

July 11, 2016

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

Dear Mr. Greenwell:

Enclosed for electronic filing are Duke Energy Kentucky's ("Duke") "Monthly Report of Gas Cost Calculations and Tariff Schedules," for the month commencing with the August 2016 revenue month in accordance with KPSC order dated November 6, 2003 in Case No. 2003-00386. This filing is based on supplier tariff rates expected to be in effect on August 1, 2016 and the NYMEX close on July 7, 2016 for the month of August 2016. An original will be sent within the required two (2) business days.

The above described schedules and GCA are effective with the final meter readings of District 1, August 2016 revenue month (i.e., final meter readings on and after August 1, 2016).

Duke's proposed GCA is \$4.086 per Mcf. This rate represents an increase of \$0.168 per Mcf from the rate currently in effect for July 2016.

Very truly yours,

Dana Patten

Enclosure

cc: L. Schmidt

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