



Duke Energy
139 E. Fourth Street
Cincinnati, OH 45202

RECEIVED

AUG 08 2014

PUBLIC SERVICE
COMMISSION

August 8, 2014

Kentucky Public Service Commission
Attn: Mr. Jeff Derouen, Executive Director
211 Sower Boulevard
Frankfort, Kentucky 40602

Dear Mr. Derouen:

Enclosed for filing are an original and ten (10) conformed copies of Duke Energy Kentucky's ("Duke") "Monthly Report of Gas Cost Calculations and Tariff Schedules," for the month commencing with the September 2014 revenue month in accordance with KPSC order dated November 6, 2003 in Case No. 2003-00386. This filing is based on supplier tariff rates expected to be in effect on August 29, 2014 and the NYMEX close on August 5, 2014 for the month of September 2014.

The above described schedules and GCA are effective with the final meter readings of District 1, September 2014 revenue month (i.e., final meter readings on and after August 29, 2014).

Duke's proposed GCA is \$5.223 per Mcf. This rate represents a decrease of \$0.416 per Mcf from the rate currently in effect for August 2014.

Very truly yours,

Susan Miller

Enclosure

cc: L. Schmidt

R:/tariffs/gcr/ulhp/gca monthly filing.doc

**DUKE ENERGY KENTUCKY, INC
GAS COST ADJUSTMENT CLAUSE**

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM August 29, 2014 THROUGH September 29, 2014

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	4.834
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	0.000
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.420
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.031)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	5.223

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	4.834

SUPPLIER REFUND ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ.	\$/MCF	0.000
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
SECOND PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
THIRD PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	0.000

ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	(0.452)
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.395
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.377
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.100
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.420

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	(0.001)
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.024)
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.002
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.008)
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.031)

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 8373 OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED APRIL 16, 1982.

DATE FILED: August 8, 2014

BY: DON WATHEN

TITLE: DIRECTOR
Rates & Regulatory Strategy - OH/KY

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY
EXPECTED GAS COST RATE CALCULATION (EGC)**

"SUMMARY" FOR THE EGC RATE IN EFFECT AS OF AUGUST 29, 2014

<u>DEMAND (FIXED) COSTS:</u>	<u>\$</u>
Columbia Gas Transmission Corp.	2,780,149
Columbia Gulf Transmission Corp.	1,017,545
KO Transmission Company	307,584
Texas Gas Transmission	684,090
ANR Pipeline	910,358
Gas Marketers	<u>37,326</u>
TOTAL DEMAND COST:	5,737,052
 PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	 10,003,811 MCF
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$5,737,052 / 10,003,811 MCF \$0.573 /MCF
 <u>COMMODITY COSTS:</u>	
Gas Marketers	\$4.187 /MCF
Gas Storage	
Columbia Gas Transmission	\$0.000 /MCF
Propane	<u>\$0.000 /MCF</u>
COMMODITY COMPONENT OF EGC RATE:	\$4.187 /MCF
 Other Costs:	
Net Charge Off ⁽¹⁾	\$17,952 / 243,732 \$0.074 /MCF
TOTAL EXPECTED GAS COST:	<u>\$4.834 /MCF</u>

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : AUGUST 29, 2014

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GAS TRANSMISSION, LLC				
TARIFF RATE EFFECTIVE DATE : FSS: 2/1/2013				
SST: 2/1/2014				
<u>BILLING DEMAND - TARIFF RATE - FSS</u>				
Max. Daily Withdrawl Quan.	1.5090	39,656	12	718,091
Seasonal Contract Quantity	0.0289	1,365,276	12	473,478
<u>BILLING DEMAND - TARIFF RATE - SST</u>				
Maximum Daily Quantity	4.4510	19,828	6	529,527
Maximum Daily Quantity	4.4510	39,656	6	1,059,053
CAPACITY RELEASE CREDIT				0
TOTAL COLUMBIA GAS TRANSMISSION, LLC - DEMAND CHARGES				2,780,149
INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.				
TARIFF RATE EFFECTIVE DATE : FTS-1: 10/1/2013				
<u>BILLING DEMAND - TARIFF RATE - FTS-1</u>				
Maximum Daily Quantity	4.2917	22,782	5	488,868
Maximum Daily Quantity	4.2917	17,598	7	528,677
CAPACITY RELEASE CREDIT FOR FTS-1				0
TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES				1,017,545

Currently Effective Rates
 Applicable to Rate Schedule FSS
 Rate Per Dth

		Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current Surcharge		Electric Power Costs Adjustment Current Surcharge		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
Rate Schedule FSS									
Reservation Charge 3/	\$	1.509	-	-	-	-	-	1.509	0.0496
Capacity 3/	¢	2.89	-	-	-	-	-	2.89	2.89
Injection	¢	1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢	1.53	-	-	-	-	-	1.53	1.53
Overrun 3/	¢	10.91	-	-	-	-	-	10.91	10.91

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.

2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

3/ Shippers utilizing the Eastern Market Expansion (EME) facilities for FSS service will pay a total FSS MDSQ reservation charge of \$4.130 and a total FSS SCQ capacity rate of 6.80 cents. If EME customers incur an overrun for FSS services that is provided under their EME Project service agreements, they will pay a total FSS overrun rate of 23.44 cents. The additional EME demand charges and EME overrun charges can be added to the applicable surcharges above to develop the EME Total Effective Rate.

Currently Effective Rates
 Applicable to Rate Schedule SST
 Rate Per Dth

discounted to 4.451

	Base Tariff Rate 1/ 2/	TCRA Rates	EPCA Rates	OTRA Rates	CCRM Rates	Total Effective Rate 2/	Daily Rate 2/
Rate Schedule SST							
Reservation Charge 3/4/	\$ 4.830	0.280	0.059	0.336	0.393	<u>5.898</u>	0.1938
Commodity	<i>.0102 + 0</i>	<i>+ 0</i>	<i>+ .0050</i>	<i>+ 0</i>	<i>= .0152</i>		
Maximum	¢ 1.02	0.00	0.50	0.00	0.00	1.52	1.52
Minimum	¢ 1.02	0.00	0.50	0.00	0.00	1.52	1.52
Overrun 4/							
Maximum	¢ 16.90	0.92	0.69	1.10	1.29	20.90	20.90
Minimum	¢ 1.02	0.00	0.50	0.00	0.00	1.52	1.52

- 1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.
- 2/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 34 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.
- 3/ Minimum reservation charge is \$0.00.
- 4/ Shippers utilizing the Eastern Market Expansion (EME) facilities for Rate Schedule SST service will pay a total SST reservation charge of \$17.625. If EME customers incur an overrun for SST services that is provided under their EME Project service agreements, they will pay a total overrun rate of 58.97 cents. The applicable EME demand charge and EME overrun charge can be added to the applicable surcharges above to calculate the EME Total Effective Rates.

.0152 withdrawal
+ .0012 ACA

.0164 injection rate

► **NiSource Gas**
► **Transmission & Storage**

5151 San Felipe, Suite 2500
Houston, Texas 77056

, 2009

s L. Turner
Executive, President & COO
Fourth Street

i, OH 45202

Revision 1 to SST Service Agreement No. 79977
Discount Letter Agreement

Turner:

er shall serve as an amendment to the SST Service Agreement between Columbia Gas
ssion, LLC (Transporter) and Duke Energy Kentucky, Inc. (Shipper) designated as
rter's Contract No. 79977.

1) Transporter and Shipper hereby agree that Section 3 of the above-referenced contract
number shall be amended to include the following additional language:

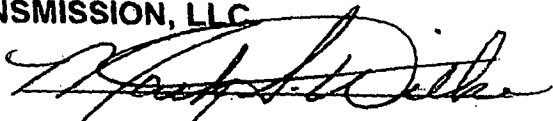
- 1) The rate for service, for the period from 11/01/09 to 3/31/10, shall include a discounted demand rate, inclusive of the base rate and all demand surcharges, of \$3.963 for deliveries to the primary delivery points: KOT DEK MLI (834696) and the following primary receipt points: MRTCO – Master Receipt TCO / RP Storage Point TCO. Shipper shall also provide the then-existing Retainage and shall pay the then-existing maximum commodity charge plus commodity surcharges as set forth in Transporter's FERC Gas Tariff from time to time.
- 2) The rate for service, for the period from 4/01/10 to 3/31/15, shall include a discounted demand rate, inclusive of the base rate and all demand surcharges, of \$4.451 for deliveries to the primary delivery points: KOT DEK MLI (834696) and the following primary receipt points: MRTCO – Master Receipt TCO / RP Storage Point TCO. Shipper shall also provide the then-existing Retainage and shall pay the then-existing maximum commodity charge plus commodity surcharges as set forth in Transporter's FERC Gas Tariff from time to time.

- 3) The discounted rate provided in paragraph one and two above is limited to the primary receipt/delivery point combinations set forth in Appendix A of the above-referenced service agreement. Except to the extent Federal Energy Regulatory Commission ("FERC") policies, rules and/or regulations, and/or Transporter's FERC Gas Tariff provide otherwise, for service under the above-referenced Service Agreement from secondary receipt points or to secondary delivery points, in lieu of the rates set forth in Paragraph 1 above, Transporter shall charge and Shipper shall pay the then existing maximum Recourse Rate set forth in Transporter's FERC Gas Tariff from time to time.
- 4) Notwithstanding the foregoing, the charge to be paid by Shipper and Transporter shall be no lower than the applicable total effective minimum charges or higher than the applicable total effective maximum charges as set forth in Transporter's FERC Gas Tariff from time to time. Rates provided for in this Discount Letter Agreement will be adjusted as necessary so that the rate will be no lower than the total effective minimum charges nor higher than the applicable total effective maximum charges as set forth in Transporter's FERC Gas Tariff from time to time. In the event that a rate component which was at or below the applicable maximum rate at the time this Discount Letter Agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. In the event the monthly Recourse Rate applicable to SST service is reduced to a level below \$3.963 or \$4.451 per Dth of Transportation Demand during the term of the above-referenced individual Service Agreement, the rates under the SST Service Agreement referenced above will be adjusted to the new monthly Recourse Rate.
- 5) This discounted transportation rate shall be apportioned in accordance with Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6) Shipper shall pay all then existing maximum overrun charges, if incurred, as set forth in Transporter's FERC Gas Tariff from time to time.

are in agreement with the above amendment, please execute both originals of this letter and
them to the Transporter at the address above, Attention: Sandra Dibello.

agreed to this 16 day of September, 2009.

UMBIA GAS
MISSION, LLC


Director, Commercial Services

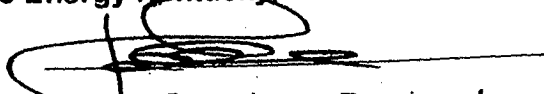


PTB

DEF

Duke Energy Kentucky, Inc.

By:



Its:

Group Executive, President and COO
USFE+C

As To Form




RETAINAGE PERCENTAGES

Transportation Retainage	1.917%	<i>SS+ fuel %</i>
Gathering Retainage	0.534%	
Storage Gas Loss Retainage	0.120%	<i>fss fuel %</i>
Ohio Storage Gas Lost Retainage	0.150%	
Columbia Processing Retainage/1	0.000%	

1/ The Columbia Processing Retainage shall be assessed separately from the processing retainage applicable to third party processing plants set forth in Section 25.3 (f) of the General Terms and Conditions.

Currently Effective Rates
 Applicable to Rate Schedule FTS-1
 Rates in Dollars per Dth

Rate Schedule FTS-1	<u>Base Rate</u>	<u>Total Effective Rate</u>	<u>Daily Rate</u>
	(1)	(2)	(3)
	1/	1/	1/
<u>Market Zone</u>			
Reservation Charge			
Maximum	4.2917	4.2917	0.1411
Minimum	0.000	0.000	0.000
Commodity			
Maximum	0.0109	0.0109	0.0109
Minimum	0.0109	0.0109	0.0109
Overrun			
Maximum	0.1520	0.1520	0.1520
Minimum	0.0109	0.0109	0.0109

1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

.0109
 +.0012

 .0121

Issued On: August 1, 2013

Effective On: October 1, 2013

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : AUGUST 29, 2014

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : KO TRANSMISSION COMPANY				
TARIFF RATE EFFECTIVE DATE :	10/1/2013			
<u>BILLING DEMAND - TARIFF RATE - FT</u>				
Maximum Daily Quantity	0.3560	72,000	12	307,584
CAPACITY RELEASE CREDIT				0
TOTAL KO TRANSMISSION CO. DEMAND CHARGES				307,584
INTERSTATE PIPELINE : Texas Gas Transmission				
TARIFF RATE EFFECTIVE DATE :	4/1/2014			
<u>BILLING DEMAND - TARIFF RATE - STF</u>				
Maximum Daily Quantity	0.1950	18,000	151	530,010
Maximum Daily Quantity	0.1200	6,000	214	154,080
CAPACITY RELEASE CREDIT				0
TOTAL TEXAS GAS TRANSMISSION CO. DEMAND CHARGES				684,090
INTERSTATE PIPELINE : ANR PIPELINE				
TARIFF RATE EFFECTIVE DATE :	4/1/2014			
<u>BILLING DEMAND - TARIFF FTS-1</u>				
Maximum Daily Quantity	4.5625	20,000	5	456,250
<u>BILLING DEMAND - TARIFF RATE - FSS</u>				
Max. Daily Withdrawl Quan.	1.2082	20,184	12	292,636
Seasonal Contract Quantity	0.1600	1,009,200	1	161,472
CAPACITY RELEASE CREDIT				0
TOTAL ANR DEMAND CHARGES				910,358
GAS MARKETERS FIXED CHARGES				
November - March	0.0025	12,810,689		31,926
December - February	0.018	300,000		5,400
TOTAL GAS MARKETERS FIXED CHARGES				37,326

KO Transmission Company

Effective Date: 04/01/2014

Status: Effective

FERC Docket: RP14-00560-001

FERC Order: Delegated Letter Order

Order Date: 03/26/2014

Part 3, Currently Effective Rates, 8.0.0

**CURRENTLY EFFECTIVE RATES
APPLICABLE TO RATE SCHEDULES FTS AND ITS**

RATE LEVELS - RATE PER DTH

	Base Tariff Rate^{1/}
RATE SCHEDULE FTS	
Reservation Charge ^{2/}	
Maximum 1	\$0.3560
Maximum 2	\$0.3560
Daily Rate - Maximum 1	\$0.0117
Daily Rate - Maximum 2	\$0.0117
Commodity	
Maximum	\$0.0000
Minimum	\$0.0000
Overrun	\$0.0117
RATE SCHEDULE ITS	
Commodity	
Maximum	\$0.0117
Minimum	\$0.0000

^{1/} ACA assessed where applicable pursuant to Section 154.402 of the Commission's regulations and will be charged pursuant to Section 23 of the General Terms and Conditions at such time that initial and successive annual ACA assessments applicable to Transporter are made and posted on the Commission's website (<<http://www.ferc.gov>>).

^{2/} Minimum reservation charge is \$0.00.

Transportation Retainage Adjustment 0.885%

NOTE: Utilizing GISB standards 5.3.22 and 5.3.23, Transporter's Rate Schedule FTS Reservation Charge can be converted to an applicable daily rate by dividing the above monthly rate by 30.4 days.



3800 Frederica Street
P.O. Box 20008
Owensboro, KY 42304-0008
270/926-8686

January 15, 2014

Mr. Jeff Kern
Duke Energy Kentucky, Inc.
139 E 4th St EX460
Cincinnati, OH 45202-4003

Re: Discounted Rates Letter Agreement to
STF Service Agreement No. 33502
between TEXAS GAS TRANSMISSION, LLC and
DUKE ENERGY KENTUCKY, INC.
dated January 15, 2014

Dear Jeff:

This Discounted Rates Letter Agreement ("Agreement") specifies additional terms and conditions applicable to the referenced Firm Service Agreement ("Contract") between Texas Gas Transmission, LLC ("Texas Gas") and Duke Energy Kentucky, Inc. ("Customer"). This Agreement is subject to all applicable Federal Energy Regulatory Commission ("FERC") regulations. In the event the language of this Agreement conflicts with the Contract, the language of this Agreement will control. In the event the language of this Agreement conflicts with Texas Gas' FERC Gas Tariff currently in effect or any superseding tariff ("Tariff"), the language of the Tariff will control.

1. Texas Gas shall provide primary firm service under the Agreement from Primary Receipt Point(s) to the Primary Delivery Point(s) listed in the attached Exhibit A. The rates charged for this service also shall be set forth in Exhibit A.

(a) The Contract Demand(s) for this Agreement shall be ~~18,000~~ MMBtu per day each November – March
~~6,000~~ MMBtu per day each April - October

2. The rates in Exhibit A are applicable only for transportation service utilizing the Primary Point(s) specifically listed on Exhibit A, up to Customer's Contract Demand. The rates in Exhibit B are applicable only for transportation service utilizing the eligible secondary point(s) specifically listed on Exhibit B. If Customer utilizes any other receipt or delivery point, then the applicable maximum rate(s), including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff, shall apply unless the parties amend Exhibits A and/or B in writing, pursuant to the requirements of the Tariff and prior to nomination, to include such transportation service. If Customer or its Replacement Shipper(s) deliver gas to a point not listed on Exhibit A or B, Customer shall pay the maximum applicable rate for the quantity delivered to such point(s), up to Customer's Contract Demand.

3. This Agreement shall be effective beginning April 1, 2014 and shall continue in full force and effect through October 31, 2017.

4. All rates and services described in this Agreement are subject to the terms and conditions of Texas Gas' Tariff. Texas Gas shall have no obligation to make refunds to Customer unless the maximum rate ultimately established by the FERC for any service described herein is less than the rate paid by Customer under this Agreement. Texas Gas shall have the unilateral right to file with the appropriate regulatory authority and make

changes effective in the filed rates, charges, and services in Texas Gas' Tariff, including both the level and design of such rates, charges and services and the general terms and conditions therein.

5. Except as otherwise provided in the FERC's regulations, this Agreement may not be assigned without the express written consent of the other party. Any assignment shall be in accordance with the Tariff and FERC regulations. Such consent shall not be unreasonably withheld. Any assignment made in contravention of this paragraph shall be void at the option of the other party. If such consent is given, this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

6. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable by any court, regulatory agency, or tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions, terms or conditions shall not in any way be affected or impaired thereby, and the term, condition, or provision which is held illegal or invalid shall be deemed modified to conform to such rule of law, but only for the period of time such order, rule, regulation, or law is in effect.

7. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE COMMONWEALTH OF KENTUCKY, EXCLUDING ANY PROVISION WHICH WOULD DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

If Customer agrees with the terms and conditions, please so indicate by signing the duplicate originals in the appropriate spaces provided below and returning the originals to Texas Gas.

Very Truly Yours,

TEXAS GAS TRANSMISSION, LLC

By: *David W. Maselney*

Name: DAVID W. MASELNEY

Title: V.P., Southern/Midwest Markets

Date: 1/27/14

ACCEPTED AND AGREED TO this 30th day of January, 2014.

DUKE ENERGY KENTUCKY, INC.

By: *Keith Trent*

Name: Keith Trent

Title: EVP & COO-Reg. Utilities

As To Form
OK

Signature page to Discounted Rates Letter Agreement, Agreement No. 33502, dated January 15, 2014.

Rate Schedule STF
Agreement No.: 33502
Discounted Rates Letter Agreement dated January 15, 2014

EXHIBIT A

Primary Receipt Point(s)

All effective primary receipt point(s) listed under the Contract.

Primary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Duke Energy KY Shipper DE	1872	4

Rate(s)

The following rates shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).

Demand: \$0.1950 per MMBtu/day each November - March
\$0.1200 per MMBtu/day each April - October

Commodity: Texas Gas' minimum tariff rate per MMBtu plus applicable surcharges and fuel retention

Discount Qualification: Customer may select Primary Receipt Point capacity up to 120% of Daily Contract Demand in the Winter Season and in the Summer Season with no impact on the discounted demand rates. If Customer selects Primary Receipt Point capacity greater than 120% of Daily Demand in the Winter Season or the Summer Season, then the maximum applicable rate shall apply to all of the Contract Demand.

The discounted demand and commodity rates are applicable for deliveries to the Primary and Eligible Secondary Delivery Points. To the extent Customer or its replacement shipper delivers gas to any other delivery point, or delivers more than the daily contract demand on any day and such volumes are not daily overrun, then Customer shall pay both the maximum demand and commodity rates for all gas quantities on that day.

Rate Schedule STF
Agreement No.: 33502
Discounted Rates Letter Agreement dated January 15, 2014

EXHIBIT B

Eligible Secondary Receipt Point(s)

All secondary receipt points located in Texas Gas Rate Zone(s) 1, 2, 3 and 4

Eligible Secondary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Lebanon-Dominion	1247	4
Lebanon-Columbia Gas	1715	4
Lebanon-Texas Eastern	1859	4
Duke Energy OH Shipper DE	1229	4

Rate(s)

The rates identified on Exhibit A shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).

Date: March 19, 2014

Contract No.: 124172

FSS SERVICE AGREEMENT

This AGREEMENT is entered into by ANR Pipeline Company (Transporter) and DUKE ENERGY KENTUCKY, INC (Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below, together with the terms and conditions of Transporter's applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff constitute the Transportation Service to be provided and the rights and obligations of Shipper and Transporter.

1. AUTHORITY FOR TRANSPORTATION SERVICE:

Pursuant to Part 284 of the Federal Energy Regulatory Commission's (FERC or Commission) Regulations.

2. RATE SCHEDULE: Firm Storage Service

3. CONTRACT QUANTITIES:

Contract Quantities- see Exhibit attached hereto.

Such Contract Quantities shall be reduced for scheduling purposes, but not for billing purposes, by the Contract Quantities that Shipper has released through Transporter's capacity release program for the period of any release.

Date: March 19, 2014

Contract No.: 124172

Shipper desires to maintain the MDQ delivered to the city gate from storage in the event of a change in Transporter's Use %. Therefore, subject to available capacity, if Transporter's Use %, as stated in Transporter's Tariff changes, Transporter shall (a) make corresponding changes to the MSQ, Base MDWQ and Base MDIQ of Shipper's FSS Agreement; and (b) if elected below, any necessary changes to the MDQ of the injection route(s) of a firm transport agreement(s), associated with such FSS Agreement. Shipper authorizes Transporter to make such quantity changes without formal amendment by providing to Shipper a revised Exhibit for each contract affected.

 X Shipper elects changes per subpart (a) only.

 Shipper elects changes per subpart (a) and (b).

4. **TERM OF AGREEMENT:**

April 01, 2014 to

March 31, 2016

5. **RATES:**

Maximum rates, charges, and fees shall be applicable for the entitlements and quantities delivered pursuant to this Agreement unless Transporter and Shipper have agreed otherwise as provided herein.

It is further agreed that Transporter may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff, and Transporter shall have the right to place such changes in effect in accordance with the Natural Gas Act. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and Commission order. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest changes in rates in whole or in part.

The rate for storage service shall be a Deliverability rate of \$1.2082 per dth per month for MDWQ, and a Capacity rate of \$0.1600 per dth per month of MSQ divided by twelve, and the applicable Commodity rate for injection or withdrawal charges, not to exceed Transporter's Maximum Tariff Rates. In addition, Shipper will be charged

Date: March 19, 2014

Contract No.: 124172

ACA, Transporter's Use (Fuel %) and EPC Charge (Electric Power Cost) and any other applicable governmental surcharges in accordance with Transporter's Tariff.

6. INCORPORATION BY REFERENCE:

The provisions of Transporter's applicable Rate Schedule and the General Terms and Conditions of Transporter's Tariff are specifically incorporated herein by reference and made a part hereof.

7. NOTICES:

All notices can be given by telephone or other electronic means, however, such notice shall be confirmed in writing at the addresses below or through GEMS_{tm}. Shipper or Transporter may change the addresses below by written notice to the other without the necessity of amending this agreement:

TRANSPORTER:

ANR Pipeline Company
717 Texas Street, Suite 25000
Houston, Texas 77002-2761
Attention: Commercial Services

SHIPPER:

DUKE ENERGY KENTUCKY, INC
139 EAST FOURTH ST
CINCINNATI, OH 45202
Attention: JEFF KERN

Telephone: 513-287-2837
FAX: 513-287-4212

Date: March 19, 2014

Contract No.: 124172

INVOICES AND STATEMENTS:

DUKE ENERGY KENTUCKY, INC
139 EAST FOURTH ST
CINCINNATI, OH 45202
Attention: MITCH MARTIN

Telephone: 513-287-4042
FAX: 513-287-2018

8. FURTHER AGREEMENT:

None.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers or Representatives thereunto duly authorized to be effective as of the date stated above.

SHIPPER: DUKE ENERGY KENTUCKY, INC

LT

By: [Signature]

Title: Vice President, Gas Operations

Date: 3/25/14

As To Form
OK

TRANSPORTER: ANR PIPELINE COMPANY

By: [Signature]

Title: Director, Commercial Services

Date: 3/26/14

RD 3/25/14
cc 3/26/14

CONTRACT QUANTITY EXHIBIT
To Agreement Between
ANR PIPELINE COMPANY (Transporter)
AND DUKE ENERGY KENTUCKY, INC (Shipper)

Contract No: 124172
 Rate Schedule: FSS
 Contract Date: March 19, 2014
 Amendment Date:

Effective Start: April 01, 2014
 Effective End: March 31, 2016

Seasonal Service
 Ratcheted Service

Maximum Storage Quantity (MSQ)
 Base Maximum Daily Withdrawal Quantity (BMDWQ)
 Base Maximum Daily Injection Quantity (BMDIQ)
 Cyclability

MDQ
 (Dth)
 1009200
 20184
 5767
 1009200

Ratchet Thresholds		Ratchet	Ratchet
From	To	Levels	MDWQ/MDIQ
201841	- 1009200	W1 MDWQ_1	20184
151381	- 201840	W2 MDWQ_2	18166
100921	- 151380	W3 MDWQ_3	16147
50461	- 100920	W4 MDWQ_4	14129
0	- 50460	W5 MDWQ_5	12110
0	- 908280	I1 MDIQ_1	5767
908281	- 1009200	I2 MDIQ_2	4614

W=Withdrawal ;I=Injection

Note: BMDWQ and BMDIQ are stated without incorporating ratchets.

Date: March 19, 2014

Contract No.: 124171

FTS - 1 SERVICE AGREEMENT

This AGREEMENT is entered into by ANR Pipeline Company (Transporter) and DUKE ENERGY KENTUCKY, INC (Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below, together with the terms and conditions of Transporter's applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff constitute the Transportation Service to be provided and the rights and obligations of Shipper and Transporter.

1. **AUTHORITY FOR TRANSPORTATION SERVICE:**

Pursuant to Part 284 of the Federal Energy Regulatory Commission's (FERC or Commission) Regulations.

2. **RATE SCHEDULE: Firm Transportation Service (FTS - 1)**

3. **CONTRACT QUANTITIES:**

Primary Routes- see Exhibit attached hereto

Such Contract Quantities shall be reduced for scheduling purposes, but not for billing purposes, by the Contract Quantities that Shipper has released through Transporter's capacity release program for the period of any release.

4. **TERM OF AGREEMENT:**

November 01, 2014 to

March 31, 2016

If Transportation Service is to be provided on a seasonal basis or for non-consecutive months during the term of the Agreement, those periods are set forth in the Primary Route Exhibit attached hereto.

Date: March 19, 2014

Contract No.: 124171

5. RATES:

Maximum rates, charges, and fees shall be applicable for the entitlements and quantities delivered pursuant to this Agreement unless Transporter and Shipper have agreed otherwise as provided herein.

It is further agreed that Transporter may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff, and Transporter shall have the right to place such changes in effect in accordance with the Natural Gas Act. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and Commission order. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest changes in rates in whole or in part.

- A. The rate for the Primary Route MDQ as listed in the attached Primary Route Exhibit and secondary receipts/deliveries as listed below shall be a Monthly Reservation Rate of \$4.5625 per dth and the applicable Commodity Rate. This rate shall be inclusive of any other adjustments or surcharges under Transporter's Tariff, not to exceed the total of Transporter's Maximum Reservation, Commodity and applicable surcharge rates. In addition, Shipper shall be charged any applicable ACA, Transporter's Use (Fuel %), EPC Charge (Electric Power Cost) and any other applicable governmental surcharges in accordance with Transporter's Tariff.

Secondary Receipt(s): None
Secondary Delivery(ies): ANR Joliet Hub (243097)

- B. The mutually agreed upon rate for the use of any point not listed in Paragraph A above shall be ANR's Maximum Applicable Reservation and Maximum Applicable Commodity Rates under FTS-1 service. In addition, Shipper shall be charged ACA, Transporter's Use (Fuel %) and EPC Charge (Electric Power Cost) and any other fees or surcharges under Transporter's Tariff.
- C. In addition, if one rate component which was at or below the applicable Maximum Rate at the time this discount agreement was executed subsequently exceeds the applicable Maximum Rate due to a change in Transporter's Maximum Rates so that such rate component must be adjusted downward to equal the new applicable Maximum Rate, then other rate components may be adjusted upward to achieve the agreed overall rate, as long as none of the resulting rate components exceeds the

Date: March 19, 2014

Contract No.: 124171

Maximum Rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission Order accepts revised tariff sheet rates. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates, which ultimately are found to be just and reasonable.

6. **INCORPORATION BY REFERENCE:**

The provisions of Transporter's applicable Rate Schedule and the General Terms and Conditions of Transporter's Tariff are specifically incorporated herein by reference and made a part hereof.

7. **NOTICES:**

All notices can be given by telephone or other electronic means, however, such notice shall be confirmed in writing at the addresses below or through GEMS[™]. Shipper or Transporter may change the addresses below by written notice to the other without the necessity of amending this agreement:

TRANSPORTER:

ANR Pipeline Company
717 Texas Street, Suite 25000
Houston, Texas 77002-2761
Attention: Commercial Services

SHIPPER:

DUKE ENERGY KENTUCKY, INC
139 EAST FOURTH ST
CINCINNATI, OH 45202
Attention: JEFF KERN

Telephone: 513-287-2837
FAX: 513-287-4212

Date: March 19, 2014

Contract No.: 124171

INVOICES AND STATEMENTS:

DUKE ENERGY KENTUCKY, INC
139 EAST FOURTH ST
CINCINNATI, OH 45202
Attention: MITCH MARTIN

Telephone: 513-287-4042
FAX: 513-287-2018

8. FURTHER AGREEMENT:

None.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers or Representatives thereunto duly authorized to be effective as of the date stated above.

SHIPPER: DUKE ENERGY KENTUCKY, INC

By: 

Title: Vice President, Gas Operations

Date: 3/25/14

As To Form
OK

TRANSPORTER: ANR PIPELINE COMPANY

By: 

Title: Director, Commercial Services

Date: 3/31/14

LD 3/25/14
cc 3/26/14

PLK

**PRIMARY ROUTE EXHIBIT
To Agreement Between
ANR PIPELINE COMPANY (Transporter)
AND DUKE ENERGY KENTUCKY, INC (Shipper)**

**Contract No: 124171
Rate Schedule: FTS-1
Contract Date: March 19, 2014
Amendment Date:**

Receipt Location Name	Delivery Location Name	Annual MDQ (DTH)	Winter MDQ (DTH)	Summer MDQ (DTH)
153808 ANRPL STORAGE FACILITIES FROM: November 01, 2014	22986 LEBANON/SPRINGBORO INT TO: March 31, 2016	0	20000	0

DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 9/1/2014

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ 31,926 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 12,810,689 Dth (2)

CALCULATED RATE: \$ 0.0025 per Dth

(1) Reservation charges billed by firm suppliers for 2013 - 2014.

(2) Contracted volumes for the 2013 - 2014 winter season.

DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM NEEDLE PEAKING SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 9/1/2014

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ \$5,400.00 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 300,000 Dth (2)

CALCULATED RATE: \$ 0.0180 per Dth

(1) Reservation charges billed by needle peaking suppliers for 2013 - 2014

(2) Contracted volumes for the 2013 - 2014 winter season.

**Duke Energy Kentucky
Gas Resources
Supply Portfolio - November 2013 - March 2014
Reservation Fees**

			Dth per Day					Total Volume	Reserv. Fee	Total Cost
			Nov	Dec	Jan	Feb	Mar			
Chevron										
Columbia (Mainline)	Base	Fixed	3,000	3,000	3,000	3,000	3,000	453,000	\$0.0000	\$0.00
Columbia (Mainline)	Swing	GD +.0025	18,500	18,000	15,500	15,000	18,500	2,587,000	\$0.0025	\$6,467.50
Total								3,040,000		\$6,467.50
Energy America										
Columbia Backhaul (Leach)	Swing	GD +.1400	18,000	18,000	18,000	18,000	18,000	2,718,000	\$0.0050	\$13,590.00
Total								2,718,000		\$13,590.00
Conoco										
Columbia (Mainline)	Base	Fixed	2,000	2,000	2,000	2,000	2,000	302,000	\$0.0000	\$0.00
Total								302,000		\$0.00
J. P. Morgan										
Columbia (Mainline)	Base	FOMI	2,600	3,200	5,900	6,600	2,600	625,500	\$0.0000	\$0.00
Columbia (Mainline)	Swing	GD	18,500	18,000	15,500	15,000	18,500	2,587,000	\$0.0000	\$0.00
Total								3,212,500		\$0.00
Southwestern Energy										
Columbia (Mainline)	Base	FOMI	2,600	2,950	5,850	6,550	2,500	611,700	\$0.0000	\$0.00
Total								611,700		\$0.00
Sequent										
Columbia (Mainline)	Swing	GD	17,039	16,489	14,089	13,689	17,139	2,373,689	\$0.0050	\$11,868.45
Total								2,373,689		\$11,868.45
NextEra										
Columbia (Mainline)	Base	FOMI	2,600	3,200	5,000	5,000	2,600	552,800	\$0.0000	\$0.00
Total								552,800		\$0.00
Total Firm Supply								12,810,689		\$ 31,925.95
25 Day Peaking Service (North)										
Twin Eagle (Lebanon)		GD+\$0.2000		12,000	12,000	12,000		1,080,000	\$0.0050	\$5,400.00
								1,080,000		\$5,400.00
Kentucky "Faux" Storage										
NET (1)		Fixed	20,000	20,000	20,000	20,000	20,000	1,000,000		\$0.00
Total Duke Energy Kentucky								14,890,689		\$37,325.95

(1) Must take a total of 1,000,000 Dths. Price based on average of Mich Con FOMI for Apr 13--Oct 13.
Reservation fee of \$100,000/month to be paid each month beginning April 2013 through October 2013.

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : AUGUST 29, 2014

GAS COMMODITY RATE FOR SEPTEMBER, 2014:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$3.9783	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.500%	\$0.0597	\$4.0380	\$/Dth
DTH TO MCF CONVERSION	1.0370	\$0.1494	\$4.1874	\$/Mcf
ESTIMATED WEIGHTING FACTOR	100.000%		\$4.1874	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$4.187	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$4.4261	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$4.4414	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	1.917%	\$0.0851	\$4.5265	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0152	\$4.5417	\$/Dth
KO TRANS. COMMODITY RATE		\$0.0012	\$4.5429	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.500%	\$0.0681	\$4.6110	\$/Dth
DTH TO MCF CONVERSION	1.0370	\$0.1706	\$4.7816	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.000	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.94788	\$/Gallon
GALLON TO MCF CONVERSION	15.38	\$13.6305	\$14.5784	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
PROPANE COMMODITY RATE			\$0.000	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 8/5/14 and contracted hedging prices.

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
SUPPLIER REFUND ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED

May 31, 2014

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD February 1, 2014 THROUGH May 31, 2014	\$	0.00
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		0.9979
REFUNDS INCLUDING INTEREST (\$0.00 x 0.9979)	\$	0.00
DIVIDED BY TWELVE MONTH SALES ENDED August 31, 2015	MCF	10,023,450
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>0.00</u>

DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED

May 31, 2014

DESCRIPTION	UNIT	AMOUNT
-------------	------	--------

SUPPLIER

TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA	\$	<u>0.00</u>
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RAU

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
ACTUAL ADJUSTMENT

DETAILS FOR THE THREE MONTH PERIOD ENDED

May 31, 2014

DESCRIPTION	UNIT	MARCH	APRIL	MAY
<u>SUPPLY VOLUME PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	MCF	1,494,129	563,008	371,974
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	368	0	0
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	(4,111)	(12,538)	(2,520)
TOTAL SUPPLY VOLUMES	MCF	1,490,386	550,470	369,454
<u>SUPPLY COST PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	\$	8,047,963	3,090,231	2,093,442
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	2,944	0	0
OTHER COSTS (SPECIFY):		0	0	0
GAS COST UNCOLLECTIBLE	\$	(66,076)	(50,536)	(11,781)
MANAGEMENT FEE	\$	(21,658)	(21,658)	(21,658)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	995	0	(471)
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	7,964,168	3,018,037	2,059,532
<u>SALES VOLUMES</u>				
JURISDICTIONAL	MCF	1,819,176.8	956,930.3	387,810.9
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	1,819,176.8	956,930.3	387,810.9
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	4.378	3.154	5.311
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	5.687	5.408	5.303
DIFFERENCE	\$/MCF	(1.309)	(2.254)	0.008
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	1,819,176.8	956,930.3	387,810.9
EQUALS MONTHLY COST DIFFERENCE	\$	(2,381,302.43)	(2,156,920.90)	3,102.49
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			(4,535,120.84)
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			(4,535,120.84)
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>August 31, 2015</u>	MCF			10,023,450
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			(0.452)
AAU				

**GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
BALANCE ADJUSTMENT
DETAILS FOR THE TWELVE MONTH PERIOD ENDED May 31, 2014**

DESCRIPTION	UNIT	AMOUNT
<u>RECONCILIATION OF A PREVIOUS GAS COST VARIANCE</u>		
GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE JUNE 1, 2013	\$	13,333.32
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ 0.001 /MCF APPLIED TO TOTAL SALES OF 11,069,246 MCF (TWELVE MONTHS ENDED May 31, 2014)	\$	<u>11,069.22</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>2,264.10</u>
<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND</u>		
SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE JUNE 1, 2013	\$	0.00
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ 0.000 /MCF APPLIED TO TOTAL SALES OF 11,069,246 MCF (TWELVE MONTHS ENDED May 31, 2014)	\$	<u>0.00</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>0.00</u>
<u>RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT</u>		
AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE JUNE 1, 2013	\$	270,925.08
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ 0.026 /MCF APPLIED TO TOTAL SALES OF 11,069,246 MCF (TWELVE MONTHS ENDED May 31, 2014)	\$	<u>287,800.36</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>(16,875.28)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>(14,611.18)</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED August 31, 2015	MCF	<u>10,023,450</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u>(0.001)</u>

Revised Tariff Schedules

INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED

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Rate GS, General Service.....	31	08/29/14	08/29/14	(T)
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Rate IMBS, Interruptible Monthly Balancing Service.....	58	01/04/10	01/04/10	
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Issued by authority of an Order of the Kentucky Public Service
 Commission dated __, 2014 in Case No. 2014-00 __

Issued: __, 2014

Effective: August 29, 2014

Issued by James P. Henning, President

INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED (Contd.)

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Issued by authority of an Order of the Kentucky Public Service
 Commission dated __, 2014 in Case No. 2014-00__

Issued: __, 2014

Effective: August 29, 2014

Issued by James P. Henning, President

Duke Energy Kentucky, Inc.
4580 Olympic Blvd.
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
Ninety-Sixth Revised Sheet No. 30
Cancelling and Superseding
Ninety-Fifth Revised Sheet No. 30
Page 1 of 1

**RATE RS
RESIDENTIAL SERVICE**

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
All gas is billed in units of 100 cubic feet (CCF).

Customer Charge per month: \$16.00

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a commodity Charge for						
all CCF at	\$0.37213	plus	\$0.5223	Equals	\$0.89443	(R)

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on Sheet No. 62, Rider DSMR, Demand Side Management Rate.

The "Customer Charge" shown above shall be the minimum amount billed each month.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service
Commission dated ____, 2014 in Case No. 2014-00 ____

Issued: ____, 2014

Effective: August 29, 2014

Issued by James P. Henning, President

RATE GS

GENERAL SERVICE

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
All gas is billed in units of 100 cubic feet (CCF)

Customer Charge per month: \$47.50

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	\$0.20530	Plus	\$0.5223	Equals	\$0.7276	(R)

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on:
Sheet No. 62, Rider DSMR, Demand Side Management Rate for non-residential service

The "Customer Charge" shown above shall be the minimum amount billed per month.

The "Gas Cost Adjustment," as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum bills or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated ____, 2014 in Case No. 2014-00__

Issued: ____, 2014
Effective: August 29, 2014
Issued by James P. Henning, President

Duke Energy Kentucky, Inc.
4580 Olympic Blvd.
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
Thirty-Third Revised Sheet No. 77
Cancelling and Superseding
Thirty-Second Revised Sheet No. 77
Page 1 of 1

RIDER GCAT

GAS COST ADJUSTMENT TRANSITION RIDER

APPLICABILITY

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

GCA TRANSITION RIDER

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be \$0.0389 per 100 cubic feet. This rate shall be in effect during the month of September 2014 through November 2014 and shall be updated quarterly, concurrent with the Company's GCA filings.

(R)
(T)

Issued by authority of an Order of the Kentucky Public Service
Commission dated ____, 2014 in Case No. 2014-00__

Issued: ____, 2014
Effective: August 29, 2014
Issued by James P. Henning, President

DUKE ENERGY KENTUCKY
SUPPLEMENTAL INFORMATION
FOR THE EXPECTED GAS COST (EGC) RATE CALCULATION
OF THE GAS COST RECOVERY RATE
IN EFFECT AS OF AUGUST 29, 2014

3rd Quarter

DUKE ENERGY Kentucky, Inc.
 USED FOR GCA EFFECTIVE August 29, 2014

COMPUTATION OF THE INTEREST FACTOR
 FOR THE GCA CALCULATION ON SCHEDULE II

TWELVE MONTHS ENDED June 30, 2014
 BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)

INTEREST RATE	-0.0039
PAYMENT	0.083157
ANNUAL TOTAL	0.9979
MONTHLY INTEREST AMOUNT	(0.000325)
	1

JUNE	2013	0.15	
JULY	2013	0.11	
AUGUST	2013	0.09	
SEPTEMBER	2013	0.09	
OCTOBER	2013	0.10	
NOVEMBER	2013	0.12	
DECEMBER	2013	0.14	
JANUARY	2013	0.11	
FEBRUARY	2013	0.12	
MARCH	2013	0.12	
APRIL	2014	0.09	
MAY	2014	0.09	1.33
JUNE	2014	0.10	1.43

PRIOR ANNUAL TOTAL	1.33
PLUS CURRENT MONTHLY R	0.10
LESS YEAR AGO RATE	0.15
NEW ANNUAL TOTAL	1.28
AVERAGE ANNUAL RATE	0.11
LESS 0.5% (ADMINISTRATIVE)	(0.39)

**DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST**

MONTH OF

March 2014 Revised

<u>DESCRIPTION</u>	<u>W/P</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>			\$
current month estimate	B1	8,068,673.64	
adjustments from prior month	B2	(1,440.26)	
Interruptible Transportation monthly charges by Gas Supply - PI	C	<u>(19,270.29)</u>	8,047,963
 <u>LESS: RATE SCHEDULE CF CREDIT</u>			
current month		0.00	
adjustments		<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>			
a/c 728-3 Erlanger	D2	2,943.88	2,944
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>			
	E	(66,076.00)	(66,076)
 <u>LESS: X-5 TARIFF</u>			
		0.00	0
 <u>LESS Tenaska MANAGEMENT FEE</u>			
	F	21,658.00	(21,658)
 <u>LESS: TOP TRANSP. RECOVERIES</u>			
		0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>			
	G	995.14	995
adjustments		0.00	
		<u>0.00</u>	0
 <u>LESS: GAS COST CREDIT</u>			
		0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>			
current month		0.00	
adjustments		<u>0.00</u>	0
 TOTAL SUPPLY COSTS			<u><u>7,964,168</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

AMOUNT

ACCOUNT - 191990/191400	(2,381,302.43)
ACCOUNT 0805002	2,381,302.43
 Mar 14 Original entry - Account 0191990/0191400	(2,297,620.30)
Mar 14 Original entry - Account 0805002	2,297,620.30
 TO BE BOOKED - ACCOUNT 0191990/0191400	(83,682.13)
TO BE BOOKED - ACCOUNT 0805002	83,682.13

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

March 2014 Revised

<u>PARTICULARS</u>	<u>UNIT</u>	<u>W/P</u>	<u>MONTH</u>	
			<u>March 2014 Revised</u>	
<u>SUPPLY VOLUME PER BOOKS</u>				
Primary Gas Suppliers	MCF	B1	1,494,129	
Utility Production	MCF		0	
Includable Propane	MCF	D1	368	
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	(4,111)	
TOTAL SUPPLY VOLUMES	MCF		1,490,386	
<u>SUPPLY COST PER BOOKS</u>				
Primary Gas Suppliers	\$	A1	8,047,963	
Includable Propane	\$		2,944	
Gas Cost Uncollectible	\$	A1	(66,076)	
Other Cost (Specify) - Gas Cost Credit	\$		0	
- Unacct'd for Transp.	\$		0	
- CF Credit	\$		0	
- X-5 Tariff	\$		0	
- CMT Management Fee	\$	A1	(21,658)	
- Losses-Damaged Lines	\$	A1	995	
- Gas Sold to Remarketers	\$		0	
- TOP Transp. Recoveries	\$		0	
TOTAL SUPPLY COST	\$	A1	7,964,168	
<u>SALES VOLUMES</u>				
Jurisdictional	MCF	H	1,819,176.8	
Non-Jurisdictional	MCF			
Other Volumes (Specify) -	MCF			
TOTAL SALES VOLUME	MCF		1,819,176.8	
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF		4.378	
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	H	5.687	
DIFFERENCE	\$/MCF		(1.309)	
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		1,819,176.8	
MONTHLY COST DIFFERENCE	\$		(2,381,302.43)	

DUKE ENERGY COMPANY KENTUCKY

March 2014 Revised

	<u>Applied</u>		<u>Amount</u>	<u>\$/MCF</u>
	<u>MCF Sales</u>	<u>W/P</u>		
<u>GAS FUEL ADJUSTMENT BILLED</u>				
EGC	1,819,176.8	H	10,346,313	5.68735952
RA		H	0	
AA		H	368,519	
BA		H	21,799	
TOTAL GAS COST RECOVERY(GCR)			<u>10,736,630.73</u>	
TOTAL SALES VOLUME	1,819,176.8			
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>			
JURISDICTIONAL SALES	<u>1,819,176.8</u>			
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>				
SUPPLIER COST - CURRENT MONTH	1,819,176.8		7,964,168.00	4.37789664
UNRECOVERED PURCHASED GAS COST			2,749,821.30	
ROUNDING(ADD/(DEDUCT))			<u>842.06</u>	
TOTAL GAS COST IN REVENUE			<u>10,714,831.36</u>	
TOTAL GAS COST RECOVERY(GCR)			10,736,630.73	
LESS: RA			0.00	
BA			<u>21,799.36</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			<u>10,758,430.09</u>	
UNRECOVERED PURCHASED GAS COST ENTRY			2,749,821.30	
LESS: AA			<u>368,518.87</u>	
MONTHLY COST DIFFERENCE			2,381,302.43	
EXTENDED MONTHLY COST DIFFERENCE			<u>2,382,144.49</u>	
ROUNDING			<u>842.06</u>	

DUKE ENERGY KENTUCKY
 GAS SERVICE
 SUMMARY OF GCA COMPONENTS
 MONTH: March 2014

BILL CODE	REPORTED SALES	EGC \$	RECONCILIATION ADJUSTMENT			ACTUAL ADJUSTMENT			BALANCE ADJUSTMENT			TOTAL			
			CURRENT	PREVIOUS	THRD PREV.	TOTAL	CURRENT	PREVIOUS	THRD PREV.	TOTAL	CURRENT		PREVIOUS	THRD PREV.	TOTAL
			0.000	0.000	0.000	RA	0.377	0.100	0.277	AA	0.002	(0.006)	0.029	BA	
142	(2.9)	4.368													
162	(6.3)	4.368													
182	(85.2)	4.368													
013	134.1	4.281													
033	(85.9)	4.281													
043	(665.2)	4.361													
063	1,072.4	4.591													
073	183.2	5.077													
083	207.5	4.966													
103	250.4	5.115													
123	344.5	4.866													
143	564.1	4.570													
163	893.9	4.851													
173	(10,790.7)	4.560													
183	(15,851.2)	4.426													
014	33,220.9	5.026													
034	(14,824.4)	5.070													
044	1,824,641.6	5.678													
TOTAL	1,619,176.9		0.00	0.00	0.00	0.00	687,965.28	182,734.49	(603,659.36)	1,818.81	3,649.68	(14,537.40)	(14,544.08)	47,289.19	
TRANSPORTATION: IFT			TOTAL FOR CHOICE			TOTAL FOR CHOICE			TOTAL FOR CHOICE			TOTAL			
Customer Choice Program (GCAT):			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
171 & 022			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
052			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
132			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
172 & 023			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
093, 153, 133			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
193			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
024			2,331.4	0.00	0.00	0.00	0.00	233.14	(645.80)	2.33	0.00	(18.65)	0.00	0.00	0.00
054			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FOR CHOICE			2,331.4	0.00	0.00	0.00	0.00	233.14	(645.80)	2.33	0.00	(18.65)	0.00	0.00	0.00
TOTAL FOR GCR			0.00	0.00	0.00	0.00	687,965.28	182,734.49	(603,659.36)	1,818.81	3,649.68	(14,537.40)	(14,544.08)	47,289.19	21,776.04
CONTROL CK			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
negative/reduce refund# 25313															
negative/reduce refund# 25313															
negative/reduce refund# 19140															
negative/reduce refund# 25313															
negative/reduce refund# 25313															
negative/reduce refund# 25313															
negative/reduce refund# 25313															
negative/reduce refund# 25313															
negative/reduce refund# 25313															
negative/reduce refund# 25313															
negative/reduce refund# 25313															

JE ID -KUNBL AMZ

FT 288,400.2
 Interruptible Transportation: ITO
 IT 119,203.0
 Grand Total 2,229,191.4
 ADJUSTED EGC 2,229,191.4

Firm Transportation: IFT

See to last pg of A

**DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST**

MONTH OF

April 2014 Revised

<u>DESCRIPTION</u>	<u>W/P</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>			\$
current month estimate	B1	3,142,554.95	
adjustments from prior month	B2	(36,194.04)	
Interruptible Transportation monthly charges by Gas Supply - PI	C	<u>(16,130.20)</u>	3,090,231
 <u>LESS: RATE SCHEDULE CF CREDIT</u>			
current month		0.00	
adjustments		<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>			
a/c 728-3 Erlanger	D2		0
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>			
	E	<u>(50,536.00)</u>	(50,536)
 <u>LESS: X-5 TARIFF</u>		0.00	0
 <u>LESS Tenaska MANAGEMENT FEE</u>			
	F	<u>21,658.00</u>	(21,658)
 <u>LESS: TOP TRANSP. RECOVERIES</u>		0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>			
	G	<u>0.00</u>	0
adjustments		0.00	
		<u>0.00</u>	0
 <u>LESS: GAS COST CREDIT</u>		0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>			
current month		0.00	
adjustments		<u>0.00</u>	0
 TOTAL SUPPLY COSTS			<u><u>3,018,037</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

AMOUNT

ACCOUNT - 191990/191400	(2,156,920.90)
ACCOUNT 0805002	2,156,920.90
 Original entry - Account 0191990/0191400	(2,088,978.41)
Original entry - Account 0805002	2,088,978.41
 TO BE BOOKED - ACCOUNT 0191990/0191400	(67,942.49)
TO BE BOOKED - ACCOUNT 0805002	67,942.49

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

April 2014 Revised

PARTICULARS	UNIT	W/P	MONTH	
			April 2014	Revised
<u>SUPPLY VOLUME PER BOOKS</u>				
Primary Gas Suppliers	MCF	B1	563,008	
Utility Production	MCF		0	
Includable Propane	MCF	D1		
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	(12,538)	
TOTAL SUPPLY VOLUMES	MCF		550,470	
<u>SUPPLY COST PER BOOKS</u>				
Primary Gas Suppliers	\$	A1	3,090,231	
Includable Propane	\$		0	
Gas Cost Uncollectible	\$	A1	(50,536)	
Other Cost (Specify) - Gas Cost Credit	\$		0	
- Unacct'd for Transp.	\$		0	
- CF Credit	\$		0	
- X-5 Tariff	\$		0	
- CMT Management Fee	\$	A1	(21,658)	
- Losses-Damaged Lines	\$	A1	0	
- Gas Sold to Remarketers	\$		0	
- TOP Transp. Recoveries	\$		0	
TOTAL SUPPLY COST	\$	A1	3,018,037	
<u>SALES VOLUMES</u>				
Jurisdictional	MCF	H	956,930.3	
Non-Jurisdictional	MCF			
Other Volumes (Specify) -	MCF			
TOTAL SALES VOLUME	MCF		956,930.3	
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF		3.154	
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	H	5.408	
DIFFERENCE	\$/MCF		(2.254)	
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		956,930.3	
MONTHLY COST DIFFERENCE	\$		(2,156,920.90)	

DUKE ENERGY COMPANY KENTUCKY

April 2014 Revised

	<u>Applied</u>		<u>Amount</u>	<u>\$/MCF</u>
	<u>MCF Sales</u>	<u>W/P</u>		
<u>GAS FUEL ADJUSTMENT BILLED</u>				
EGC	956,930.3	H	5,175,323	5.40825525
RA		H	0	
AA		H	212,911	
BA		H	11,579	
TOTAL GAS COST RECOVERY(GCR)			<u>5,399,813.15</u>	
TOTAL SALES VOLUME	956,930.3			
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>			
JURISDICTIONAL SALES	<u>956,930.3</u>			
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>				
SUPPLIER COST - CURRENT MONTH	956,930.3		3,018,037.00	3.15387338
UNRECOVERED PURCHASED GAS COST			2,369,831.75	
ROUNDING(ADD/(DEDUCT))			<u>365.42</u>	
TOTAL GAS COST IN REVENUE			<u>5,388,234.17</u>	
TOTAL GAS COST RECOVERY(GCR)			5,399,813.15	
LESS: RA			0.00	
BA			<u>11,578.98</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			<u>5,411,392.13</u>	
UNRECOVERED PURCHASED GAS COST ENTRY			2,369,831.75	
LESS: AA			<u>212,910.85</u>	
MONTHLY COST DIFFERENCE			2,156,920.90	
EXTENDED MONTHLY COST DIFFERENCE			<u>2,157,286.32</u>	
ROUNDING			<u>365.42</u>	

DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: April 2014

BILL CODE	REPORTED SALES	EGC		RECONCILIATION ADJUSTMENT					ACTUAL ADJUSTMENT					BALANCE ADJUSTMENT							
		\$/MCF	\$	CURRENT 0.000	PREVIOUS 0.000	SEC.PREV. 0.000	THRD.PREV. 0.000	TOTAL RA	CURRENT 0.377	PREVIOUS 0.100	SEC.PREV. (0.277)	THRD.PREV. 0.001	TOTAL AA	CURRENT 0.002	PREVIOUS (0.008)	SEC.PREV. (0.008)	THRD.PREV. 0.028	TOTAL BA			
042		4.333	0.00																		
062		3.795	0.00																		
072		4.150	0.00																		
082		4.618	0.00																		
102		4.653	0.00																		
112	(1.1)	4.753	(5.23)																		
122	0.1	4.682	0.47																		
142	2.7	4.358	11.77																		
152	13.8	4.594	63.40																		
162	(232.5)	4.592	(1,067.64)																		
013	168.9	4.281	723.06																		
033	(68.6)	4.261	(292.30)																		
043	(516.2)	4.361	(2,246.79)																		
063	638.0	4.591	2,469.96																		
073	85.0	5.077	431.55																		
083	131.8	4.995	657.34				0.00	0.00				0.13	0.13				3.42	3.42			
103	197.4	5.115	1,009.70				0.00	0.00				0.20	0.20				5.13	5.13			
123	282.1	4.886	1,280.62				0.00	0.00				0.26	0.26				6.81	6.81			
143	349.3	4.570	1,596.30			0.00	0.00	0.00													
163	599.5	4.657	2,736.27								(86.76)	0.35	(96.41)				(2.79)	9.08	6.29		
173	(8,599.2)	4.560	(39,212.35)								(166.06)	0.60	(165.46)				(4.80)	15.59	10.79		
											2,381.96	(6.80)	2,373.36				68.79	(223.56)	(154.79)		
163	(8,848.5)	4.426	(39,154.61)			0.00	0.00	0.00			(684.65)	2,450.46	(6.85)	1,556.98			70.77	70.77	(230.01)	(68.47)	
014	21,990.9	5.026	110,526.26			0.00	0.00	0.00			2,199.09	(6,091.48)	21.99	(3,870.40)			(175.93)	(175.93)	571.76	219.90	
034	(56,233.0)	5.070	(285,101.31)			0.00	0.00	0.00			(5,623.30)	15,576.54	(56.23)	9,697.01			448.66	448.66	(1,462.06)	(562.34)	
044	47,746.1	5.678	271,102.36			0.00	0.00	0.00			18,000.26	4,774.61	(13,225.67)	47.75	9,596.97		95.49	(381.97)	(381.97)	1,241.40	572.95
064	959,341.0	5.368	5,149,742.49			0.00	0.00	0.00			391,671.56	95,934.10	(265,737.46)	959.34	192,627.54		1,918.68	(7,674.73)	(7,674.73)	24,942.87	11,512.09
TOTAL	956,930.3	5,175,323.32		0.00	0.00	0.00	0.00	0.00			379,671.64	96,399.65	(264,906.43)	956.94	212,120.20		2,014.17	(7,712.00)	(7,650.80)	24,880.41	11,531.78
TRANSPORTATION: IFT3																					
Customer Choice Program (GCAT):																					
171 & 022																					
052																					
092																					
132																					
172 & 023																					
053																					
093, 113, 133																					
153							0.00	0.00					0.00	0.00					0.00	0.00	
193							0.00	0.00					0.00	0.00					0.00	0.00	
024							0.00	0.00					0.00	0.00					0.00	0.00	
054	3,933.6			0.00	0.00	0.00	0.00	0.00			1,482.97	393.36	(1,089.61)	3.93	790.65		7.87	(31.47)	(31.47)	102.27	47.20
FT CHOICE	3,933.6																				
TOTAL FOR CHOICE				0.00	0.00	0.00	0.00	0.00			1,482.97	393.36	(1,089.61)	3.93	790.65		7.87	(31.47)	(31.47)	102.27	47.20
TOTAL FOR GCR				0.00	0.00	0.00	0.00	0.00			381,154.81	96,793.21	(265,996.04)	960.87	212,910.85		2,022.04	(7,743.47)	(7,682.27)	24,982.68	11,578.98
CONTROL CK								0.00						212,910.85							11,578.98
positive=recovered=cr 25313																					
negative=reduce refund=dr 25313																					
CONTROL CK															19140						
positive=recovered=cr 19140																					
negative=refund=dr 19140																					

Susan R Miller:
=957,475.6 + 13.1 + 264 + 750 + 838.3

Firm Transportation: IFT

FT 250,288.1
Interruptible Transportation: IT01

IT 117,961.0

Grand Total 1,329,093.0 lies to last pg of A
ADJUSTED EGC 5,406

JE ID - KUNBIL AMZ

**DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF May 2014**

<u>DESCRIPTION</u>	<u>W/P</u>	<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month estimate	B1	2,095,397.96
adjustments from prior month	B2	(21,646.78)
Interruptible Transportation monthly charges by Gas Supply - PM	C	<u>19,690.72</u>
		2,093,442
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month		0.00
adjustments		<u>0.00</u>
		0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	D2	<u>0</u>
		0
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>		
	E	<u>(11,781.00)</u>
		(11,781)
 <u>LESS: X-5 TARIFF</u>		0.00
		0
 <u>LESS Tenaska MANAGEMENT FEE</u>		
	F	<u>21,658.00</u>
		(21,658)
 <u>LESS: TOP TRANSP. RECOVERIES</u>		0.00
		0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>		
	G	<u>(471.37)</u>
		(471)
 adjustments		0.00
		<u>0.00</u>
		0
 <u>LESS: GAS COST CREDIT</u>		0.00
		0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month		0.00
adjustments		<u>0.00</u>
		0
 TOTAL SUPPLY COSTS		<u><u>2,059,532</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

<u>ACCOUNTING ENTRY FOR DEFERRAL ONLY</u>	<u>AMOUNT</u>
ACCOUNT - 191990/191400	3,102.49
ACCOUNT 0805002	(3,102.49)
 Orginal entry - Account 0191990/0191400	32,576.12
Orginal entry - Account 0805002	(32,576.12)
 TO BE BOOKED - ACCOUNT 0191990/0191400	(29,473.63)
TO BE BOOKED - ACCOUNT 0805002	29,473.63

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH May 2014

<u>PARTICULARS</u>	<u>UNIT</u>	<u>W/P</u>	<u>MONTH May 2014</u>
<u>SUPPLY VOLUME PER BOOKS</u>			
Primary Gas Suppliers	MCF	B1	371,974
Utility Production	MCF		0
Includable Propane	MCF	D1	
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	(2,520)
TOTAL SUPPLY VOLUMES	MCF		369,454
<u>SUPPLY COST PER BOOKS</u>			
Primary Gas Suppliers	\$	A1	2,093,442
Includable Propane	\$		0
Gas Cost Uncollectible	\$	A1	(11,781)
Other Cost (Specify) - Gas Cost Credit	\$		0
- Unacct'd for Transp.	\$		0
- CF Credit	\$		0
- X-5 Tariff	\$		0
- CMT Management Fee	\$	A1	(21,658)
- Losses-Damaged Lines	\$	A1	(471)
- Gas Sold to Remarketers	\$		0
- TOP Transp. Recoveries	\$		0
TOTAL SUPPLY COST	\$	A1	2,059,532
<u>SALES VOLUMES</u>			
Jurisdictional	MCF	H	387,810.9
Non-Jurisdictional	MCF		
Other Volumes (Specify) -	MCF		
TOTAL SALES VOLUME	MCF		387,810.9
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF		5.311
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	H	5.303
DIFFERENCE	\$/MCF		0.008
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		387,810.9
MONTHLY COST DIFFERENCE	\$		3,102.49

DUKE ENERGY COMPANY KENTUCKY

May 2014

	<u>Applied</u> <u>MCF Sales</u>	<u>W/P</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>				
EGC	387,810.9	H	2,056,444	5.30269776
RA		H	0	
AA		H	83,790	
BA		H	4,701	
TOTAL GAS COST RECOVERY(GCR)			<u>2,144,935.55</u>	
TOTAL SALES VOLUME	387,810.9			
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>			
JURISDICTIONAL SALES	<u>387,810.9</u>			
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>				
SUPPLIER COST - CURRENT MONTH	387,810.9		2,059,532.00	5.31066043
UNRECOVERED PURCHASED GAS COST			80,687.60	
ROUNDING(ADD/(DEDUCT))			<u>14.48</u>	
TOTAL GAS COST IN REVENUE			<u>2,140,234.08</u>	
TOTAL GAS COST RECOVERY(GCR)			2,144,935.55	
LESS: RA			0.00	
BA			<u>4,701.47</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			<u>2,149,637.02</u>	
UNRECOVERED PURCHASED GAS COST ENTRY			80,687.60	
LESS: AA			<u>83,790.09</u>	
MONTHLY COST DIFFERENCE			(3,102.49)	
EXTENDED MONTHLY COST DIFFERENCE			<u>(3,088.01)</u>	
ROUNDING			<u>14.48</u>	

