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VIA ELECTRONIC FILING

March 29, 2018

Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RE: Peoples Gas KY LLC
GCR Filing Proposed to Become Effective May 1, 2018
Case No. 2018-00109

Dear Mr. Derouen:

Enclosed for filing on behalf of Peoples Gas KY LLC (Peoples KY) is the Gas Cost Recovery (GCR) filing for the calendar quarter ended January 31, 2018, for rates proposed to become effective May 1, 2018. Also included are Eighteenth Revised Sheet No. 2 and Seventeenth Revised Sheet No. 4, to Peoples KY PSC Kentucky No. 1 Tariff, which are being filed pursuant to the Purchased Gas Adjustment Provision of that Tariff. A hard copy will follow via regular mail delivery.

This filing proposes a GCR rate of \$4.1718 per Mcf of sales, an increase of \$0.6038 per Mcf from the current PGA, which was approved in Case No. 2017-00463 effective February 1, 2018.

For the purposes of forecasting its Expected Gas Cost (EGC), Peoples KY is assuming purchases based on the Appalachian Index price of gas for Columbia Transmission. This price is developed by averaging the estimated cost of gas over 3 months beginning May 2018.

Schedule 1 of the filing is a summary of the proposed PGA rate components. Schedule 2 is a summary of the expected gas costs based on purchases for the 12 months ended January 2018. Schedule 3 is a listing by month of Peoples KY's sales to its customer's for the 12 months ended January 2018. Schedules 4 and 5 are summaries of ACA components.

Sincerely,


Lynda Petrichevich