

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

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	3.960
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>4.426</u>

GAS COST RECOVERY RATE EFFECTIVE DATES: October 28, 2016 THROUGH November 29, 2016

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	3.960

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: October 6, 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

October 28, 2016
August 30, 2017

DEMAND (FIXED) COSTS:

	<u>\$</u>
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
TOTAL DEMAND COST:	<u><u>5,470,998</u></u>

PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES: 9,875,306 MCF

DEMAND (FIXED) COMPONENT OF EGC RATE \$5,470,998 / 9,875,306 MCF **\$0.554 /MCF**

COMMODITY COSTS:

Gas Marketers	\$3.001 /MCF
Gas Storage	/MCF
Columbia Gas Transmission	\$0.386 /MCF
ANR	\$0.000
Propane	<u>\$0.000 /MCF</u>
COMMODITY COMPONENT OF EGC RATE:	\$3.387

OTHER COSTS:

Net Charge Off ⁽¹⁾ \$17,952 / 950,169 **\$0.019 /MCF**

TOTAL EXPECTED GAS COST: \$3.960 /MCF

⁽¹⁾ 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 : October 28, 2016



GAS COMMODITY RATE FOR NOVEMBER 2016:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$3.0403	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0426	\$3.0829	\$/Dth
DTH TO MCF CONVERSION	1.0913	\$0.2815	\$3.3644	\$/Mcf
ESTIMATED WEIGHTING FACTOR	89.200%		\$3.0010	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$3.001	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$3.1320	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$3.1473	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.042%	\$0.0643	\$3.2116	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0179	\$3.2295	\$/Dth
KO TRANS. COMMODITY RATE		\$0.0014	\$3.2309	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0452	\$3.2761	\$/Dth
DTH TO MCF CONVERSION	1.0901	\$0.2952	\$3.5713	\$/Mcf
ESTIMATED WEIGHTING FACTOR	10.800%		\$0.3857	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.386	\$/Mcf

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
GAS STORAGE COMMODITY RATE - ANR			\$0.000	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.76514	\$/Gallon
GALLON TO MCF CONVERSION	15.38	\$11.0027	\$11.7678	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0000%		\$0.0000	\$/Mcf
PROPANE COMMODITY RATE			\$0.000	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 10/04/2016 and contracted hedging prices.