

January 11, 2017

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 February 2017 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 February 1, 2017 and the NYMEX close on January 9, 2017 for the month of February 2017. 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, February 2017 revenue month (i.e., final meter readings on and after February 1, 2017).

Duke's proposed GCA is \$4.446 per Mcf. This rate represents a decrease of \$0.573 per Mcf from the rate currently in effect for January 2017.

Very truly yours,

Dana Patter

Dana Patten

Enclosure

cc: L. Schmidt

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