

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	5.2091	3.0769	1.8409	(1.2360)	3.9731

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

(b) Rate approved by the Commission at Case No. 2019-00455.

Peoples Gas KY LLC

Summary of Gas Cost Recovery Rate
Proposed to Become Effective for the
Period May 1, 2020 through July 31, 2020

Line No.	<u>Units</u> (1)	<u>Amount</u> (2)
<u>GCR Components</u>		
1	Expected Gas Cost (EGC)	\$/Mcf 2.5729
2	Supplier Refund (RA)	\$/Mcf 0.0000
3	Actual Cost Adjustment (ACA)	\$/Mcf (0.8000)
4	Balance Adjustment (BA)	\$/Mcf 0.0680
5	Gas Cost Recovery Rate (EGC + RA + ACA + BA)	\$/Mcf <u>1.8409</u>
 <u>Expected Gas Cost Calculation (EGC)</u>		
6	Total Expected Cost of Gas	\$ 574,224 (a)
7	Total Normalized Annual Sales	Mcf <u>223,179 (b)</u>
8	Expected Gas Cost Rate (EGC) (Line 6 ÷ Line 7)	\$/Mcf <u>2.5729</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 0.0000 (f)
13	Supplier Refund Adjustment (RA)	\$/Mcf <u>0.0000</u>
 <u>Actual Cost Adjustment Summary</u>		
14	Current Quarter Adjustment	\$/Mcf (0.4619) (g)
15	Previous Quarter Adjustment	\$/Mcf (0.1477) (d)
16	2nd Previous Quarter Adjustment	\$/Mcf 0.1124 (e)
17	3rd Previous Quarter Adjustment	\$/Mcf (0.3028) (f)
18	Actual Cost Adjustment (ACA)	\$/Mcf <u>(0.8000)</u>
 <u>Balance Adjustment Summary</u>		
19	Current Quarter Adjustment	\$/Mcf (0.0018) (h)
20	Previous Quarter Adjustment	\$/Mcf 0.0156 (d)
21	2nd Previous Quarter Adjustment	\$/Mcf 0.0387 (e)
22	3rd Previous Quarter Adjustment	\$/Mcf 0.0155 (f)
23	Balance Adjustment (BA)	\$/Mcf <u>0.0680</u>

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during November 2019 through January 2020.

(d) As approved in Case No. 2019-00455.

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

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

(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 January 2020 At Supplier
Costs Estimated to Become Effective May 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 February 2019	40,589	49,722	2.3502	116,856
2 March	30,986	37,958	2.3502	89,209
3 April	21,404	26,220	2.3502	61,622
4 May	11,750	14,394	2.3502	33,828
5 June	5,723	7,011	2.3502	16,476
6 July	3,763	4,610	2.3502	10,834
7 August	3,490	4,275	2.3502	10,048
8 September	3,146	3,854	2.3502	9,057
9 October	3,549	4,348	2.3502	10,218
10 November	12,026	14,732	2.3502	34,623
11 December	29,743	36,435	2.3502	85,630
12 January 2020	33,284	40,773	2.3502	95,824
13 Total	<u>199,453</u>	<u>244,330</u>	<u>-</u>	<u>574,224</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	February	51,573
2	March	27,719
3	April	28,412
4	May	10,900
5	June	3,534
6	July	3,633
7	August	3,620
8	September	3,503
9	October	3,521
10	November	10,082
11	December	35,694
12	January	40,988
13	Total	<u>223,179</u>

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Calculation of Actual Cost Adjustment for the Period
November 2019 through January 2020

<u>Description</u>	<u>Unit</u>	<u>November</u>	<u>December</u>	<u>January 1/</u>	<u>Total</u>
	(1)	(2)	(3)	(4)	(5)
1 Supply Volume Per Invoice	Mcf	12,035	29,363	33,285	74,683
2 Supply Cost Per Books	\$	47,918	112,157	112,815	272,890
3 Sales Volume	Mcf	25,743	30,234	37,757	93,734
4 EGC Revenue	\$	102,832	121,251	151,900	375,984
5 Over/(Under) Recovery (Line 5 - Line 2)	\$	54,914	9,094	39,085	103,093
6 Total Current Quarter Actual Cost to be included in rates					103,093
7 Normalized Sales					223,179
8 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					(0.4619)

1/ January 2020 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 February 2019

	<u>Sales</u>	<u>ACA Recovery</u>	<u>Over/(Under) Collection Balance</u>
	(1)	(2)	(3)
	Mcf	\$	\$
Balance Approved by the Commission in Case No. 2018-00412.			7,387
<u>Actual</u>			
February 2019	10,262	(915)	6,472
March	30,986	(1,008)	5,464
April	30,014	(441)	5,023
May	3,140	(340)	4,683
June	5,723	(183)	4,500
July	6,292	(139)	4,361
August	961	(132)	4,229
September	3,146	(113)	4,116
October	11,793	(296)	3,821
November	3,782	(937)	2,884
December	29,743	(1,101)	1,783
January 2020	58,411	(1,374)	409
Total	<u>194,253</u>	<u>(6,978)</u>	
Normalized Sales			223,179 Mcf
Balancing Adjustment			(\$0.0018) /Mcf
\$409 ÷ 223,179 Mcf			

Peoples Gas KY

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

Line No.		<u>Nymex</u> (1)	<u>TCO Basis</u> (2)	<u>Total</u> (3) = (1 + 2)
1	May 2020	(See attachment) \$ 1.647	\$ (0.284)	\$ 1.363
2	June	(See attachment) \$ 1.740	\$ (0.301)	\$ 1.439
3	July	(See attachment) \$ 1.854	\$ (0.317)	\$ 1.537
4	Total	(Sum Lines 1-3)		\$ 4.339
5	Estimated 3 month average	(Line 4 / 3)		\$ 1.446
6	Retainage 11%	(Line 5 / (1-0.11))		\$ 1.6251
7	VTS Rate			\$ 0.7251
8	Projected Average Rate on Schedule 2 (May 2020 Quarterly Filing)	(Line 6 + Line 7)		<u>\$ 2.3502</u>

NATURAL GAS FUTURES

NYMEX April gas futures slump, settle at 27-year low for front-month

- April posts lowest prompt-month close since Jan 18, 1993
- Lowest settle on record was \$1.046/MMBtu on Jan 24, 1992

The NYMEX April gas natural futures contract fell 12.5 cents Wednesday to settle at \$1.604/MMBtu, a more than 27-year low for the front-month contract, amid diminishing demand and a weak commodities environment.

April traded between \$1.555/MMBtu and \$1.728/MMBtu.

This is the lowest the prompt-month contract has settled since January 18, 1993 when it closed at \$1.603/MMBtu.

Prices have settled at an average of \$1.784/MMBtu since April started trading as the front-month contract.

The contract launched in 1990. The lowest settle on record is \$1.046/MMBtu on January 24, 1992.

“Right now we are experiencing a lot of pressure on prices as a result of record demand destruction,” said Phil Flynn, senior market analyst at Price Futures Group, noting the shutdowns amid the coronavirus pandemic.

US gas demand is set to slide to 85.7 Bcf on Wednesday, down 1.2 Bcf day on day, according to S&P Global Platts Analytics. Demand is projected to slide further and average about 83 Bcf/d over the next two weeks.

The US National Weather Service expects mixed temperatures across the US in the period eight to 14 days hence. These temperatures are likely to offset each other, further capping demand.

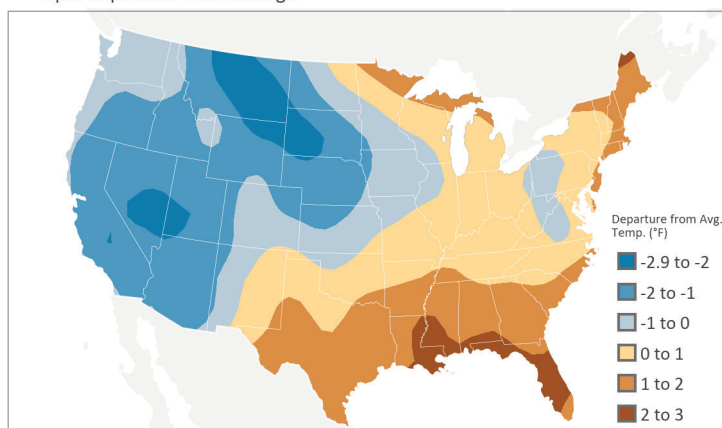
US dry gas production is set to total 92.1 Bcf on Wednesday, down 500 MMcf day on day, according to Platts Analytics, but 5 Bcf above the year-ago mark. Production is expected to about 92.4 Bcf/d over the next two weeks it added.

The diminished demand and record levels of gas output have boosted storage inventories. A draw of 8 Bcf is expected for the week that ended March 13, according to a consensus of analysts surveyed by Platts Analytics.

— *Veda Chowdhury*

MONTH-AHEAD TEMPERATURE FORECAST MAP

April departure from average



Source: S&P Global Platts, Custom Weather

NYMEX HENRY HUB GAS FUTURES CONTRACT CLOSINGS, MAR 18

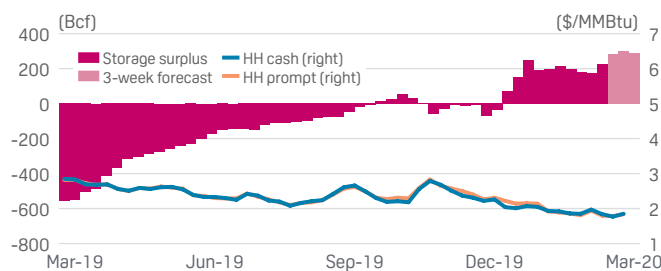
	Platts Symbol	High	Low	Close	Change	Previous Day's Volume	Previous Day's Open Interest
Apr 2020	MNNG001	1.728	1.555	1.604	-0.125	63209	161,697
May 2020	MNNG002	1.766	1.594	1.647	-0.122	40670	334,910
Jun 2020	MNNG003	1.850	1.689	1.740	-0.112	8896	92,218
Jul 2020	MNNG004	1.957	1.802	1.854	-0.106	7135	111,330
Aug 2020	MNNG005	2.007	1.858	1.907	-0.103	4062	59,934
Sep 2020	MNNG006	2.032	1.891	1.940	-0.096	3271	113,144
Oct 2020	MNNG007	2.093	1.955	2.005	-0.088	4784	109,955
Nov 2020	MNNG008	2.268	2.166	2.196	-0.069	1923	31,068
Dec 2020	MNNG009	2.555	2.459	2.475	-0.062	1548	34,948
Jan 2021	MNNG010	2.683	2.683	2.598	-0.064	3273	71,923
Feb 2021	MNNG011	2.645	2.558	2.568	-0.057	540	23,136
Mar 2021	MNNG012	2.540	2.454	2.466	-0.050	2460	40,756
Apr 2021	MNNG013	2.273	2.216	2.225	-0.021	4531	45,026
May 2021	MNNG014	2.234	2.189	2.198	-0.015	1155	13,171
Jun 2021	MNNG015	2.272	2.225	2.238	-0.011	333	9,773
Jul 2021	MNNG016	2.321	2.270	2.282	-0.009	277	7,809
Aug 2021	MNNG017	2.320	2.275	2.287	-0.009	340	7,372
Sep 2021	MNNG018	2.303	2.266	2.272	-0.012	300	6,369
Oct 2021	MNNG019	2.350	2.287	2.295	-0.013	544	13,581
Nov 2021	MNNG020	2.392	2.347	2.352	-0.014	112	11,062
Dec 2021	MNNG021	2.536	2.489	2.500	-0.018	39	8,231
Jan 2022	MNNG022	2.647	2.604	2.611	-0.019	72	6,025
Feb 2022	MNNG023	2.585	2.568	2.568	-0.017	19	3,725
Mar 2022	MNNG024	2.470	2.445	2.445	-0.015	19	6,623
Apr 2022	MNNG025	2.189	2.189	2.189	-0.011	1	6,427
May 2022	MNNG026	2.185	2.165	2.166	-0.009	2	3,338
Jun 2022	MNNG027	2.202	2.202	2.202	-0.017	2	877
Jul 2022	MNNG028	2.254	2.254	2.254	-0.015	0	935
Aug 2022	MNNG029	2.269	2.269	2.269	-0.014	1	571
Sep 2022	MNNG030	2.259	2.259	2.259	-0.012	0	631
Oct 2022	MNNG031	2.284	2.284	2.284	-0.010	0	1,233
Nov 2022	MNNG032	2.354	2.354	2.354	-0.010	0	465
Dec 2022	MNNG033	2.529	2.529	2.529	-0.010	0	620
Jan 2023	MNNG034	2.654	2.644	2.644	-0.010	0	1,517
Feb 2023	MNNG035	2.259	2.259	2.606	-0.010	0	426
Mar 2023	MNNG036	2.490	2.483	2.483	-0.010	0	817
Total	MNNG000					436,662	1,346,760

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: Friday, 20 Mar 2020 (Final)

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Month	Open	High	Low	Last	Change	Settle	Estimated Volume	Prior Day Open Interest
APR 20	-	-	-	-	-0.0020	-2630	0	120
MAY 20	-	-	-	-	-0.0050	-2840	0	124
JUN 20	-	-	-	-	-0.0020	-3010	0	120
JLY 20	-	-	-	-	-0.0040	-3170	0	124

ENERGY

U.S. regulators meet with OPEC

Now Playing: March 20 Energy Commentary: Dan Deming

2:31: March 19 Energy Commentary: Bob Iaccino

2:58: March 18 Energy Commentary: Dan Deming

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