

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 | 5.5362 | 3.4040 | 3.3946 | (0.0094) | 5.5268 |

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

(b) Rate approved by the Commission at Case No. 2020-00418.

Peoples Gas KY LLC

Summary of Gas Cost Recovery Rate
Proposed to Become Effective for the
Period May 1, 2021 through July 31, 2021

| Line No. | <u>Units</u> (1) | <u>Amount</u> (2) | |
|--|---|----------------------|--------------------|
| <u>GCR Components</u> | | | |
| 1 | Expected Gas Cost (EGC) | \$/Mcf | 3.8821 |
| 2 | Supplier Refund (RA) | \$/Mcf | 0.0000 |
| 3 | Actual Cost Adjustment (ACA) | \$/Mcf | (0.4715) |
| 4 | Balance Adjustment (BA) | \$/Mcf | (0.0160) |
| 5 | Gas Cost Recovery Rate (EGC + RA + ACA + BA) | \$/Mcf | <u>3.3946</u> |
| <u>Expected Gas Cost Calculation (EGC)</u> | | | |
| 6 | Total Expected Cost of Gas | \$ | 794,014 (a) |
| 7 | Total Normalized Annual Sales | Mcf | <u>204,530 (b)</u> |
| 8 | Expected Gas Cost Rate (EGC) (Line 6 ÷ Line 7) | \$/Mcf | <u>3.8821</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 | <u>0.0000 (f)</u> |
| 13 | Supplier Refund Adjustment (RA) | \$/Mcf | <u>0.0000</u> |
| <u>Actual Cost Adjustment Summary</u> | | | |
| 14 | Current Quarter Adjustment | \$/Mcf | (0.6587) (g) |
| 15 | Previous Quarter Adjustment | \$/Mcf | (0.0243) (d) |
| 16 | 2nd Previous Quarter Adjustment | \$/Mcf | 0.1240 (e) |
| 17 | 3rd Previous Quarter Adjustment | \$/Mcf | 0.0875 (f) |
| 18 | Actual Cost Adjustment (ACA) | \$/Mcf | <u>(0.4715)</u> |
| <u>Balance Adjustment Summary</u> | | | |
| 19 | Current Quarter Adjustment | \$/Mcf | (0.0073) (h) |
| 20 | Previous Quarter Adjustment | \$/Mcf | 0.0053 (d) |
| 21 | 2nd Previous Quarter Adjustment | \$/Mcf | (0.0189) (e) |
| 22 | 3rd Previous Quarter Adjustment | \$/Mcf | 0.0049 (f) |
| 23 | Balance Adjustment (BA) | \$/Mcf | <u>(0.0160)</u> |

(a) See Schedule 2.

(b) See Schedule 3.

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

(d) As approved in Case No. 2020-00418.

(e) As approved in Case No. 2020-00301.

(f) As approved in Case No. 2020-00186.

(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 2021 At Supplier
Costs Estimated to Become Effective May 1, 2021

| | <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 2020 | 34,108 | 41,782 | 3.1710 | 132,492 |
| 2 March | 31,873 | 39,044 | 3.1710 | 123,810 |
| 3 April | 17,191 | 21,059 | 3.1710 | 66,778 |
| 4 May | 17,038 | 20,872 | 3.1710 | 66,184 |
| 5 June | 9,331 | 11,430 | 3.1710 | 36,246 |
| 6 July | 5,371 | 6,579 | 3.1710 | 20,864 |
| 7 August | 3,568 | 4,371 | 3.1710 | 13,860 |
| 8 September | 3,215 | 3,938 | 3.1710 | 12,489 |
| 9 October | 4,915 | 6,021 | 3.1710 | 19,092 |
| 10 November | 10,456 | 12,809 | 3.1710 | 40,616 |
| 11 December | 22,565 | 27,642 | 3.1710 | 87,653 |
| 12 January 2021 | 44,776 | 54,851 | 3.1710 | 173,931 |
| 13 Total | <u>204,407</u> | <u>250,399</u> | <u>-</u> | <u>794,014</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 | 39,628 |
| 2 | March | 43,099 |
| 3 | April | 13,006 |
| 4 | May | 6,457 |
| 5 | June | 4,325 |
| 6 | July | 4,472 |
| 7 | August | 4,467 |
| 8 | September | 3,423 |
| 9 | October | 4,990 |
| 10 | November | 12,102 |
| 11 | December | 22,009 |
| 12 | January | 46,552 |
| 13 | Total | <u>204,530</u> |

Peoples Gas KY LLC

Calculation of Actual Cost Adjustment for the Period
November 2020 through January 2021

| <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 | 10,456 | 22,566 | 44,776 | 77,798 |
| 2 Supply Cost Per Books | \$ | 41,640 | 83,694 | 165,654 | 290,988 |
| 3 Sales Volume | Mcf | 18,240 | 35,697 | 46,550 | 100,487 |
| 4 EGC Revenue | \$ | 75,302 | 151,517 | 198,884 | 425,703 |
| 5 Over/(Under) Recovery (Line 5 - Line 2) | \$ | 33,662 | 67,824 | 33,230 | 134,716 |
| 6 Total Current Quarter Actual Cost to be included in rates | | | | | 134,716 |
| 7 Normalized Sales | | | | | 204,530 |
| 8 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8) | | | | | (0.6587) |

1/ January 2021 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 2020

| | <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. 2019-00455. | | | 32,260 |
| <u>Actual</u> | | | |
| February 2020 | 8,981 | (4,636) | 27,624 |
| March | 31,873 | (2,916) | 24,708 |
| April | 30,498 | (2,325) | 22,383 |
| May | 3,731 | (1,795) | 20,587 |
| June | 9,331 | (1,012) | 19,575 |
| July | 8,083 | (801) | 18,775 |
| August | 856 | (543) | 18,232 |
| September | 3,215 | (572) | 17,660 |
| October | 12,695 | (1,318) | 16,341 |
| November | 2,676 | (2,694) | 13,647 |
| December | 22,565 | (5,272) | 8,375 |
| January 2021 | 74,838 | (6,876) | 1,499 |
| Total | <u>209,342</u> | <u>(30,760)</u> | |

Normalized Sales 204,530 Mcf

Balancing Adjustment (\$0.0073) /Mcf
\$1,499 ÷ 204,530 Mcf

Peoples Gas KY

Calculation of Average Rate on Schedule 2 (May 2021 Quarterly Filing)

| Line No. | | | <u>Nymex</u> (1) | <u>TCO Basis</u> (2) | <u>Total</u> (3) = (1 + 2) |
|----------|---|---------------------|---------------------|-------------------------|-------------------------------|
| 1 | May 2021 | (See attachment) | \$ 2.555 | \$ (0.403) | \$ 2.153 |
| 2 | June | (See attachment) | \$ 2.613 | \$ (0.425) | \$ 2.188 |
| 3 | July | (See attachment) | \$ 2.675 | \$ (0.485) | \$ 2.190 |
| 4 | Total | (Sum Lines 1-3) | | | \$ 6.531 |
| 5 | Estimated 3 month average | (Line 4 / 3) | | | \$ 2.177 |
| 6 | Retainage 11% | (Line 5 / (1-0.11)) | | | \$ 2.4459 |
| 7 | VTS Rate | | | | \$ 0.7251 |
| 8 | Projected Average Rate on Schedule 2 (May 2021 Quarterly Filing) | (Line 6 + Line 7) | | | <u>\$ 3.1710</u> |

NATURAL GAS FUTURES

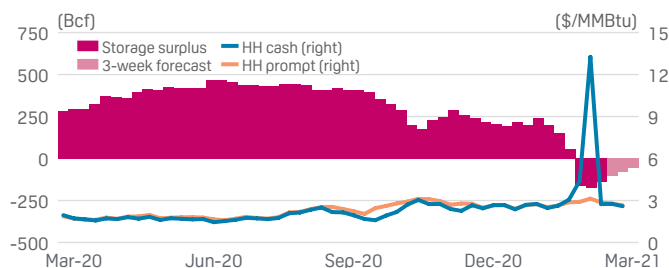
NYMEX PROMPT MONTH FUTURES CONTINUATION



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.

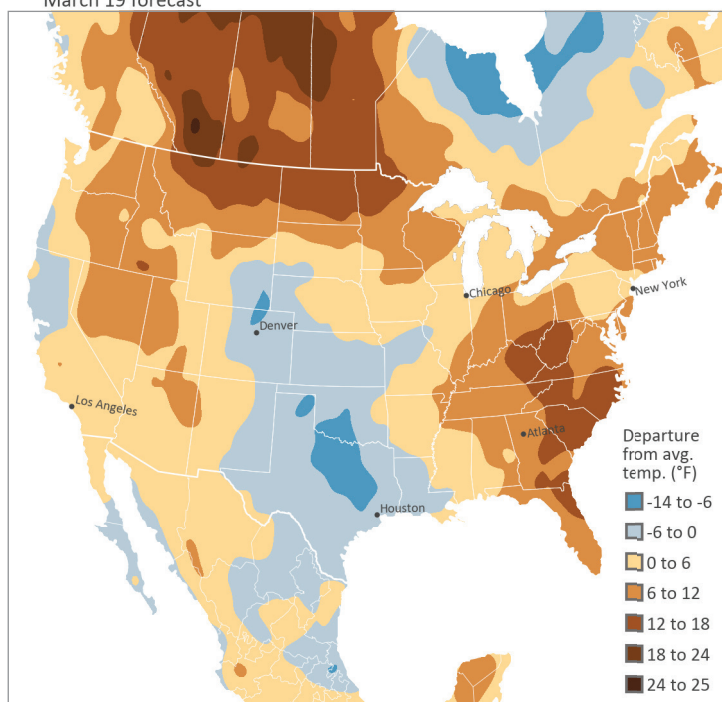
Source: S&P Global Platts

US GAS STORAGE SURPLUS vs ROLLING 5-YEAR AVERAGE



2-DAY-AHEAD TEMPERATURE DEVIATION FORECAST

March 19 forecast



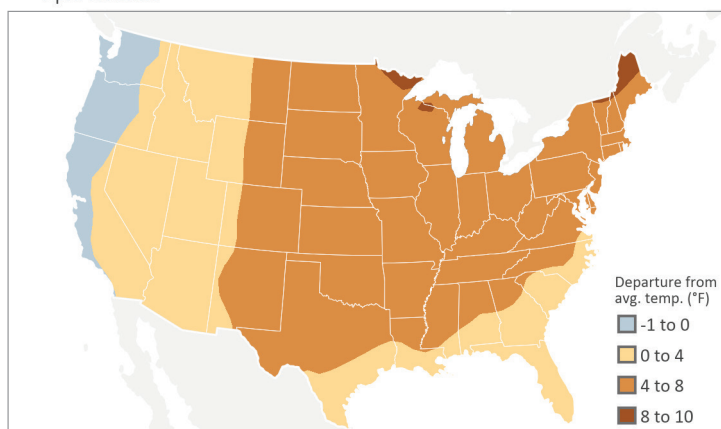
Source: S&P Global Platts, Custom Weather

NYMEX HENRY HUB GAS FUTURES CONTRACT CLOSINGS, MAR 17

| | Platts Symbol | High | Low | Close | Change | Previous Day's Volume | Previous Day's Open Interest |
|----------|---------------|-------|-------|-------|--------|-----------------------|------------------------------|
| Apr 2021 | MNNG001 | 2.565 | 2.489 | 2.528 | -0.034 | 37851 | 111,803 |
| May 2021 | MNNG002 | 2.600 | 2.525 | 2.555 | -0.042 | 25351 | 238,706 |
| Jun 2021 | MNNG003 | 2.656 | 2.587 | 2.613 | -0.041 | 4608 | 104,681 |
| Jul 2021 | MNNG004 | 2.715 | 2.649 | 2.675 | -0.038 | 3613 | 88,841 |
| Aug 2021 | MNNG005 | 2.732 | 2.667 | 2.691 | -0.039 | 2938 | 48,725 |
| Sep 2021 | MNNG006 | 2.723 | 2.657 | 2.680 | -0.040 | 868 | 100,407 |
| Oct 2021 | MNNG007 | 2.735 | 2.670 | 2.694 | -0.040 | 3894 | 131,411 |
| Nov 2021 | MNNG008 | 2.805 | 2.747 | 2.767 | -0.036 | 622 | 65,580 |
| Dec 2021 | MNNG009 | 2.932 | 2.876 | 2.897 | -0.033 | 645 | 45,368 |
| Jan 2022 | MNNG010 | 3.023 | 2.968 | 2.991 | -0.030 | 1736 | 53,539 |
| Feb 2022 | MNNG011 | 2.966 | 2.921 | 2.942 | -0.028 | 568 | 19,730 |
| Mar 2022 | MNNG012 | 2.809 | 2.763 | 2.778 | -0.028 | 846 | 43,125 |
| Apr 2022 | MNNG013 | 2.479 | 2.443 | 2.444 | -0.034 | 861 | 43,276 |
| May 2022 | MNNG014 | 2.435 | 2.403 | 2.404 | -0.034 | 237 | 19,222 |
| Jun 2022 | MNNG015 | 2.463 | 2.441 | 2.442 | -0.034 | 61 | 12,580 |
| Jul 2022 | MNNG016 | 2.506 | 2.482 | 2.482 | -0.035 | 32 | 7,816 |
| Aug 2022 | MNNG017 | 2.520 | 2.490 | 2.490 | -0.033 | 36 | 8,232 |
| Sep 2022 | MNNG018 | 2.502 | 2.473 | 2.473 | -0.032 | 22 | 8,534 |
| Oct 2022 | MNNG019 | 2.524 | 2.497 | 2.497 | -0.032 | 259 | 18,728 |
| Nov 2022 | MNNG020 | 2.591 | 2.566 | 2.566 | -0.031 | 9 | 8,865 |
| Dec 2022 | MNNG021 | 2.760 | 2.735 | 2.736 | -0.028 | 10 | 8,769 |
| Jan 2023 | MNNG022 | 2.862 | 2.844 | 2.844 | -0.028 | 1 | 6,260 |
| Feb 2023 | MNNG023 | 2.827 | 2.802 | 2.802 | -0.028 | 0 | 2,355 |
| Mar 2023 | MNNG024 | 2.668 | 2.648 | 2.650 | -0.024 | 0 | 4,319 |
| Apr 2023 | MNNG025 | 2.387 | 2.351 | 2.366 | -0.021 | 0 | 4,930 |
| May 2023 | MNNG026 | 2.335 | 2.335 | 2.335 | -0.021 | 1 | 3,552 |
| Jun 2023 | MNNG027 | 2.371 | 2.363 | 2.371 | -0.019 | 1 | 1,084 |
| Jul 2023 | MNNG028 | 2.407 | 2.407 | 2.407 | -0.019 | 3 | 995 |
| Aug 2023 | MNNG029 | 2.417 | 2.417 | 2.417 | -0.019 | 5 | 769 |
| Sep 2023 | MNNG030 | 2.397 | 2.397 | 2.397 | -0.019 | 2 | 603 |
| Oct 2023 | MNNG031 | 2.428 | 2.428 | 2.428 | -0.019 | 0 | 1,613 |
| Nov 2023 | MNNG032 | 2.513 | 2.513 | 2.513 | -0.019 | 0 | 573 |
| Dec 2023 | MNNG033 | 2.742 | 2.722 | 2.722 | -0.019 | 0 | 889 |
| Jan 2024 | MNNG034 | 2.838 | 2.838 | 2.838 | -0.019 | 0 | 750 |
| Feb 2024 | MNNG035 | 2.397 | 2.397 | 2.798 | -0.019 | 0 | 329 |
| Mar 2024 | MNNG036 | 2.645 | 2.645 | 2.645 | -0.019 | 0 | 1,042 |
| Total | MNNG000 | | | | | 246,184 | 1,224,109 |

MONTH-AHEAD TEMPERATURE DEVIATION FORECAST

April forecast



Source: S&P Global Platts, Custom Weather

Futures Daily Market Report for Financial Gas
17-Mar-2021

| COMMODITY NAME | CONTRACT MONTH | DAILY PRICE RANGE | | | | SETTLE | | VOLUME AND OI TOTALS | | | | | | |
|-----------------------------|----------------|-------------------|---------|---------|---------|---------|---------|----------------------|--------|--------|-----|-----|--------------|---------------|
| | | OPEN# | HIGH | LOW | CLOSE# | PRICE | CHANGE | TOTAL VOLUME | OI | CHANGE | EFP | EFS | BLOCK VOLUME | SPREAD VOLUME |
| TCO-TCO Basis Future | | | | | | | | | | | | | | |
| TCO | Apr21 | | | | | -0.3500 | 0.0000 | 120 | 11,666 | 120 | 0 | 0 | 0 | 60 |
| TCO | May21 | | | | | -0.4025 | 0.0000 | 124 | 11,857 | 62 | 0 | 0 | 0 | 62 |
| TCO | Jun21 | -0.4250 | -0.4250 | -0.4250 | -0.4250 | -0.4250 | -0.0100 | 180 | 10,621 | 60 | 0 | 0 | 0 | 60 |
| TCO | Jul21 | -0.4900 | -0.4900 | -0.4900 | -0.4900 | -0.4850 | 0.0050 | 155 | 13,050 | 124 | 0 | 0 | 0 | 62 |
| TCO | Aug21 | | | | | -0.5825 | 0.0150 | 124 | 11,307 | 62 | 0 | 0 | 0 | 62 |
| TCO | Sep21 | -0.7800 | -0.7650 | -0.7800 | -0.7650 | -0.7675 | 0.0000 | 240 | 12,296 | 120 | 0 | 0 | 0 | 120 |
| TCO | Oct21 | | | | | -0.8375 | 0.0000 | 124 | 12,591 | 124 | 0 | 0 | 0 | 62 |
| TCO | Nov21 | | | | | -0.5400 | 0.0000 | 0 | 9,099 | 0 | 0 | 0 | 0 | 0 |
| TCO | Dec21 | -0.4200 | -0.4200 | -0.4200 | -0.4200 | -0.4100 | 0.0000 | 31 | 9,596 | 31 | 0 | 0 | 0 | 0 |
| TCO | Jan22 | | | | | -0.3700 | 0.0000 | 0 | 7,795 | 0 | 0 | 0 | 0 | 0 |
| TCO | Feb22 | | | | | -0.3500 | -0.0025 | 0 | 7,085 | 0 | 0 | 0 | 0 | 0 |
| TCO | Mar22 | -0.3850 | -0.3850 | -0.3850 | -0.3850 | -0.3875 | 0.0000 | 31 | 7,541 | 0 | 0 | 0 | 0 | 0 |
| TCO | Apr22 | | | | | -0.3875 | 0.0000 | 0 | 3,868 | 0 | 0 | 0 | 0 | 0 |
| TCO | May22 | | | | | -0.4575 | 0.0000 | 0 | 3,995 | 0 | 0 | 0 | 0 | 0 |
| TCO | Jun22 | | | | | -0.4975 | 0.0000 | 0 | 3,868 | 0 | 0 | 0 | 0 | 0 |
| TCO | Jul22 | | | | | -0.5150 | 0.0000 | 0 | 4,181 | 0 | 0 | 0 | 0 | 0 |
| TCO | Aug22 | | | | | -0.5425 | 0.0000 | 0 | 3,995 | 0 | 0 | 0 | 0 | 0 |
| TCO | Sep22 | | | | | -0.6500 | 0.0000 | 0 | 3,868 | 0 | 0 | 0 | 0 | 0 |
| TCO | Oct22 | | | | | -0.6425 | 0.0000 | 0 | 3,995 | 0 | 0 | 0 | 0 | 0 |
| TCO | Nov22 | | | | | -0.5450 | 0.0000 | 0 | 3,676 | 0 | 0 | 0 | 0 | 0 |
| TCO | Dec22 | | | | | -0.5175 | 0.0000 | 0 | 3,670 | 0 | 0 | 0 | 0 | 0 |
| TCO | Jan23 | | | | | -0.3775 | 0.0000 | 0 | 2,706 | 0 | 0 | 0 | 0 | 0 |
| TCO | Feb23 | | | | | -0.3800 | 0.0000 | 0 | 2,482 | 0 | 0 | 0 | 0 | 0 |
| TCO | Mar23 | | | | | -0.3850 | 0.0000 | 0 | 2,706 | 0 | 0 | 0 | 0 | 0 |
| TCO | Apr23 | | | | | -0.4400 | 0.0000 | 0 | 1,715 | 0 | 0 | 0 | 0 | 0 |