

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	5.7445	3.6123	3.8053	0.1930	5.9375

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

(b) Rate approved by the Commission at Case No. 2019-00194.

## Peoples Gas KY LLC

Summary of Gas Cost Recovery Rate  
Proposed to Become Effective for the  
Period November 1, 2019 through January 31, 2020

Line No.	Units (1)	Amount (2)
<u>GCR Components</u>		
1	\$/Mcf	4.0231
2	\$/Mcf	0.0000
3	\$/Mcf	(0.2574)
4	\$/Mcf	0.0396
5	\$/Mcf	<u>3.8053</u>
		(EGC + RA + ACA + BA)
<u>Expected Gas Cost Calculation (EGC)</u>		
6	\$	876,914 (a)
7	Mcf	<u>217,972 (b)</u>
8	\$/Mcf	<u>4.0231</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	0.0000 (f)
13	\$/Mcf	<u>0.0000</u>
<u>Actual Cost Adjustment Summary</u>		
14	\$/Mcf	0.1124 (g)
15	\$/Mcf	(0.3028) (d)
16	\$/Mcf	(0.0306) (e)
17	\$/Mcf	(0.0364) (f)
18	\$/Mcf	<u>(0.2574)</u>
<u>Balance Adjustment Summary</u>		
19	\$/Mcf	0.0387 (h)
20	\$/Mcf	0.0155 (d)
21	\$/Mcf	(0.0012) (e)
22	\$/Mcf	(0.0134) (f)
23	\$/Mcf	<u>0.0396</u>

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during May 2019 through July 2019.

(d) As approved in Case No. 2019-00194.

(e) As approved in Case No. 2019-00088.

(f) As approved in Case No. 2018-00412.

(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 July 2019 At Supplier  
Costs Estimated to Become Effective November 1, 2019

	<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 August 2018	3,048	3,734	3.5139	13,120
2 September	3,000	3,675	3.5139	12,914
3 October	3,964	4,856	3.5139	17,063
4 November	13,597	16,656	3.5139	58,529
5 December	29,844	36,559	3.5139	128,464
6 January 2019	36,051	44,162	3.5139	155,183
7 February	40,589	49,722	3.5139	174,716
8 March	30,986	37,958	3.5139	133,380
9 April	21,404	26,220	3.5139	92,134
10 May	11,750	14,394	3.5139	50,578
11 June	5,723	7,011	3.5139	24,635
12 July 2019	3,763	4,610	3.5139	16,198
13 Total	<u>203,719</u>	<u>249,556</u>	<u>-</u>	<u>876,914</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	August	3,432
2	September	3,312
3	October	3,855
4	November	11,314
5	December	33,180
6	January	37,498
7	February	51,643
8	March	27,687
9	April	28,511
10	May	10,873
11	June	3,287
12	July	3,379
13	Total	<u>217,972</u>

## Peoples Gas KY LLC

Calculation of Actual Cost Adjustment for the Period  
May 2019 through July 2019

<u>Description</u>	<u>Unit</u>	<u>May</u>	<u>June</u>	<u>July 1/</u>	<u>Total</u>
	(1)	(2)	(3)	(4)	(5)
1 Supply Volume Per Invoice	Mcf	0	23,569	21,235	44,804
2 Supply Cost Per Books	\$	43,751	32,373	37,188	113,313
3 Sales Volume	Mcf	9,343	5,024	3,820	18,187
4 EGC Revenue	\$	48,172	22,985	17,648	88,805
5 Over/(Under) Recovery (Line 5 - Line 2)	\$	4,420.76	(9,387.94)	(19,539.92)	(24,507)
6 Total Current Quarter Actual Cost to be included in rates					(24,507)
7 Normalized Sales					217,972
8 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					0.1124

1/ July 2019 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 August 2018

	<u>Sales</u>	<u>ACA</u> <u>Recovery</u>	<u>Over/(Under)</u> <u>Collection</u> <u>Balance</u>
	(1)	(2)	(3)
	Mcf	\$	\$
Balance Approved by the Commission in Case No. 2018-00197.			(180,513)
<u>Actual</u>			
August 2018	4,302	2,958	(177,554)
September	6,964	2,766	(174,788)
October	5,600	9,038	(165,750)
November	1,151	20,177	(145,573)
December	3,000	27,019	(118,555)
January 2019	13,144	36,338	(82,216)
February	4,417	26,121	(56,096)
March	29,844	22,041	(34,055)
April	66,378	10,241	(23,815)
May	10,262	7,904	(15,910)
June	30,986	4,250	(11,660)
July 2019	30,014	3,232	(8,428)
 Total	 <u>206,062</u>	 <u>172,084</u>	
 Normalized Sales			 217,972 Mcf
Balancing Adjustment			\$0.0387 /Mcf
$\$(8,428) \div 217,972$ Mcf			

## Peoples Gas KY

### Calculation of Average Rate on Schedule 2 (November 2019 Quarterly Filing)

Line No.		<u>Nymex</u> (1)	<u>TCO Basis</u> (2)	<u>Total</u> (3) = (1 + 2)
1	November 2019	(See attachment) \$ 2.665	\$ (0.369)	\$ 2.296
2	December	(See attachment) \$ 2.803	\$ (0.282)	\$ 2.521
3	January	(See attachment) \$ 2.906	\$ (0.277)	<u>\$ 2.629</u>
4	Total	(Sum Lines 1-3)		\$ 7.446
5	Estimated 3 month average	(Line 4 / 3)		\$ 2.482
6	Retainage 11%	(Line 5 / (1-0.11))		\$ 2.7888
7	VTS Rate			\$ 0.7251
8	<b>Projected Average Rate on Schedule 2 (November 2019 Quarterly Filing) (Line 6 + Line 7)</b>			<b><u>\$ 3.5139</u></b>

**NATURAL GAS FUTURES**

**NYMEX October gas erases most of previous day's gains as output ticks up**

The NYMEX prompt-month natural gas contract settled 3.1 cents lower in Wednesday trading, as supply is predicted to jump.

The front-month contract decreased 3.1 cents to settle at \$2.637/MMBtu, moving within a range of \$2.603-\$2.696/MMBtu.

"The shorts have had their way, but long-term gas is going to be a golden buy," said Dan Flynn, analyst at Price Futures Group.

On fundamentals, Flynn added, "The weather hasn't been overly hot, and we've got a glut of supply."

Total supply is projected to tick up from 93.1 Bcf Wednesday to an average of 94.1 Bcf/d over the upcoming week, before rising even higher to 94.2 Bcf/d over the next eight to 14 days, according to S&P Global Platts Analytics. Though this does not reach the current month-to-date level of 94.7 Bcf/d, it still remains higher than September 2018's 89.3 Bcf/d average.

Dry production constitutes the majority of these gains, rising from 89 Bcf Wednesday to 89.7 Bcf/d over the upcoming week, and bumping up to 89.9 Bcf/d over the next eight to 14 days, Platts Analytics data shows. Imports from Canada are also on the rise, increasing from 4 Bcf Wednesday to an average of 4.3 Bcf/d over the upcoming week.

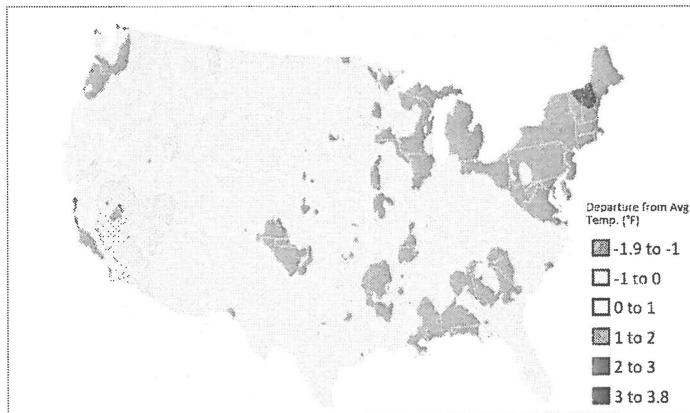
Looking ahead, the most recent eight- to 14-day weather outlook from the US National Weather Service calls for hotter-than-normal temperatures for the Southeast, Northeast and Midwest. Cooler-than-average temperatures are expected for much of the Northwest.

A group of analysts surveyed by Platts predicted a 76 Bcf build for injections into storage for the week that ended September 13. This ticked under the 86 Bcf injection that the US Energy Information Administration posted for the same time frame last year.

— *Humza Jamal*

**MONTH-AHEAD TEMPERATURE FORECAST MAP**

October departure from average



Source: S&P Global Platts, Custom Weather

**NYMEX HENRY HUB GAS FUTURES CONTRACT CLOSINGS, SEP 18**

	Platts Symbol	High	Low	Close	Change	Previous Day's Volume	Previous Day's Open Interest
Oct 2019	MNNG001	2.696	2.603	2.637	-0.031	67424	199,023
Nov 2019	MNNG002	2.726	2.629	2.665	-0.035	27202	287,718
Dec 2019	MNNG003	2.863	2.771	2.803	-0.037	5914	144,892
Jan 2020	MNNG004	2.960	2.877	2.906	-0.034	6400	122,639
Feb 2020	MNNG005	2.907	2.834	2.857	-0.029	2251	54,506
Mar 2020	MNNG006	2.758	2.687	2.712	-0.027	3693	89,266
Apr 2020	MNNG007	2.435	2.386	2.401	-0.023	3036	71,959
May 2020	MNNG008	2.402	2.353	2.367	-0.025	780	58,869
Jun 2020	MNNG009	2.432	2.385	2.398	-0.024	355	18,145
Jul 2020	MNNG010	2.460	2.421	2.435	-0.022	618	22,892
Aug 2020	MNNG011	2.467	2.426	2.440	-0.020	570	21,772
Sep 2020	MNNG012	2.449	2.411	2.424	-0.019	278	20,249
Oct 2020	MNNG013	2.474	2.439	2.453	-0.015	778	43,100
Nov 2020	MNNG014	2.520	2.492	2.506	-0.012	205	17,689
Dec 2020	MNNG015	2.666	2.651	2.663	-0.008	383	14,809
Jan 2021	MNNG016	2.784	2.770	2.781	-0.006	227	12,601
Feb 2021	MNNG017	2.735	2.722	2.735	-0.002	31	5,503
Mar 2021	MNNG018	2.602	2.588	2.600	0.002	19	7,693
Apr 2021	MNNG019	2.324	2.309	2.324	0.005	61	5,776
May 2021	MNNG020	2.297	2.286	2.297	0.006	9	3,336
Jun 2021	MNNG021	2.329	2.325	2.329	0.007	20	2,105
Jul 2021	MNNG022	2.363	2.360	2.363	0.008	4	2,139
Aug 2021	MNNG023	2.368	2.366	2.368	0.008	1	1,731
Sep 2021	MNNG024	2.360	2.355	2.360	0.008	1	1,473
Oct 2021	MNNG025	2.384	2.381	2.384	0.007	0	3,258
Nov 2021	MNNG026	2.450	2.445	2.450	0.007	0	1,749
Dec 2021	MNNG027	2.626	2.625	2.626	0.008	1	2,132
Jan 2022	MNNG028	2.755	2.755	2.755	0.008	0	3,209
Feb 2022	MNNG029	2.729	2.729	2.729	0.009	0	509
Mar 2022	MNNG030	2.618	2.618	2.618	0.009	0	1,002
Apr 2022	MNNG031	2.374	2.374	2.374	0.012	0	1,347
May 2022	MNNG032	2.355	2.355	2.355	0.012	0	515
Jun 2022	MNNG033	2.387	2.387	2.387	0.012	0	252
Jul 2022	MNNG034	2.422	2.422	2.422	0.013	0	157
Aug 2022	MNNG035	2.618	2.618	2.433	0.013	0	177
Sep 2022	MNNG036	2.425	2.425	2.425	0.013	0	225
Total	MNNG000					401,794	1,246,774

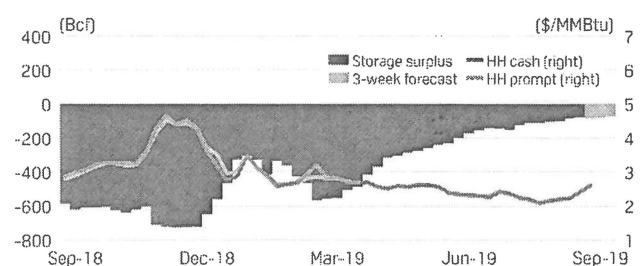
**NYMEX PROMPT MONTH FUTURES CONTINUATION**



Note: The entire wick of the candlestick depicts the high and low daily front-month Henry Hub futures price range. The body of the candlestick depicts the price range between the open and close, with a red candlestick indicating a close on the downside and a green candlestick indicating a close on the high end.

Source: S&P Global Platts

**US GAS STORAGE SURPLUS vs ROLLING 5-YEAR AVERAGE**





Quotes    **Settlements**    Volume    Time & Sales    Contract Specs    Margins    Calendar

**Futures**

Trade Date: **Friday, 20 Sep 2019 (Final)**

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Month	Open	High	Low	Last	Change	Settle	Estimated Volume	Prior Day Open Interest
OCT 19	-	-	-	-	-0.0430	-5550	0	372
NOV 19	-	-	-	-	-0.0260	-3690	0	120
DEC 19	-	-	-	-	-0.0090	-2820	0	124
JAN 20	-	-	-	-	-0.0070	-2770	0	124

**ENERGY**

WTI BRENTH  
RANGE BOUND  
VOLATILITY  
TREND

**CME Group** WTI appears to trend lower after filling gap left by Sunday night's open

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