



Duke Energy  
139 E. Fourth Street  
Cincinnati, OH 45202

RECEIVED

FEB 11 2015

PUBLIC SERVICE  
COMMISSION

February 11, 2015

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

Dear Mr. Derouen: Case No. 2015-00048

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 March 2015 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 March 3, 2015 and the NYMEX close on February 6, 2015 for the month of March 2015.

The above described schedules and GCA are effective with the final meter readings of District 1, March 2015 revenue month (i.e., final meter readings on and after March 3, 2015).

Duke's proposed GCA is \$4.613 per Mcf. This rate represents a decrease of \$0.016 per Mcf from the rate currently in effect for February 2015.

Very truly yours,

A handwritten signature in blue ink that reads "Susan Miller".

Susan Miller

Enclosure

cc: L. Schmidt

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

1st Quarter

DUKE ENERGY KENTUCKY, INC  
GAS COST ADJUSTMENT CLAUSE

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM March 3, 2015 THROUGH March 31, 2015

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	4.127
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	0.000
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.491
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.005)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	4.613

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	4.127

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	0.445
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.103
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.452)
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.395
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.491

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	(0.004)
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.024
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.001)
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.024)
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.005)

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

DATE FILED: February 11, 2015

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 MARCH 3, 2015**

		<u>\$</u>
<b><u>DEMAND (FIXED) COSTS:</u></b>		
Columbia Gas Transmission Corp.		2,774,703
Columbia Gulf Transmission Corp.		1,223,775
KO Transmission Company		307,584
Texas Gas Transmission		684,090
ANR Pipeline		910,358
Gas Marketers		<u>103,575</u>
TOTAL DEMAND COST:		<u>6,004,085</u>
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	10,384,777 MCF	
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$6,004,085 / 10,384,777 MCF	<b>\$0.578 /MCF</b>
 <b><u>COMMODITY COSTS:</u></b>		
Gas Marketers		\$3.051 /MCF
Gas Storage		
Columbia Gas Transmission		\$0.466 /MCF
Propane		<u>\$0.016 /MCF</u>
COMMODITY COMPONENT OF EGC RATE:		<b>\$3.533 /MCF</b>
Other Costs:		
Net Charge Off <sup>(1)</sup>	\$17,952 / 1,094,955	\$0.016 /MCF
TOTAL EXPECTED GAS COST:		<u><u><b>\$4.127 /MCF</b></u></u>

**GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : MARCH 3, 2015

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : <b>COLUMBIA GAS TRANSMISSION, LLC</b>				
TARIFF RATE EFFECTIVE DATE : FSS: 2/1/2015				
SST: 2/1/2015				
<u>BILLING DEMAND - TARIFF RATE - FSS</u>				
Max. Daily Withdrawl Quan.	1.5010	39,656	12	714,284
Seasonal Contract Quantity	0.0288	1,365,276	12	471,839
<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
<b>TOTAL COLUMBIA GAS TRANSMISSION, LLC - DEMAND CHARGES</b>				<b>2,774,703</b>

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	3.3300	21,000	5	349,650
Maximum Daily Quantity	3.3300	13,500	7	314,685
Maximum Daily Quantity	3.3300	12,000	5	199,800
Maximum Daily Quantity	3.3300	9,000	12	359,640
CAPACITY RELEASE CREDIT FOR FTS-1				0
<b>TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES</b>				<b>1,223,775</b>

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/ \$	1.501	-	-	-	-	-	1.501	0.0493
Capacity	3/ ¢	2.88	-	-	-	-	-	2.88	2.88
Injection	¢	1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢	1.53	-	-	-	-	-	1.53	1.53
Overrun	3/ ¢	10.87	-	-	-	-	-	10.87	10.87

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

		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/ Commodity	\$	4.774	0.280	0.059	0.129	0.719	5.961	0.1959
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	¢	16.72	0.92	0.69	0.42	2.36	21.11	21.11
Minimum	¢	1.02	0.00	0.50	0.00	0.00	1.52	1.52

*discounted to 4.451*

- 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.



1700 MacCorkle Avenue SE  
Charleston, WV 25314  
Phone: 304-357-2514  
Fax: 304-357-2654  
jsydnor@nisource.com

June 10, 2013

Mr. Jeff Kern  
Duke Energy Kentucky, Inc.  
139 East Fourth Street  
Cincinnati, OH 45202

RE: SST Service Agreement No. 79977  
Discount Letter Amendment

Dear Mr. Kern:

This letter will serve as an amendment to the SST Service Agreement No. 79977 between Columbia Gas Transmission, LLC (Transporter) and Duke Energy Kentucky, Inc. (Shipper). Transporter and Shipper hereby agree that Section 3 of the above-referenced service agreement is amended to provide the following:

1. The rate for service, for the period from 7/01/2013 to 3/31/2020, will include a discounted demand rate, inclusive of demand surcharges, of \$4.451 for deliveries to the primary delivery point 834696 (KOT DEK MLI); for deliveries to the secondary delivery point STOR (RP Storage Point TCO); and for any receipts into Columbia's pipeline system.
2. 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 to secondary delivery points other than STOR, in lieu of the rate set forth above, Transporter will charge and Shipper will pay the then existing maximum Recourse Rate set forth in Transporter's FERC Gas Tariff from time to time.
3. Notwithstanding the foregoing, the charge to be paid by Shipper to Transporter will 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.

Page 1

4. The discounted reservation rate will be apportioned in accordance with Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
5. In addition to the reservation charges set forth above, Shipper must provide all applicable commodity charges, surcharges, overrun charges and retainage charges set forth in Transporter's FERC Gas Tariff from time to time.
6. In addition to the reservation charges set forth above, commencing on 4/1/2015, Shipper will pay all applicable Capital Cost Recovery Mechanism ("CCRM") charges.

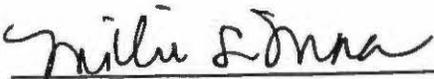
If you are in agreement with the above amendment, please execute both originals of this letter and return one to Transporter at the above address, Attention: Jackie Sydnor, 8<sup>th</sup> floor North.

Executed and agreed to this 10 day of June, 2013.

**DUKE ENERGY KENTUCKY, INC.**

**COLUMBIA GAS TRANSMISSION, LLC**

By: 

By: 

Its: EV and COO, REGULATED UTILITIES Its: VP, Customer Services & Navigates



RETAINAGE PERCENTAGES

Transportation Retainage	1.917%	<i>SST fuel</i>
Gathering Retainage	0.534%	
Storage Gas Loss Retainage	0.120%	<i>Ass 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</u>	
		<u>Rate</u>	<u>Daily Rate</u>
	(1)	(2)	(3)
	1/	1/	1/
<b><u>Market Zone</u></b>			
<b>Reservation Charge</b>			
Maximum	4.2917	4.2917	0.1411
Minimum	0.000	0.000	0.000
<b>Commodity</b>			
Maximum	0.0109	0.0109 + 0.0014 = 0.0123	0.0109
Minimum	0.0109	0.0109	0.0109
<b>Overrun</b>			
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.

**GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : MARCH 3, 2015

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
<b>INTERSTATE PIPELINE : KO TRANSMISSION COMPANY</b>				
TARIFF RATE EFFECTIVE DATE :	10/1/2014			
<b><u>BILLING DEMAND - TARIFF RATE - FT</u></b>				
Maximum Daily Quantity	0.3560	72,000	12	307,584
CAPACITY RELEASE CREDIT				0
<b>TOTAL KO TRANSMISSION CO. DEMAND CHARGES</b>				<b>307,584</b>
<b>INTERSTATE PIPELINE : Texas Gas Transmission</b>				
TARIFF RATE EFFECTIVE DATE :	1/15/2014			
<b><u>BILLING DEMAND - TARIFF RATE - STE</u></b>				
Maximum Daily Quantity	0.1950	18,000	151	530,010
Maximum Daily Quantity	0.1200	6,000	214	154,080
CAPACITY RELEASE CREDIT				0
<b>TOTAL TEXAS GAS TRANSMISSION CO. DEMAND CHARGES</b>				<b>684,090</b>
<b>INTERSTATE PIPELINE : ANR PIPELINE</b>				
TARIFF RATE EFFECTIVE DATE :	4/1/2014			
<b><u>BILLING DEMAND - TARIFF FTS-1</u></b>				
Maximum Daily Quantity	4.5625	20,000	5	456,250
<b><u>BILLING DEMAND - TARIFF RATE - FSS</u></b>				
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
<b>TOTAL ANR DEMAND CHARGES</b>				<b>910,358</b>
<b>GAS MARKETERS FIXED CHARGES</b>				
November - March	0.0067	10,570,151		71,175
December - February	0.072	450,000		32,400
<b>TOTAL GAS MARKETERS FIXED CHARGES</b>				<b>103,575</b>



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 4<sup>th</sup> 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 30<sup>th</sup> day of January, 2014.

DUKE ENERGY KENTUCKY, INC.

By: *Keith Trent*

Name: Keith Trent

Title: EVP & COO-Reg. Utilities

As To Form  
DOK

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

*DK  
JEM*

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<sub>im</sub>. 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**

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  
 (Qth)  
 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<sub>tm</sub>. 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.

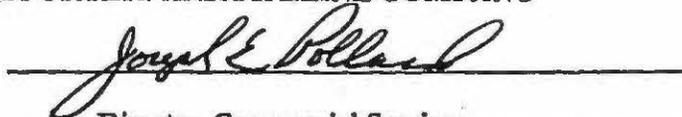
SHIPPER: DUKE ENERGY KENTUCKY, INC

By: 

Title: Vice President, Gas Operations

Date: As To Form 3/25/14  
OK

TRANSPORTER: ANR PIPELINE COMPANY

By: 

Title: Director, Commercial Services

Date: 3/31/14

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

**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	0 20000	0

**DUKE ENERGY KENTUCKY  
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS  
ESTIMATED FOR EGC EFFECTIVE 3/1/2015**

**TOTAL ANNUAL RESERVATION COST:**

TOTAL DOLLARS \$ 71,175 (1)

**TOTAL ANNUAL COVERAGE:**

CITY GATE VOLUMES 10,570,151 Dth (2)

**CALCULATED RATE:** \$ 0.0067 per Dth

(1) Reservation charges billed by firm suppliers for 2014 - 2015.

(2) Contracted volumes for the 2014 - 2015 winter season.

**DUKE ENERGY KENTUCKY  
TOTAL RESERVATION COSTS FROM NEEDLE PEAKING SUPPLIERS  
ESTIMATED FOR EGC EFFECTIVE 3/1/2015**

**TOTAL ANNUAL RESERVATION COST:**

TOTAL DOLLARS \$ \$32,400.00 (1)

**TOTAL ANNUAL COVERAGE:**

CITY GATE VOLUMES 450,000 Dth (2)

**CALCULATED RATE:** \$ 0.0720 per Dth

(1) Reservation charges billed by needle peaking suppliers for 2014 - 2015

(2) Contracted volumes for the 2014 - 2015 winter season.

**Duke Energy Kentucky  
Gas Resources  
Supply Portfolio - November 2014 - March 2015  
Reservation Fees**

			Dth per Day					Total Volume	Reserv. Fee	Total Cost
			Nov	Dec	Jan	Feb	Mar			
<b>Chevron</b>										
Columbia (Mainline)	Base	Fixed	2,500	2,500	2,500	2,500	2,500	377,500	\$0.0000	\$0.00
Columbia (Mainline)	Swing	GD	10,000	10,000	5,000	5,000	10,000	1,215,000	\$0.0025	\$3,037.50
<b>Total</b>								<u>1,592,500</u>		<u>\$3,037.50</u>
<b>Conoco</b>										
Columbia (Mainline)	Base	Fixed	7,000	7,000	7,000	7,000	7,000	1,057,000	\$0.0000	\$0.00
<b>Total</b>								<u>1,057,000</u>		<u>\$0.00</u>
<b>NextEra</b>										
Columbia (Mainline)	Base	FOMI	2,300	8,000	16,400	12,000	1,600	1,211,000	\$0.0000	\$0.00
<b>Total</b>								<u>1,211,000</u>		<u>\$0.00</u>
<b>Sequent</b>										
Columbia (Mainline)	Swing	GD	14,691	8,991	5,591	9,991	15,391	1,649,641	\$0.0050	\$8,248.21
Texas Gas	Swing	GD	10,000	10,000	10,000	10,000	12,000	1,572,000	\$0.0050	\$7,860.00
<b>Total</b>								<u>3,221,641</u>		<u>\$16,108.21</u>
<b>Shell</b>										
Columbia (Mainline)	Base	Fixed	1,000	1,000	1,000	1,000	1,000	151,000	\$0.0000	\$0.00
<b>Total</b>								<u>151,000</u>		<u>\$0.00</u>
<b>Southwestern Energy</b>										
Texas Gas	Base	FOMI	2,000	2,000	2,000	2,000	0	240,000	\$0.0000	\$0.00
<b>Total</b>								<u>240,000</u>		<u>\$0.00</u>
<b>Tenaska</b>										
Columbia (Mainline)	Swing	GD + .0025	5,000	5,000	5,000	5,000	5,000	755,000	\$0.0050	\$3,775.00
Texas Gas	Swing	GD + .0025	6,477	6,477	6,477	6,477	6,477	978,027	\$0.0075	\$7,335.20
<b>Total</b>								<u>1,733,027</u>		<u>\$11,110.20</u>
<b>Twin Eagle</b>										
Columbia Backhaul (Leach)	Swing	GD +.15	9,033	9,033	9,033	9,033	9,033	1,363,983	\$0.0300	\$40,919.49
<b>Total</b>								<u>1,363,983</u>		<u>\$40,919.49</u>
<b>Total Firm Supply</b>								<u>10,570,151</u>		<u>\$71,175.40</u>
<b>25 Day Peaking Service (South)</b>										
Twin Eagle (TCO Appl.)		GD+\$0.1500		18,000	18,000	18,000		1,620,000	\$0.0200	\$32,400.00
<b>Total</b>								<u>1,620,000</u>		<u>\$32,400.00</u>
<b>Total Duke Energy Kentucky</b>								<u>12,190,151</u>		<u>\$103,575.40</u>

GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY

DETAILS FOR THE EGC RATE IN EFFECT AS OF : MARCH 3, 2015

GAS COMMODITY RATE FOR MARCH, 2015:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$3.1976	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.900%	\$0.0608	\$3.2584	\$/Dth
DTH TO MCF CONVERSION	1.0414	\$0.1349	\$3.3933	\$/Mcf
ESTIMATED WEIGHTING FACTOR	89.900%		\$3.0506	\$/Mcf
<b>GAS MARKETERS COMMODITY RATE</b>			<b>\$3.051</b>	<b>\$/Mcf</b>

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$4.2735	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$4.2888	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	1.917%	\$0.0822	\$4.3710	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0152	\$4.3862	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0014	\$4.3876	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.900%	\$0.0834	\$4.4710	\$/Dth
DTH TO MCF CONVERSION	1.0414	\$0.1851	\$4.6561	\$/Mcf
ESTIMATED WEIGHTING FACTOR	10.000%		\$0.4656	\$/Mcf
<b>GAS STORAGE COMMODITY RATE - COLUMBIA GAS</b>			<b>\$0.466</b>	<b>\$/Mcf</b>

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$1.01178	\$/Gallon
GALLON TO MCF CONVERSION	15.38	\$14.5494	\$15.5612	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.100%		\$0.0156	\$/Mcf
<b>PROPANE COMMODITY RATE</b>			<b>\$0.016</b>	<b>\$/Mcf</b>

(1) Weighted average cost of gas based on NYMEX prices on 2/6/15 and contracted hedging prices.



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

November 30, 2014

DESCRIPTION	UNIT	SEPTEMBER	OCTOBER	NOVEMBER
<b><u>SUPPLY VOLUME PER BOOKS</u></b>				
PRIMARY GAS SUPPLIERS	MCF	213,270	443,879	1,397,726
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	0	0	5,305
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	(5,447)	(2,901)	(17,051)
<b>TOTAL SUPPLY VOLUMES</b>	<b>MCF</b>	<b>207,823</b>	<b>440,978</b>	<b>1,385,980</b>
<b><u>SUPPLY COST PER BOOKS</u></b>				
PRIMARY GAS SUPPLIERS	\$	1,214,211	2,281,304	6,944,466
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	0	0	82,853
OTHER COSTS (SPECIFY):		0	0	0
GAS COST UNCOLLECTIBLE	\$	11,986	9,868	1,762
MANAGEMENT FEE	\$	(21,658)	(21,658)	(68,900)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	0	(254)	(99)
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
<b>TOTAL SUPPLY COSTS</b>	<b>\$</b>	<b>1,204,539</b>	<b>2,269,260</b>	<b>6,960,082</b>
<b><u>SALES VOLUMES</u></b>				
JURISDICTIONAL	MCF	190,675.2	272,503.4	726,348.1
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
<b>TOTAL SALES VOLUMES</b>	<b>MCF</b>	<b>190,675.2</b>	<b>272,503.4</b>	<b>726,348.1</b>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.317	8.327	9.582
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	4.840	4.681	4.970
<b>DIFFERENCE</b>	<b>\$/MCF</b>	<b>1.477</b>	<b>3.646</b>	<b>4.612</b>
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	190,675.2	272,503.4	726,348.1
<b>EQUALS MONTHLY COST DIFFERENCE</b>	<b>\$</b>	<b>281,627.27</b>	<b>993,547.40</b>	<b>3,349,917.44</b>
<b>NET COST DIFFERENCE FOR THE THREE MONTH PERIOD</b>	<b>\$</b>			<b>4,625,092.11</b>
<b>PRIOR PERIOD ADJUSTMENT - AUGUST 2013</b>	<b>\$</b>			<b>0.00</b>
<b>TOTAL COST USED IN THE CURRENT AA CALCULATION</b>	<b>\$</b>			<b>4,625,092.11</b>
<b>DIVIDED BY: 12 MONTH PROJECTED SALES ENDED February 28, 2016</b>	<b>MCF</b>			<b>10,384,777</b>
<b>EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT</b>	<b>\$/MCF</b>			<b>0.445</b>
<b>AAU</b>				

**GAS COST ADJUSTMENT CLAUSE  
DUKE ENERGY KENTUCKY, INC  
BALANCE ADJUSTMENT  
DETAILS FOR THE TWELVE MONTH PERIOD ENDED November 30, 2014**

DESCRIPTION	UNIT	AMOUNT
<b><u>RECONCILIATION OF A PREVIOUS GAS COST VARIANCE</u></b>		
GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE DECEMBER 1, 2013	\$	1,079,120.50
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ 0.100 /MCF APPLIED TO TOTAL SALES OF 11,187,471 MCF (TWELVE MONTHS ENDED November 30, 2014 )	\$	<u>1,118,747.09</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>(39,626.59)</u>
<b><u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND</u></b>		
SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE DECEMBER 1, 2013	\$	0.00
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ 0.000 /MCF APPLIED TO TOTAL SALES OF 11,187,471 MCF (TWELVE MONTHS ENDED November 30, 2014 )	\$	<u>0.00</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>0.00</u>
<b><u>RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT</u></b>		
AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE DECEMBER 1, 2013	\$	(89,196.80)
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ (0.008) /MCF APPLIED TO TOTAL SALES OF 11,187,471 MCF (TWELVE MONTHS ENDED November 30, 2014 )	\$	<u>(89,499.72)</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>302.92</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>(39,323.67)</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED February 28, 2016	MCF	<u>10,384,777</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u>(0.004)</u>

## Revised Tariff Schedules

**INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED**

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<b><u>SERVICE REGULATIONS</u></b>				
Service Agreements.....	20	01/04/10	01/04/10	
Supplying and Taking of Service.....	21	01/04/10	01/04/10	
Customer's Installation.....	22	01/04/10	01/04/10	
Company's Installation.....	23	01/04/10	01/04/10	
Metering.....	24	01/04/10	01/04/10	
Billing and Payment.....	25	01/04/10	01/04/10	
Deposits.....	26	01/04/10	01/04/10	
Application.....	27	01/04/10	01/04/10	
Gas Space Heating Regulations.....	28	01/04/10	01/04/10	
Availability of Gas Service.....	29	01/04/10	01/04/10	
<b><u>FIRM SERVICE TARIFF SCHEDULES</u></b>				
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Rate GS, General Service.....	31	03/03/15	03/03/15	(T)
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Reserved for Future Use.....	34			
Reserved for Future Use.....	35			
Reserved for Future Use.....	36			
Reserved for Future Use.....	37			
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Reserved for Future Use.....	39			
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Reserved for Future Use.....	41			
Reserved for Future Use.....	42			
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<b><u>TRANSPORTATION TARIFF SCHEDULE</u></b>				
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Rate FT-L, Firm Transportation Service.....	51	01/04/10	01/04/10	
Reserved for Future Use.....	52			
Rate SSIT, Spark Spread Interruptible Transportation Rate.....	53	01/04/10	01/04/10	
Reserved for Future Use.....	54			
Rate AS, Pooling Service for Interruptible Transportation.....	55	01/04/10	01/04/10	
Reserved for Future Use.....	56			
Rate GTS, Gas Trading Service.....	57	01/04/10	01/04/10	
Rate IMBS, Interruptible Monthly Balancing Service.....	58	01/04/10	01/04/10	
Rate DGS, Distributed Generation Service.....	59	01/04/10	01/04/10	

Issued by authority of an Order of the Kentucky Public Service  
 Commission dated \_\_\_\_, 2015 in Case No. 2015-00\_\_

Issued: \_\_\_\_, 2015

Effective: March 3, 2015

Issued by James P. Henning, President

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

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<b><u>RIDERS</u></b>				
Rider X, Main Extension Policy.....	60	01/04/10	01/04/10	
Rider DSM, Demand Side Management Cost Recovery Program	61	01/04/10	01/04/10	
Rider DSMR, Demand Side Management Rate.....	62	03/03/15	03/03/15	(T)
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Issued by authority of an Order of the Kentucky Public Service  
 Commission dated \_\_\_\_, 2015 in Case No. 2015-00\_\_

Issued: \_\_\_\_, 2015

Effective: March 3, 2015

Issued by James P. Henning, President

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

KY.P.S.C. Gas No. 2  
One-Hundred-Second  
Revised Sheet No. 30  
Cancelling and Superseding  
One-Hundred-First 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	\$0.4613	Equals	\$0.83343	(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 \_\_\_\_, 2015 in Case No. 2015-00 \_\_\_\_

Issued: \_\_\_\_, 2015

Effective: March 3, 2015

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	\$0.4613	Equals	\$0.66660	(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 \_\_\_\_, 2015 in Case No. 2015-00 \_\_\_\_

Issued: \_\_\_\_, 2015  
Effective: March 3, 2015  
Issued by James P. Henning, President

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

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

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## 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 \$0.0486 per 100 cubic feet. This rate shall be in effect during the month of March 2015 through May 2015 and shall be updated quarterly, concurrent with the Company's GCA filings.

(I)  
(T)

Issued by authority of an Order of the Kentucky Public Service  
Commission dated \_\_\_\_, 2015 in Case No. 2014-00\_\_

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Issued: \_\_\_\_, 2015  
Effective: March 3, 2015  
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 MARCH 3, 2015

1st Quarter

DUKE ENERGY Kentucky, Inc.  
 USED FOR GCA EFFECTIVE March 3, 2015

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

TWELVE MONTHS ENDED December 31, 2014  
 BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)

INTEREST RATE	-0.0038
PAYMENT	0.083162
ANNUAL TOTAL	0.9979
MONTHLY INTEREST	(0.000317)
AMOUNT	1

DECEMBER	2013	0.14	
JANUARY	2014	0.11	
FEBRUARY	2014	0.12	
MARCH	2014	0.12	
APRIL	2014	0.09	
MAY	2014	0.09	
JUNE	2014	0.10	
JULY	2014	0.12	
AUGUST	2014	0.14	
SEPTEMBER	2014	0.12	
OCTOBER	2014	0.11	
NOVEMBER	2014	0.15	1.41
DECEMBER	2014	0.17	1.58

PRIOR ANNUAL TOTAL	1.41
PLUS CURRENT MONTHLY R	0.17
LESS YEAR AGO RATE	0.14
NEW ANNUAL TOTAL	1.44
AVERAGE ANNUAL RATE	0.12
LESS 0.5% (ADMINISTRATIVE	(0.38)

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DUKE ENERGY COMPANY KENTUCKY  
 DETERMINATION OF TOTAL SUPPLY COST  
 MONTH OF 2nd REVISED September 2014

<u>DESCRIPTION</u>	<u>W/P</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>			\$
current month estimate	B1	1,240,617.16	
adjustments from prior month	B2	(31,996.27)	
Interruptible Transportation monthly charges by Gas Supply - PM	C	5,590.59	1,214,211
 <u>LESS: RATE SCHEDULE CF CREDIT</u>			
current month		0.00	
adjustments		0.00	0
 <u>PLUS: INCLUDABLE PROPANE</u>			
a/c 728-3 Erlanger	D2	0.00	0
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>	E	11,986.00	11,986
 <u>LESS: X-5 TARIFF</u>		0.00	0
 LESS Tenaska MANAGEMENT FEE	F	21,658.00	(21,658)
  <u>LESS: TOP TRANSP. RECOVERIES</u>		0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	G	0.00	0
adjustments		0.00	
		0.00	0
 <u>LESS: GAS COST CREDIT</u>		0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>			
current month		0.00	
adjustments		0.00	0
 <b>TOTAL SUPPLY COSTS</b>			1,204,539

<u>ACCOUNTING ENTRY FOR DEFERRAL ONLY</u>	<u>AMOUNT</u>
ACCOUNT - 191990/191400	281,627.27
ACCOUNT 0805002	(281,627.27)

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

2nd REVISED September 2014

<u>PARTICULARS</u>	<u>UNIT</u>	<u>W/P</u>	<u>MONTH REVISED September 2014</u>
<u>SUPPLY VOLUME PER BOOKS</u>			
Primary Gas Suppliers	MCF	B1	213,270
Utility Production	MCF		0
Includable Propane	MCF	D1	0
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	<u>(5,447)</u>
TOTAL SUPPLY VOLUMES	MCF		<u>207,823</u>
<u>SUPPLY COST PER BOOKS</u>			
Primary Gas Suppliers	\$	A1	1,214,211
Includable Propane	\$		0
Gas Cost Uncollectible	\$	A1	11,986
Other Cost (Specify) - Gas Cost Credit wex	\$		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	<u>1,204,539</u>
<u>SALES VOLUMES</u>			
Jurisdictional	MCF	H	<u>190,675</u>
Non-Jurisdictional	MCF		
Other Volumes (Specify) -	MCF		
TOTAL SALES VOLUME	MCF		<u>190,675.2</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF		6.317
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	H	<u>4.840</u>
DIFFERENCE	\$/MCF		1.477
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		<u>190,675.2</u>
MONTHLY COST DIFFERENCE	\$		<u>281,627.27</u>

DUKE ENERGY COMPANY KENTUCKY

2nd REVISED September 2014

	<u>Applied</u> <u>MCF Sales</u>	<u>W/P</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>				
EGC	190,675.2	H	922,888	4.84010453
RA		H	0	
AA		H	81,814	
BA		H	<u>(5,991)</u>	
TOTAL GAS COST RECOVERY(GCR)			<u>998,711.18</u>	
TOTAL SALES VOLUME	190,675.2			
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>			
JURISDICTIONAL SALES	<u>190,675.2</u>			
<b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>				
SUPPLIER COST - CURRENT MONTH	190,675.2		1,204,539.00	6.31722951
UNRECOVERED PURCHASED GAS COST			(199,813.40)	
ROUNDING(ADD/(DEDUCT))			<u>(23.83)</u>	
TOTAL GAS COST IN REVENUE			<u>1,004,701.77</u>	
TOTAL GAS COST RECOVERY(GCR)			998,711.18	
LESS: RA			0.00	
BA			<u>(5,990.59)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			<u>992,720.59</u>	
UNRECOVERED PURCHASED GAS COST ENTRY			(199,813.40)	
LESS: AA			<u>81,813.87</u>	
MONTHLY COST DIFFERENCE			(281,627.27)	
EXTENDED MONTHLY COST DIFFERENCE			<u>(281,651.10)</u>	
ROUNDING			<u>(23.83)</u>	

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

K:\GCR - GCA\DEK\Support\2014\Accounting 2014 - thru NOV - GCA.xlsx\Nov 14

Retail 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 (0.452)	PREVIOUS 0.395	SEC.PREV. 0.377	THRD.PREV. 0.100	TOTAL AA	CURRENT (0.001)	PREVIOUS (0.024)	SEC.PREV. 0.002	THRD.PREV. (0.008)	TOTAL BA
043	(43.9)	4.381	(191.45)															
063	20.6	4.591	94.57															
073	(0.6)	6.077	(3.05)															
083	(0.8)	4.995	(4.00)															
103	6.0	5.115	30.69															
123	10.9	4.886	53.26															
143	539.9	4.570	2,467.34															
163	(427.3)	4.651	(1,887.37)															
173	(657.1)	4.560	(2,996.38)															
183	(174.7)	4.426	(773.22)				0.00	0.00				(17.47)					1.40	1.40
014	1,669.6	5.026	9,396.61				0.00	0.00				186.96					(14.96)	(14.96)
034	(2,084.8)	5.070	(10,569.94)				0.00	0.00				(208.48)					16.68	16.68
044	2,729.2	5.678	15,496.40				0.00	0.00	0.00		1,028.91	272.92	1,301.83		5.46	(21.83)	(16.37)	
084	(168.4)	5.368	(903.97)				0.00	0.00	0.00		(63.49)	(16.84)	(80.33)		(0.34)	1.35	1.01	
074	(2,260.4)	5.268	(11,907.79)				0.00	0.00	0.00		(652.17)	(226.04)	(1,078.21)		(4.52)	18.08	13.56	
084	2,087.4	5.348	11,163.42		0.00	0.00	0.00	0.00		824.52	786.95	208.74	1,820.21	(50.10)	4.17	(16.70)	(62.63)	
104	(1,097.4)	5.519	(6,056.55)		0.00	0.00	0.00	0.00		(433.47)	(413.72)	(109.74)	(956.93)	26.34	(2.19)	8.78	32.93	
114	(1,860.4)	5.082	(9,454.55)		0.00	0.00	0.00	0.00		(734.86)	(701.37)	(186.04)	(1,622.27)	44.65	(3.72)	14.88	55.81	
124	192,187.4	4.834	929,033.89	0.00	0.00	0.00	0.00	0.00	(86,868.70)	75,914.02	72,454.65	19,218.74	80,718.71	(192.19)	(4,612.50)	384.37	(1,537.50)	(5,957.82)
<b>TOTAL RETAIL</b>	<b>190,675.2</b>		<b>922,887.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(86,868.7)</b>	<b>75,570.2</b>	<b>72,239.8</b>	<b>19,122.8</b>	<b>80,064.0</b>	<b>(192.2)</b>	<b>(4,591.6)</b>	<b>383.2</b>	<b>(1,529.8)</b>	<b>(5,930.4)</b>
<b>TRANSPORTATION: IFT3</b>																		
Customer Choice Program (GCAT):																		
054						0.00	0.00	0.00			0.00	0.00	0.00		0.00	0.00	0.00	0.00
094	2,006.7				0.00	0.00	0.00	0.00		792.65	756.53	200.67	1,749.65	(48.16)	4.01	(16.05)	(60.20)	
134				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	0.00	0.00
<b>FT CHOICE</b>	<b>2,006.7</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>792.65</b>	<b>756.53</b>	<b>200.67</b>	<b>1,749.65</b>	<b>0.00</b>	<b>(48.16)</b>	<b>4.01</b>	<b>(16.05)</b>	<b>(60.20)</b>
<b>TOTAL FOR CHOICE</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>792.65</b>	<b>756.53</b>	<b>200.67</b>	<b>1,749.65</b>	<b>0.00</b>	<b>(48.16)</b>	<b>4.01</b>	<b>(16.05)</b>	<b>(60.20)</b>
<b>TOTAL FOR Gas Cost Recovery (GCR)</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(86,868.70)</b>	<b>76,362.86</b>	<b>72,996.29</b>	<b>19,323.42</b>	<b>81,813.87</b>	<b>(192.19)</b>	<b>(4,639.77)</b>	<b>387.24</b>	<b>(1,545.87)</b>	<b>(5,990.59)</b>
				CONTROL CK 0.00 positive=recovered=cr 25313 negative=reduce refund=dr 25313					CONTROL CK 0.00 positive=recovered=cr 19140 negative=refund=dr 19140					CONTROL CK 0.00 positive=recovered=cr 25313 negative=reduce refund=dr 25313				

Susan R Miller:  
= 191,784.2 + 10.1 + 365.1 + 28

**Firm Transportation: IFT**

**JE ID -KUNBIL AMZ**

FT 114,077.2  
**Interruptible Transportation: IT01**

IT 100,183.1

**Grand Total** 406,942.2 ties to last pg of A  
**ADJUSTED EGC** 4,840

DUKE ENERGY COMPANY KENTUCKY  
 DETERMINATION OF TOTAL SUPPLY COST  
 MONTH OF October 2014 Revised

<u>DESCRIPTION</u>	<u>W/P</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>			\$
current month estimate	B1	2,314,444.41	
adjustments from prior month	B2	(32,506.66)	
Interruptible Transportation monthly charges by Gas Supply - P/A	C	<u>(633.83)</u>	2,281,304
<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	0.00	0
<u>PLUS: GAS COST UNCOLLECTIBLE</u>			
	E	9,868.00	9,868
<u>LESS: X-5 TARIFF</u>		0.00	0
<u>LESS Tenaska MANAGEMENT FEE</u>		21,658.00	(21,658)
<u>LESS: TOP TRANSP. RECOVERIES</u>		0.00	0
<u>LESS: GAS LOSSES - DAMAGED LINES</u>			
	G	(253.76)	(254)
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>2,269,260</u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	993,547.40
ACCOUNT 0805002	(993,547.40)

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH October 2014 Revised

PARTICULARS	UNIT	W/P	MONTH	
			October 2014	Revised
<u>SUPPLY VOLUME PER BOOKS</u>				
Primary Gas Suppliers	MCF	B1	443,879	
Utility Production	MCF		0	
Includable Propane	MCF	D1	0	
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	(2,901)	
TOTAL SUPPLY VOLUMES	MCF		440,978	
<u>SUPPLY COST PER BOOKS</u>				
Primary Gas Suppliers	\$	A1	2,281,304	
Includable Propane	\$		0	
Gas Cost Uncollectible	\$	A1	9,868	
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	(254)	
- Gas Sold to Remarketers	\$		0	
- TOP Transp. Recoveries	\$		0	
TOTAL SUPPLY COST	\$	A1	2,269,260	
<u>SALES VOLUMES</u>				
Jurisdictional	MCF	H	272,503	
Non-Jurisdictional	MCF			
Other Volumes (Specify) -	MCF			
TOTAL SALES VOLUME	MCF		272,503.4	
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF		8.327	
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	H	4.681	
DIFFERENCE	\$/MCF		3.646	
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		272,503.4	
MONTHLY COST DIFFERENCE	\$		993,547.40	

DUKE ENERGY COMPANY KENTUCKY

October 2014 Revised

	<u>Applied</u> <u>MCF Sales</u>	<u>W/P</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>				
EGC	272,503.4	H	1,275,528	4.68077646
RA		H	0	
AA		H	115,765	
BA		H	(8,533)	
TOTAL GAS COST RECOVERY(GCR)			<u>1,382,758.88</u>	
TOTAL SALES VOLUME	272,503.4			
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>			
JURISDICTIONAL SALES	<u>272,503.4</u>			
<b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>				
SUPPLIER COST - CURRENT MONTH	272,503.4		2,269,260.00	8.32745573
UNRECOVERED PURCHASED GAS COST			(877,782.85)	
ROUNDING(ADD/(DEDUCT))			<u>(185.10)</u>	
TOTAL GAS COST IN REVENUE			<u>1,391,292.05</u>	
TOTAL GAS COST RECOVERY(GCR)			1,382,758.88	
LESS: RA			0.00	
BA			<u>(8,533.17)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			<u>1,374,225.71</u>	
UNRECOVERED PURCHASED GAS COST ENTRY			(877,782.85)	
LESS: AA			<u>115,764.55</u>	
MONTHLY COST DIFFERENCE			(993,547.40)	
EXTENDED MONTHLY COST DIFFERENCE			<u>(993,732.50)</u>	
ROUNDING			<u>(185.10)</u>	



DUKE ENERGY COMPANY KENTUCKY  
 DETERMINATION OF TOTAL SUPPLY COST  
 MONTH OF Revised November 2014

<u>DESCRIPTION</u>	<u>W/P</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>			\$
current month estimate	B1	7,022,123.10	
adjustments from prior month	B2	(74,746.69)	
Interruptible Transportation monthly charges by Gas Supply - PM	C	<u>(2,910.24)</u>	6,944,466
<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	82,852.86	82,853
<u>PLUS: GAS COST UNCOLLECTIBLE</u>			
	E	1,762.00	1,762
<u>LESS: X-5 TARIFF</u>		0.00	0
<u>LESS Tenaska MANAGEMENT FEE</u>		68,900.00	(68,900)
<u>LESS: TOP TRANSP. RECOVERIES</u>		0.00	0
<u>LESS: GAS LOSSES - DAMAGED LINES</u>			
	G	(99.24)	(99)
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>6,960,082</u>

<u>ACCOUNTING ENTRY FOR DEFERRAL ONLY</u>	<u>AMOUNT</u>
ACCOUNT - 191990/191400	3,349,917.44
ACCOUNT 0805002	(3,349,917.44)

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

Revised November 2014

<u>PARTICULARS</u>	<u>UNIT</u>	<u>W/P</u>	<u>MONTH</u> <u>Revised November 2014</u>
<u>SUPPLY VOLUME PER BOOKS</u>			
Primary Gas Suppliers	MCF	B1	1,397,726
Utility Production	MCF		0
Includable Propane	MCF	D1	5,305
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	<u>(17,051)</u>
TOTAL SUPPLY VOLUMES	MCF		<u>1,385,980</u>
<u>SUPPLY COST PER BOOKS</u>			
Primary Gas Suppliers	\$	A1	6,944,466
Includable Propane	\$		82,853
Gas Cost Uncollectible	\$	A1	1,762
Other Cost (Specify) - Gas Cost Credit	\$		0
- Unacct'd for Transp.	\$		0
- CF Credit	\$		0
- X-5 Tariff	\$		0
- CMT Management Fee	\$	A1	(68,900)
- Losses-Damaged Lines	\$	A1	(99)
- Gas Sold to Remarketers	\$		0
- TOP Transp. Recoveries	\$		<u>0</u>
TOTAL SUPPLY COST	\$	A1	<u>6,960,082</u>
<u>SALES VOLUMES</u>			
Jurisdictional	MCF	H	<u>726,348</u>
Non-Jurisdictional	MCF		
Other Volumes (Specify) -	MCF		
TOTAL SALES VOLUME	MCF		<u>726,348.1</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF		9.582
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	H	<u>4.970</u>
DIFFERENCE	\$/MCF		4.612
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		<u>726,348.1</u>
MONTHLY COST DIFFERENCE	\$		<u>3,349,917.44</u>

DUKE ENERGY COMPANY KENTUCKY

Revised November 2014

	<u>Applied</u> <u>MCF Sales</u>	<u>W/P</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>				
EGC	726,348.1	H	3,610,202	4.97034645
RA		H	0	
AA		H	305,942	
BA		H	<u>(22,575)</u>	
TOTAL GAS COST RECOVERY(GCR)			<u>3,893,567.92</u>	
TOTAL SALES VOLUME	726,348.1			
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>			
JURISDICTIONAL SALES	<u>726,348.1</u>			
<b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>				
SUPPLIER COST - CURRENT MONTH	726,348.1		6,960,082.00	9.58229532
UNRECOVERED PURCHASED GAS COST			(3,043,975.81)	
ROUNDING(ADD/(DEDUCT))			<u>37.14</u>	
TOTAL GAS COST IN REVENUE			<u>3,916,143.33</u>	
TOTAL GAS COST RECOVERY(GCR)			3,893,567.92	
LESS: RA			0.00	
BA			<u>(22,575.41)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			<u>3,870,992.51</u>	
UNRECOVERED PURCHASED GAS COST ENTRY			(3,043,975.81)	
LESS: AA			<u>305,941.63</u>	
MONTHLY COST DIFFERENCE			(3,349,917.44)	
EXTENDED MONTHLY COST DIFFERENCE			<u>(3,349,880.30)</u>	
ROUNDING			<u>37.14</u>	

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

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Retail 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 (0.452)	PREVIOUS 0.395	SEC.PREV. 0.377	THRD.PREV. 0.100	TOTAL AA	CURRENT (0.001)	PREVIOUS (0.024)	SEC.PREV. 0.002	THRD.PREV. (0.008)	TOTAL BA
043		4.361	0.00															
063		4.591	0.00															
073		5.077	0.00															
083		4.995	0.00															
103	3.0	5.115	15.35															
123	10.5	4.886	51.70															
143	17.2	4.570	76.60															
163	37.0	4.651	172.09															
173	(218.4)	4.560	(995.90)															
183	(371.7)	4.426	(1,645.14)				0.00	0.00									2.97	2.97
014	1,060.8	5.026	5,331.58				0.00	0.00									(8.49)	(8.49)
034	(957.3)	5.070	(4,853.51)				0.00	0.00									7.66	7.66
044	1,887.5	5.678	10,717.23				0.00	0.00	0.00		711.59	188.75	900.34			3.78	(15.10)	(11.32)
064	254.0	5.368	1,363.47				0.00	0.00	0.00		95.76	25.40	121.16			0.51	(2.03)	(1.52)
074	(897.2)	5.265	(4,726.45)				0.00	0.00	0.00		(338.24)	(89.72)	(427.96)			(1.79)	7.18	5.39
084	615.7	5.348	3,292.76		0.00	0.00	0.00	0.00			243.20	232.12	61.57	536.89		(14.78)	1.23	(4.93)
104	(482.1)	5.519	(2,660.71)		0.00	0.00	0.00	0.00			(190.43)	(181.75)	(48.21)	(420.39)		11.57	(0.96)	3.86
114	(1,022.1)	5.082	(5,194.31)		0.00	0.00	0.00	0.00			(403.73)	(385.33)	(102.21)	(891.27)		24.53	(2.04)	8.18
124	(1,891.8)	4.834	(9,144.96)	0.00	0.00	0.00	0.00	0.00			855.09	(747.26)	(713.21)	(189.18)	(794.56)		1.89	45.40
144	(3,169.9)	4.677	(14,825.62)	0.00	0.00	0.00	0.00	0.00			1,432.79	(1,252.11)	(1,195.05)	(316.99)	(1,331.36)		3.17	76.08
154	731,472.9	4.967	3,633,225.89	0.00	0.00	0.00	0.00	0.00			(330,625.75)	288,931.80	275,765.28	73,147.29	307,218.62		(731.47)	(17,555.35)
<b>TOTAL RETAIL</b>	<b>726,348.1</b>		<b>3,610,201.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>			<b>(328,337.9)</b>	<b>286,581.5</b>	<b>273,991.2</b>	<b>72,649.9</b>	<b>304,884.7</b>		<b>(726.4)</b>	<b>(17,412.6)</b>
<b>TRANSPORTATION: IFT3</b>																		
Customer Choice Program (GCAT):																		
024							0.00	0.00					0.00	0.00				0.00
054							0.00	0.00	0.00				0.00	0.00				0.00
094							0.00	0.00	0.00				0.00	0.00				0.00
134	2,516.6			0.00	0.00	0.00	0.00	0.00			(1,137.50)	994.06	948.76	251.66	1,056.98		(2.52)	(60.40)
<b>FT CHOICE</b>	<b>2,516.6</b>		<b>TOTAL FOR CHOICE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>			<b>(1,137.50)</b>	<b>994.06</b>	<b>948.76</b>	<b>251.66</b>	<b>1,056.98</b>		<b>(2.52)</b>	<b>(60.40)</b>
<b>TOTAL FOR Gas Cost Recovery (GCR)</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>			<b>(329,475.37)</b>	<b>287,575.53</b>	<b>274,939.93</b>	<b>72,901.54</b>	<b>306,941.63</b>		<b>(728.93)</b>	<b>(17,472.95)</b>
				CONTROL CK 0.00 positive=recovered=cr 253130 negative=reduce refund=dr253130					CONTROL CK (0.00) positive=recovered=cr 191400 negative=refund=dr 191400					CONTROL CK (0.00) positive=recovered=cr 253130 negative=reduce refund=dr253130				

Susan R Miller  
= 730,409.4 + 2.8 + 789.9 + (102.2) + 373

Firm Transportation: IFT

JE ID - KUNBIL AMZ

FT 158,729.7

Interruptible Transportation: IT01

IT 119,210.1

Grand Total 1,006,804.5 lies to last pg of A  
ADJUSTED EGC 4,970

