

2nd Quarter

DUKE ENERGY KENTUCKY, INC
GAS COST ADJUSTMENT CLAUSE

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM March 2, 2017 THROUGH March 30, 2017

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	4.366
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	0.000
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.376
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.029)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	4.713

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	4.366

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	0.000

ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	0.205
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.025
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.055)
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.201
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.376

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	0.019
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.098)
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.006)
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.056
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.029)

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

DATE FILED: February 9, 2017

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 March 2, 2017

<u>DEMAND (FIXED) COSTS:</u>	<u>\$</u>
Columbia Gas Transmission Corp.	3,251,527
Columbia Gulf Transmission Corp.	1,023,975
Tennessee Gas Pipeline Company, LLC	677,414
KO Transmission Company	2,260,915
Texas Gas Transmission	684,090
Gas Marketers	<u>119,506</u>
TOTAL DEMAND COST:	8,017,427
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	9,208,024 MCF
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$8,017,427 / 9,208,024 MCF \$0.871 /MCF
<u>COMMODITY COSTS:</u>	
Gas Marketers	\$3.097 /MCF
Gas Storage	
Columbia Gas Transmission	\$0.375 /MCF
Propane	<u>\$0.009 /MCF</u>
COMMODITY COMPONENT OF EGC RATE:	\$3.481 /MCF
Other Costs:	
Net Charge Off ⁽¹⁾	\$17,952 / 1,251,314 \$0.014 /MCF
TOTAL EXPECTED GAS COST:	<u><u>\$4.366 /MCF</u></u>

⁽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 : March 2, 2017

	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: 2/1/2017				
<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	5.7870	19,828	6	688,468
Maximum Daily Quantity	5.7870	39,656	6	1,376,936
CAPACITY RELEASE CREDIT				0
TOTAL COLUMBIA GAS TRANSMISSION, LLC - DEMAND CHARGES				3,251,527
INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.				
TARIFF RATE EFFECTIVE DATE : FTS-1: 7/1/2016				
<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	9,000	12	359,640
CAPACITY RELEASE CREDIT FOR FTS-1				0
TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES				1,023,975
INTERSTATE PIPELINE : TENNESSEE GAS PIPELINE COMPANY, LLC				
TARIFF RATE EFFECTIVE DATE : FT-A: 11/1/2016				
<u>BILLING DEMAND - TARIFF RATE - FTS-1</u>				
Maximum Daily Quantity	2.4544	23,000	12	677,414
TOTAL TENNESSEE GAS PIPELINE COMPANY, LLC - DEMAND CHARGES				677,414

Currently Effective Rates
 Applicable to Rate Schedule FSS
 Rate Per Dth

	Base Tariff Rate	Transportation Cost		Electric Power		Annual Charge Adjustment ^{2/}	Total Effective Rate	Daily Rate
		Rate Adjustment	Surcharge	Costs Adjustment	Surcharge			
<u>Rate Schedule FSS</u>								
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

Discount Rate: 4.451
 CCRM: 1.336
 DEK Rate: 5.787

Withdraw: 0.0179
 ACA: 0.0013
 Inject: 0.0192

	Base Tariff Rate 1/2/	TCRA Rates	EPCA Rates	OTRA Rates	CCRM Rates	Total Effective Rate 2/	Daily Rate 2/
Rate Schedule SST							
Reservation Charge 3/4/	\$ 4.601	0.232	0.070	0.019	1.336	6.258	0.2057
Commodity							
Maximum	¢ 1.02	-0.07	0.84	0.00	0.00	1.79	1.79
Minimum	¢ 1.02	-0.07	0.84	0.00	0.00	1.79	1.79
Ovrrun 4/							
Maximum	¢ 16.15	0.69	1.07	0.06	4.39	22.36	22.36
Minimum	¢ 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.



1700 MacCorkle Avenue SE
Charleston, WV 25314
304-357-2514 Office
304-357-2654 Fax

July 21, 2016

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) and supersedes and replaces all prior Discount Letter Amendments. 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 9/01/2016 to 1/31/2019, will include a discounted demand rate of \$4.451, inclusive of all surcharges, for any receipts into Transporter's pipeline system for delivery to the primary delivery point 834696 (KOT DEK MLI) and for delivery to the secondary delivery point STOR (RP Storage Point TCO).
2. The rate for service, for the period from 2/01/2019 to 1/31/2020, will include a discounted demand rate of \$5.906, inclusive of all surcharges, for any receipts into Transporter's pipeline system for delivery to the primary delivery point 834696 (KOT DEK MLI) and for delivery to the secondary delivery point STOR (RP Storage Point TCO).
3. The rate for service, for the period from 2/01/2020 to 1/31/2021, will include a discounted demand rate of \$6.298, inclusive of all surcharges, for any receipts into Transporter's pipeline system for delivery to the primary delivery point 834696 (KOT DEK MLI) and for delivery to the secondary delivery point STOR (RP Storage Point TCO).
4. The rate for service, for the period from 2/01/2021 to 3/31/2022, will include a discounted demand rate of \$6.681, inclusive of all surcharges, for any receipts into Transporter's pipeline system for delivery to the primary delivery point 834696 (KOT DEK MLI) and for delivery to the secondary delivery point STOR (RP Storage Point TCO).

5. The above discounted demand rates will be inclusive of demand surcharges at the rates specified in the currently effective Part V.8. (Currently Effective Rates Applicable to Rate Schedule SST) of Transporter's FERC Gas Tariff effective on December 1, 2015.
6. 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.
7. 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.
8. The discounted reservation rate will be apportioned in accordance with Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
9. In addition to the demand charges set forth above, Shipper must pay Transporter all applicable commodity charges, commodity surcharges, overrun charges, gathering charges, and retainage charges set forth in Transporter's FERC Gas Tariff as amended from time to time.
10. In addition to the reservation charges set forth above, for the period from 9/01/2016 through 1/31/2019, Shipper will pay all applicable Capital Cost Recovery Mechanism ("CCRM") charges.
11. Shipper will have a contractual right of first refusal ("ROFR") under the referenced agreement if it does not qualify for the regulatory ROFR set forth in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

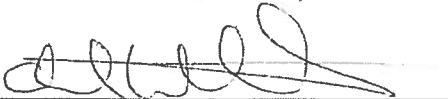
If you are in agreement with the above amendment, please execute both originals of this letter and return one to Transporter at the above address, Attention: Jackie Sydnor, 8th floor North.

Executed and agreed to this 1 day of September, 2016.

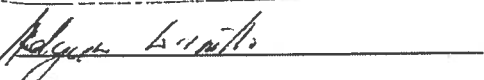
DUKE ENERGY KENTUCKY, INC.

COLUMBIA GAS TRANSMISSION, LLC

By:



By:



PTB

Its:

SVP, Midwest Delivery & Gas Ops

Its:

DIRECTOR - CUST SERVICES (9/9/16)

JHK
100R

Currently Effective Rates
 Applicable to Rate Schedule FTS-1
 Rates in Dollars per Dth

	<u>Base Rate</u> (1) 1/	<u>Total Effective Rate</u> (2) 1/	<u>Daily Rate</u> (3) 1/
Rate Schedule FTS-1			
Market Zone			
Reservation Charge			
Maximum	4.170	4.170	0.1371
Minimum	0.000	0.000	0.000
		<i>Discounted to \$3.33</i>	
Commodity			
Maximum	0.0109	0.0109	0.0109
Minimum	0.0109	0.0109	0.0109
		<i>ACA + 0.0013 = 0.0122</i>	
Overrun			
Maximum	0.1480	0.1480	0.1480
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.

RETAINAGE PERCENTAGES

Transportation Retainage	1.893%
Gathering Retainage	3.500%
Storage Gas Loss Retainage	0.150%
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.



1700 MacCorkle Avenue SE
 Charleston, WV 25314
 Phone: 304-357-2514
 Fax: 304-357-2654
 jsydnor@nisource.com

April 11, 2014

Mr. Jeff Kern
 Duke Energy Kentucky, Inc.
 139 East Fourth Street
 Cincinnati, OH 45202

RE: FTS-1 Service Agreement No. 79970 (Forward Haul)
 and New FTS-1 Service Agreement (Backward Haul)

Dear Jeff:

Columbia Gulf Transmission, LLC ("Columbia Gulf") would like to propose the terms set forth more fully herein for the restructuring of existing service agreement 79970-FTS-1 between Columbia Gulf and Duke Energy Kentucky, Inc. ("DEK").

Reservation Rate	\$3.33
Winter Volume (11/1 – 3/31)	21,000 Dth/day
Summer Volume (4/1 – 10/31)	13,500 Dth/day
Primary Receipt Point	Rayne
Secondary Receipt Point	P2051220 (Mainline Pool)
Primary Delivery Point	Means
Term Begin Date	11/1/2014
Term End Date	10/31/2019

Columbia Gulf Transmission, LLC ("Columbia Gulf") would like to propose the terms set forth more fully herein for a new service agreement FTS-1 between Columbia Gulf and Duke Energy Kentucky, Inc. ("DEK").

Reservation Rate	\$3.33
Volume (1/1 – 12/31)	9,000 Dth/day
Primary Receipt Point	Leach (801)
Secondary Receipt Point	P2051220 (Mainline Pool)
Primary Delivery Point	Means
Term Begin Date	11/1/2014
Term End Date	10/31/2019

In addition to the above reservation rates, DEK must provide all applicable commodity charges, surcharges, overrun charges and retainage charges set forth in Transporter's FERC Gas Tariff from time to time.

The Columbia Gulf proposal is contingent on the capacity remaining available as of the date that DEK affirms its agreement to contract for the capacity.

Columbia Gulf also proposes a Contractual Right of First Refusal under the restructured service agreements.

The above proposals are offered through April 30, 2014.

If you are in agreement with the above proposals, please execute and return both originals to Columbia Gulf at the above address, Attention: Jackie Sydnor, 8th floor North. Upon execution by Columbia Gulf, a fully executed original will be forwarded for your files.

Executed and agreed to this 14th day of April, 2014.

PTB

DUKE ENERGY KENTUCKY, INC.

COLUMBIA GULF TRANSMISSION, LLC

By: [Signature]

By: [Signature]

Its: Manager, Gas Resources

Its: UP

Service Agreement No. 79970

Revision No. 3

FTS-1 SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 7 day of October, 2014, by and between COLUMBIA GULF TRANSMISSION, LLC ("Transporter") and DUKE ENERGY KENTUCKY, INC. ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive the service in accordance with the provisions of the effective FTS-1 Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission herein contained. The maximum obligations of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which the Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence as of November 1, 2014, and shall continue in full force and effect until October 31, 2019. Shipper and Transporter agree to avail themselves of the Commission's pre-granted abandonment authority upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's Regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay the charges and furnish the Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); and (f) production and/or reserves committed by the Shipper.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Customer Services and notices to Shipper shall be addressed to it at Duke Energy Kentucky, Inc., 139 East Fourth Street, P. O. Box 960, Cincinnati, OH 45202, Attention: Jeff Kern, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreement(s): FTS-1 No. 79970, Revision No. 2.

DUKE ENERGY KENTUCKY, INC.

By Jeff Kern
Title Agent
Date October 07, 2014

COLUMBIA GULF TRANSMISSION, LLC

By Stan Chapman
Title EVP & CCO
Date October 02, 2014

Appendix A to Service Agreement No. 79970
 Under Rate Schedule FTS-1
 between Columbia Gulf Transmission, LLC ("Transporter")
 and Duke Energy Kentucky, Inc. ("Shipper")

		<u>Transportation Demand</u>		<u>Recurrence Interval</u>	
<u>Begin Date</u>	<u>End Date</u>	<u>Transportation Demand Dth/day</u>			
November 1, 2014	October 31, 2019	21,000		11/1 - 3/31	
November 1, 2014	October 31, 2019	13,500		4/1 - 10/31	
<u>Primary Receipt Points</u>					
<u>Begin Date</u>	<u>End Date</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Recurrence Interval</u>
November 1, 2014	October 31, 2019	2700010	CGT-RAYNE	21,000	11/1 - 3/31
November 1, 2014	October 31, 2019	2700010	CGT-RAYNE	13,500	4/1 - 10/31
<u>Primary Delivery Points</u>					
<u>Begin Date</u>	<u>End Date</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Recurrence Interval</u>
November 1, 2014	October 31, 2019	MEANS	MEANS	21,000	11/1 - 3/31
November 1, 2014	October 31, 2019	MEANS	MEANS	13,500	4/1 - 10/31

The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for purposes of listing valid secondary interruptible receipt points and delivery points.

Transporter and Shipper have mutually agreed to the following maximum or minimum pressure commitments:

Yes No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 33 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
 Yes No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
 Yes No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

DUKE ENERGY KENTUCKY, INC.

By Jeff Kern
Title Agent
Date October 07, 2014

COLUMBIA GULF TRANSMISSION, LLC

By Stan Chapman
Title EVP & CCO
Date October 02, 2014

Service Agreement No. 154404

Revision No. 0

FTS-1 SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 7 day of October, 2014, by and between COLUMBIA GULF TRANSMISSION, LLC ("Transporter") and DUKE ENERGY KENTUCKY, INC. ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive the service in accordance with the provisions of the effective FTS-1 Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission herein contained. The maximum obligations of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which the Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence as of November 1, 2014, and shall continue in full force and effect until October 31, 2019. Shipper and Transporter agree to avail themselves of the Commission's pre-granted abandonment authority upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's Regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay the charges and furnish the Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); and (f) production and/or reserves committed by the Shipper.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Customer Services and notices to Shipper shall be addressed to it at Duke Energy Kentucky, Inc., 139 East Fourth Street, P. O. Box 960, Cincinnati, OH 45202, Attention: Jeff Kern, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreement(s): N/A.

DUKE ENERGY KENTUCKY, INC.

By Jeff Kern
Title Agent
Date October 07, 2014

COLUMBIA GULF TRANSMISSION, LLC

By Stan Chapman
Title EVP & CCO
Date October 02, 2014

Appendix A to Service Agreement No. 154404
 Under Rate Schedule FTS-1
 between Columbia Gulf Transmission, LLC ("Transporter")
 and Duke Energy Kentucky, Inc. ("Shipper")

<u>Begin Date</u>	<u>End Date</u>	<u>Transportation Demand</u>	<u>Transportation Demand Dth/day</u>	<u>Recurrence Interval</u>
November 1, 2014	October 31, 2019	9,000	9,000	1/1 - 12/31

<u>Begin Date</u>	<u>End Date</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Recurrence Interval</u>
November 1, 2014	October 31, 2019	801	GULF-LEACH	9,000	1/1 - 12/31

<u>Begin Date</u>	<u>End Date</u>	<u>Primary Delivery Points</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Recurrence Interval</u>
November 1, 2014	October 31, 2019	MEANS	MEANS	MEANS	9,000	1/1 - 12/31

The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for purposes of listing valid secondary interruptible receipt points and delivery points.

Transporter and Shipper have mutually agreed to the following maximum or minimum pressure commitments:

Yes No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 33 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

X Yes _____ No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

Yes No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

DUKE ENERGY KENTUCKY, INC.

By Jeff Kern

Title Agent

Date October 07, 2014

COLUMBIA GULF TRANSMISSION, LLC

By Stan Chapman

Title EVP & CCO

Date October 02, 2014

RATES PER DEKATHERM

FIRM TRANSPORTATION RATES
 RATE SCHEDULE FOR FT-A

Base Reservation Rates	RECEIPT ZONE	DELIVERY ZONE							
		0	L	1	2	3	4	5	6
	0	\$5.5411		\$11.5794	\$15.5758	\$15.8514	\$17.4175	\$18.4879	\$23.1959
	L		\$4.9193						
	1	\$8.3417		\$7.9962	\$10.6413	\$15.0745	\$14.8460	\$16.7429	\$20.5878
	2	\$15.5759		\$10.5774	\$5.5014	\$5.1427	\$6.5803	\$9.0504	\$11.6830
	3	\$15.8514		\$8.3784	\$5.5458	\$4.0009	\$6.1457	\$11.1149	\$12.8437
	4	\$20.1259		\$18.5544	\$7.0708	\$10.7456	\$5.2598	\$5.6884	\$8.1265
	5	\$23.9973		\$16.8625	\$7.4172	\$8.9748	\$5.8432	\$5.4810	\$7.1353
	6	\$27.7603		\$19.3678	\$13.3296	\$14.6845	\$10.3726	\$5.4568	\$4.7237

Daily Base Reservation Rate 1/	RECEIPT ZONE	DELIVERY ZONE							
		0	L	1	2	3	4	5	6
	0	\$0.1822		\$0.3807	\$0.5121	\$0.5211	\$0.5726	\$0.6078	\$0.7626
	L		\$0.1617						
	1	\$0.2742		\$0.2629	\$0.3499	\$0.4956	\$0.4881	\$0.5505	\$0.6769
	2	\$0.5121		\$0.3478	\$0.1809	\$0.1691	\$0.2163	\$0.2975	\$0.3841
	3	\$0.5211		\$0.2755	\$0.1823	\$0.1315	\$0.2021	\$0.3654	\$0.4223
	4	\$0.6617		\$0.6100	\$0.2325	\$0.3533	\$0.1729	\$0.1870	\$0.2672
	5	\$0.7890		\$0.5544	\$0.2439	\$0.2951	\$0.1921	\$0.1802	\$0.2346
	6	\$0.9127		\$0.6367	\$0.4382	\$0.4828	\$0.3410	\$0.1794	\$0.1553

Maximum Reservation Rates 2/, 3/	RECEIPT ZONE	DELIVERY ZONE							
		0	L	1	2	3	4	5	6
	0	\$5.5621		\$11.6004	\$15.5968	\$15.8724	\$17.4385	\$18.5089	\$23.2169
	L		\$4.9403						
	1	\$8.3627		\$8.0172	\$10.6623	\$15.0955	\$14.8670	\$16.7639	\$20.6088
	2	\$15.5969		\$10.5984	\$5.5224	\$5.1637	\$6.6013	\$9.0714	\$11.7040
	3	\$15.8724		\$8.3994	\$5.5668	\$4.0219	\$6.1667	\$11.1359	\$12.8647
	4	\$20.1469		\$18.5754	\$7.0918	\$10.7666	\$5.2808	\$5.7094	\$8.1475
	5	\$24.0183		\$16.8835	\$7.4382	\$8.9958	\$5.8642	\$5.5020	\$7.1563
	6	\$27.7813		\$19.3888	\$13.3506	\$14.7055	\$10.3936	\$5.4778	\$4.7447

Notes:

- 1/ Applicable to demand charge credits and secondary points under discounted rate agreements.
- 2/ Includes a per Dth charge for the PCB Surcharge Adjustment per Article XXXII of the General Terms and Conditions of \$0.0000.
- 3/ Includes a per Dth charge for the PS/GHG Surcharge Adjustment per Article XXXVIII of the General Terms and Conditions of \$0.0210.

Discounted Rate: \$2.4334
 PS/GHG: 0.0210
 DEK Rate: \$2.4544

Additional Information

May 18, 2016

Duke Energy Kentucky, Inc.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45202

Attention: Jeff Kern

RE: Discounted Rate Agreement
Rate Schedule FT-A Service Package No. 321247

Dear Jeff:

In response to the request of Duke Energy Kentucky, Inc. ("Duke KY") and pursuant to Section 5.1 of Tennessee Gas Pipeline Company, L.L.C.'s ("Tennessee") Rate Schedule FT-A, Tennessee hereby agrees to adjust its then applicable Rate Schedule FT-A transportation rates for service provided under the above-referenced gas transportation agreement as follows:

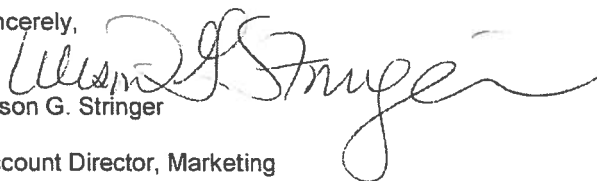
1. a) If Duke KY attempts to apply this Discounted Rate Agreement to any volumes and/or to any points not eligible for the discount and thereby fails to pay correctly invoiced and undisputed amounts, then, if such failure is not cured within thirty days of provision of notice by Tennessee to Duke KY of such failure, Tennessee shall have the right, in its sole discretion, to immediately terminate this Discounted Rate Agreement with Duke KY and/or to assess, from the date of such violation of the terms of this Discounted Rate Agreement, the applicable maximum rate on all transactions occurring under the Service Package for the month(s) in which such limits were exceeded.
 - b) For the period commencing November 1, 2016, and extending through March 31, 2019, for gas delivered by Tennessee on behalf of Duke KY to any Zone 2 delivery meter under the above referenced gas transportation agreement, the applicable Rate Schedule FT-A rates for volumes received by Tennessee from any Zone L/1 or Zone 2 receipt meter will be:
 - i) A monthly reservation rate equal to the lesser of (i) \$2.4334 per Dth, or (ii) Tennessee's maximum applicable monthly reservation rate.
 - ii) A daily commodity rate of Tennessee's maximum applicable commodity rate.
 - c) These rates apply to all secondary receipts and deliveries in the paths and zones described above. In addition, Shipper shall also pay ACA, applicable Fuel and Loss Retention (F&LR) and Electric Power Cost Recovery (EPCR) charges and all applicable surcharges specified in Tennessee's FERC Gas Tariff, as may be in effect from time to time ("Tariff").
 - d) Receipts from and/or deliveries to points other than those listed above during the term of this Discounted Rate Agreement shall result in Duke KY being assessed Tennessee's maximum reservation rate under Rate Schedule FT-A for the primary path divided by the number of days in the month for the entire gas transportation agreement TQ on the day(s) of such deliveries and Tennessee's maximum daily commodity rates under Rate Schedule FT-A as well as the applicable F&LR and EPCR charges and all surcharges under Rate Schedule FT-A.
2. If any terms of this Discounted Rate Agreement are disallowed by any order, rulemaking, regulation or policy of the Federal Energy Regulatory Commission, Tennessee may immediately terminate this Discounted Rate Agreement. If any terms of this Discounted Rate Agreement are in any way modified by order, rulemaking, regulation or policy of the Federal Energy Regulatory Commission, Tennessee and Duke KY may mutually

agree to amend this Discounted Rate Agreement in order to ensure that the original commercial intent of the parties is preserved. In the event that the parties cannot achieve mutual agreement, Tennessee reserves the right to immediately terminate this Discounted Rate Agreement.

If Duke KY is interested in entering into the Discounted Rate Agreement for firm capacity in accordance with the terms proposed above, please have the authorized representative of Duke KY execute this Discounted Rate Agreement, and return to the undersigned. This Discounted Rate Agreement will become binding upon the parties only after it then is accepted and executed by Tennessee's authorized representative on the below "Agreed to and Accepted" portion. One fully executed copy will be returned for your records.

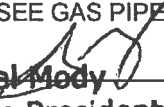
If an executed Discounted Rate Agreement is not returned via mail, email to alison_stringer@kindermorgan.com or facsimile to 713-369-9305 on or before June 30, 2016, then the Discounted Rate Agreement is nullified, and Duke KY will be billed Tennessee's maximum reservation and commodity rates under Rate Schedule FT-A.

Sincerely,


Alison G. Stringer

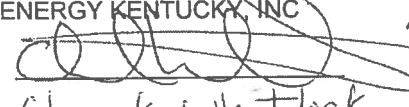
Account Director, Marketing

AGREED TO AND ACCEPTED
THIS 7 DAY OF June, 2016
TENNESSEE GAS PIPELINE COMPANY, L.L.C.

By: 
Name: **Sital Mody**
Vice President
Marketing & Business Development
Title: _____


JEG

AGREED TO AND ACCEPTED
THIS 13 DAY OF June, 2016
DUKE ENERGY KENTUCKY, INC

By: 
Name: **Chuck Whitlock**
Title: **SVP midwest Delivery & Gas operations**




GAS TRANSPORTATION AGREEMENT
 (For Use Under FT-A Rate Schedule)
EXHIBIT A
AMENDMENT NO. 0
TO GAS TRANSPORTATION AGREEMENT
 DATED November 1, 2016
 BETWEEN
TENNESSEE GAS PIPELINE COMPANY, L.L.C.
 AND
DUKE ENERGY KENTUCKY, INC

Amendment Effective Date: November 1, 2016

Service Package: 321247-FTATGP

Service Package TQ: 23000 Dth

BEGINNING DATE	ENDING DATE	TQ
11/01/2016	03/31/2019	23000

BEGINNING DATE	ENDING DATE	METER	METER NAME	INTERCONNECT PARTY NAME	COUNTY	ST	ZONE	R/D	LEG	METER-TQ
11/01/2016	03/31/2019	420049	COL GAS/TGP NORTH MEANS KY MONTGOME	COLUMBIA GAS TRNSM. CORP.	MONTGOME RY	KY	2	D	100	23000
11/01/2016	03/31/2019	420998	POOLING PT - 800 LEG - ZONE L	TENNESSEE GAS PIPELINE	FRANKLIN	LA	L	R	800	23000

Total Receipt TQ 23000
Total Delivery TQ 23000

Number of Receipt Points: 1
Number of Delivery Points: 1

Other Provisions Permitted By Tariff Under the Applicable Rate Schedule and/or General Terms and Conditions and Pursuant to Article XXXVI of the General Terms and Conditions of Tennessee's FERC Gas Tariff:

Note: Exhibit A is a reflection of the contract and all amendments as of the amendment effective date.

GAS TRANSPORTATION AGREEMENT
 (For Use Under FT-A Rate Schedule)
EXHIBIT B
TO GAS TRANSPORTATION AGREEMENT
 DATED November 1, 2016
 BETWEEN
TENNESSEE GAS PIPELINE COMPANY, L.L.C.
 AND
DUKE ENERGY KENTUCKY, INC

REVENUE REDUCTION OPTION PROVISIONS*

SERVICE PACKAGE:

OPTION PERIOD(S) _____ **NOT APPLICABLE**

OPTION DESCRIPTION _____ **NOT APPLICABLE**

OPTION CONSIDERATION _____ **NOT APPLICABLE**

**ANY LIMITATIONS ON
 THE EXERCISE OF THE
 REVENUE REDUCTION
 OPTION AS BID BY
 THE SHIPPER:**

* NOTICE MUST BE GIVEN AS PROVIDED FOR IN THE NET PRESENT VALUE STANDARD OF THE GENERAL TERMS AND CONDITIONS.

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : March 2, 2017

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : KO TRANSMISSION COMPANY				
TARIFF RATE EFFECTIVE DATE : 2/1/2017				
BILLING DEMAND - TARIFF RATE - FT				
Maximum Daily Quantity	2.6168	72,000	12	2,260,915
CAPACITY RELEASE CREDIT				0
TOTAL KO TRANSMISSION CO. DEMAND CHARGES				2,260,915
INTERSTATE PIPELINE : Texas Gas Transmission				
TARIFF RATE EFFECTIVE DATE : 1/15/2014				
BILLING DEMAND - TARIFF RATE - STF				
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	0.0046	12,156,163		56,506
December - February	0.09	700,000		63,000
TOTAL GAS MARKETERS FIXED CHARGES				119,506

KO Transmission Company
Filing Category: Amendment
FERC Docket: RP16-01097-001
FERC Order: 156 FERC ¶ 61,147
Effective Date: 02/01/2017
Part 3, Currently Effective Rates, 12.0.0

Filing Date: 07/27/2016
FERC Action: Accept
Order Date: 08/31/2016
Status: Effective

**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	\$2.6168
Daily Rate - Maximum	\$0.0861
Commodity	
Maximum	\$0.0000
Minimum	\$0.0000
Overrun	\$0.0861
RATE SCHEDULE ITS	
Commodity	
Maximum	\$0.0861
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 NAESB 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 Maselney*

Name: DAVID W MASELNEY

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

JHK
JEM

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).

Request No. 6345

Rate Schedule STF
Agreement No.: 33502
Dated: January 15, 2014

This Agreement is entered into by and between Texas Gas Transmission, LLC, ("Texas Gas") and Duke Energy Kentucky, Inc., ("Customer").

Services under this Agreement are provided pursuant to Subpart B or Subpart G, Title 18, of the Code of Federal Regulations. Service is subject to and governed by the applicable Rate Schedule and the General Terms and Conditions of the Texas Gas FERC Gas Tariff ("Tariff") as they exist or may be modified from time to time and such are incorporated by reference. In the event the language of this Agreement conflicts with Texas Gas' then-current Tariff, the language of the Tariff will control.

Receipt and Delivery Points: Primary Receipt and Primary Delivery Points shall be listed on Exhibit "A".

Contract Demand(s): 18,000 MMBtu/day each November - March
6,000 MMBtu/day each April - October

Term: This Agreement shall be effective beginning April 1, 2014 and shall continue in full force and effect through October 31, 2017.

Rate: The rate for this Agreement shall be the maximum applicable rate (including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff) unless the parties have entered into an associated discounted or negotiated rate letter agreement.

Exhibit(s): The following Exhibit(s) are attached and made a part of this Agreement:

Exhibit A, Primary Points
Exhibit B, Contract Notice Address

IF YOU ARE IN AGREEMENT WITH THE FOREGOING, PLEASE INDICATE IN THE SPACE PROVIDED BELOW.

Texas Gas Transmission, LLC

Signature: *David W. Maseley*

Date: 1/27/14

Name: DAVID W. MASELEY

Title: VP, Southern/Midwest Markets

Duke Energy Kentucky, Inc.

Signature: *Keith Trent*

Date: 1/30/14

Name: Keith Trent

Title: EVP & COO-Reg. Utilities

As To Form
100%

WJK
JEM

EXHIBIT A
PRIMARY POINT(S)
DELIVERY

AGREEMENT NO.: 33502

EFFECTIVE DATE: April 1, 2014

Delivery Point Meter No.	Delivery Point Meter Name	Zone	Daily Firm Capacity MMBtu/day	
			Winter	Summer
1872	Duke Energy KY Shipper DE, Butler, OH	4	18,000	6,000

Transportation Path:
Mainline Pipeline 10002 through Mainline Pipeline 41500

**Duke Energy Kentucky
Gas Resources
Supply Portfolio - November 2016 - March 2017
Reservation Fees**

			Dth per Day					Total Volume	Reserv. Fee	Total Cost
			Nov	Dec	Jan	Feb	Mar			
Shell										
Columbia Gulf	Base	Fixed	2,500	2,500	2,500	2,500	2,500	377,500	\$0.0000	\$0.00
Total								377,500		\$0.00
Conoco										
Columbia Gulf	Base	Fixed	1,500	1,500	1,500	1,500	1,500	226,500	\$0.0000	\$0.00
Total								226,500		\$0.00
DTE Energy										
Columbia Gulf	Base	FOMI	2,350	5,100	7,050	7,650	1,650	712,500	\$0.0000	\$0.00
Texas Gas	Base	FOMI	2,000	4,000	5,000	4,000	2,000	513,000	\$0.0000	\$0.00
Tennessee	Base	FOMI	2,000	4,000	5,000	4,000	2,000	513,000	\$0.0000	\$0.00
Total								1,738,500		\$0.00
United Energy Trading										
Columbia Gulf	Base	FOMI	2,350	5,100	7,050	7,650	1,650	712,500	\$0.0000	\$0.00
Texas Gas	Base	FOMI	1,957	3,916	4,894	3,916	1,957	502,135	\$0.0000	\$0.00
Tennessee	Base	FOMI	2,000	4,000	5,000	4,000	2,000	513,000	\$0.0000	\$0.00
Texas Gas	Swing	GD	5,177	3,219	2,240	3,219	5,177	575,158	\$0.0049	\$2,818.27
Total								2,302,793		\$2,818.27
Direct Energy										
Columbia Gulf	Swing	GD	7,497	5,997	4,097	3,897	8,897	922,747	\$0.0025	\$2,306.87
Tennessee	Swing	GD	6,308	5,308	4,308	5,308	6,308	831,508	\$0.0025	\$2,078.77
Total								1,754,255		\$4,385.64
Twin Eagle										
Columbia Backhaul (Leach)	Swing	GD +.10	9,059	9,059	9,059	9,059	9,059	1,367,909	\$0.0200	\$27,358.18
Total								1,367,909		\$27,358.18
BP Energy										
Columbia Gulf	Swing	GD	6,000	4,000	3,000	2,000	6,000	639,000	\$0.0050	\$3,195.00
Texas Gas	Swing	GD	8,806	6,806	5,806	6,806	8,806	1,118,706	\$0.0050	\$5,593.53
Tennessee	Swing	GD	6,000	3,000	4,000	3,000	6,000	667,000	\$0.0050	\$3,335.00
Total								2,424,706		\$12,123.53
Chevron										
Columbia Gulf	Swing	GD	8,000	6,000	5,000	5,000	8,000	969,000	\$0.0050	\$4,845.00
Tennessee	Swing	GD	7,000	7,000	5,000	7,000	7,000	995,000	\$0.0050	\$4,975.00
Total								1,964,000		\$9,820.00
Total Firm Supply								12,156,163		\$56,505.62
25 Day Peaking Service (North)										
CIMA (Lebanon or TGT Z1)		Leb+.25/TGT + .55	0	18,000	18,000	18,000	0	1,620,000	\$0.0250	\$40,500.00
Twin Eagle (Lebanon)		Leb + .15	0	10,000	10,000	10,000	0	900,000	\$0.0250	\$22,500.00
								2,520,000		\$63,000.00
Total Duke Energy Kentucky								14,676,163		\$119,505.62

28,000 dth/day x 28 days = 700,000 dth

**DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 3/1/2017**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ 56,506 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 12,156,163 Dth (2)

CALCULATED RATE: \$ 0.0046 per Dth

(1) Reservation charges billed by firm suppliers for 2016 - 2017.

(2) Contracted volumes for the 2016 - 2017 winter season.

**DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM NEEDLE PEAKING SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 3/1/2017**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ \$63,000.00 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 700,000 Dth (2)

CALCULATED RATE: \$ 0.0900 per Dth

(1) Reservation charges billed by needle peaking suppliers for 2016 - 2017

(2) Contracted volumes for the 2016 - 2017 winter season.

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : March 2, 2017

GAS COMMODITY RATE FOR MARCH, 2017:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$3.1426	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0440	\$3.1866	\$/Dth
DTH TO MCF CONVERSION	1.0850	\$0.2709	\$3.4575	\$/Mcf
ESTIMATED WEIGHTING FACTOR	89.558%		\$3.0965	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$3.097	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$3.1972	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$3.2125	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	1.893%	\$0.0608	\$3.2733	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0179	\$3.2912	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0013	\$3.2925	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0461	\$3.3386	\$/Dth
DTH TO MCF CONVERSION	1.0850	\$0.2838	\$3.6224	\$/Mcf
ESTIMATED WEIGHTING FACTOR	10.364%		\$0.3754	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.375	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.76514	\$/Gallon
GALLON TO MCF CONVERSION	15.38	\$11.0027	\$11.7678	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.078%		\$0.0092	\$/Mcf
PROPANE COMMODITY RATE			\$0.009	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 2/7/17 and contracted hedging prices.

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

November 30, 2016

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD		
September 1, 2016 THROUGH November 30, 2016	\$	0.00
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		1.0007
REFUNDS INCLUDING INTEREST (\$0.00 x 1.0007)	\$	0.00
DIVIDED BY TWELVE MONTH SALES ENDED February 28, 2018	MCF	9,315,846
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>0.000</u>

DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED

November 30, 2016

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		
TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA	\$	<u>0.00</u>
RAU		

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
ACTUAL ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED **November 30, 2016**

DESCRIPTION	UNIT	SEPTEMBER	OCTOBER	NOVEMBER
<u>SUPPLY VOLUME PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	MCF	169,265	274,079	762,525
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	0	0	0
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	(7,014)	(1,829)	(1,515)
TOTAL SUPPLY VOLUMES	MCF	<u>162,251</u>	<u>272,250</u>	<u>761,010</u>
<u>SUPPLY COST PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	\$	850,115	1,375,879	3,004,559
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	0	0	0
OTHER COSTS (SPECIFY):				
GAS COST UNCOLLECTIBLE	\$	2,808	2,693	2,485
MANAGEMENT FEE	\$	(68,900)	(68,900)	(63,560)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	(82)	(29)	(14)
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>783,941</u>	<u>1,309,643</u>	<u>2,943,470</u>
<u>SALES VOLUMES</u>				
JURISDICTIONAL	MCF	170,590.9	190,458.9	408,161.6
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	<u>170,590.9</u>	<u>190,458.9</u>	<u>408,161.6</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	4.595	6.876	7.212
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>4.093</u>	<u>4.232</u>	<u>3.985</u>
DIFFERENCE	\$/MCF	0.502	2.644	3.227
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>170,590.9</u>	<u>190,458.9</u>	<u>408,161.6</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>85,636.63</u>	<u>503,573.33</u>	<u>1,317,137.48</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>1,906,347.44</u>
PRIOR PERIOD ADJUSTMENT - none	\$			0.00
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>1,906,347.44</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>February 28, 2018</u>	MCF			9,315,846
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>0.205</u>
AAU				

**GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
BALANCE ADJUSTMENT
DETAILS FOR THE TWELVE MONTH PERIOD ENDED November 30, 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 December 1, 2015	\$	420,342.89
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ 0.040 /MCF APPLIED TO TOTAL SALES OF 8,015,268 MCF (TWELVE MONTHS ENDED November 30, 2016)	\$	<u>320,610.70</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>99,732.19</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 December 1, 2015	\$	0.00
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ 0.000 /MCF APPLIED TO TOTAL SALES OF 8,015,268 MCF (TWELVE MONTHS ENDED November 30, 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 December 1, 2015	\$	298,041.91
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ 0.028 /MCF APPLIED TO TOTAL SALES OF 8,015,268 MCF (TWELVE MONTHS ENDED November 30, 2016)	\$	<u>224,427.53</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>73,614.38</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>173,346.57</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED February 28, 2018	MCF	<u>9,315,846</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u>0.019</u>

DUKE ENERGY KENTUCKY
SUPPLEMENTAL INFORMATION
FOR THE EXPECTED GAS COST (EGC) RATE CALCULATION
OF THE GAS COST RECOVERY RATE
IN EFFECT AS OF NOVEMBER 30, 2016

2nd Quarter

DUKE ENERGY Kentucky, Inc.
USED FOR GCA EFFECTIVE March 2, 2017

COMPUTATION OF THE INTEREST FACTOR
FOR THE GCA CALCULATION ON SCHEDULE II

TWELVE MONTHS ENDED December 31, 2016
BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)

INTEREST RATE	0.0013
PAYMENT	0.083392
ANNUAL TOTAL	1.0007
MONTHLY INTEREST	0.000108
AMOUNT	1

DECEMBER	2015	0.57	
JANUARY	2016	0.52	
FEBRUARY	2016	0.54	
MARCH	2016	0.49	
APRIL	2016	0.53	
MAY	2016	0.59	
JUNE	2016	0.56	
JULY	2016	0.48	
AUGUST	2016	0.77	
SEPTEMBER	2016	0.76	
OCTOBER	2016	0.58	
NOVEMBER	2016	0.74	7.13
DECEMBER	2016	0.96	7.52

PRIOR ANNUAL TOTAL	7.13
PLUS CURRENT MONTHLY R	0.96
LESS YEAR AGO RATE	0.57
NEW ANNUAL TOTAL	7.52
AVERAGE ANNUAL RATE	0.63
LESS 0.5% (ADMINISTRATIVE	0.13

DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA #1/a GCR COMPONENTS
MONTH: September 2016

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Retail BILL CODE	MCF Usage REPORTED SALES	MCF	Exptd Gas Cost EGC \$	RECONCILIATION ADJUSTMENT			ACTUAL ADJUSTMENT			BALANCE ADJUSTMENT			TOTAL	
				CURRENT	PREVIOUS	SEC.PREV.	THRD.PREV.	TOTAL	CURRENT	PREVIOUS	SEC.PREV.	THRD.PREV.		TOTAL
				0.000	0.000	0.000	0.000	0.261	0.262	0.040	0.000	0.056	0.000	0.000
045		4.127	0.00	0.00	0.00	0.00								
065	(3.6)	3.659	(13.17)	0.00	0.00	0.00								(43.06)
075	17.1	3.796	64.91	0.00	0.00	0.00								(24.41)
085	30.1	4.010	120.70	0.00	0.00	0.00								(16.58)
105	23.4	3.972	92.94	0.00	0.00	0.00								
115	26.5	3.906	103.51	0.00	0.00	0.00								
125	37.3	3.986	148.68	0.00	0.00	0.00								
145	67.2	3.782	254.15	0.00	0.00	0.00								
155	95.3	4.287	408.55	0.00	0.00	0.00								
165	(1,537.8)	3.613	(5,556.07)	0.00	0.00	0.00								70.57
016	(871.7)	3.439	(2,997.78)	0.00	0.00	0.00								(94.55)
036	(692.3)	3.686	(2,183.22)	0.00	0.00	0.00								42.57
046	2,520.3	3.600	9,073.08	0.00	0.00	0.00								
066	(3,376.7)	2.827	(9,545.93)	0.00	0.00	0.00								0.00
076	1,520.5	3.433	5,219.88	0.00	0.00	0.00								0.00
086	(805.3)	3.462	(3,134.15)	0.00	0.00	0.00								0.00
106	(1,546.0)	3.805	(5,890.14)	0.00	0.00	0.00								(25.35)
116	(2,832.0)	3.973	(11,251.54)	0.00	0.00	0.00								(43.34)
126	177,920.6	4.065	723,247.24	0.00	0.00	0.00								(79.30)
TOTAL RETAIL	170,590.9		698,161.64											4,981.78
TRANSPORTATION: IFT3														4,766.33
Customer Choice Program (GCAT):														
055														
095														
135														
026														
056														
096														
136														
FT CHOICE	6,676.9													0.00
TOTAL FOR CHOICE	6,676.9													0.00
TOTAL FOR Gas Cost Recovery (GCR)														166.95
TOTAL														13,929.24
CONTROL CK														0.00
positive=recovered-cr 253130														0.00
negative=reduce refund-dr253130														560.86
CONTROL CK														0.00
positive=recovered-cr 253130														0.00
negative=reduce refund-dr253130														0.00

JE ID - KUNBIL AMZ

FT 123,475.4

IT 125,324.8

Grand Total 426,068.0 lies to last pg of wp A's

ADJUSTED EGC 4,063

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

SEPTEMBER 2016

<u>DESCRIPTION</u>	<u>W/P</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>			\$
current month estimate	B1	868,332.44	
adjustments from prior month	B2	(18,214.16)	
Interruptible Transportation monthly charges by Gas Supply - PA	C	(3.70)	850,115
<u>LESS: RATE SCHEDULE CF CREDIT</u>			
current month		0.00	
adjustments		0.00	0
PLUS: INCLUDABLE PROPANE			
a/c 728-3 Erlanger	D2	0.00	0
PLUS: GAS COST UNCOLLECTIBLE	E	2,808.00	2,808
<u>LESS: X-5 TARIFF</u>		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	(81.80)	(82)
		0.00	
adjustments		0.00	0
LESS: GAS COST CREDIT		0.00	0
<u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>			
current month		0.00	
adjustments		0.00	0
TOTAL SUPPLY COSTS			783,941

ACCOUNTING ENTRY FOR DEFERRAL ONLY

AMOUNT

ACCTS: 191990 - Unrecv PG - Asset /191400 - Unrecv PG\$ - Liabl	85,636.63
ACCOUNT 0805002 - Unrecv PG Adj - Expense	(85,636.63)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH SEPTEMBER 2016

<u>PARTICULARS</u>	<u>UNIT</u>	<u>W/P</u>	<u>MONTH SEPTEMBER 2016</u>
<u>SUPPLY VOLUME PER BOOKS</u>			
Primary Gas Suppliers	MCF	B1	169,265
Utility Production	MCF		0
Includable Propane	MCF	D1	0
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	(7,014)
TOTAL SUPPLY VOLUMES	MCF		162,251
<u>SUPPLY COST PER BOOKS</u>			
Primary Gas Suppliers	\$	A1	850,115
Includable Propane	\$		0
Gas Cost Uncollectible	\$	A1	2,808
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	(82)
- Gas Sold to Remarketers	\$		0
- TOP Transp. Recoveries	\$		0
TOTAL SUPPLY COST	\$	A1	783,941
<u>SALES VOLUMES</u>			
Jurisdictional - Retail	MCF	H	170,590.90
Non-Jurisdictional	MCF		
Other Volumes (Specify) -	MCF		
TOTAL SALES VOLUME	MCF		170,590.9
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF		4.595
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	H	4.093
DIFFERENCE	\$/MCF		0.502
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		170,590.9
MONTHLY COST DIFFERENCE	\$		85,636.63

DUKE ENERGY COMPANY KENTUCKY

SEPTEMBER 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	170,590.9	H	698,162	4.09260775
RA		H	0	
AA		H	69,690	
BA		H	13,929	
TOTAL GAS COST RECOVERY(GCR)			<u>781,781.19</u>	
TOTAL SALES VOLUME	170,590.9			
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>			
JURISDICTIONAL SALES	<u>170,590.9</u>			
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>				
SUPPLIER COST - CURRENT MONTH	170,590.9		783,941.00	4.59544442
UNRECOVERED PURCHASED GAS COST			(15,946.32)	
ROUNDING(ADD/(DEDUCT))			<u>(142.73)</u>	
TOTAL GAS COST IN REVENUE			<u>767,851.95</u>	
TOTAL GAS COST RECOVERY(GCR)			781,781.19	
LESS: RA			0.00	
BA			<u>13,929.24</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			<u>795,710.43</u>	
UNRECOVERED PURCHASED GAS COST ENTRY			(15,946.32)	
LESS: AA			<u>69,690.31</u>	
MONTHLY COST DIFFERENCE			(85,636.63)	
EXTENDED MONTHLY COST DIFFERENCE			<u>(85,779.36)</u>	
ROUNDING			<u>(142.73)</u>	

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

<u>DESCRIPTION</u>	<u>W/P</u>	<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month estimate	B1	1,387,216.13
adjustments from prior month	B2	(9,710.68)
Interruptible Transportation monthly charges by Gas Supply - PA	C	<u>(1,625.97)</u>
		1,375,879
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month		0.00
adjustments		<u>0.00</u>
		0
 PLUS: INCLUDABLE PROPANE		
a/c 728-3 Erlanger	D2	<u>0.00</u>
		0
 PLUS: GAS COST UNCOLLECTIBLE		
	E	<u>2,693.00</u>
		2,693
 <u>LESS: X-5 TARIFF</u>		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>(29.38)</u>
		(29)
adjustments		0.00
		<u>0.00</u>
		0
 LESS: GAS COST CREDIT		0.00
		0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month		0.00
adjustments		<u>0.00</u>
		0
 TOTAL SUPPLY COSTS		<u><u>1,309,643</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

AMOUNT

ACCTS: 191990 - Unrecv PG - Asset /191400 - Unrecv PG\$ - Liabl	503,573.33
ACCOUNT 0805002 - Unrecv PG Adj - Expense	(503,573.33)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH OCTOBER 2016

<u>PARTICULARS</u>	<u>UNIT</u>	<u>W/P</u>	<u>MONTH OCTOBER 2016</u>
<u>SUPPLY VOLUME PER BOOKS</u>			
Primary Gas Suppliers	MCF	B1	274,079
Utility Production	MCF		0
Includable Propane	MCF	D1	0
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	(1,829)
TOTAL SUPPLY VOLUMES	MCF		272,250
<u>SUPPLY COST PER BOOKS</u>			
Primary Gas Suppliers	\$	A1	1,375,879
Includable Propane	\$		0
Gas Cost Uncollectible	\$	A1	2,693
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	(29)
- Gas Sold to Remarketers	\$		0
- TOP Transp. Recoveries	\$		0
TOTAL SUPPLY COST	\$	A1	1,309,643.0
<u>SALES VOLUMES</u>			
Jurisdictional - Retail	MCF	H	190,458.9
Non-Jurisdictional	MCF		
Other Volumes (Specify) -	MCF		
TOTAL SALES VOLUME	MCF		190,458.9
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF		6.876
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	H	4.232
DIFFERENCE	\$/MCF		2.644
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		190,458.9
MONTHLY COST DIFFERENCE	\$		503,573.33

DUKE ENERGY COMPANY KENTUCKY

OCTOBER 2016

	<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	190,458.9	H	806,059.66	4.23219739
RA		H	0	
AA		H	76,546.16	
BA		H	15,341.84	
TOTAL GAS COST RECOVERY(GCR)			<u>897,947.66</u>	
TOTAL SALES VOLUME	190,458.9			
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>			
JURISDICTIONAL SALES	<u>190,458.9</u>			
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>				
SUPPLIER COST - CURRENT MONTH	190,458.9		1,309,643.00	6.87624994
UNRECOVERED PURCHASED GAS COST			(427,027.17)	
ROUNDING(ADD/(DEDUCT))			<u>(10.01)</u>	
TOTAL GAS COST IN REVENUE			<u>882,605.82</u>	
TOTAL GAS COST RECOVERY(GCR)			897,947.66	
LESS: RA			0.00	
BA			<u>15,341.84</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			<u>913,289.50</u>	
UNRECOVERED PURCHASED GAS COST ENTRY			(427,027.17)	
LESS: AA			<u>76,546.16</u>	
MONTHLY COST DIFFERENCE			(503,573.33)	
EXTENDED MONTHLY COST DIFFERENCE			<u>(503,583.34)</u>	
ROUNDING			<u>(10.01)</u>	

DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA via GCR COMPONENTS
MONTH: November 2016

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Retail BILL CODE	MCF Usage REPORTED SALES	MCF	Exp'd Gas Cost ESC	RECONCILIATION ADJUSTMENT			ACTUAL ADJUSTMENT			BALANCE ADJUSTMENT			TOTAL BA		
				CURRENT	PREVIOUS	SEC.PREV.	THRD.PREV.	TOTAL AA	CURRENT	PREVIOUS	SEC.PREV.	THRD.PREV.		TOTAL BA	
035	11.8	4.205	49.62	0.000	0.000	0.000	0.040	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
045	0.0	4.127	0.00	0.00	0.00	0.00	(18.98)	(18.98)	(18.98)	(18.98)	(13.29)	(13.29)	(10.00)	(10.00)	(10.00)
065	0.0	3.659	0.00	0.00	0.00	(14.28)	(14.28)	(14.28)	(14.28)	(14.28)	(10.00)	(10.00)	(6.32)	(6.32)	(6.32)
075	(0.1)	3.796	(0.36)	0.00	0.00	(9.03)	(9.03)	(9.03)	(9.03)	(9.03)	0.00	0.00	23.03	23.03	23.03
085	0.0	4.010	0.00	0.00	0.00	166.15	166.15	166.15	166.15	166.15	0.00	0.00	0.00	0.00	0.00
105	0.1	3.972	0.40	0.00	0.00	(54.81)	(54.81)	(54.81)	(54.81)	(54.81)	0.00	0.00	0.00	0.00	0.00
115	0.1	3.906	0.39	0.00	0.00	143.90	143.90	143.90	143.90	143.90	0.00	0.00	0.00	0.00	0.00
125	(0.2)	3.986	(0.80)	0.00	0.00	(122.03)	(122.03)	(122.03)	(122.03)	(122.03)	0.00	0.00	0.00	0.00	0.00
145	(87.0)	3.782	(329.03)	0.00	0.00	(114.93)	(114.93)	(114.93)	(114.93)	(114.93)	0.00	0.00	0.00	0.00	0.00
155	7.8	4.287	33.44	0.00	0.00	(124.80)	(124.80)	(124.80)	(124.80)	(124.80)	0.00	0.00	0.00	0.00	0.00
165	(474.5)	3.613	(1,714.37)	0.00	0.00	(159.77)	(159.77)	(159.77)	(159.77)	(159.77)	0.00	0.00	0.00	0.00	0.00
016	(357.1)	3.439	(1,228.07)	0.00	0.00	6,735.45	6,735.45	6,735.45	6,735.45	6,735.45	0.00	0.00	0.00	0.00	0.00
036	(225.7)	3.686	(831.93)	0.00	0.00	76,018.94	76,018.94	76,397.15	76,397.15	76,397.15	0.00	0.00	0.00	0.00	0.00
046	822.5	3.600	2,961.00	0.00	0.00	(24.16)	(24.16)	(24.16)	(24.16)	(24.16)	0.00	0.00	0.00	0.00	0.00
066	(1,370.2)	2.827	(3,873.56)	0.00	0.00	(31.80)	(31.80)	(31.80)	(31.80)	(31.80)	0.00	0.00	0.00	0.00	0.00
076	712.4	3.433	2,445.67	0.00	0.00	(22.87)	(22.87)	(22.87)	(22.87)	(22.87)	0.00	0.00	0.00	0.00	0.00
086	(604.1)	3.462	(2,091.39)	0.00	0.00	(24.84)	(24.84)	(24.84)	(24.84)	(24.84)	0.00	0.00	0.00	0.00	0.00
106	(571.8)	3.805	(2,175.70)	0.00	0.00	(160.57)	(160.57)	(160.57)	(160.57)	(160.57)	0.00	0.00	0.00	0.00	0.00
116	(620.9)	3.973	(2,466.84)	0.00	0.00	1,340.39	1,340.39	1,340.39	1,340.39	1,340.39	0.00	0.00	0.00	0.00	0.00
126	(794.9)	4.065	(3,231.27)	0.00	0.00	15,128.15	15,128.15	15,128.15	15,128.15	15,128.15	0.00	0.00	0.00	0.00	0.00
146	33,509.7	4.219	141,377.42	0.00	0.00	(1,843.03)	(1,843.03)	(1,843.03)	(1,843.03)	(1,843.03)	0.00	0.00	0.00	0.00	0.00
156	378,203.7	3.960	1,497,686.65	0.00	0.00	76,018.94	76,018.94	76,397.15	76,397.15	76,397.15	0.00	0.00	0.00	0.00	0.00
TOTAL RETAIL	488,161.8		1,826,511.25	-	-	82,233.47	82,675.86	16,329.17	158,637.99	158,637.99	(2,465.51)	(2,465.51)	22,910.82	11,430.40	31,875.71
TRANSPORTATION: IFT3 Customer Choice Program (GCAT):				RECONCILIATION ADJUSTMENT			ACTUAL ADJUSTMENT			BALANCE ADJUSTMENT					
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
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
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
028				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
056				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
096				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
136				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	8,535.0			-	-	1,715.54	1,724.07	341.40	3,311.58	3,311.58	(51.21)	(51.21)	477.96	238.98	665.73
TOTAL FOR CHOICE	8,535.0			-	-	1,715.54	1,724.07	341.40	3,311.58	3,311.58	(51.21)	(51.21)	477.96	238.98	665.73
TOTAL FOR Gas Cost Recovery (GCR)				RECONCILIATION ADJUSTMENT			ACTUAL ADJUSTMENT			BALANCE ADJUSTMENT					
				-	-	83,949.01	84,395.93	16,670.57	181,949.57	181,949.57	(2,516.72)	(2,516.72)	23,386.78	11,689.38	32,541.44
Firm Transportation: IFT				RECONCILIATION ADJUSTMENT			ACTUAL ADJUSTMENT			BALANCE ADJUSTMENT					
FT	138,888.2			-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interruption Transportation: IT01				-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT	131,510.8			-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	687,105.6			-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADJUSTED EGC	3,985			-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

JE ID - KUNBIL AMZ

Grand Total 687,105.6 lies to last pg of wp A's
ADJUSTED EGC 3,985

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

NOVEMBER 2016

<u>DESCRIPTION</u>	<u>W/P</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>			\$
current month estimate	B1	3,027,354.91	
adjustments from prior month	B2	(10,395.83)	
Interruptible Transportation monthly charges by Gas Supply - PA	C	(12,399.69)	3,004,559
<u>LESS: RATE SCHEDULE CF CREDIT</u>			
current month		0.00	
adjustments		0.00	0
PLUS: INCLUDABLE PROPANE			
a/c 728-3 Erlanger	D2	0.00	0
PLUS: GAS COST UNCOLLECTIBLE	E	2,485.00	2,485
<u>LESS: X-5 TARIFF</u>		0.00	0
LESS Tenaska MANAGEMENT FEE	F	63,560.00	(63,560)
LESS: TOP TRANSP. RECOVERIES		0.00	0
LESS: GAS LOSSES - DAMAGED LINES	G	(13.67)	(14)
		0.00	
adjustments		0.00	0
LESS: GAS COST CREDIT		0.00	0
<u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>			
current month		0.00	
adjustments		0.00	0
TOTAL SUPPLY COSTS			<u><u>2,943,470</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

AMOUNT

ACCTS: 191990 - Unrecv PG - Asset /191400 - Unrecv PG\$ - Liabl	1,317,137.48
ACCOUNT 0805002 - Unrecv PG Adj - Expense	(1,317,137.48)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH NOVEMBER 2016

<u>PARTICULARS</u>	<u>UNIT</u>	<u>W/P</u>	<u>MONTH NOVEMBER 2016</u>
<u>SUPPLY VOLUME PER BOOKS</u>			
Primary Gas Suppliers	MCF	B1	762,525
Utility Production	MCF		0
Includable Propane	MCF	D1	0
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	(1,515)
TOTAL SUPPLY VOLUMES	MCF		761,010
<u>SUPPLY COST PER BOOKS</u>			
Primary Gas Suppliers	\$	A1	3,004,559
Includable Propane	\$		0
Gas Cost Uncollectible	\$	A1	2,485
Other Cost (Specify) - Gas Cost Credit	\$		0
- Unacct'd for Transp.	\$		0
- CF Credit	\$		0
- X-5 Tariff	\$		0
- CMT Management Fee	\$	A1	(63,560)
- Losses-Damaged Lines	\$	A1	(14)
- Gas Sold to Remarketers	\$		0
- TOP Transp. Recoveries	\$		0
TOTAL SUPPLY COST	\$	A1	2,943,470.0
<u>SALES VOLUMES</u>			
Jurisdictional - Retail	MCF	H	408,161.6
Non-Jurisdictional	MCF		
Other Volumes (Specify) -	MCF		
TOTAL SALES VOLUME	MCF		408,161.6
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF		7.212
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	H	3.985
DIFFERENCE	\$/MCF		3.227
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		408,161.6
MONTHLY COST DIFFERENCE	\$		1,317,137.48

DUKE ENERGY COMPANY KENTUCKY

NOVEMBER 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	408,161.6	H	1,626,611.25	3.98521382
RA		H	0	
AA		H	161,949.57	
BA		H	<u>32,541.44</u>	
TOTAL GAS COST RECOVERY(GCR)			<u>1,821,102.26</u>	
TOTAL SALES VOLUME	408,161.6			
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>			
JURISDICTIONAL SALES	<u>408,161.6</u>			
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>				
SUPPLIER COST - CURRENT MONTH	408,161.6		2,943,470.00	7.21153092
UNRECOVERED PURCHASED GAS COST			(1,155,187.91)	
ROUNDING(ADD/(DEDUCT))			<u>278.73</u>	
TOTAL GAS COST IN REVENUE			<u>1,788,560.82</u>	
TOTAL GAS COST RECOVERY(GCR)			1,821,102.26	
LESS: RA			0.00	
BA			<u>32,541.44</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			<u>1,853,643.70</u>	
UNRECOVERED PURCHASED GAS COST ENTRY			(1,155,187.91)	
LESS: AA			<u>161,949.57</u>	
MONTHLY COST DIFFERENCE			(1,317,137.48)	
EXTENDED MONTHLY COST DIFFERENCE			<u>(1,316,858.75)</u>	
ROUNDING			<u>278.73</u>	

