

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

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	4.219
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	0.000
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.388
BALANCE ADJUSTMENT (BA)	\$/MCF	0.078
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	<u>4.685</u>

GAS COST RECOVERY RATE EFFECTIVE DATES: September 29, 2016 THROUGH October 27, 2016

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	4.219

SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
SECOND PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
THIRD PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	<u>0.000</u>

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	(0.055)
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.201
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.202
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.040
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>0.388</u>

BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	(0.006)
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.056
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.000
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.028
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>0.078</u>

THIS MONTHLY REPORT FILED PURSUANT TO CASE NO. 2003-00386  
OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED November 6, 2003

DATE FILED: September 8, 2016

BY: DON WATHEN

TITLE: DIRECTOR  
Rates & Regulatory Strategy - OH/KY

**PURCHASED GAS ADJUSTMENT**  
**COMPANY NAME: DUKE ENERGY KENTUCKY, INC.**

**SUPPLEMENTAL MONTHLY REPORT**

**EXPECTED GAS COST RATE CALCULATION**

DETAILS FOR THE EGC RATE IN EFFECT AS OF  
 PROJECTED VOLUME FOR THE TWELVE MONTH PERIOD ENDED

September 29, 2016  
August 30, 2017

			\$
<b><u>DEMAND (FIXED) COSTS:</u></b>			
Columbia Gas Transmission Corp.			3,147,310
Texas Gas Transmission			684,090
Columbia Gulf Transmission Corp.			1,223,775
K O Transmission Company			307,584
ANR Pipeline			0
Gas Marketers			108,239
	<b>TOTAL DEMAND COST:</b>		<u>5,470,998</u>
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:		9,875,306	MCF
<b>DEMAND (FIXED) COMPONENT OF EGC RATE</b>	\$5,470,998	/	9,875,306 MCF <b>\$0.554 /MCF</b>
 <b><u>COMMODITY COSTS:</u></b>			
Gas Marketers			\$3.620 /MCF
Gas Storage			/MCF
Columbia Gas Transmission			\$0.000 /MCF
ANR			\$0.000
Propane			<u>\$0.000 /MCF</u>
<b>COMMODITY COMPONENT OF EGC RATE:</b>			<b>\$3.620</b>
 <b><u>OTHER COSTS:</u></b>			
Net Charge Off <sup>(1)</sup>	\$17,952	/	399,696 <b>\$0.045 /MCF</b>
 <b>TOTAL EXPECTED GAS COST:</b>			 <u><b>\$4.219 /MCF</b></u>

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

**GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY, INC.**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF : SEPTEMBER 29, 2016**



**GAS COMMODITY RATE FOR OCTOBER 2016:**

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$3.2745	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0458	\$3.3203	\$/Dth
DTH TO MCF CONVERSION	1.0901	\$0.2992	\$3.6195	\$/Mcf
ESTIMATED WEIGHTING FACTOR	100.000%		\$3.6195	\$/Mcf
<b>GAS MARKETERS COMMODITY RATE</b>			<b>\$3.620</b>	<b>\$/Mcf</b>

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$3.1093	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$3.1246	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.042%	\$0.0638	\$3.1884	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0179	\$3.2063	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0014	\$3.2077	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0449	\$3.2526	\$/Dth
DTH TO MCF CONVERSION	1.0901	\$0.2931	\$3.5457	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
<b>GAS STORAGE COMMODITY RATE - COLUMBIA GAS</b>			<b>\$0.000</b>	<b>\$/Mcf</b>

GAS STORAGE

ANR - STORAGE INVENTORY RATE			\$0.0000	\$/Dth
ANR FSS WITHDRAWAL FEE		\$0.0000	\$0.0000	\$/Dth
ANR FTS FUEL	0.000%	\$0.0000	\$0.0000	\$/Dth
DTH TO MCF CONVERSION	0.0000	\$0.0000	\$0.0000	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
<b>GAS STORAGE COMMODITY RATE - ANR</b>			<b>\$0.000</b>	<b>\$/Mcf</b>

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.79923	\$/Gallon
GALLON TO MCF CONVERSION	15.38	\$11.4929	\$12.2921	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0000%		\$0.0000	\$/Mcf
<b>PROPANE COMMODITY RATE</b>			<b>\$0.000</b>	<b>\$/Mcf</b>

(1) Weighted average cost of gas based on NYMEX prices on 9/06/2016 and contracted hedging prices.