

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	5.5775	3.4453	3.9818	0.5365	6.1140

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

(b) Rate approved by the Commission at Case No. 2016-00210 .

Peoples Gas KY LLC

Summary of Gas Cost Recovery Rate
Proposed to Become Effective for the
Period November 1, 2016 through January 31, 2017

Line No.	<u>Units</u> (1)	<u>Amount</u> (2)	
<u>GCR Components</u>			
1	Expected Gas Cost (EGC)	\$/Mcf	4.3278
2	Supplier Refund (RA)	\$/Mcf	0.0000
3	Actual Cost Adjustment (ACA)	\$/Mcf	(0.4100)
4	Balance Adjustment (BA)	\$/Mcf	0.0640
5	Gas Cost Recovery Rate (EGC + RA + ACA + BA)	\$/Mcf	<u>3.9818</u>
 <u>Expected Gas Cost Calculation (EGC)</u>			
6	Total Expected Cost of Gas	\$	905,997 (a)
7	Total Normalized Annual Sales	Mcf	<u>209,343 (b)</u>
8	Expected Gas Cost Rate (EGC) (Line 6 ÷ Line 7)	\$/Mcf	<u>4.3278</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	0.0377 (g)
15	Previous Quarter Adjustment	\$/Mcf	0.2546 (d)
16	2nd Previous Quarter Adjustment	\$/Mcf	(0.6547) (e)
17	3rd Previous Quarter Adjustment	\$/Mcf	(0.0476) (f)
18	Actual Cost Adjustment (ACA)	\$/Mcf	<u>(0.4100)</u>
 <u>Balance Adjustment Summary</u>			
19	Current Quarter Adjustment	\$/Mcf	0.0523 (h)
20	Previous Quarter Adjustment	\$/Mcf	(0.0357) (d)
21	2nd Previous Quarter Adjustment	\$/Mcf	0.0411 (e)
22	3rd Previous Quarter Adjustment	\$/Mcf	0.0063 (f)
23	Balance Adjustment (BA)	\$/Mcf	<u>0.0640</u>

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during May 2016 through July 2016.

(d) As approved in Case No. 2016-00210.

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

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

(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 November 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 August 2015	3,939	3,529	4.1000	14,470
2 September	4,139	5,070	4.1000	20,788
3 October	8,443	10,343	4.1000	42,405
4 November	17,839	13,741	4.1000	56,337
5 December	22,507	27,571	4.1000	113,040
6 January 2016	47,894	58,670	4.1000	240,545
7 February	37,132	45,902	4.1000	188,199
8 March	15,255	18,688	4.1000	76,620
9 April	15,355	18,810	4.1000	77,121
10 May	10,382	8,793	4.1000	36,051
11 June	5,307	6,502	4.1000	26,656
12 July 2016	2,741	3,357	4.1000	13,765
13 Total	<u>190,933</u>	<u>220,975</u>	<u>-</u>	<u>905,997</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	August	3,309
2	September	3,217
3	October	4,368
4	November	23,651
5	December	39,195
6	January	46,378
7	February	38,161
8	March	22,094
9	April	16,808
10	May	5,505
11	June	3,287
12	July	3,370
13	Total	<u>209,343</u>

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Calculation of Actual Cost Adjustment for the Period
May 2016 through July 2016

<u>Description</u>	<u>Unit</u>	<u>May</u>	<u>June</u>	<u>July 1/</u>	<u>Total</u>
	(1)	(2)	(3)	(4)	(5)
1 Supply Volume Per Invoice	Mcf	10,622	6,745	2,740	20,107
2 Supply Cost Per Books	\$	33,523	23,167	13,104	69,795
3 Sales Volume (c)	Mcf	3,204 7,178	5,307	2,741	18,430
4 EGC Rate in Effect (a), (c)	\$/Mcf	3.7287			
EGC Rate in Effect (b), (c)		3.2807	3.2807	3.2807	
5 EGC Revenue (Line 3 x Line 4)	\$	35,497	17,412	8,991	61,900
6 Over/(Under) Recovery (Line 5 - Line 2)	\$	1,974	(5,755)	(4,113)	(7,895)
7 Total Current Quarter Actual Cost to be included in rates					(7,895)
8 Normalized Sales					209,343
9 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					0.0377

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

(b) Approved in Case No. 2016-00219.

(c) February pro-rated for rate change.

1/ July 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 August 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. 2015-00183.				(114,828)
<u>Actual</u>				
August 2015	7,199	0.5344	3,847	(110,981)
September	4,512	0.5344	2,411	(108,570)
October	4,038	0.5344	2,158	(106,412)
November	2,881	0.5344	1,540	(104,872)
December	4,139	0.5344	2,212	(102,660)
January 2016	15,065	0.5344	8,051	(94,610)
February	11,217	0.5344	5,994	(88,615)
March	22,507	0.5344	12,028	(76,588)
April	85,364	0.5344	45,618	(30,969)
May	(338)	0.5344	(181)	(31,150)
June	15,255	0.5344	8,152	(22,998)
July 2016	22,533	0.5344	12,042	(10,956)
 Total	 <u>194,371</u>		 <u>103,872</u>	
 Normalized Sales				 209,343 Mcf
Balancing Adjustment (\$10,956) ÷ 209,343 Mcf				\$0.0523 /Mcf