

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	6.1847	4.0525	3.3141	(0.7384)	5.4463

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

(b) Rate approved by the Commission at Case No. 2015-00416 .

Peoples Gas KY LLC

Summary of Gas Cost Recovery Rate
Proposed to Become Effective for the
Period May 1, 2016 through July 31, 2016

Line No.	<u>Units</u> (1)	<u>Amount</u> (2)	
<u>GCR Components</u>			
1	\$/Mcf	3.2807	
2	\$/Mcf	0.0000	
3	\$/Mcf	(0.0248)	
4	\$/Mcf	0.0582	
5	\$/Mcf	<u>3.3141</u>	
			(EGC + RA + ACA + BA)
 <u>Expected Gas Cost Calculation (EGC)</u>			
6	\$	703,339	(a)
7	Mcf	<u>214,384</u>	(b)
8	\$/Mcf	<u>3.2807</u>	
			(Line 6 ÷ Line 7)
 <u>Supplier Refund Adjustment Summary</u>			
9	\$/Mcf	0.0000	(c)
10	\$/Mcf	0.0000	(d)
11	\$/Mcf	0.0000	(e)
12	\$/Mcf	<u>0.0000</u>	(f)
13	\$/Mcf	<u>0.0000</u>	
 <u>Actual Cost Adjustment Summary</u>			
14	\$/Mcf	(0.6547)	(g)
15	\$/Mcf	(0.0476)	(d)
16	\$/Mcf	0.1431	(e)
17	\$/Mcf	0.5344	(f)
18	\$/Mcf	<u>(0.0248)</u>	
 <u>Balance Adjustment Summary</u>			
19	\$/Mcf	0.0411	(h)
20	\$/Mcf	0.0063	(d)
21	\$/Mcf	0.0071	(e)
22	\$/Mcf	0.0037	(f)
23	\$/Mcf	<u>0.0582</u>	

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during November 2015 through January 2016.

(d) As approved in Case No. 2015-00416.

(e) As approved in Case No. 2015-00307.

(f) As approved in Case No. 2015-00183.

(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 2015 At Supplier
Costs Estimated to Become Effective May 1, 2016

	<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 2015	47,164	50,413	2.9236	147,387
2 March	29,792	36,495	2.9236	106,698
3 April	13,669	16,745	2.9236	48,955
4 May	7,489	8,819	2.9236	25,785
5 June	4,512	5,527	2.9236	16,158
6 July	2,980	3,651	2.9236	10,673
7 August	3,939	3,529	2.9236	10,318
8 September	4,139	5,070	2.9236	14,824
9 October	8,443	10,343	2.9236	30,238
10 November	17,839	13,741	2.9236	40,172
11 December	22,507	27,571	2.9236	80,606
12 January 2016	47,894	58,670	2.9236	171,527
13 Total	<u>210,367</u>	<u>240,573</u>	<u>-</u>	<u>703,339</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	February	34,698
2	March	29,466
3	April	15,586
4	May	7,489
5	June	3,337
6	July	3,458
7	August	3,461
8	September	3,365
9	October	4,491
10	November	23,591
11	December	39,058
12	January	46,383
13	Total	<u>214,384</u>

Peoples Gas KY LLC

Calculation of Actual Cost Adjustment for the Period
November 2015 through January 2016

<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	11,598	22,612	47,894	82,104
2 Supply Cost Per Books	\$	27,256	83,889	189,636	300,780
3 Sales Volume (c)	Mcf	11,217 6,622	22,507	47,894	88,239
4 EGC Rate in Effect (a), (c)	\$/Mcf	4.9299			
EGC Rate in Effect (b), (c)		5.0096	5.0096	5.0096	
5 EGC Revenue (Line 3 x Line 4)	\$	88,471	112,749	239,928	441,148
6 Over/(Under) Recovery (Line 5 - Line 2)	\$	61,215	28,860	50,292	140,368
7 Total Current Quarter Actual Cost to be included in rates					140,368
8 Normalized Sales					214,384
9 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					(0.6547)

(a) Approved in Case No. 2015-00183.

(b) Approved in Case No. 2015-00307.

(c) August pro-rated for rate change.

1/ January 2016 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 2015

	<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. 2014-00431.				81,970
<u>Actual</u>				
February 2015	41,152	(0.3754)	(15,449)	66,522
March	29,792	(0.3754)	(11,184)	55,338
April	13,959	(0.3754)	(5,240)	50,097
May	7,199	(0.3754)	(2,703)	47,395
June	4,512	(0.3754)	(1,694)	45,701
July	4,038	(0.3754)	(1,516)	44,185
August	2,881	(0.3754)	(1,082)	43,104
September	4,139	(0.3754)	(1,554)	41,550
October	15,065	(0.3754)	(5,655)	35,894
November	11,217	(0.3754)	(4,211)	31,684
December	22,507	(0.3754)	(8,449)	23,235
January 2016	85,364	(0.3754)	(32,046)	(8,811)
 Total	 <u>241,825</u>		 <u>(90,781)</u>	

Normalized Sales 214,384 Mcf

Balancing Adjustment \$0.0411 /Mcf
 (\$8,811) ÷ 214,384 Mcf