>

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during November 2014 through January 2015.

(d) As approved in Case No. 2014-00431.

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

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

(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 January 2015 At Supplier  
Costs Estimated to Become Effective May 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 February 2014	39,217	50,938	3.6573	186,296
2 March	33,354	40,494	3.6573	148,099
3 April	12,019	21,500	3.6573	78,632
4 May	9,284	12,324	3.6573	45,073
5 June	4,494	5,813	3.6573	21,260
6 July	4,304	4,983	3.6573	18,224
7 August	3,600	4,392	3.6573	16,063
8 September	4,544	5,566	3.6573	20,356
9 October	14,526	17,794	3.6573	65,079
10 November	25,472	32,106	3.6573	117,420
11 December	30,868	37,813	3.6573	138,295
12 January 2015	41,460	50,789	3.6573	185,750
13 Total	<u>223,142</u>	<u>284,512</u>	<u>-</u>	<u>1,040,546</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	February	36,261
2	March	28,020
3	April	17,095
4	May	12,254
5	June	3,837
6	July	3,958
7	August	3,946
8	September	4,616
9	October	13,012
10	November	19,823
11	December	32,815
12	January	40,850
13	Total	<u>216,487</u>

## Peoples Gas KY LLC

Calculation of Actual Cost Adjustment for the Period  
November 2014 through January 2015

<u>Description</u>	<u>Unit</u>	<u>November</u>	<u>December</u>	<u>January 1/</u>	<u>Total</u>
	(1)	(2)	(3)	(4)	(5)
1 Supply Volume Per Invoice	Mcf	16,526	28,710	41,460	86,696
2 Supply Cost Per Books	\$	93,528	191,868	213,519	498,915
3 Sales Volume (c)	Mcf	(736) 26,208	30,868	41,460	97,800
4 EGC Rate in Effect (a), (c)	\$/Mcf	6.5635			
EGC Rate in Effect (b), (c)		5.8638	5.8638	5.8638	
5 EGC Revenue (Line 3 x Line 4)	\$	148,848	181,005	243,115	572,968
6 Over/(Under) Recovery (Line 5 - Line 2)	\$	55,320	(10,863)	29,596	74,053
7 Total Current Quarter Actual Cost to be included in rates					74,053
8 Normalized Sales					216,487
9 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					(0.3421)

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

(b) Approved in Case No. 2014-00332.

(c) May pro-rated for rate change.

1/ January 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 February 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. 2014-00004.				53,453
<u>Actual</u>				
February 2014	38,716	(0.2517)	(9,745)	43,708
March	33,354	(0.2517)	(8,395)	35,313
April	13,776	(0.2517)	(3,468)	31,845
May	7,527	(0.2517)	(1,895)	29,951
June	4,494	(0.2517)	(1,131)	28,820
July	4,600	(0.2517)	(1,158)	27,662
August	3,304	(0.2517)	(832)	26,830
September	4,544	(0.2517)	(1,144)	25,687
October	13,790	(0.2517)	(3,471)	22,216
November	26,208	(0.2517)	(6,597)	15,619
December	30,868	(0.2517)	(7,770)	7,850
January 2015	47,472	(0.2517)	(11,949)	(4,099)
Total	<u>228,653</u>		<u>(57,552)</u>	
Normalized Sales				216,487 Mcf
Balancing Adjustment (\$4,099) ÷ 216,487 Mcf				\$0.0189 /Mcf