VERIFICATION

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The undersigned, William Don Wathen Jr, Director Rates & Regulatory Strategy - Ohio and Kentucky, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.

William Don Wathen Jr, Affiant

Subscribed and sworn to before me by William Don Wathen Jr on this 21 day of June, 2016.

ADELE M. FRISCH Notary Public, State of Ohio My Commission Expires 01-05-2019

My Commission Expires: 1/5/2019

VERIFICATION

STATE OF OHIO)	
)	SS
COUNTY OF HAMILTON)	

The undersigned, John A. Hill, Jr., Director, Integrity Management, Engineering and Growth, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests, and that the answers contained therein are true and correct to the best of his knowledge, information and belief.

John A. Hill, Jr., Affiant

Subscribed and sworn to before me by John A. Hill, Jr. on this 15 day of June, 2016.

STATION OF STATE OF S

Julie M. Thompson Notary Public, State of Chio My Commission Expires 11-19-2020 OTARY PUBLIC

My Commission Expires: 11-19-2020

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STAFF-DR-02-001	William Don Wathen, Jr	1
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STAFF-DR-02-004	William Don Wathen, Jr	4

Duke Energy Kentucky Case No. 2016-00159 Staff's Second Set Data Requests

Date Received: June 13, 2016

STAFF-DR-02-001

REOUEST:

Refer to the responses to Commission Staff's Initial Request for Information ("Staff's

Initial Request"), Items 3.a. and 3.c., where Duke Kentucky lists its revised estimate of

the cost of the proposed project at \$2.185 million and states that, absent any deferral of

the costs, they will be charged to Account 863 - Maintenance of Mains.

a. Provide the total amount of Operation and Maintenance Expense contained in

Duke Kentucky's base rates.

b. Also refer to the application, paragraph 16, where Account 874, Mains and

Services Expenses, is mentioned. Provide the total amount of expenses for

Account 874, Mains and Service Expenses, that are included in base rates.

c. Provide the total amount of expenses for Account 863, Maintenance of Mains

Expenses, that are included in base rates.

d. By account, provide the total amount of Operation and Maintenance Expenses for

the last five calendar years and year-to-date amounts for the current year. This

response should include Accounts 863 and 874.

e. Explain why Account 863, Maintenance of Mains Expenses, is mentioned in the

response to Item 3.a., but Account 874 is mentioned in paragraph 16 of the

application. Provide clarification as necessary.

1

- f. Explain why Duke Kentucky believes it is necessary to create a regulatory asset for the proposed \$2.185 million in costs for the proposed project.
- g. Explain whether Duke Kentucky has incurred other costs in the past which were not considered to be included in base rates but regulatory asset treatment was not sought for such costs. If so, identify the cases and explain how such costs were treated in Duke Kentucky's accounting records.
- h. If Duke Kentucky's request is granted by the Commission, provide the date when Duke Kentucky would begin amortization of the regulatory asset.

RESPONSE:

The Company's response to Commission's Staff-01-003 incorrectly referred to FERC Account 863 which is a transmission expense. The response should have referred to FERC Account 874 – Mains and Services expenses for gas distribution.

- a. The total amount of operations and maintenance expenses in base rates per our Case No. 2009-202 is \$99,261,980 which includes \$81,155,068 in gas fuel costs.
- The Company's base rates include \$1,481,182 for expenses recorded in FERC Account 874.
- c. The Company has no amount in base rates for FERC Account 863 since this is a gas transmission expense.
- d. See Staff-DR-02-001d Attachment 1 for the total amount of Operation and Maintenance Expenses by account for the last five calendar years and the year-todate May 31, 2016. See Staff-DR-02-001d Attachment 2 for the FERC Form 2 pages 317 through 325 supporting the last five calendar years. The Company has

- spent\$139,267 in FERC accounts 856, 874 and 926 year to date on O&M related to the incremental gas integrity work.
- e. The reference to FERC Account 863 was incorrect. The reference should have been to FERC Account 874.
- f. The estimated and approximate \$2 million cost of the pressure test is significant to Duke Energy Kentucky given the relative size of its natural gas operations. The deferral will prevent a significant impact to Duke Energy Kentucky's financial position. As stated in the Company's application in this proceeding, Duke Energy Kentucky's request is consistent with the Commission's policy for granting of deferrals.

g.

(1) Numerous new cost items surface every year that would not have been included in the company's most recent base rate case. It is not practicable to compare the cost items included in the most recent base rate case to every cost item that the Company has incurred in the over six years since the time of the last rate case. The important distinction between the cost item being addressed in this instant filing is that the cost meets the criteria established by the Commission for approving regulatory assets. For the hundreds of other new cost items incurred by the Company since the time of the rate case, the Company either chose not to seek deferral authority or deemed that the new cost item(s) did not meet the criteria established by the Commission for such deferrals.

- (2) The question is a *non sequitur* inasmuch as there would be no 'cases' for requests that the Company did not make. For a new cost item that was not deemed deferrable, i.e., reasonable assurance of recovery, such cost would be expensed in the period incurred pursuant to generally accepted accounting principles.
- h. Amortization of regulatory asset deferrals begins when recovery begins; so, in this case, the regulatory asset would be amortized beginning with the effective date of new base rates as a result of its next base rate case.

PERSON RESPONSIBLE: William Don Wathen, Jr

Duke Energy Kentucky Gas Operations & Maintenance Expenses

		YTD @ 5/31/2016	2015	2014	2013	2012	2011
	Manufactured Gas Production	791,839	963,293	719,564	344,868	208,033	302,892
800	Natural Gas Well Head Purchases	0	0	0	0	0	0
800.1	Natural Gas Well Head Purchases, Intracompany Transfers	0	0	0	0	0	0
801	Natural Gas Field Line Purchases	19,924,213	40,598,667	61,360,267	48,754,644	38,854,469	53,561,882
802	Natural Gas Gasoline Plant Outlet Purchases	0	0	0	0	0	0
803	Natural Gas Transmission Line Purchases	0	0	0	0	0	0
804	Natural Gas City Gate Purchases	0	0	0	0	0	0
804.1	Liquefied natural Gas Purchases	0	0	0	0	0	0
805	Other Gas Purchases	(2,384,654)	1,011,153	(1,533,801)	(2,839,136)	(1,306,847)	998,371
805.1	Less Purchases Gas Cost Adjustments	0	0	0	0	0	0
	Purchased Gas cost Adjustments	17,539,559	41,609,820	59,826,466	45,915,508	37,547,622	54,560,253
807.1	Well Expense-Purchased Gas	0	0	0	0	0	0
807.2	Operation of Purchased Gas Measuring Stations	172,893	55,974	137,221	102,622	125,491	103,394
807.3	Maintenance of Purchased Gas Measuring Stations	0	34,391	186,126	132,018	60,557	49,922
807.4	Purchased Gas Calculations Expenses	0	0	0	0	0	0
807.5	Other Purchased Gas Expenses	0	338,417	255,733	247,390	232,193	272,905
	Total Purchased Gas Expenses	172,893	428,782	579,080	482,030	418,241	426,221
813		514,377	964,793	1,043,049	1,309,849	0	0
	Total Production Expenses	19,018,668	43,966,688	62,168,159	48,052,255	38,173,896	55,289,366
850	Operation Supervision and Engineering	1,169	0	0	0	0	0
851	System Control and Load Dispatching	0	0	0	0	0	0
852	Communication System Expenses	0	0	0	0	0	0
853	Compressor Station labor and Expenses	0	0	0	0	0	0
854	Gas for Compressor Station Fuel	0	0	0	0	0	0
855	Other Fuel and Power for Compressor Stations	0	0	0	0	0	0
856	Mains Expenses	15,872	0	0	0	0	0
857	Measuring and Regulating Station Expenses	0	0	0	0	0	0
858	Transmission and Compression of Gas by Others	0	0	0	0	0	0
859	Other Expenses	1,425	6,490	190	0	0	68,606
860	Rents	0		0	0	0	0
861	Maintenance Supervision and Engineering	0	_	0	0	0	0
862	Maintenance of Structures and Improvements	0		0	0	0	0
863	Maintenance of Mains	0		0	0	0	0
864	Maintenance of Compressor Station Equipment	0		0	0	0	0
865	Maintenance of Measuring and Regulating Station Equipment	0		0	0	0	0
866	Maintenance of Communication Equipment	0		0	0	0	0
867	Maintenance of Other Equipment	0		0	0	0	0
	Total Transmission Expenses	18,466	6,490	190	0	0	68,606

Duke Energy Kentucky Gas Operations & Maintenance Expenses

		YTD @ 5/31/2016	2015	2014	2013	2012	2011
970	Once the Constitute and Engineering		112.057	70 111	11.075		
870 871	Operation Supervision and Engineering Distribution Load Dispatching	314	112,057 192,263	78,111	11,975	2,276	9,376
872	Compressor Station Labor and Expenses	84,931 0	192,203	209,998	195,057 0	182,919 0	176,867 0
873	Compressor Station Fuel and Power	0	0	0	0	0	0
874	Mains and Services Expenses	1,020,078	2,965,174	2,526,753	2,275,639	2,943,249	1,828,624
875	Measuring and Regulating Station Expenses - General	2,745	1,586	6,289	2,537	1,184	5,355
876	Measuring and Regulating Station Expenses - Industrial	6,636	15,648	39,835	35,509	43,871	38,197
877	Measuring and Regulating Station Expenses - City Gas Check Station	0,000	0	0	0	0	0
878	Meter and House Regulator Expenses	305,007	1,085,154	2,539,145	1,037,024	801,200	474,720
879	Customer Installations Expenses	377,262	947,329	1,931,827	1,402,870	1,280,145	1,239,450
880	Other Expenses	1,101,935	1,476,730	773,891	734,135	547,749	630,468
881	Rents	0	0	0	0	0	161,510
885	Maintenance Supervision and Engineering	789	86,031	56,010	97,008	48,352	38,525
886	Maintenance of Structures and Improvements	0	0	0	0	0	0
887	Maintenance of Mains	205,647	702,408	790,001	701,922	590,849	403,553
888	Maintenance of Compressor Station Equipment	0	0	0	0	0	0
889	Maintenance of Measuring and Regulating Station Equipment-General	23,730	39,908	45,914	82,784	44,238	26,019
890	Maintenance of Meas. And Reg. Station Equipment - Industrial	1,097	3,977	6,117	4,139	4,873	1,925
891	Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	0	0	0	0	0	0
892	Maintenance of Services	80,335	625,693	733,022	592,670	652,379	848,507
893	Maintenance of Meters and House Regulators	265,231	301,184	354,154	192,215	244,363	249,858
894	Maintenance of Other Equipment	44,845	25,279	23,265	22,158	33,601	49,415
	Total Distribution Expenses	3,520,582	8,580,421	10,114,332	7,387,642	7,421,248	6,182,369
901	Supervision	155,280	43,817	32,802	130	0	282
902	Meter Reading Expenses	282,139	710,370	514,255	682,775	693,459	659,485
903	Customer Records and Collection Expenses	1,053,468	2,589,591	2,676,423	2,535,317	2,803,957	3,257,712
904	Uncollectible Accounts	111,024	242,191	297,865	374,134	547,638	925,068
905	Miscellaneous Customer Accounts Expenses	96	757	378	111	21	0
	Total Customer Accounts Expenses	1,602,007	3,586,726	3,521,723	3,592,467	4,045,075	4,842,547
907	Supervision	0	0	0	0	0	0
908	Customer Assistance Expenses	72,472	157,153	157,313	130,093	133,191	132,457
909	Informational and Instructional Expenses	(333)	3,594	5,456	8,963	9,468	3,923
910	Miscellaneous Customer Service and Informational Expenses	129,360	471,707	625,453	933,541	1,210,948	1,330,567
	Total Customer Service and Information Expenses	201,499	632,454	788,222	1,072,597	1,353,607	1,466,947
911	Supervision	0	0	0	0	(1,404)	2,301
912	Demonstrating and Selling Expenses	26,548	114,357	201,746	1	3,410	27
913	Advertising Expenses	895	490	7,119	16,392	25,343	34,826
916	miscellaneous Sales Expenses	0	0	0	0	0	0
	Total Sales Expenses	27,443	114,847	208,865	16,393	27,349	37,154
920	Administrative and General Salaries	666,041	2,182,998	1,632,452	1,620,342	2,554,894	2,023,847
921	Office Supplies and Expenses	362,142	1,054,946	923,272	1,237,400	1,431,640	1,479,614
922	Less Administrative Expenses Transferred-Credit	0	0	0	(8)	(50)	(110)
923	Outside Services Employed	214,287	883,801	1,042,364	1,107,981	1,289,206	1,332,913
924	Property Insurance	53,780	158,576	168,422	150,873	152,510	210,573
925	Injuries and Damages	158,249	463,576	54,082	152,048	175,019	136,517
926	Employee Pensions and Benefits	717,650	2,468,507	2,135,551	2,807,898	2,589,141	2,372,491
927	Franchise Requirements	0	0	0	0	0	0
928	Regulatory Commission Expenses	97,253	216,289	180,171	181,122	261,390	284,622
929	Less Duplicate Charges-Credit	107,379	193,419	222,852	78,937	204,857	247,938
930.1	General Advertising Expenses	3,255	10,716	25,759	1,909	4,937	5,727
930.2	Miscellaneous General Expenses	133,782	119,097	186,059	459,926	510,343	201,211
931	Rents	251,849	413,324	455,680	530,832	747,115	679,221
932	Maintenance of General Plant	1,059	7,684	2,852	17,184	49,705	56,000
	Total Administrative and General Expenses	2,551,968	7,786,095	6,583,812	8,188,586	9,561,093	8,534,908
	Total Gas O&M Expenses	26,940,633	64,673,721	83,385,303	68,309,940	60,582,268	76,421,897

2015 & 2014 FERC Form 2

Pages 317 through 325

Gas Operation and Maintenance Expenses

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her Equipment			0	C
al of lines 20 thru 28)			0	
uction and Gathering (Total of lines 18 a	ind 29)		0	
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		(1) X An Original (2) A Resubmission	(Mo, Da, Yr) 04/13/2016	End of 2015/Q4
	Gas Operation and	Maintenance Expenses(continu	ed)	
ine No.	Account		Amount for Current Year (b)	Amount for Previous Year (c)
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering		0	0
34	771 Operation Labor		0	0
35	772 Gas Shrinkage		0	0
36	773 Fuel		0	0
37	774 Power		0	0
38	775 Materials		0	0
39	776 Operation Supplies and Expenses		0	0
40	777 Gas Processed by Others		0	0
41	778 Royalties on Products Extracted		0	0
42	779 Marketing Expenses		0	0
43	780 Products Purchased for Resale		0	0
44	781 Variation in Products Inventory		0	0
45	(Less) 782 Extracted Products Used by the Utility-Credit		0	0
46	783 Rents		0	C
47	TOTAL Operation (Total of lines 33 thru 46)		0	0
48	Maintenance			
49	784 Maintenance Supervision and Engineering		0	C
50	785 Maintenance of Structures and Improvements		0	C
51	788 Maintenance of Extraction and Refining Equipment		0	C
52	787 Maintenance of Pipe Lines		0	C
53	788 Maintenance of Extracted Products Storage Equipment		0	
54	789 Maintenance of Compressor Equipment		0	C
55	790 Maintenance of Gas Measuring and Regulating Equipme	ent	0	C
56	791 Maintenance of Other Equipment		0	
57	TOTAL Maintenance (Total of lines 49 thru 56)		0	
58	TOTAL Products Extraction (Total of lines 47 and 57)		0	

		(1) X An Original (2) A Resubmission	(Mo, Da, Yr) 04/13/2016	End of 2015/Q4
	Gas Operation and Mai	ntenance Expenses(continue	ed)	
No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
9	C. Exploration and Development			
30	Operation			
51	795 Delay Rentals		0	0
32	796 Nonproductive Well Drilling		0	0
33	797 Abandoned Leases		0	0
64	798 Other Exploration		0	0
55	TOTAL Exploration and Development (Total of lines 61 thru 64)		0	0
36	D. Other Gas Supply Expenses			A CASA SHE
57	Operation			100000
38	800 Natural Gas Well Head Purchases		0	0
39	800.1 Natural Gas Well Head Purchases, intracompany Transfer	8	0	0
70	801 Natural Gas Field Line Purchases		40,598,667	61,360,267
71	802 Natural Gas Gasoline Plant Outlet Purchases		0	0
72	803 Natural Gas Transmission Line Purchases		0	0
73	804 Natural Gas City Gate Purchases	- Paris and a second	0	0
74	804.1 Liquefied Natural Gas Purchases		0	0
75	805 Other Gas Purchases		1,011,153	(1,533,801)
76	(Less) 805.1 Purchases Gas Cost Adjustments		0	0
-	TOTAL Purchased Gas (Total of lines 68 thru 76)		41,609,820	59,826,466
78	806 Exchange Gas		0	05,025,460
79	Purchased Gas Expenses			
30	807.1 Well Expense-Purchased Gas		0	0
31	807.2 Operation of Purchased Gas Measuring Stations		55,974	137,221
32	807.3 Maintenance of Purchased Gas Measuring Stations		34,391	186,126
83	807.4 Purchased Gas Calculations Expenses		0	0
84	807.5 Other Purchased Gas Expenses		338,417	255,733
-	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)		428,782	579,080

Amount for Previous Year (c)
Previous Year (c)
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1,043,04
61,448,59
62,168,15
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	e of Respondent Energy Kentucky, Inc.	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report End of 2015/Q4
	Gas Operation and N	Maintenance Expenses(continue	ed)	
.ine No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
15	Maintenance			
16	830 Maintenance Supervision and Engineering		0	0
17	831 Maintenance of Structures and Improvements	The state of the s	0	0
18	832 Maintenance of Reservoirs and Wells	A STATE OF THE STA	0	0
19	833 Maintenance of Lines		0	0
20	834 Maintenance of Compressor Station Equipment	PARTITION OF THE PARTIT	0	0
21	835 Maintenance of Measuring and Regulating Station Equipm	nent	0	0
22	836 Maintenance of Purification Equipment		0	0
23	837 Maintenance of Other Equipment		0	0
24	TOTAL Maintenance (Total of lines 116 thru 123)		0	0
25	TOTAL Underground Storage Expenses (Total of lines 114 and	124)	0	0
26	B. Other Storage Expenses			
27	Operation			
28	840 Operation Supervision and Engineering		0	0
29	841 Operation Labor and Expenses		0	0
30	842 Rents		0	0
31	842.1 Fuel		0	0
32	842.2 Power		0	0
33	842.3 Gas Losses		0	0
34	TOTAL Operation (Total of lines 128 thru 133)		0	0
35	Maintenance			
36	843.1 Maintenance Supervision and Engineering		0	0
37	843.2 Maintenance of Structures		0	0
38	843.3 Maintenance of Gas Holders		0	0
39	843.4 Maintenance of Purification Equipment		0	0
40	843.5 Maintenance of Liquefaction Equipment		0	0
141	843.6 Maintenance of Vaporizing Equipment		0	0
142	843.7 Maintenance of Compressor Equipment		0	0
43	843.8 Maintenance of Measuring and Regulating Equipment		0	0
44	843.9 Maintenance of Other Equipment		0	0
-	TOTAL Maintenance (Total of lines 136 thru 144)		0	0
-	TOTAL Other Storage Expenses (Total of lines 134 and 145)		0	0

ame of Respon Puke Energy Ko		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Repor
	Gas Operation and Ma	intenance Expenses(continu	ied)	
ne lo.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
7 C. Liquefie	ied Natural Gas Terminaling and Processing Expenses			
8 Operatio	on			
9 844.1 0	Operation Supervision and Engineering		0	0
0 844.2 LN	NG Processing Terminal Labor and Expenses		0	
1 844.3 LI	Iquefaction Processing Labor and Expenses		0	0
2 844.4 Li	iquefaction Transportation Labor and Expenses	LANCE OF THE PARTY	0	
3 844.5 M	Measuring and Regulating Labor and Expenses		0	
4 844.6 C	Compressor Station Labor and Expenses		0	C C
5 844.7 C	Communication System Expenses		0	C
6 844.8 S	System Control and Load Dispatching		0	C
7 845.1 Ft	-uel		0	C
8 845.2 P	Power		0	C
9 845.3 R	Rents	AND AND DESCRIPTION OF THE PERSON OF THE PER	0	C
0 845.4 D	Demurrage Charges		0	
i1 (less) 84	45.5 Wharfage Receipts-Credit		0	C
2 845.6 P	Processing Liquefied or Vaporized Gas by Others		0	C
3 846.1 G	Gas Losses		0	
4 846.2 O	Other Expenses		0	C
5 TOTAL O	Operation (Total of lines 149 thru 164)		0	
6 Maintena	ance			
7 847.1 M	Maintenance Supervision and Engineering		0	(
8 847.2 M	Maintenance of Structures and Improvements		0	(
9 847.3 M	Maintenance of LNG Processing Terminal Equipment		0	(
0 847.4 M	Maintenance of LNG Transportation Equipment		0	0
1 847.5 M	Maintenance of Measuring and Regulating Equipment		0	(
2 847.6 M	Maintenance of Compressor Station Equipment		0	
3 847.7 M	Maintenance of Communication Equipment		0	(
4 847.8 M	Maintenance of Other Equipment		0	
5 TOTAL M	flaintenance (Total of lines 167 thru 174)		0	
6 TOTAL LI	iquefied Nat Gas Terminaling and Proc Exp (Total of line	s 165 and 175)	0	(
7 TOTAL N	latural Gas Storage (Total of lines 125, 146, and 176)		0	(
		s 165 and 175)		

	e of Respondent e Energy Kentucky, Inc.	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report End of 2015/Q4
	Gas Operation and I	Maintenance Expenses(continu	red)	
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering		0	0
181	851 System Control and Load Dispatching		0	0
182	852 Communication System Expenses		0	0
183	853 Compressor Station Labor and Expenses		0	0
184	854 Gas for Compressor Station Fuel		0	0
185	855 Other Fuel and Power for Compressor Stations		0	0
186	856 Mains Expenses		0	0
187	857 Measuring and Regulating Station Expenses		0	0
188	858 Transmission and Compression of Gas by Others		0	0
189	859 Other Expenses		6,490	190
190	860 Rents		0	0
191	TOTAL Operation (Total of lines 180 thru 190)		6,490	190
192	Maintenance		NE PARKETER	
193	861 Maintenance Supervision and Engineering		0	0
194	862 Maintenance of Structures and Improvements		0	0
195	863 Maintenance of Mains		0	0
196	864 Maintenance of Compressor Station Equipment		0	C
197	865 Maintenance of Measuring and Regulating Station Equip	ment	0	0
198	866 Maintenance of Communication Equipment		0	0
199	867 Maintenance of Other Equipment		0	C
200	TOTAL Maintenance (Total of lines 193 thru 199)		0	
201	TOTAL Transmission Expenses (Total of lines 191 and 200)		6,490	190
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering		112,057	78,111
205	871 Distribution Load Dispatching		192,263	209,998
206	872 Compressor Station Labor and Expenses		0	G
207	873 Compressor Station Fuel and Power		0	0

Name of Respondent Duke Energy Kentucky, Inc.			rt Is: un Original L Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report End of 2015/Q4
	Gas Operation and Ma		···	d)	
ine No.	Account (a)			Amount for Current Year (b)	Amount for Previous Year (c)
80	874 Mains and Services Expenses			2,965,174	2,526,753
09	875 Measuring and Regulating Station Expenses-General			1,586	6,289
10	876 Measuring and Regulating Station Expenses-Industrial			15,648	39,835
11	877 Measuring and Regulating Station Expenses-City Gas Chec	ck Station		0	0
12	878 Meter and House Regulator Expenses			1,085,154	2,539,145
13	879 Customer Installations Expenses			947,329	1,931,827
14	880 Other Expenses			1,476,730	773,891
15	881 Rents			0	0
16	TOTAL Operation (Total of lines 204 thru 215)			6.795,941	8,105,849
17	Maintenance	***			0,100,015
18	885 Maintenance Supervision and Engineering		86,031	56,010	
19	886 Maintenance of Structures and Improvements			0,031	0,010
	887 Maintenance of Mains				
220				702,408	790,001
221	888 Maintenance of Compressor Station Equipment			0	0
222	889 Maintenance of Measuring and Regulating Station Equipment-General			39,908	45,914
223				3,977	6,117
224				0	0
225	892 Maintenance of Services			625,693	733,022
226	893 Maintenance of Meters and House Regulators			301,184	354,154
227	894 Maintenance of Other Equipment			25,279	23,265
228	TOTAL Maintenance (Total of lines 218 thru 227)			1,784,480	2,008,483
229	TOTAL Distribution Expenses (Total of lines 216 and 228)			8,580,421	10,114,332
230	5. CUSTOMER ACCOUNTS EXPENSES	A EE IN			
231	Operation				
232	901 Supervision		187	43,817	32,802
233	902 Meter Reading Expenses			710,370	514,255
234	903 Customer Records and Collection Expenses			2,589,591	2,676,423

ly Kentucky, Inc. (2	his Report Is: Date of Report (Mo, Da, Yr) A Resubmission Date of Apport (Mo, Da, Yr) 04/13/2016	Year/Period of Repor	
Gas Operation and Mainten	ance Expenses(continued)		
Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
Uncollectible Accounts	242,191	297,865	
Miscellaneous Customer Accounts Expenses	757	378	
L Customer Accounts Expenses (Total of lines 232 thru 236)	3,586,726	3,521,723	
STOMER SERVICE AND INFORMATIONAL EXPENSES			
ation			
Supervision	0	0	
Customer Assistance Expenses	157,153	157,313	
Informational and Instructional Expenses	3,594	5,456	
Miscellaneous Customer Service and Informational Expenses	471,707	625,453	
L Customer Service and Information Expenses (Total of lines 240	thru 243) 632,454	788,222	
LES EXPENSES			
ration			
Supervision	0	0	
Demonstrating and Selling Expenses	114,357	201,746	
Advertising Expenses	490	7,119	
Miscellaneous Sales Expenses	0	0	
L Sales Expenses (Total of lines 247 thru 250)	114,847	208,865	
MINISTRATIVE AND GENERAL EXPENSES	Charles and State	maga No. 1 Call	
ration			
Administrative and General Salaries	2,182,998	1,632,452	
Office Supplies and Expenses	1,054,946	923,272	
s) 922 Administrative Expenses Transferred-Credit	0	0	
Outside Services Employed	883,801	1,042,364	
Property Insurance	158,576	168,422	
Injuries and Damages	463,576	54,082	
Employee Pensions and Benefits	2,468,507	2,135,551	
Franchise Requirements	0	0	
Regulatory Commission Expenses	216,289	180,171	
ss) 929 Duplicate Charges-Credit	193,419	222,852	
1General Advertising Expenses	10,716	25,759	
.2Miscellaneous General Expenses		186,059	
The second state of the second		455,680	
L Operation (Total of lines 254 thru 266)		6,580,960	
		0,000,000	
Maintenance of General Plant	7 684	2,852	
Larry Control		6,583,812	
		83,385,303	
Rents L Operation (Total Administration) L Administration	otal of lines 254 thru 266) of General Plant re and General Expenses (Total of lines 267 and 26	413,324 otal of lines 254 thru 266) 7,778,411	

	(1) X An Original	(Mo, Da, Yr)	Year/Period of Report	
Duke Energy Kentucky, Inc.	(2) _ A Resubmission	04/13/2016	2015/Q4	

		,
Schedule Page: 317 Line No.: 3 Column: b		
PERATION:	2015 Q4	2014 Q4
711 Gas Boiler Labor		8,996
	5,597	
712 Other Power Expenses	7,858	
		14,277
717 Liquified Petroleum Gas Expense		5,428
	4,961	
728 Liquified Petroleum Gas		
	782,339	478,859
735 Misc. Production Expense		
	44,796	57,120
736 Gas Raw Material - Rents		
	11,167	67,000
Total Operation		
	856,718	631,680
MAINTENANCE:		
742 Production Equipment		87,884
	106,575	
Total Maintenance		87,884
	106,575	
Total Manufactured Gas Production		
	963,293	719,564
		37 34 A A A A A A A A A A A A A A A A A A

2013 & 2012 FERC Form 2

Pages 317 through 325

Gas Operation and Maintenance Expenses

ne of Respondent e Energy Kentucky, Inc.	Wentucky Inc. (1) X An Original			ion	Date of Report (Mo, Da, Yr)	Year/Period of Report End of 2013/Q4
Gas Operation a	_	-				
Account (a)					Amount for Current Year (b)	Amount for Previous Year (c)
1. PRODUCTION EXPENSES						
A. Manufactured Gas Production	11					
Manufactured Gas Production (Submit Supplemental Statement)				1	344,868	208,033
B. Natural Gas Production						
B1. Natural Gas Production and Gathering						
Operation						
750 Operation Supervision and Engineering					0	0
751 Production Maps and Records		MASS			0	0
752 Gas Well Expenses					0	0
753 Field Lines Expenses			L. David	T	0	0
754 Field Compressor Station Expenses				T	0	C
755 Field Compressor Station Fuel and Power				T	0	C
756 Field Measuring and Regulating Station Expenses				T	0	0
757 Purification Expenses		1 100		T	0	0
758 Gas Well Royalties					0	0
759 Other Expenses			T. I.		0	C
760 Rents	- Alfi				0	C
TOTAL Operation (Total of lines 7 thru 17)					0	0
Maintenance						
761 Maintenance Supervision and Engineering			87.74		0	0
762 Maintenance of Structures and Improvements					0	0
763 Maintenance of Producing Gas Wells					0	
764 Meintenance of Field Lines					0	C
765 Maintenance of Field Compressor Station Equipment					0	O
766 Maintenance of Field Measuring and Regulating Station Ed	ulpmen				0	
767 Maintenance of Purification Equipment		- T			0	C
768 Maintenance of Drilling and Cleaning Equipment					0	
789 Maintenance of Other Equipment					0	
TOTAL Maintenance (Total of lines 20 thru 28)	Name of				0	
TOTAL Natural Gas Production and Gathering (Total of lines 18 a	nd 29)				0	
	Bas Operation a Account (a) 1. PRODUCTION EXPENSES A. Manufactured Gas Production Manufactured Gas Production (Submit Supplemental Statement) B. Natural Gas Production and Gathering Operation 750 Operation Supervision and Engineering 751 Production Maps and Records 752 Gas Well Expenses 753 Field Lines Expenses 754 Field Compressor Station Expenses 755 Field Compressor Station Fuel and Power 756 Field Measuring and Regulating Station Expenses 757 Purification Expenses 758 Gas Well Royalties 759 Other Expenses 760 Rents TOTAL Operation (Total of lines 7 thru 17) Maintenance 761 Maintenance Supervision and Engineering 762 Maintenance of Structures and Improvements 763 Maintenance of Producing Gas Wells 764 Maintenance of Field Lines 765 Maintenance of Field Compressor Station Equipment 766 Maintenance of Prification Equipment 768 Maintenance of Drifling and Cleaning Equipment 769 Maintenance of Other Equipment 769 Maintenance of Other Equipment	Gas Operation and Main Account (a) 1. PRODUCTION EXPENSES A. Manufactured Gas Production Manufactured Gas Production (Submit Supplemental Statement) B. Natural Gas Production (Submit Supplemental Statement) B. Natural Gas Production and Gathering Operation 750 Operation Supervision and Engineering 751 Production Maps and Records 752 Gas Well Expenses 753 Field Lines Expenses 754 Field Compressor Station Expenses 755 Field Compressor Station Fuel and Power 756 Field Measuring and Regulating Station Expenses 757 Purification Expenses 758 Gas Well Royalties 759 Other Expenses 760 Rents TOTAL Operation (Total of lines 7 thru 17) Maintenance 761 Maintenance Supervision and Engineering 762 Maintenance of Structures and Improvements 763 Maintenance of Field Lines 765 Maintenance of Field Compressor Station Equipment 766 Maintenance of Field Compressor Station Equipment 767 Maintenance of Purification Equipment 768 Maintenance of Ortel Equipment 768 Maintenance of Ortel Equipment 768 Maintenance of Other Equipment	Gas Operation and Maintens Account (a) 1. PRODUCTION EXPENSES A. Manufactured Gas Production Manufactured Gas Production (Submit Supplemental Statement) B. Natural Gas Production (Submit Supplemental Statement) B. Natural Gas Production and Gathering Operation 750 Operation Supervision and Engineering 751 Production Maps and Records 752 Gas Well Expenses 753 Field Lines Expenses 754 Field Compressor Station Expenses 755 Field Compressor Station Fuel and Power 756 Field Measuring and Regulating Station Expenses 757 Purification Expenses 759 Other Expenses 760 Rents TOTAL Operation (Total of lines 7 thru 17) Maintenance 761 Maintenance of Structures and Improvements 763 Maintenance of Field Lines 765 Maintenance of Field Lines 766 Maintenance of Field Compressor Station Equipment 768 Maintenance of Field Compressor Station Equipment 768 Maintenance of Purification Equipment 768 Maintenance of Other Equipment 768 Maintenance of Other Equipment 769 Maintenance of Other Equipment	e Energy Kentucky, Inc. 1) A Rosubmiss Gas Operation and Maintenance Expense	e Energy Kentucky, Inc. 1) A Polymorphism	Gas Operation and Maintenance Expenses Account (a) Amount for Current Year (b) 1. PRODUCTION EXPENSES A. Manufactured Gas Production (Submit Supplemental Statement) S44,868 B. Natural Gas Production (Submit Supplemental Statement) S44,868 B. Natural Gas Production and Gathering Operation 750 Operation Supervision and Engineering 0 751 Production Maps and Records 0 752 Gas Well Expenses 0 753 Field Lines Expenses 0 754 Field Compressor Station Expenses 0 755 Field Compressor Station Fuel and Power 0 756 Field Measuring and Regulating Station Expenses 0 757 Purification Expenses 0 758 Gas Well Royalites 0 759 Other Expenses 0 760 Rents 0 770 Crat. Operation (Total of lines 7 thru 17) 0 Maintenance Of Producing Gas Wells 0 764 Maintenance of Field Lines 0 765 Maintenance of Field Lines 0 765 Maintenance of Field Measuring and Regulating Station Expenses 0 766 Rents 0 777 Purification Typenses 0 767 Rents 0 768 Maintenance of Field Lines 0 768 Maintenance of Field Lines 0 769 Maintenance of Field Measuring and Regulating Station Equipment 0 768 Maintenance of Field Measuring and Regulating Station Equipment 0 769 Maintenance of Other Equipment 0 760 Maintenance Other Equipment 0 760 Maintenance 0 761 Maintenance 0 762 Maintenance 0 763

ine	Energy Kentucky, Inc.	ndent This Report is: (1) X An Original entucky, Inc. (2) A Resubmission		Year/Period of Report End of 2013/Q4
ine	Gas Operation and Me	eintenance Expenses(contin		
No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
11 1	B2. Products Extraction			
12	Operation			
13	770 Operation Supervision and Engineering		0	0
14	771 Operation Labor		0	0
15	772 Gas Shrinkage		0	0
16	773 Fuel		0	C
37	774 Power		0	
88	775 Materials		0	
19	776 Operation Supplies and Expenses		0	
10	777 Gas Processed by Others		0	14
11	778 Royalties on Products Extracted		0	
12	779 Marketing Expenses		0	
13	780 Products Purchased for Resale		0	
14	781 Variation in Products Inventory		0	
15	(Less) 782 Extracted Products Used by the Utility-Credit		0	
16	783 Rents		0	
17	TOTAL Operation (Total of lines 33 thru 46)		0	
18	Maintenance			
19	784 Maintenance Supervision and Engineering		0	
50	785 Maintenance of Structures and Improvements		0	
51	786 Maintenance of Extraction and Refining Equipment		0	
52	787 Maintenance of Pipe Lines		0	
53	788 Maintenance of Extracted Products Storage Equipment		0	
54	789 Maintenance of Compressor Equipment		0	
55	790 Maintenance of Gas Measuring and Regulating Equipment		0	
56	791 Maintenance of Other Equipment		0	
57	TOTAL Maintenance (Total of lines 49 thru 58)		0	
58	TOTAL Products Extraction (Total of lines 47 and 57)		0	

	e of Respondent e Energy Kentucky, Inc.	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report End of 2013/Q4
	Gas Operation and Ma	intenance Expenses(continue	ed)	
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentats		0	0
62	796 Nonproductive Well Drilling		0	0
63	797 Abandoned Leases		0	0
64	798 Other Exploration		0	0
65	TOTAL Exploration and Development (Total of lines 61 thru 64)		0	0
66	D. Other Gas Supply Expenses			
67	Operation			
68	800 Natural Gas Well Head Purchases		0	0
89	800.1 Natural Gas Well Head Purchases, Intracompany Transfe	rs	0	0
70	801 Natural Gas Field Line Purchases		48,754,644	38,854,469
71	802 Natural Gas Gasoline Plant Outlet Purchases		0	0
72	803 Natural Gas Transmission Line Purchases		0	C
73	804 Natural Gas City Gate Purchases		0	0
74	804.1 Liquefied Natural Gas Purchases		0	C
75	805 Other Gas Purchases		(2,839,136)	(1,306,847)
76	(Less) 805.1 Purchases Gas Cost Adjustments		. 0	0
77	TOTAL Purchased Gas (Total of lines 68 thru 76)		45,915,508	37,547,622
78	806 Exchange Gas		0	0
79	Purchased Gas Expenses			
80	807.1 Well Expense-Purchased Gas		0	The second of
81	807.2 Operation of Purchased Gas Measuring Stations		102,622	125,491
82	807.3 Maintenance of Purchased Gas Measuring Stations		132,018	60,557
83	807.4 Purchased Gas Calculations Expenses		0	
84	807.5 Other Purchased Gas Expenses		247,390	232,193
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)		482,030	418,241

	e of Respondent Energy Kentucky, Inc.	This Report Is: (1) X An Original (2) A Resubmission			Date of Report (Mo, Da, Yr)	Year/Period of Report End of 2013/Q4
	Gas Operation and Mal	ntenance	Expenses(continue	rd)	
Line No.	Account				Amount for Current Year (b)	Amount for Previous Year (c)
88	808.1 Gas Withdrawn from Storage-Debit				0	0
87	(Less) 808.2 Gas Delivered to Storage-Credit				0	0
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit				0	0
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit				0	0
90	Gas used in Utility Operation-Credit			- 19	Total Control of the	
91	810 Gas Used for Compressor Station Fuel-Credit				0	0
92	811 Gas Used for Products Extraction-Credit				0	0
93	812 Gas Used for Other Utility Operations-Credit				0	0
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru	93)			0	0
95	813 Other Gas Supply Expenses	25/11			1,309,849	0
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,8	94,95)			47,707,387	37,965,863
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)				48,052,255	38,173,898
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING	G EXPEN	SES			
99	A. Underground Storage Expenses					
100	Operation					
101	814 Operation Supervision and Engineering			To the second	0	0
102	815 Maps and Records				0	0
103	816 Wells Expenses				0	0
104	817 Lines Expense				0	0
105	818 Compressor Station Expenses				0	0
108	819 Compressor Station Fuel and Power				0	0
107	820 Measuring and Regulating Station Expenses				0	0
108	821 Purification Expenses				0	0
109	822 Exploration and Development				0	0
110	823 Gas Losses				0	0
111	824 Other Expenses				0	O
112	825 Storage Well Royalties				0	0
113	826 Rents	E-12/4			0	
114	TOTAL Operation (Total of lines of 101 thru 113)	deski de ammatunule	HOUSE CONTRACTOR	+	0	0

Duke	e of Respondent Energy Kentucky, Inc.	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report End of 2013/Q4
1	Gas Operation and Ma	intenance Expenses(continue		
Une No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
115	Maintenance		1. 外国企业 人的基础	
116	830 Maintenance Supervision and Engineering		0	0
117	831 Maintenance of Structures and Improvements		0	0
118	832 Maintenance of Reservoirs and Wells		0	0
119	833 Maintenance of Lines		0	
120	B34 Maintenance of Compressor Station Equipment		0	0
121	835 Maintenance of Measuring and Regulating Station Equipme	ent .	0	0
122	836 Maintenance of Purification Equipment		0	0
123	837 Maintenance of Other Equipment		0	0
124	TOTAL Maintenance (Total of lines 116 thru 123)		0	0
125	TOTAL Underground Storage Expenses (Total of lines 114 and 12	24)	0	0
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering		0	0
129	841 Operation Labor and Expenses		0	0
130	842 Rents		0	
131	842.1 Fuel		0	C
132	842.2 Power		0	0
133	842.3 Gas Losses		0	d
134	TOTAL Operation (Total of lines 128 thru 133)		0	0
135	Maintenance			10 /00 X
136	843.1 Maintenance Supervision and Engineering		0	
137	843.2 Maintenance of Structures		0	C
138	843.3 Maintenance of Gas Holders		0	C
139	843.4 Maintenance of Purification Equipment		0	C
140	843.5 Maintenance of Liquefaction Equipment		0	C
141	843.6 Maintenance of Vaporizing Equipment		0	C
142	843.7 Maintenance of Compressor Equipment		0	C
143	843.8 Maintenance of Measuring and Regulating Equipment		0	C
144	843.9 Maintenance of Other Equipment		0	C
145	TOTAL Maintenance (Total of lines 136 thru 144)		0	
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)		0	

	of Respondent Energy Kentucky, Inc. This Report is (1) X An C (2) A Re		Date of Report (Mo, Da, Yr) //	Year/Period of Repor
	Gas Operation and Maintenance Exper	nses(continue)	
ine No.	Account - (a)		Amount for Current Year (b)	Amount for Previous Year (c)
47	C. Liquefied Natural Gas Terminaling and Processing Expenses			
48	Operation			
49	844.1 Operation Supervision and Engineering		0	0
50	844.2 LNG Processing Terminal Labor and Expenses	The state of the s	0	C
51	844.3 Liquefaction Processing Labor and Expenses		0	0
52	844.4 Liquefaction Transportation Labor and Expenses		0	C
53	844.5 Measuring and Regulating Labor and Expenses		0	C
54	844.6 Compressor Station Labor and Expenses		0	
55	844.7 Communication System Expenses		0	0
56	844.8 System Control and Load Dispatching		0	0
57	845.1 Fuel		0	0
58	845.2 Power		0	
59	845.3 Rents		0	
60	845.4 Demurrage Charges		0	
61	(less) 845.5 Wharfage Receipts-Credit		0	
62	845.6 Processing Liquefied or Vaporized Gas by Others		0	
63	846.1 Gas Losses		0	
64	846.2 Other Expenses		0	
65	TOTAL Operation (Total of lines 149 thru 164)		0	0
166	Maintenance		PARTER	从 自身分。更为最
67	847.1 Maintenance Supervision and Engineering		0	
168	847.2 Maintenance of Structures and Improvements		0	
169	847.3 Maintenance of LNG Processing Terminal Equipment		0	
170	847.4 Maintenance of LNG Transportation Equipment		0	(
171	847.5 Maintenance of Measuring and Regulating Equipment		0	
172	847.6 Maintenance of Compressor Station Equipment		0	
173	847.7 Maintenance of Communication Equipment		0	
174	847.8 Maintenance of Other Equipment		0	
175	TOTAL Maintenance (Total of lines 167 thru 174)		0	
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)		0	(
177	TOTAL Natural Gas Storage (Total of lines 125, 148, and 178)		0	

Duke	e of Respondent Energy Kentucky, Inc.	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Repor
	Gas Operation and Mo	aintenance Expenses(continue	od)	
ine No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
78	3. TRANSMISSION EXPENSES			
79	Operation			
80	850 Operation Supervision and Engineering		0	C
81	851 System Control and Load Dispatching		0	
82	852 Communication System Expenses		0	
83	853 Compressor Station Labor and Expenses		0	
84	854 Gas for Compressor Station Fuel		0	TENTE OF THE
85	855 Other Fuel and Power for Compressor Stations		0	
86	856 Mains Expenses		0	
87	857 Measuring and Regulating Station Expenses		0	
88	858 Transmission and Compression of Gas by Others		0	
89	859 Other Expenses		0	
90	860 Rents		0	
91	TOTAL Operation (Total of lines 180 thru 190)		0	
92	Maintenance		SIE SE	
93	861 Maintenance Supervision and Engineering		0	
94	862 Maintenance of Structures and Improvements		0	
195	863 Maintenance of Mains		0	
96	864 Maintenance of Compressor Station Equipment		0	
197	865 Maintenance of Measuring and Regulating Station Equipm	nent	0	
198	868 Maintenance of Communication Equipment		0	
199	867 Maintenance of Other Equipment		0	
200	TOTAL Maintenance (Total of lines 193 thru 199)		0	
201	TOTAL Transmission Expenses (Total of lines 191 and 200)		0	
202	4. DISTRIBUTION EXPENSES			
203	Operation		"是是" 不可能	
204	870 Operation Supervision and Engineering		11,975	2,27
205	871 Distribution Load Dispatching		195,057	182,91
206	872 Compressor Station Labor and Expenses		0	
207	873 Compressor Station Fuel and Power		0	

e of Respondent			ort is:	Date of Report (Mo, Da, Yr)	Year/Period of Repor
Energy Kentucky, Inc.	(2)			//	End of 2013/Q4
Gas Operation and Mai	ntenan	ce E	xpenses(continue	d)	
Account (a)				Amount for Current Year (b)	Amount for Previous Year (c)
874 Mains and Services Expenses				2,275,639	2,943,249
875 Measuring and Regulating Station Expenses-General		NAME OF THE PARTY OF		2,537	1,184
876 Measuring and Regulating Station Expenses-Industrial				35,509	43,871
877 Measuring and Regulating Station Expenses-City Gas Chec	k Static	on		0	
878 Meter and House Regulator Expenses				1,037,024	801,200
879 Customer Installations Expenses				1,402,870	1,280,14
880 Other Expenses				734,135	547,749
881 Rents				0	
OTAL Operation (Fotal of ilnes 204 thru 215)				5,694,746	5,802,593
Maintenance					
885 Maintenance Supervision and Engineering	T. E.	97,008	48,352		
886 Maintenance of Structures and Improvements				0	
887 Maintenance of Mains		V.		701,922	590,849
888 Maintenance of Compressor Station Equipment	15,6			0	
889 Maintenance of Measuring and Regulating Station Equipme	nt-Gen	eral		82,784	44,23
890 Maintenance of Meas and Reg. Station Equipment-Industria	al			4,139	4,87
891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station				0	
892 Maintenance of Services				592,670	652,379
893 Maintenance of Meters and House Regulators				192,215	244,363
894 Maintenance of Other Equipment	1-			22,158	33,60
TOTAL Maintenance (Total of lines 218 thru 227)				1,692,896	1,618,65
TOTAL Distribution Expenses (Total of lines 216 and 228)				7,387,642	7,421,24
5. CUSTOMER ACCOUNTS EXPENSES					
Operation		ewe la			
901 Supervision	97500 00 5000			130	
902 Meter Reading Expenses				682,775	693,45
903 Customer Records and Collection Expenses	31			2,535,317	2,803,95
	Account (a) 874 Mains and Services Expenses 875 Measuring and Regulating Station Expenses-General 876 Measuring and Regulating Station Expenses-Industrial 877 Measuring and Regulating Station Expenses-City Gas Chec 878 Meter and House Regulator Expenses 879 Customer Installations Expenses 880 Other Expenses 881 Rents TOTAL Operation (Total of lines 204 thru 215) Maintenance 885 Maintenance Supervision and Engineering 886 Maintenance of Structures and Improvements 887 Maintenance of Mains 888 Maintenance of Measuring and Regulating Station Equipment 889 Maintenance of Meas and Reg. Station Equipment-Industria 891 Maintenance of Meas, and Reg. Station Equip-City Gate Ch 892 Maintenance of Meas, and Reg. Station Equip-City Gate Ch 893 Maintenance of Meters and House Regulators 894 Maintenance of Other Equipment TOTAL Maintenance (Total of lines 218 thru 227) TOTAL Distribution Expenses (Total of lines 216 and 228) 5 CUSTOMER ACCOUNTS EXPENSES Operation 901 Supervision 902 Meter Reading Expenses	Gas Operation and Maintenarr Account (a) 874 Mains and Services Expenses 875 Measuring and Regulating Station Expenses-General 876 Measuring and Regulating Station Expenses-Industrial 877 Measuring and Regulating Station Expenses-City Gas Check Station 878 Meter and House Regulator Expenses 879 Customer Installations Expenses 880 Other Expenses 881 Rents TOTAL Operation (Total of lines 204 thru 215) Maintenance 885 Maintenance Supervision and Engineering 886 Maintenance of Structures and Improvements 887 Maintenance of Mains 888 Maintenance of Mains 888 Maintenance of Measuring and Regulating Station Equipment-Gen 890 Maintenance of Meas and Reg. Station Equipment-Industrial 891 Maintenance of Meas, and Reg. Station Equipment-Industrial 892 Maintenance of Meters and House Regulators 893 Maintenance of Meters and House Regulators 894 Maintenance (Total of lines 218 thru 227) TOTAL Distribution Expenses (Total of lines 216 and 228) 5 CUSTOMER ACCOUNTS EXPENSES Operation 901 Supervision 902 Meter Reading Expenses	Gas Operation and Maintenance E Account (a) 874 Mains and Services Expenses 875 Measuring and Regulating Station Expenses-General 876 Measuring and Regulating Station Expenses-Industrial 877 Measuring and Regulating Station Expenses-City Gas Check Station 878 Meter and House Regulator Expenses 879 Customer Installations Expenses 880 Other Expenses 881 Rents TOTAL Operation (Total of lines 204 thru 215) Maintenance 885 Maintenance Supervision and Engineering 886 Maintenance of Structures and Improvements 887 Maintenance of Mains 888 Maintenance of Measuring and Regulating Station Equipment-General 890 Maintenance of Meas and Reg. Station Equipment-Industrial 891 Maintenance of Meas. and Reg. Station Equipment-Industrial 892 Maintenance of Merers and House Regulators 893 Maintenance of Meters and House Regulators 894 Maintenance (Total of lines 218 thru 227) TOTAL Distribution Expenses (Total of lines 216 and 228) 5 CUSTOMER ACCOUNTS EXPENSES Operation 901 Supervision 902 Meter Reading Expenses	Gas Operation and Maintenance Expenses (continue Account (a) 874 Mains and Services Expenses 875 Measuring and Regulating Station Expenses-Industrial 876 Measuring and Regulating Station Expenses-Industrial 877 Measuring and Regulating Station Expenses-City Gas Check Station 878 Meter and House Regulator Expenses 879 Customer Installations Expenses 880 Other Expenses 881 Rents TOTAL Operation (Total of lines 204 thru 215) Maintenance 885 Maintenance Supervision and Engineering 886 Maintenance of Structures and Improvements 887 Maintenance of Mains 888 Maintenance of Measuring and Regulating Station Equipment-General 890 Maintenance of Meas and Reg. Station Equipment-Industrial 891 Maintenance of Meas and Reg. Station Equipment-Industrial 891 Maintenance of Meas and Reg. Station Equipment-Industrial 892 Maintenance of Meas and Reg. Station Equipment-Industrial 893 Maintenance of Meas and Reg. Station Equipment-Industrial 894 Maintenance of Meas and House Regulators 895 Maintenance of Meters and House Regulators 896 Maintenance of Other Equipment TOTAL Maintenance (Total of lines 218 thru 227) TOTAL Distribution Expenses (Total of lines 218 and 228) 5 CUSTOMER ACCOUNTS EXPENSES Operation 901 Supervision 902 Meter Reading Expenses	Case Operation and Maintenance Expenses

	e of Respondent Energy Kentucky, Inc.	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Repor
	Gas Operation and Ma	intenance Expenses(contin	nued)	
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts		374,134	547,638
236	905 Miscellaneous Customer Accounts Expenses		111	21
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)		3,592,467	4,045,076
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision		0	0
241	908 Customer Assistance Expenses		130,093	133,191
242	909 Informational and Instructional Expenses		8,963	9,468
243	910 Miscellaneous Customer Service and Informational Expens	es ·	933,541	1,210,948
244	TOTAL Customer Service and Information Expenses (Total of lines	3 240 thru 243)	1,072,597	1,353,607
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision		0	(1,404)
248	912 Demonstrating and Selling Expenses		1	3,410
249	913 Advertising Expenses		16,392	25,343
250	916 Miscellaneous Sales Expenses		0	0
251	TOTAL Sales Expenses (Total of lines 247 thru 250)		16,393	27,349
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries		1,820,342	2,554,894
255	921 Office Supplies and Expenses		1,237,400	1,431,640
258	(Less) 922 Administrative Expenses Transferred-Credit		(8)	(50)
257	923 Outside Services Employed		1,107,981	1,289,206
258	924 Property Insurance		150,873	152,510
259	925 Injuries and Damages		152,048	175,019
260	926 Employee Pensions and Benefits		2,807,898	2,589,141
261	927 Franchise Requirements		0	
262	928 Regulatory Commission Expenses		161,122	261,390
263	(Less) 929 Duplicate Charges-Credit		78,937	204,857
284	930 1 General Advertising Expenses		1,909	4,937
265	930.2Miscellaneous General Expenses		459,926	510,343
266	931 Rents		530,832	747,115
267	TOTAL Operation (Total of lines 254 thru 266)		8,171,402	9,511,388
268	Maintenance			
269	932 Maintenance of General Plant		17,184	49,708
270	TOTAL Administrative and General Expenses (Total of lines 267 a	nd 269)	8,188,586	9,561,093
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,24	14,251, and 270)	68,309,940	60,582,266

Name of Respondent	This Report is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.	(2) A Resubmission	11	2013/Q4
	FOOTNOTE DATA		

Schedule Page: 317 Line No.: 3 Column: b			
OPERATION:	2013	2012	
711 Gas Boiler Labor	\$4,016	\$2,071	
712 Other Power Expenses	4,522	2,257	
717 Liquified Petroleum Gas Expense	10,126	5,226	
728 Liquified Petroleum Gas	126,895	4,506	
735 Misc. Production Expense	13,567	15,556	
736 Gas Raw Material - Rents	67,000	67,000	
Total Operation	\$226,126	\$96,616	
Maintenance:			
742 Production Equipment	118,742	111.417	
Total Maintenance	118,742	111,417	
Total Manufactured Gas Production	\$344,868	\$208.033	

2011 & 2010 FERC Form 2

Pages 317 through 325

Gas Operation and Maintenance Expenses

	ne of Respondent re Energy Kentucky, Inc.	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report End of 2011/Q4
	Gas Operation	n and Maintenance Expenses		
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES			V EXTENSION A
2	A. Manufactured Gas Production			
3	Manufactured Gas Production (Submit Supplemental Stateme	int)	302,892	247,622
4	B. Natural Gas Production			不是示法外表的不是
5	B1. Natural Gas Production and Gathering	12		
6	Operation			
7	750 Operation Supervision and Engineering		0	0
8	751 Production Maps and Records		0	0
9	752 Gas Well Expenses		0	0
10	753 Field Lines Expenses		0	0
11	754 Field Compressor Station Expenses		0	0
12	755 Field Compressor Station Fuel and Power		0	0
13	756 Field Measuring and Regulating Station Expenses		0	0
14	757 Purification Expenses		0	0
15	758 Gas Well Royalties		0	0
16	759 Other Expenses	THE PARTY OF THE P	0	0
17	760 Rents		P (***) 0	0
18	TOTAL Operation (Total of lines 7 thru 17)		0	0
19	Maintenance			
20	761 Maintenance Supervision and Engineering		0	0
21	762 Maintenance of Structures and Improvements		0	0
22	763 Maintenance of Producing Gas Wells		0	0
23	764 Maintenance of Field Lines		0	0
24	765 Maintenance of Field Compressor Station Equipment		0	0
25	766 Maintenance of Field Measuring and Regulating Station	Equipment	0	0
26	767 Maintenance of Purification Equipment		0	0
27	768 Maintenance of Dritling and Cleaning Equipment		0	0
28	769 Maintenance of Other Equipment		0	0
29	TOTAL Maintenance (Total of lines 20 thru 28)		0	0
30	TOTAL Natural Gas Production and Gathering (Total of lines 1)	8 and 29)	0	0

	ne of Respondent	This Report is: (1) [X]An Original	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duk	e Energy Kentucky, Inc.	(2) A Resubmission	11	End of 2011/Q4
	Gas Operation and	d Maintenance Expenses(continue	ed)	
No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
31	B2. Products Extraction		San Milliam Sal	Martin Art No.
32	Operation			
33	770 Operation Supervision and Engineering		0	0
34	771 Operation Labor		0	0
35	772 Gas Shrinkage		0	0
36	773 Fuel		0	0
37	774 Power		0	0
38	775 Materials		0	0
39	776 Operation Supplies and Expenses		0	0
40	777 Gas Processed by Others		0	0
41	778 Royalties on Products Extracted		0	0
42	779 Marketing Expenses		0	0
43	780 Products Purchased for Resale	Name of America (Sec.)	0	0
44	781 Variation in Products Inventory		0	0
45	(Less) 782 Extracted Products Used by the Utility-Credit		0	0
46	783 Rents		0	0
47	TOTAL Operation (Total of lines 33 thru 46)		0	
48	Maintenance			
49	784 Maintenance Supervision and Engineering		0	0
50	785 Maintenance of Structures and Improvements		0	0
51	786 Maintenance of Extraction and Refining Equipment		0	0
52	787 Maintenance of Pipe Lines		0	0
53	788 Maintenance of Extracted Products Storage Equipmen	t	0	0
54	789 Maintenance of Compressor Equipment		0	0
55	790 Maintenance of Gas Measuring and Regulating Equipm	ment	0	0
56	791 Maintenance of Other Equipment		0	0
57	TOTAL Maintenance (Total of lines 49 thru 56)		0	0
58	TOTAL Products Extraction (Total of lines 47 and 57)		0	0

	e of Respondent e Energy Kentucky, Inc.	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Repor
	Gas Operation and M	laintenance Expenses(continu	ed)	
ine No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
59	C. Exploration and Development		The season and	
50	Operation			
51	795 Delay Rentals		0	
52	796 Nonproductive Well Drilling		0	
33	797 Abandoned Leases		0	Fig. 5
54	798 Other Exptoration		0	Maria de la compansión de
55	TOTAL Exploration and Development (Total of lines 61 thru 64)		0	
36	D. Other Gas Supply Expenses		TOTAL BANK	
37	Operation			
58	800 Natural Gas Well Head Purchases		0	
39	800.1 Natural Gas Well Head Purchases, Intracompany Transf	ers	0	
70	801 Natural Gas Field Line Purchases		53,561,882	67,656,91
71	802 Natural Gas Gasoline Plant Outlet Purchases	Bearing Sweet 2002	0	
72	803 Natural Gas Transmission Line Purchases		0	
73	804 Natural Gas City Gate Purchases		0	
74	804.1 Liquefied Natural Gas Purchases		0	
75	805 Other Gas Purchases		998,371	353,06
76	(Less) 805.1 Purchases Gas Cost Adjustments		0	
77	TOTAL Purchased Gas (Total of lines 68 thru 76)		54,560,253	68,009,98
78	806 Exchange Gas		0	
79	Purchased Gas Expenses		MENTE STATE	LAST. INC.
80	807.1 Well Expense-Purchased Gas		0	
81	807.2 Operation of Purchased Gas Measuring Stations		103,394	120,87
B2	807.3 Maintenance of Purchased Gas Measuring Stations		49,922	30,00
83	807.4 Purchased Gas Calculations Expenses		0	
84	807.5 Other Purchased Gas Expenses		272,905	360,94
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)		426,221	511,81

87 (Less) 808 88 809.1 With 89 (Less) 808 90 Gas used I 91 810 Gas I 92 811 Gas I 93 812 Gas I 94 TOTAL Gas 95 813 Other 96 TOTAL Proc 97 TOTAL Proc 98 2. NATURAL 99 A. Undergro 100 Operation 101 814 Oper	Gas Operation and Main Account (a) Withdrawn from Storage-Debit 2 Gas Delivered to Storage-Credit drawals of Liquefied Natural Gas for Processing-Debit 2 Deliveries of Natural Gas for Processing-Credit dised for Compressor Station Fuel-Credit dised for Products Extraction-Credit dised for Other Utility Operations-Credit Used in Utility Operations-Credit (Total of lines 91 thrust Gas Supply Expenses or Gas Supply Exp. (Total of lines 77,78,85,86 thrus 89,90 uction Expenses (Total of lines 3, 30, 58, 65, and 96) GAS STORAGE, TERMINALING AND PROCESSING und Storage Expenses	.95)	ued) Amount for Current Year (b) 0 0 0 0 0 0 0 0 0 54,986,474	Amount for Previous Year (c) 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
No. 86 808.1 Gas 87 (Less) 808 88 809.1 With 89 (Less) 808 90 Gas used 91 810 Gas 92 811 Gas 94 TOTAL Gas 95 813 Other 96 TOTAL Proc 98 2. NATURAL 99 A. Undergro 100 Operation 101 814 Oper	Withdrawn from Storage-Debit 2 Gas Delivered to Storage-Credit drawals of Liquefied Natural Gas for Processing-Debit 2 Deliveries of Natural Gas for Processing-Credit 3 Utility Operation-Credit 4 Sed for Compressor Station Fuel-Credit 5 Sed for Products Extraction-Credit 6 Sed for Other Utility Operations-Credit 7 Used in Utility Operations-Credit (Total of lines 91 thrust 7 Gas Supply Expenses 7 Gas Supply Expenses 7 Gas Supply Exp. (Total of lines 77,78,85,86 thrust 8 Storage, Terminaling and Processing	.95)	Current Year (b) 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Previous Year (c) 0 0 0 0 0 0 0 0 0 0 0 0 0 0
87 (Less) 808 88 809.1 With 89 (Less) 809 90 Gas used i 91 810 Gas i 92 811 Gas i 93 812 Gas i 94 TOTAL Gas 95 813 Other 96 TOTAL Proc 97 TOTAL Proc 98 2. NATURAL 99 A. Undergro 100 Operation 101 814 Opera	2 Gas Delivered to Storage-Credit drawals of Liquefied Natural Gas for Processing-Debit 2 Deliveries of Natural Gas for Processing-Credit deliveries of Products Extraction-Credit deliveries of Products Extraction-Credit deliveries of Products Extraction-Credit deliveries of Processing Office of Processing deliveries of Processing Office of Processing deliveries of Processing-Debit deliveries of	.95)	0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
88 809.1 With 89 (Less) 805 90 Gas used i 91 810 Gas i 92 811 Gas i 93 812 Gas i 94 TOTAL Gas 95 813 Other 96 TOTAL Proc 97 TOTAL Proc 98 2. NATURAL 99 A. Undergro 100 Operation 101 814 Open	drawals of Liquefied Natural Gas for Processing-Debit Deliveries of Natural Gas for Processing-Credit Utility Operation-Credit Used for Compressor Station Fuel-Credit Used for Products Extraction-Credit Used for Other Utility Operations-Credit Used in Utility Operations-Credit (Total of lines 91 thrust Gas Supply Expenses or Gas Supply Expenses Used Gas Supply Expenses Office State of Utility Operations (Total of lines 77,78,85,86 thrus 89,90) Used in Utility Operations (Total of lines 3, 30, 58, 65, and 96) Office Storage, Terminaling and Processing	.95)	0 0 0 0 0	0 0 0 0 0
89 (Less) 805 90 Gas used i 91 810 Gas i 92 811 Gas i 93 812 Gas i 94 TOTAL Gas 95 813 Other 96 TOTAL Proc 97 TOTAL Proc 98 2. NATURAL 99 A. Undergro 100 Operation 101 814 Opera	2 Deliveries of Natural Gas for Processing-Credit I Utility Operation-Credit Ised for Compressor Station Fuel-Credit Ised for Products Extraction-Credit Ised for Other Utility Operations-Credit Used in Utility Operations-Credit (Total of lines 91 thrust Gas Supply Expenses Ir Gas Supply Expenses Ir Gas Supply Exp. (Total of lines 77,78,85,86 thrust Ised in Expenses (Total of lines 3, 30, 58, 65, and 96) In GAS STORAGE, TERMINALING AND PROCESSING	.95)	0 0 0 0 0 0	0 0
90 Gas used I 91 810 Gas I 92 811 Gas I 93 812 Gas I 94 TOTAL Gas 95 813 Other 96 TOTAL Proc 97 TOTAL Proc 98 2. NATURAL 99 A. Undergro 100 Operation 101 814 Opera	Utility Operation-Credit Ised for Compressor Station Fuel-Credit Ised for Products Extraction-Credit Ised for Other Utility Operations-Credit Used in Utility Operations-Credit (Total of lines 91 thrust Gas Supply Expenses r Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,9- uction Expenses (Total of lines 3, 30, 58, 65, and 96) GAS STORAGE, TERMINALING AND PROCESSING	.95)	0 0 0 0 0 0	0 0 0
91 810 Gas I 92 811 Gas I 93 812 Gas I 94 TOTAL Gas 95 813 Other 96 TOTAL Proc 97 TOTAL Proc 98 2. NATURAL 99 A. Undergro 100 Operation 101 814 Opera	Ised for Compressor Station Fuel-Credit Ised for Products Extraction-Credit Ised for Other Utility Operations-Credit Used in Utility Operations-Credit (Total of lines 91 thrus Gas Supply Expenses or Gas Supply Exp. (Total of lines 77,78,85,86 thrus 89,90 Uction Expenses (Total of lines 3, 30, 58, 65, and 96) GAS STORAGE, TERMINALING AND PROCESSING	.95)	0 0 0 0	0
92 811 Gas 1 93 812 Gas 1 94 TOTAL Gas 95 813 Other 96 TOTAL Proc 97 TOTAL Proc 98 2. NATURAL 99 A. Undergro 100 Operation 101 814 Oper	Ised for Products Extraction-Credit Ised for Other Utility Operations-Credit Used in Utility Operations-Credit (Total of lines 91 thru to Gas Supply Expenses or Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,9- uction Expenses (Total of lines 3, 30, 58, 65, and 96) GAS STORAGE, TERMINALING AND PROCESSING	.95)	0 0 0 0	0
93 812 Gas 1 94 TOTAL Gas 95 813 Other 96 TOTAL Proc 97 TOTAL Proc 98 2. NATURAL 99 A. Undergro 100 Operation 101 814 Opera	lsed for Other Utility Operations-Credit Used in Utility Operations-Credit (Total of lines 91 thrus Gas Supply Expenses r Gas Supply Exp. (Total of lines 77,78,85,86 thrus 89,9) uction Expenses (Total of lines 3, 30, 58, 65, and 96) GAS STORAGE, TERMINALING AND PROCESSING	.95)	0 0 0	0
94 TOTAL Gas 95 813 Other 96 TOTAL Other 97 TOTAL Proc 98 2. NATURAL 99 A. Undergro 100 Operation 101 814 Operation	Used in Utility Operations-Credit (Total of lines 91 thrust Gas Supply Expenses or Gas Supply Exp. (Total of lines 77,78,85,86 thrus 89,90 cuction Expenses (Total of lines 3, 30, 58, 65, and 96) GAS STORAGE, TERMINALING AND PROCESSING	.95)	0	0
95 813 Other 96 TOTAL Other 97 TOTAL Proc 98 2. NATURAL 99 A. Undergro 100 Operation 101 814 Open	Gas Supply Expenses r Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,9- uction Expenses (Total of lines 3, 30, 58, 65, and 96) GAS STORAGE, TERMINALING AND PROCESSING	.95)	0	
96 TOTAL Other 97 TOTAL Proc 98 2. NATURAL 99 A. Undergro 100 Operation 101 814 Oper	r Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,9) uction Expenses (Total of lines 3, 30, 58, 65, and 96) GAS STORAGE, TERMINALING AND PROCESSING			
97 TOTAL Proc 98 2. NATURAL 99 A. Undergro 100 Operation 101 814 Oper	uction Expenses (Total of lines 3, 30, 58, 65, and 96) GAS STORAGE, TERMINALING AND PROCESSING		54,986,474	
98 2. NATURAL 99 A. Undergro 100 Operation 101 814 Opera	GAS STORAGE, TERMINALING AND PROCESSING			68,521,799
99 A. Undergro 100 Operation 101 814 Oper	en la compositación de la		55,289,366	68,769,421
100 Operation 101 814 Oper	ind Storage Expenses	EXPENSES	THE STATE OF	
101 814 Open				
102 815 Mane	tion Supervision and Engineering		0	
102 Old Maha	and Records		0	
103 816 Wells	Expenses		0	
104 817 Lines	Expense	Name of the state	0	
105 818 Com	ressor Station Expenses		0	
106 819 Com	ressor Station Fuel and Power		0	(
107 820 Meas	uring and Regulating Station Expenses		0	24
108 821 Purifi	ation Expenses		0	
109 822 Explo	ration and Development		0	
110 823 Gas	osses		0	
111 824 Other	Expenses		0	
112 825 Stora	ge Well Royalties		0	
113 826 Rents			0	
114 TOTAL Ope	ation (Total of lines of 101 thru 113)		0	24

Duke	e of Respondent Energy Kentucky, Inc.	This Report Is: (1) XAn Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report End of 2011/Q4
	Gas Operation and I	Maintenance Expenses(continu	ed)	
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
115	Maintenance			· 医多足 · 医含素
116	830 Maintenance Supervision and Engineering		0	0
117	831 Maintenance of Structures and Improvements		0	C
118	832 Maintenance of Reservoirs and Wells		0	C
119	833 Maintenance of Lines		0	C
20	834 Maintenance of Compressor Station Equipment		0	C
121	835 Maintenance of Measuring and Regulating Station Equip	ment	0	0
122	836 Maintenance of Purification Equipment		0	C
123	837 Maintenance of Other Equipment		0	C
124	TOTAL Maintenance (Total of lines 116 thru 123)		0	
125	TOTAL Underground Storage Expenses (Total of lines 114 and	124)	0	24
126	B. Other Storage Expenses		10000000000000000000000000000000000000	
127	Operation			
128	840 Operation Supervision and Engineering		0	
129	841 Operation Labor and Expenses		0	
130	842 Rents		0	
131	842.1 Fuel		0	
132	842.2 Power		0	
133	842.3 Gas Losses		0	
134	TOTAL Operation (Total of lines 128 thru 133)		0	
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering		0	
137	843.2 Maintenance of Structures		0	
138	843.3 Maintenance of Gas Holders		0	
139	843.4 Maintenance of Purification Equipment		0	
140	843.5 Maintenance of Liquefaction Equipment		0	
141	843.6 Maintenance of Vaporizing Equipment		0	
142	843.7 Maintenance of Compressor Equipment		0	
143	843.8 Maintenance of Measuring and Regulating Equipment		0	
144	843.9 Maintenance of Other Equipment		0	
145	TOTAL Maintenance (Total of lines 136 thru 144)		0	
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)		0	

148 O	Gas Operation and Mainten Account (a) Liquefied Natural Gas Terminaling and Processing Expenses	ance Expenses(continued	Amount for Current Year (b)	Amount for
No. 147 C. L	(a)		Current Year	
148 O	Liquefied Natural Gas Terminaling and Processing Expenses		(0)	Previous Year (c)
		C C C C C C C C C C C C C C C C C C C		
140 9	peration			
143 0	44.1 Operation Supervision and Engineering		0	0
150 84	44.2 LNG Processing Terminal Labor and Expenses		0	0
151 8	44.3 Liquefaction Processing Labor and Expenses	The Market State of the State o	0	0
152 8	44.4 Liquefaction Transportation Labor and Expenses		0	0
153 8	144.5 Measuring and Regulating Labor and Expenses		0	0
154 B	44.6 Compressor Station Labor and Expenses		0	0
155 B	44.7 Communication System Expenses		0	0
156 8	144.8 System Control and Load Dispatching		0	0
157 8	345.1 Fuel		0	0
158 8	345.2 Power		0	0
159 8	345.3 Rents		0	0
160 8	345.4 Demurrage Charges		0	0
161 (1	less) 845.5 Wharfage Receipts-Credit		0	0
162 8	345.6 Processing Liquefied or Vaporized Gas by Others		0	0
163 8	346.1 Gas Losses		0	0
164 8	346.2 Other Expenses		0	0
165 TO	OTAL Operation (Total of lines 149 thru 164)	age and a second	0	0
166 M	faintenance			
167 8	347.1 Maintenance Supervision and Engineering		0	0
168 8	347.2 Maintenance of Structures and Improvements	A MARINE PARENT	0	0
169 8	347.3 Maintenance of LNG Processing Terminal Equipment		0	0
170 8	847.4 Maintenance of LNG Transportation Equipment		0	0
171 8	847.5 Maintenance of Measuring and Regulating Equipment		0	0
172 8	847.6 Maintenance of Compressor Station Equipment		0	0
173 8	847.7 Maintenance of Communication Equipment		0	0
174 8	847.8 Maintenance of Other Equipment		0	0
175 TO	OTAL Maintenance (Total of lines 167 thru 174)		0	0
176 TO	OTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165	i and 175)	0	0
177 TO	OTAL Natural Gas Storage (Total of lines 125, 146, and 176)		0	24

Amount for Current Year	Amount for Previous Year
Current Year	
	(c)
STATE OF THE STATE OF	AND STATE
0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	
0	0
68,606	13,010
0	
68,606	13,010
0	
0	
0	
0	
0	C
0	Principle C
0	
0	(
68,606	13,010
电影	
MARKET FEET	
9,376	9,334
176,867	145,842
0	
0	

Duk	e of Respondent e Energy Kentucky, Inc.		port Is:]An Original]A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report End of 2011/Q4
	Gas Operation and Mai			d)	
ine No.	Account (a)			Amount for Current Year (b)	Amount for Previous Year (c)
08	874 Mains and Services Expenses		THE SHOP I	1,828,624	1,715,933
09	875 Measuring and Regulating Station Expenses-General	447	The Charles Control (A)	5,355	32,028
10	876 Measuring and Regulating Station Expenses-Industrial			38,197	31,911
11	877 Measuring and Regulating Station Expenses-City Gas Chec	k Station		0	
12	878 Meter and House Regulator Expenses			474,720	186,972
13	879 Customer Installations Expenses	1-110		1,239,450	1,154,549
14	880 Other Expenses			630,468	589,369
15	881 Rents			161,510	387,624
16	TOTAL Operation (Total of lines 204 thru 215)		Maria Caran	4,564,567	4,253,562
17	Maintenance			STATE MAN BOAR	
18	885 Maintenance Supervision and Engineering			38,525	24,493
19	886 Maintenance of Structures and Improvements			0	0
20	887 Maintenance of Mains			403,553	477,915
21	888 Maintenance of Compressor Station Equipment			0	0
22	889 Maintenance of Measuring and Regulating Station Equipme	nt-General		26,019	46,549
23	890 Maintenance of Meas, and Reg. Station Equipment-Industria	al		1,925	8,490
24	891 Maintenance of Meas. and Reg. Station Equip-City Gate Ch	eck Station		0	
25	892 Maintenance of Services			848,507	758,115
26	893 Maintenance of Meters and House Regulators			249,858	294,785
27	894 Maintenance of Other Equipment			49,415	19,116
28	TOTAL Maintenance (Total of lines 218 thru 227)			1,617,802	1,629,463
29	TOTAL Distribution Expenses (Total of lines 216 and 228)	-		6,182,369	5,883,025
30	5. CUSTOMER ACCOUNTS EXPENSES			A	
31	Operation				
32	901 Supervision			282	569
33	902 Meter Reading Expenses			659,485	661,780
234	903 Customer Records and Collection Expenses			3,257,712	2,970,386

	e of Respondent e Energy Kentucky, Inc.	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report End of 2011/Q4
200	Gas Operation and I	Maintenance Expenses(continu	ed)	
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts		925,068	925,196
236	905 Miscellaneous Customer Accounts Expenses		0	0
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 23	36)	4,842,547	4,557,931
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		三公司	
239	Operation			
240	907 Supervision		0	0
241	908 Customer Assistance Expenses		132,457	138,390
242	909 Informational and Instructional Expenses		3,923	13,140
243	910 Miscellaneous Customer Service and Informational Expe	nses	1,330,567	982,628
244	TOTAL Customer Service and Information Expenses (Total of li	nes 240 thru 243)	1,466,947	1,134,158
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision		2,301	0
248	912 Demonstrating and Selling Expenses		27	75
249	913 Advertising Expenses		34,826	12,557
250	916 Miscellaneous Sales Expenses		0	0
251	TOTAL Sales Expenses (Total of lines 247 thru 250)		37,154	12,632
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			州宗思维节政
253	Operation			
254	920 Administrative and General Salaries		2,023,847	3,010,311
255	921 Office Supplies and Expenses		1,479,614	1,368,441
256	(Less) 922 Administrative Expenses Transferred-Credit		(110)	10
257	923 Outside Services Employed		1,332,913	1,265,096
258	924 Property Insurance		210,573	139,562
259	925 Injuries and Damages		136,517	105,968
260	926 Employee Pensions and Benefits		2,372,491	2,288,199
261	927 Franchise Requirements		0	0
262	928 Regulatory Commission Expenses		284,622	624,440
263	(Less) 929 Duplicate Charges-Credit		247,938	186,583
264	930.1General Advertising Expenses		5,727	7,126
265	930.2Miscellaneous General Expenses		201,211	190,691
266	931 Rents		679,221	483,223
267	TOTAL Operation (Total of lines 254 thru 266)		8,478,908	9,296,464
268	Maintenance			
269	932 Maintenance of General Plant		56,000	134,034
270	TOTAL Administrative and General Expenses (Total of lines 26	7 and 269)	8,534,908	9,430,498
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237	,244,251, and 270)	76,421,897	89,800,699

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
	FOOTNOTE DATA		

Schedule Page: 317 Line No.: 3 Column: b		
OPERATION:	2011	2010
711 Gas Boiler Labor	2011 \$4,725	2010 \$4,815
712 Other Power Expenses	4,641	5,758
717 Liquified Petroleum Gas Expense	37,671	89,907
728 Liquified Petroleum Gas	56,321	39,990
735 Misc. Production Expense	22,961	26,118
736 Gas Raw Material - Rents	67,000	67,000
Total Operation	\$193,319	\$233,588
Maintenance:		
742 Production Equipment	109,573	14,034
Total Maintenance	109,573	14,034
Total Manufactured Gas Production	\$302,892	\$247,622

Duke Energy Kentucky
Case No. 2016-00159
Second Set Data Pagasata

Staff's Second Set Data Requests Date Received: June 13, 2016

STAFF-DR-02-002

REQUEST:

Refer to the responses to Staff's Initial Request, Item 3.a.

a. By year, for the past five years, provide the level of Contract Labor, Material

Company Labor, and Contingency costs.

b. Recognizing that each of the cost items that make up the \$2,185,380.50 estimated

total cost were not specifically included in base rates in the last rate case, explain

for each specific item why Duke Kentucky considers it to be an incremental cost.

RESPONSE:

a. While the Company routinely incurs Contractor Labor, Material, Company Labor

and contingency costs for its projects and normal operations, referring specifically

to the costs identified in response to Staff Item 3a, the Company has not incurred

expenses for pressure testing at the level similar to those proposed during the last

5 years. The costs identified in response to Staff Item 3a was specific to the

pressure testing necessitated as a result of the recently completed records review

prompted by PHMSA guidance issued in 2011. The estimated costs were based

primarily upon contractor responses to the Company's RFP for this specific

project. These responses were compared to what the Company has experienced

for contractor proposals in other integrity-related projects and determined to be

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reasonable and consistent. There are no historical costs for this project as this is a

new stream of work.

b. Please see paragraph 10 to the Company's Application in this proceeding. The

need to conduct this pressure testing was not known at the time of the Company's

last base rate case. The cost of performing this work was therefore neither known

nor anticipated. The need to perform this work was not discovered or determined

until the Company first completed its record compliance survey and evaluation to

determine what additional steps were necessary, if any, to satisfy PHMSA

requirements based upon guidance issued in 2011.

PERSON RESPONSIBLE: John Hill

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Duke Energy Kentucky Case No. 2016-00159

Staff's Second Set Data Requests

Date Received: June 13, 2016

STAFF-DR-02-003

REQUEST:

Does Duke Kentucky believe that any cost that was not specifically included in the

expense items that were used to determine the revenue requirement in the last case to be

an incremental cost? Explain why or why not.

RESPONSE:

Any cost not included in the cost of service in the most recent base rate case is

necessarily incremental. That such cost did not exist at the time of the prior base rate

case but does exist now makes it, by definition, incremental.

PERSON RESPONSIBLE: William Don Wathen, Jr

Duke Energy Kentucky Case No. 2016-00159

Staff's Second Set Data Requests Date Received: June 13, 2016

STAFF-DR-02-004

REOUEST:

If the Commission authorizes Duke Kentucky to defer the estimated \$2.2 million as

requested, is Duke Kentucky opposed to current amortization of the deferred amount?

Explain your response.

RESPONSE:

It is not clear what "current amortization" the question is referring to. The Company is

not currently amortizing this expense.

Additionally, to the extent the question is asking whether Duke Energy Kentucky

can defer and then amortize the expense over some period of time, accounting rules

would not allow such treatment. A regulatory asset would only be created if there was

reasonable assurance of recovery of the underlying cost. Without such assurance,

typically granted by the regulator, i.e., the Kentucky Public Service Commission, a utility

would have to expense the underlying costs at the time of incurrence, which, in this case

would negatively impact its financial condition.

PERSON RESPONSIBLE: William Don Wathen, Jr