

COMPANY NAME: DUKE ENERGY KENTUCKY, INC.  
GAS COST ADJUSTMENT CLAUSE RATE CALCULATIONS  
SUPPLEMENTAL MONTHLY REPORT

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	3.973
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	0.000
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.074
BALANCE ADJUSTMENT (BA)	\$/MCF	0.039
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA + BA	\$/MCF	<u>4.086</u>

GAS COST RECOVERY RATE EFFECTIVE DATES: August 1, 2016 THROUGH August 29, 2016

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	3.973

SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
SECOND PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
THIRD PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	<u>0.000</u>

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	0.201
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.202
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.040
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.369)
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>0.074</u>

BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	0.056
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.000
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.028
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.045)
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>0.039</u>

THIS MONTHLY REPORT FILED PURSUANT TO CASE NO. 2003-00386  
OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED November 6, 2003

DATE FILED: July 11, 2016

BY: DON WATHEN

TITLE: DIRECTOR,  
Rates & Regulatory Strategy - OH/KY

**PURCHASED GAS ADJUSTMENT**  
**COMPANY NAME: DUKE ENERGY KENTUCKY, INC.**

**SUPPLEMENTAL MONTHLY REPORT**

**EXPECTED GAS COST RATE CALCULATION**

DETAILS FOR THE EGC RATE IN EFFECT AS OF  
 PROJECTED VOLUME FOR THE TWELVE MONTH PERIOD ENDED

August 1, 2016  
May 31, 2017

		<u>\$</u>	
<b><u>DEMAND (FIXED) COSTS:</u></b>			
Columbia Gas Transmission Corp.		3,147,310	
Texas Gas Transmission		684,090	
Columbia Gulf Transmission Corp.		1,223,775	
K O Transmission Company		307,584	
ANR Pipeline		0	
Gas Marketers		108,239	
	<b>TOTAL DEMAND COST:</b>	<u>5,470,998</u>	
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	9,859,098	MCF	
<b>DEMAND (FIXED) COMPONENT OF EGC RATE</b>	<b>\$5,470,998</b>	/	<b>9,859,098 MCF</b>
			<b>\$0.555 /MCF</b>
<b><u>COMMODITY COSTS:</u></b>			
Gas Marketers		\$3.334	/MCF
Gas Storage			/MCF
Columbia Gas Transmission		\$0.000	/MCF
ANR		\$0.000	
Propane		\$0.000	/MCF
<b>COMMODITY COMPONENT OF EGC RATE:</b>		<u><b>\$3.334</b></u>	
<b><u>OTHER COSTS:</u></b>			
Net Charge Off <sup>(1)</sup>	\$17,952	/	214,346
			<b>\$0.084 /MCF</b>
<b>TOTAL EXPECTED GAS COST:</b>			<u><u><b>\$3.973 /MCF</b></u></u>

<sup>(1)</sup> Net Charge Off amount from Case No. 2009-00202 WPD-2.15a.

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

**DETAILS FOR THE EGC RATE IN EFFECT AS OF : August 1, 2016**



**GAS COMMODITY RATE FOR AUGUST 2016:**

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$3.0206	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0423	\$3.0629	\$/Dth
DTH TO MCF CONVERSION	1.0884	\$0.2708	\$3.3337	\$/Mcf
ESTIMATED WEIGHTING FACTOR	100.000%		\$3.3337	\$/Mcf
<b>GAS MARKETERS COMMODITY RATE</b>			<b>\$3.334</b>	<b>\$/Mcf</b>

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$3.1728	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$3.1881	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.042%	\$0.0651	\$3.2532	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0179	\$3.2711	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0014	\$3.2725	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0458	\$3.3183	\$/Dth
DTH TO MCF CONVERSION	1.0884	\$0.2933	\$3.6116	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
<b>GAS STORAGE COMMODITY RATE - COLUMBIA GAS</b>			<b>\$0.000</b>	<b>\$/Mcf</b>

GAS STORAGE

ANR - STORAGE INVENTORY RATE			\$0.0000	\$/Dth
ANR FSS WITHDRAWAL FEE		\$0.0000	\$0.0000	\$/Dth
ANR FTS FUEL	0.000%	\$0.0000	\$0.0000	\$/Dth
DTH TO MCF CONVERSION	0.0000	\$0.0000	\$0.0000	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
<b>GAS STORAGE COMMODITY RATE - ANR</b>			<b>\$0.000</b>	<b>\$/Mcf</b>

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.87023	\$/Gallon
GALLON TO MCF CONVERSION	15.38	\$12.5139	\$13.3841	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0000%		\$0.0000	\$/Mcf
<b>PROPANE COMMODITY RATE</b>			<b>\$0.000</b>	<b>\$/Mcf</b>

(1) Weighted average cost of gas based on NYMEX prices on 7/07/2016 and contracted hedging prices.