

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Gas Supply Costs
For the Three-Month Period From February 1, 2017 thru April 30, 2017

<u>Line No.</u>	<u>MMBtu</u>	<u>Feb-2017</u>	<u>Mar-2017</u>	<u>Apr-2017</u>	<u>Total</u>
1	Expected Gas Supply Transported Under Texas' No-Notice Service (South-to-North)	2,392,958	2,265,102	2,375,707	7,033,767
2	Expected Gas Supply Transported Under Texas' Rate FT (North-to-South)	0	0	107,100	107,100
3	Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 0-2)	560,000	590,600	0	1,150,600
4	Total MMBtu Purchased	2,952,958	2,855,702	2,482,807	8,291,467
5	Plus: Withdrawals from Texas Gas' NNS Storage Service	0	90,900	0	90,900
6	Less: Injections into Texas Gas' NNS Storage Service	0	0	566,100	566,100
7	Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rider TS-2)	2,952,958	2,946,602	1,916,707	7,816,267
Mcf					
8	Total Purchases in Mcf	2,880,935	2,786,051	2,422,251	
9	Plus: Withdrawals from Texas Gas' NNS Storage Service	0	88,683	0	
10	Less: Injections Texas Gas' NNS Storage Service	0	0	552,293	
11	Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rider TS-2)	2,880,935	2,874,734	1,869,958	
12	Plus: Customer Transportation Volumes under Rider TS-2	25,625	41,427	64,808	
13	Total Expected Monthly Deliveries from TGT/TGPL to LG&E (Line 11 + Line 12)	2,906,560	2,916,161	1,934,766	
14	Less: Purchases for Depts. Other Than Gas Dept.	1,769	2,226	1,039	
15	Less: Purchases Injected into LG&E's Underground Storage	0	0	0	
16	Mcf Purchases Expensed during Month (Line 11 - Line 14 - Line 15)	2,879,167	2,872,509	1,868,920	7,620,595
17	LG&E's Storage Inventory - Beginning of Month	8,690,001	5,570,001	3,550,001	
18	Plus: Storage Injections into LG&E's Underground Storage (Line 15)	0	0	0	
19	LG&E's Storage Inventory - Including Injections	8,690,001	5,570,001	3,550,001	
20	Less: Storage Withdrawals from LG&E's Underground Storage	3,082,101	1,987,299	772,585	5,841,985
21	Less: Storage Losses	37,899	32,701	27,415	98,015
22	LG&E's Storage Inventory - End of Month	5,570,001	3,550,001	2,750,001	
23	Mcf of Gas Supply Expensed during Month (Line 16 + Line 20 + Line 21)	5,999,167	4,892,509	2,668,920	13,560,595
Cost					
24	Total Demand Cost - Including Transportation (Line 13 x Line 44)	\$2,401,691	\$2,409,624	\$1,598,697	
25	Less: Demand Cost Recovered thru Rate TS-2 (Line 12 x Line 44)	21,174	34,231	53,551	
26	Demand Cost - Net of Demand Costs Recovered thru LG&E Rider TS-2	\$2,380,517	\$2,375,393	\$1,545,146	
27	Commodity Costs - Gas Supply Under NNS (South-to-North) (Line 1 x Line 45)	8,635,946	8,088,000	8,204,029	
28	Commodity Costs - Gas Supply Under Rate FT (North-to-South) (Line 2 x Line 46)	0	0	377,035	
29	Commodity Costs - Gas Supply Under Rate FT-A (Zone 0-2) (Line 3 x Line 47)	2,022,944	2,110,686	0	
30	Total Purchased Gas Cost	\$13,039,407	\$12,574,079	\$10,126,210	\$35,739,696
31	Plus: Withdrawals from NNS Storage (Line 5 x Line 45)	0	324,577	0	324,577
32	Less: Purchases Injected into NNS Storage (Line 6 x Line 45)	0	0	1,954,913	1,954,913
33	Total Cost of Gas Delivered to LG&E	\$13,039,407	\$12,898,656	\$8,171,297	\$34,109,360
34	Less: Purchases for Depts. Other Than Gas Dept. (Line 14 x Line 48)	8,004	9,986	4,538	22,528
35	Less: Purchases Injected into LG&E's Storage (Line 15 x Line 48)	0	0	0	0
36	Pipeline Deliveries Expensed During Month	\$13,031,403	\$12,888,670	\$8,166,759	\$34,086,832
37	LG&E's Storage Inventory - Beginning of Month	\$29,559,907	\$18,946,915	\$12,075,683	
38	Plus: LG&E Storage Injections (Line 35 above)	0	0	0	
39	LG&E's Storage Inventory - Including Injections	\$29,559,907	\$18,946,915	\$12,075,683	
40	Less: LG&E Storage Withdrawals (Line 20 x Line 49)	10,484,075	6,759,996	2,628,025	\$19,872,096
41	Less: LG&E Storage Losses (Line 21 x Line 49)	128,917	111,236	93,255	333,408
42	LG&E's Storage Inventory - End of Month	\$18,946,915	\$12,075,683	\$9,354,403	
43	Gas Supply Expenses (Line 36 + Line 40 + Line 41)	\$23,644,395	\$19,759,902	\$10,888,039	\$54,292,336
Unit Cost					
44	12-Month Average Demand Cost - per Mcf (see Page 2)	\$0.8263	\$0.8263	\$0.8263	
45	Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service (South-to-North)	\$3.6089	\$3.5707	\$3.4533	
46	Commodity Cost (per MMBtu) under Texas Gas's Rate FT (North-to-South)	\$3.6759	\$3.6377	\$3.5204	
47	Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 0-2)	\$3.6124	\$3.5738	\$3.4550	
48	Average Cost of Deliveries (Line 33 / Line 11)	\$4.5261	\$4.4869	\$4.3698	
49	Average Cost of Inventory - Including Injections (Line 39 / Line 19)	\$3.4016	\$3.4016	\$3.4016	
Gas Supply Cost					
50	Total Expected Mcf Deliveries (Sales) to Customers February 1, 2017 through April 30, 2017				12,882,565 Mcf
51	Current Gas Supply Cost (Line 43 / Line 50)				\$4.2144 / Mcf

Annual Demand Costs

Line No.	Pipeline and Rate	Monthly Demand Charge	MMBtu	No. of Months	Annual Demand Costs
1	Texas Gas No-Notice Service (Rate NNS)	\$12.7104	119,913	12	\$18,289,706
2	Texas Gas Firm Transportation (Rate FT)	\$4.1793	60,000	12	3,009,096
3	Tenn. Gas Firm Transportation (Rate FT-A)	\$7.6252	20,000	12	1,830,048
4	Long-Term Firm Contracts with Suppliers (Annualized)				4,889,664
5		Total Annual Demand Costs			\$28,018,514

Average Demand Cost per Mcf

6	Total Annual Demand Costs (Line 5)				\$28,018,514
7	Expected Annual Deliveries from Pipeline Transporters in Mcf (incl Rider TS-2)				33,906,748
8		Average Demand Cost per Mcf (Line 6 / Line 7)			\$0.8263

Pipeline Supplier's Demand Component Applicable to Billings
Under LG&E's Gas Transportation Service/Standby - Rider TS-2

9	Average Demand Cost (Line 8)				\$0.8263
10	Refund Factor for Demand Portion of Texas Gas Refund (see Exhibit D-1)				0.0000
11	Performance Based Rate Recovery Demand Component (see Exhibit E-1)				0.0233
12		PSDC Charge per Mcf			\$0.8496

Daily Demand Charge Component of Utilization Charge
For Daily Imbalance under Rate FT and Rider PS-FT

13	Total Annual Demand Costs (Line 5)				\$28,018,514
14	Design Day Requirements in Mcf (determined in last rate case)				478,956
15		UCDI Charge (Line 13/Line 14/365 days)			\$0.1603