

2nd Quarter

DUKE ENERGY KENTUCKY, INC
GAS COST ADJUSTMENT CLAUSE

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM June 1, 2016 THROUGH June 29, 2016

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	3.462
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	0.000
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.074
BALANCE ADJUSTMENT (BA)	\$/MCF	0.039
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	<u>3.575</u>

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	3.462

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	<u>0.000</u>

ACTUAL ADJUSTMENT CALCULATION

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

BALANCE ADJUSTMENT CALCULATION

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

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

DATE FILED: May 11, 2016

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 June 1, 2016

<u>DEMAND (FIXED) COSTS:</u>	\$
Columbia Gas Transmission Corp.	3,147,310
Columbia Gulf Transmission Corp.	1,223,775
KO Transmission Company	307,584
Texas Gas Transmission	684,090
Gas Marketers	108,239
TOTAL DEMAND COST:	5,470,998
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	9,859,098 MCF
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$5,470,998 / 9,859,098 MCF \$0.555 /MCF
 <u>COMMODITY COSTS:</u>	
Gas Marketers	\$2.829 /MCF
Gas Storage	\$0.000 /MCF
Columbia Gas Transmission	\$0.000 /MCF
Propane	\$0.000 /MCF
COMMODITY COMPONENT OF EGC RATE:	\$2.829 /MCF
Other Costs:	
Net Charge Off ⁽¹⁾	\$17,952 / 231,569 \$0.078 /MCF
TOTAL EXPECTED GAS COST:	\$3.462 /MCF

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

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

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

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GAS TRANSMISSION, LLC				
TARIFF RATE EFFECTIVE DATE : FSS: 2/1/2015				
SST: 2/1/2016				
<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	5.4950	19,828	6	653,729
Maximum Daily Quantity	5.4950	39,656	6	1,307,458
CAPACITY RELEASE CREDIT				0
TOTAL COLUMBIA GAS TRANSMISSION, LLC - DEMAND CHARGES				3,147,310
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
TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES				1,223,775

Currently Effective Rates
 Applicable to Rate Schedule FSS
 Rate Per Dth

Rate Schedule FSS	Base Tariff Rate 1/	Transportation Cost		Electric Power		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
		Rate Adjustment Current	Surcharge	Costs Adjustment Current	Surcharge			
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

4.451 + 1.044 = 5.495

Rate Schedule SST	Base Tariff Rate 1/2/	TCRA Rates	EPCA Rates	OTRA Rates	CCRM Rates	Total Effective Rate 2/	Daily Rate 2/
Reservation Charge 3/4/	\$ 4.601	0.232	0.070	0.073	1.044	6.020	0.1979
Commodity	1.02	-0.07	0.84	0.00	0.00	1.79	1.79
Maximum	1.02	-0.07	0.84	0.00	0.00	1.79	1.79
Minimum	16.15	0.69	1.07	0.24	3.43	21.58	21.58
Overrun 4/	1.02	-0.07	0.84	0.00	0.00	1.79	1.79

- 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.

.0179 withdrawn rate
 + .0014 ACA
 .0143 injection rate



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.

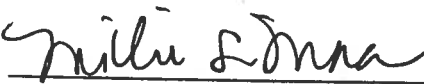
If you are in agreement with the above amendment, please execute both originals of this letter and return one to Transporter at the above address, Attention: Jackie Sydnor, 8th floor North.

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

DUKE ENERGY KENTUCKY, INC.

COLUMBIA GAS TRANSMISSION, LLC

By: 

By: 

Its: EVPA and COO, REGULATED UTILITIES

Its: VP, Customer Services & Navigates



RETAINAGE PERCENTAGES

Transportation Retainage	2.042%	<i>SST fuel %</i>
Gathering Retainage	3.500%	
Storage Gas Loss Retainage	0.150%	<i>fss fuel %</i>
Ohio Storage Gas Lost Retainage	0.250%	
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> (1) 1/	<u>Total Effective Rate</u> (2) 1/	<u>Daily Rate</u> (3) 1/
<u>Market Zone</u>			
Reservation Charge			
Maximum	4.2917	4.2917	0.1411
Minimum	0.000	0.000	0.000
Commodity			
Maximum	0.0109	0.0109+0.014=0.023	0.0109
Minimum	0.0109	0.0109	0.0109
Overrun			
Maximum	0.1520	0.1520	0.1520
Minimum	0.0109	0.0109	0.0109

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

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

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

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : KO TRANSMISSION COMPANY				
TARIFF RATE EFFECTIVE DATE : 4/1/2015				
<u>BILLING DEMAND - TARIFF RATE - FT</u>				
Maximum Daily Quantity	0.3560	72,000	12	307,584
CAPACITY RELEASE CREDIT				0
TOTAL KO TRANSMISSION CO. DEMAND CHARGES				307,584
INTERSTATE PIPELINE : Texas Gas Transmission				
TARIFF RATE EFFECTIVE DATE : 1/15/2014				
<u>BILLING DEMAND - TARIFF RATE - STE</u>				
Maximum Daily Quantity	0.1950	18,000	151	530,010
Maximum Daily Quantity	0.1200	6,000	214	154,080
CAPACITY RELEASE CREDIT				0
TOTAL TEXAS GAS TRANSMISSION CO. DEMAND CHARGES				684,090
GAS MARKETERS FIXED CHARGES				
November - March	0.0057	10,441,792		59,099
December - February	0.1092	450,000		49,140
TOTAL GAS MARKETERS FIXED CHARGES				108,239

KO Transmission Company

Effective Date: 04/01/2016

Status: Effective

FERC Docket: RP16-00695-000

FERC Order: Delegated Letter Order

Order Date: 03/30/2016

Part 3, Currently Effective Rates, 10.0.0

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

RATE LEVELS - RATE PER DTH

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

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

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

Transportation Retainage Adjustment 0.882%

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



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

January 15, 2014

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

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

Dear Jeff:

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

1. Texas Gas shall provide primary firm service under the Agreement from Primary Receipt Point(s) to the Primary Delivery Point(s) listed in the attached Exhibit A. The rates charged for this service also shall be set forth in Exhibit A.
 - (a) The Contract Demand(s) for this Agreement shall be: 18,000 MMBtu per day each November – March
6,000 MMBtu per day each April - October
2. The rates in Exhibit A are applicable only for transportation service utilizing the Primary Point(s) specifically listed on Exhibit A, up to Customer's Contract Demand. The rates in Exhibit B are applicable only for transportation service utilizing the eligible secondary point(s) specifically listed on Exhibit B. If Customer utilizes any other receipt or delivery point, then the applicable maximum rate(s), including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff, shall apply unless the parties amend Exhibits A and/or B in writing, pursuant to the requirements of the Tariff and prior to nomination, to include such transportation service. If Customer or its Replacement Shipper(s) deliver gas to a point not listed on Exhibit A or B, Customer shall pay the maximum applicable rate for the quantity delivered to such point(s), up to Customer's Contract Demand.
3. This Agreement shall be effective beginning April 1, 2014 and shall continue in full force and effect through October 31, 2017.
4. All rates and services described in this Agreement are subject to the terms and conditions of Texas Gas' Tariff. Texas Gas shall have no obligation to make refunds to Customer unless the maximum rate ultimately established by the FERC for any service described herein is less than the rate paid by Customer under this Agreement. Texas Gas shall have the unilateral right to file with the appropriate regulatory authority and make

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

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

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

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

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

Very Truly Yours,

TEXAS GAS TRANSMISSION, LLC

By: *David W Maselcy*

Name: DAVID W MASELCY

Title: V.P., Southern/Midwest Markets

Date: 1/27/14

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

DUKE ENERGY KENTUCKY, INC.

By: *Keith Trent*

Name: Keith Trent

Title: EVP & COO-Reg. Utilities

As To Form
OK

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

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

EXHIBIT A

Primary Receipt Point(s)

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

Primary Delivery Point(s)

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

Rate(s)

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

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

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

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

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

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

EXHIBIT B

Eligible Secondary Receipt Point(s)

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

Eligible Secondary Delivery Point(s)

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

Rate(s)

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

**Duke Energy Kentucky
Gas Resources
Supply Portfolio - November 2015 - March 2016
Reservation Fees**

			Dth per Day					Total Volume	Reserv. Fee	Total Cost
			Nov	Dec	Jan	Feb	Mar			
Chevron										
Columbia (Mainline)	Base	Fixed	1,500	1,500	1,500	1,500	1,500	228,000	\$0.0000	\$0.
Columbia (Mainline)	Swing	GD	9,733	8,000	6,466	6,666	9,733	1,235,473	\$0.0050	\$6,177.
Texas Gas Zone 1	Swing	GD	6,157	5,491	5,491	5,491	6,157	875,258	\$0.0050	\$4,376.
Total								<u>2,338,731</u>		<u>\$10,553.</u>
Conoco										
Columbia (Mainline)	Base	Fixed	5,500	5,500	5,500	5,500	5,500	836,000	\$0.0000	\$0.0
Total								<u>836,000</u>		<u>\$0.0</u>
NextEra										
Columbia (Mainline)	Base	FOMI	0	2,600	4,900	4,600	0	365,900	\$0.0000	\$0.0
Total								<u>365,900</u>		<u>\$0.0</u>
Sequent										
Columbia (Mainline)	Swing	GD	9,733	7,999	6,467	6,667	9,733	1,235,502	\$0.0050	\$6,177.5
Texas Gas	Swing	GD	6,157	5,490	5,490	5,490	6,157	875,167	\$0.0050	\$4,375.8
Total								<u>2,110,669</u>		<u>\$10,553.3</u>
Shell										
Columbia (Mainline)	Base	Fixed	5,000	5,000	5,000	5,000	5,000	760,000	\$0.0000	\$0.00
Total								<u>760,000</u>		<u>\$0.00</u>
Twin Eagle										
Columbia Backhaul (Leach)	Swing	GD	9,026	9,026	9,026	9,026	9,026	1,371,952	\$0.0200	\$27,439.04
Total								<u>1,371,952</u>		<u>\$27,439.04</u>
BP Energy										
Columbia (Mainline)	Base	Fixed	1,300	1,300	1,300	1,300	1,300	197,600	\$0.0000	\$0.00
Columbia (Mainline)	Base	FOMI	0	2,600	4,900	4,600	0	365,900	\$0.0000	\$0.00
Texas Gas	Base	FOMI	0	2,000	2,000	2,000	0	182,000	\$0.0000	\$0.00
Total								<u>547,900</u>		<u>\$0.00</u>
BG Energy										
Columbia (Mainline)	Swing	GD	9,733	8,000	6,466	6,666	9,733	1,235,473	\$0.0050	\$6,177.37
Texas Gas	Swing	GD	6,157	5,490	5,490	5,490	6,157	875,167	\$0.0050	\$4,375.84
Total								<u>2,110,640</u>		<u>\$10,553.20</u>
Total Firm Supply								<u>10,441,792</u>		<u>\$59,099.24</u>
25 Day Peaking Service (South)										
Twin Eagle (Lebanon)		GD+\$0.1500		18,000	18,000	18,000		1,638,000	\$0.0300	\$49,140.00
Total								<u>1,638,000</u>		<u>\$49,140.00</u>
Total Duke Energy Kentucky								<u>12,079,792</u>		<u>\$108,239.24</u>

$$18,000 \times 25 \text{ days} = 450,000$$

**DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 6/1/2016**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ 59,099 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 10,441,792 Dth (2)

CALCULATED RATE: \$ 0.0057 per Dth

(1) Reservation charges billed by firm suppliers for 2015 - 2016.

(2) Contracted volumes for the 2015 - 2016 winter season.

**DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM NEEDLE PEAKING SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 6/1/2016**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ \$49,140.00 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 450,000 Dth (2)

CALCULATED RATE: \$ 0.1092 per Dth

(1) Reservation charges billed by needle peaking suppliers for 2015 - 2016

(2) Contracted volumes for the 2015 - 2016 winter season.

GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY

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

GAS COMMODITY RATE FOR JUNE, 2016:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$2.5719	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0360	\$2.6079	\$/Dth
DTH TO MCF CONVERSION	1.0846	\$0.2206	\$2.8285	\$/Mcf
ESTIMATED WEIGHTING FACTOR	100.000%		\$2.8285	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$2.829	\$/Mcf

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	2.042%	\$0.0697	\$3.4839	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0179	\$3.5018	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0014	\$3.5032	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0490	\$3.5522	\$/Dth
DTH TO MCF CONVERSION	1.0846	\$0.3005	\$3.8527	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.000	\$/Mcf

PROPANE :

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

(1) Weighted average cost of gas based on NYMEX prices on 5/9/16 and contracted hedging prices.

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

February 29, 2016

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD		
December 1, 2015	THROUGH	February 29, 2016
	\$	7.35
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		
		0.9985
REFUNDS INCLUDING INTEREST (\$7.35 x 0.9985)		
	\$	7.34
DIVIDED BY TWELVE MONTH SALES ENDED		
	MCF	9,903,544
CURRENT SUPPLIER REFUND ADJUSTMENT		
	\$/MCF	<u>0.000</u>

DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED

February 29, 2016

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		
Columbia Gulf		7.35
TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA		
	\$	<u>7.35</u>
RAU		

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
ACTUAL ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED **February 29, 2016**

DESCRIPTION	UNIT	DECEMBER	JANUARY	FEBRUARY
<u>SUPPLY VOLUME PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	MCF	1,081,720	2,074,078	1,625,616
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	567	30,368	19,286
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	19,992	(860)	15,598
TOTAL SUPPLY VOLUMES	MCF	1,102,279	2,103,586	1,660,500
<u>SUPPLY COST PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	\$	4,298,879	7,151,892	5,585,318
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	7,923	397,250	255,647
OTHER COSTS (SPECIFY):		0	0	0
GAS COST UNCOLLECTIBLE	\$	(7,944)	(4,063)	(37,650)
MANAGEMENT FEE	\$	(68,900)	(68,900)	(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	(140)	(172)
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	4,229,958	7,476,039	5,734,243
<u>SALES VOLUMES</u>				
JURISDICTIONAL	MCF	980,883.3	1,593,995.1	1,740,655.9
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	980,883.3	1,593,995.1	1,740,655.9
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	4.312	4.690	3.294
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	3.613	3.436	3.684
DIFFERENCE	\$/MCF	0.699	1.254	(0.390)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	980,883.3	1,593,995.1	1,740,655.9
EQUALS MONTHLY COST DIFFERENCE	\$	685,637.43	1,998,869.86	(678,855.80)
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			2,005,651.49
PRIOR PERIOD ADJUSTMENT - GAS COST UNCOLLECTIBLE REVISION	\$			(15,060.15)
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			1,990,591.34
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>May 31, 2017</u>	MCF			9,903,544
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			0.201
AAU				

**GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
BALANCE ADJUSTMENT
DETAILS FOR THE TWELVE MONTH PERIOD ENDED February 29, 2016**

DESCRIPTION	UNIT	AMOUNT
<u>RECONCILIATION OF A PREVIOUS GAS COST VARIANCE</u>		
GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE	March 3, 2015	\$ 4,625,092.11
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$	0.445 /MCF	
APPLIED TO TOTAL SALES OF <u>9,141,698</u> MCF		
(TWELVE MONTHS ENDED February 29, 2016)		\$ <u>4,068,055.71</u>
BALANCE ADJUSTMENT FOR THE "AA"		\$ <u>557,036.40</u>
<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND</u>		
SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE	March 3, 2015	\$ 0.00
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$	0.000 /MCF	
APPLIED TO TOTAL SALES OF <u>9,141,698</u> MCF		
(TWELVE MONTHS ENDED February 29, 2016)		\$ <u>0.00</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>0.00</u>
<u>RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT</u>		
AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE	March 3, 2015	\$ (39,323.67)
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$	(0.004) /MCF	
APPLIED TO TOTAL SALES OF <u>9,141,698</u> MCF		
(TWELVE MONTHS ENDED February 29, 2016)		\$ <u>(36,566.80)</u>
BALANCE ADJUSTMENT FOR THE "BA"		\$ <u>(2,756.87)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT		\$ <u>554,279.53</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED May 31, 2017	MCF	<u>9,903,544</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u><u>0.056</u></u>

DUKE ENERGY KENTUCKY
SUPPLEMENTAL INFORMATION
FOR THE EXPECTED GAS COST (EGC) RATE CALCULATION
OF THE GAS COST RECOVERY RATE
IN EFFECT AS OF JUNE 1, 2016

2nd 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	-0.0027
PAYMENT	0.083212
ANNUAL TOTAL	0.9985
MONTHLY INTEREST AMOUNT	(0.000225) 1

DECEMBER	2014	0.17	
JANUARY	2015	0.16	
FEBRUARY	2015	0.14	
MARCH	2015	0.13	
APRIL	2015	0.11	
MAY	2015	0.17	
JUNE	2015	0.21	
JULY	2015	0.22	
AUGUST	2015	0.30	
SEPTEMBER	2015	0.29	
OCTOBER	2015	0.14	
NOVEMBER	2015	0.33	2.37
DECEMBER	2015	0.57	2.77

PRIOR ANNUAL TOTAL	2.37
PLUS CURRENT MONTHLY R	0.57
LESS YEAR AGO RATE	0.17
NEW ANNUAL TOTAL	2.77
AVERAGE ANNUAL RATE	0.23
LESS 0.5% (ADMINISTRATIVE	(0.27)

DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA a/m/a GCR COMPONENTS
MONTH: December 2015

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BILL CODE	MCF Usage REPORTED SALES (3.6)	Exptd Gas Cost EGC (\$ (18 96)	RECONCILIATION ADJUSTMENT				ACTUAL ADJUSTMENT				BALANCE ADJUSTMENT						
			CURRENT 0.000	PREVIOUS 0.000	SEC.PREV. 0.000	THRD.PREV. 0.000	TOTAL RA	CURRENT 0.040	PREVIOUS (0.369)	SEC.PREV. 0.016	THRD.PREV. 0.445	TOTAL AA	CURRENT 0.028	PREVIOUS (0.045)	SEC.PREV. (0.043)	THRD.PREV. (0.004)	TOTAL BA
074	5.266		0.00	0.00	0.00	0.00	698.43			698.43	27,448.47					(6.28)	
084	3.6	19.25	0.00	0.00	0.00	0.00	(16.82)			(16.82)	0.15				0.15	(6.28)	
104	1.0	5.519	0.00	0.00	0.00	0.00	(193.04)			(193.04)	1.74				1.74	(6.28)	
114	0.6	3.05	0.00	0.00	0.00	0.00											
124	0.3	1.45	0.00	0.00	0.00	0.00											
144	7.9	4.877	0.00	0.00	0.00	0.00											
154	115.9	4.967	0.00	0.00	0.00	0.00											
164	(1,157.8)	5.122	0.00	0.00	0.00	0.00											
015	(204.5)	4.793	0.00	0.00	0.00	0.00											
035	407.8	1,714.90	0.00	0.00	0.00	0.00											
045	1,589.5	4,127	0.00	0.00	0.00	0.00											
065	(37.8)	3,659	0.00	0.00	0.00	0.00											
075	(433.8)	3,796	0.00	0.00	0.00	0.00											
085	200.8	4,010	0.00	0.00	0.00	0.00											
105	(95.9)	3,972	0.00	0.00	0.00	0.00											
115	(324.3)	3,906	0.00	0.00	0.00	0.00											
125	(416.0)	3,986	0.00	0.00	0.00	0.00											
145	(535.5)	3,782	0.00	0.00	0.00	0.00											
155	1,486.5	4,287	0.00	0.00	0.00	0.00											
165	980,302.6	3,541,833.29	0.00	0.00	0.00	0.00											
TOTAL RETAIL	980,993.3	3,543,783.8	39,212.10	(361,929.08)	15,689.81	436,861.89	129,834.72	27,448.47	(44,137.69)	(42,166.40)	(3,926.85)	(62,782.47)					
TRANSPORTATION: IFT3 Customer Choice Program (GCAT):			CONTROL CK				CONTROL CK				CONTROL CK						
084			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	
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	
174			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	
025			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	
055			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	
095			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	
135			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	
FT CHOICE	7,252.6		290.10	(2,876.21)	116.04	3,227.41	957.34	203.07	(326.37)	(311.86)	(29.01)	(464.17)					
TOTAL FOR CHOICE	7,252.6		290.10	(2,876.21)	116.04	3,227.41	957.34	203.07	(326.37)	(311.86)	(29.01)	(464.17)					
TOTAL FOR Gas Cost Recovery (GCR)			CONTROL CK				CONTROL CK				CONTROL CK						
TOTAL FOR Gas Cost Recovery (GCR)			39,502.20	(364,605.29)	15,605.85	440,089.30	130,792.06	27,651.54	(44,464.06)	(42,478.26)	(3,955.86)	(63,246.54)					
Firm Transportation: IFT			CONTROL CK				CONTROL CK				CONTROL CK						
Firm Transportation: IFT			168,766.1														
Interruptible Transportation: IT01			CONTROL CK				CONTROL CK				CONTROL CK						
Interruptible Transportation: IT01			115,857.0														
Grand Total			1,272,759.0														
ADJUSTED EGC			3,613														

Fatten, Dana:
979,601.3 + 61.4 + 476 + 163.9

JE ID - KUNBIL AMZ

Grand Total 1,272,759.0 lies to last pg of A
ADJUSTED EGC 3,613

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

December 2015

<u>DESCRIPTION</u>	<u>W/P</u>		<u>TOTAL AMOUNT ROUNDED</u>
PRIMARY GAS SUPPLY COST			\$
current month estimate	B1	4,213,340.60	
adjustments from prior month	B2	72,196.89	
Interruptible Transportation monthly charges by Gas Supply - PM	C	13,341.08	4,298,879
LESS: RATE SCHEDULE CF CREDIT			
current month		0.00	
adjustments		0.00	0
PLUS: INCLUDABLE PROPANE			
a/c 728-3 Erlanger	D2	7,923.44	7,923
PLUS: GAS COST UNCOLLECTIBLE			
	E	(7,944.00)	(7,944)
LESS: X-5 TARIFF			
		0.00	0
LESS Tenaska MANAGEMENT FEE			
	F	68,900.00	(68,900)
LESS: TOP TRANSP. RECOVERIES			
		0.00	0
LESS: GAS LOSSES - DAMAGED LINES			
	G	0.00	0
adjustments		0.00	0
		0.00	0
LESS: GAS COST CREDIT			
		0.00	0
LESS: FIRM TRANSPORTATION ADJUSTMENTS			
current month		0.00	
adjustments		0.00	0
TOTAL SUPPLY COSTS			4,229,958

ACCOUNTING ENTRY FOR DEFERRAL ONLY

AMOUNT

ACCTS: 191990 - Unrecv PG - Asset /191400 - Unrecv PG\$ - Liabl	685,637.43
ACCOUNT 0805002 - Unrecv PG Adj - Expense	(685,637.43)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

December 2015

<u>PARTICULARS</u>	<u>UNIT</u>	<u>W/P</u>	<u>MONTH</u> <u>December 2015</u>
<u>SUPPLY VOLUME PER BOOKS</u>			
Primary Gas Suppliers	MCF	B1	1,081,720
Utility Production	MCF		0
Includable Propane	MCF	D1	567
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	19,992
TOTAL SUPPLY VOLUMES	MCF		1,102,279
<u>SUPPLY COST PER BOOKS</u>			
Primary Gas Suppliers	\$	A1	4,298,879
Includable Propane	\$		7,923
Gas Cost Uncollectible	\$	A1	(7,944)
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	0
- Gas Sold to Remarketers	\$		0
- TOP Transp. Recoveries	\$		0
TOTAL SUPPLY COST	\$	A1	4,229,958
<u>SALES VOLUMES</u>			
Jurisdictional - Retail	MCF	H	980,883.30
Non-Jurisdictional	MCF		
Other Volumes (Specify) -	MCF		
TOTAL SALES VOLUME	MCF		980,883.3
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF		4.312
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	H	3.613
DIFFERENCE	\$/MCF		0.699
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		980,883.3
MONTHLY COST DIFFERENCE	\$		685,637.43

DUKE ENERGY COMPANY KENTUCKY

December 2015

	<u>Applied</u>		<u>Amount</u>	<u>\$/MCF</u>
	<u>MCF Sales</u>	<u>W/P</u>		
<u>GAS FUEL ADJUSTMENT BILLED</u>				
EGC - Retail	980,883.3	H	3,543,784	3.61284956
RA		H	0	
AA		H	130,792	
BA		H	<u>(63,247)</u>	
TOTAL GAS COST RECOVERY(GCR)			<u>3,611,329.22</u>	
TOTAL SALES VOLUME	980,883.3			
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>			
JURISDICTIONAL SALES	<u>980,883.3</u>			
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>				
SUPPLIER COST - CURRENT MONTH	980,883.3		4,229,958.00	4.31239680
UNRECOVERED PURCHASED GAS COST			(554,845.37)	
ROUNDING(ADD/(DEDUCT))			<u>(536.78)</u>	
TOTAL GAS COST IN REVENUE			<u>3,674,575.85</u>	
TOTAL GAS COST RECOVERY(GCR)			3,611,329.22	
LESS: RA			0.00	
BA			<u>(63,246.64)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			<u> </u>	
			<u>3,548,082.58</u>	
UNRECOVERED PURCHASED GAS COST ENTRY			(554,845.37)	
LESS: AA			<u>130,792.06</u>	
MONTHLY COST DIFFERENCE			(685,637.43)	
EXTENDED MONTHLY COST DIFFERENCE			<u>(686,174.21)</u>	
ROUNDING			<u>(536.78)</u>	

DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA and/or GCR COMPONENTS
MONTH: January

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Bill Code	MCF Usage Reported	MCF SALES	Exptd Gas Cost EGC \$	RECONCILIATION ADJUSTMENT			ACTUAL ADJUSTMENT			BALANCE ADJUSTMENT			TOTAL BA		
				CURRENT	PREVIOUS	SEC.PREV.	CURRENT	PREVIOUS	SEC.PREV.	CURRENT	PREVIOUS	SEC.PREV.			
004	0.0	5.348	0.00	0.00	0.00	0.00	211.33	(46.19)	(46.19)	211.33	(1.90)	0.42	(1.90)		
104	0.0	5.519	0.00	0.00	0.00	0.00	(84.59)	(84.59)	(84.59)	(46.19)	0.42	0.76	0.42		
114	(1.5)	5.082	(7.62)	0.00	0.00	0.00	42.01	(46.61)	(46.61)	43.52	(0.38)	4.75	(4.44)		
124	(1.7)	4.834	(6.22)	0.00	0.00	0.00	(1.51)	(1.62)	(1.62)	(4.59)	4.35	0.40	4.75		
144	(2.0)	4.677	(9.35)	0.00	0.00	0.00	(1.73)	(1.73)	(1.73)	(4.81)	4.65	0.43	5.08		
154	(7.3)	4.967	(36.26)	0.00	0.00	0.00	48.89	94.76	94.76	59.96	5.70	0.53	12.19		
164	(201.2)	5.122	(1,030.55)	0.00	0.00	0.00	(114.28)	(23.63)	(137.91)	11.56	11.04	1.03	23.63		
015	(206.0)	4.793	(986.94)	0.00	0.00	0.00	(517.00)	(18.59)	(535.59)	52.28	49.96	4.65	106.89		
035	(370.1)	4.205	(1,556.27)	0.00	0.00	0.00	(505.74)	(593,689.75)	(594,195.49)	568.96	543.67	50.57	809.18		
045	474.9	4.127	1,959.91	0.00	0.00	0.00	64,356.61	25,742.64	89,999.25	(72,401.19)	(69,183.36)	(6,435.66)	(102,970.56)		
065	(103.8)	3.659	(379.80)	0.00	0.00	0.00	63,850.87	(588,451.95)	(524,601.08)	709,680.18	(60,566.05)	(6,373.15)	(102,014.02)		
075	(190.1)	3.796	(721.62)	0.00	0.00	0.00	5,477,666.75	-	5,477,666.75	-	-	-	-		
085	94.4	4.010	378.54	0.00	0.00	0.00	-	-	-	-	-	-	-		
105	(101.1)	3.972	(401.57)	0.00	0.00	0.00	-	-	-	-	-	-	-		
115	(108.1)	3.906	(422.24)	0.00	0.00	0.00	-	-	-	-	-	-	-		
125	(132.5)	3.996	(526.15)	0.00	0.00	0.00	-	-	-	-	-	-	-		
145	(256.8)	3.782	(971.22)	0.00	0.00	0.00	-	-	-	-	-	-	-		
155	(1,161.8)	4.287	(4,980.64)	0.00	0.00	0.00	-	-	-	-	-	-	-		
165	(12,643.5)	3.613	(45,680.97)	0.00	0.00	0.00	-	-	-	-	-	-	-		
016	1,608,915.3	3.439	5,533,059.72	0.00	0.00	0.00	-	-	-	-	-	-	-		
TOTAL RETAIL				1,593,995.1	5,477,666.75	-	63,850.87	(588,451.95)	25,513.68	709,680.18	210,592.78	44,895.61	(71,762.43)	(60,566.05)	
RANSPORTATION: IFT3															
Customer Choice Program (GCAT):															
094				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
134				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
174				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
025				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
095				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
095				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
135				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
026				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL FOR CHOICE				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL FOR GAS COST RECOVERY (GCR)				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FT CHOICE				8,050.6	8,050.6	-	322.02	(2,970.67)	128.81	3,582.52	1,062.68	225.42	(362.28)	(346.18)	
TOTAL FOR GAS COST RECOVERY (GCR)				0.00	0.00	0.00	64,172.89	(591,422.62)	25,642.49	713,262.70	211,655.48	44,921.03	(68,914.23)	(6,411.35)	(102,529.26)
Firm Transportation: IFT															
FT				196,662.9	196,662.9	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Interruptible Transportation: ITV1															
IT				126,136.0	126,136.0	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Grand Total				1,924,844.6	1,924,844.6	0.00	64,172.89	(591,422.62)	25,642.49	713,262.70	211,655.48	44,921.03	(68,914.23)	(6,411.35)	
ADJUSTED EGC				3,436	3,436	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Patton, Dana:
1,608,186.5 + 912 - 129.3 - 53.9

JE ID - KUNBIL AMZ

**DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF January 2016**

<u>DESCRIPTION</u>	<u>W/P</u>		<u>TOTAL AMOUNT ROUNDED</u>
PRIMARY GAS SUPPLY COST			\$
current month estimate	B1	7,163,587.80	
adjustments from prior month	B2	(13,620.53)	
Interruptible Transportation monthly charges by Gas Supply - PM	C	1,924.78	7,151,892
 LESS: RATE SCHEDULE CF CREDIT			
current month		0.00	
adjustments		0.00	0
 PLUS: INCLUDABLE PROPANE			
a/c 728-3 Erlanger	D2	397,250.42	397,250
 PLUS: GAS COST UNCOLLECTIBLE			
	E	(4,063.00)	(4,063)
 LESS: X-5 TARIFF			
		0.00	0
 LESS Tenaska MANAGEMENT FEE			
	F	68,900.00	(68,900)
 LESS: TOP TRANSP. RECOVERIES			
		0.00	0
 LESS: GAS LOSSES - DAMAGED LINES			
	G	(139.94)	(140)
		0.00	
adjustments		0.00	0
 LESS: GAS COST CREDIT			
		0.00	0
 LESS: FIRM TRANSPORTATION ADJUSTMENTS			
current month		0.00	
adjustments		0.00	0
 TOTAL SUPPLY COSTS			<u><u>7,476,039</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

AMOUNT

ACCTS: 191990 - Unrecv PG - Asset /191400 - Unrecv PG\$ - Liabl	1,998,869.86
ACCOUNT 0805002 - Unrecv PG Adj - Expense	(1,998,869.86)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH January 2016

<u>PARTICULARS</u>	<u>UNIT</u>	<u>W/P</u>	<u>MONTH</u> <u>January 2016</u>
<u>SUPPLY VOLUME PER BOOKS</u>			
Primary Gas Suppliers	MCF	B1	2,074,078
Utility Production	MCF		0
Includable Propane	MCF	D1	30,368
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	(860)
TOTAL SUPPLY VOLUMES	MCF		2,103,586
<u>SUPPLY COST PER BOOKS</u>			
Primary Gas Suppliers	\$	A1	7,151,892
Includable Propane	\$		397,250
Gas Cost Uncollectible	\$	A1	(4,063)
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	(140)
- Gas Sold to Remarketers	\$		0
- TOP Transp. Recoveries	\$		0
TOTAL SUPPLY COST	\$	A1	7,476,039
<u>SALES VOLUMES</u>			
Jurisdictional - Retail	MCF	H	1,593,995.10
Non-Jurisdictional	MCF		
Other Volumes (Specify) -	MCF		
TOTAL SALES VOLUME	MCF		1,593,995.1
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF		4.690
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	H	3.436
DIFFERENCE	\$/MCF		1.254
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		1,593,995.1
MONTHLY COST DIFFERENCE	\$		1,998,869.86

DUKE ENERGY COMPANY KENTUCKY

January 2016

	<u>Applied</u> <u>MCF Sales</u>	<u>W/P</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>				
EGC - Retail	1,593,995.1	H	5,477,667	3.43643889
RA		H	0	
AA		H	211,655	
BA		H	<u>(102,529)</u>	
TOTAL GAS COST RECOVERY(GCR)			<u>5,586,792.95</u>	
TOTAL SALES VOLUME	1,593,995.1			
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>			
JURISDICTIONAL SALES	<u>1,593,995.1</u>			
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>				
SUPPLIER COST - CURRENT MONTH	1,593,995.1		7,476,039.00	4.69012671
UNRECOVERED PURCHASED GAS COST			(1,787,214.40)	
ROUNDING(ADD/(DEDUCT))			<u>497.62</u>	
TOTAL GAS COST IN REVENUE			<u>5,689,322.22</u>	
TOTAL GAS COST RECOVERY(GCR)			5,586,792.95	
LESS: RA			0.00	
BA			<u>(102,529.26)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			<u> </u>	
			<u>5,484,263.69</u>	
UNRECOVERED PURCHASED GAS COST ENTRY			(1,787,214.40)	
LESS: AA			<u>211,655.46</u>	
MONTHLY COST DIFFERENCE			(1,998,869.86)	
EXTENDED MONTHLY COST DIFFERENCE			<u>(1,998,372.24)</u>	
ROUNDING			<u>497.62</u>	

**DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF February 2016**

<u>DESCRIPTION</u>	<u>W/P</u>	<u>TOTAL AMOUNT ROUNDED</u>
PRIMARY GAS SUPPLY COST		\$
current month estimate	B1	5,572,235.73
adjustments from prior month	B2	12,448.53
Interruptible Transportation monthly charges by Gas Supply - PA	C	<u>634.23</u>
		5,585,318
 LESS: RATE SCHEDULE CF CREDIT		
current month		0.00
adjustments		<u>0.00</u>
		0
 PLUS: INCLUDABLE PROPANE		
a/c 728-3 Erlanger	D2	<u>255,646.60</u>
		255,647
 PLUS: GAS COST UNCOLLECTIBLE		
	E	<u>(37,650.00)</u>
		(37,650)
 LESS: X-5 TARIFF		0.00
		0
 LESS Tenaska MANAGEMENT FEE		
	F	<u>68,900.00</u>
		(68,900)
 LESS: TOP TRANSP. RECOVERIES		0.00
		0
 LESS: GAS LOSSES - DAMAGED LINES		
	G	<u>(171.80)</u>
		(172)
 adjustments		0.00
		<u>0.00</u>
		0
 LESS: GAS COST CREDIT		0.00
		0
 LESS: FIRM TRANSPORTATION ADJUSTMENTS		
current month		0.00
adjustments		<u>0.00</u>
		0
 TOTAL SUPPLY COSTS		<u><u>5,734,243</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCTS: 191990 - Unrecv PG - Asset /191400 - Unrecv PG\$ - Liabl	(678,855.80)
ACCOUNT 0805002 - Unrecv PG Adj - Expense	678,855.80

DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA and/or GCR COMPONENTS
MONTH: February 2016

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BILL CODE	MCF Usage REPORTED SALES	Exptd Gas Cost EGC \$	RECONCILIATION ADJUSTMENT				ACTUAL ADJUSTMENT				BALANCE ADJUSTMENT						
			CURRENT	PREVIOUS	SEC.PREV.	THRD.PREV.	TOTAL RA	CURRENT	PREVIOUS	SEC.PREV.	THRD.PREV.	TOTAL AA	CURRENT	PREVIOUS	SEC.PREV.	THRD.PREV.	TOTAL BA
004		5.348	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	54.07	(27.23)	(27.23)	0.24	(0.49)	0.24	(0.49)
104		5.519	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(59.63)	(59.63)	0.54	0.54	0.54	0.54	
114		5.082	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.70	(11.94)	1.11	0.10	1.21	0.10	1.21
124	0.1	4.834	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.93	(19.14)	(19.83)	1.85	0.17	2.02	0.17	2.02
144	(6.4)	4.967	(31.79)							(0.41)	(37.47)	(7.75)	3.62	0.34	7.75	0.34	7.75
154	(6.4)	4.967	(31.79)							(0.69)	(124.07)	(25.65)	11.99	1.12	25.66	1.12	25.66
164	(122.7)	5.122	(628.47)							21.37	(25.77)	(5.33)	2.49	0.23	5.33	0.23	5.33
015	(54.6)	4.783	(261.70)							31.07	(37.47)	(7.75)	3.62	0.34	7.75	0.34	7.75
035	(158.7)	4.205	(687.33)							102.88	(124.07)	(25.65)	11.99	1.12	25.66	1.12	25.66
045	121.5	4.127	501.43							7.845	(9.46)	(1.61)	9.14	85.04	1,360.65	85.04	1,360.65
065	(61.2)	3.659	(223.95)							7.845	(9.46)	(1.61)	9.14	85.04	1,360.65	85.04	1,360.65
075	(134.0)	3.796	(509.66)							646.74	7,194.94	2,134.23	(695.24)	(64.67)	(1,034.77)	(64.67)	(1,034.77)
085	57.9	4.010	232.18							646.74	7,194.94	2,134.23	(695.24)	(64.67)	(1,034.77)	(64.67)	(1,034.77)
105	(25.9)	3.972	(102.87)							69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
115	(43.0)	3.906	(167.96)							69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
125	(57.9)	3.986	(230.79)							69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
145	(84.2)	3.782	(318.44)							69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
155	(278.8)	4.287	(1,195.22)							69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
165	(21,260.2)	3.613	(76,813.10)							69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
016	16,168.4	3.439	55,603.13							69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
036	1,746,595.6	3.686	6,437,951.38							69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)
										69,863.82	777,235.04	230,550.61	48,904.68	(6,986.38)	(111,782.11)	(6,986.38)	(111,782.11)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

February 2016

<u>PARTICULARS</u>	<u>UNIT</u>	<u>W/P</u>	<u>MONTH</u> <u>February 2016</u>
<u>SUPPLY VOLUME PER BOOKS</u>			
Primary Gas Suppliers	MCF	B1	1,625,616
Utility Production	MCF		0
Includable Propane	MCF	D1	19,286
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	15,598
TOTAL SUPPLY VOLUMES	MCF		1,660,500
<u>SUPPLY COST PER BOOKS</u>			
Primary Gas Suppliers	\$	A1	5,585,318
Includable Propane	\$		255,647
Gas Cost Uncollectible	\$	A1	(37,650)
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	(172)
- Gas Sold to Remarketers	\$		0
- TOP Transp. Recoveries	\$		0
TOTAL SUPPLY COST	\$	A1	5,734,243
<u>SALES VOLUMES</u>			
Jurisdictional - Retail	MCF	H	1,740,655.90
Non-Jurisdictional	MCF		
Other Volumes (Specify) -	MCF		
TOTAL SALES VOLUME	MCF		1,740,655.9
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF		3.294
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	H	3.684
DIFFERENCE	\$/MCF		(0.390)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		1,740,655.9
MONTHLY COST DIFFERENCE	\$		(678,855.80)

DUKE ENERGY COMPANY KENTUCKY

February 2016

	<u>Applied</u> <u>MCF Sales</u>	<u>W/P</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>				
EGC - Retail	1,740,655.9	H	6,413,138	3.68432286
RA		H	0	
AA		H	231,483	
BA		H	(112,232)	
TOTAL GAS COST RECOVERY(GCR)			<u>6,532,389.53</u>	
TOTAL SALES VOLUME	1,740,655.9			
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>			
JURISDICTIONAL SALES	<u>1,740,655.9</u>			
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>				
SUPPLIER COST - CURRENT MONTH	1,740,655.9		5,734,243.00	3.29430015
UNRECOVERED PURCHASED GAS COST			910,338.75	
ROUNDING(ADD/(DEDUCT))			<u>39.53</u>	
TOTAL GAS COST IN REVENUE			<u>6,644,621.28</u>	
TOTAL GAS COST RECOVERY(GCR)			6,532,389.53	
LESS: RA			0.00	
BA			<u>(112,231.75)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			<u>6,420,157.78</u>	
UNRECOVERED PURCHASED GAS COST ENTRY			910,338.75	
LESS: AA			<u>231,482.95</u>	
MONTHLY COST DIFFERENCE			678,855.80	
EXTENDED MONTHLY COST DIFFERENCE			<u>678,895.33</u>	
ROUNDING			<u>39.53</u>	

