

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	6.1140	3.9818	4.2561	0.2743	6.3883

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

(b) Rate approved by the Commission at Case No. 2016-00331 .

Peoples Gas KY LLC

Summary of Gas Cost Recovery Rate
Proposed to Become Effective for the
Period February 1, 2017 through April 30, 2017

Line No.	<u>Units</u> (1)	<u>Amount</u> (2)	
<u>GCR Components</u>			
1	Expected Gas Cost (EGC)	\$/Mcf	4.4854
2	Supplier Refund (RA)	\$/Mcf	0.0000
3	Actual Cost Adjustment (ACA)	\$/Mcf	(0.3010)
4	Balance Adjustment (BA)	\$/Mcf	0.0717
5	Gas Cost Recovery Rate (EGC + RA + ACA + BA)	\$/Mcf	<u>4.2561</u>
 <u>Expected Gas Cost Calculation (EGC)</u>			
6	Total Expected Cost of Gas	\$	961,668 (a)
7	Total Normalized Annual Sales	Mcf	214,402 (b)
8	Expected Gas Cost Rate (EGC) (Line 6 ÷ Line 7)	\$/Mcf	<u>4.4854</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	0.0614 (g)
15	Previous Quarter Adjustment	\$/Mcf	0.0377 (d)
16	2nd Previous Quarter Adjustment	\$/Mcf	0.2546 (e)
17	3rd Previous Quarter Adjustment	\$/Mcf	(0.6547) (f)
18	Actual Cost Adjustment (ACA)	\$/Mcf	<u>(0.3010)</u>
 <u>Balance Adjustment Summary</u>			
19	Current Quarter Adjustment	\$/Mcf	0.0140 (h)
20	Previous Quarter Adjustment	\$/Mcf	0.0523 (d)
21	2nd Previous Quarter Adjustment	\$/Mcf	(0.0357) (e)
22	3rd Previous Quarter Adjustment	\$/Mcf	0.0411 (f)
23	Balance Adjustment (BA)	\$/Mcf	<u>0.0717</u>

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during August 2016 through October 2016.

(d) As approved in Case No. 2016-00331.

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

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

(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 2016 At Supplier
Costs Estimated to Become Effective February 1, 2017

	<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 November 2015	17,839	13,741	4.4348	60,937
2 December	22,507	27,571	4.4348	122,270
3 January 2016	47,894	58,670	4.4348	260,188
4 February	37,132	45,902	4.4348	203,567
5 March	15,255	18,688	4.4348	82,876
6 April	15,355	18,810	4.4348	83,419
7 May	10,382	8,793	4.4348	38,995
8 June	5,307	6,502	4.4348	28,833
9 July	2,741	3,357	4.4348	14,889
10 August	4,153	2,961	4.4348	13,131
11 September	2,972	3,641	4.4348	16,148
12 October 2016	6,703	8,211	4.4348	36,415
13 Total	<u>188,240</u>	<u>216,846</u>	<u>-</u>	<u>961,668</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	November	23,594
2	December	39,065
3	January	46,383
4	February	38,156
5	March	22,009
6	April	16,791
7	May	5,548
8	June	3,350
9	July	3,454
10	August	3,439
11	September	3,175
12	October	9,436
13	Total	<u>214,402</u>

Peoples Gas KY LLC

Calculation of Actual Cost Adjustment for the Period
August 2016 through October 2016

<u>Description</u>	<u>Unit</u>	<u>August</u>	<u>September</u>	<u>October 1/</u>	<u>Total</u>
	(1)	(2)	(3)	(4)	(5)
1 Supply Volume Per Invoice	Mcf	3,301	3,005	6,702	13,008
2 Supply Cost Per Books	\$	18,144	13,795	31,739	63,678
3 Sales Volume (c)	Mcf	2,417 1,736	2,972	6,703	13,828
4 EGC Rate in Effect (a), (c)	\$/Mcf	3.2807			
EGC Rate in Effect (b), (c)		3.7311	3.7311	3.7311	
5 EGC Revenue (Line 3 x Line 4)	\$	14,405	11,090	25,010	50,505
6 Over/(Under) Recovery (Line 5 - Line 2)	\$	(3,739)	(2,705)	(6,729)	(13,173)
7 Total Current Quarter Actual Cost to be included in rates					(13,173)
8 Normalized Sales					214,402
9 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					0.0614

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

(b) Approved in Case No. 2016-00331.

(c) August pro-rated for rate change.

1/ October 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 November 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. 2015-00307.				(29,752)
<u>Actual</u>				
November 2015	11,217	0.1431	1,605	(28,147)
December	22,507	0.1431	3,221	(24,926)
January 2016	85,364	0.1431	12,216	(12,711)
February	(338)	0.1431	(48)	(12,759)
March	15,255	0.1431	2,183	(10,576)
April	22,533	0.1431	3,224	(7,352)
May	3,204	0.1431	459	(6,893)
June	5,307	0.1431	759	(6,133)
July	5,158	0.1431	738	(5,395)
August	1,736	0.1431	248	(5,147)
September	2,972	0.1431	425	(4,722)
October 2016	11,974	0.1431	1,713	(3,008)
Total	<u>186,889</u>		<u>26,744</u>	

Normalized Sales 214,402 Mcf

Balancing Adjustment \$0.0140 /Mcf
(\$3,008) ÷ 214,402 Mcf