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August 18, 2017

VIA E-PORTAL FILING

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 20170003 – Purchased Gas Adjustment (PGA) True-Up

Dear Ms. Stauffer:

Attached for electronic filing in the above docket on behalf of Peoples Gas System, please find the following:

- Peoples' Petition for Approval of PGA Factor for Application to Bills Rendered During the Period January 2018 through December 2018;
- Direct Testimony of Kandi M. Floyd on behalf of Peoples; and
- Composite Exhibit _____ (KMF-2), consisting of Schedules E1 through E-5 of the Prescribed Reporting Forms.

Ms. Floyd's direct testimony and the referenced exhibit will be offered by Peoples at the hearing in this docket currently scheduled to commence on October 25, 2017. Your assistance in this matter is greatly appreciated.

Sincerely,

Andrew M. Brown

AB/plb
Attachments

Carlotta S. Stauffer, Commission Clerk
August 18, 2017
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cc: Parties of Record
Ms. Kandi M. Floyd
Ansley Watson, Jr., Esq.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased gas adjustment)
(PGA) true-up.)

DOCKET NO. 20170003-GU
Submitted for filing:
8-18-17

**PETITION OF PEOPLES GAS SYSTEM FOR APPROVAL
OF PGA FACTOR FOR APPLICATION TO BILLS TO BE RENDERED
DURING THE PERIOD JANUARY 2018 THROUGH DECEMBER 2018**

Peoples Gas System ("Peoples"), by its undersigned attorneys, hereby files its petition for approval of its purchased gas adjustment ("PGA") factor to be applied to bills beginning the first billing cycle in January 2018 through the last billing cycle in December 2018, inclusive, and in support thereof says:

1. The name of the petitioner and the mailing address of its principal office are:

Peoples Gas System
P.O. Box 2562
Tampa, Florida 33601-2562

2. The names and mailing address of the persons authorized to receive notices and communications with respect to this petition are:

Andrew M. Brown
Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P.O. Box 1531
Tampa, Florida 33601-1531

Ms. Paula K. Brown
Regulatory Affairs
Peoples Gas System
P. O. Box 111
Tampa, Florida 33601-0111

Ms. Kandi M. Floyd
Manager - State Regulatory
Peoples Gas System
P.O. Box 2562
Tampa, Florida 33601-2562

3. By its Orders Nos. 24463 and 24463-A in this docket, the Commission adopted a revised method for the recovery of purchased gas costs by regulated natural gas

utilities, to be used for the recovery of such costs commencing October 1, 1991. Submitted herewith is Peoples' Composite Exhibit KMF-2, consisting of Schedules E-1, E- 1/R, E-2, E-3, E-4 and E-5. The schedules in Composite Exhibit KMF-2 are used to compute a maximum PGA factor for application to bills rendered for gas sold by Peoples during the twelve-month period of January 2018 through December 2018 (the "Projection Period").

4. The maximum PGA factor calculated in Composite Exhibit KMF-2 basically represents (A) the sum of the final net true-up amount for the period January 1, 2016 through December 31, 2016, the estimated or projected true-up (based on actual data for seven months and projected data for five months) for the period January 1, 2017 through December 31, 2017, both true-up amounts including interest, and Peoples' projected cost of purchased gas for the Projection Period, without interest, (8) divided by Peoples' projected therm sales for the Projection Period.

5. By its Order No. PSC-99-0634-FOF-GU in Docket No. 981698-GU the Commission approved a methodology for charging separate Purchased Gas Adjustment Factors for different customer classes. On February 22, 2016, by its Order No. PSC-16- 0081-PAA-GU in Docket No. 150218-GU, the Commission approved Peoples' methodology to discontinue charging multiple PGA factors for different classes of customers. The maximum (cap) PGA factor for which Peoples seeks approval for the Projection Period is the factor shown on Line 44 of Schedule E-1 of Composite Exhibit KMF-2, and is \$1.04915 per therm.

WHEREFORE, Peoples Gas System respectfully requests that the Commission enter its order approving Peoples' proposed maximum (cap) PGA factor of \$1.04915 per therm for application to bills beginning the first billing cycle in January 2018 through the last billing cycle in December 2018.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Andrew M. Brown".

Andrew M. Brown
Ansley Watson, Jr.

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Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing petition, together with copies of the Direct Testimony of Kandi M. Floyd and Composite Exhibit_ (KMF-2), have been furnished by electronic mail this 18th day of August, 2017, to the following:

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20170003-GU
PURCHASED GAS ADJUSTMENT (PGA)
BY PEOPLES GAS SYSTEM

TESTIMONY AND EXHIBIT
OF
KANDI M. FLOYD

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **KANDI M. FLOYD**

5
6 **Q.** Please state your name, business address, by whom you
7 are employed, and in what capacity?

8
9 **A.** My name is Kandi M. Floyd. My business address is
10 Peoples Gas System, 702 North Franklin Street, P.O. Box
11 2562, Tampa, Florida 33601-2562. I am employed by
12 Peoples Gas System ("Peoples" or the "Company") and am
13 the Manager of State Regulatory.

14
15 **Q.** Please describe your educational and employment
16 background.

17
18 **A.** I have a Bachelor of Arts Degree in Business
19 Administration from Saint Leo University. From 1995 to
20 1997, I was employed in a series of positions within the
21 regulatory affairs department of Tampa Electric Company.
22 In 1998, I joined Peoples Gas System as a Regulatory
23 Coordinator in the Regulatory and Gas Supply Department.
24 In 2001, I became the Energy Conservation / Regulatory
25 Administrator and in 2003 became the Manager of State

1 Regulatory for Peoples Gas System. In this role, I am
2 responsible for managing the Purchased Gas Adjustment
3 ("PGA") and Energy Conservation Cost Recovery filings as
4 well as various regulatory activities for Peoples.

5
6 **Q.** What is the purpose of your testimony in this docket?

7
8 **A.** The purpose of my testimony is to describe generally the
9 components of Peoples' cost of purchased gas and
10 upstream pipeline capacity. In my testimony, I also
11 explain how Peoples' projected weighted average cost of
12 gas ("WACOG") for the January 2018 through December 2018
13 period was determined and the resulting requested
14 maximum PGA ("Cap").

15
16 **Q.** Please summarize your testimony.

17
18 **A.** I will address the following areas:

- 19
20 1. How Peoples will obtain its gas supplies during the
21 projected period.
22 2. Estimates and adjustments used to determine the
23 amount of gas to be purchased from Peoples' various
24 available sources of supply during the projected period.
25 3. Projections and assumptions used to estimate the

1 purchase price to be paid by Peoples for such gas
2 supplies.

3 4. The components and assumptions used to develop
4 Peoples' projected WACOG including the projected true-up
5 balance to be collected or refunded.

6

7 **Q.** What is the appropriate final purchased gas adjustment
8 true-up amount for the period January 2016 through
9 December 2016?

10

11 **A.** The final PGA true-up amount for the year 2016 is an
12 over-recovery of \$1,089,984.

13

14 **Q.** What is the estimated purchased gas adjustment true-up
15 amount for the period January 2017 through December
16 2017?

17

18 **A.** As shown on Schedule E-4, the estimated PGA true-up
19 amount for 2017 is an under-recovery of \$4,594,365.

20

21 **Q.** What is the total purchased gas adjustment true-up
22 amount to be collected during the period January 2018
23 through December 2018?

24

25 **A.** The total PGA true-up amount to be collected in 2018 is

1 an under-recovery of \$3,504,381.

2

3 **Q.** Have you prepared or caused to be prepared certain
4 schedules for use in this proceeding?

5

6 **A.** Yes. Composite Exhibit KMF-2 was prepared by me or
7 under my supervision.

8

9 **Q.** Please describe how Peoples will obtain its gas supplies
10 during the projected period of January 2018 through
11 December 2018.

12

13 **A.** All natural gas delivered through Peoples' distribution
14 system is received through three interstate pipelines
15 and one intrastate pipeline. Gas is delivered through
16 Florida Gas Transmission Company ("FGT"), through
17 Southern Natural Gas Company ("Southern"), through
18 Gulfstream Natural Gas System ("Gulfstream") and through
19 SeaCoast Gas Transmission ("SeaCoast"). Receiving gas
20 supply through multiple upstream pipelines provides
21 valuable flexibility and reliability to serve customers.

22

23 **Q.** In general, how does Peoples determine its sources of
24 supply?

25

1 **A.** Peoples evaluates, selects and utilizes sources of
2 natural gas supply on the basis of its "best value" gas
3 acquisition strategy. For a source of supply to be
4 identified as a "best value," it must offer the best
5 combination of price, reliability of supply, and
6 flexibility, consistent with Peoples' obligation as a
7 public utility to provide safe, adequate and efficient
8 service to the general public. Through a competitive
9 bidding process, Peoples has a portfolio of supply
10 sources from numerous third-party suppliers that reflect
11 balance between cost, reliability and operational
12 flexibility.

13
14 **Q.** Could Peoples purchase all third party supplies in
15 advance for a long term at the lowest available fixed
16 price in order to provide increased stability to its
17 cost of gas?

18
19 **A.** No. Peoples' quantity requirements for system supply
20 gas vary significantly from year to year, season to
21 season, month to month and, in particular, from day to
22 day. The demand for gas on the Peoples system can often
23 vary dramatically within a month from the lowest to the
24 highest requirement of its customers. The actual takes
25 of gas out of the Peoples system by transport customers

1 varies significantly from day to day. Since significant
2 portions of the total transportation volumes are
3 received by Peoples at a uniform daily rate, Peoples is
4 forced to increase or decrease the volumes purchased for
5 its own system supply by significant increments in order
6 to maintain a balance between receipts and deliveries of
7 gas each day. As a consequence, Peoples must buy a
8 portion of its total system requirements under swing
9 contract arrangements, and meet extreme variations in
10 delivered volumes by relying on swing gas, peaking gas,
11 pipeline balancing volumes and pipeline no notice
12 service at the prevailing rates for such services.

13
14 **Q.** How did Peoples estimate the amount of gas to be
15 purchased from various sources during the projected
16 period of January 2018 through December 2018?

17
18 **A.** Peoples' projected gas purchases are based on the
19 Company's preliminary total throughput of therms
20 delivered to customers projected for 2018, including
21 both sales of Peoples' system supply and transportation
22 deliveries of third party gas purchased by end-users of
23 Peoples. The throughput was then adjusted for the
24 anticipated level of transportation service.

25

1 **Q.** How are revenues derived from Peoples' Swing Service
2 Charge accounted for through the PGA?

3

4 **A.** Customers who participate in the Natural Choice program
5 pay a Swing Service Charge. The Swing Service Charge
6 covers costs included in the PGA for balancing the
7 difference between marketer-supplied gas and the
8 customers' actual consumption. The revenues from the
9 Swing Service Charge are credited to the PGA to offset
10 this expense.

11

12 **Q.** How did you estimate the purchase price to be paid by
13 Peoples for each of its available sources of gas supply?

14

15 **A.** The price to be paid for natural gas is estimated based
16 on an evaluation of historical prices for gas delivered
17 to the FGT, Southern, and Gulfstream systems, futures
18 contracts as reported on the New York Mercantile
19 Exchange and forecasts of market prices for the
20 projection period of January 2018 through December 2018.
21 These prices are then adjusted to reflect the potential
22 for implied volatility increases and unexpected and
23 unforeseen increases due to market forces particularly
24 in the monthly and daily markets for natural gas prices
25 in the projection period.

1 **Q.** Referring to Schedules E-3 (A) through (G) of Composite
2 Exhibit KMF-2, please explain the components of these
3 schedules and the assumptions that were made in
4 developing the Company's projections.

5
6 **A.** Schedule E-3, column (G) is a compilation of the annual
7 data that appears on Schedules E-3 (E) through (F) for
8 the year ending December 31, 2018. In Column (B),
9 "FGT" indicates that the volumes are to be purchased
10 from third party suppliers for delivery via FGT
11 interstate pipeline transportation. "SONAT" indicates
12 that the volumes are to be purchased from a third party
13 supplier for delivery via Southern interstate pipeline
14 transportation. "GULFSTREAM" indicates that the volumes
15 are to be purchased from a third party supplier for
16 delivery via Gulfstream interstate pipeline
17 transportation. "SEACOAST" indicates the volumes are to
18 be purchased from a third party supplier for delivery
19 via SeaCoast intrastate pipeline transportation. "THIRD
20 PARTY" indicates that the volumes are to be purchased
21 directly from various third party suppliers for delivery
22 into FGT, Southern, or Gulfstream.

23
24 In Column (C), "PGS" means the purchase will be for
25 Peoples' system supply and will become part of Peoples'

1 total WACOG. None of the costs of gas or transportation
2 for end-use purchases made by end-use customers of
3 Peoples are included in Peoples' WACOG. In Column (D),
4 purchases of pipeline transportation services from FGT
5 under Rate Schedules FTS-1, FTS-2, and FTS-3 are split
6 into two components, commodity (or "usage") and demand
7 (or "reservation"). Both Peoples and end-users pay the
8 usage charge based on the actual amount of gas
9 transported. The FTS-1, FTS-2, and FTS-3 commodity
10 costs shown include all related transportation charges
11 including usage, fuel and ACA charges. The FTS-1, FTS-
12 2, and FTS-3 demand component is a fixed charge based on
13 the maximum daily quantity of FTS-1, FTS-2, and FTS-3
14 firm transportation capacity reserved. Similarly, the
15 transportation rates of Southern and Gulfstream also
16 consist of two components, a usage charge and a
17 reservation charge, and SeaCoast consists of one
18 component, a demand charge. Individual Transportation
19 Service customers reimburse Peoples or directly pay the
20 upstream pipeline for all pipeline reservation charges
21 associated with the transportation capacity that Peoples
22 reserves and uses on their behalf.

23
24 Also in Column (D), "NO NOTICE TRANSPORTATION SERVICE"
25 (or "NNTS") means FGT's no notice service provided to

1 Peoples on a fixed charge basis for use when Peoples'
2 actual use exceeds scheduled quantities. "SWING
3 SERVICE" means the demand and commodity component of the
4 cost of third party supplies purchased to meet Peoples
5 "swing" requirements for supply that fluctuate on a day-
6 to-day basis. "STORAGE DEMAND" means the demand
7 component related to third party storage costs.
8 "COMMODITY" means third party purchases of gas
9 transported on FGT, Southern, Gulfstream or SeaCoast.
10 Column (E) shows the annual quantity in therms of gas
11 purchased by Peoples for each category of system supply.
12 Column (F) shows the gas purchased by end-users for
13 transportation. Column (G) is the total of Columns (E)
14 and (F) in each row. Columns (H), (I), (J) and (K) show
15 the corresponding third party supplier commodity costs,
16 pipeline transportation commodity costs, pipeline
17 transportation reservation costs, and other charges
18 (e.g., balancing charges), respectively. These costs
19 are determined using the actual amounts paid by Peoples.
20 In the case of end-user transportation, these costs are
21 reimbursed to Peoples or paid directly to FGT. All ACA
22 and fuel charges are included in the commodity costs in
23 Column (I) and, therefore, are not shown in Column (K).
24 Column (L) in each row is the sum of Columns (H), (I),
25 (J) and (K) divided by Column (G).

1 **Q.** Please explain the components of these schedules and the
2 assumptions that were made in developing the Company's
3 projections.

4
5 **A.** Schedule E-1 shows the Cost of Gas Purchased, Therms
6 Purchased, and Cents per therm for all rate classes.

7
8 The costs associated with various categories or items
9 are shown on lines 1 through 14. Line 6 on Schedule E-1
10 includes legal expenses associated with various
11 interstate pipeline dockets such as tariff filings,
12 seasonal fuel filings and certification proceedings. In
13 addition, legal and consulting expenses have been
14 included because Southern is due to file a rate case in
15 early 2018 pursuant to a settlement reached with their
16 shippers during Southern's prior pre-rate case filing.
17 The procedural schedule for this docket will most likely
18 be issued in September, 2017 and it is anticipated that
19 FERC will suspend implementation of Southern's requested
20 rates for the full term of the suspension period
21 (approximately 5 months). It is anticipated that PGS
22 will incur costs during the last quarter of 2017 to
23 prepare consultants and legal counsel for the filing
24 that is due to be made by Southern no later than March
25 1, 2018. These expenses have historically been

1 included for recovery through the Purchased Gas
2 Adjustment Clause because they are fuel related
3 expenses. The volumes consumed for similar categories
4 or items are shown on lines 15 through 27, and the
5 resulting effective cost per therm rate for each similar
6 category or item is contained on lines 28 through 45.
7 The data shown on Schedule E-1 is calculated from
8 Schedules E-3 (A) through (F) for the year ending
9 December 31, 2018.

10
11 **Q.** What information is presented on Schedule E-1/R of
12 Composite Exhibit KMF-2?

13
14 **A.** Schedule E-1/R of Composite Exhibit KMF-2 shows seven
15 months actual and five months estimated data for the
16 current period from January 2017 through December 2017
17 for all customer classes.

18
19 **Q.** What information is presented on Schedule E-2 of 7
20 Composite Exhibit KMF-2?

21
22 **A.** Schedule E-2 of 7 Composite Exhibit KMF-2 shows the
23 amount of the prior period over/under recoveries of gas
24 costs that are included in the current PGA calculation.
25

1 **Q.** What is the purpose of Schedule E-4 of 7 Composite
2 Exhibit KMF-2?

3

4 **A.** Schedule E-4 of Composite Exhibit KMF-2 simply shows the
5 calculation of the estimated true-up amount for the
6 January 2017 through December 2017 period. It is based
7 on actual data for seven months and projected data for
8 five months.

9

10 **Q.** What information is contained on Schedule E-5 of
11 Composite Exhibit KMF-2?

12

13 **A.** Schedule E-5 of Composite Exhibit KMF-2 is statistical
14 data that includes the projected therm sales and numbers
15 of customers by customer class for the period from
16 January 2018 through December 2018.

17

18 **Q.** What is the appropriate cap factor for which Peoples
19 seeks approval?

20

21 **A.** The WACOG for which Peoples seeks approval as the annual
22 cap is a factor of \$1.04915 per therm as shown in
23 Schedule E-1. This annual cap will be applicable to all
24 rate classes.

25

1 Q. Does this conclude your testimony?

2

3 A. Yes, it does.

4

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**PEOPLES GAS SYSTEM
SCHEDULES SUPPORTING
PURCHASED GAS ADJUSTMENT
PROJECTION FILING FOR
January 2018 - December 2018**

PURCHASED GAS ADJUSTMENT (PGA)

INDEX

SCHEDULE	TITLE	PAGE
E-1	Original Estimate for the Period - Jan-Dec 2018	17
E1/R	Revised Estimate for the Period - Jan-Dec 2017	18
E-2	Calculation of True-Up Amount for Current Period - Jan-Dec 2017	21
E-3	Transportation Purchases System Supply and End Use	22
E-4	Calculation of True-Up Amount for Projected Period - Jan-Dec 2018	23
E-5	Therm Sales and Customer Data	24

Combined For All Rate Classes													
COST OF GAS PURCHASED	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL PERIOD
1 COMMODITY Pipeline	\$31,410	\$22,690	\$33,772	\$48,911	\$48,858	\$36,826	\$50,675	\$50,331	\$53,514	\$48,945	\$31,771	\$28,672	\$486,376
2 NO NOTICE SERVICE	\$31,859	\$28,776	\$31,859	\$30,831	\$31,859	\$30,831	\$31,859	\$31,859	\$30,831	\$31,859	\$30,831	\$31,859	\$375,111
3 SWING SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 COMMODITY Other	\$5,943,010	\$5,822,646	\$5,087,651	\$3,899,458	\$2,975,257	\$2,556,012	\$2,369,454	\$2,247,644	\$2,296,315	\$2,409,490	\$3,047,733	\$4,173,091	\$42,827,761
5 DEMAND	\$6,931,059	\$6,285,870	\$7,113,972	\$6,284,517	\$5,098,715	\$5,031,103	\$5,219,753	\$5,224,574	\$5,273,728	\$6,578,053	\$6,997,324	\$7,396,009	\$73,434,677
6 OTHER	\$363,056	\$363,056	\$363,056	\$413,056	\$363,056	\$370,056	\$363,056	\$363,056	\$363,056	\$363,056	\$398,056	\$363,056	\$4,448,675
LESS END-USE CONTRACT:													
7 COMMODITY Pipeline	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 DEMAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 SWING SERVICE REVENUE	\$499,457	\$451,123	\$499,457	\$483,346	\$499,457	\$483,346	\$499,457	\$499,457	\$483,346	\$499,457	\$483,346	\$499,457	\$5,880,704
10													
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$12,800,937	\$12,071,916	\$12,130,853	\$10,193,427	\$8,018,287	\$7,541,483	\$7,535,340	\$7,418,007	\$7,534,100	\$8,931,946	\$10,022,370	\$11,493,230	\$115,691,896
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 COMPANY USE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 TOTAL THERM SALES	\$12,800,937	\$12,071,916	\$12,130,853	\$10,193,427	\$8,018,287	\$7,541,483	\$7,535,340	\$7,418,007	\$7,534,100	\$8,931,946	\$10,022,370	\$11,493,230	\$115,691,896
THERMS PURCHASED													
15 COMMODITY Pipeline	21,674,780	13,347,000	22,504,280	22,646,470	22,282,330	16,348,430	23,241,740	28,570,760	28,141,320	32,869,260	19,365,790	16,326,340	267,318,500
16 NO NOTICE SERVICE	6,665,000	6,020,000	6,665,000	6,450,000	6,665,000	6,450,000	6,665,000	6,665,000	6,450,000	6,665,000	6,450,000	6,665,000	78,475,000
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
18 COMMODITY Other	15,006,199	14,754,680	13,007,176	10,889,792	8,345,695	7,078,101	6,494,119	6,149,662	6,331,484	6,610,690	8,308,383	11,207,565	114,183,543
19 DEMAND	123,678,363	110,786,316	126,066,071	108,529,108	90,350,645	86,561,370	91,895,547	92,135,347	86,183,093	112,281,736	116,681,543	126,914,635	1,272,063,775
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT:													
21 COMMODITY Pipeline	0	0	0	0	0	0	0	0	0	0	0	0	0
22 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (17+18)	15,006,199	14,754,680	13,007,176	10,889,792	8,345,695	7,078,101	6,494,119	6,149,662	6,331,484	6,610,690	8,308,383	11,207,565	114,183,543
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
27 TOTAL THERM SALES (24-26)	15,006,199	14,754,680	13,007,176	10,889,792	8,345,695	7,078,101	6,494,119	6,149,662	6,331,484	6,610,690	8,308,383	11,207,565	114,183,543
CENTS PER THERM													
28 COMMODITY Pipeline (1/15)	0.00145	0.00170	0.00150	0.00216	0.00219	0.00225	0.00218	0.00176	0.00190	0.00149	0.00164	0.00176	0.00182
29 NO NOTICE SERVICE (2/16)	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478
30 SWING SERVICE (3/17)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
31 COMMODITY Other (4/18)	0.39604	0.39463	0.39114	0.35808	0.35650	0.36112	0.36486	0.36549	0.36268	0.36448	0.36683	0.37235	0.37508
32 DEMAND (5/19)	0.05604	0.05674	0.05643	0.05791	0.05643	0.05812	0.05680	0.05671	0.06119	0.05859	0.05997	0.05828	0.05773
33 OTHER (6/20)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LESS END-USE CONTRACT:													
34 COMMODITY Pipeline (7/21)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
35 DEMAND (8/22)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
36 OTHER (9/23)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
37 TOTAL COST OF PURCHASES (11/24)	0.85304	0.81818	0.93263	0.93605	0.96077	1.06547	1.16033	1.20625	1.18994	1.35114	1.20630	1.02549	1.01321
38 NET UNBILLED (12/25)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
39 COMPANY USE (13/26)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
40 TOTAL COST OF THERMS SOLD (11/27)	0.85304	0.81818	0.93263	0.93605	0.96077	1.06547	1.16033	1.20625	1.18994	1.35114	1.20630	1.02549	1.01321
41 TRUE-UP (E-4)	0.03069	0.03069	0.03069	0.03069	0.03069	0.03069	0.03069	0.03069	0.03069	0.03069	0.03069	0.03069	0.03069
42 TOTAL COST OF GAS (40+41)	0.88373	0.84887	0.96332	0.96674	0.99146	1.09616	1.19102	1.23694	1.22063	1.38183	1.23699	1.05618	1.04390
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	0.88818	0.85314	0.96816	0.97161	0.99645	1.10167	1.19701	1.24316	1.22677	1.38878	1.24321	1.06149	1.04915
45 PGA FACTOR ROUNDED TO NEAREST .001	88.818	85.314	96.816	97.161	99.645	110.167	119.701	124.316	122.677	138.878	124.321	106.149	104.915

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COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT

Docket No. 20170003-GU

SCHEDULE E-1/R

COST RECOVERY CLAUSE CALCULATION

PGA CAP 2018

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY '17 THROUGH DECEMBER '17

Exhibit KMF-2, Page 1 of 3

Combined For All Rate Classes

COST OF GAS PURCHASED	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1 COMMODITY (Pipeline)	\$31,573	\$23,281	\$33,772	\$49,152	\$48,858	\$37,635	\$50,675	\$33,152	\$34,300	\$34,014	\$36,319	\$42,802	\$455,532
1a COMMODITY (Pipeline)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1b COMMODITY (Pipeline)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1c COMMODITY (Pipeline)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 NO NOTICE SERVICE	\$49,640	\$44,836	\$34,822	\$30,831	\$31,859	\$30,831	\$31,859	\$31,859	\$30,831	\$31,859	\$30,831	\$31,859	\$411,917
3 SWING SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 COMMODITY Other (THIRD PARTY)	\$7,790,396	\$4,443,521	\$7,486,472	\$7,009,104	\$7,759,177	\$5,915,035	\$7,608,297	\$1,809,697	\$1,715,893	\$1,823,531	\$2,332,257	\$3,190,782	\$58,884,160
5 DEMAND	\$5,642,300	\$4,993,310	\$5,953,822	\$5,358,819	\$3,837,189	\$4,165,305	\$4,824,315	\$4,507,086	\$4,382,639	\$5,716,620	\$6,347,506	\$6,726,660	\$62,455,572
5a DEMAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5b DEMAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5c DEMAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 OTHER	\$155,314	\$647,102	\$214,655	\$174,884	\$440,143	\$147,734	\$252,517	\$272,960	\$272,960	\$300,960	\$350,960	\$310,959	\$3,541,147
LESS END-USE CONTRACT							\$0						
7 COMMODITY (Pipeline)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 DEMAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 SWING SERVICE REVENUE	\$636,524	\$596,268	\$577,388	\$579,737	\$515,654	\$483,346	\$456,457	\$499,457	\$483,346	\$499,457	\$483,346	\$499,457	\$6,310,436
10							\$0						
11 TOTAL COST	\$13,032,698	\$9,555,783	\$13,146,155	\$12,043,053	\$11,601,571	\$9,813,194	\$12,311,205	\$6,155,296	\$5,953,278	\$7,407,527	\$8,614,527	\$9,803,605	\$119,437,891
12 NET UNBILLED	\$794,385	\$92,945	(\$520,196)	(\$148,088)	(\$665,884)	(\$539,774)	(\$228,598)	\$0	\$0	\$0	\$0	\$0	(\$1,215,210)
13 COMPANY USE	\$9,678	\$551	\$78,129	(\$47,122)	\$46,624	\$17,328	\$2,686	\$0	\$0	\$0	\$0	\$0	\$107,874
14 TOTAL THERM SALES	\$13,487,232	\$12,688,437	\$9,555,226	\$13,044,575	\$11,560,579	\$8,867,867	\$11,119,749	\$5,267,756	\$5,261,639	\$5,607,456	\$7,289,781	\$9,869,551	\$113,619,848

COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT

Docket No. 20170003-GU

SCHEDULE E-1/R

COST RECOVERY CLAUSE CALCULATION

PGA CAP 2018

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY '17 Through DECEMBER '17

Exhibit KMF-2, Page 2 of 3

Combined For All Rate Classes

THERMS PURCHASED	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
15 COMMODITY (Pipeline)	21,783,130	13,741,000	22,504,280	22,807,510	22,282,330	16,887,430	23,241,740	22,276,542	22,276,542	22,276,542	22,276,542	22,276,542	254,630,128
15a COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
15b COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
15c COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
16 NO NOTICE SERVICE	10,385,000	9,380,000	7,285,000	6,450,000	6,665,000	6,450,000	6,665,000	6,665,000	6,450,000	6,665,000	6,450,000	6,665,000	86,175,000
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
18 COMMODITY Other (THIRD PARTY)	22,451,866	13,505,344	26,769,021	18,425,341	25,237,988	19,254,601	25,729,761	7,747,639	7,096,893	7,506,229	9,473,426	11,367,214	194,565,323
19 DEMAND	104,265,400	93,792,910	101,872,640	103,514,100	76,026,740	79,644,620	85,129,900	80,308,210	77,798,268	102,441,900	113,923,968	121,358,100	1,140,076,755
19a DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
19b DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
19c DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT								0					
21 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
22 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (17+18)	22,451,866	13,505,344	26,769,021	18,425,341	25,237,988	19,254,601	25,729,761	7,747,639	7,096,893	7,506,229	9,473,426	11,367,214	194,565,323
25 NET UNBILLED	1,075,936	(155,852)	(670,070)	(190,756)	(857,729)	(614,822)	(374,929)	0	0	0	0	0	(1,788,222)
26 COMPANY USE	13,166	72,182	85,023	51,084	25,232	34,369	2,481	0	0	0	0	0	283,538
27 TOTAL THERM SALES (24-26)	20,739,669	19,956,559	19,815,882	25,401,910	25,584,494	19,635,982	26,447,838	7,747,639	7,096,893	7,506,229	9,473,426	11,367,214	200,773,734

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DOCKET NO. 20170003-GU
 PGA 2018 CAP FACTOR
 EXHIBIT KMF-2, SCHEDULE E-1/R

COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT

Docket No. 20170003-GU

SCHEDULE E-1/R

COST RECOVERY CLAUSE CALCULATION

PGA CAP 2018

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY '17 Through DECEMBER '17

Exhibit KMF-2, Page 3 of 3

Combined For All Rate Classes

CENTS PER THERM		ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
28	COMMODITY (Pipeline)	(1/15)	0.00145	0.00169	0.00150	0.00216	0.00219	0.00223	0.00218	0.00149	0.00154	0.00153	0.00163	0.00192	0.00179
28a	COMMODITY (Pipeline)	(1a/15a)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
28b	COMMODITY (Pipeline)	(1b/15b)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
28c	COMMODITY (Pipeline)	(1c/15c)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
29	NO NOTICE SERVICE	(2/16)	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478	0.00478
30	SWING SERVICE	(3/17)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
31	COMM. Other (THIRD PARTY)	(4/18)	0.34698	0.32902	0.27967	0.38041	0.30744	0.30720	0.29570	0.23358	0.24178	0.24294	0.24619	0.28070	0.30264
32	DEMAND	(5/19)	0.05411	0.05324	0.05844	0.05177	0.05047	0.05230	0.05667	0.05612	0.05633	0.05580	0.05572	0.05543	0.05478
32a	DEMAND	(5a/19a)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
32b	DEMAND	(5b/19b)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
32c	DEMAND	(5c/19c)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
33	OTHER	(6/20)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LESS END-USE CONTRACT															
34	COMMODITY (Pipeline)	(7/21)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
35	DEMAND	(8/22)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
36	OTHER	(9/23)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
37	TOTAL COST OF PURCHASES	(11/24)	0.58047	0.70756	0.49110	0.65361	0.45969	0.50965	0.47848	0.79447	0.83886	0.98685	0.90934	0.86245	0.61387
38	NET UNBILLED	(12/25)	0.73832	(0.59637)	0.77633	0.77632	0.77633	0.87794	0.60971	0.00000	0.00000	0.00000	0.00000	0.00000	0.67956
39	COMPANY USE	(13/26)	0.73509	0.00764	0.91891	(0.92244)	1.84781	0.50418	1.08258	0.00000	0.00000	0.00000	0.00000	0.00000	0.38046
40	TOTAL COST OF THERMS SOLD	(11/27)	0.62839	0.47883	0.66342	0.47410	0.45346	0.49976	0.46549	0.79447	0.83886	0.98685	0.90934	0.86245	0.59489
41	TRUE-UP	(E-4)	(0.00906)	(0.00906)	(0.00906)	(0.00906)	(0.00906)	(0.00906)	(0.00906)	(0.00906)	(0.00906)	(0.00906)	(0.00906)	(0.00906)	(0.00906)
42	TOTAL COST OF GAS	(40+41)	0.61933	0.46977	0.65436	0.46504	0.44440	0.49070	0.45643	0.78541	0.82980	0.97779	0.90028	0.85339	0.58583
43	REVENUE TAX FACTOR		1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44	PGA FACTOR ADJUSTED FOR TAXES	(42x43)	0.62245	0.47213	0.65765	0.46738	0.44664	0.49316	0.45873	0.78936	0.83397	0.98271	0.90480	0.85768	0.58877
45	PGA FACTOR ROUNDED TO NEAREST .001		62.245	47.213	65.765	46.738	44.664	49.316	45.873	78.936	83.397	98.271	90.480	85.768	58.877

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DOCKET NO. 20170003-GU
 PGA 2018 CAP FACTOR
 EXHIBIT KMF-2, SCHEDULE E-1/R

COMPANY: PEOPLES GAS SYSTEM		CALCULATION OF TRUE-UP AMOUNT											Docket No. 20170003-GU	
SCHEDULE E-2													PGA CAP 2018	
FOR THE CURRENT PERIOD:		JANUARY '17 THROUGH DECEMBER '17											Exhibit KMF-2, Page 1 of 1	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV. PROJ.
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL PERIOD	
TRUE-UP CALCULATION														
1 PURCHASED GAS COST	\$7,780,718	\$4,442,970	\$7,408,343	\$7,056,226	\$7,712,553	\$5,897,707	\$7,605,610	\$1,809,697	\$1,715,893	\$1,823,531	\$2,332,257	\$3,190,782	\$58,776,285	
2 TRANSPORTATION COST	5,242,303	5,112,263	5,659,683	5,033,950	3,842,395	3,898,159	4,702,908	4,345,600	4,237,385	5,583,996	6,282,270	6,612,822	60,553,732	
3 TOTAL	13,023,020	9,555,233	13,068,026	12,090,175	11,554,948	9,795,866	12,308,518	6,155,296	5,953,278	7,407,527	8,614,527	9,803,605	119,330,019	
4 FUEL REVENUES (NET OF REVENUE TAX)	13,487,232	12,688,437	9,555,226	13,044,575	11,560,579	8,867,867	11,119,749	5,267,756	5,261,639	5,607,456	7,289,781	9,869,551	113,619,848	
5 TRUE-UP REFUNDED/(COLLECTED)	90,557	90,557	90,557	90,557	90,557	90,557	90,557	90,557	90,557	90,557	90,557	90,558	1,086,685	
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 + LINE 5)	13,577,789	12,778,994	9,645,783	13,135,132	11,651,136	8,958,424	11,210,306	5,358,313	5,352,196	5,698,013	7,380,338	9,960,109	114,706,533	
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	554,769	3,223,761	(3,422,243)	1,044,957	96,188	(837,442)	(1,098,212)	(796,983)	(601,082)	(1,709,514)	(1,234,189)	156,505	(4,623,487)	
8 INTEREST PROVISION-THIS PERIOD (21)	1,465	2,428	2,665	2,079	2,454	2,364	1,592	650	(86)	(1,249)	(2,708)	(3,298)	8,356	
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	2,176,669	2,642,346	5,804,990	2,294,855	3,251,333	3,259,418	2,333,783	1,140,360	253,470	(438,255)	(2,239,575)	(3,567,030)	2,176,669	
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	(90,557)	(90,557)	(90,557)	(90,557)	(90,557)	(90,557)	(90,557)	(90,557)	(90,557)	(90,557)	(90,557)	(90,558)	(1,086,685)	
10a OVER EARNINGS REFUND	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	2,642,346	5,777,978	2,294,855	3,251,333	3,259,418	2,333,783	1,146,606	253,470	(438,255)	(2,239,575)	(3,567,030)	(3,504,382)	(3,525,147)	
11a REFUNDS FROM PIPELINE	0	27,012	0	0	0	0	(6,246)	0	0	0	0	0	20,766	
12 ADJ TOTAL EST/ACT TRUE-UP(11+11a)	2,642,346	5,804,990	2,294,855	3,251,333	3,259,418	2,333,783	1,140,360	253,470	(438,255)	(2,239,575)	(3,567,030)	(3,504,382)	(\$3,504,381)	
INTEREST PROVISION														
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	2,176,669	2,642,346	5,804,990	2,294,855	3,251,333	3,259,418	2,333,783	1,140,360	253,470	(438,255)	(2,239,575)	(3,567,030)		
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5+10a)	2,640,881	5,802,562	2,292,190	3,249,255	3,256,964	2,331,419	1,138,769	252,820	(438,169)	(2,238,326)	(3,564,321)	(3,501,083)		
14 TOTAL (12+13)	4,817,550	8,444,908	8,097,180	5,544,110	6,508,296	5,590,837	3,472,553	1,393,180	(184,699)	(2,676,582)	(5,803,897)	(7,068,113)		
15 AVERAGE (50% OF 14)	2,408,776	4,222,454	4,048,590	2,772,055	3,254,148	2,795,418	1,736,276	696,590	(92,350)	(1,338,291)	(2,901,948)	(3,534,057)		
16 INTEREST RATE - FIRST DAY OF MONTH	0.72	0.74	0.64	0.94	0.86	0.95	1.08	1.12	1.12	1.12	1.12	1.12	1.12	
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	0.74	0.64	0.94	0.86	0.95	1.08	1.12	1.12	1.12	1.12	1.12	1.12	1.12	
18 TOTAL (16+17)	1.460	1.380	1.580	1.800	1.810	2.030	2.200	2.240	2.240	2.240	2.240	2.240	2.240	
19 AVERAGE (50% OF 18)	0.730	0.690	0.790	0.900	0.905	1.015	1.100	1.120	1.120	1.120	1.120	1.120	1.120	
20 MONTHLY AVERAGE (19/12 Months)	0.06083	0.05750	0.06583	0.07500	0.07542	0.08458	0.09167	0.09333	0.09333	0.09333	0.09333	0.09333	0.09333	
21 INTEREST PROVISION (15x20)	\$1,465	\$2,428	\$2,665	\$2,079	\$2,454	\$2,364	\$1,592	\$650	(\$86)	(\$1,249)	(\$2,708)	(\$3,298)		

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DOCKET NO. 20170003-GU
PGA 2018 CAP FACTOR
EXHIBIT KMF-2, SCHEDULE E-2

COMPANY: PEOPLES GAS SYSTEM
SCHEDULE E-3

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

Docket No. 20170003-GU
PGA CAP 2018
Exhibit KMF-2, Page 1 of 1

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '18

THROUGH

DECEMBER '18

(A)	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							THIRD	PIPELINE			
							PARTY				
1	FGT	PGS	FTS-1 COMM	162,172,120		162,172,120		\$244,429			\$0.151
2	FGT	PGS	FTS-2 COMM	31,530,720		31,530,720		\$45,004			\$0.143
3	FGT	PGS	FTS-1 DEMAND	652,822,767		652,822,767			\$36,637,391		\$5.612
4	FGT	PGS	FTS-2 DEMAND	161,351,028		161,351,028			\$10,284,167		\$6.374
5	FGT	PGS	FTS-3 DEMAND	71,400,000		71,400,000			\$7,227,000		\$10.122
6	FGT	PGS	NO NOTICE	78,475,000		78,475,000			\$375,111		\$0.478
7	SONAT	PGS	SONAT COMM	10,831,190		10,831,190		\$63,546			\$0.587
8	SONAT	PGS	SONAT DEMAND	213,339,980		213,339,980			\$11,046,278		\$5.178
9	GULFSTREAM	PGS	GULFSTREAM COMM	62,784,470		62,784,470		\$133,397			\$0.212
10	GULFSTREAM	PGS	GULFSTREAM DEMAND	129,280,000		129,280,000			\$7,203,481		\$5.572
11	SEACOAST	PGS	SEACOAST DEMAND	13,870,000		13,870,000			\$388,360		\$2.800
12	STORAGE FACILITY	PGS	STORAGE DEMAND	30,000,000		30,000,000			\$648,000		\$2.160
13	THIRD PARTY	PGS	COMMODITY	114,183,543		114,183,543	\$42,827,761				\$37.508
14	FGT	PGS	BAL. CHGS./OTHER	0		0				\$4,448,675	\$0.000
15	FGT	PGS	SWING SERVICE REV.	0		0				(\$5,880,704)	\$0.000
16	TOTAL			1,732,040,818	0	1,732,040,818	\$42,827,761	\$486,376	\$73,809,788	(\$1,432,029)	\$6.680

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COMPANY: PEOPLES GAS SYSTEM
SCHEDULE E-4

CALCULATION OF TRUE-UP AMOUNT
PROJECTED PERIOD

Docket No. 20170003-GU
PGA CAP 2018
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ESTIMATED FOR THE PROJECTED PERIOD: JANUARY '18 through DECEMBER '18

	PRIOR PERIOD: JAN '16 - DEC '16			CURRENT PERIOD: JAN '17 - DEC '17	
	(1) 7 MOS. ACT. 5 MOS. REVISED EST.	(2) ACTUAL	(3) (2)-(1) DIFFERENCE	(4) 7 MOS. ACT. 5 MOS. REVISED EST.	(5) (3)+(4) TOTAL TRUE-UP
1 TOTAL THERM SALES \$	\$128,955,066	\$155,842,940	\$26,887,874	\$114,706,533	\$141,594,407
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	\$6,635,226	\$7,723,215	\$1,087,989	(\$4,623,487)	(\$3,535,498)
2a MISCELLANEOUS ADJUSTMENTS	\$68,133	\$68,133	\$0	\$20,766	\$20,766
3 INTEREST PROVISION FOR THIS PERIOD	\$15,315	\$17,310	\$1,995	\$8,356	\$10,351
3a TRUE-UP (COLLECTED) OR REFUNDED	\$0	\$0	\$0	\$0	\$0
4 END OF PERIOD TOTAL NET TRUE-UP	\$6,718,674	\$7,808,658	\$1,089,984	(\$4,594,365)	(\$3,504,381)

NOTE: SEVEN MONTHS ACTUAL FIVE MONTHS REVISED ESTIMATE DATA OBTAINED FROM CURRENT PERIOD SCHEDULE (E-2).

COL.(1)SAME AS COL. (4 Less Line 3a) PRIOR PER. SCH.(E-4)	<u>TOTAL TRUE-UP \$</u>	equals	CENTS PER THERM TRUE-UP
COL.(2)DATA OBTAINED FROM DEC'16 SCHEDULE (A-2)	<u>PROJ. TH. SALES</u>		
LINE 4 COLUMN (2) SAME AS LINE 7 SCHEDULE (A-7), Dec'16			
LINE 4 COLUMN (3) SAME AS LINE 9 SCHEDULE (A-7),Dec'16	<u>(\$3,504,381)</u>	equals	(0.03069)
LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)	114,183,543		
LINE 2a COLUMN (4) SAME AS LINES 10a + 11a SCHEDULE (E-2)			
LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)			

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COMPANY: PEOPLES GAS SYSTEM

THERM SALES AND CUSTOMER DATA

Docket No. 20170003-GU

SCHEDULE E-5

PGA CAP 2018

ESTIMATED FOR THE PROJECTED PERIOD:

JANUARY '18 Through DECEMBER '18

Exhibit KMF-2, Page 1 of 1

	Projected JAN	Projected FEB	Projected MAR	Projected APR	Projected MAY	Projected JUN	Projected JUL	Projected AUG	Projected SEP	Projected OCT	Projected NOV	Projected DEC	Projected TOTAL
PGA COST													
1 Commodity Costs	\$5,943,010	\$5,822,646	\$5,087,651	\$3,899,458	\$2,975,257	\$2,556,012	\$2,369,454	\$2,247,644	\$2,296,315	\$2,409,490	\$3,047,733	\$4,173,091	\$42,827,761
2 Transportation Costs	\$6,494,871	\$5,886,214	\$6,680,146	\$5,880,913	\$4,679,974	\$4,615,415	\$4,802,830	\$4,807,307	\$4,874,728	\$6,159,400	\$6,576,580	\$6,957,083	\$68,415,460
3 Administrative Costs	\$272,782	\$272,782	\$272,782	\$272,782	\$272,782	\$272,782	\$272,782	\$272,782	\$272,782	\$272,782	\$272,782	\$272,782	\$3,273,387
4 Odorant Charges	\$28,672	\$28,672	\$28,672	\$28,672	\$28,672	\$28,672	\$28,672	\$28,672	\$28,672	\$28,672	\$28,672	\$28,672	\$344,064
5 Legal	\$61,602	\$61,602	\$61,602	\$111,602	\$61,602	\$68,602	\$61,602	\$61,602	\$61,602	\$61,602	\$96,602	\$61,602	\$831,224
6 Total	\$12,800,937	\$12,071,916	\$12,130,853	\$10,193,427	\$8,018,287	\$7,541,483	\$7,535,340	\$7,418,007	\$7,534,100	\$8,931,946	\$10,022,370	\$11,493,230	\$115,691,896
PGA THERM SALES													
7 Residential	10,181,566	9,890,009	8,498,929	6,848,142	4,987,028	3,964,435	3,521,819	3,363,969	3,472,966	3,697,565	4,790,622	7,099,525	70,316,575
8 Commercial	4,824,632	4,864,671	4,508,247	4,041,650	3,358,667	3,113,666	2,972,300	2,785,692	2,858,518	2,913,125	3,517,761	4,108,040	43,866,968
9 Total	15,006,199	14,754,680	13,007,176	10,889,792	8,345,695	7,078,101	6,494,119	6,149,662	6,331,484	6,610,690	8,308,383	11,207,565	114,183,543
PGA REVENUES													
10 Residential	\$9,043,064	\$8,437,562	\$8,228,323	\$6,653,723	\$4,969,324	\$4,367,499	\$4,215,652	\$4,181,952	\$4,260,530	\$5,135,105	\$5,955,749	\$7,536,074	\$72,984,558
11 Commercial	\$3,757,874	\$3,634,354	\$3,902,530	\$3,539,704	\$3,048,963	\$3,173,984	\$3,319,688	\$3,236,055	\$3,273,569	\$3,796,841	\$4,066,620	\$3,957,156	\$42,707,338
12 Total	\$12,800,937	\$12,071,916	\$12,130,853	\$10,193,427	\$8,018,287	\$7,541,483	\$7,535,340	\$7,418,007	\$7,534,100	\$8,931,946	\$10,022,370	\$11,493,230	\$115,691,896
NUMBER OF CUSTOMERS (Average for YTD)													
13 Residential	340,676	342,298	343,798	344,634	344,351	344,545	344,743	344,570	344,628	345,067	346,315	347,983	344,467
14 Commercial	14,569	14,614	14,672	14,685	14,688	14,715	14,736	14,747	14,757	14,785	14,826	14,885	14,723
15 Total	355,245	356,912	358,470	359,319	359,039	359,261	359,478	359,316	359,385	359,852	361,141	362,868	359,191

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