

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

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	3.999
SUPPLIER REFUND AND RECONCILIATION 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	<u>4.346</u>

GAS COST RECOVERY RATE EFFECTIVE DATES: March 31, 2017 THROUGH May 1, 2017

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	3.999

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	0.205
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.025
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.055)
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.201
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>0.376</u>

BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	0.019
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.098)
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.006)
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.056
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>(0.029)</u>

THIS MONTHLY REPORT FILED PURSUANT TO CASE NO. 2003-00366
OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED November 6, 2003

DATE FILED: March 9, 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

March 31, 2017
February 28, 2018

DEMAND (FIXED) COSTS:

	\$
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	119,506
TOTAL DEMAND COST:	<u>8,017,427</u>

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**

COMMODITY COSTS:

Gas Marketers	\$3.087 /MCF
Gas Storage	/MCF
Columbia Gas Transmission	\$0.000 /MCF
ANR	\$0.000
Propane	<u>\$0.000 /MCF</u>
COMMODITY COMPONENT OF EGC RATE:	\$3.087

OTHER COSTS:

Net Charge Off ⁽¹⁾ \$17,952 / 441,771 **\$0.041 /MCF**

TOTAL EXPECTED GAS COST: **\$3.999 /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 : MARCH 31, 2017



GAS COMMODITY RATE FOR APRIL 2016:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$2.8000	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0392	\$2.8392	\$/Dth
DTH TO MCF CONVERSION	1.0872	\$0.2476	\$3.0868	\$/Mcf
ESTIMATED WEIGHTING FACTOR	100.000%		\$3.0868	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$3.087	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$3.1971	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$3.2124	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	1.432%	\$0.0460	\$3.2584	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0179	\$3.2763	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0013	\$3.2776	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.400%	\$0.0459	\$3.3235	\$/Dth
DTH TO MCF CONVERSION	1.0872	\$0.2898	\$3.6133	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.000	\$/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 03/07/2017 and contracted hedging prices.