

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

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	2.827
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	0.000
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.111)
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.060)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	<u>2.656</u>

GAS COST RECOVERY RATE EFFECTIVE DATES: April 1, 2016 THROUGH May 1, 2016

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	2.827

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	0.202
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.040
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.369)
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	<u>0.016</u>
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>(0.111)</u>

BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	0.000
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.028
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.045)
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	<u>(0.043)</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>(0.060)</u>

THIS MONTHLY REPORT FILED PURSUANT TO CASE NO. 2003-00366  
OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED November 6, 2003

DATE FILED: March 10, 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

April 1, 2016  
February 28, 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		911,370	
Gas Marketers		<u>108,239</u>	
	<b>TOTAL DEMAND COST:</b>	<b><u>6,382,368</u></b>	
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	10,611,595	MCF	
<b>DEMAND (FIXED) COMPONENT OF EGC RATE</b>	<b>\$6,382,368</b>	/	<b>10,611,595 MCF</b>
			<b>\$0.601 /MCF</b>
 <b><u>COMMODITY COSTS:</u></b>			
Gas Marketers		\$2.208	/MCF
Gas Storage			/MCF
Columbia Gas Transmission		\$0.000	/MCF
ANR		\$0.000	
Propane		<u>\$0.000</u>	/MCF
<b>COMMODITY COMPONENT OF EGC RATE:</b>		<b>\$2.208</b>	
 <b><u>OTHER COSTS:</u></b>			
Net Charge Off <sup>(1)</sup>	\$17,952	/	1,008,385
			<b>\$0.018 /MCF</b>
<b>TOTAL EXPECTED GAS COST:</b>			<b><u><u>\$2.827 /MCF</u></u></b>

<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 : April 1, 2016**



**GAS COMMODITY RATE FOR APRIL 2016:**

**GAS MARKETERS :**

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$2.0428	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0286	\$2.0714	\$/Dth
DTH TO MCF CONVERSION	1.0661	\$0.1369	\$2.2083	\$/Mcf
ESTIMATED WEIGHTING FACTOR	100.000%		\$2.2083	\$/Mcf
<b>GAS MARKETERS COMMODITY RATE</b>			<b>\$2.208</b>	<b>\$/Mcf</b>

**GAS STORAGE :**

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$3.3989	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$3.4142	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	1.885%	\$0.0644	\$3.4786	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0178	\$3.4964	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0014	\$3.4978	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0490	\$3.5468	\$/Dth
DTH TO MCF CONVERSION	1.0661	\$0.2344	\$3.7812	\$/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			\$3.0689	\$/Dth
ANR FSS WITHDRAWAL FEE		\$0.0118	\$3.0807	\$/Dth
ANR FTS FUEL	1.130%	\$0.0348	\$3.1155	\$/Dth
DTH TO MCF CONVERSION	1.0661	\$0.2059	\$3.3214	\$/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 3/08/2016 and contracted hedging prices.