

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	6.5330	4.4008	3.6578	(0.7430)	5.7900

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

(b) Rate approved by the Commission at Case No. 2017-00152 .

Peoples Gas KY LLC

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

Line No.	<u>Units</u> (1)	<u>Amount</u> (2)	
<u>GCR Components</u>			
1	Expected Gas Cost (EGC)	\$/Mcf	3.7493
2	Supplier Refund (RA)	\$/Mcf	0.0000
3	Actual Cost Adjustment (ACA)	\$/Mcf	(0.0189)
4	Balance Adjustment (BA)	\$/Mcf	<u>(0.0726)</u>
5	Gas Cost Recovery Rate (EGC + RA + ACA + BA)	\$/Mcf	<u><u>3.6578</u></u>
 <u>Expected Gas Cost Calculation (EGC)</u>			
6	Total Expected Cost of Gas	\$	770,141 (a)
7	Total Normalized Annual Sales	Mcf	<u>205,409 (b)</u>
8	Expected Gas Cost Rate (EGC) (Line 6 ÷ Line 7)	\$/Mcf	<u><u>3.7493</u></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	<u>0.0000 (f)</u>
13	Supplier Refund Adjustment (RA)	\$/Mcf	<u><u>0.0000</u></u>
 <u>Actual Cost Adjustment Summary</u>			
14	Current Quarter Adjustment	\$/Mcf	0.2459 (g)
15	Previous Quarter Adjustment	\$/Mcf	(0.3639) (d)
16	2nd Previous Quarter Adjustment	\$/Mcf	0.0614 (e)
17	3rd Previous Quarter Adjustment	\$/Mcf	0.0377 (f)
18	Actual Cost Adjustment (ACA)	\$/Mcf	<u><u>(0.0189)</u></u>
 <u>Balance Adjustment Summary</u>			
19	Current Quarter Adjustment	\$/Mcf	(0.1314) (h)
20	Previous Quarter Adjustment	\$/Mcf	(0.0075) (d)
21	2nd Previous Quarter Adjustment	\$/Mcf	0.0140 (e)
22	3rd Previous Quarter Adjustment	\$/Mcf	0.0523 (f)
23	Balance Adjustment (BA)	\$/Mcf	<u><u>(0.0726)</u></u>

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during February 2017 through April 2017.

(d) As approved in Case No. 2017-00152.

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

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

(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 April 2017 At Supplier
Costs Estimated to Become Effective August 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 May 2016	10,382	8,793	3.8146	33,542
2 June	5,307	6,502	3.8146	24,801
3 July	2,741	3,357	3.8146	12,806
4 August	4,153	2,961	3.8146	11,295
5 September	2,972	3,641	3.8146	13,890
6 October	6,703	8,211	3.8146	31,322
7 November	17,986	15,576	3.8146	59,416
8 December	36,356	44,536	3.8146	169,889
9 January 2017	32,636	39,979	3.8146	152,506
10 February	22,602	24,101	3.8146	91,937
11 March	26,134	32,014	3.8146	122,120
12 April	9,976	12,221	3.8146	46,618
13 Total	<u>177,949</u>	<u>201,893</u>	<u>-</u>	<u>770,141</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	5,548
2	June	3,350
3	July	3,454
4	August	3,439
5	September	3,333
6	October	9,436
7	November	21,665
8	December	36,642
9	January	41,029
10	February	34,034
11	March	27,820
12	April	15,659
13	Total	<u>205,409</u>

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Calculation of Actual Cost Adjustment for the Period
February 2017 through April 2017

<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	29,803	25,657	9,975	65,435
2 Supply Cost Per Books	\$	155,299	106,839	51,604	313,742
3 Sales Volume	Mcf	22,602	26,134	9,976	58,712
4 EGC Revenue	\$	101,297	117,197	44,738	263,232
5 Over/(Under) Recovery (Line 5 - Line 2)	\$	(54,002)	10,358	(6,866)	(50,510)
6 Total Current Quarter Actual Cost to be included in rates					(50,510)
7 Normalized Sales					205,409
8 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					0.2459

1/ April 2017 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 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. 2016-00119.				140,368
<u>Actual</u>				
May 2016	3,204	(0.6547)	(2,098)	138,270
June	5,307	(0.6547)	(3,475)	134,795
July	5,158	(0.6547)	(3,377)	131,419
August	1,736		(2,719)	128,700
September	2,972		(1,946)	126,754
October	11,974		(4,388)	122,365
November	12,715		(11,775)	110,590
December	36,356		(23,802)	86,788
January 2017	52,310		(21,367)	65,421
February	2,928		(14,798)	50,623
March	26,134		(17,110)	33,513
April	16,442		(6,531)	26,982
Total	<u>177,237</u>		<u>(113,386)</u>	

Normalized Sales 205,409 Mcf

Balancing Adjustment (\$0.1314) /Mcf
(\$26,982) ÷ 205,409 Mcf