



Carol Scanlon
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VIA ELECTRONIC FILING

December 31, 2018

Gwen Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RE: Peoples Gas KY LLC
GCR Filing Proposed to Become Effective February 1, 2019
Case No. 2018-00412

Dear Ms. Pinson:

Enclosed for filing on behalf of Peoples Gas KY LLC (Peoples KY) is the Gas Cost Recovery (GCR) filing for the calendar quarter ended October 31, 2018, for rates proposed to become effective February 1, 2019. Also included are Twenty First Revised Sheet No. 2 and Twentieth 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 \$6.6739 per Mcf of sales, an increase of \$0.5945 per Mcf from the current PGA, which was approved in Case No. 2018-00315 effective November 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 February 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 October 2018. Schedule 3 is a listing by month of Peoples KY's sales to its customer's for the 12 months ended October 2018. Schedules 4 and 5 are summaries of ACA components.

Sincerely,

Carol Scanlon