

Peoples Gas KY LLC

Summary of Proposed Tariff Rates

	<u>Current Tariff Rate</u> (1) \$/Mcf (a)	<u>Current GCR Rate</u> (2) \$/Mcf (b)	<u>Proposed GCR Rate</u> (3) \$/Mcf	<u>Difference</u> (4) \$/Mcf (3) - (2)	<u>Proposed Tariff Rate</u> (5) \$/Mcf (1) + (4)
All MCF	5.9375	3.8053	3.0769	(0.7284)	5.2091

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

(b) Rate approved by the Commission at Case No. 2019-00341.

## Peoples Gas KY LLC

Summary of Gas Cost Recovery Rate  
Proposed to Become Effective for the  
Period February 1, 2020 through April 30, 2020

Line No.	Units (1)	Amount (2)	
<u>GCR Components</u>			
1	\$/Mcf	3.3770	
2	\$/Mcf	0.0000	
3	\$/Mcf	(0.3687)	
4	\$/Mcf	0.0686	
5	\$/Mcf	<u>3.0769</u>	
			(EGC + RA + ACA + BA)
<u>Expected Gas Cost Calculation (EGC)</u>			
6	\$	737,614	(a)
7	Mcf	218,420	(b)
8	\$/Mcf	<u>3.3770</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	(0.1477)	(g)
15	\$/Mcf	0.1124	(d)
16	\$/Mcf	(0.3028)	(e)
17	\$/Mcf	(0.0306)	(f)
18	\$/Mcf	<u>(0.3687)</u>	
<u>Balance Adjustment Summary</u>			
19	\$/Mcf	0.0156	(h)
20	\$/Mcf	0.0387	(d)
21	\$/Mcf	0.0155	(e)
22	\$/Mcf	(0.0012)	(f)
23	\$/Mcf	<u>0.0686</u>	

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during August 2019 through October 2019.

(d) As approved in Case No. 2019-00341.

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

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

(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 October 2019 At Supplier  
Costs Estimated to Become Effective February 1, 2020

	<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 November 2018	13,597	16,656	2.9532	49,189
2 December	29,844	36,559	2.9532	107,966
3 January 2019	36,051	44,162	2.9532	130,421
4 February	40,589	49,722	2.9532	146,838
5 March	30,986	37,958	2.9532	112,097
6 April	21,404	26,220	2.9532	77,433
7 May	11,750	14,394	2.9532	42,508
8 June	5,723	7,011	2.9532	20,704
9 July	3,763	4,610	2.9532	13,613
10 August	3,490	4,275	2.9532	12,626
11 September	3,146	3,854	2.9532	11,381
12 October 2019	3,549	4,348	2.9532	12,839
13 Total	<u>203,892</u>	<u>249,768</u>	<u>-</u>	<u>737,614</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	November	11,371
2	December	33,147
3	January	37,486
4	February	51,573
5	March	27,719
6	April	28,412
7	May	10,900
8	June	3,534
9	July	3,633
10	August	3,620
11	September	3,503
12	October	3,521
13	Total	<u>218,420</u>

## Peoples Gas KY LLC

Calculation of Actual Cost Adjustment for the Period  
August 2019 through October 2019

<u>Description</u>	<u>Unit</u>	<u>August</u>	<u>September</u>	<u>October 1/</u>	<u>Total</u>
	(1)	(2)	(3)	(4)	(5)
1 Supply Volume Per Invoice	Mcf	3,497	3,147	3,548	10,192
2 Supply Cost Per Books	\$	8,055	7,156	7,636	22,847
3 Sales Volume	Mcf	3,618	3,108	8,121	14,847
4 EGC Revenue	\$	14,172	11,246	29,688	55,106
5 Over/(Under) Recovery (Line 5 - Line 2)	\$	6,117.14	4,090.30	22,052.07	32,260
6 Total Current Quarter Actual Cost to be included in rates					32,260
7 Normalized Sales					218,420
8 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					(0.1477)

1/ October 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 November 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. 2018-00315.			(71,390)
<u>Actual</u>			
November 2018	4,302	8,084	(63,306)
December	6,964	10,819	(52,488)
January 2019	5,600	14,539	(37,948)
February	1,151	10,451	(27,497)
March	3,000	8,819	(18,678)
April	13,144	4,097	(14,581)
May	4,417	3,163	(11,418)
June	29,844	1,701	(9,717)
July	66,378	1,293	(8,424)
August	10,262	1,225	(7,200)
September	30,986	1,052	(6,148)
October 2019	30,014	2,749	(3,399)
 Total	 <u>206,062</u>	 <u>67,991</u>	
 Normalized Sales			 218,420 Mcf
 Balancing Adjustment			 \$0.0156 /Mcf
$$(3,399) \div 218,420$ Mcf			

## Peoples Gas KY

### Calculation of Average Rate on Schedule 2 (February 2020 Quarterly Filing)

Line No.		<u>Nymex</u> (1)	<u>TCO Basis</u> (2)	<u>Total</u> (3) = (1 + 2)
1	February 2020	(See attachment) \$ 2.320	\$ (0.282)	\$ 2.038
2	March	(See attachment) \$ 2.271	\$ (0.291)	\$ 1.980
3	April	(See attachment) \$ 2.200	\$ (0.269)	<u>\$ 1.931</u>
4	Total	(Sum Lines 1-3)		\$ 5.949
5	Estimated 3 month average	(Line 4 / 3)		\$ 1.983
6	Retainage 11%	(Line 5 / (1-0.11))		\$ 2.2281
7	VTS Rate			\$ 0.7251
8	<b>Projected Average Rate on Schedule 2 (February 2020 Quarterly Filing)</b> (Line 6 + Line 7)			<b><u>\$ 2.9532</u></b>

**NATURAL GAS FUTURES**

**NYMEX January strengthens on weekly storage report release**

The front-month natural gas NYMEX contract settled 8.50 cents higher at \$2.328/MMBtu on Thursday after the US Energy Information Administration reported a slightly lower-than-expected withdrawal into national storage.

The January contract traded in a range of \$2.244-\$2.348/MMBtu. The remainder of the winter strip (January-March 2020) was also trading higher Thursday, gaining 7.70 cents to average \$2.306/MMBtu at settlement.

The EIA reported on Thursday a 73 Bcf net withdrawal from national stocks of gas for the week ended December 6, bringing total stocks to 3.518 Tcf. This is 20.3% higher than year-ago levels of 2.925 Tcf for the same week last year. Storage levels continue to hug the five-year average of 3.532 Tcf, just 0.4% lower. Before the report was released at 10:30 am EST, the estimated withdrawal was trading between 75 and 77 Bcf on the Intercontinental Exchange.

"The storage report was slightly lower than expected," said Tom Saal, a broker with INTL FC Stone in Miami. "I'm not surprised that we are drifting higher. These prices are at relatively low values, so as long as the speculators are very net short and we still have winter ahead of us, I think the market will remain volatile, pricewise."

US demand for gas was projected to slide 7.5 Bcf day on day, remaining above 100 Bcf/d at 101.6 Bcf Thursday. While demand was forecast to fall to 94.6 Bcf Friday, Platts Analytics anticipated this decrease to be temporary, with total demand set to average 101.1 Bcf for the next seven days.

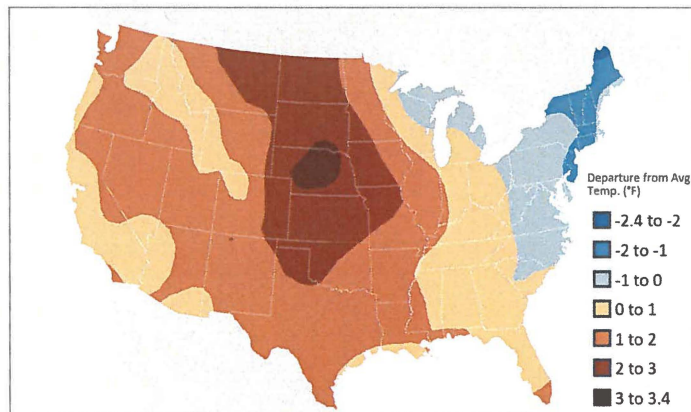
Production was expected to fall just 100 MMcf day on day to 90.8 Bcf. Platts Analytics projected that production will recover to average 91.3 Bcf for the next seven days.

Looking ahead, the National Weather Service's eight- to 14-day outlook calls for a likelihood of warmer-than-normal temperatures across the country, with the exception of the eastern coastal regions, including Florida, which are forecast to see normal temperatures.

— *Kelsey Hallahan*

**MONTH-AHEAD TEMPERATURE FORECAST MAP**

January departure from average



Source: S&P Global Platts, Custom Weather

**NYMEX HENRY HUB GAS FUTURES CONTRACT CLOSINGS, DEC 12**

	Platts Symbol	High	Low	Close	Change	Previous Day's Volume	Previous Day's Open Interest
Jan 2020	MNNG001	2.348	2.244	2.328	0.085	72617	288,241
Feb 2020	MNNG002	2.341	2.244	2.320	0.077	19504	210,339
Mar 2020	MNNG003	2.290	2.200	2.271	0.071	9139	229,130
Apr 2020	MNNG004	2.217	2.144	2.200	0.052	9211	118,054
May 2020	MNNG005	2.230	2.161	2.214	0.046	3426	102,642
Jun 2020	MNNG006	2.278	2.214	2.263	0.044	4276	42,273
Jul 2020	MNNG007	2.329	2.269	2.315	0.042	1196	29,842
Aug 2020	MNNG008	2.340	2.287	2.327	0.040	1123	28,222
Sep 2020	MNNG009	2.326	2.275	2.313	0.039	820	26,925
Oct 2020	MNNG010	2.354	2.298	2.340	0.038	1993	71,415
Nov 2020	MNNG011	2.425	2.383	2.413	0.035	144	22,065
Dec 2020	MNNG012	2.596	2.555	2.583	0.030	196	24,671
Jan 2021	MNNG013	2.720	2.677	2.706	0.027	1163	26,961
Feb 2021	MNNG014	2.681	2.651	2.671	0.023	81	11,078
Mar 2021	MNNG015	2.570	2.543	2.564	0.017	87	12,857
Apr 2021	MNNG016	2.318	2.301	2.315	0.008	119	12,320
May 2021	MNNG017	2.300	2.285	2.297	0.005	15	6,662
Jun 2021	MNNG018	2.341	2.328	2.339	0.005	27	4,021
Jul 2021	MNNG019	2.387	2.383	2.385	0.005	421	2,473
Aug 2021	MNNG020	2.396	2.388	2.394	0.006	405	2,412
Sep 2021	MNNG021	2.382	2.378	2.380	0.006	417	2,572
Oct 2021	MNNG022	2.410	2.397	2.404	0.006	205	4,303
Nov 2021	MNNG023	2.473	2.467	2.473	0.006	4	3,777
Dec 2021	MNNG024	2.643	2.637	2.643	0.006	4	2,980
Jan 2022	MNNG025	2.761	2.761	2.761	0.005	1	3,345
Feb 2022	MNNG026	2.715	2.715	2.715	0.005	44	1,467
Mar 2022	MNNG027	2.577	2.577	2.577	0.005	2	1,237
Apr 2022	MNNG028	2.314	2.314	2.314	0.005	1	1,895
May 2022	MNNG029	2.288	2.288	2.288	0.005	1	631
Jun 2022	MNNG030	2.326	2.326	2.326	0.005	0	512
Jul 2022	MNNG031	2.371	2.371	2.371	0.005	1	264
Aug 2022	MNNG032	2.381	2.381	2.381	0.005	1	285
Sep 2022	MNNG033	2.374	2.374	2.374	0.005	0	334
Oct 2022	MNNG034	2.398	2.398	2.398	0.005	1	704
Nov 2022	MNNG035	2.326	2.326	2.463	0.005	1	203
Dec 2022	MNNG036	2.634	2.634	2.634	0.005	1	301
Total	MNNG000					387,051	1,300,276

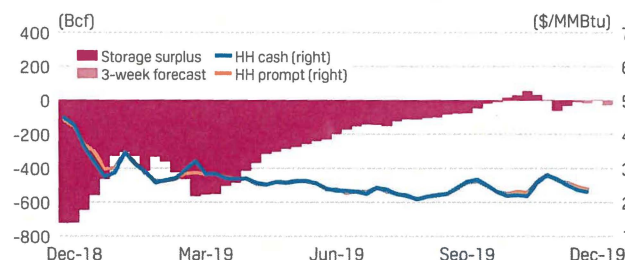
**NYMEX PROMPT MONTH FUTURES CONTINUATION**



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**





# Columbia Gas TCO (Platts IFERC) Basis Futures Settlements

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**Futures**

Trade Date: **Thursday, 12 Dec 2019 (Final)**

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Month	Open	High	Low	Last	Change	Settle	Estimated Volume	Prior Day Open Interest
JAN 20	-	-	-	-	+0.0020	-2860	0	124
FEB 20	-	-	-	-	+0.0070	-2820	0	116
MAR 20	-	-	-	-	+0.0020	-2910	0	124
APR 20	-	-	-	-	UNCH	-2690	0	120
MAY 20	-	-	-	-	-0.0010	-2910	0	124
JUN 20	-	-	-	-	-0.0010	-3010	0	120

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