

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	6.3883	4.2561	4.4008	0.1447	6.5330

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

(b) Rate approved by the Commission at Case No. 2016-00436 .

Peoples Gas KY LLC

Summary of Gas Cost Recovery Rate
Proposed to Become Effective for the
Period May 1, 2017 through July 31, 2017

Line No.	<u>Units</u> (1)	<u>Amount</u> (2)	
<u>GCR Components</u>			
1	\$/Mcf	4.3879	
2	\$/Mcf	0.0000	
3	\$/Mcf	(0.0102)	
4	\$/Mcf	0.0231	
5	\$/Mcf	<u>4.4008</u>	
			(EGC + RA + ACA + BA)
<u>Expected Gas Cost Calculation (EGC)</u>			
6	\$	898,874	(a)
7	Mcf	<u>204,853</u>	(b)
8	\$/Mcf	<u>4.3879</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	(0.3639)	(g)
15	\$/Mcf	0.0614	(d)
16	\$/Mcf	0.0377	(e)
17	\$/Mcf	0.2546	(f)
18	\$/Mcf	<u>(0.0102)</u>	
<u>Balance Adjustment Summary</u>			
19	\$/Mcf	(0.0075)	(h)
20	\$/Mcf	0.0140	(d)
21	\$/Mcf	0.0523	(e)
22	\$/Mcf	(0.0357)	(f)
23	\$/Mcf	<u>0.0231</u>	

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during November 2016 through January 2017.

(d) As approved in Case No. 2016-00436.

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

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

(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 January 2017 At Supplier
Costs Estimated to Become Effective May 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 February 2016	37,132	45,902	4.1431	190,177
2 March	15,255	18,688	4.1431	77,425
3 April	15,355	18,810	4.1431	77,932
4 May	10,382	8,793	4.1431	36,430
5 June	5,307	6,502	4.1431	26,936
6 July	2,741	3,357	4.1431	13,909
7 August	4,153	2,961	4.1431	12,267
8 September	2,972	3,641	4.1431	15,086
9 October	6,703	8,211	4.1431	34,020
10 November	17,986	15,576	4.1431	64,533
11 December	36,356	44,536	4.1431	184,519
12 January 2017	32,636	39,979	4.1431	165,639
13 Total	<u>186,979</u>	<u>216,957</u>	<u>-</u>	<u>898,874</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	38,156
2	March	22,009
3	April	16,791
4	May	5,548
5	June	3,350
6	July	3,454
7	August	3,439
8	September	3,333
9	October	9,436
10	November	21,665
11	December	36,642
12	January	41,029
13	Total	<u>204,853</u>

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Calculation of Actual Cost Adjustment for the Period
November 2016 through January 2017

<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	9,562	27,987	32,638	70,187
2 Supply Cost Per Books	\$	31,531	143,120	196,556	371,206
3 Sales Volume (c)	Mcf	5,271 12,715	36,356	32,636	86,978
4 EGC Rate in Effect (a), (c)	\$/Mcf	3.7311			
EGC Rate in Effect (b), (c)		4.3278	4.3278	4.3278	
5 EGC Revenue (Line 3 x Line 4)	\$	74,694	157,343	141,243	373,280
6 Over/(Under) Recovery (Line 5 - Line 2)	\$	43,163	14,223	(55,313)	2,074
7 Total Current Quarter Actual Cost to be included in rates					2,074
8 Prior Period Adjustment 2/					72,464
9 Normalized Sales					204,853
10 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					(0.3639)

(a) Approved in Case No. 2016-00210.

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

(c) November pro-rated for rate change.

1/ January 2017 costs are estimated.

2/ Prior period adjustment due to typographical error in Aug 2016 filing at Case No. 2016-00210 for Feb 2016 reconciliation period.

Peoples Gas KY LLC

Calculation of Balancing Adjustment for
Over/(Under) Recoveries of Gas Cost Incurred
During the Twelve Month Period Beginning February 2016

	<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. 2015-00416.				10,351
<u>Actual</u>				
February 2016	(338)	(0.0521)	18	10,369
March	15,255	(0.0521)	(795)	9,574
April	22,533	(0.0521)	(1,174)	8,400
May	3,204	(0.0521)	(167)	8,233
June	5,307	(0.0521)	(277)	7,956
July	5,158	(0.0521)	(269)	7,688
August	1,736	(0.0521)	(90)	7,597
September	2,972	(0.0521)	(155)	7,442
October	11,974	(0.0521)	(624)	6,818
November	12,715	(0.0521)	(662)	6,156
December	36,356	(0.0521)	(1,894)	4,262
January 2017	52,310	(0.0521)	(2,725)	1,536
 Total	 <u>169,183</u>		 <u>(8,814)</u>	
 Normalized Sales				 204,853 Mcf
 Balancing Adjustment				 (\$0.0075) /Mcf
\$1,536 ÷ 204,853 Mcf				