

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	5.4463	3.3141	3.4453	0.1312	5.5775

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

(b) Rate approved by the Commission at Case No. 2016-00119 .

Peoples Gas KY LLC

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

Line No.	<u>Units</u> (1)	<u>Amount</u> (2)
<u>GCR Components</u>		
1	Expected Gas Cost (EGC) \$/Mcf	3.7311
2	Supplier Refund (RA) \$/Mcf	0.0000
3	Actual Cost Adjustment (ACA) \$/Mcf	(0.3046)
4	Balance Adjustment (BA) \$/Mcf	0.0188
5	Gas Cost Recovery Rate (EGC + RA + ACA + BA) \$/Mcf	<u>3.4453</u>
 <u>Expected Gas Cost Calculation (EGC)</u>		
6	Total Expected Cost of Gas \$	789,450 (a)
7	Total Normalized Annual Sales Mcf	<u>211,585 (b)</u>
8	Expected Gas Cost Rate (EGC) (Line 6 ÷ Line 7) \$/Mcf	<u>3.7311</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	0.2546 (g)
15	Previous Quarter Adjustment \$/Mcf	(0.6547) (d)
16	2nd Previous Quarter Adjustment \$/Mcf	(0.0476) (e)
17	3rd Previous Quarter Adjustment \$/Mcf	0.1431 (f)
18	Actual Cost Adjustment (ACA) \$/Mcf	<u>(0.3046)</u>
 <u>Balance Adjustment Summary</u>		
19	Current Quarter Adjustment \$/Mcf	(0.0357) (h)
20	Previous Quarter Adjustment \$/Mcf	0.0411 (d)
21	2nd Previous Quarter Adjustment \$/Mcf	0.0063 (e)
22	3rd Previous Quarter Adjustment \$/Mcf	0.0071 (f)
23	Balance Adjustment (BA) \$/Mcf	<u>0.0188</u>

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during February 2016 through April 2016.

(d) As approved in Case No. 2016-00119.

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

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

(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 August 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 May 2015	7,489	8,819	3.5832	31,602
2 June	4,512	5,527	3.5832	19,803
3 July	2,980	3,651	3.5832	13,080
4 August	3,939	3,529	3.5832	12,646
5 September	4,139	5,070	3.5832	18,168
6 October	8,443	10,343	3.5832	37,060
7 November	17,839	13,741	3.5832	49,235
8 December	22,507	27,571	3.5832	98,791
9 January 2016	47,894	58,670	3.5832	210,225
10 February	37,132	45,902	3.5832	164,476
11 March	15,255	18,688	3.5832	66,962
12 April	15,355	18,810	3.5832	67,400
13 Total	<u>187,483</u>	<u>220,320</u>	<u>-</u>	<u>789,450</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	May	7,489
2	June	3,337
3	July	3,458
4	August	3,461
5	September	3,365
6	October	4,491
7	November	23,591
8	December	39,058
9	January	46,383
10	February	38,156
11	March	22,004
12	April	16,790
13	Total	<u>211,585</u>

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Calculation of Actual Cost Adjustment for the Period
February 2016 through April 2016

<u>Description</u>	<u>Unit</u>	<u>February</u>	<u>March</u>	<u>April 1/</u>	<u>Total</u>
	(1)	(2)	(3)	(4)	(5)
1 Supply Volume Per Invoice	Mcf	40,238	29,528	15,322	85,088
2 Supply Cost Per Books	\$	163,807	90,444	51,783	306,033
3 Sales Volume (c)	Mcf	(338) 37,470	15,255	15,355	67,743
4 EGC Rate in Effect (a), (c)	\$/Mcf	5.0096			
EGC Rate in Effect (b), (c)		3.7287	3.7287	3.7287	
5 EGC Revenue (Line 3 x Line 4)	\$	138,021	56,882	57,255	252,158
6 Over/(Under) Recovery (Line 5 - Line 2)	\$	(25,786)	(33,562)	5,472	(53,875)
7 Total Current Quarter Actual Cost to be included in rates					(53,875)
8 Normalized Sales					211,585
9 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					0.2546

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

(b) Approved in Case No. 2015-00416.

(c) February 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 May 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. 2015-00083.				74,053
<u>Actual</u>				
May 2015	7,199	(0.3421)	(2,463)	71,590
June	4,512	(0.3421)	(1,543)	70,047
July	4,038	(0.3421)	(1,381)	68,665
August	2,881	(0.3421)	(986)	67,680
September	4,139	(0.3421)	(1,416)	66,264
October	15,065	(0.3421)	(5,154)	61,110
November	11,217	(0.3421)	(3,837)	57,273
December	22,507	(0.3421)	(7,700)	49,573
January 2016	85,364	(0.3421)	(29,203)	20,370
February	(338)	(0.3421)	116	20,486
March	15,255	(0.3421)	(5,219)	15,267
April	22,533	(0.3421)	(7,709)	7,559
 Total	 <u>194,371</u>		 <u>(66,494)</u>	
 Normalized Sales				 211,585 Mcf
Balancing Adjustment (\$7,559) ÷ 211,585 Mcf				(\$0.0357) /Mcf