

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF THE ADJUSTMENT
OF ELECTRIC RATES OF DUKE ENERGY KENTUCKY, INC.

CASE NO. 2017-00321

FILING REQUIREMENTS

VOLUME 2

Duke Energy Kentucky, Inc.
Case No. 2017-00321
Forecasted Test Period Filing Requirements
Table of Contents

Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
1	1	KRS 278.180	30 days' notice of rates to PSC.	James P. Henning
1	2	807 KAR 5:001 Section 7(1)	The original and 10 copies of application plus copy for anyone named as interested party.	James P. Henning
1	3	807 KAR 5:001 Section 12(2)	<p>(a) Amount and kinds of stock authorized.</p> <p>(b) Amount and kinds of stock issued and outstanding.</p> <p>(c) Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.</p> <p>(d) Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking fund provisions.</p> <p>(e) Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year.</p> <p>(f) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.</p> <p>(g) Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.</p> <p>(h) Rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year.</p>	John L. Sullivan, III
1	4	807 KAR 5:001 Section 12(2)(i)	Detailed income statement and balance sheet.	David L. Doss
1	5	807 KAR 5:001 Section 14(1)	Full name, mailing address, and electronic mail address of applicant and reference to the particular provision of law requiring PSC approval.	James P. Henning

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1	6	807 KAR 5:001 Section 14(2)	If a corporation, the applicant shall identify in the application the state in which it is incorporated and the date of its incorporation, attest that it is currently in good standing in the state in which it is incorporated, and, if it is not a Kentucky corporation, state if it is authorized to transact business in Kentucky.	James P. Henning
1	7	807 KAR 5:001 Section 14(3)	If a limited liability company, the applicant shall identify in the application the state in which it is organized and the date on which it was organized, attest that it is in good standing in the state in which it is organized, and, if it is not a Kentucky limited liability company, state if it is authorized to transact business in Kentucky.	James P. Henning
1	8	807 KAR 5:001 Section 14(4)	If the applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, if any, shall be annexed to the application, or a written statement attesting that its partnership agreement and all amendments have been filed with the commission in a prior proceeding and referencing the case number of the prior proceeding.	James P. Henning
1	9	807 KAR 5:001 Section 16 (1)(b)(1)	Reason adjustment is required.	James P. Henning William Don Wathen, Jr.
1	10	807 KAR 5:001 Section 16 (1)(b)(2)	Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary.	James P. Henning
1	11	807 KAR 5:001 Section 16 (1)(b)(3)	New or revised tariff sheets, if applicable in a format that complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed	Bruce L. Sailors
1	12	807 KAR 5:001 Section 16 (1)(b)(4)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff.	Bruce L. Sailors
1	13	807 KAR 5:001 Section 16 (1)(b)(5)	A statement that notice has been given in compliance with Section 17 of this administrative regulation with a copy of the notice.	James P. Henning
1	14	807 KAR 5:001 Section 16(2)	If gross annual revenues exceed \$5,000,000, written notice of intent filed at least 30 days, but not more than 60 days prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period.	James P. Henning
1	15	807 KAR 5:001 Section 16(3)	Notice given pursuant to Section 17 of this administrative regulation shall satisfy the requirements of 807 KAR 5:051, Section 2.	James P. Henning

1	16	807 KAR 5:001 Section 16(6)(a)	The financial data for the forecasted period shall be presented in the form of pro forma adjustments to the base period.	Robert H. Pratt
1	17	807 KAR 5:001 Section 16(6)(b)	Forecasted adjustments shall be limited to the twelve (12) months immediately following the suspension period.	Sarah E. Lawler Cynthia S. Lee Robert H. Pratt
1	18	807 KAR 5:001 Section 16(6)(c)	Capitalization and net investment rate base shall be based on a thirteen (13) month average for the forecasted period.	Sarah E. Lawler
1	19	807 KAR 5:001 Section 16(6)(d)	After an application based on a forecasted test period is filed, there shall be no revisions to the forecast, except for the correction of mathematical errors, unless the revisions reflect statutory or regulatory enactments that could not, with reasonable diligence, have been included in the forecast on the date it was filed. There shall be no revisions filed within thirty (30) days of a scheduled hearing on the rate application.	Robert H. Pratt
1	20	807 KAR 5:001 Section 16(6)(e)	The commission may require the utility to prepare an alternative forecast based on a reasonable number of changes in the variables, assumptions, and other factors used as the basis for the utility's forecast.	Robert H. Pratt
1	21	807 KAR 5:001 Section 16(6)(f)	The utility shall provide a reconciliation of the rate base and capital used to determine its revenue requirements.	Sarah E. Lawler
1	22	807 KAR 5:001 Section 16(7)(a)	Prepared testimony of each witness supporting its application including testimony from chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program.	All Witnesses
1	23	807 KAR 5:001 Section 16(7)(b)	Most recent capital construction budget containing at minimum 3 year forecast of construction expenditures.	Robert H. Pratt Joseph A. Miller Anthony J. Platz
1	24	807 KAR 5:001 Section 16(7)(c)	Complete description, which may be in prefiled testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.	Robert H. Pratt
1	25	807 KAR 5:001 Section 16(7)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period.	Robert H. Pratt
1	26	807 KAR 5:001 Section 16(7)(e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing: 1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and 2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and 3. That productivity and efficiency gains are included in the forecast.	James P. Henning

1	27	807 KAR 5:001 Section 16(7)(f)	For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed: 1. Date project began or estimated starting date; 2. Estimated completion date; 3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During construction ("AFUDC") or Interest During construction Credit; and 4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit.	Robert H. Pratt Joseph A. Miller Anthony J. Platz
1	28	807 KAR 5:001 Section 16(7)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection.	Robert H. Pratt Joseph A. Miller Anthony J. Platz
1	29	807 KAR 5:001 Section 16(7)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information: 1. Operating income statement (exclusive of dividends per share or earnings per share); 2. Balance sheet; 3. Statement of cash flows; 4. Revenue requirements necessary to support the forecasted rate of return; 5. Load forecast including energy and demand (electric); 6. Access line forecast (telephone); 7. Mix of generation (electric); 8. Mix of gas supply (gas); 9. Employee level; 10. Labor cost changes; 11. Capital structure requirements; 12. Rate base; 13. Gallons of water projected to be sold (water); 14. Customer forecast (gas, water); 15. MCF sales forecasts (gas); 16. Toll and access forecast of number of calls and number of minutes (telephone); and 17. A detailed explanation of any other information provided.	Robert H. Pratt John Verderame John L. Sullivan, III Benjamin Passty
1	30	807 KAR 5:001 Section 16(7)(i)	Most recent FERC or FCC audit reports.	David L. Doss
2	31	807 KAR 5:001 Section 16(7)(j)	Prospectuses of most recent stock or bond offerings.	John L. Sullivan, III
2	32	807 KAR 5:001 Section 16(7)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or PSC Form T (telephone).	David L. Doss
3-4	33	807 KAR 5:001 Section 16(7)(l)	Annual report to shareholders or members and statistical supplements for the most recent 2 years prior to application filing date.	John L. Sullivan, III
5	34	807 KAR 5:001 Section 16(7)(m)	Current chart of accounts if more detailed than Uniform System of Accounts charts.	David L. Doss
5	35	807 KAR 5:001 Section 16(7)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast.	David L. Doss

5	36	807 KAR 5:001 Section 16(7)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available.	David L. Doss Robert H. Pratt
6-8	37	807 KAR 5:001 Section 16(7)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters.	David L. Doss
9	38	807 KAR 5:001 Section 16(7)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls.	David L. Doss
9	39	807 KAR 5:001 Section 16(7)(r)	Quarterly reports to the stockholders for the most recent 5 quarters.	John L. Sullivan
9	40	807 KAR 5:001 Section 16(7)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style.	John J. Spanos
9	41	807 KAR 5:001 Section 16(7)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program	Sarah E. Lawler
9	42	807 KAR 5:001 Section 16(7)(u)	If utility had any amounts charged or allocated to it by affiliate or general or home office or paid any monies to affiliate or general or home office during the base period or during previous 3 calendar years, file: <ol style="list-style-type: none">1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment;2. method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period;3. Explain how allocator for both base and forecasted test period was determined; and4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable.	Jeffrey R. Setser
10	43	807 KAR 5:001 Section 16(7)(v)	If gas, electric or water utility with annual gross revenues greater than \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from single time period.	James E. Ziolkowski

11	44	807 KAR 5:001 Section 16(7)(w)	Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file: 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies supporting pricing of services generating annual revenue greater than \$1,000,000 except local exchange access: a. Based on current and reliable data from single time period; and b. Using generally recognized fully allocated, embedded, or incremental cost principles.	N/A
11	45	807 KAR 5:001 Section 16(8)(a)	Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase.	Sarah E. Lawler
11	46	807 KAR 5:001 Section 16(8)(b)	Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base.	Sarah E. Lawler Cynthia S. Lee Robert H. Pratt Lisa M. Bellucci James E. Ziolkowski David L. Doss
11	47	807 KAR 5:001 Section 16(8)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account.	Sarah E. Lawler
11	48	807 KAR 5:001 Section 16(8)(d)	Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors.	Sarah E. Lawler Cynthia S. Lee Robert H. Pratt James E. Ziolkowski
11	49	807 KAR 5:001 Section 16(8)(e)	Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes.	Lisa M. Bellucci
11	50	807 KAR 5:001 Section 16(8)(f)	Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases.	Sarah E. Lawler
11	51	807 KAR 5:001 Section 16(8)(g)	Analyses of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight time and overtime hours, and executive compensation by title.	Sarah E. Lawler Tom Silinski
11	52	807 KAR 5:001 Section 16(8)(h)	Computation of gross revenue conversion factor for forecasted period.	Sarah E. Lawler
11	53	807 KAR 5:001 Section 16(8)(i)	Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period.	David L. Doss Robert H. Pratt

11	54	807 KAR 5:001 Section 16(8)(j)	Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure.	John L. Sullivan, III
11	55	807 KAR 5:001 Section 16(8)(k)	Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period.	Cynthia S. Lee Robert H. Pratt John L. Sullivan David L. Doss
11	56	807 KAR 5:001 Section 16(8)(l)	Narrative description and explanation of all proposed tariff changes.	Bruce L. Sailors
11	57	807 KAR 5:001 Section 16(8)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes.	Bruce L. Sailors
11	58	807 KAR 5:001 Section 16(8)(n)	Typical bill comparison under present and proposed rates for all customer classes.	Bruce L. Sailors
11	59	807 KAR 5:001 Section 16(10)	Request for waivers from the requirements of this section shall include the specific reasons for the request. The commission shall grant the request upon good cause shown by the utility.	Legal
11	60	807 KAR 5:001 Section (17)(1)	(1) Public postings. (a) A utility shall post at its place of business a copy of the notice no later than the date the application is submitted to the commission. (b) A utility that maintains a Web site shall, within five (5) business days of the date the application is submitted to the commission, post on its Web sites: 1. A copy of the public notice; and 2. A hyperlink to the location on the commission's Web site where the case documents are available. (c) The information required in paragraphs (a) and (b) of this subsection shall not be removed until the commission issues a final decision on the application.	James P. Henning

11	61	807 KAR 5:001 Section 17(2)	<p>(2) Customer Notice.</p> <p>(a) If a utility has twenty (20) or fewer customers, the utility shall mail a written notice to each customer no later than the date on which the application is submitted to the commission.</p> <p>(b) If a utility has more than twenty (20) customers, it shall provide notice by:</p> <ol style="list-style-type: none"> 1. Including notice with customer bills mailed no later than the date the application is submitted to the commission; 2. Mailing a written notice to each customer no later than the date the application is submitted to the commission; 3. Publishing notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made no later than the date the application is submitted to the commission; or 4. Publishing notice in a trade publication or newsletter delivered to all customers no later than the date the application is submitted to the commission. <p>(c) A utility that provides service in more than one (1) county may use a combination of the notice methods listed in paragraph (b) of this subsection.</p>	James P. Henning
11	62	807 KAR 5:001 Section 17(3)	<p>(3) Proof of Notice. A utility shall file with the commission no later than forty-five (45) days from the date the application was initially submitted to the commission:</p> <p>(a) If notice is mailed to its customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, that notice was mailed to all customers, and the date of the mailing;</p> <p>(b) If notice is published in a newspaper of general circulation in the utility's service area, an affidavit from the publisher verifying the contents of the notice, that the notice was published, and the dates of the notice's publication; or</p> <p>(c) If notice is published in a trade publication or newsletter delivered to all customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, the mailing of the trade publication or newsletter, that notice was included in the publication or newsletter, and the date of mailing.</p>	James P. Henning

11	63	807 KAR 5:001 Section 17(4)	<p>(4) Notice Content. Each notice issued in accordance with this section shall contain:</p> <p>(a) The proposed effective date and the date the proposed rates are expected to be filed with the commission;</p> <p>(b) The present rates and proposed rates for each customer classification to which the proposed rates will apply;</p> <p>(c) The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply;</p> <p>(d) The amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply, except for local exchange companies, which shall include the effect upon the average bill for each customer classification for the proposed rate change in basic local service;</p> <p>(e) A statement that a person may examine this application at the offices of (utility name) located at (utility address);</p> <p>(f) A statement that a person may examine this application at the commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at http://psc.ky.gov;</p> <p>(g) A statement that comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602;</p> <p>(h) A statement that the rates contained in this notice are the rates proposed by (utility name) but that the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;</p> <p>(i) A statement that a person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party; and</p> <p>(j) A statement that if the commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the commission may take final action on the application.</p>	Bruce L. Sailors
11	64	807 KAR 5:001 Section 17(5)	(5) Abbreviated form of notice. Upon written request, the commission may grant a utility permission to use an abbreviated form of published notice of the proposed rates, provided the notice includes a coupon that may be used to obtain all the required information.	N/A
12	-	807 KAR 5:001 Section 16(8)(a) through (k)	Schedule Book (Schedules A-K)	Various
13	-	807 KAR 5:001 Section 16(8)(l) through (n)	Schedule Book (Schedules L-N)	Bruce L. Sailors

14	-	-	Work papers	Various
15	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 1 of 6)	Various
16	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 2 of 6)	Various
17	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 3 of 6)	Various
18	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 4 of 6)	Various
19	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 5 of 6)	Various
20	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 6 of 6)	Various
20	-	KRS 278.2205(6)	Cost Allocation Manual	Legal

**DUKE ENERGY KENTUCKY
CASE NO. 2017-00321
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(j)**

807 KAR 5:001, SECTION 16(7)(j)

Description of Filing Requirement:

Prospectuses of the most recent stock or bond offerings.

Response:

See attached. The most recent Duke Energy Kentucky bond offering was a private placement and as a result did not have a prospectus. Private placements use a document similar to prospectus, called an executive summary.

Witness Responsible: John L. Sullivan III

This Confidential Executive Summary (the "Executive Summary") must not be given to any person other than the offeree to whom it has been distributed and must not be reproduced in any manner whatsoever. No offeree is authorized to make any further distribution or reproduction of this Executive Summary or to disclose its contents. Any unauthorized distribution or reproduction of any part of this Executive Summary may result in a violation of the Securities Act of 1933, as amended (the "Securities Act").

\$90,000,000
SENIOR UNSECURED DEBENTURES



DUKE ENERGY KENTUCKY, INC.

JUNE 2017

CONFIDENTIAL EXECUTIVE SUMMARY

SOLE PLACEMENT AGENT



The Securities described in this Executive Summary have not been registered under the Securities Act, or the securities laws of any jurisdiction. Duke Energy Kentucky, Inc. is offering the Securities in reliance on exemptions from the registration requirements of the Securities Act and other applicable laws. These exemptions apply to offers and sales of securities that do not involve a public offering. The Securities have not been approved or recommended by any federal, state or foreign securities authorities, nor have any of these authorities passed upon the merits of this offering or determined that this Executive Summary is accurate or complete. Any representation to the contrary is a criminal offense.



DISCLAIMER

NOTICE TO PROSPECTIVE PURCHASERS:

Duke Energy Kentucky, Inc. ("Duke Energy Kentucky" or the "Company") has requested that KeyBanc Capital Markets Inc. ("KeyBanc"), which is acting as sole placement agent (the "Placement Agent") on behalf of the Company, distribute this Executive Summary to prospective purchasers of the Company's Senior Unsecured Debentures (the "Securities").

This Executive Summary has been prepared solely for the benefit of a limited number of sophisticated institutions that are accredited investors within the meaning of Rule 501(a) under the Securities Act interested in the purchase of the Securities described herein to be issued by the Company. The information contained in this Executive Summary has been supplied by the Company, which is solely responsible for its contents. **NONE OF KEYBANC'S EMPLOYEES OR AGENTS HAS VERIFIED SUCH INFORMATION AND KEYBANC DOES NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.**

Your acceptance of this Executive Summary shall constitute an agreement by you and your representatives that to the extent that the Company discloses material, nonpublic information to you or your representatives, such disclosure is made with the understanding that you and your representatives agree to maintain such material, nonpublic information in confidence and that the Company does not, at this time, intend to disclose any such material nonpublic information publicly.

This Executive Summary is a confidential document. Prospective purchasers should read this Executive Summary before making a decision whether to purchase any Securities. Prospective purchasers must not (i) use this Executive Summary or any other information furnished by the Company for any other purpose; (ii) make copies of any part of this Executive Summary or give a copy of this Executive Summary or any other information furnished by the Company to any other person; (iii) disclose any information furnished by the Company, including the information in this Executive Summary, to any other person without the prior written approval of the Company; or (iv) trade in any securities of the Company (other than the Securities) while in possession of this Executive Summary or any information furnished by the Company in connection with the transaction contemplated hereby.

Notwithstanding anything in this Executive Summary to the contrary, the Company, the Placement Agent and each prospective purchaser of the Securities (and any employee, representative or other agent of them) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Executive Summary and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment or tax structure. However, any such information relating to the tax treatment or tax structure is required to be kept confidential to the extent necessary to comply with any applicable federal or state securities laws.

A prospective purchaser must promptly return all copies of this Executive Summary to the Placement Agent, if the offering is terminated or withdrawn, if a prospective purchaser decides not to purchase the Securities or if requested by the Company. Each prospective purchaser is responsible for making its own examination of the Company and its own assessment of the merits and risks of investing in the Securities. This Executive Summary does not purport to contain all of the information that a prospective purchaser may require in making an investment decision. This Executive Summary may also contain summaries of certain documents. These summaries are not necessarily complete and prospective purchasers should refer to the documents that have been summarized.

The Company will offer prospective purchasers the opportunity to ask questions of and receive answers from the Company about the Company, the terms and conditions of the Securities or any other relevant information. Prospective purchasers may contact the persons listed below, if they need any additional information, including copies of any documents summarized in this Executive Summary.

By purchasing any Securities, a prospective purchaser will be deemed to have acknowledged that (i) it is aware of the need to conduct its own thorough investigation of the Company and the Securities before making an investment in the Securities; (ii) it is an institutional accredited investor that is willing and able to conduct an independent investigation of the risks of ownership of the Securities; (iii) it has had an opportunity to request any additional information that it needs from the Company; and (iv) the Placement Agent is not responsible for, and is not making any representation concerning, the Company's future performance, the adequacy, accuracy or completeness of this Executive Summary, the advisability of purchasing the Securities, the execution, validity or enforceability of the Securities or any documents delivered in connection with the Securities.

In making their investment decision, prospective purchasers should rely only on the information contained in this Executive Summary and on any other information furnished by the Company, whether directly or through the Placement Agent. The Company and the Placement Agent have not authorized anyone to provide prospective purchasers with any other information. If any other information is received, a prospective purchaser should not rely on it.

Prospective purchasers should not assume that the information contained in this Executive Summary is accurate as of any date other than the date on the front cover of this Executive Summary or that there has been no change in the affairs of the Company since that date.

The Company and the Placement Agent are not providing prospective purchasers with any legal, business, tax or other advice in this Executive Summary. Prospective purchasers should consult with their own advisors as needed to assist them in making their investment decision and to advise them whether they are legally permitted to purchase the Securities.

DUKE ENERGY KENTUCKY, INC.
 CONFIDENTIAL EXECUTIVE SUMMARY (JUNE 2017)



Each prospective purchaser must comply with all laws that apply to it in any place in which it buys, offers or sells any Securities or possesses this Executive Summary. Each prospective purchaser must also obtain any consents or approvals that it needs in order to purchase any Securities. The Company and the Placement Agent are not responsible for a prospective purchaser's compliance with these legal requirements. The Company and the Placement Agent are offering to sell the Securities only in places where, and to persons to whom, offers and sales are permitted.

The Company has not taken any action that would permit a public offer or sale of the Securities. Accordingly, the Securities will be subject to restrictions on resale and transfer as provided in the debenture purchase agreement and the supplemental indenture relating to the Securities. The Securities will bear a legend referring to these restrictions. Because of these restrictions, no secondary trading market for the Securities is expected to develop and purchasers may be required to bear the financial risks of investing in the Securities for an indefinite period of time.

The Company and the Placement Agent reserve the right to reject any commitment to purchase Securities in whole or in part and to allot to any prospective purchaser less than the full amount of Securities sought by it.

This Executive Summary contains certain "forward-looking statements" with respect to the financial condition, results of operations and business and business strategy of the Company. All of these forward-looking statements are based on estimates, projections and assumptions made by the Company about circumstances and events that have not yet taken place which, although the Company believes them to be reasonable, are inherently uncertain. Therefore, undue reliance should not be placed upon these estimates and statements. No assurance can be given that any of these estimates or statements will be realized. It is likely that actual results will vary from those contemplated by these forward-looking statements and such variations may be material. Prospective purchasers should carefully review the Risk Factors beginning on page 18 of this Executive Summary for a discussion of certain factors that could cause the Company's results to vary from those contemplated by these forward-looking statements.

By accepting this Executive Summary, the recipient will be deemed to have acknowledged and agreed to all of the foregoing.

KeyBanc Capital Markets is the trade name for the capital markets and investment banking services of KeyCorp and its subsidiaries, including KeyBank National Association and KeyBanc Capital Markets Inc. (a U.S. broker-dealer registered with the U.S. Securities and Exchange Commission and a member of FINRA and SIPC).

For further information, please contact one of the following KeyBanc professionals:

KEYBANC CAPITAL MARKETS

127 PUBLIC SQUARE, 4TH FLOOR
 CLEVELAND, OH 44114

225 FRANKLIN ST, 18TH FLOOR
 BOSTON, MA 02110

227 W. MONROE ST, SUITE 1700
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I. DUKE ENERGY KENTUCKY, INC.

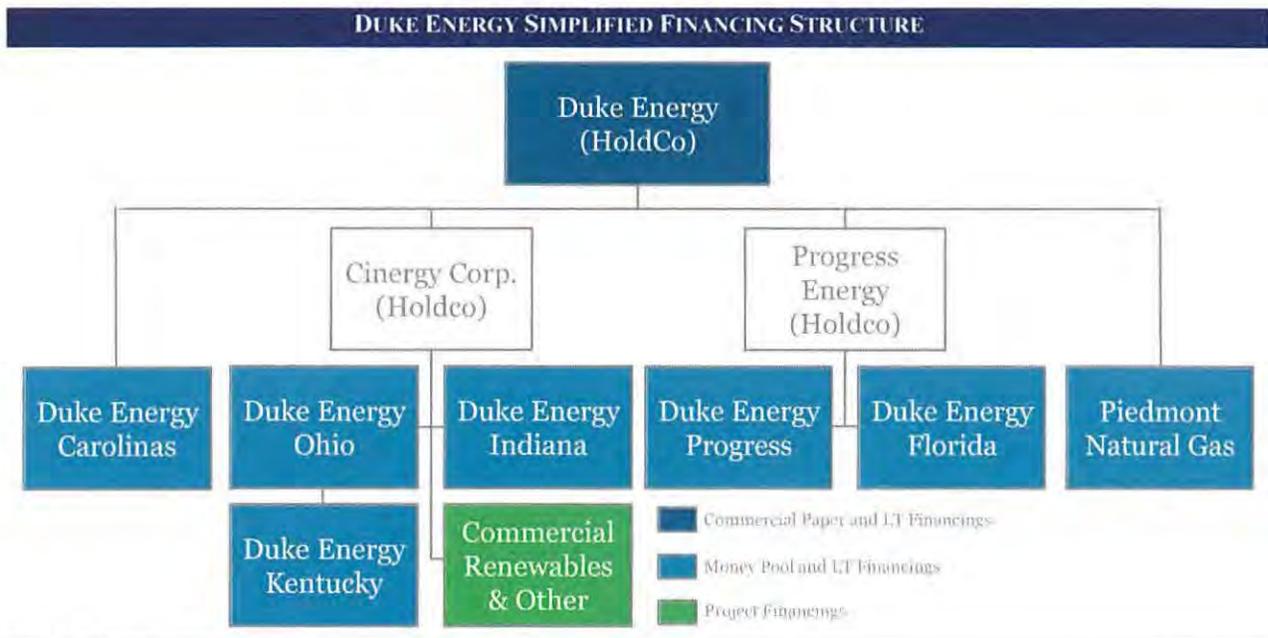
The Company's future performance is subject to a variety of risks and uncertainties, many of which are described in the section entitled Risk Factors. If any of the risks or uncertainties materialize, the Company's business, financial condition and results of operations could be materially and adversely affected. Additional risks not presently known to the Company, or that the Company currently deems immaterial, may also impair the business, financial condition or results of operations.

Prospective purchasers should read the information provided in the Executive Summary with respect to Duke Energy Kentucky, Inc. in conjunction with the more detailed information about Duke Energy Kentucky, Inc. in Duke Energy Corporation's SEC filings and Duke Energy Kentucky, Inc.'s quarterly and annual financial statements. In considering whether to purchase the Debentures, investors should carefully consider the risks and uncertainties.

I. COMPANY OVERVIEW

Duke Energy Kentucky, Inc. ("Duke Energy Kentucky" or the "Company") is a combination electric and gas public utility company that provides service in northern Kentucky. The Company's principal lines of business include generation, transmission and distribution of electricity as well as the sale of and/or transportation of natural gas. Duke Energy Kentucky's common stock is wholly owned by Duke Energy Ohio, Inc. ("Duke Energy Ohio"), an indirect wholly owned subsidiary of Duke Energy Corporation (collectively with its subsidiaries, "Duke Energy"), an energy company headquartered in Charlotte, North Carolina. Duke Energy operates in the U.S. primarily through its direct and indirect subsidiaries. Duke Energy's subsidiaries include Duke Energy Carolinas, LLC; Duke Energy Progress, LLC; Duke Energy Florida, LLC; Duke Energy Ohio, Inc.; Duke Energy Indiana, LLC; and Piedmont Natural Gas Company, Inc. The table below displays the simplified financing structure of Duke Energy:

Duke Energy Kentucky is the sole obligor on the Securities, and neither Duke Energy nor any of its affiliates are guaranteeing Duke Energy Kentucky's obligation on the Securities.

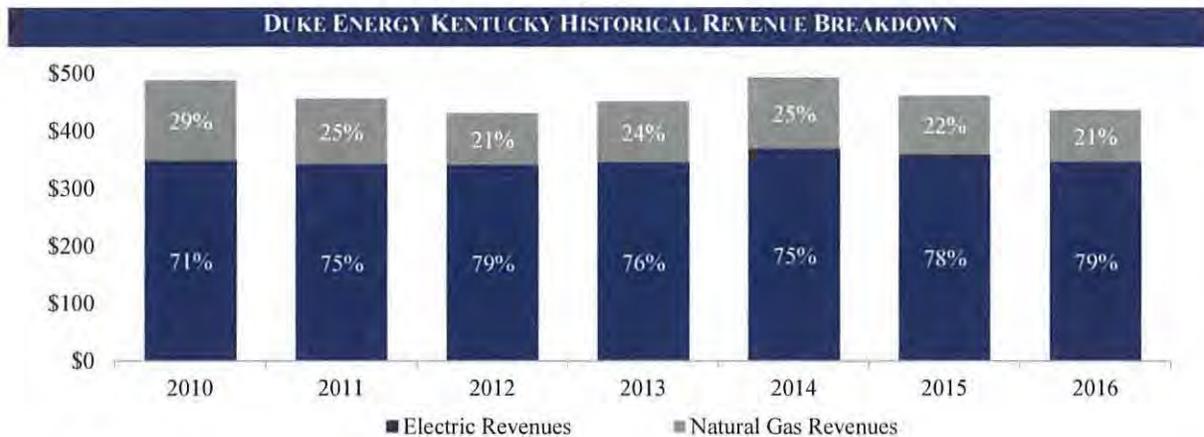


Source: the Company

DUKE ENERGY KENTUCKY, INC.
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Below is the Company's yearly historical revenue breakdown since 2010:



Source: the Company

2. CUSTOMERS & SERVICE TERRITORY

Duke Energy Kentucky provides electric and gas service in the northern Kentucky area. The approximately 300 square mile service territory includes the cities of Covington and Florence, Kentucky. The Company owns an electric transmission and distribution system in Kenton, Campbell, Boone, Grant, and Pendleton counties of northern Kentucky. The Company also owns a gas distribution system, which serves either all or parts of Kenton, Campbell, Boone, Grant, Gallatin, Bracken, and Pendleton counties of northern Kentucky.

At December 31, 2016, Duke Energy Kentucky had approximately 140,000 electric customers and 98,000 gas customers. For the year ended December 31, 2016, the Company sold 4,672,987 MWh of electricity and 8,659,778 Mcf of gas to retail customers. Electric sales to residential customers account for approximately 38% of electric revenue, with commercial customers at 33%, industrial at 16%, wholesale at 6% and other at 7%. Gas sales to residential and commercial customers account for approximately 67% and 23% of gas revenue, respectively, with other at 10%.

3. ASSETS & GENERATION OVERVIEW

At December 31, 2016, Duke Energy Kentucky owned approximately 105 conductor miles of 69 kilovolt electric transmission lines. The Company also owned approximately 4,500 conductor miles of electric distribution lines, 3,000 miles of overhead lines, and 1,500 miles of underground lines. Duke Energy Kentucky also has approximately 1,400 miles of gas transmission and distribution mains. The electric transmission and distribution systems have approximately 40 substations.

Duke Energy Kentucky owns and operates the East Bend Generating Station ("East Bend") coal-fired station, located in Rabbit Hash, Kentucky, with a net capacity of 600 megawatt ("MW") and one natural gas combustion turbine peaking station, Woodsdale, with a net capacity of 564 MW. Duke Energy Kentucky previously owned 69% of the East Bend generating station. It acquired the additional 31% stake in the facility in December 2014 for \$12.4 million. The acquisition replaces generation lost as a result of the retirement of the 163 MW, 55 year old Miami Fort 6 plant. East Bend, in operation since 1981, ran at a 76.73% capacity factor in calendar year 2015, and 69.58% in 2016. East Bend is a fully scrubbed power plant and is equipped to reduce sulfur dioxide emissions by 97% and NOx emissions by 85%. It has an air permit that limits SO2 emissions to 1.2 lbs/MMBTU.

Following the retirement of the Miami Fort 6 plant in June 2015, 100% of the 600 MW of coal-fired capacity is equipped with scrubbers and Selective Catalytic Reduction equipment.

Additional information on Duke Energy Kentucky's assets is provided below:



Duke Energy Kentucky Power Plants

Plant	Year	State	Owner	Operator	Status	Prime Mover	Fuel Type	Capacity (MW)	Ownership
East Bend	1981	KY	Duke Kentucky	Duke Kentucky	Operating	Steam Turbine	Bituminous Coal	600.0	100.00%
Miami Fort	1949	OH	Duke Kentucky	Dynegy Inc.	Retired	Steam Turbine	Bituminous Coal	--	--
Woodsdale	1992	OH	Duke Kentucky	Duke Kentucky	Operating	Gas Turbine	Natural Gas	564.0	100.00%

Source: SNL

Duke Energy Kentucky Current Plant Capacity and Operations Summary as of Year End 2016

	Owned Operating Capacity (MW)				MWh Net Generation	Capacity Factor	Average Heat Rate (Btu/kWh)
	Avg. Age of Fleet (Yrs)	Operating Nameplate	Operating Summer	Operating Winter			
Total Coal (Steam Turbine)	36	768.0	600.0	600.0	3,667,297	69.58%	10,889
Total Natural Gas (Gas Turbine)	25	572.0	462.0	564.0	31,659	0.65%	25,258
Total	31	1,340.0	1,062.0	1,164.0	3,698,956		

Source: SNL

4. RATES & REGULATION

The Company is regulated primarily by the Kentucky Public Service Commission (“KPSB”). Fuel costs are adjusted monthly. Although Duke Energy Kentucky currently recovers its environmental compliance costs through base rates, Kentucky law permits a Cost Recovery Mechanism for recovery of certain environmental costs related to coal combustion and a cash return on associated construction work in progress (“CWIP”) outside base rate filings. Adjustment mechanisms also permit cost recovery, including an incentive, for energy efficiency programs. The effective dates of the Company’s most recent base rate increases are December 2006 for electric and January 2010 for gas.

In 2009, the Company proposed to implement a new rate design for residential customers, which involves moving more of the fixed charges of providing gas service, such as capital investment in pipes and regulating equipment and billing and meter reading, from the volumetric charges to the fixed monthly charge. The settlement ultimately provided for a portion of the increase to be reflected in the customers’ fixed monthly charge with the remainder of the increase to be reflected in the volumetric charge. Duke Energy Kentucky recovers the gas commodity portion in its costs via a gas cost adjustment (“GCA”) rider.

Duke Energy Kentucky’s electric rates are the lowest of any investor-owned utility in the state and its gas rates are competitive with peer companies. The Company’s retail electric rates are segregated into residential, non-residential, and lighting, with the non-residential rates segregated based on the voltage level of delivery (i.e., transmission level, primary level, or distribution level). The significant existing electric riders are for recovery of fuel and purchased power costs, sharing of profits from off-system sales, and energy efficiency. The Company’s gas rates are segregated between residential, general service (i.e., non-residential), and interruptible. The significant existing gas riders are for recovery of the commodity costs of gas and for energy efficiency.



Summaries of the most recent electric and natural gas rate cases are shown in the table below:

Service	Date	Increase Requested					Increase Authorized				
		Rate Increase	Return on Rate Base	ROE	Equity to Cap	Rate Base	Date	Rate Increase	ROE	Equity to Cap	
Natural Gas	7/1/09	\$17.5M	7.67%	11.00%	49.90%	\$253.8M	12/29/09	\$13.0M	10.38%	50.80%	
Electric	5/31/06	\$66.6M	8.26%	11.50%	51.00%	\$591.1M	12/21/06	\$49.0M	NA	NA	

Source: SNL

As part of a recent stipulation with the Kentucky attorney general related to the acquisition of the remaining 31% interest in East Bend, the Company agreed to an electric base rate freeze to not file for an electric base rate increase earlier than January 1, 2016. Duke Energy Kentucky is a member of PJM Interconnection, LLC ("PJM"), a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia and operates an energy market and a capacity market. Duke Energy Kentucky participates in the PJM capacity market as a Fixed Resource Requirement ("FRR") entity. As an FRR entity, Duke Energy Kentucky is required to submit an FRR capacity plan that identifies specific generating resources that provide Duke Energy Kentucky with capacity to meet its reliability obligations and to satisfy its load and generation needs. The FRR plan is submitted annually for a period of three delivery years into the future. Duke Energy Kentucky currently uses primarily its owned generating resources to satisfy its FRR plan.

Regional Transmission Organization ("RTO") Realignment

Duke Energy Ohio, including Duke Energy Kentucky, transferred control of their transmission assets from Midcontinent Independent System Operator, Inc. ("MISO") to PJM, effective December 31, 2011. On December 22, 2010, the KPSC approved Duke Energy Kentucky's request to effect the RTO realignment, subject to a commitment not to seek double-recovery in a future rate case of the transmission expansion fees that may be charged by MISO and PJM in the same period or overlapping periods.

FERC Transmission Return on Equity and MISO Transmission Expansion Planning ("MTEP") Cost Settlement

On October 14, 2011, Duke Energy Ohio and Duke Energy Kentucky submitted with the FERC proposed modifications to the PJM Interconnection Open Access Transmission Tariff pertaining to recovery of the transmission revenue requirement as PJM transmission owners. The filing was made in connection with Duke Energy Ohio's and Duke Energy Kentucky's move from MISO to PJM effective January 1, 2012. On April 24, 2012, the FERC issued an order accepting the proposed filing effective January 1, 2012, except that the order denied a request to recover certain costs associated with the move from MISO to PJM without prejudice to the right to submit another filing seeking such recovery and including certain additional evidence, and set the rate of return on equity of 12.38 percent for settlement and hearing. On April 16, 2015, the FERC approved a settlement agreement between Duke Energy Ohio, Duke Energy Kentucky and six PJM transmission customers with load in the Duke Energy Ohio and Duke Energy Kentucky zone. The principal terms of the settlement agreement are that, effective upon the date of FERC approval, (i) the return on equity for wholesale transmission service is reduced to 11.38 percent, (ii) the settling parties agreed not to seek a change in the return on equity that would be effective prior to June 1, 2017, and (iii) Duke Energy Ohio and Duke Energy Kentucky will recover 30 percent of the wholesale portion of costs arising from their obligation to pay any portion of the costs of projects included in any MTEP that was approved prior to the date of Duke Energy Ohio's and Duke Energy Kentucky's integration into PJM.

East Bend Coal Ash Basin Filing

On December 2, 2016, Duke Energy Kentucky filed with the KPSC a request for a CPCN for construction projects necessary to close and repurpose an ash basin at the East Bend necessitated by current and proposed EPA regulations related to Coal Combustion Residuals ("CCR") and 2015 Amendments to the Steam Electric Effluent Limitation Guidelines ("ELG"). Duke Energy Kentucky is targeting a completion date in fourth quarter 2018 for these projects and estimates a total cost of approximately \$93 million. Duke Energy Kentucky has requested an order to be issued by April 30, 2017. On April 25, the United States Environmental Protection Agency ("EPA") published its stay of applicability for the 2015 Amendments to the Steam Electric Effluent Limitation Guidelines. On May 18, 2017, the Company met with the Commission Staff to discuss the impact of this stay of applicability and the Company's need to



continue to the projects to comply with CCR and other Kentucky groundwater related regulations. On May 23, 2017, Duke Energy Kentucky supplemented the record with additional information regarding the costs of the compliance initiatives initially evaluated. Duke Energy Kentucky cannot predict the outcome of this matter.

On June 10, 2015, Duke Energy Kentucky filed an application with the KPSC seeking approval to record ARO amounts and other compliance obligations related to the disposal of coal combustion residuals at the East Bend Station as regulatory assets and to defer costs incurred, including carrying costs. The application was approved in December 2015.

Dry Bottom Ash Conversion

On July 28, 2016, Duke Energy Kentucky filed with the KPSC a request for approval of a CPCN to convert to dry bottom ash at the East Bend station. The project is necessary to comply with various environmental law requirements. The project is estimated to cost approximately \$25 million. On February 23, 2017, the KPSC granted a CPCN for the project.

Big Bone Pipeline Project

On May 11, 2016, Duke Energy Kentucky filed with the KPSC a request for approval of a CPCN to construct a new natural gas pipeline and related facilities. The project will provide for needed capacity on the Duke Energy Kentucky natural gas delivery system and will provide greater reliability of the overall delivery system. The project is estimated to be completed prior to the 2017 winter heating season at a total cost of approximately \$14 million. On November 28, 2016, the KPSC granted a CPCN for the project.

Natural Gas Pipeline Testing Costs

On April 29, 2016, Duke Energy Kentucky filed an application with the KPSC requesting approval to defer approximately \$2 million of unplanned operations and maintenance expense related to pressure testing of natural gas pipelines which will be completed in 2017. The testing is required to comply with regulations promulgated by the Pipeline and Hazardous Materials Safety Administration. The KPSC approved the application on July 22, 2016.

Advanced Metering Infrastructure

On April 25, 2016, Duke Energy Kentucky filed with the KPSC an application for approval of a CPCN for the construction of AMI. Duke Energy Kentucky anticipates that the estimated \$49 million project, if approved, will take about two years to complete. Duke Energy Kentucky also requested approval to establish a regulatory asset of approximately \$10 million for the remaining book value of existing meter equipment and inventory that will be replaced. On July 20, 2016, the Kentucky Attorney General, the only intervenor in the proceeding, moved to dismiss the application. Duke Energy Kentucky filed its opposition to the Kentucky Attorney General's motion to dismiss on July 27, 2016. On September 28, 2016, the KPSC denied the Kentucky Attorney General's motion to dismiss and granted Duke Energy Kentucky's motion to file rebuttal testimony. Duke Energy Kentucky and the Kentucky Attorney General entered into a stipulation resolving the matters raised in the application. An evidentiary hearing was held on December 8, 2016. On May 25, 2017 the Commission issued an Order approving the stipulation with three modifications impacting the depreciation, and timing and method of cost recovery for natural gas-related metering devices. Duke Energy Kentucky has agreed to accept these modifications.

Accelerated Natural Gas Service Line Replacement Rider

On July 6, 2015, Duke Energy Kentucky filed an application for approval of an accelerated natural gas service line replacement program ("ASRP"). Under the ASRP, Duke Energy Kentucky proposed to replace certain natural gas service lines on an accelerated basis over a 5-year period. Duke Energy Kentucky also proposed to complete preliminary survey and investigation work related to natural gas service lines that are customer owned and for which it does not have valid records and, further, to relocate interior natural gas meters to suitable exterior locations where such relocation can be accomplished. Duke Energy Kentucky's projected total capital and operations and maintenance expenditures under the ASRP were approximately \$ 50 million. The filing also sought approval of Rider ASRP to recover related expenditures. Duke Energy Kentucky proposed to update Rider ASRP on an annual basis. On December 18, 2015 Duke Energy Kentucky entered into a settlement with the Attorney General of the Commonwealth of Kentucky to resolve all issues in the case. On February 2, 2016 the Commission approved the settlement. Duke Energy Kentucky filed its first annual true-up of the Rider ASRP on July 1, 2016. As part of that filing, the Company informed the Commission that the estimated total cost of the ASRP program has been reduced to

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approximately \$34-38 million due to favorable vendor pricing and a lower than expected amount of service line replacements. The Commission approved the Company's application on December 16, 2016.

East Bend Station

On December 30, 2014, Duke Energy Kentucky acquired The Dayton Power and Light Company's 31 percent interest in the jointly owned East Bend Station for approximately \$12.4 million. Duke Energy Kentucky owns 100 percent of the East Bend Station as a result of the acquisition. The KPSC approved the deferral of incremental operations and maintenance costs related to the additional ownership interest above amounts currently reflected in base rates. At December 31, 2016, Duke Energy Kentucky had approximately \$23 million included in Regulatory assets related to incremental operations and maintenance costs for East Bend.

The purchase price, in accordance with FERC guidelines, was reflected with The Dayton Power & Light Company's historical original cost as an increase to property, plant and equipment and accumulated depreciation as of December 31, 2015. Based on FERC methodology, Duke Energy Kentucky is required to apply depreciation rates to the original historical plant cost, not the \$12.4 million purchase price. As a result, the purchase price will be fully depreciated over a four-year period, not the remaining useful life of the assets of 27 years. On August 20, 2015, the KPSC approved Duke Energy Kentucky's application to use the purchase price as the value of the newly acquired interest in the East Bend Station for depreciation and ratemaking purposes and to create a regulatory asset for the excess FERC-mandated depreciation to be recovered over the remaining useful life of the assets. At December 31, 2016, Duke Energy Kentucky had approximately \$9 million included in Regulatory assets related to excess depreciation.

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5. *SELECTED HISTORICAL FINANCIALS*

SUMMARY HISTORICAL FINANCIALS					
(\$ in thousands)	Fiscal Year End December 31,				
	2012	2013	2014	2015	2016
Income statement					
Operating Revenues					
<i>Electric</i>	\$ 340,632	\$ 344,471	\$ 368,894	\$ 359,196	\$ 346,124
<i>Natural Gas</i>	90,353	107,005	124,403	102,354	90,216
Total operating revenues	430,985	451,476	493,297	461,550	436,340
Operating Income	60,602	85,793	70,869	87,334	72,198
EBITDA	106,625	131,931	117,061	132,222	118,187
Interest expense and other financing costs	17,520	15,989	16,345	14,172	14,888
Net Income	28,221	45,070	35,302	46,176	42,584
Balance Sheet					
Cash and cash equivalents	\$ 10,693	\$ 13,038	\$ 11,307	\$ 9,141	\$ 6,534
Total asset value	1,173,031	1,165,746	1,214,158	1,340,478	1,370,148
Total debt	340,840	339,053	360,026	374,770	381,702
Total net debt	330,147	326,015	348,719	365,629	375,168
Total shareholders' equity	372,885	377,954	413,256	404,432	437,015
Total capitalization	713,725	717,007	773,282	779,202	818,717
Cash flow statement					
Cash flow from operations	\$ 84,521	\$ 75,745	\$ 42,811	\$ 109,932	\$ 108,596
Capital expenditures	74,179	42,095	56,001	69,234	100,899
Depreciation and amortization	45,242	45,277	44,904	44,497	44,683
Ratios					
Total debt / EBITDA	3.2x	2.6x	3.1x	2.8x	3.2x
Total net debt / EBITDA	3.1x	2.5x	3.0x	2.8x	3.2x
EBITDA / Interest expense	6.1x	8.3x	7.2x	9.3x	7.9x
Total debt / Total capitalization	47.8%	47.3%	46.6%	48.1%	46.6%

Source: the Company



6. OTHER

MVP

MISO approved 17 Multi-Value Project (“MVP”) proposals prior to Duke Energy Kentucky’s exit from MISO on December 31, 2011. Construction of these projects is expected to continue through 2020. Costs of these projects, including operating and maintenance costs, property and income taxes, depreciation and an allowed return, are allocated and billed to MISO transmission owners.

On December 29, 2011, MISO filed a tariff with the FERC providing for the allocation of MVP costs to a withdrawing owner based on monthly energy usage. The FERC set for hearing (i) whether MISO’s proposed cost allocation methodology to transmission owners who withdrew from MISO prior to January 1, 2012 is consistent with the tariff at the time of their withdrawal from MISO, and, (ii) if not, the amount of and methodology for calculating any MVP cost responsibility. In 2012, MISO estimated Duke Energy Kentucky’s MVP obligation over the period from 2012 to 2071 at \$450 million, on an undiscounted basis. On July 16, 2013, a FERC Administrative Law Judge (ALJ) issued an initial decision. Under this initial decision, Duke Energy Kentucky would be liable for MVP costs. Duke Energy Kentucky filed exceptions to the initial decision, requesting the FERC overturn the ALJ’s decision.

On October 29, 2015, the FERC issued an order reversing the ALJ’s decision. The FERC ruled the cost allocation methodology is not consistent with the MISO tariff and that Duke Energy Kentucky has no liability for MVP costs after its withdrawal from MISO. On May 19, 2016, the FERC denied the request for rehearing filed by MISO and the MISO Transmission Owners. On July 15, 2016, the MISO Transmission Owners filed a petition for review with the U.S. Court of Appeals for the Sixth Circuit. Oral arguments in this matter are scheduled to occur in June 2017. Duke Energy Kentucky cannot predict the outcome of this matter.

PJM Capacity Performance Proposal

On June 9, 2015, the FERC ruled in favor of PJM on a revised Tariff and Reliability Assurance Agreement including implementation of a Capacity Performance (CP) proposal and to amend sections of the Operating Agreement related to generation non-performance. The CP proposal includes performance-based penalties for non-compliance. Duke Energy Kentucky is a Fixed Resource Requirement (FRR) entity, and therefore is subject to the compliance standards through its FRR plans. A partial CP obligation will apply to Duke Energy Kentucky in the delivery year beginning June 1, 2019, with full compliance beginning June 1, 2020. Duke Energy Kentucky has developed strategies for compliance and required investments, including a dual fuel system at its Woodsdale Generating station. The execution of these strategies and investments may require approval from the KPSC. Duke Energy Kentucky has recently filed an application for a certificate of public convenience and necessity to construct the new dual fuel system. The Company cannot predict the outcome of this proceeding.

Remediation Activities

In addition to the AROs discussed in the Coal Combustion Residuals section below, Duke Energy Kentucky is responsible for environmental remediation at various sites. These include some properties that are part of ongoing operations and sites formerly owned or used by Duke Energy Kentucky. These sites are in various stages of investigation, remediation and monitoring. Managed in conjunction with relevant federal, state and local agencies, remediation activities vary based upon site condition and location, remediation requirements, complexity and sharing of responsibility. If remediation activities involve joint and several liability provisions, strict liability, or cost recovery or contribution actions, Duke Energy Kentucky could potentially be held responsible for environmental impacts caused by other potentially responsible parties, and may also benefit from insurance policies or contractual indemnities that cover some or all cleanup costs. Liabilities are recorded when losses become probable and are reasonably estimable. The total costs that may be incurred cannot be estimated because the extent of environmental impact, allocation among potentially responsible parties, remediation alternatives, and/or regulatory decisions have not yet been determined. Additional costs associated with remediation activities are likely to be incurred in the future and could be significant. Costs are typically expensed as Operation, maintenance and other in the Statements of Operations unless regulatory recovery of the costs is deemed probable.

Duke Energy Kentucky has accrued approximately \$670 thousand and \$515 thousand of probable and estimable costs related to its various environmental sites in Other within Deferred Credits and Other Liabilities on the Condensed Balance Sheets as of December 31, 2016 and 2015, respectively. Additional losses in excess of recorded reserves are



expected to be immaterial for the stages of investigation, remediation and monitoring for the environmental sites that have been evaluated. The maximum amount of the range for all stages of Duke Energy Kentucky's environmental sites cannot be determined at this time.

Coal Combustion Residuals

In April 2015, the EPA published a rule to regulate the disposal of CCR from electric utilities as solid waste. The federal regulation classifies CCR as nonhazardous waste and allows for beneficial use of CCR with some restrictions. The regulation applies to all new and existing landfills, new and existing surface impoundments receiving CCR and existing surface impoundments that are no longer receiving CCR but contain liquid located at stations currently generating electricity (regardless of fuel source). The rule establishes requirements regarding landfill design, structural integrity design and assessment criteria for surface impoundments, groundwater monitoring and protection procedures and other operational and reporting procedures to ensure the safe disposal and management of CCR. As a result of the EPA rule, Duke Energy Kentucky recorded additional ARO amounts during 2015 for estimated ash basin closure costs at the East Bend Station. In addition to the requirements of the federal CCR regulation, CCR landfills and surface impoundments are also independently regulated by the Commonwealth of Kentucky.

The ARO amount recorded on the Balance Sheets is based upon estimated closure costs for impacted ash impoundments. The amount recorded represents the discounted cash flows for estimated closure costs based upon either specific closure plans or the probability weightings of the potential closure methods as evaluated on a site-by-site basis. Actual costs to be incurred will be dependent upon factors that vary from site to site. The most significant factors are the method and time frame of closure at the individual sites. Closure methods considered include removing the water from the basins, consolidating material as necessary and capping the ash with a synthetic barrier, excavating and relocating the ash to a lined structural fill or lined landfill, or recycling the ash for concrete or some other beneficial use. The ultimate method and timetable for closure will be in compliance with standards set by federal and state regulations.

During 2016, Duke Energy Kentucky updated its coal ash ARO liability estimate based on additional site-specific information about the related costs, methods and timing of work to be performed. The ARO amount will be adjusted as additional information is gained through the closure and post-closure process, including acceptance and approval of compliance approaches which may change management assumptions, and may result in a material change to the balance.

Clean Power Plan

On October 23, 2015, the EPA published in the Federal Register the CPP rule for regulating carbon dioxide (CO₂) emissions from existing fossil fuel-fired electric generating units. The CPP establishes CO₂ emission rates and mass cap goals that apply to fossil fuel-fired generation. Petitions challenging the CPP have been filed by several groups and on February 9, 2016, the Supreme Court issued a stay of the final CPP rule, halting implementation of the CPP until legal challenges are resolved. Kentucky has suspended work on the CPP in response to the stay. Oral arguments before 10 of the 11 judges on the D.C. Circuit Court were heard on September 27, 2016. The court has not issued its opinion in the case.

On March 28, 2017, President Trump signed an Executive Order directing EPA to review the CPP and determine whether to suspend, revise or rescind the rule. On the same day the DOJ filed a motion with the D.C. Circuit Court requesting that the court stay the litigation of the rule while it is reviewed by EPA. On April 28, 2017, the court issued an order to suspend the litigation for 60 days and directing parties to file supplemental briefs by May 15, 2017, addressing whether the rule should be remanded to the EPA rather than be suspended. Neither the Executive Order nor the court's order changes the current status of the CPP, which is under a legal hold by the U.S. Supreme Court. The EPA has not announced a schedule for completing its review. Duke Energy Kentucky cannot predict the outcome of these matters.

Compliance with CPP could cause the industry to replace coal-fired generation with natural gas and renewables. Costs to operate coal-fired generation plants continue to grow due to increasing environmental compliance requirements, including ash management costs unrelated to CPP, which may result in the retirement of coal-fired generation plants earlier than the current useful lives. If the CPP is ultimately upheld by the courts and implementation goes forward, Duke Energy Kentucky could incur increased fuel, purchased power, operation and maintenance and other costs for replacement generation as a result of this rule. Due to the uncertainties related to the implementation of the CPP,

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Duke Energy Kentucky cannot predict the outcome of these matters. Duke Energy Kentucky continues to evaluate the need to retire generating facilities and plans to seek regulatory recovery, where appropriate, for amounts that have not been recovered upon asset retirements. However, recovery is subject to future regulatory approval, including the recovery of carrying costs on remaining book values, and therefore cannot be assured.

Litigation

Duke Energy Kentucky is involved in other legal, tax and regulatory proceedings arising in the ordinary course of business, some of which involve significant amounts. Duke Energy Kentucky believes the final disposition of these proceedings will not have a material effect on its results of operations, cash flows or financial position. Duke Energy Kentucky expenses legal costs related to the defense of loss contingencies as incurred.



II. PROPOSED OFFERING

I. SUMMARY OF PROPOSED OFFERING

Duke Energy Kentucky proposes to issue \$90 million of Senior Unsecured Debentures (the "Securities"). The Company reserves the right to increase or decrease the size of the issue. The Securities contemplated will be issued with final bullet maturities between 12 and 30 years. The Company reserves the right to consider additional maturities and structures. Interest on the Debentures will be payable semi-annually in arrears.

The Company will use the proceeds from the sale of the Securities for capital expenditures, to refinance short-term debt (consisting of money pool borrowings), and for general corporate purposes.

The Securities have not been pre-rated by the SVO of the NAIC and will not be rated prior to closing.

The Company proposes to issue the Securities pursuant to the terms and conditions outlined in the Summary Term Sheet included in Section V. The Summary Term Sheet provides an outline of relevant terms and conditions contained in a debenture purchase agreement to be entered into between the Company and the purchasers therein (the "Debenture Purchase Agreement"). To the extent a difference exists between the Summary Term Sheet and the Debenture Purchase Agreement, the Debenture Purchase Agreement will govern. Prospective noteholders' counsel will be Ed Pelican at Chapman & Cutler LLP (epelican@chapman.com; 312-845-3861).

The Placement Agent and its affiliates provide various investment banking, commercial banking and financial advisory services to the Company and its affiliates. An affiliate of the Placement Agent is a lender under the Duke Energy Master Credit Facility (as defined herein).

Transaction Timetable

The transaction will fund on September 7, 2017.

May 2017					June 2017					September 2017				
M	T	W	Th	F	M	T	W	Th	F	M	T	W	Th	F
1	2	3	4	5				1	2					1
8	9	10	11	12	5	6	7	8	9	4	5	6	7	8
15	16	17	18	19	12	13	14	15	16	11	12	13	14	15
22	23	24	25	26	19	20	21	22	23	18	19	20	21	22
29	30	31			26	27	28	29	30	25	26	27	28	29

Eco Event
Launch Transaction
Circle & Price
Close & Fund

DUKE ENERGY KENTUCKY, INC.
CONFIDENTIAL EXECUTIVE SUMMARY (JUNE 2017)



2. *PRO FORMA CAPITALIZATION*

Below is the Company's pro forma capitalization as of March 31, 2017:

PRO FORMA CAPITALIZATION				
<i>(\$ in Millions)</i>	As of March 31, 2017	Senior Notes Adjustments	Pro Forma March 31, 2017	
Cash and Cash Equivalents	\$ 8.2	\$ 80.8	\$	89.0
Unsecured Debt		-		-
<i>4.650% Senior Notes due 2019</i>	100.0	-		100.0
<i>3.420% Senior Notes due 2026</i>	45.0	-		45.0
<i>6.200% Senior Notes due 2036</i>	65.0	-		65.0
<i>4.450% Senior Notes due 2046</i>	50.0	-		50.0
Capital leases due 2018 - 2020	2.0	-		2.0
Tax-exempt bonds due 2027	76.7	-		76.7
Money pool borrowings	34.2	(9.2)		25.0
Commercial Paper	-	-		-
Unamortized debt discount and premium, net	(0.3)	-		(0.3)
Unamortized debt issuance costs	(1.4)	-		(1.4)
New Private Placement Senior Notes	-	90.0		90.0
<i>Total Debt</i>	<u>371.2</u>	<u>80.8</u>		<u>452.0</u>
Total Common Stock Equity	449.4	-		449.4
<i>Total Book Capitalization</i>	<u>820.6</u>	<u>80.8</u>		<u>901.4</u>
<u>Credit Statistics</u>				
Total Debt / Total Book Capitalization	45.2%			50.1%

Source: the Company

3. *LIQUIDITY*

In March 2017, Duke Energy amended its credit agreement to increase its capacity from \$7.5 billion to \$8 billion, and to extend the termination date of the facility from January 30, 2020, to March 16, 2022 (the "Master Credit Facility"). Duke Energy Kentucky has borrowing capacity under the Master Credit Facility up to a specified sublimit. Duke Energy has the unilateral ability at any time to increase or decrease Duke Energy Kentucky's borrowing sublimit, subject to a maximum sublimit. The amount available to Duke Energy Kentucky under the Master Credit Facility may be reduced to backstop issuances of commercial paper, certain letters of credit and variable-rate demand tax-exempt bonds that may be put to Duke Energy Kentucky at the option of the holder. At March 31, 2017, Duke Energy Kentucky had a borrowing sublimit of \$150 million and available capacity of \$120 million under the Master Credit Facility. The Master Credit Facility contains a covenant requiring Duke Energy Kentucky's debt-to-total capitalization ratio to not exceed 65 percent. Duke Energy Kentucky also maintains access to funding from Duke Energy's commercial paper program through an intercompany money pool arrangement.

Duke Energy Kentucky is a borrower under a bilateral letter of credit agreement expiring February 2019. Duke Energy Kentucky may request the issuance of letters of credit up to \$27 million, on its behalf to support various series of tax-exempt bonds. This credit facility may not be used for any purpose other than to support certain tax-exempt bonds.

In January 2016, Duke Energy Kentucky issued \$95 million of unsecured debentures, of which \$45 million carry a fixed interest rate of 3.42 percent and mature January 15, 2026, and \$50 million carry a fixed interest rate of 4.45 percent and mature January 15, 2046. Proceeds were used to refinance existing debt (including money pool borrowings), for capital expenditures, and for general corporate purposes.

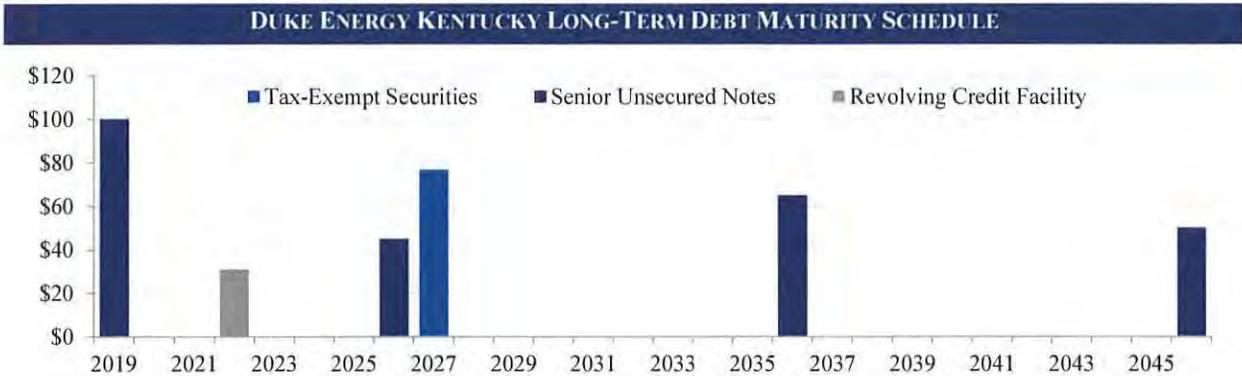
Duke Energy Kentucky also has regulatory restriction requiring it to maintain an equity-to-total capitalization ratio of at least 35 percent, and limiting any dividend payments to the amount of Duke Energy Kentucky's retained earnings.

DUKE ENERGY KENTUCKY, INC.
 CONFIDENTIAL EXECUTIVE SUMMARY (JUNE 2017)



4. LONG-TERM DEBT MATURITY SCHEDULE

Below is the Company's long-term debt maturity schedule as of March 31, 2017:



Source: the Company
 Note: \$ in millions, table excludes capital leases

Duke Energy Kentucky has the ability under the terms of certain debt obligations to call and repay the obligation prior to its scheduled maturity; therefore, the actual timing of future cash prepayments could be materially different than as presented above.

Additionally, \$50 million of the pollution control bonds maturing in 2027 are subject to mandatory tender for purchase on November 1, 2021, at which time it is anticipated such bonds will be remarketed to subsequent purchasers pursuant to their terms.



III. INVESTMENT CONSIDERATIONS

1. LOW BUSINESS RISK

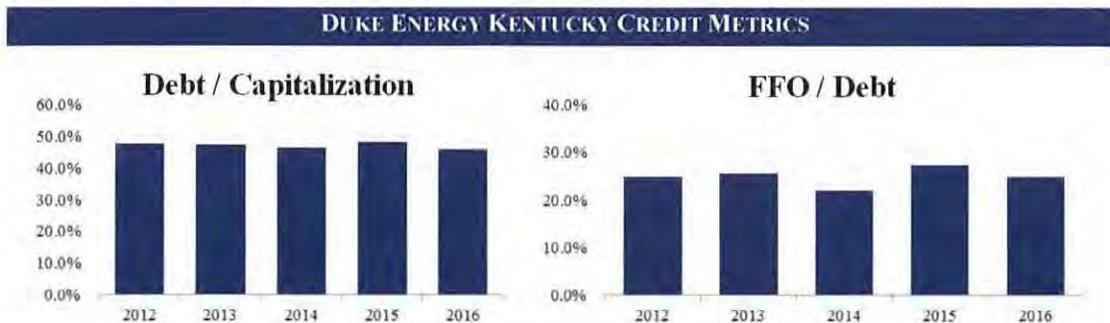
Duke Energy Kentucky operates a relatively low-risk electric and natural gas business within a constructive regulatory environment in Kentucky. Regulatory policies allow for monthly fuel adjustments and permit recovery of certain environmental costs and a cash return on associated CWIP. Duke Energy Kentucky is also permitted to recover the costs of energy-efficiency programs.

2. SUPPORTIVE REGULATORY ENVIRONMENT

Kentucky regulation is relatively constructive from an investor perspective according to the Regulatory Research Associates (“RRA”), which rates Kentucky as “Average 1”. Rate cases have historically been resolved via settlements, and authorized equity returns tend to approximate prevailing nationwide industry averages at the time established. KPSC has approved the use of incentive mechanisms for several utilities that provide the companies an opportunity to retain a portion of commodity cost savings versus a benchmark and/or a portion of the margins associated with off-system sales and capacity release activities.

3. STRONG FINANCIAL METRICS

The following charts illustrate Duke Energy Kentucky’s Debt / Capitalization and FFO / Debt over the past five years.



Source: Company information

Note: Debt/Capitalization calculated as total debt / total capitalization and FFO / Debt calculated as cash from operations, less changes in working capital, less asset retirement obligation costs (after-tax amount calculated using a 38% tax rate as a simplifying assumption) / total debt.

4. EXPERIENCED UTILITY MANAGEMENT AND KEY MEMBER OF VERTICALLY INTEGRATED UTILITY SYSTEM

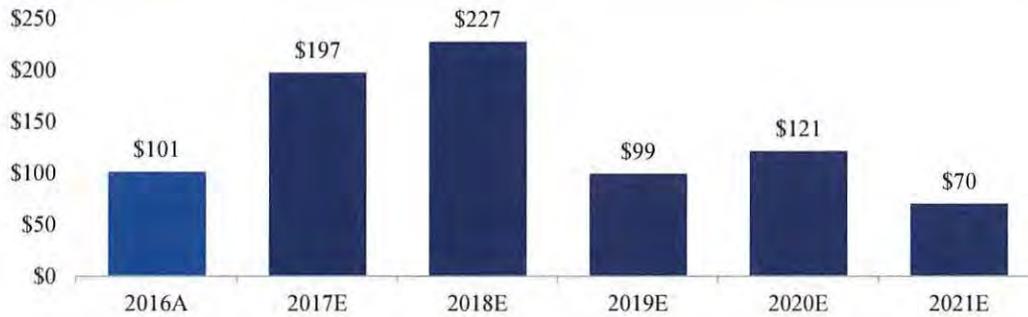
Duke Energy, the ultimate parent of Duke Energy Kentucky, is one of the largest utility holding companies in the United States. The Duke Energy system operates as an integrated utility system whereby member companies have contractual, financial and other business relationships with other member companies, subject to regulatory oversight. As a subsidiary, Duke Energy Kentucky can leverage Duke Energy’s utility management team. The Company is led by a solid group of senior executives with an average of 21 years of experience at Duke Energy.



5. *MODERATE CAPITAL EXPENDITURES*

Projected capital requirements average approximately \$140 million over the next five years and are expected to be funded largely with internally generated cash. No capex for new generation is anticipated through 2021, other than an approximate \$15 million solar investment.

DUKE ENERGY KENTUCKY HISTORICAL AND PROJECTED CAPITAL EXPENDITURES



Source: the Company
Note: \$ in Thousands



IV. RISK FACTORS

You should carefully consider the risks described below, as well as other information contained in this Executive Summary, before buying any Securities. The risks described in this section are those that we consider to be the most significant to your decision whether to invest in the Securities. If any of the events described below occurs, our business, financial condition or results of operations could be materially harmed. In addition, we may not be able to make payments on the Securities, and this could result in your losing all or part of your investment. Furthermore, additional risks that we do not know about or that we currently view as immaterial may also impact our business or adversely affect our ability to make payments on the Securities.

Regulatory, Legislative and Legal Risks

Our regulated electric and gas revenues, earnings and results are dependent on state legislation and regulation that affect electric generation, transmission, distribution and related activities and gas sales and transportation, which may limit our ability to recover costs.

Our regulated utility businesses are regulated on a cost-of-service/rate-of-return basis subject to the statutes of Kentucky and the rules and procedures of the Kentucky Public Service Commission ("KPSC"). If our regulated utility earnings exceed the returns established by the KPSC, our retail rates may be subject to review and possible reduction by the KPSC, which may decrease our future earnings. Additionally, if regulatory bodies do not allow recovery of costs incurred in providing service on a timely basis, our future earnings could be negatively impacted.

If legislative and regulatory structures were to evolve in such a way that our exclusive rights to serve our regulated customers were eroded, our future earnings could be negatively impacted.

Deregulation or restructuring in the electric industry may result in increased competition and unrecovered costs that could adversely affect our financial position, results of operations or cash flows and our utility businesses.

Increased competition resulting from deregulation or restructuring legislation could have a significant adverse impact on our results of operations, financial position, or cash flows. Retail competition and the unbundling of regulated electric service could have a significant adverse financial impact on us due to an impairment of assets, a loss of retail customers, lower profit margins or increased costs of capital. We cannot predict the extent and timing of entry by additional competitors into the electric markets. We cannot predict if or when we will be subject to changes in legislation or regulation, nor can we predict the impact of these changes on our financial position, results of operations or cash flows.

Our businesses are subject to extensive federal regulation that will affect our operations and costs.

We are subject to regulation by the Federal Energy Regulatory Commission ("FERC"), the U.S. Environmental Protection Agency ("EPA") and various other federal agencies as well as the North American Electric Reliability Corporation. Regulation affects almost every aspect of our businesses, including, among other things, our ability to: take fundamental business management actions; determine the terms and rates of transmission and distribution services; make acquisitions; issue equity or debt securities; engage in transactions with other subsidiaries and affiliates; and pay dividends upstream to our ultimate parent, Duke Energy. Changes to federal regulations are continuous and ongoing. We cannot predict the future course of regulatory changes or the ultimate effect those changes will have on our businesses. However, changes in regulation can cause delays in or affect business planning and transactions and can substantially increase our costs.

We are subject to numerous environmental laws and regulations requiring significant capital expenditures that can increase the cost of operations, and which may impact or limit business plans, or cause exposure to environmental liabilities.

We are subject to numerous environmental laws and regulations affecting many aspects of our present and future operations, including coal combustion residuals ("CCRs"), air emissions, water quality, wastewater discharges, solid waste and hazardous waste. These laws and regulations can result in increased capital, operating and other costs. These laws and regulations generally require us to obtain and comply with a wide variety of environmental licenses, permits, inspections and other approvals. Compliance with environmental laws and regulations can require significant expenditures, including expenditures for cleanup costs and damages arising from contaminated properties. Failure to comply with environmental regulations may result in the imposition of fines, penalties and injunctive measures



affecting operating assets. The steps we could be required to take to ensure our facilities are in compliance could be prohibitively expensive. As a result, we may be required to shut down or alter the operation of our facilities, which may cause us to incur losses. Further, we may not be successful in recovering capital and operating costs incurred to comply with new environmental regulations through existing regulatory rate structures and our contracts with customers. Also, we may not be able to obtain or maintain from time to time all required environmental regulatory approvals for our operating assets or development projects. Delays in obtaining any required environmental regulatory approvals, failure to obtain and comply with them or changes in environmental laws or regulations to more stringent compliance levels could result in additional costs of operation for existing facilities or development of new facilities being prevented, delayed or subject to additional costs. Although it is not expected that the costs to comply with current environmental regulations will have a material adverse effect on our financial position, results of operations or cash flows due to regulatory cost recovery, we are at risk that the costs of complying with environmental regulations in the future will have such an effect.

The EPA has recently enacted or proposed new federal regulations governing the management of cooling water intake structures, wastewater and carbon dioxide (CO₂) emissions. These regulations may require us to make additional capital expenditures and increase operating and maintenance costs.

Operational Risks

Our results of operations may be negatively affected by overall market, economic and other conditions that are beyond our control.

Sustained downturns or sluggishness in the economy generally affect the markets in which we operate and negatively influence our operations. Declines in demand for electricity and gas as a result of economic downturns in our regulated service territories will reduce overall sales and lessen cash flows, especially as industrial customers reduce production and, therefore, consumption of electricity and gas. Although our regulated electric and gas businesses are subject to regulated allowable rates of return and recovery of certain costs, such as fuel and gas, under periodic adjustment clauses, overall declines in electricity and gas sold as a result of economic downturn or recession could reduce revenues and cash flows, thereby diminishing results of operations. Additionally, prolonged economic downturns that negatively impact our results of operations and cash flows could result in future material impairment charges to write-down the carrying value of certain assets to their respective fair values.

Factors that could impact sales volumes, generation of electricity and market prices at which we are able to sell electricity are as follows:

- weather conditions, including abnormally mild winter or summer weather that cause lower energy usage for heating or cooling purposes, respectively, and periods of low rainfall that decrease the ability to operate facilities in an economical manner;
- supply of and demand for energy commodities;
- availability of competitively priced alternative energy sources, which are preferred by some customers over electricity produced from coal, nuclear or gas plants, and customer usage of energy efficient equipment that reduces energy demand;
- natural gas prices;
- ability to procure satisfactory levels of inventory, such as coal and gas; and
- capacity and transmission service into, or out of, our markets.

Natural disasters or operational accidents may adversely affect our operating results.

Natural disasters (such as electromagnetic events or the 2011 earthquake and tsunami in Japan) or other operational accidents within the company or industry (such as the San Bruno, California natural gas transmission pipeline failure) could have direct significant impacts on us as well as on key contractors and suppliers. Such events could indirectly impact us through changes to policies, laws and regulations whose compliance costs have a significant impact on our financial position, results of operations and cash flows.

Coal ash storage and management strategies to comply with CCR regulations could impact on our reputation and financial condition.



As a result of electricity produced at our coal-fired power plant, we manage large amounts of CCRs, typically combined with water in ash basins. The potential exists for a coal ash pond failure or coal ash related incident that could impact the environment or raise general public health concerns. Such an incident could have a material adverse impact to our reputation and financial condition.

Recent regulations for the disposal of CCRs from power plants by the EPA became effective in 2015. These regulations classify CCR as nonhazardous waste under the RCRA and apply to all new and existing landfills, new and existing surface impoundments, structural fills and CCR piles and establish requirements regarding landfill design, structural integrity and assessment criteria for surface impoundments, groundwater monitoring and protection procedures and other operational and reporting procedures to ensure the safe disposal and management of CCR. Duke Energy Kentucky recorded an asset retirement obligation in the second quarter of 2015 as a result of such CCR regulations. In addition to federal CCR regulations, CCR landfills and surface impoundments will continue to be independently regulated by most states and additional regulations by states may be imposed in the future. These regulations may require additional capital expenditures, increased operating and maintenance costs, or closure of certain facilities which could affect our financial position, results of operations and cash flows. Although we intend to seek cost recovery for future expenditures through the normal ratemaking process with the KPSC, which permits recovery of necessary and prudently incurred costs associated with our regulated operations, there is no guarantee that recovery of such costs will be granted.

Our financial position, results of operations and cash flows may be negatively affected by a lack of growth or slower growth in the number of customers, or decline in customer demand or number of customers.

Growth in customer accounts and growth of customer usage each directly influence demand for electricity and the need for additional power generation and delivery facilities. Customer growth and customer usage are affected by a number of factors outside our control, such as mandated energy efficiency measures, demand-side management goals, distributed generation resources and economic and demographic conditions, such as population changes, job and income growth, housing starts, new business formation and the overall level of economic activity.

Certain regulatory and legislative bodies have introduced or are considering requirements and/or incentives to reduce energy consumption by certain dates. Additionally, technological advances driven by federal laws mandating new levels of energy efficiency in end-use electric devices or other improvements in or applications of technology could lead to declines in per capita energy consumption.

Advances in distributed generation technologies that produce power, including fuel cells, micro-turbines, wind turbines and solar cells, may reduce the cost of alternative methods of producing power to a level competitive with central power station electric production utilized by us.

Some or all of these factors, could result in a lack of growth or decline in customer demand for electricity or number of customers, and may cause the failure of us to fully realize anticipated benefits from significant capital investments and expenditures which could have a material adverse effect on our financial position, results of operations and cash flows.

Furthermore, we currently have energy efficiency riders in place to recover the cost of energy efficiency programs in Kentucky. Should we be required to invest in conservation measures that result in reduced sales from effective conservation, regulatory lag in adjusting rates for the impact of these measures could have a negative financial impact.

Our operating results may fluctuate on a seasonal and quarterly basis and can be negatively affected by changes in weather conditions and severe weather.

Electric power generation and the sale and transportation of natural gas are generally seasonal businesses. In most parts of the U.S. and in markets in which we operate, demand for power peaks during the warmer summer months and demand for natural gas peaks during the cold winter months, with market prices typically peaking during the warmer summer months for electricity and during the cold winter months for natural gas. Further, extreme weather conditions such as heat waves or winter storms could cause these seasonal fluctuations to be more pronounced. As a result, in the future, the overall operating results of our businesses may fluctuate substantially on a seasonal and quarterly basis and thus make period-to-period comparison less relevant.

Sustained severe drought conditions could impact generation by our fossil fuel plants, as these facilities use water for cooling purposes and for the operation of environmental compliance equipment. Furthermore, destruction caused by severe weather events, such as hurricanes, tornadoes, severe thunderstorms, snow and ice storms, can result in lost



operating revenues due to outages; property damage, including downed transmission and distribution lines; and additional and unexpected expenses to mitigate storm damage. The cost of storm restoration efforts may not be fully recoverable through the regulatory process.

Our sales may decrease if we are unable to gain adequate, reliable and affordable access to transmission assets.

We depend on transmission and distribution facilities owned and operated by utilities and other energy companies to deliver electricity sold to the wholesale market. FERC's power transmission regulations require wholesale electric transmission services to be offered on an open-access, non-discriminatory basis. If transmission is disrupted, or if transmission capacity is inadequate, our ability to sell and deliver products may be hindered.

The different regional power markets have changing regulatory structures, which could affect growth and performance in these regions. In addition, the independent system operators who oversee the transmission systems in regional power markets have imposed in the past, and may impose in the future, price limitations and other mechanisms to address volatility in the power markets. These types of price limitations and other mechanisms may adversely impact the profitability of our wholesale power marketing business.

Fluctuations in commodity prices or availability may adversely affect various aspects of our operations as well as our financial condition, results of operations and cash flows.

We are exposed to the effects of market fluctuations in the price of natural gas, coal, electricity and other energy-related commodities as a result of our ownership of energy-related assets. Fuel and gas costs are recovered primarily through cost-recovery clauses, subject to the approval of the KPSC. In the event of a forced outage, recovery of replacement power costs in Kentucky is limited to the cost of the unit for which a forced outage occurred. Therefore, Duke Energy Kentucky could have unrecoverable replacement power costs in the event of a forced outage.

Additionally, we are exposed to risk that counterparties will not be able to fulfill our obligations. Disruption in the delivery of fuel, including disruptions as a result of, among other things, transportation delays, weather, labor relations, force majeure events, or environmental regulations affecting any of these fuel suppliers, could limit the operation of our facilities. Should counterparties fail to perform, we might be forced to replace the underlying commitment at prevailing market prices possibly resulting in unrecoverable losses in addition to the amounts, if any, already paid to the counterparties.

Certain of our hedge agreements may result in the receipt of, or posting of, derivative collateral with counterparties, depending on the daily derivative position. Fluctuations in commodity prices that lead to the return of collateral received and/or the posting of collateral with counterparties negatively impact liquidity. Downgrades in our credit ratings could lead to additional collateral posting requirements. We continually monitor derivative positions in relation to market price activity.

Potential terrorist activities or military or other actions could adversely affect our businesses.

The continued threat of terrorism and the impact of retaliatory military and other action by the U.S. and its allies may lead to increased political, economic and financial market instability and volatility in prices for natural gas and oil, which may have material adverse effects in ways we cannot predict at this time. In addition, future acts of terrorism and possible reprisals as a consequence of action by the U.S. and its allies could be directed against companies operating in the U.S. or our international affiliates. Information technology systems, transmission and distribution and generation facilities such as nuclear plants could be potential targets of terrorist activities or harmful activities by individuals or groups. The potential for terrorism has subjected our operations to increased risks and could have a material adverse effect on our businesses. In particular, we may experience increased capital and operating costs to implement increased security for our information technology systems, transmission and distribution and generation facilities. These increased costs could include additional physical plant security and security personnel or additional capability following a terrorist incident.

Cyberattacks and data security breaches could adversely affect our businesses.

Information security risks have generally increased in recent years as a result of the proliferation of new technologies and the increased sophistication and frequency of cyberattacks and data security breaches. The utility industry requires the continued operation of sophisticated information technology systems and network infrastructure, which are part of an interconnected regional grid. Additionally, connectivity to the Internet continues to increase through smart grid and other initiatives. Because of the critical nature of the infrastructure, increased connectivity to the



Internet and technology systems' inherent vulnerability to disability or failures due to hacking, viruses, acts of war or terrorism or other types of data security breaches, we face a heightened risk of cyberattack. In the event of such an attack, we could (i) have business operations disrupted, property damaged, customer information stolen and other private information accessed (ii) experience substantial loss of revenues, repair and restoration costs, implementation costs for additional security measures to avert future cyberattacks and other financial loss, and (iii) be subject to increased regulation, litigation and reputational damage.

Failure to attract and retain an appropriately qualified workforce could unfavorably impact our results of operations.

Certain events, such as an aging workforce, mismatch of skill set or complement to future needs, or unavailability of contract resources may lead to operating challenges and increased costs. The challenges include lack of resources, loss of knowledge base and the lengthy time required for skill development. In this case, costs, including costs for contractors to replace employees, productivity costs and safety costs, may rise. Failure to hire and adequately train replacement employees, including the transfer of significant internal historical knowledge and expertise to new employees, or future availability and cost of contract labor may adversely affect the ability to manage and operate the business, especially considering the workforce needs associated with nuclear generation facilities. If we are unable to successfully attract and retain an appropriately qualified workforce, our financial position or results of operations could be negatively affected.

Our membership in a Regional Transmission Organization (an "RTO") presents risks that could have a material adverse effect on our results of operations, financial condition and cash flows.

The rules governing the various regional power markets may change, which could affect our costs and/or revenues. To the degree we incur significant additional fees and increased costs to participate in an RTO, our results of operations may be impacted. We may be allocated a portion of the cost of transmission facilities built by others due to changes in RTO transmission rate design. We may be required to expand our transmission system according to decisions made by an RTO rather than our own internal planning process. While RTO transmission rates were initially designed to be revenue neutral, various proposals and proceedings currently taking place by the FERC may cause transmission rates to change from time to time. In addition, RTOs have been developing rules associated with the allocation and methodology of assigning costs associated with improved transmission reliability, reduced transmission congestion and firm transmission rights that may have a financial impact on us.

As a member of an RTO, we are subject to certain additional risks, including those associated with the allocation among RTO members, of losses caused by unreimbursed defaults of other participants in the RTO markets and those associated with complaint cases filed against an RTO that may seek refunds of revenues previously earned by RTO members.

Capital expenditure costs could materially differ from those projected

Construction risks associated with the completion of the Company's capital investment projects in existing generation facilities, including risks related to obtaining and complying with terms of permits, meeting construction budgets and schedules, and satisfying operating and environmental performance standards could cause costs to differ materially from those projected.

Liquidity and Capital Requirements Risks

We rely on access to short-term borrowings and longer-term capital markets to finance our capital requirements and support our liquidity needs. Access to those markets can be adversely affected by a number of conditions, many of which are beyond our control.

Our businesses are financed to a large degree through debt. The maturity and repayment profile of debt used to finance investments often does not correlate to cash flows from our assets. Accordingly, as a source of liquidity for capital requirements not satisfied by the cash flow from our operations and to fund investments originally financed through debt instruments with disparate maturities, we rely on access to short-term money markets as well as longer-term capital markets. We also rely on access to short-term intercompany borrowings. If we are not able to access capital at competitive rates or at all, the ability to finance our operations and implement our strategy and business plan



as scheduled could be adversely affected. An inability to access capital may limit our ability to pursue improvements or acquisitions that we may otherwise rely on for future growth.

Market disruptions may increase the cost of borrowing or adversely affect the ability to access one or more financial markets. Such disruptions could include: economic downturns, the bankruptcy of an unrelated energy company, capital market conditions generally, market prices for electricity and gas, actual or threatened terrorist attacks, or the overall health of the energy industry. The availability of credit under Duke Energy's Master Credit Facility depends upon the ability of the banks providing commitments under the facility to provide funds when our obligations to do so arise. Systematic risk of the banking system and the financial markets could prevent a bank from meeting its obligations under the facility agreement.

Duke Energy maintains a revolving credit facility to provide backup for its commercial paper program and letters of credit to support variable rate demand tax-exempt bonds that may be put to its affiliate issuers (including Duke Energy Kentucky) at the option of the holder. The facility includes a borrowing sublimit for Duke Energy Kentucky, and financial covenants that limit the amount of debt that can be outstanding as a percentage of the total capital for the specific entity. Failure to maintain these covenants could preclude us from having letters of credit issued on our behalf or from making borrowings under the Master Credit Facility.

We must meet credit quality standards and there is no assurance we will maintain investment grade credit ratings.

Our senior long-term debt is currently rated investment grade by various rating agencies. We cannot ensure our senior long-term debt will be rated investment grade in the future.

If the rating agencies were to rate us below investment grade, borrowing costs would increase, perhaps significantly. In addition, the potential pool of investors and funding sources would likely decrease. Any downgrade or other event negatively affecting our credit ratings could also increase Duke Energy's need to provide liquidity in the form of capital contributions or loans, thus reducing the liquidity and borrowing availability of the Duke Energy consolidated group. These events would likely reduce our liquidity and profitability and could have a material effect on our financial position, results of operations or cash flows.

Non-compliance with debt covenants or conditions could adversely affect our ability to execute future borrowings.

Our debt and credit agreements contain various financial and other covenants. Failure to meet those covenants beyond applicable grace periods could result in accelerated due dates and/or termination of the agreements.

Poor investment performance of the Duke Energy pension plan holdings and other factors impacting pension plan costs could unfavorably impact our liquidity and results of operations.

The costs of providing non-contributory defined benefit pension plans are dependent upon a number of factors, such as the rates of return on plan assets, discount rates, the level of interest rates used to measure the required minimum funding levels of the plans, future government regulation and required or voluntary contributions made to the plans. Duke Energy Kentucky is allocated a proportionate share of the cost and obligations related to these plans. Without sustained growth in the pension investments over time to increase the value of plan assets and, depending upon the other factors impacting costs as listed above, Duke Energy could be required to fund its plans with significant amounts of cash. Such cash funding obligations, and our proportionate share of such cash funding obligations, could have a material impact on our financial position, results of operations or cash flows.

Risk Factors Relating to the Securities

Our ability to satisfy our obligations with respect to the Securities will depend on our future operating performance, results of operations, cash flows and financial position.

Our future operating performance, results of operations, cash flows and financial position are subject, in part, to factors beyond our control, including interest rates, commodity prices, general economic conditions and financial and business conditions. If we are unable to generate sufficient operating cash flows to service our debt, including the Securities, we may be required to obtain additional financing or take other actions to generate sufficient funds, which could have a material adverse effect on our financial position, results of operations or cash flows.

The Securities could be impacted by various transactions.

The indenture under which the Securities will be issued does not prohibit us from entering into various transactions, including acquisitions, change of control transactions, refinancings, recapitalizations or other highly leveraged

DUKE ENERGY KENTUCKY, INC.
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transactions that could increase the amount of our outstanding indebtedness, or adversely affect our capital structure or credit ratings, or otherwise adversely affect holders of the Securities. As a result, we may enter into a transaction even though the transaction could increase the total amount of outstanding indebtedness, adversely affect our capital structure or credit ratings or otherwise adversely affect the holders of the Securities.

Sales or other transfers of the Securities are regulated by federal securities law.

The Securities are being offered and sold pursuant to an exemption from registration under federal and applicable state securities laws. Therefore, you may transfer or resell the Securities in the United States only in a transaction registered under, or exempt from the registration requirements of, federal and applicable state securities laws.



V. SUMMARY OF PROPOSED TERMS & CONDITIONS

Duke Energy Kentucky, Inc. will issue Senior Unsecured Debentures, Series [X] (the "Securities"). The Securities will be issued under a supplemental indenture to The Union Light, Heat and Power Company (now known as Duke Energy Kentucky, Inc.) Indenture dated as of December 1, 2004 (as amended and supplemented, the "Indenture").

The forms of the Debenture Purchase Agreement and Supplemental Indenture and a copy of the Indenture will be included with the Executive Summary. In the event of any inconsistency between the Summary of Proposed Terms and the aforementioned Debenture Purchase Agreement, Supplemental Indenture or Indenture, such Debenture Purchase Agreement, Supplemental Indenture or Indenture will govern, as the case may be. Investors submitting "circles" for the transaction contemplated hereby will be deemed to have reviewed and accepted such Debenture Purchase Agreement, Supplemental Indenture and Indenture (including in-house counsel review). Capitalized terms not defined herein shall bear the meaning set forth in the aforementioned Debenture Purchase Agreement, Supplemental Indenture or Indenture, as the case may be. Questions in respect of such documents should be referred to Ed Pelican (312) 845-3861, epelican@chapman.com, at Chapman and Cutler LLP who is requested to serve as special investor's counsel for the debenture issuance.

Issuer:	Duke Energy Kentucky, Inc. (the " <i>Company</i> ").
Issue:	Senior Unsecured Debentures (the " <i>Securities</i> ")
Amount:	\$90,000,000
Final Maturity:	12 and 30 year bullet maturities ("12 year Securities" and "30 year Securities", respectively).
Ranking/Priority:	The Securities will be senior unsecured debt and will rank <i>pari passu</i> with all other senior unsecured debt of the Company.
Investor:	One or more institutional investors (the " <i>Investors</i> ").
Plan of Distribution:	The Securities will be offered as a private placement to Investors and will not be registered under the Securities Act of 1933.
Use of Proceeds:	The Company will use the proceeds from the sale of the Securities for capital expenditures, to refinance short-term debt (consisting of money pool borrowings), and for general corporate purposes.
Coupon:	The 12 year Securities will bear interest at a fixed rate per annum equal to the yield on the on-the-run UST for a 12-year maturity (the 2.375% UST due May 2027) and the 30 year Securities will bear interest at a fixed rate per annum equal to the yield on the old long bond for a 30-year maturity (the 3.000% UST due February 2047) plus a number of basis points to be determined on the pricing date.
Interest Payments:	Interest will be payable semi-annually in arrears and calculated on the basis of a 360-day year of twelve 30-day months.



Optional Redemption The 12 year Securities are redeemable in whole or in part at any time three months prior to the maturity date and the 30 year Securities are redeemable in whole or in part at any time six months prior to the maturity date. In the event of redemption, the Company will pay accrued interest to the date set for redemption plus the greater of:

- i) par, or
- ii) the present value of all remaining interest and principal payments due on the Securities being redeemed, discounted at the then current yield on the U.S. Treasury Security of a comparable maturity to the remaining weighted average life of the Securities plus fifty (50) basis points.

The Company may elect to redeem (i) the 12 year Securities three months prior to the maturity date and (ii) the 30 year Securities six months prior to the maturity date, and will do so at a redemption price equal to one hundred percent of the principal amount of the series being redeemed, plus accrued and unpaid interest without make whole.

Representations and Warranties: Standard for this market as set forth in the Debenture Purchase Agreement but to include and not be limited to: Organization, Power and Authority; Authorization; Disclosure; Organization; Financial Statements; Compliance with Law; Governmental Authorizations; Litigation; Taxes; Title to Property; Licenses; Compliance with ERISA; Private Offering; Use of Proceeds; Existing Indebtedness; Foreign Assets; Status under certain Statutes; and Pari Passu status.

Information as to Company As set forth in the Supplemental Indenture, the Company will provide unaudited quarterly consolidated financial statements and annual audited consolidated financial statements. Each financial statement will be accompanied by a certificate from a senior financial officer.

Affirmative Covenants As set forth in the Indenture to include but not limited to: Payment of Principal; Maintenance of Office; Maintenance of Properties; Payment of Taxes.

Standard for this market as set forth in the Supplemental Indenture but to include and not be limited to: Compliance with Laws; Insurance; Existence; Books and Records; Subsidiary Guarantors.

Negative Covenants: As set forth in the Supplemental Indenture and the Indenture: Line of Business; Terrorism Sanctions Regulations and Negative Pledge.

Negative Pledge: The Company will not incur or permit to exist any mortgage, lien, pledge, security interest or other encumbrance not otherwise excepted under the Indenture without equally and ratably securing the Securities, if immediately after that creation or assumption, the principal amount of the



Indebtedness for borrowed money of the Company that all such other mortgages, liens, pledges, security interests and other encumbrances secure does not exceed an amount equal to 10% of the Company's total assets as shown on its balance sheet for the accounting period occurring immediately before the creation or assumption of that mortgage, lien, pledge, security interest or other encumbrance.

**Events of Default /
Remedies:**

As set forth in the Indenture including, without limitation: the Company fails to pay interest when due, subject to a 30 day grace period; failure to pay any principal or premium, when due; defaults in the performance or compliance with the covenants as outlined in the Indenture subject to a 90 day grace period after notice; bankruptcy

As well as set forth in the Supplemental Indenture including, without limitation

- (a) the Company defaults in the performance or compliance with the negative covenants as outlined in the Supplemental Indenture;
- (b) the Company makes any written representation or warranty in connection with the issuance of any series of Securities that proves to have been false or incorrect in any material respect on the date as of which made;
- (c) (i) the Company or any Subsidiary is in default in the payment of any principal, premium, or interest of any Indebtedness in the aggregate amount of at least \$50,000,000 as and when due and payable and the continuation of such default beyond the period of grace, if any, allowed with respect thereto, or (ii) the Company or any Subsidiary is in default in the performance or compliance with any Indebtedness exceeding the principal amount, in aggregate, equal to at least \$50,000,000 and as a consequence of such default or condition such Indebtedness has become, or has been declared, due and payable before its stated maturity;
- (d) the Company or any Subsidiary has rendered against it final judgments or orders for payment of money in aggregate exceeding \$50,000,000, including without limitation, any such final order enforcing a binding arbitration decision and which judgments are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 60 days after the expiration of such stay; provided, however, that in the case of any liability or obligation arising from the proceedings described in Note 2 of the Company's financial statements for the year ended December 31, 2016, under the heading "MVP," such judgments or orders shall not result in an Event of Default under this subsection so long as payment obligations in excess of \$50,000,000 in a given year arising from such proceedings are bonded, vacated, satisfied, discharged or stayed pending appeal or similar proceedings within 60



days of the date upon which such payments are due;

- (e) if any retirement plan shall fail to satisfy minimum funding requirements of ERISA, a notice of intent to terminate a retirement plan shall have been received by the Company, or the aggregate "amount of unfunded benefit liabilities" shall exceed an amount that could reasonably be expected to have a Material Adverse Effect;
- (f) any Subsidiary Guaranty ceases to be in full force and effect.

Sole Placement Agent: KeyBanc Capital Markets Inc.

Governing Law New York

Expenses: The Issuer will pay reasonable legal fees of investors' counsel, whether or not the transaction closes.

DUKE ENERGY KENTUCKY, INC.
CONFIDENTIAL EXECUTIVE SUMMARY (JUNE 2017)



VI. HISTORICAL FINANCIAL STATEMENTS

I. HISTORICAL INCOME STATEMENTS

(\$ in Thousands)

	Fiscal Year Ended December 31,				
	2012	2013	2014	2015	2016
Operating Revenues					
Electric	\$ 340,632	\$ 344,471	\$ 368,894	\$ 359,196	\$ 346,124
Natural gas	90,353	107,005	124,403	102,354	90,216
Total operating revenues	430,985	451,476	493,297	461,550	436,340
Operating Expenses					
Fuel used in electric generation and purchased power	137,674	142,501	171,705	142,546	132,681
Cost of natural gas	37,548	45,916	59,826	41,610	32,611
Operation, maintenance and other	136,087	122,921	133,085	133,403	140,573
Depreciation and amortization	44,533	44,601	44,296	43,813	43,668
Property and other taxes	14,988	13,183	13,516	13,089	14,637
Impairment charges	-	-	-	-	-
Total operating expenses	370,830	369,122	422,428	374,461	364,170
Gains on Sales of Other Assets and Other, net	447	3,439	-	245	28
Operating Income	60,602	85,793	70,869	87,334	72,198
Other Income and Expenses, net	1,490	1,537	1,896	1,075	2,321
Interest Expense	17,520	15,989	16,345	14,172	14,888
Income Before Income Taxes	44,572	71,341	56,420	74,237	59,631
Income Tax Expense	16,351	26,271	21,118	28,061	17,047
Net Income	\$ 28,221	\$ 45,070	\$ 35,302	\$ 46,176	\$ 42,584
Key Metrics:					
Operating Margin	6.5%	10.0%	7.2%	10.0%	9.8%
EBITDA	\$ 106,625	\$ 131,931	\$ 117,061	\$ 132,222	\$ 118,187
EBITDA Margin	24.7%	29.2%	23.7%	28.6%	27.1%



DUKE ENERGY KENTUCKY, INC.
CONFIDENTIAL EXECUTIVE SUMMARY (JUNE 2017)

2. HISTORICAL BALANCE SHEETS

(*\$ in Thousands, except share amounts*)

	As of December 31,				
	2012	2013	2014	2015	2016
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 10,693	\$ 13,038	\$ 11,307	\$ 9,141	\$ 6,534
Receivables (net of allowance for doubtful accounts)	23,949	31,512	27,815	16,987	24,425
Inventory	38,591	41,667	52,900	44,141	49,037
Other	22,239	14,944	37,542	45,835	26,895
Total current assets	95,472	101,161	129,564	116,104	106,891
Total investments and other assets	4,126	8,098	5,902	6,448	2,470
Property, Plant and Equipment					
Cost	1,728,326	1,741,308	1,711,836	2,079,761	2,116,219
Accumulated depreciation and amortization	(713,020)	(728,396)	(691,367)	(923,578)	(948,144)
Generation facilities to be retired, net	-	-	8,601	-	-
Net property, plant and equipment	1,015,306	1,012,912	1,029,070	1,156,183	1,168,075
Regulatory Assets and Deferred Debits					
Regulatory assets	55,610	41,437	47,694	61,411	92,462
Other	2,517	2,138	1,928	332	250
Total regulatory assets and deferred debits	58,127	43,575	49,622	61,743	92,712
Total Assets	\$ 1,173,031	\$ 1,165,746	\$ 1,214,158	\$ 1,340,478	\$ 1,370,148
LIABILITIES AND COMMON STOCKHOLDER'S EQUITY					
Current Liabilities					
Accounts payable	\$ 44,623	\$ 43,740	\$ 35,841	\$ 40,080	\$ 44,209
Notes payable to affiliated companies	-	-	37,609	55,743	19,656
Taxes accrued	11,959	10,306	14,483	10,550	14,082
Interest accrued	3,446	3,442	3,346	3,343	4,230
Current maturities of long-term debt	1,889	41,688	1,615	101,519	686
Other	25,865	20,852	18,350	21,928	30,734
Total current liabilities	87,782	120,028	111,244	233,163	113,597
Long-Term Debt	338,951	297,365	295,802	192,508	336,360
Long-Term Debt Payable to Affiliated Companies	-	-	25,000	25,000	25,000
Deferred Credits and Other Liabilities					
Deferred income taxes	242,787	257,220	271,308	289,642	311,636
Investment tax credits	1,009	1,304	1,095	-	-
Accrued pension and other post-retirement benefit costs	22,476	10,776	9,469	11,649	14,975
Asset retirement obligations	6,078	6,253	8,122	103,500	52,822
Regulatory liabilities	66,786	69,495	52,730	52,986	51,878
Other	34,277	25,351	26,132	27,598	26,865
Total deferred credits and other liabilities	373,413	370,399	368,856	485,375	458,176
Commitments and Contingencies					
Common Stockholder's Equity					
Common Stockholder's Equity	8,780	8,780	8,780	8,780	8,780
Additional paid-in-capital	167,494	167,494	167,494	167,494	167,494
Retained earnings	196,611	201,680	236,982	228,158	260,741
Total common stockholder's equity	372,885	377,954	413,256	404,432	437,015
Total Liabilities and Common Stockholder's Equity	\$ 1,173,031	\$ 1,165,746	\$ 1,214,158	\$ 1,340,478	\$ 1,370,148

DUKE ENERGY KENTUCKY, INC.
CONFIDENTIAL EXECUTIVE SUMMARY (JUNE 2017)



3. HISTORICAL STATEMENTS OF CASH FLOWS

(\$ in Thousands)

	Fiscal Year Ended December 31,				
	2012	2013	2014	2015	2016
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income	\$ 28,221	\$ 45,070	\$ 35,302	\$ 46,176	\$ 42,584
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	45,242	45,277	44,904	44,497	44,683
Community support and charitable contributions expense	660	-	-	-	-
Gains on sales of other assets and other, net	(447)	(3,439)	-	(245)	(28)
Impairment charges	-	-	-	-	-
Deferred income taxes	8,555	17,309	14,128	23,462	17,988
Accrued pension and other post-retirement benefit costs	1,854	3,065	2,122	2,152	1,527
Contributions to qualified pension plans	-	-	-	(2,203)	(1,443)
Payments for asset retirement obligations	-	-	-	(3,858)	(4,757)
(Increase) decrease in					
Net realized and unrealized mark-to-market and hedging transactions	(175)	81	-	-	-
Receivables	9,878	(7,622)	(8,504)	6,997	(7,464)
Inventory	(1,504)	(3,076)	(14,180)	9,017	(4,896)
Other current assets	(1,682)	4,225	(10,055)	(10,443)	15,180
Increase (decrease) in					
Accounts payable	(7,388)	(1,389)	(6,261)	(328)	(1,193)
Taxes accrued	(236)	(1,586)	3,496	2,645	7,028
Other current liabilities	838	(1,489)	(1,181)	1,743	8,235
Other assets	(2,375)	(1,770)	(9,661)	(10,207)	(8,862)
Other liabilities	3,080	(18,911)	(7,299)	527	14
Net cash provided by operating activities	84,521	75,745	42,811	109,932	108,596
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures	(74,179)	(42,095)	(56,001)	(69,234)	(100,899)
Acquisitions	-	-	(10,596)	-	-
Net proceeds from the sales of other assets	-	10,397	-	-	-
Notes receivable from affiliated companies	2,678	290	1,267	-	-
Change in restricted cash	-	-	-	-	-
Other	(14)	(47)	(5)	(4,173)	(7,081)
Net cash used in investing activities	(71,515)	(31,455)	(65,335)	(73,407)	(107,980)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from the issuance of long-term debt	-	-	-	-	94,385
Payments for the redemption of long-term debt	(2,036)	(1,877)	(41,724)	(1,615)	(51,520)
Notes payable to affiliated companies	-	-	62,609	18,134	(36,087)
Dividends to parent	(10,000)	(40,001)	-	(55,000)	(10,001)
Other	(151)	(67)	(92)	(210)	-
Net cash provided by (used in) financing activities	(12,187)	(41,945)	20,793	(38,691)	(3,223)
Net (decrease) increase in cash and cash equivalents	819	2,345	(1,731)	(2,166)	(2,607)
Cash and cash equivalents at beginning of period	9,874	10,693	13,038	11,307	9,141
Cash and cash equivalents at end of period	\$ 10,693	\$ 13,038	\$ 11,307	\$ 9,141	\$ 6,534

DUKE ENERGY KENTUCKY
CASE NO. 2017-00321
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(k)

807 KAR 5:001, SECTION 16(7)(k)

Description of Filing Requirement:

The most recent FERC Financial Report FERC Form No.1, FERC Financial Report FERC Form No. 2, or Public Service Commission Form T (telephone).

Response:

See attached.

Witness Responsible: David L. Doss, Jr.

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. _____

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2019)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2019)
Form 3-Q Approved
OMB No.1902-0205
(Expires 12/31/2019)



FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of
Major Electric Utilities, Licensees
and Others and Supplemental
Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company) Duke Energy Kentucky, Inc.	Year/Period of Report End of <u>2016/Q4</u>
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**FERC FORM NO. 1/3-Q:
 REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

IDENTIFICATION		
01 Exact Legal Name of Respondent Duke Energy Kentucky, Inc.		02 Year/Period of Report End of <u>2016/Q4</u>
03 Previous Name and Date of Change (if name changed during year) //		
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 4580 Olympic Boulevard, Erlanger, KY 41018		
05 Name of Contact Person Charmain Barnes		06 Title of Contact Person Lead Accounting Analyst
07 Address of Contact Person (Street, City, State, Zip Code) 550 South Tryon Street, Charlotte, NC 28202		
08 Telephone of Contact Person, including Area Code (980) 373-1369	09 This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 04/13/2017
ANNUAL CORPORATE OFFICER CERTIFICATION		
The undersigned officer certifies that: I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.		
01 Name William E. Currens, Jr.	03 Signature William E. Currens, Jr.	04 Date Signed (Mo, Da, Yr) 04/13/2017
02 Title SVP Chief Accting Off & Controller		
Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.		

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
LIST OF SCHEDULES (Electric Utility)				
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
1	General Information	101		
2	Control Over Respondent	102		
3	Corporations Controlled by Respondent	103	N/A	
4	Officers	104		
5	Directors	105		
6	Information on Formula Rates	106(a)(b)		
7	Important Changes During the Year	108-109		
8	Comparative Balance Sheet	110-113		
9	Statement of Income for the Year	114-117		
10	Statement of Retained Earnings for the Year	118-119		
11	Statement of Cash Flows	120-121		
12	Notes to Financial Statements	122-123		
13	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)		
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201		
15	Nuclear Fuel Materials	202-203	N/A	
16	Electric Plant in Service	204-207		
17	Electric Plant Leased to Others	213	N/A	
18	Electric Plant Held for Future Use	214	N/A	
19	Construction Work in Progress-Electric	216		
20	Accumulated Provision for Depreciation of Electric Utility Plant	219		
21	Investment of Subsidiary Companies	224-225	N/A	
22	Materials and Supplies	227		
23	Allowances	228(ab)-229(ab)		
24	Extraordinary Property Losses	230	N/A	
25	Unrecovered Plant and Regulatory Study Costs	230	N/A	
26	Transmission Service and Generation Interconnection Study Costs	231	N/A	
27	Other Regulatory Assets	232		
28	Miscellaneous Deferred Debits	233		
29	Accumulated Deferred Income Taxes	234		
30	Capital Stock	250-251		
31	Other Paid-in Capital	253		
32	Capital Stock Expense	254	N/A	
33	Long-Term Debt	256-257		
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261		
35	Taxes Accrued, Prepaid and Charged During the Year	262-263		
36	Accumulated Deferred Investment Tax Credits	266-267		

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
LIST OF SCHEDULES (Electric Utility) (continued)				
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
37	Other Deferred Credits	269		
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273		
39	Accumulated Deferred Income Taxes-Other Property	274-275		
40	Accumulated Deferred Income Taxes-Other	276-277		
41	Other Regulatory Liabilities	278		
42	Electric Operating Revenues	300-301		
43	Regional Transmission Service Revenues (Account 457.1)	302		
44	Sales of Electricity by Rate Schedules	304		
45	Sales for Resale	310-311		
46	Electric Operation and Maintenance Expenses	320-323		
47	Purchased Power	326-327		
48	Transmission of Electricity for Others	328-330		
49	Transmission of Electricity by ISO/RTOs	331	N/A	
50	Transmission of Electricity by Others	332		
51	Miscellaneous General Expenses-Electric	335		
52	Depreciation and Amortization of Electric Plant	336-337		
53	Regulatory Commission Expenses	350-351		
54	Research, Development and Demonstration Activities	352-353		
55	Distribution of Salaries and Wages	354-355		
56	Common Utility Plant and Expenses	356		
57	Amounts Included in ISO/RTO Settlement Statements	397		
58	Purchase and Sale of Ancillary Services	398		
59	Monthly Transmission System Peak Load	400	N/A	
60	Monthly ISO/RTO Transmission System Peak Load	400a	N/A	
61	Electric Energy Account	401		
62	Monthly Peaks and Output	401		
63	Steam Electric Generating Plant Statistics	402-403		
64	Hydroelectric Generating Plant Statistics	406-407	N/A	
65	Pumped Storage Generating Plant Statistics	408-409	N/A	
66	Generating Plant Statistics Pages	410-411	N/A	

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
LIST OF SCHEDULES (Electric Utility) (continued)				
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
67	Transmission Line Statistics Pages	422-423		
68	Transmission Lines Added During the Year	424-425	N/A	
69	Substations	426-427		
70	Transactions with Associated (Affiliated) Companies	429		
71	Footnote Data	450		
	Stockholders' Reports Check appropriate box: <input type="checkbox"/> Two copies will be submitted <input type="checkbox"/> No annual report to stockholders is prepared			

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
GENERAL INFORMATION			
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p>William E. Currens, Jr. Senior Vice President, Chief Accounting Officer & Controller 550 South Tryon Street Charlotte, NC 28202</p>			
<p>2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.</p> <p>Commonwealth of Kentucky Date of Incorporation: March 20, 1901</p>			
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>Not applicable</p>			
<p>4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p>Kentucky - Gas and Electric</p>			
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) <input type="checkbox"/> Yes...Enter the date when such independent accountant was initially engaged: (2) <input checked="" type="checkbox"/> No</p>			

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report <i>(Mo, Da, Yr)</i> 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
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CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

Duke Energy Kentucky, Inc. is a wholly-owned subsidiary of Duke Energy Ohio, Inc. Duke Energy Ohio, Inc. is a wholly-owned subsidiary of Cinergy Corp., which is a wholly-owned subsidiary of Duke Energy Corporation.

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
CORPORATIONS CONTROLLED BY RESPONDENT					
<p>1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.</p> <p>2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.</p> <p>3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.</p> <p>Definitions</p> <p>1. See the Uniform System of Accounts for a definition of control.</p> <p>2. Direct control is that which is exercised without interposition of an intermediary.</p> <p>3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.</p> <p>4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.</p>					
Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)	
1	N/A				
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
OFFICERS				
<p>1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.</p> <p>2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.</p>				
Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)	
1	Senior Vice President and Chief Human Resources	Melissa H. Anderson		
2	Officer through 04/30/2016;			
3	Executive Vice President, Administration and			
4	Chief Human Resources Officer, effective 05/01/2016			
5				
6	President, Duke Energy International,	Andrea Bertone		
7	resigned 12/31/2015			
8				
9	Senior Vice President, Chief Accounting Officer and	William E. Currens, Jr.		
10	Controller, effective 05/16/2016			
11				
12	Senior Vice President, and Treasurer through 01/31/2016;	Stephen Gerard De May		
13	Treasurer and Senior Vice President, Tax,			
14	effective 02/01/2016			
15				
16	Executive Vice President and President,	Douglas F. Esamann		
17	Midwest and Florida Regions through 08/31/2016;			
18	Executive Vice President, Energy Solutions and			
19	President, Midwest and Florida Regions,			
20	effective 09/01/2016			
21				
22	Chief Executive Officer	Lynn J. Good		
23				
24	President	James P. Henning		
25				
26	Executive Vice President and President, Generation	Dhiana M. Jamil		
27	and Transmission through 04/30/2016;			
28	Executive Vice President and Chief Operating Officer,			
29	effective 05/01/2016			
30				
31	Executive Vice President, Chief Legal Officer and	Juifa S. Janson		
32	Corporate Secretary			
33				
34	Executive Vice President, Strategic Services,	A. R. Mullnax		
35	resigned 05/01/2016			
36				
37	Senior Vice President, Chief Accounting Officer	Brian D. Savoy		
38	and Controller, through 05/15/2016			
39				
40	Executive Vice President, External Affairs and	Jennifer L. Weber		
41	Strategic Policy, resigned 02/26/2016			
42				
43	President, Commercial Portfolio, resigned 07/07/2016	Gregory C. Wolf		
44				

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
OFFICERS				
<p>1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.</p> <p>2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.</p>				
Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)	
1	Executive Vice President, Market Solutions and	Lloyd M. Yates		
2	President, Carolinas Region through 08/31/2016;			
3	Executive Vice President, Customer and Delivery			
4	Operations and President, Carolinas Region,			
5	effective 09/01/2016			
6				
7	Executive Vice President and President, Natural Gas,	Franklin H. Yoho		
8	effective 10/04/2016			
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10	Executive Vice President and Chief Financial Officer	Steven Keith Young		
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
DIRECTORS				
1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.				
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.				
Line No.	Name (and Title) of Director (a)	Principal Business Address (b)		
1	Douglas F. Esamann ***	550 South Tryon Street, Charlotte, NC 28202		
2	(EVP, Energy Solutions and President, Midwest and Florida Regions)			
3				
4				
5	Lynn J. Good (Chief Executive Officer) **	550 South Tryon Street, Charlotte, NC 28202		
6				
7	Dhiala M. Jamil ***	550 South Tryon Street, Charlotte, NC 28202		
8	(EVP and Chief Operating Officer)			
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
INFORMATION ON FORMULA RATES FERC Rate Schedule/Tariff Number FERC Proceeding					
Does the respondent have formula rates?					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.					
Line No.	FERC Rate Schedule or Tariff Number	FERC Proceeding			
1	PJM Interconnection, L.L.C.	Docket No. ER12-91-000			
2	Open Access Transmission Tariff				
3	Attachment H-22				
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Name of Respondent Duke Energy Kentucky, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
INFORMATION ON FORMULA RATES FERC Rate Schedule/Tariff Number FERC Proceeding					
Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website					
Line No.	Accession No.	Document Date Filed	Docket No.	Description	Formula Rate FERC Rate Schedule Number or Tariff Number
1	20120515-5244	05/15/2012	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
2	20130129-5070	01/29/2013	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
3				Corrected	
4	20135015-5122	05/15/2013	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
5	20140515-5149	05/15/2014	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
6	20150515-5244	05/15/2015	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
7	20160513-5092	05/13/2016	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
8	20161130-5146	11/30/2016	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
9				Corrected	
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
INFORMATION ON FORMULA RATES Formula Rate Variances				
1. If a respondent does not submit such filings then indicate in a footnote to the applicable Form 1 schedule where formula rate inputs differ from amounts reported in the Form 1. 2. The footnote should provide a narrative description explaining how the "rate" (or billing) was derived if different from the reported amount in the Form 1. 3. The footnote should explain amounts excluded from the ratebase or where labor or other allocation factors, operating expenses, or other items impacting formula rate inputs differ from amounts reported in Form 1 schedule amounts. 4. Where the Commission has provided guidance on formula rate inputs, the specific proceeding should be noted in the footnote.				
Line No.	Page No(s).	Schedule	Column	Line No
1		Not Applicable		
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/13/2017	Year/Period of Report End of 2016/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR			
<p>Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.</p> <ol style="list-style-type: none"> 1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact. 2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization. 3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission. 4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization. 5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc. 6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee. 7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments. 8. State the estimated annual effect and nature of any important wage scale changes during the year. 9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year. 10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest. 11. (Reserved.) 12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page. 13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period. 14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio. 			
PAGE 108 INTENTIONALLY LEFT BLANK SEE PAGE 109 FOR REQUIRED INFORMATION.			

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None
2. None
3. See Notes to Financial Statements, Note 2, "Regulatory Matters"
4. None
5. None
6. See Notes to Financial Statements, Note 4, "Debt and Credit Facilities"
7. None
8. During the fourth quarter 2016, there were no wage scale changes.
During the third quarter 2016, there were no wage scale changes.
During the second quarter 2016, employees bargained for by IBEW Local 1347, UOWA, IUU Local 600 and USW Local 12049 received pay changes (promotion, demotion, pay rate change/merit, job reclassification and adjustments) that totaled \$333,694.40 in annualized costs or a monthly amount of approximately \$27,807.87.
During the first quarter 2016, non-union employees received pay changes (promotion, demotion, pay rate change/merit, job reclassification and adjustments) that totaled \$25,833.60 in annualized costs or a monthly amount of approximately \$2,152.80
9. See Notes to Financial Statements, Note 2, "Regulatory Matters" and Note 3, "Commitments and Contingencies"
10. None
11. (Reserved)
12. None
13. There are no changes in major security holders and voting powers of Duke Energy Kentucky, Inc. that occurred during the fourth quarter of 2016.
The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the fourth quarter of 2016 are as follows:
Appointments effective 10/04/16:
Victor M. Gaglio Senior Vice President and Chief Operations Officer, Natural Gas Business
Karl W. Newlin Senior Vice President and Chief Commercial Officer, Natural Gas Business
Franklin H. Yoho Executive Vice President and President, Natural Gas Business
Appointments effective 10/03/16:
Charles R. Whitlock Senior Vice President, Midwest Distribution Operations
Appointments effective 10/01/16:
Sam Holeman Vice President, Transmission Systems Planning and Operations
V. Nelson Peeler Senior Vice President and Chief Transmission Officer
Resignations effective 10/03/16:
Charles R. Whitlock Senior Vice President, Midwest Distribution and Gas Operations

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.		04/13/2017	2016/Q4

IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)

Resignations effective 10/01/16:

V. Nelson Peeler Vice President, Transmission Systems Planning and Operations

There are no changes in major security holders and voting powers of Duke Energy Kentucky, Inc. that occurred during the third quarter of 2016.

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the third quarter of 2016 are as follows:

Appointments effective 09/01/16:

Douglas F. Esamann Executive Vice President, Energy Solutions and President, Midwest and Florida Regions
 Michael A. Lewis Senior Vice President and Chief Distribution Officer
 Charles R. Whitlock Senior Vice President, Midwest Distribution and Gas Operations
 Lloyd M. Yates Executive Vice President, Customer Delivery Operations and President, Carolinas Region

Appointments effective 07/08/16:

Robert F. Caldwell President, Duke Energy Renewables and Distributed Energy Technology

Resignations effective 09/01/16:

Douglas F. Esamann Executive Vice President
 Douglas F. Esamann President, Midwest and Florida Regions
 Michael A. Lewis Senior Vice President
 Michael A. Lewis Chief Transmission Officer
 Charles R. Whitlock Senior Vice President, Midwest Delivery and Gas Operations
 Lloyd M. Yates Executive Vice President, Market Solutions
 Lloyd M. Yates President, Carolinas Region

Resignations effective 08/31/16:

Heath J. Shuler Senior Vice President, Federal Government Affairs

Resignations effective 07/08/16:

Robert F. Caldwell Senior Vice President, Distributed Energy Resources

There are no changes in major security holders and voting powers of Duke Energy Kentucky, Inc. that occurred during the second quarter of 2016.

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the second quarter of 2016 are as follows:

Appointments effective 06/01/16:

Caren B. Anders Vice President, Operations Support
 Richard W. Bagley Vice President, Transmission Engineering, Resource and Project Management
 V. Nelson Peeler Vice President, Transmission Systems Planning and Operations
 Tom Silinski Vice President, Total Rewards and Human Resources Operations

Appointments effective 05/16/16:

William E. Currens, Jr. Senior Vice President, Chief Accounting Officer and Controller

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.		04/13/2017	2016/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

Brian D. Savoy Senior Vice President, Business Transformation and Technology

Appointments effective 05/01/16:

Melissa H. Anderson Executive Vice President, Administration and Chief Human Resources Officer

Dhiaa M. Jamil Executive Vice President and Chief Operating Officer

Appointments effective 04/19/16:

Paul Draovitch Senior Vice President, Fossil Hydro Operations

George T. Hamrick Senior Vice President, Coal Combustion Products

Appointments effective 04/11/16:

Terrell N. Garren Vice President and Chief Security Officer

Thomas Cooper Monroe, III Director, State Tax

Sandra S. Wyckoff Vice President and Chief Ethics and Compliance Officer

Appointments effective 04/01/16:

Regis T. Repko Senior Vice President

Regis T. Repko Chief Fossil/Hydro Officer

Resignations effective 06/01/16:

Caren B. Anders Vice President, Delivery Operations Support

Richard W. Bagley Vice President, Transmission Engineering

Stephen J. Immel Vice President, Outage and Project Services

V. Nelson Peeler Vice President, Transmission Systems Operations

Tom Silinski Vice President, Human Resources Operations

Resignations effective 05/16/16:

Brian D. Savoy Senior Vice President

Brian D. Savoy Chief Accounting Officer

Brian D. Savoy Controller

Resignations effective 05/01/16:

Melissa H. Anderson Senior Vice President

Melissa H. Anderson Chief Human Resources Officer

Dhiaa M. Jamil Executive Vice President

Dhiaa M. Jamil President, Generation and Transmission

A.R. Mullinax Executive Vice President, Strategic Services

Resignations effective 04/19/16:

George T. Hamrick Vice President, Coal Combustion Products

Resignations effective 04/11/16:

Sandra S. Wyckoff Vice President, Ethics and Compliance

Sandra S. Wyckoff Chief Ethics Officer

There are no changes in major security holders and voting powers of Duke Energy Kentucky, Inc that occurred during the first quarter of 2016.

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the first quarter of 2016 are as follows:

Appointments effective 2/01/16

Keith G. Butler Senior Vice President, Global Risk Management and Insurance

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
Duke Energy Kentucky, Inc.			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

Keith G. Butler Chief Risk Officer
 Stephen G. De May Senior Vice President, Tax
 John B. Scheidler Assistant Corporate Secretary

Appointments effective 1/06/16

Jeffrey M. Stone Vice President, Corporate Audit Services
 John L. Sullivan, III Assistant Treasurer
 Sandra S. Wyckoff Vice President, Ethics and Compliance
 Sandra S. Wyckoff Chief Ethics Officer

Resignations effective 3/31/16

Charles M. Gates Senior Vice President, Chief Fossil/Hydro Officer

Resignations effective 2/26/16

Jennifer L. Weber Executive Vice President, External Affairs and Strategic Policy

Resignations effective 2/01/16

Keith G. Butler Vice President, Tax
 Dwight L. Jacobs Senior Vice President, Global Risk Management and Insurance
 Dwight L. Jacobs Chief Risk Officer

Resignations effective 1/06/16

John Elnitsky Senior Vice President, Ash Basin Strategy
 Jeffrey M. Stone Vice President, Internal Audit, Ethics and Compliance
 Sandra S. Wyckoff Assistant Treasurer

14. N/A

Name of Respondent		This Report Is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	End of <u>2016/Q4</u>
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	2,052,384,114	2,036,397,765
3	Construction Work In Progress (107)	200-201	83,832,972	43,361,285
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		2,116,217,086	2,079,759,050
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	1,001,008,038	978,193,739
6	Net Utility Plant (Enter Total of line 4 less 5)		1,115,209,048	1,101,565,311
7	Nuclear Fuel In Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		1,115,209,048	1,101,565,311
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		2,206	2,206
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		1,500	1,500
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		1,715,645	1,121,197
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		954,187	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		2,673,538	1,124,903
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		6,533,836	9,140,810
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		0	0
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		929,120	5,013,100
41	Other Accounts Receivable (143)		874,735	4,706,764
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		140,798	195,051
43	Notes Receivable from Associated Companies (145)		18,389,762	10,137,088
44	Accounts Receivable from Assoc. Companies (146)		4,382,007	1,362,224
45	Fuel Stock (151)	227	24,608,235	22,581,326
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	20,679,892	20,450,713
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	50,652	73,231

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	336,171	1,109,030
55	Gas Stored Underground - Current (164.1)		3,412,415	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		491,138	856,973
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		2,500	2,500
61	Accrued Utility Revenues (173)		0	0
62	Miscellaneous Current and Accrued Assets (174)		14,017,712	20,285,345
63	Derivative Instrument Assets (175)		4,916,554	2,912,924
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		954,187	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		98,529,744	98,436,977
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		1,736,629	1,306,096
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	100,178,941	48,159,201
73	Prelim. Survey and Investigation Charges (Electric) (183)		143,374	1,355,886
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Cleaning Accounts (184)		-16	24
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	680,254	29,538,033
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Required Debt (189)		1,454,906	1,721,380
82	Accumulated Deferred Income Taxes (190)	234	32,002,628	40,297,566
83	Unrecovered Purchased Gas Costs (191)		1,627,916	578,873
84	Total Deferred Debits (lines 69 through 83)		137,824,632	122,957,059
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		1,354,236,962	1,324,084,250

Name of Respondent Duke Energy Kentucky, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 04/13/2017	Year/Period of Report end of 2016/Q4
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	8,779,995	8,779,995
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		18,838,946	18,838,946
7	Other Paid-In Capital (208-211)	253	148,655,189	148,655,189
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	260,741,367	228,157,429
12	Unappropriated Undistributed Subsidiary Earnings (218.1)	118-119	0	0
13	(Less) Required Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	0
16	Total Proprietary Capital (lines 2 through 15)		437,015,497	404,431,559
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Required Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	25,000,000	25,000,000
21	Other Long-Term Debt (224)	256-257	336,720,000	291,720,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		337,948	368,093
24	Total Long-Term Debt (lines 18 through 23)		361,382,052	316,331,907
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		1,465,571	2,151,880
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		-57,669	-40,546
29	Accumulated Provision for Pensions and Benefits (228.3)		14,974,925	11,648,663
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		5,110,664	5,735,787
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		52,822,086	103,500,128
35	Total Other Noncurrent Liabilities (lines 26 through 34)		74,315,577	122,995,912
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		31,671,028	25,682,371
39	Notes Payable to Associated Companies (233)		19,656,000	55,743,000
40	Accounts Payable to Associated Companies (234)		12,575,250	14,418,085
41	Customer Deposits (235)		10,269,585	10,130,787
42	Taxes Accrued (236)	262-263	11,102,968	-4,099,457
43	Interest Accrued (237)		4,227,363	3,340,930
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent Duke Energy Kentucky, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 04/13/2017	Year/Period of Report end of 2016/Q4
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		1,769,826	1,586,741
48	Miscellaneous Current and Accrued Liabilities (242)		16,932,837	10,385,150
49	Obligations Under Capital Leases-Current (243)		686,310	1,519,753
50	Derivative Instrument Liabilities (244)		5,943,438	6,650,693
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		5,110,664	5,735,787
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		109,723,941	119,622,266
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		1,434,379	981,414
57	Accumulated Deferred Investment Tax Credits (255)	266-267	685,347	886,573
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	268	20,045,049	25,093,634
60	Other Regulatory Liabilities (254)	278	5,986,078	3,791,681
61	Unamortized Gain on Acquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	190,426	190,426
63	Accum. Deferred Income Taxes-Other Property (282)		318,877,109	317,823,685
64	Accum. Deferred Income Taxes-Other (283)		24,580,507	11,935,193
65	Total Deferred Credits (lines 56 through 64)		371,799,895	360,702,606
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		1,354,236,962	1,324,084,250

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
STATEMENT OF INCOME						
<p>Quarterly</p> <p>1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.</p> <p>2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.</p> <p>3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.</p> <p>4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.</p> <p>5. If additional columns are needed, place them in a footnote.</p> <p>Annual or Quarterly if applicable</p> <p>5. Do not report fourth quarter data in columns (e) and (f)</p> <p>6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.</p> <p>7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.</p>						
Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	440,779,589	466,754,287		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	270,158,502	287,322,431		
5	Maintenance Expenses (402)	320-323	33,479,990	32,137,254		
6	Depreciation Expense (403)	336-337	41,052,844	40,995,961		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	2,615,436	2,816,564		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		5,017,219	2,310,291		
13	(Less) Regulatory Credits (407.4)		1,064,723	399,545		
14	Taxes Other Than Income Taxes (408.1)	262-263	14,536,730	12,963,093		
15	Income Taxes - Federal (409.1)	262-263	-3,732,567	1,555,507		
16	- Other (409.1)	262-263	-872,454	-794,708		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	90,755,536	144,168,278		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	69,127,951	117,061,600		
19	Investment Tax Credit Adj. - Net (411.4)	266	-90,146	-97,216		
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)			8,051		
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		382,728,816	405,908,679		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg 17, line 27		58,051,173	60,845,608		

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STATEMENT OF INCOME FOR THE YEAR (Continued)							
<p>9. Use page 122 for important notes regarding the statement of income for any account thereof.</p> <p>10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.</p> <p>11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.</p> <p>12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.</p> <p>13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.</p> <p>14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.</p> <p>15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.</p>							
ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.	
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)		
						1	
347,770,121	362,301,564	93,009,868	104,452,723			2	
						3	
216,207,681	224,547,449	53,951,221	62,774,982			4	
31,608,037	30,238,515	1,871,953	1,898,739			5	
30,121,128	30,294,923	10,931,716	10,701,058			6	
						7	
1,784,095	2,002,497	831,341	814,067			8	
						9	
						10	
						11	
2,223,229	211,341	2,793,990	2,098,950			12	
1,064,723	399,545					13	
9,677,833	8,885,417	4,858,897	4,077,676			14	
-10,640,581	-6,384,426	6,908,014	7,940,333			15	
-1,978,199	-1,731,081	1,105,745	936,873			16	
84,050,726	134,318,382	6,704,810	9,849,896			17	
58,832,752	105,992,512	10,295,199	11,069,088			18	
-21,438	-28,061	-68,708	-69,155			19	
						20	
						21	
	8,051					22	
						23	
						24	
303,135,036	315,954,848	79,593,780	89,953,831			25	
44,635,085	46,346,716	13,416,088	14,498,892			26	

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STATEMENT OF INCOME FOR THE YEAR (continued)						
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Currant Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		58,051,173	60,845,600		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		660,081	581,953		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		239,363	183,752		
33	Revenues From Nonutility Operations (417)		1,059	39,729		
34	(Less) Expenses of Nonutility Operations (417.1)		34,201	111,578		
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		990,145	1,019,460		
38	Allowance for Other Funds Used During Construction (419.1)		1,332,221	619,464		
39	Miscellaneous Nonoperating Income (421)		-1,405	54		
40	Gain on Disposition of Property (421.1)		38,549	240,478		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		2,747,086	2,205,806		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		10,853	-4,832		
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		418,773	489,274		
46	Life Insurance (426.2)					
47	Penalties (426.3)		8,087	1,149		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		502,347	441,036		
49	Other Deductions (426.5)		1,107,036	960,110		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		2,047,095	1,885,737		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	100,069	126,257		
53	Income Taxes-Federal (409.2)	262-263	3,152,242	3,288,690		
54	Income Taxes-Other (409.2)	262-263	511,744	549,325		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	227,382	6,808,421		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	3,734,569	10,280,872		
57	Investment Tax Credit Adj.-Net (411.5)		-42,057	-75,340		
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		214,811	416,481		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		485,179	-97,410		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		13,759,989	12,168,585		
63	Amort. of Debt Disc. and Expense (428)		748,311	417,713		
64	Amortization of Loss on Reacquired Debt (428.1)		266,474	266,474		
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)		229,106	189,334		
68	Other Interest Expense (431)		1,485,968	1,755,051		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		537,434	224,569		
70	Net Interest Charges (Total of lines 62 thru 69)		15,952,414	14,572,568		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		42,583,938	46,175,630		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		42,583,938	46,175,630		

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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STATEMENT OF RETAINED EARNINGS

- Do not report Lines 49-53 on the quarterly version.
- Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
- Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
- State the purpose and amount of each reservation or appropriation of retained earnings.
- List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
- Show dividends for each class and series of capital stock.
- Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
- Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
- If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		228,157,429	236,981,799
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		42,583,938	46,175,630
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31	Oct 2016, Jul and Nov 2015 Common Stock Dividend declared		-10,000,000	(55,000,000)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-10,000,000	(55,000,000)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		260,741,367	228,157,429
	APPROPRIATED RETAINED EARNINGS (Account 215)			

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STATEMENT OF RETAINED EARNINGS						
<p>1. Do not report Lines 49-53 on the quarterly version.</p> <p>2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.</p> <p>3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account effected in column (b)</p> <p>4. State the purpose and amount of each reservation or appropriation of retained earnings.</p> <p>5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.</p> <p>6. Show dividends for each class and series of capital stock.</p> <p>7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.</p> <p>8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.</p>						
Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)		
39						
40						
41						
42						
43						
44						
45	TOTAL Appropriated Retained Earnings (Account 215)					
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)					
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)					
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)					
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		260,741,367	228,157,429		
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account					
	Report only on an Annual Basis, no Quarterly					
49	Balance-Beginning of Year (Debit or Credit)					
50	Equity In Earnings for Year (Credit) (Account 418.1)					
51	(Less) Dividends Received (Debit)					
52						
53	Balance-End of Year (Total lines 49 thru 52)					

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/13/2017	2016/Q4
FOOTNOTE DATA			

Schedule Page: 118 Line No.: 31 Column: c	
October 2016 Common Stock Dividend	\$10,000,000
Schedule Page: 118 Line No.: 31 Column: d	
July 2015 Common Stock Dividend	\$35,000,000.00
November 2015 Common Stock Dividend	\$20,000,000.00

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
STATEMENT OF CASH FLOWS				
<p>(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) include commercial paper; and (d) identify separately such items as investments, fixed assets, intangibles, etc. (2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet. (3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid. (4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)	
1	Net Cash Flow from Operating Activities:			
2	Net Income (Line 78(c) on page 117)	42,583,938	46,175,630	
3	Noncash Charges (Credits) to Income:			
4	Depreciation and Depletion	41,052,844	40,995,981	
5	Amortization of			
6	Plant Items	2,615,436	2,816,564	
7	Debt Discount, Premium, Expense and Loss on Recquired Debt	1,014,785	684,187	
8	Deferred Income Taxes (Net)	18,120,398	23,634,227	
9	Investment Tax Credit Adjustment (Net)	-132,203	-172,556	
10	Net (Increase) Decrease in Receivables	-3,410,701	8,336,850	
11	Net (Increase) Decrease in Inventory	-4,895,644	8,758,879	
12	Net (Increase) Decrease in Allowances Inventory	22,579	-49,168	
13	Net Increase (Decrease) in Payables and Accrued Expenses	28,166,317	-14,622,101	
14	Net (Increase) Decrease in Other Regulatory Assets	-21,070,168	-19,245,018	
15	Net Increase (Decrease) in Other Regulatory Liabilities	-1,685,767	3,233,693	
16	(Less) Allowance for Other Funds Used During Construction	1,332,221	619,464	
17	(Less) Undistributed Earnings from Subsidiary Companies			
18	Other (provide details in footnote):	5,976,948	8,153,138	
19				
20				
21				
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	107,026,541	108,080,842	
23				
24	Cash Flows from Investment Activities:			
25	Construction and Acquisition of Plant (including land):			
26	Gross Additions to Utility Plant (less nuclear fuel)	-109,720,103	-73,159,764	
27	Gross Additions to Nuclear Fuel			
28	Gross Additions to Common Utility Plant	456,540	-630,938	
29	Gross Additions to Nonutility Plant			
30	(Less) Allowance for Other Funds Used During Construction	-1,332,221	-619,464	
31	Other (provide details in footnote):			
32				
33				
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-107,931,342	-73,171,238	
35				
36	Acquisition of Other Noncurrent Assets (d)			
37	Proceeds from Disposal of Noncurrent Assets (d)			
38				
39	Investments in and Advances to Assoc. and Subsidiary Companies			
40	Contributions and Advances from Assoc. and Subsidiary Companies			
41	Disposition of Investments in (and Advances to)			
42	Associated and Subsidiary Companies			
43				
44	Purchase of Investment Securities (a)			
45	Proceeds from Sales of Investment Securities (a)			

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
STATEMENT OF CASH FLOWS				
<p>(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) include commercial paper; and (d) identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USoA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)	
46	Loans Made or Purchased			
47	Collections on Loans			
48				
49	Net (Increase) Decrease in Receivables			
50	Net (Increase) Decrease in Inventory			
51	Net (Increase) Decrease in Allowances Held for Speculation			
52	Net Increase (Decrease) in Payables and Accrued Expenses			
53	Other (provide details in footnote):			
54				
55				
56	Net Cash Provided by (Used in) Investing Activities			
57	Total of lines 34 thru 55)	-107,931,342	-73,171,238	
58				
59	Cash Flows from Financing Activities:			
60	Proceeds from Issuance of:			
61	Long-Term Debt (b)	95,000,000		
62	Preferred Stock			
63	Common Stock			
64	Other (provide details in footnote):			
65				
66	Net Increase in Short-Term Debt (c)			
67	Other (provide details in footnote):			
68				
69				
70	Cash Provided by Outside Sources (Total 61 thru 69)	95,000,000		
71				
72	Payments for Retirement of:			
73	Long-term Debt (b)	-50,000,000		
74	Preferred Stock			
75	Common Stock			
76	Other (provide details in footnote):	-36,087,000	18,134,000	
77	Premium Payments and Fees on Deferred Debt	-615,173	-209,702	
78	Net Decrease in Short-Term Debt (c)			
79				
80	Dividends on Preferred Stock			
81	Dividends on Common Stock	-10,000,000	-55,000,000	
82	Net Cash Provided by (Used in) Financing Activities			
83	(Total of lines 70 thru 81)	-1,702,173	-37,075,702	
84				
85	Net Increase (Decrease) in Cash and Cash Equivalents			
86	(Total of lines 22,57 and 83)	-2,606,974	-2,166,098	
87				
88	Cash and Cash Equivalents at Beginning of Period	9,140,810	11,306,908	
89				
90	Cash and Cash Equivalents at End of period	6,533,836	9,140,810	

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 18 Column: b

Unrecovered Purchased Gas Costs	(1,257,488)
Prepayments	2,224,062
Clearing Accounts	40
Miscellaneous Current and Accrued Assets	6,267,632
Derivative Instrument Assets	(8,765)
Miscellaneous Deferred Debits	2,635,555
Obligations Under Capital Leases - Non-current	(686,309)
Accumulated Provisions	(1,107,723)
Customer Advances for Construction	452,965
Other Deferred Credits	(891,996)
Contribution to Company Sponsored Pension Plan	(1,443,420)
Net Utility Plant and Nonutility Property	(4,346,667)
Deferred Income Taxes	3,804,255
Derivative Instruments Liabilities	(82,132)
Preliminary Survey and Investigative Charges	1,212,512
Debt Expenses	(513,525)
Other Investments	(282,048)
	<u>5,976,948</u>

Schedule Page: 120 Line No.: 18 Column: c

Unrecovered Purchased Gas Costs	2,016,229
Prepayments	1,496,140
Clearing Accounts	5,340
Miscellaneous Current and Accrued Assets	2,944,234
Miscellaneous Deferred Debits	4,930,724
Obligations under Capital Leases - Non Current	(1,519,751)
Accumulated Provisions	474,474
Customer Advances for Construction	226,855
Other Deferred Credits	(898,677)
Contribution to Company Sponsored Pension Plan	(2,203,439)
Net Utility Plant and Nonutility Property	1,738,651
Deferred Income Taxes	(2,528,977)
Derivative Instruments Liabilities	(25,569)
Preliminary Survey and Investigation Charges	773,507
Debt Expenses	723,397
	<u>8,153,138</u>

Schedule Page: 120 Line No.: 76 Column: b

Intercompany Money pool Notes payable (\$36,087,000)

Schedule Page: 120 Line No.: 76 Column: c

Intercompany Money pool Notes Payable \$18,134,000

Schedule Page: 120 Line No.: 90 Column: b

Supplemental Disclosures (in thousands):		
	YTD	YTD
	DEC 16	DEC 15
Cash paid for interest, net of amount capitalized	\$12,986	\$13,492
Cash paid /(refunded) for income taxes	(\$18,335)	\$13,146

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Significant non-cash transactions (in thousands):

	YTD DEC 16	YTD DEC 15
AFUDC - Equity Component	\$ 1,332	\$ 619
Accrued Capital Expenditures	\$12,594	\$7,337

Cash and Cash Equivalent at End of period:

	YTD DEC 16	YTD DEC 15
Cash (131)	\$6,533,836	\$9,140,810
Working Funds (135)	0	0
Temporary Cash Investments (136)	0	0
	<u>\$6,533,836</u>	<u>\$9,140,810</u>

Name of Respondent Duka Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 01/13/2017	Year/Period of Report End of <u>2016/Q4</u>
STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES					
1. Report in columns (b),(c),(d) and (a) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate. 2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges. 3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote. 4. Report data on a year-to-date basis.					
Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (a)
1	Balance of Account 219 at Beginning of Preceding Year				
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value				
4	Total (lines 2 and 3)				
5	Balance of Account 219 at End of Preceding Quarter/Year				
6	Balance of Account 219 at Beginning of Current Year				
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value				
9	Total (lines 7 and 8)				
10	Balance of Account 219 at End of Current Quarter/Year				

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES					
Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Insert Footnote at Line 1 to specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1					
2					
3					
4				46,175,630	46,175,630
5					
6					
7					
8					
9				42,583,938	42,583,938
10					

Name of Respondent		This Report Is:		Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	End of 2016/Q4
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.					
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)		
1	Utility Plant				
2	In Service				
3	Plant in Service (Classified)	1,822,629,004	1,430,228,185		
4	Property Under Capital Leases	20,848,810	2,624,135		
5	Plant Purchased or Sold				
6	Completed Construction not Classified	208,906,500	108,661,728		
7	Experimental Plant Unclassified				
8	Total (3 thru 7)	2,052,384,114	1,541,514,048		
9	Leased to Others				
10	Held for Future Use				
11	Construction Work in Progress	63,832,972	53,259,515		
12	Acquisition Adjustments				
13	Total Utility Plant (8 thru 12)	2,116,217,086	1,594,773,563		
14	Accum Prov for Depr, Amort, & Depl	1,001,008,038	807,691,230		
15	Net Utility Plant (13 less 14)	1,115,209,048	787,082,333		
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	959,817,005	798,057,715		
19	Amort & Depl of Producing Nat Gas Land/Land Right				
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant	41,191,033	9,633,515		
22	Total In Service (18 thru 21)	1,001,008,038	807,691,230		
23	Leased to Others				
24	Depreciation				
25	Amortization and Depletion				
26	Total Leased to Others (24 & 25)				
27	Held for Future Use				
28	Depreciation				
29	Amortization				
30	Total Held for Future Use (28 & 29)				
31	Abandonment of Leases (Natural Gas)				
32	Amort of Plant Acquisition Adj				
33	Total Accum Prov (equals 14) (22,26,30,31,32)	1,001,008,038	807,691,230		

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
351,208,384				41,192,435	3
18,224,475					4
					5
98,742,770				1,502,002	6
					7
468,175,629				42,694,437	8
					9
					10
10,261,051				312,406	11
					12
478,436,680				43,006,843	13
156,557,866				36,758,942	14
321,878,814				6,247,901	15
					16
					17
151,560,065				10,198,225	18
					19
					20
4,997,801				26,559,717	21
156,557,866				36,758,942	22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
156,557,866				36,758,942	33

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)				
1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.				
2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantify on hand, and the costs incurred under such leasing arrangements.				
Line No.	Description of Item (a)	Balance Beginning of Year (b)	Changes during Year Additions (c)	
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)			
2	Fabrication			
3	Nuclear Materials			
4	Allowance for Funds Used during Construction			
5	(Other Overhead Construction Costs, provide details in footnote)			
6	SUBTOTAL (Total 2 thru 5)			
7	Nuclear Fuel Materials and Assemblies			
8	In Stock (120.2)			
9	In Reactor (120.3)			
10	SUBTOTAL (Total 8 & 9)			
11	Spent Nuclear Fuel (120.4)			
12	Nuclear Fuel Under Capital Leases (120.6)			
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)			
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)			
15	Estimated net Salvage Value of Nuclear Materials in line 9			
16	Estimated net Salvage Value of Nuclear Materials in line 11			
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing			
18	Nuclear Materials held for Sale (157)			
19	Uranium			
20	Plutonium			
21	Other (provide details in footnote):			
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)			

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)				
Charges during Year				Balance
Amortization (d)	Other Reductions (Explain in a footnote) (e)			End of Year (f)
				Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2015/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)				
<p>1. Report below the original cost of electric plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.</p> <p>5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)</p>				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
1	1. INTANGIBLE PLANT			
2	(301) Organization			
3	(302) Franchises and Consents			
4	(303) Miscellaneous Intangible Plant	9,914,773	2,428,443	
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	9,914,773	2,428,443	
6	2. PRODUCTION PLANT			
7	A. Steam Production Plant			
8	(310) Land and Land Rights	5,809,701	1,226,324	
9	(311) Structures and Improvements	59,224,466	12,535,391	
10	(312) Boiler Plant Equipment	448,892,206	13,037,297	
11	(313) Engines and Engine-Driven Generators			
12	(314) Turbogenerator Units	100,155,944	1,751,676	
13	(315) Accessory Electric Equipment	43,405,655	1,469,463	
14	(316) Misc. Power Plant Equipment	17,266,718	2,273,060	
15	(317) Asset Retirement Costs for Steam Production	96,716,180		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	771,470,870	32,293,211	
17	B. Nuclear Production Plant			
18	(320) Land and Land Rights			
19	(321) Structures and Improvements			
20	(322) Reactor Plant Equipment			
21	(323) Turbogenerator Units			
22	(324) Accessory Electric Equipment			
23	(325) Misc. Power Plant Equipment			
24	(326) Asset Retirement Costs for Nuclear Production			
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)			
26	C. Hydraulic Production Plant			
27	(330) Land and Land Rights			
28	(331) Structures and Improvements			
29	(332) Reservoirs, Dams, and Waterways			
30	(333) Water Wheels, Turbines, and Generators			
31	(334) Accessory Electric Equipment			
32	(335) Misc. Power Plant Equipment			
33	(336) Roads, Railroads, and Bridges			
34	(337) Asset Retirement Costs for Hydraulic Production			
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)			
36	D. Other Production Plant			
37	(340) Land and Land Rights	2,910,272		
38	(341) Structures and Improvements	36,270,866	-70,263	
39	(342) Fuel Holders, Products, and Accessories	15,711,089	144,852	
40	(343) Prime Movers			
41	(344) Generators	210,263,123	-290,178	
42	(345) Accessory Electric Equipment	20,600,458	788,959	
43	(346) Misc. Power Plant Equipment	4,411,579	275,951	
44	(347) Asset Retirement Costs for Other Production			
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	290,067,397	849,321	
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	1,061,538,257	33,142,532	

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
47	3. TRANSMISSION PLANT			
48	(350) Land and Land Rights	1,341,416		
49	(352) Structures and Improvements	1,465,876		14,537
50	(353) Station Equipment	39,881,283		134,884
51	(354) Towers and Fixtures			
52	(355) Poles and Fixtures	7,310,120		271,265
53	(356) Overhead Conductors and Devices	5,730,432		279,470
54	(357) Underground Conduit			
55	(358) Underground Conductors and Devices			
56	(359) Roads and Trails			
57	(359.1) Asset Retirement Costs for Transmission Plant			
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	55,729,127		700,156
59	4. DISTRIBUTION PLANT			
60	(360) Land and Land Rights	12,976,993		293,616
61	(361) Structures and Improvements	1,094,080		376,153
62	(362) Station Equipment	59,907,383		2,508,637
63	(363) Storage Battery Equipment			
64	(364) Poles, Towers, and Fixtures	54,876,718		1,833,615
65	(365) Overhead Conductors and Devices	116,258,985		5,618,320
66	(366) Underground Conduit	18,738,872		143,696
67	(367) Underground Conductors and Devices	54,384,777		4,130,803
68	(368) Line Transformers	54,324,230		3,378,776
69	(369) Services	16,748,162		1,391,412
70	(370) Meters	15,609,434		-1,728,847
71	(371) Installations on Customer Premises	164,900		285,826
72	(372) Leased Property on Customer Premises	9,647		
73	(373) Street Lighting and Signal Systems	9,475,009		865,353
74	(374) Asset Retirement Costs for Distribution Plant			
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	414,569,190		19,097,360
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT			
77	(380) Land and Land Rights			
78	(381) Structures and Improvements			
79	(382) Computer Hardware			
80	(383) Computer Software			
81	(384) Communication Equipment			
82	(385) Miscellaneous Regional Transmission and Market Operation Plant			
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper			
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)			
85	6. GENERAL PLANT			
86	(389) Land and Land Rights			
87	(390) Structures and Improvements	144,984		
88	(391) Office Furniture and Equipment	1,306,799		1,078,470
89	(392) Transportation Equipment	208,481		243,908
90	(393) Stores Equipment			
91	(394) Tools, Shop and Garage Equipment	1,550,194		489,557
92	(395) Laboratory Equipment			
93	(396) Power Operated Equipment	23,815		
94	(397) Communication Equipment	2,718,141		3,624,480
95	(398) Miscellaneous Equipment			
96	SUBTOTAL (Enter Total of lines 86 thru 95)	5,952,414		5,436,415
97	(399) Other Tangible Property			
98	(399.1) Asset Retirement Costs for General Plant			
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	5,952,414		5,436,415
100	TOTAL (Accounts 101 and 106)	1,547,703,761		60,804,906
101	(102) Electric Plant Purchased (See Instr. 8)			
102	(Less) (102) Electric Plant Sold (See Instr. 8)			
103	(103) Experimental Plant Unclassified			
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	1,547,703,761		60,804,906

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)				
<p>distributions of these tentative classifications in columns (c) and (d). Including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.</p> <p>7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.</p> <p>8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.</p> <p>9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date</p>				
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
				2
				3
			12,343,216	4
			12,343,216	5
				6
				7
-11,276			7,047,301	8
387,512			71,372,345	9
3,487,975			458,441,528	10
				11
1,211,837			100,695,783	12
138,337			44,738,781	13
182,096			19,377,682	14
-169,422	-50,299,364		46,586,238	15
5,207,059	-50,299,364		748,257,658	16
				17
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				34
				35
				36
			2,910,272	37
67,228			36,133,375	38
70,159			15,785,782	39
				40
-66,004			210,038,949	41
-83,519			21,372,936	42
15,701			4,671,829	43
				44
3,565			290,913,143	45
5,210,624	-50,299,364		1,039,170,601	46

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			1,341,416		47
			1,480,413		48
916,242			39,099,925		49
					50
16,021			7,565,364		51
4,853			8,005,049		52
					53
					54
					55
					56
					57
937,116			55,492,167		58
					59
			13,270,609		60
			1,470,233		61
245,385			62,170,635		62
					63
655,881		50,627	56,105,079		64
3,273,645		124,881	118,728,541		65
25,192		6,165	18,863,541		66
236,215		24,704	58,304,069		67
1,829,330		11,309	55,884,985		68
26,336		10,370	18,123,608		69
3,055,318		2,496,537	13,321,806		70
3,165		-37,619	409,942		71
			9,647		72
176,812		-190,437	9,973,113		73
					74
9,527,279		2,496,537	426,635,808		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
					86
			144,984		87
			2,365,269		88
32,610			419,779		89
					90
12,445			2,027,306		91
					92
12,045			11,770		93
84,463		-3,375,210	2,882,948		94
					95
141,563		-3,375,210	7,872,056		96
					97
					98
141,563		-3,375,210	7,872,056		99
15,816,582	-50,299,364	-878,673	1,541,514,048		100
					101
					102
					103
15,816,582	-50,299,364	-878,673	1,541,514,048		104

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
Duke Energy Kentucky, Inc.			
FOOTNOTE DATA			

Schedule Page: 204 Line No.: 15 Column: e
ARC Steam Adjustments relate primarily to revisions in coal ash ARO at East Bend and a small adjustment to Miami Fort 6 asbestos ARO. ARC Steam Retirements relate to retirement of ARCs generated with the current year cash flow revisions for Miami Fort Unit 6, which was retired May 31, 2015.

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
ELECTRIC PLANT LEASED TO OTHERS (Account 104)					
Line No.	Name of Lessee (Designate associated companies with a double asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year (e)
1					
2					
3					
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6					
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39					
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41					
42					
43					
44					
45					
46					
47	TOTAL				

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)					
1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.					
2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.					
Line No.	Description and Location Of Property (a)	Date Originally Included In This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)	
1	Land and Rights:				
2	None				
3					
4					
5					
6					
7					
8					
9					
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11					
12					
13					
14					
15					
16					
17					
18					
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20					
21	Other Property:				
22					
23					
24					
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33					
34					
35					
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42					
43					
44					
45					
46					
47	Total				0

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107) 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts) 3. Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	EAST BEND UNIT 2 - LANDFILL PHASE 1	27,216,024		
2	WOODSDALE CT UNIT 1 - OVERHAUL #2	3,160,789		
3	EAST BEND UNIT 2 - SMARTGEN INSTALLATION	3,053,253		
4	KENTUCKY ENABLE SOFTWARE	2,814,219		
5	EAST BEND UNIT 2 DRY BOTTOM ASH CONVERSION	1,623,170		
6	SMART GRID KENTUCKY FEEDER CAPACITY	1,384,394		
7	EAST BEND UNIT 2 LIME INJECTION SYSTEM	1,353,062		
8	EAST BEND UNIT 2 NERC-CIP COMPLIANCE	1,128,536		
9	EAST BEND UNIT 2 LINED RETENTION BASIN	1,025,696		
10	PROJECTS LESS THAN \$1 MILLION	10,500,392		
11				
12				
13				
14				
15				
16				
17				
18				
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20				
21				
22				
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42				
43	TOTAL	53,259,515		

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)					
<p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p>					
Section A. Balances and Changes During Year					
Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	782,109,632	782,109,632		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	30,121,128	30,121,128		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	4,017	4,017		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):	7,870,356	7,870,356		
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	37,995,501	37,995,501		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	15,816,582	15,816,582		
13	Cost of Removal	5,731,829	5,731,829		
14	Salvage (Credit)	222,350	222,350		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	21,326,061	21,326,061		
16	Other Debit or Cr. Items (Describe, details in footnote):	-721,357	-721,357		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	798,057,715	798,057,715		
Section B. Balances at End of Year According to Functional Classification					
20	Steam Production	456,971,488	456,971,488		
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	166,311,507	166,311,507		
25	Transmission	18,578,748	18,578,748		
26	Distribution	154,986,633	154,986,633		
27	Regional Transmission and Market Operation				
28	General	1,209,339	1,209,339		
29	TOTAL (Enter Total of lines 20 thru 28)	798,057,715	798,057,715		

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 8 Column: c	
East Bend Depreciation Deferral	4,522,344
ARO Electric Depreciation Deferral	3,348,012
	<u>7,870,356</u>

Schedule Page: 219 Line No.: 16 Column: c	
Common Utility Plant Provision	(595,715)
Misc. Transfers/Adjustments	(125,642)
	<u>(721,357)</u>

Name of Respondent Duke Energy Kentucky, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)					
<p>1. Report below investments in Accounts 123.1, Investments in Subsidiary Companies. 2. Provide a subheading for each company and list there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h) (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate. (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal. 3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.</p>					
Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)	
1	None - No 2016 Activity for Kentucky				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
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41					
42	Total Cost of Account 123.1 \$	0		TOTAL	

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)					
<p>4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.</p> <p>5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.</p> <p>6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.</p> <p>7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).</p> <p>8. Report on Line 42, column (a) the TOTAL cost of Account 123.1</p>					
Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.	
				1	
				2	
				3	
				4	
				5	
				6	
				7	
				8	
				9	
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				42	

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
MATERIALS AND SUPPLIES					
<p>1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.</p> <p>2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.</p>					
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)	
1	Fuel Stock (Account 151)	22,581,326	24,608,235	Gas and Electric	
2	Fuel Stock Expenses Undistributed (Account 152)				
3	Residuals and Extracted Products (Account 153)				
4	Plant Materials and Operating Supplies (Account 154)				
5	Assigned to - Construction (Estimated)				
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)	19,748,349	20,003,950	Electric	
8	Transmission Plant (Estimated)	28,628	4,377	Electric	
9	Distribution Plant (Estimated)	673,736	671,565	Gas and Electric	
10	Regional Transmission and Market Operation Plant (Estimated)				
11	Assigned to - Other (provide details in footnote)				
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	20,450,713	20,679,892		
13	Merchandise (Account 155)				
14	Other Materials and Supplies (Account 156)				
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)				
16	Stores Expense Undistributed (Account 163)	1,109,030	336,171	Gas and Electric	
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	44,141,069	45,624,298		

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FOOTNOTE DATA			

Schedule Page: 227 Line No.: 16 Column: b
Account 163 - Functionalized for use with PJM Attachments H-22A: Transmission portion of \$1,552 is calculated by multiplying Account 163 balance by ratio of Transmission M&S balance to Total M&S balance.

Schedule Page: 227 Line No.: 16 Column: c
Account 163 - Functionalized for use with PJM Attachments H-22A: Transmission portion of \$71 is calculated by multiplying Account 163 balance by ratio of Transmission M&S balance to Total M&S balance.

Name of Respondent Duke Energy Kentucky, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Allowances (Accounts 158.1 and 158.2)					
<p>1. Report below the particulars (details) called for concerning allowances.</p> <p>2. Report all acquisitions of allowances at cost.</p> <p>3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.</p> <p>4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(j), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).</p> <p>5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.</p>					
Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year		2017	
		No. (b)	Am't. (c)	No. (d)	Am't. (e)
1	Balance-Beginning of Year	86,595.00	19,449	25,041.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	591.00		4,346.00	
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509	9,696.00	1,442		
19	Other:				
20					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	77,490.00	18,007	29,387.00	
30					
31	Sales:				
32	Net Sales Proceeds (Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
Allowances Withheld (Acct 158.2)					
36	Balance-Beginning of Year	279.00		279.00	
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales	279.00			
40	Balance-End of Year			279.00	
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)			18	
45	Gains				
46	Losses				

Name of Respondent Duke Energy Kentucky, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017		Year/Period of Report End of 2016/Q4		
Allowances (Accounts 158.1 and 158.2) (Continued)								
6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances. 7. Report on Lines 8-14 the names of vendors/transferrors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts). 8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies. 9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers. 10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.								
2018		2019		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
25,041.00		25,041.00		651,066.00		612,784.00	19,449	1
								2
								3
4,346.00				25,041.00		34,324.00		4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
						9,696.00	1,442	17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
29,387.00		25,041.00		676,107.00		837,412.00	18,007	29
								30
								31
								32
								33
								34
								35
279.00		279.00		13,671.00		14,787.00		36
				558.00		558.00		37
				279.00		558.00		38
279.00		279.00		13,950.00		14,787.00		39
								40
								41
								42
								43
					6			24
								44
								45
								46

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 228 Line No.: 1 Column: b
 Beginning Balance includes allowances for the Cross State Air Pollution Rule and the Acid Rain Program.

A sign error was discovered on the 2015 page (Line 18, Column B) of -14,384 and (Line 21, Column B) of -1,000. This led to a balance on Line 29, Column B of 79,607 instead of 48,839.

Schedule Page: 228 Line No.: 1 Column: c
 A sign error was discovered on the 2015 page 228a (Line 18, Column C) of -4,459. This led to a balance on Line 29, Column C of \$28,367 instead of \$19,449.

Schedule Page: 228 Line No.: 1 Column: l
 A sign error was discovered on the 2015 page (Line 18, Column B) of -14,384 and (Line 21, Column B) of -1,000. This led to a balance on Line 29, Column L of 843,552 instead of 812,784.

Schedule Page: 228 Line No.: 1 Column: m
 A sign error was discovered on the 2015 page 229a (Line 18, Column C) of -4,459. This led to a balance on Line 29, Column C of \$28,367 instead of \$19,449.

Schedule Page: 228 Line No.: 29 Column: b
 Ending Balance Includes allowances for the Cross State Air Pollution Rule and the Acid Rain Program

Schedule Page: 228 Line No.: 39 Column: b
 Represents allowances withheld in 2016 sold at auction.

Name of Respondent Duke Energy Kentucky, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Allowances (Accounts 158.1 and 158.2)					
<p>1. Report below the particulars (details) called for concerning allowances.</p> <p>2. Report all acquisitions of allowances at cost.</p> <p>3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.</p> <p>4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).</p> <p>5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.</p>					
Line No.	NOx Allowances Inventory (Account 158.1) (a)	Current Year		2017	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	6,137.00	53,782		
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	144.00		3,292.00	
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9	Purchases	500.00	48,500		
10	Transfer from JO	5.00			
11					
12					
13					
14					
15	Total	505.00	48,500		
16					
17	Relinquished During Year:				
18	Charges to Account 509	4,654.00	69,637		
19	Other:				
20					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	2,132.00	32,645	3,292.00	
30					
31	Sales:				
32	Net Sales Proceeds (Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
Allowances Withheld (Acct 158.2)					
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2018/Q4</u>
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Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferrors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2018		2019		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
						6,137.00	53,782	1
								2
								3
3,292.00						6,728.00		4
								5
								6
								7
								8
						500.00	48,500	9
						5.00		10
								11
								12
								13
								14
						505.00	48,500	15
								16
								17
						4,654.00	69,637	18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
3,292.00						8,716.00	32,645	29
								30
								31
								32
								33
								34
								35
								36
								37
								38
								39
								40
								41
								42
								43
								44
								45
								46

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/04
Duke Energy Kentucky, Inc.			
FOOTNOTE DATA			

Schedule Page: 229 Line No.: 1 Column: b
 Beginning Balance includes allowances for the Cross State Air Pollution Rule only.

A sign error was discovered on the 2015 pg 228b (Line 18 column b) of -13,404. This led to a balance on line 29 column b of 27,131 instead of 169.

Schedule Page: 229 Line No.: 1 Column: c

A sign error was discovered on the 2015 page (Line 18, Column C) of -\$367,713. This led to a balance on Line 29, Column C of \$789,207 instead of \$53,781.

Schedule Page: 229 Line No.: 1 Column: l

A sign error was discovered on the 2015 page 229b (Line 18, Column B) of -13,404. This led to a balance on Line 29, Colum L of 33,099 instead of 6,137.

Schedule Page: 229 Line No.: 1 Column: m

A sign error was discovered on the 2015 page 229b (Line 18, Column C) of -\$367,713. This led to a balance on Line 29, Column C of \$789,207 instead of \$53,781.

Schedule Page: 229 Line No.: 9 Column: b

Counterparty	Quantity	Cost of Goods Sold	Total Purchase Price
AEP Service Co, For Kentucky Power	300	0	\$30,000
Koch Supply & Trading, LP	200	0	\$18,500
	500	0	\$48,500

Schedule Page: 229 Line No.: 10 Column: b

Transferred in 5 allowances from joint owners representing DEK's share of current vintage allocations

Schedule Page: 229 Line No.: 29 Column: b

Ending Balance Includes allowances for the Cross State Air Pollution Rule only

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
EXTRAORDINARY PROPERTY LOSSES (Account 182.1)						
Line No.	Description of Extraordinary Loss (Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).) (a)	Total Amount of Loss (b)	Losses Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	NOT APPLICABLE					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20	TOTAL					

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)						
Line No.	Description of Unrecovered Plant and Regulatory Study Costs (include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)) (a)	Total Amount of Charges (b)	Costs Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49	TOTAL					

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
EXTRAORDINARY PROPERTY LOSSES (Account 182.1)						
Line No.	Description of Extraordinary Loss (Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).) (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	NOT APPLICABLE					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20	TOTAL					

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)						
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49	TOTAL					

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Transmission Service and Generation Interconnection Study Costs					
1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies. 2. List each study separately. 3. In column (a) provide the name of the study. 4. In column (b) report the cost incurred to perform the study at the end of period. 5. In column (c) report the account charged with the cost of the study. 6. In column (d) report the amounts received for reimbursement of the study costs at end of period. 7. In column (e) report the account credited with the reimbursement received for performing the study.					
Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	Transmission Studies				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Generation Studies				
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Transmission Service and Generation Interconnection Study Costs					
1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies. 2. List each study separately. 3. In column (a) provide the name of the study. 4. In column (b) report the cost incurred to perform the study at the end of period. 5. In column (c) report the account charged with the cost of the study. 6. In column (d) report the amounts received for reimbursement of the study costs at end of period. 7. In column (e) report the account credited with the reimbursement received for performing the study.					
Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	Transmission Studies				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Generation Studies				
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
OTHER REGULATORY ASSETS (Account 182.3)						
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.						
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.						
3. For Regulatory Assets being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS Written off During the Quarter/Year Account Charged (d) Written off During the Period Amount (e)		Balance at end of Current Quarter/Year (f)
1	INCOME TAXES	1,965,263	7,194,346	Various	6,981,216	2,178,393
2						
3	DEMAND SIDE MANAGEMENT COSTS	6,662,855	841,415	407,3557	5,843,672	1,660,588
4	(Amortized in accordance with rider revenue)					
5	- Order # 2015-368					
6						
7	ARO OTHER REGULATORY ASSET	2,271,628	238,080	403.1	147,275	2,362,433
8						
9	GAS ARO OTHER REGULATORY ASSET	4,311,315	312,704			4,624,019
10						
11	COAL ASH DEFERRED SPEND	3,015,675	5,683,330	182,3,108	664,981	8,034,024
12	- Order # 2015-187					
13						
14	INTEREST RATE HEDGES	5,735,787	1,365,541	244	1,990,664	5,110,664
15	(Amortized over life associated debt)					
16	- Order # 2006-00563					
17						
18	HURRICANE IKE REGULATORY ASSET	4,912,684				4,912,684
19	- Order # 2008-00476					
20						
21	CARBON MANAGEMENT REGULATORY ASSET	1,400,000	280,000			1,600,000
22	- Order # 2008-308					
23						
24	EAST BEND PLANT O&M DEFERRAL	12,182,528	11,279,936			23,462,464
25	- Order # 2014-201					
26						
27	COAL ASH ARO	1,419,065	8,299,425	182,3,411	6,081,878	3,636,612
28	- Order # 2015-187					
29						
30	EAST BEND DEPRECIATION DEFERRAL	4,282,401	4,522,344			8,804,745
31	- Order # 2015-120					
32						
33	DEFERRED GAS INTEGRITY COSTS		2,172,195			2,172,195
34	- Order # 2016-0159					
35						
36	OTHER REGULATORY ASSETS - GENERAL ACCOUNTING		24,337,959	128	255,836	24,082,123
37	FERC Docket No. A107-1-000					
38						
39	PENSION POST RETIRE PURCHASE ACCOUNTING - Q		4,876,416			4,876,416
40	FERC Docket No. A107-1-000					
41						
42	PENSION POST RETIRE PURCHASE ACCOUNTING - NO		51,069			51,069
43	FERC Docket No. A107-1-000					

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>	
OTHER REGULATORY ASSETS (Account 182.3)						
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.						
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.						
3. For Regulatory Assets being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1						
2	OPEB FAS 106 - MEDICAL		2,610,154			2,610,154
3	FERC Docket No. A107-1-000					
4						
5	KO TRANSMISSION 2015-2016 RATE		348			348
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	TOTAL :	48,159,201	73,985,262		21,965,522	100,178,941

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 232 Line No.: 27 Column: d
 Accounts charged - 182,341.1

Schedule Page: 232 Line No.: 36 Column: c
 FAS 158 related amounts are being reclassified from Misc. Deferred Debits. Please see page 233

Schedule Page: 232 Line No.: 39 Column: c
 FAS 158 related amounts are being reclassified from Misc. Deferred Debits. Please see page 233

Schedule Page: 232 Line No.: 42 Column: c
 FAS 158 related amounts are being reclassified from Misc. Deferred Debits. Please see page 233

Schedule Page: 232.1 Line No.: 2 Column: c
 FAS 158 related amounts are being reclassified from Misc. Deferred Debits. Please see page 233

Name of Respondent		This Report Is:		Date of Report	Year/Period of Report	
Duko Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	End of 2016/Q4	
MISCELLANEOUS DEFERRED DEBITS (Account 186)						
1. Report below the particulars (details) called for concerning miscellaneous deferred debits. 2. For any deferred debit being amortized, show period of amortization in column (a) 3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes.						
Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Vacation accrual	1,440,146		146,242	91,883	1,348,263
2						
3	Indirect overhead allocation	-185,131	8,207,543	Various	8,432,854	-410,442
4	pool - undisbuted					
5						
6	Deferred coal ash remediation	-9,619		182.3	248,948	-258,567
7	costs					
8						
9	Accrued pension post retire -	28,289,046	9,284,399	182.3	37,573,445	
10	FAS158					
11						
12	Private outdoor lighting	2,591	1,201,144	Various	1,203,735	
13						
14	Items deferred pending		44,090	Various	44,090	
15	Investigation					
16						
17	Other miscellaneous items	1,000				1,000
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	29,538,033				680,254

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
ACCUMULATED DEFERRED INCOME TAXES (Account 190)				
1. Report the information called for below concerning the respondent's accounting for deferred income taxes. 2. At Other (Specify), include deferrals relating to other income and deductions.				
Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)	
1	Electric			
2		37,887,639	26,526,493	
3				
4				
5				
6				
7	Other			
8	TOTAL Electric (Enter Total of lines 2 thru 7)	37,887,639	26,526,493	
9	Gas			
10		1,743,973	3,471,890	
11				
12				
13				
14				
15	Other			
16	TOTAL Gas (Enter Total of lines 10 thru 15)	1,743,973	3,471,890	
17	Other - Non-Utility	665,954	2,004,245	
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	40,297,566	32,002,628	
Notes				

Name of Respondant Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
ACCUMULATED DEFERRED INCOME TAXES (Account 190)				
1. Report the information called for below concerning the respondent's accounting for deferred income taxes. 2. At Other (Specify), include deferrals relating to other income and deductions.				
Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)	
1	Electric			
2		37,887,639	26,526,493	
3				
4				
5				
6				
7	Other			
8	TOTAL Electric (Enter Total of lines 2 thru 7)	37,887,639	26,526,493	
9	Gas			
10		1,743,973	3,471,890	
11				
12				
13				
14				
15	Other			
16	TOTAL Gas (Enter Total of lines 10 thru 15)	1,743,973	3,471,890	
17	Other - Non-Utility	665,954	2,004,245	
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	40,297,566	32,002,628	
Notes				

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
CAPITAL STOCKS (Account 201 and 204)					
<p>1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.</p> <p>2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.</p>					
Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)	
1	COMMON STOCK (ACCT 201)	1,000,000	15.00		
2	TOTAL COMMON STOCK	1,000,000			
3					
4	PREFERRED STOCK (ACCT 204)				
5	TOTAL PREFERRED STOCK				
6					
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
CAPITAL STOCKS (Account 201 and 204) (Continued)						
<p>3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.</p> <p>4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.</p> <p>5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.</p> <p>Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.</p>						
OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
Shares (e)	Amount (f)	AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
585,333	8,779,995					1
585,333	8,779,995					2
						3
						4
						5
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
OTHER PAID-IN CAPITAL (Accounts 208-211, Inc.)					
Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.					
(a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.					
(b) Reduction in Par or Stated value of Capital Stock (Account 209); State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.					
(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.					
(d) Miscellaneous Paid-In Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.					
Line No.	Item (a)	Amount (b)			
1	Account 208 Donations Received from Stockholders				
2	Balance - Beginning of Year	148,811,383			
3					
4					
5					
6					
7	Subtotal Balance - End of Year	148,811,383			
8					
9					
10	Account 211 - Miscellaneous Paid-In Capital				
11	Balance - Beginning of Year (Sharesaver)	-156,194			
12					
13	Subtotal Balance - End of Year (Sharesaver)	-156,194			
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
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25					
26					
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39					
40	TOTAL	148,655,189			

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
CAPITAL STOCK EXPENSE (Account 214)						
<p>1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.</p> <p>2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.</p>						
Line No.	Class and Series of Stock (a)				Balance at End of Year (b)	
1	None					
2						
3						
4						
5						
6						
7						
8						
9						
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21						
22	TOTAL					

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
LONG-TERM DEBT (Account 221, 222, 223 and 224)				
<p>1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.</p> <p>9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.</p>				
Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)	
1	ACCOUNT 221 - NONE			
2				
3	ACCOUNTS 222 & 223			
4	Intercompany Moneypool Notes Payable-Long Term, .886%	25,000,000		
5				
6	SUBTOTAL ACCOUNT 222 & 223	25,000,000		
7				
8	ACCOUNT 224			
9	UNSECURED DEBENTURES:			
10				
11	5.75% SERIES DUE IN 2016	50,000,000	390,200	
12			30,000 D	
13	6.20% SERIES DUE IN 2036	65,000,000	653,550	
14			367,900 D	
15	2008 SERIES A POLLUTION CONTROL REFUNDING BONDS DUE IN 2027	50,000,000	705,545	
16				
17	2010 SERIES POLLUTION CONTROL REFUNDING BONDS DUE IN 2027	26,720,000	1,029,608	
18				
19	3.42% SERIES DUE IN 2026	45,000,000	220,191	
20				
21	4.45% SERIES DUE IN 2046	50,000,000	247,535	
22				
23	4.650% SERIES DUE IN 2019	100,000,000	756,468	
24			374,000 D	
25				
26	SUBTOTAL ACCOUNT 224	386,720,000	4,774,997	
27				
28				
29				
30				
31				
32	See footnote			
33	TOTAL	411,720,000	4,774,997	

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
						3
12/15/14	01/30/20			25,000,000		4
						5
				25,000,000		6
						7
						8
						9
						10
03/07/06	03/10/16	03/10/06	03/10/16		551,042	11
						12
03/07/06	03/10/36	03/10/06	03/10/36	65,000,000	4,030,000	13
						14
12/11/08	08/01/27	12/11/08	08/01/27	50,000,000	630,962	15
						16
11/24/10	08/01/27	11/24/10	08/01/27	26,720,000	175,807	17
						18
01/05/16	01/15/26	01/05/16	01/15/26	45,000,000	1,521,900	19
						20
01/05/16	01/15/46	01/05/16	01/15/46	50,000,000	2,200,278	21
						22
09/22/09	10/01/19	09/22/09	10/01/19	100,000,000	4,650,000	23
						24
						25
				336,720,000	13,759,989	26
						27
						28
						29
						30
						31
						32
				361,720,000	13,759,989	33

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 11 Column: a
 Retired 03/10/2016

Schedule Page: 256 Line No.: 15 Column: a
 Refinanced in Nov 2016. Related Debt expense \$243,403

Schedule Page: 256 Line No.: 17 Column: a
 The interest rate varies on this pollution control bond.

Schedule Page: 256 Line No.: 32 Column: a

On December 16, 2016 the Kentucky PSC approved Duke Energy Kentucky's long-term financing application authorizing the issuance of up to \$200 million of secured and/or unsecured notes, and \$76.72 million of tax-exempt private activity bonds to refund existing tax exempt bonds. Authorization expires 12/31/2018.

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES				
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.</p> <p>3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.</p>				
Line No.	Particulars (Details) (a)	Amount (b)		
1	Net Income for the Year (Page 117)	42,583,938		
2				
3				
4	Taxable Income Not Reported on Books			
5	Contributions in Aid of Construction	362,311		
6				
7				
8				
9	Deductions Recorded on Books Not Deducted for Return			
10	Federal and State Income Tax Deducted for Books	17,047,160		
11	Other Deductions Recorded on Books Not Deducted for Return	131,859,559		
12				
13				
14	Income Recorded on Books Not Included in Return			
15	Allowance for Funds Used During Construction	1,869,655		
16				
17				
18				
19	Deductions on Return Not Charged Against Book Income			
20	Deductions on Return Not Charged Against Book Income	205,609,710		
21				
22				
23				
24				
25				
26				
27	Federal Tax Net Income	-15,625,397		
28	Show Computation of Tax:			
29	Provision for Federal Income Tax at 35%	-5,469,239		
30	True-up Entries	1,690,489		
31	Other Benefits	-253,890		
32	NOLs	3,452,315		
33				
34	Total Federal Income Tax Provision	-580,325		
35				
36				
37				
38				
39				
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42				
43				
44				

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
Duke Energy Kentucky, Inc.			
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 11 Column: b

Asset Retirement Costs - Coal Ash	53,767,767
Book Depreciation/Amortization	47,980,829
Reg Asset/Liab Def Revenue	5,786,160
Demand Side Management (Dsm) Defer	5,002,257
Reg Asset - Accr Pension FAS158 - FAS87NQ	4,894,631
Retirement Plan Expense - Underfunded	3,954,070
Reg Asset - Accr Pension FAS158 - FAS87Qual	2,633,881
Section 481(A) Casualty Losses	1,531,363
Other	6,308,601
	131,859,559

Schedule Page: 261 Line No.: 20 Column: b

Tax Depreciation/Amortization	75,751,600
Asset Retirement Obligation - Coal Ash	51,365,791
Equipment Repairs - Annual Adj	16,000,000
Regulatory Asset - Deferred Plant Costs	15,802,280
Tax Gains/Losses	13,987,236
Reg Asset - Accr Pension FAS158 - FAS 106	8,616,140
ARO Regulatory Asset - Coal Ash	6,986,949
T & D Repairs - Annual Adj.	5,200,000
Reg Liab Rslf & Other Misc Dfd Costs	2,172,195
Reg Asset-Pension Post Retirement FAA-FAS87Qual And Oth	2,010,947
Leased Meters - Elec & Gas	1,343,934
Unbilled Revenue - Fuel	1,049,043
Other	5,323,595
	205,609,710

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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR						
<p>1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.</p>						
Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1						
2	FEDERAL TAXES					
3						
4	INCOME	-12,864,417		-580,325	-18,583,088	-3,533,949
5	FUEL TAXES			2,345	2,345	
6	FEDERAL INSURANCE	57,661		2,672,019	2,664,926	
7	UNEMPLOYMENT	3,165		9,702	12,439	
8						
9						
10	STATE TAXES:					
11						
12	INCOME	-198,092		-360,710	-23,119	-673,230
13	UNEMPLOYMENT	1,849		22,570	26,559	
14	PROPERTY	1,650,000		1,806,267	1,706,267	
15	SALES & USE TAXES	173,985		212,378	189,521	
16	FRANCHISE			222	222	
17						
18						
19						
20	OTHER:					
21						
22	PROPERTY	7,076,492		9,911,296	8,290,088	
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
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40						
41	TOTAL	-4,099,457		13,695,764	-5,713,840	-4,207,179

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da. Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
 6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
 7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
 8. Report in columns (j) through (l) how the taxes were distributed. Report in column (i) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (f) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
 9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 238) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Net Earnings (Account 439) (k)	Other (l)	
						1
						2
						3
1,604,407		-10,640,581			10,060,256	4
		1,738			607	5
64,654		2,046,284			625,735	6
428		7,283			2,419	7
						8
						9
						10
						11
-1,208,913		-1,978,199			1,617,489	12
-2,140		16,944			5,626	13
1,750,000		1,156,971			649,296	14
198,842		99,958			112,410	15
		148			74	16
						17
						18
						19
						20
						21
8,697,690		6,348,497			3,562,799	22
						23
						24
						25
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						30
						31
						32
						33
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						39
						40
11,102,968		-2,940,947			16,635,711	41

Name of Respondent		This Report Is:		Date of Report	Year/Period of Report		
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	End of <u>2016/Q4</u>		
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)							
Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.							
Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%	45,070			411.4	21,438	
6							
7							
8	TOTAL	45,070				21,438	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11	Gas - 3%	70			411.4	70	
12	Gas - 4%	17,396			411.4	4,119	
13	Gas - 10%	689,423			411.4	64,519	
14							
15	TOTAL - Gas	706,889				68,708	
16							
17							
18	Other - 10%	134,614			411.5	42,057	-69,023
19							
20	TOTAL - Other	134,614				42,057	-69,023
21							
22							
23		886,573				132,203	-69,023
24							
25							
26							
27							
28							
30							
31							
32							
33							
34							
35							
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48							

Name of Respondent		This Report Is:		Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	End of <u>2016/Q4</u>
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)					
Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION			Line No.
					1
					2
					3
					4
23,632	30 Years				5
					6
23,632					7
					8
					9
					10
	43 Years				11
13,277	46 Years				12
624,904	45 Years				13
					14
638,181					15
					16
					17
23,534	33 Years				18
					19
23,534					20
					21
					22
685,347					23
					24
					25
					26
					27
					28
					30
					31
					32
					33
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Name of Respondent		This Report Is:		Date of Report	Year/Period of Report	
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	End of 2016/Q4	
OTHER DEFERRED CREDITS (Account 253)						
1. Report below the particulars (details) called for concerning other deferred credits.						
2. For any deferred credit being amortized, show the period of amortization.						
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.						
Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	MISO MTEP Accrual	18,765,532	Various	1,206,909	728,805	18,267,428
2						
3	MGP Reserve	513,500	Various	68,396	225,896	670,000
4						
5	FTR MTM gains/losses				440,056	440,056
6						
7	Gas Refunds	468,743	191	322,292	208,445	354,866
8						
9	Merger - Related Donation Accrual	165,000				165,000
10						
11	Deferred Revenue -Outdoor Lighting				128,637	128,637
12						
13	Sch M Tax and S/L for Surplus	18	514	36	50	32
14	Mal'ls					
15						
16	Pension Cost Adj. FAS 106	4,937,507	Various	4,937,507		
17						
18	DEK Capacity - Activity	287,340	447	419,018	131,678	
19						
20	Misc Deferred Credits and Other	-44,006	146	45,179	89,185	
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	25,093,634		7,000,337	1,952,752	20,046,049

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to amortizable property.					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Accelerated Amortization (Account 281)				
2	Electric				
3	Defense Facilities				
4	Pollution Control Facilities	190,426			
5	Other (provide details in footnote):				
6					
7					
8	TOTAL Electric (Enter Total of lines 3 thru 7)	190,426			
9	Gas				
10	Defense Facilities				
11	Pollution Control Facilities				
12	Other (provide details in footnote):				
13					
14					
15	TOTAL Gas (Enter Total of lines 10 thru 14)				
16					
17	TOTAL (Acct 281) (Total of 8, 15 and 16)	190,426			
18	Classification of TOTAL				
19	Federal Income Tax	163,970			
20	State Income Tax	26,456			
21	Local Income Tax				
NOTES					

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
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ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
						190,426	4
							5
							6
							7
						190,426	8
							9
							10
							11
							12
							13
							14
							15
							16
						190,426	17
							18
						163,970	19
						26,456	20
							21

NOTES (Continued)

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 282				
2	Electric	183,849,308	46,989,836	45,869,865	
3	Gas	79,696,922	3,574,655	6,307,975	
4					
5	TOTAL (Enter Total of lines 2 thru 4)	263,546,230	50,564,491	52,177,840	
6	Other - Non-Utility	54,277,455			
7					
8					
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	317,823,685	50,564,491	52,177,840	
10	Classification of TOTAL				
11	Federal Income Tax	281,611,548	42,729,967	44,083,274	
12	State Income Tax	36,212,137	7,834,524	8,094,566	
13	Local Income Tax				
NOTES					

Name of Respondent Duka Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>		
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)							
3. Use footnotes as required.							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
				BSO	4,230,252	189,199,531	1
				BSO	832,894	77,796,496	2
					5,063,146	266,996,027	3
219,572	3,648,540			BSO	1,032,595	51,881,082	4
							5
							6
219,572	3,648,540				6,095,741	318,877,109	7
							8
189,067	3,141,654				4,595,599	281,801,253	9
30,505	506,886				1,500,142	36,975,856	10
							11
							12
							13
NOTES (Continued)							

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 283				
2	Electric				
3		7,611,814	15,814,165	4,249,457	
4					
5					
6					
7					
8					
9	TOTAL Electric (Total of lines 3 thru 8)	7,611,814	15,814,165	4,249,457	
10	Gas				
11		4,278,076	2,043,918	1,056,864	
12					
13					
14					
15					
16					
17	TOTAL Gas (Total of lines 11 thru 16)	4,278,076	2,043,918	1,056,864	
18	Other - Non-Utility	45,303			
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	11,935,193	17,858,083	5,306,321	
20	Classification of TOTAL				
21	Federal Income Tax	10,215,728	15,377,080	4,569,120	
22	State Income Tax	1,719,465	2,481,003	737,201	
23	Local Income Tax				
NOTES					

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4		
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)							
3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.							
4. Use footnotes as required.							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
				Misc. Ad	204,512	19,381,034	3
							4
							5
							6
							7
							8
					204,512	19,381,034	9
							10
		Misc. Ad	32,741			5,232,389	11
							12
							13
							14
							15
							16
			32,741			5,232,389	17
7,810	86,029					-32,916	18
7,810	86,029		32,741		204,512	24,580,507	19
							20
6,725	74,077		33,354		233,386	21,156,368	21
1,085	11,952		-613		-28,874	3,424,139	22
							23
NOTES (Continued)							

Name of Respondent		This Report is:		Date of Report	Year/Period of Report	
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	End of <u>2016/Q4</u>	
OTHER REGULATORY LIABILITIES (Account 254)						
1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes. 3. For Regulatory Liabilities being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	INCOME TAXES	3,791,681	Various	156,620,873	153,265,594	436,402
2						
3	PENSION COSTS				5,549,676	5,549,676
4						
5						
6						
7						
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41	TOTAL	3,791,681		156,620,873	158,815,270	5,986,078

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
ELECTRIC OPERATING REVENUES (Account 400)				
<p>1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.</p> <p>2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.</p> <p>4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.</p> <p>5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.</p>				
Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)	
1	Sales of Electricity			
2	(440) Residential Sales	130,486,547	123,812,030	
3	(442) Commercial and Industrial Sales			
4	Small (or Comm.) (See Instr. 4)	115,657,305	111,993,434	
5	Large (or Ind.) (See Instr. 4)	53,901,107	53,099,910	
6	(444) Public Street and Highway Lighting	1,660,564	1,660,038	
7	(445) Other Sales to Public Authorities	22,007,137	21,523,626	
8	(446) Sales to Railroads and Railways			
9	(448) Interdepartmental Sales	55,283	59,017	
10	TOTAL Sales to Ultimate Consumers	323,767,943	312,148,053	
11	(447) Sales for Resale	19,819,697	40,726,939	
12	TOTAL Sales of Electricity	343,587,640	352,874,992	
13	(Less) (449.1) Provision for Rate Refunds	1,506,728	799,141	
14	TOTAL Revenues Net of Prov. for Refunds	342,080,912	352,075,851	
15	Other Operating Revenues			
16	(450) Forfeited Discounts			
17	(451) Miscellaneous Service Revenues	264,558	301,359	
18	(453) Sales of Water and Water Power	85,000		
19	(454) Rent from Electric Property	985,504	662,565	
20	(455) Interdepartmental Rents			
21	(456) Other Electric Revenues	1,529,123	1,398,992	
22	(456.1) Revenues from Transmission of Electricity of Others	1,724,554	7,862,797	
23	(457.1) Regional Control Service Revenues	214,730		
24	(457.2) Miscellaneous Revenues	885,740		
25				
26	TOTAL Other Operating Revenues	5,689,209	10,225,713	
27	TOTAL Electric Operating Revenues	347,770,121	362,301,564	

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>	
ELECTRIC OPERATING REVENUES (Account 400)				
<p>6. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)</p> <p>7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.</p> <p>8. For Lines 2,4,5, and 6, see Page 304 for amounts relating to unbilled revenue by accounts.</p> <p>9. Include unmetered sales. Provide details of such Sales in a footnote.</p>				
MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
1,472,994	1,433,316	124,307	122,962	2
				3
1,500,730	1,478,984	13,932	13,873	4
815,042	813,520	371	371	5
15,264	15,120	446	441	6
294,412	291,546	958	958	7
				8
757	804			9
4,099,199	4,033,290	140,014	138,605	10
573,788	1,244,495	1	1	11
4,672,987	5,277,786	140,015	138,606	12
				13
4,672,987	5,277,786	140,015	138,606	14
<p>Line 12, column (b) includes 5 2,926,115 of unbilled revenues.</p> <p>Line 12, column (d) includes 34,038 MWH relating to unbilled revenues</p>				

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	2016/Q4
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 17 Column: b

Non Utility Miscellaneous Revenue	\$	89,541
Jobbing and Contract Work		30,990
Green Power Revenue		6,153
Disconnecting for Non-Pay		<u>137,874</u>
	\$	264,558

Schedule Page: 300 Line No.: 17 Column: c

Non Utility Miscellaneous Revenue	\$	93,549
Jobbing and Contract Work		29,885
Green Power Revenue		6,149
Disconnecting for Non-Pay		<u>171,776</u>
	\$	301,359

Schedule Page: 300 Line No.: 21 Column: b

RSG Rev - MISO Make Whole	\$	1,523,491
Other		<u>5,632</u>
	\$	1,529,123

Schedule Page: 300 Line No.: 21 Column: c

RSG Rev - MISO Make Whole	\$	1,388,748
Sales Use Tax Coll Fee		600
Profit or Loss on Sale of M&S		<u>9,644</u>
	\$	1,398,992

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)					
1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.					
Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Scheduling, System Control and Dispatch	43,065	90,885	161,036	214,730
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
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44					
45					
46	TOTAL	43,065	90,885	161,036	214,730

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding data for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	(440) RESIDENTIAL OR					
2	DOMESTIC SALES					
3						
4						
5	RESIDENTIAL SERVICE					
6	SHEET 30 (1)	1,450,871	128,459,238	124,307	11,672	0.0885
7	SHEET 32 (2)					
8	SHEET 40 (3)					
9	SHEET 41 (4)					
10						
11	OUTDOOR LIGHTING SERVICE					
12	SHEET 65 (5)	730	111,661			0.1530
13	SHEET 67 (6)	80	15,899			0.1987
14						
15	UNBILLED REVENUE	21,313	1,899,749			0.0891
16						
17	TOTAL (440) RESIDENTIAL	1,472,994	130,486,547	124,307	11,850	0.0886
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
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37						
38						
39						
40						
41	TOTAL Billed	4,065,161	320,841,828	140,014	29,034	0.0789
42	Total Unbilled Rev.(See Instr. 6)	34,038	2,926,115	0	0	0.0860
43	TOTAL	4,099,199	323,767,943	140,014	29,277	0.0790

Name of Respondent Duke Energy Kentucky, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
SALES OF ELECTRICITY BY RATE SCHEDULES						
<p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding data for Sales for Resale which is reported on Pages 310-311.</p> <p>2. Provide a subheading and total for each proscribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales date under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p>						
Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2	COMMERCIAL AND INDUSTRIAL					
3						
4	RESIDENTIAL SERVICE					
5	SHEET 30 (7)	13,602	1,246,651	1,960	6,940	0.0917
6						
7	DISTRIBUTION SERVICE					
8	SHEET 40 (8)	948,134	78,455,213	11,745	80,727	0.0827
9	SHEET 42 (9)	3,503	232,539	76	46,092	0.0664
10	SHEET 43 (10)	51	3,942	1	51,000	0.0773
11	SHEET 44 (11)	6,059	514,049	126	48,087	0.0848
12						
13	PRIMARY SERVICE					
14	SHEET 45 (12)	6,621	489,261	5	1,324,200	0.0739
15						
16	TIME OF DAY DISTRIBUTION					
17	SERVICES					
18	SHEET 41 (13)	1,077,432	71,448,980	169	6,375,337	0.0663
19						
20	TIME OF DAY TRANSMISSION					
21	SERVICE					
22	SHEET 51 (14)	196,044	10,925,152	7	26,577,714	0.0587
23						
24	OUTDOOR LIGHTING SERVICE					
25	SHEET 65(15)	3,280	377,347			0.1150
26	SHEET 67 (16)	130	26,775			0.2060
27						
28	TRAFFIC LIGHTING SERVICE					
29	SHEET 61 (17)	1	51	2	500	0.0510
30						
31	STREET LIGHTING SERVICE					
32	SHEET 60 (18)	115	41,396	37	3,108	0.3600
33	SHEET 69 (19)	209	29,479	32	6,531	0.1410
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	4,065,161	320,841,828	140,014	29,034	0.0789
42	Total Unbilled Rev.(See Instr. 6)	34,038	2,926,115	0	0	0.0860
43	TOTAL	4,099,199	323,767,943	140,014	29,277	0.0790

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding data for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWH Sold (b)	Revenue (c)	Average Number of Customers (d)	Kwh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2						
3						
4	SPECIAL CONTRACTS					
5	METERED (20)					
6	UNMETERED (21)					
7						
8	LOAD MANAGEMENT RIDERS					
9	SHEET 73(22)	59,811	4,888,696	143	418,259	0.0817
10	SHEET 74 (23)					
11						
12	UNBILLED REVENUE	10,780	878,881			0.0815
13						
14	TOTAL (442) COMMERCIAL	2,315,772	169,558,412	14,303	161,908	0.0732
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
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27						
28						
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30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	4,065,161	320,841,828	140,014	29,034	0.0789
42	Total Unbilled Rev.(See Instr. 6)	34,038	2,926,115	0	0	0.0860
43	TOTAL	4,099,199	323,767,943	140,014	29,277	0.0790

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
SALES OF ELECTRICITY BY RATE SCHEDULES						
<p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding data for Sales for Resale which is reported on Pages 310-311.</p> <p>2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p>						
Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2	(444) PUBLIC STREET AND					
3	HIGHWAY LIGHTING					
4						
5	DISTRIBUTION SERVICE					
6	SHEET 40 (24)	1,425	118,222	19	75,000	0.0830
7						
8	STREET LIGHTING SERVICE					
9	SHEET 60(25)	11,242	1,373,779	282	39,865	0.1222
10	SHEET 66(26)	407	64,417			0.1583
11	SHEET 68 (27)					
12	SHEET 69(28)					
13	SHEET 71					
14	TRAFFIC LIGHTING SERVICE					
15	SHEET 61 (29)	2,190	104,146	145	15,103	0.0476
16						
17	UNBILLED REVENUE					
18						
19	TOTAL (444) PUBLIC STREET	15,264	1,660,564	446	34,224	0.1088
20						
21						
22						
23						
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34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	4,065,161	320,641,828	140,014	29,034	0.0789
42	Total Unbilled Rev.(See Instr. 6)	34,038	2,926,115	0	0	0.0860
43	TOTAL	4,099,199	323,767,943	140,014	29,277	0.0790

Name of Respondent Duke Energy Kentucky, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
SALES OF ELECTRICITY BY RATE SCHEDULES						
1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding data for Sales for Resale which is reported on Pages 310-311. 2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading. 3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers. 4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly). 5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto. 6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.						
Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2	(445) SALES TO OTHER PUBLIC					
3	AUTHORITIES					
4						
5	RESIDENTIAL SERVICE					
6	SHEET 30 (30)	2	235	1	2,000	0.1175
7						
8	DISTRIBUTION SERVICE					
9	SHEET 40(31)	121,159	10,538,255	838	144,581	0.0870
10	SHEET 42(32)	15,666	1,020,880	28	559,500	0.0652
11	SHEET 43 (33)	289	29,342	15	17,933	0.1091
12	SHEET 44 (34)	189	17,507	44	4,295	0.0928
13						
14	PRIMARY SERVICE					
15	SHEET 45 (35)	9,089	646,976	5	1,817,800	0.0712
16						
17	TIME OF DAY DISTRIBUTION					
18	SERVICE					
19	SHEET 41 (36)	105,537	7,171,981	18	5,863,167	0.0680
20						
21	TIME OF DAY TRANSMISSION					
22	SERVICE					
23	SHEET 51 (37)	38,639	2,242,575	4	9,659,750	0.0580
24						
25	OUTDOOR LIGHTING SERVICE					
26	SHEET 65 (38)	565	64,578			0.1143
27	SHEET 67 (39)	44	5,519			0.1254
28						
29	SPECIAL CONTRACTS					
30	METERED (40)					
31						
32	LOAD MANAGEMENT RIDERS					
33	SHEET 73 (41)	1,129	113,040	5	225,800	0.1001
34	SHEET 74 (42)					
35	SHEET 61 (43)	179	8,764			0.0490
36	SHEET 59					
37	UNBILLED REVENUE	1,945	147,485			0.0758
38						
39	TOTAL (445) SALES TO OTHER	294,412	22,007,137	958	307,319	0.0747
40	PUBLIC AUTHORITIES					
41	TOTAL Billed	4,065,161	320,841,828	140,014	29,034	0.0789
42	Total Unbilled Rev.(See Instr. 6)	34,038	2,926,115	0	0	0.0860
43	TOTAL	4,099,199	323,767,943	140,014	29,277	0.0790

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding data for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2	(448) INTERDEPARTMENTAL	757	55,283			0.0730
3	SALES (44)					
4						
5	TOTAL (448) INTER-DEPART	757	55,283			0.0730
6						
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40						
41	TOTAL Billed	4,065,161	320,841,828	140,014	29,034	0.0789
42	Total Unbilled Rev.(See Instr. 6)	34,038	2,926,115	0	0	0.0860
43	TOTAL	4,099,199	323,767,943	140,014	29,277	0.0790

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 304 Line No.: 6 Column: a
All references represent the detail of additional revenue not included in the base rates from fuel adjustment clause.
3,995,547
Schedule Page: 304 Line No.: 12 Column: a
2,061
Schedule Page: 304 Line No.: 13 Column: a
227
Schedule Page: 304.1 Line No.: 5 Column: a
39,085.59
Schedule Page: 304.1 Line No.: 8 Column: a
2,641,281.77
Schedule Page: 304.1 Line No.: 9 Column: a
10,999.98
Schedule Page: 304.1 Line No.: 10 Column: a
143.92
Schedule Page: 304.1 Line No.: 11 Column: a
17,164.68
Schedule Page: 304.1 Line No.: 14 Column: a
19,138.41
Schedule Page: 304.1 Line No.: 18 Column: a
3,036,767.06
Schedule Page: 304.1 Line No.: 22 Column: a
496,450.67
Schedule Page: 304.1 Line No.: 25 Column: a
9,287.38
Schedule Page: 304.1 Line No.: 26 Column: a
366.40
Schedule Page: 304.1 Line No.: 29 Column: a
3.22
Schedule Page: 304.1 Line No.: 32 Column: a
324.56
Schedule Page: 304.1 Line No.: 33 Column: a
593.69
Schedule Page: 304.2 Line No.: 9 Column: a
167,350.14
Schedule Page: 304.3 Line No.: 6 Column: a
4,236.37
Schedule Page: 304.3 Line No.: 9 Column: a
31,836.44
Schedule Page: 304.3 Line No.: 10 Column: a
1,153.40
Schedule Page: 304.3 Line No.: 15 Column: a
6,190.02
Schedule Page: 304.4 Line No.: 6 Column: a
5.77
Schedule Page: 304.4 Line No.: 9 Column: a
339,244.55
Schedule Page: 304.4 Line No.: 10 Column: a
40,579.17
Schedule Page: 304.4 Line No.: 11 Column: a
830.80
Schedule Page: 304.4 Line No.: 12 Column: a
536.00

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 304.4	Line No.: 15	Column: a	25,735.68
Schedule Page: 304.4	Line No.: 19	Column: a	304,339.51
Schedule Page: 304.4	Line No.: 23	Column: a	111,509.54
Schedule Page: 304.4	Line No.: 26	Column: a	1,597.82
Schedule Page: 304.4	Line No.: 27	Column: a	124.84
Schedule Page: 304.4	Line No.: 33	Column: a	3,254.85
Schedule Page: 304.4	Line No.: 35	Column: a	553.92

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
	19,494			19,494	1
	271,700			271,700	2
			3,231	3,231	3
600,493	3,612,006	15,279,915		18,891,921	4
-26,705		649,398		649,398	5
	147,288			147,288	6
		-163,335		-163,335	7
					8
					9
					10
					11
					12
					13
					14
0	0	0	0	0	
573,788	4,050,488	15,765,978	3,231	19,819,697	
573,788	4,050,488	15,765,978	3,231	19,819,697	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.		04/13/2017	2016/Q4
FOOTNOTE DATA			

Schedule Page: 310 Line No.: 3 Column: j
Settlement agreement related to Twin Cities' penalty.

Schedule Page: 310 Line No.: 7 Column: c
NJ = Non-Jurisdictional Agreement

Name of Respondent		This Report is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	End of 2016/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. POWER PRODUCTION EXPENSES			
2	A. Steam Power Generation			
3	Operation			
4	(500) Operation Supervision and Engineering	2,648,859	2,669,053	
5	(501) Fuel	87,429,622	110,419,229	
6	(502) Steam Expenses	11,031,968	11,182,083	
7	(503) Steam from Other Sources			
8	(Less) (504) Steam Transferred-Cr.			
9	(505) Electric Expenses	747,615	603,297	
10	(506) Miscellaneous Steam Power Expenses	2,316,551	2,498,863	
11	(507) Rents		115,221	
12	(509) Allowances	71,079	372,172	
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	104,245,694	128,059,918	
14	Maintenance			
15	(510) Maintenance Supervision and Engineering	2,206,198	1,913,544	
16	(511) Maintenance of Structures	2,508,797	4,028,387	
17	(512) Maintenance of Boiler Plant	9,619,703	9,577,914	
18	(513) Maintenance of Electric Plant	1,587,958	1,399,455	
19	(514) Maintenance of Miscellaneous Steam Plant	4,121,309	3,849,953	
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	20,043,963	20,769,253	
21	TOTAL Power Production Expenses-Steam Power (Enter Tot lines 13 & 20)	124,289,657	148,829,171	
22	B. Nuclear Power Generation			
23	Operation			
24	(517) Operation Supervision and Engineering			
25	(518) Fuel			
26	(519) Coolants and Water			
27	(520) Steam Expenses			
28	(521) Steam from Other Sources			
29	(Less) (522) Steam Transferred-Cr.			
30	(523) Electric Expenses			
31	(524) Miscellaneous Nuclear Power Expenses		3,121	
32	(525) Rents			
33	TOTAL Operation (Enter Total of lines 24 thru 32)		3,121	
34	Maintenance			
35	(528) Maintenance Supervision and Engineering			
36	(529) Maintenance of Structures			
37	(530) Maintenance of Reactor Plant Equipment			
38	(531) Maintenance of Electric Plant			
39	(532) Maintenance of Miscellaneous Nuclear Plant		218	
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		218	
41	TOTAL Power Production Expenses-Nuc. Power (Enter tot lines 33 & 40)		3,339	
42	C. Hydraulic Power Generation			
43	Operation			
44	(535) Operation Supervision and Engineering			
45	(536) Water for Power			
46	(537) Hydraulic Expenses			
47	(538) Electric Expenses			
48	(539) Miscellaneous Hydraulic Power Generation Expenses			
49	(540) Rents			
50	TOTAL Operation (Enter Total of Lines 44 thru 49)			
51	C. Hydraulic Power Generation (Continued)			
52	Maintenance			
53	(541) Maintenance Supervision and Engineering			
54	(542) Maintenance of Structures			
55	(543) Maintenance of Reservoirs, Dams, and Waterways			
56	(544) Maintenance of Electric Plant			
57	(545) Maintenance of Miscellaneous Hydraulic Plant		-60	
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		-60	
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)		-60	

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
60	D. Other Power Generation			
61	Operation			
62	(546) Operation Supervision and Engineering	387,652	381,215	
63	(547) Fuel	2,274,241	5,426,433	
64	(548) Generation Expenses	272,293	287,728	
65	(549) Miscellaneous Other Power Generation Expenses	1,036,079	1,134,516	
66	(550) Rents			
67	TOTAL Operation (Enter Total of lines 62 thru 66)	3,970,265	7,229,892	
68	Maintenance			
69	(551) Maintenance Supervision and Engineering	43,717	14,590	
70	(552) Maintenance of Structures	458,636	348,973	
71	(553) Maintenance of Generating and Electric Plant	2,545,942	540,800	
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	188,372	177,438	
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	3,236,667	1,081,801	
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	7,206,932	8,311,693	
75	E. Other Power Supply Expenses			
76	(555) Purchased Power	41,650,445	32,566,220	
77	(556) System Control and Load Dispatching	1,080	868	
78	(557) Other Expenses	13,422,745	5,932,609	
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	55,074,270	38,499,697	
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	186,570,859	195,643,840	
81	2. TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering	3,132	7,699	
84				
85	(561.1) Load Dispatch-Reliability	104,843	101,477	
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	490,530	405,611	
87	(561.3) Load Dispatch-Transmission Service and Scheduling	68,624	55,813	
88	(561.4) Scheduling, System Control and Dispatch Services	1,460,340		
89	(561.5) Reliability, Planning and Standards Development	470	902	
90	(561.6) Transmission Service Studies			
91	(561.7) Generation Interconnection Studies			
92	(561.8) Reliability, Planning and Standards Development Services			
93	(562) Station Expenses	107,358	116,017	
94	(563) Overhead Lines Expenses	16,744	103,310	
95	(564) Underground Lines Expenses			
96	(565) Transmission of Electricity by Others	15,553,606	14,117,924	
97	(566) Miscellaneous Transmission Expenses	629,025	409,751	
98	(567) Rents	1,668	618	
99	TOTAL Operation (Enter Total of lines 83 thru 98)	18,436,340	15,319,122	
100	Maintenance			
101	(568) Maintenance Supervision and Engineering			
102	(569) Maintenance of Structures	39,988	21,868	
103	(569.1) Maintenance of Computer Hardware	2,499	1,182	
104	(569.2) Maintenance of Computer Software	199,640	262,370	
105	(569.3) Maintenance of Communication Equipment			
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant			
107	(570) Maintenance of Station Equipment	329,419	279,482	
108	(571) Maintenance of Overhead Lines	409,659	299,887	
109	(572) Maintenance of Underground Lines			
110	(573) Maintenance of Miscellaneous Transmission Plant			
111	TOTAL Maintenance (Total of lines 101 thru 110)	981,205	864,789	
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	19,417,545	16,183,911	

Name of Respondent		This Report Is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	End of 2016/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
113	3. REGIONAL MARKET EXPENSES			
114	Operation			
115	(575.1) Operation Supervision			
116	(575.2) Day-Ahead and Real-Time Market Facilitation			
117	(575.3) Transmission Rights Market Facilitation			
118	(575.4) Capacity Market Facilitation			
119	(575.5) Ancillary Services Market Facilitation			
120	(575.6) Market Monitoring and Compliance			
121	(575.7) Market Facilitation, Monitoring and Compliance Services	1,731,904	1,707,710	
122	(575.8) Rents			
123	Total Operation (Lines 115 thru 122)	1,731,904	1,707,710	
124	Maintenance			
125	(576.1) Maintenance of Structures and Improvements			
126	(576.2) Maintenance of Computer Hardware			
127	(576.3) Maintenance of Computer Software			
128	(576.4) Maintenance of Communication Equipment			
129	(576.5) Maintenance of Miscellaneous Market Operation Plant			
130	Total Maintenance (Lines 125 thru 129)			
131	TOTAL Regional Transmission and Market Op Exps (Total 123 and 130)	1,731,904	1,707,710	
132	4. DISTRIBUTION EXPENSES			
133	Operation			
134	(580) Operation Supervision and Engineering	73,050	116,441	
135	(581) Load Dispatching	415,043	408,671	
136	(582) Station Expenses	180,635	242,979	
137	(583) Overhead Line Expenses	457,035	411,742	
138	(584) Underground Line Expenses	384,842	402,279	
139	(585) Street Lighting and Signal System Expenses			
140	(586) Meter Expenses	423,752	259,486	
141	(587) Customer Installations Expenses	1,078,774	1,233,268	
142	(588) Miscellaneous Expenses	2,469,103	1,861,461	
143	(589) Rents	118,699	32,837	
144	TOTAL Operation (Enter Total of lines 134 thru 143)	5,598,833	4,969,164	
145	Maintenance			
146	(590) Maintenance Supervision and Engineering		1,473	
147	(591) Maintenance of Structures	13,547	24,691	
148	(592) Maintenance of Station Equipment	470,448	369,292	
149	(593) Maintenance of Overhead Lines	5,716,388	5,950,958	
150	(594) Maintenance of Underground Lines	291,514	328,761	
151	(595) Maintenance of Line Transformers	32,259	37,047	
152	(596) Maintenance of Street Lighting and Signal Systems	471,621	376,424	
153	(597) Maintenance of Meters	334,178	390,567	
154	(598) Maintenance of Miscellaneous Distribution Plant		81	
155	TOTAL Maintenance (Total of lines 146 thru 154)	7,329,955	7,479,294	
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	12,928,888	12,448,458	
157	5. CUSTOMER ACCOUNTS EXPENSES			
158	Operation			
159	(901) Supervision	246,056	239,717	
160	(902) Meter Reading Expenses	844,643	930,040	
161	(903) Customer Records and Collection Expenses	4,810,532	4,664,976	
162	(904) Uncollectible Accounts	316,593	762,801	
163	(905) Miscellaneous Customer Accounts Expenses	455	1,083	
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	6,218,279	6,598,617	

Name of Respondent		This Report Is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	End of 2016/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
166	Operation			
167	(907) Supervision			
168	(908) Customer Assistance Expenses	53	493	
169	(909) Informational and Instructional Expenses	6,539	11,025	
170	(910) Miscellaneous Customer Service and Informational Expenses	666,454	551,533	
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	673,046	563,051	
172	7. SALES EXPENSES			
173	Operation			
174	(911) Supervision			
175	(912) Demonstrating and Selling Expenses	850,535	831,166	
176	(913) Advertising Expenses	54,924	77,657	
177	(916) Miscellaneous Sales Expenses			
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	905,459	908,813	
179	8. ADMINISTRATIVE AND GENERAL EXPENSES			
180	Operation			
181	(920) Administrative and General Salaries	6,651,391	6,098,359	
182	(921) Office Supplies and Expenses	2,085,251	2,573,575	
183	(Less) (922) Administrative Expenses Transferred-Credit	-678	-905	
184	(923) Outside Services Employed	1,552,751	2,186,316	
185	(924) Property Insurance	359,197	393,636	
186	(925) Injuries and Damages	884,894	396,553	
187	(926) Employee Pensions and Benefits	5,991,967	7,609,272	
188	(927) Franchise Requirements			
189	(928) Regulatory Commission Expenses	699,890	681,396	
190	(929) (Less) Duplicate Charges-Cr.	671,141	514,422	
191	(930.1) General Advertising Expenses	20,488	29,230	
192	(930.2) Miscellaneous General Expenses	617,665	539,671	
193	(931) Rents	1,160,460	693,853	
194	TOTAL Operation (Enter Total of lines 181 thru 193)	19,353,491	20,688,344	
195	Maintenance			
196	(935) Maintenance of General Plant	16,247	43,220	
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	19,369,738	20,731,564	
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	247,815,718	254,785,964	

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
PURCHASED POWER (Account 555) (Including power exchanges)						
<p>1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.</p> <p>2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:</p> <p>RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.</p> <p>LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.</p> <p>IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.</p> <p>LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.</p> <p>IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.</p> <p>OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Invanergy Nelson	OS	(1)			
2	Midcontinent Independent System Opera.	AD	MBRT1			
3	PJM Settlements, Inc.	OS	MBRT1			
4	PJM Settlements, Inc.	AD	MBRT1			
5	SG Americas Securities	OS	NJ			
6	Wells Fargo Securities	OS	NJ			
7						
8						
9						
10						
11						
12						
13						
14						
	Total					

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
PURCHASED POWER(Account 555) (Continued) (including power exchanges)			
<p>AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.</p> <p>5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.</p> <p>7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.</p> <p>8. The data in column (g) through (m) must be totaled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.</p> <p>9. Footnote entries as required and provide explanations following all required data.</p>			

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$)(j)	Energy Charges (\$)(k)	Other Charges (\$)(l)	Total (j+k+l) of Settlement (\$)(m)	
			1,779,000			1,779,000	1
					794	794	2
1,360,533				40,301,280		40,301,280	3
-90,750					-413,764	-413,764	4
				65,316		65,316	5
				-82,181		-82,181	6
							7
							8
							9
							10
							11
							12
							13
							14
1,269,783			1,779,000	40,284,415	-412,970	41,650,445	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
Duke Energy Kentucky, Inc.			
FOOTNOTE DATA			

Schedule Page: 326 Line No.: 1 Column: c
 The number "1" notation designates FERC approved Tariff and/or Rate Schedule as on file with the Commission.

Schedule Page: 326 Line No.: 2 Column: f
 Prior Period energy adjustments.

Schedule Page: 326 Line No.: 4 Column: f

\$3,663,235.77	-	Prior period adjustments related to PJM re-settlement of Longbranch.
\$13,306.34	-	PJM prior period adjustments from 2013.
\$5,244.25	-	Prior period ASM adjustments.
(\$72.15)	-	PJM prior period adjustments.
\$4,095,478.58	-	Prior period energy and ASM adjustments.
(\$413,764.37)		

Schedule Page: 326 Line No.: 5 Column: c
 NJ = Non-Jurisdictional Agreement.

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
 (Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.

2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).

3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)

4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	PJM			OS
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
TOTAL				

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (including transactions referred to as 'wheeling')						
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>						
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			0	0		0

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')			
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>			

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (S) (k)	Energy Charges (S) (l)	(Other Charges) (S) (m)	Total Revenues (S) (k+l+m) (n)	Line No.
55,651	67,830	1,601,073	1,724,554	1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
55,651	67,830	1,601,073	1,724,554	

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/13/2017	2016/Q4
FOOTNOTE DATA			

Schedule Page: 328 Line No.: 1 Column: m
PJM Financial Transmission Rights (FTRs)

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2018/Q4		
TRANSMISSION OF ELECTRICITY BY ISO/RTOs					
<p>1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).</p> <p>3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p> <p>4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.</p> <p>5. In column (d) report the revenue amounts as shown on bills or vouchers.</p> <p>6. Report in column (e) the total revenues distributed to the entity listed in column (a).</p>					
Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tariff (d)	Total Revenue (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL				

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4			
TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565) (including transactions referred to as "wheeling")								
<p>1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.</p> <p>2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.</p> <p>3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: PNS - Firm Network Transmission Service for Sell, LFP - Long-Term Firm Point-to-Point Transmission Reservations, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.</p> <p>4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.</p> <p>5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>6. Enter "TOTAL" in column (a) as the last line.</p> <p>7. Footnote entries and provide explanations following all required data.</p>								
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			Total Cost of Transmission (\$) (h)
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	
1	Midcontinent ISO	LFP					725,000	725,000
2	PJM Interconnection	LFP			11,357,884		3,470,722	14,828,606
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL				11,357,884		4,195,722	15,553,606

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	2016/Q4
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 1 Column: g
Accretion of the MTEP obligation.

Schedule Page: 332 Line No.: 2 Column: g
Costs are related to Regional Transmission Expansion Plan.

Name of Respondent		This Report is:		Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	End of 2016/Q4
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)					
Line No.	Description (a)	Amount (b)			
1	Industry Association Dues	41,499			
2	Nuclear Power Research Expenses				
3	Other Experimental and General Research Expenses	5,296			
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities				
5	Oth Expn >=\$5,000 show purpose, recipient, amount. Group if < \$5,000				
6	Business and Service Company Support	384,475			
7	Director's Fees and Expenses	43,493			
8	Shareholder's Communications/System	11,210			
9	ISO Conversion Costs				
10	Dues and Subscriptions to Various Organizations	32,494			
11	Account Analysis Reconciliation Adjustments	99,198			
12	Leased Circuit Charges				
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
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46	TOTAL	617,685			

Name of Respondant Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>			
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405) (Except amortization of acquisition adjustments)						
<p>1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).</p> <p>2. Report in Section B the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.</p> <p>3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.</p> <p>Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.</p> <p>In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.</p> <p>For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.</p> <p>4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.</p>						
A. Summary of Depreciation and Amortization Charges						
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			935,615		935,615
2	Steam Production Plant	10,935,913				10,935,913
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	6,477,498				6,477,498
7	Transmission Plant	1,076,235				1,076,235
8	Distribution Plant	10,845,046				10,845,046
9	Regional Transmission and Market Operation					
10	General Plant	190,720		368,694		559,414
11	Common Plant-Electric	595,715		479,786		1,075,501
12	TOTAL	30,121,128		1,784,095		31,905,223
B. Basis for Amortization Charges						
<p>The rate used to compute amortization charges for intangible electric plant is primarily 20%. No changes have been made in the types of items included in the base or in the rates used from the preceding reporting year.</p> <p>The Respondent determines its monthly Provision for Depreciation by the application rates to the previous month-end balance of property capitalized in each primary plant account plus property in Account 106 - Completed in Construction Not Classified.</p> <p>In 1997, the Respondent adopted vintage year accounting for General Plant accounts in accordance with FERC Accounting Release No. 15.</p>						

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4		
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used In Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Steam Production Plant						
13	311- East Bend	71,035	100.00	-8.00	1.28	R2.5	
14	312- East Bend	398,262	45.00	-15.00	2.32	S1	
15	312- EB Catalyst	59,893	45.00	15.00	15.28	S1	
16	314- East Bend	100,682	52.00	-18.00	2.26	R2	
17	315- East Bend	44,737	55.00	-9.00	1.72	R2.5	
18	316- East Bend	17,374	55.00		2.15	S0.5	
19	Other Production						
20	340- R/W	652	40.00		3.63	S0	
21	341	36,131		-3.00	2.04	SQUARE	
22	342	15,786		-3.00	1.75	SQUARE	
23	344	209,975	70.00	-4.00	2.38	R2.5	
24	345	21,382	55.00		1.80	S2	
25	346	4,545	40.00		2.00	R2.5	
26	Transmission Plant						
27	350- R/W	1,092	65.00		1.48	R4	
28	352	1,460	55.00	-5.00	0.41	R3	
29	353	0,480		4.00	1.44	0	
30	353- Major Equip	13,801	50.00	-10.00	2.27	R2.5	
31	353- Station Equip	16,678	50.00	-5.00	2.25	R1.5	
32	355	7,549	50.00	-25.00	2.10	R1.5	
33	356	5,979	44.00	-10.00	2.31	R0.5	
34	Distribution Plant						
35	360- R/W	6,429	70.00		1.07	R3	
36	361	1,470	55.00	-5.00	0.94	R3	
37	362- Major Equip	25,253	45.00	-10.00	2.77	R2.5	
38	362- Station Equip	34,641	46.00	-10.00	2.91	R2	
39	364	55,939	44.00	-15.00	3.29	R0.5	
40	365	119,008	44.00	-30.00	2.46	R1	
41	366	18,851	65.00	-20.00	2.00	R3	
42	367	58,121	60.00	-40.00	2.29	R2	
43	369- Cust Line Trans	274	50.00	-5.00	2.00	R1.5	
44	368- Line Trans	55,217	35.00	-5.00	2.42	R1	
45	369- Services OH	15,689	47.00	-50.00	2.45	R1	
46	369- Services UG	2,394	55.00	-30.00	2.73	R2	
47	370- Leased Meters	2,624			5.61	0	
48	370- Meters	10,675	28.00		5.82	S0	
49	373- Street Lght Blvd	3,358	30.00	-5.00	3.62	L1	
50	373- Street Lght Cust	1,594	30.00	-15.00	1.47	R1	

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	373- Street Light OH	2,788	30.00	-5.00	0.92	L1	
13	General Plant						
14	390	145	35.00	-5.00	1.77	R2.5	
15	391- Elec Data Proc	2,098	20.00		20.00	SQ	
16	391- Office Furn	15	20.00		18.56	SQ	
17	394	1,641	25.00		4.14	SQ	
18	397- Comm Equip	2,869	15.00		6.93	SQ	
19							
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Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 336 Line No.: 2 Column: b
 Duke Energy Kentucky received approval to defer a portion of depreciation expense related to assets purchased as part of the East Bend Acquisition. Accordingly, \$4,522,344 of depreciation expense recorded in account 403.1 related to Steam was deferred to account 182.3 in 2016.

Schedule Page: 336 Line No.: 12 Column: e
 Duke Energy Kentucky received approval to defer income statement impacts the CCR ARO to a Reg Asset in December 2015. Accordingly, ARO depreciation expense of \$3,365,627 related to Fossil was deferred to Account 182 in 2016.

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
REGULATORY COMMISSION EXPENSES					
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.					
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.					
Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account Beginning of Year (e)
1	Kentucky Public Service Commission Expense				
2	Gas Related	217,713		217,713	
3	Electric Related	699,804		699,804	
4					
5	Miscellaneous Expenses - Gas		318	318	
6	Miscellaneous Exepnses - Electric		86	86	
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46	TOTAL	917,517	404	917,921	

Name of Respondent Duke Energy Kentucky, Inc.			This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
REGULATORY COMMISSION EXPENSES (Continued)							
3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.							
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.							
5. Minor items (less than \$25,000) may be grouped.							
EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR			
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
							1
Gas	928	217,713					2
Electric	928	699,804					3
							4
Gas	928	318					5
Electric	928	86					6
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		917,921					46

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES			
<p>1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).</p> <p>2. Indicate in column (a) the applicable classification, as shown below:</p>			
<p>Classifications:</p> <p>A. Electric R, D & D Performed Internally:</p> <p>(1) Generation</p> <p style="margin-left: 20px;">a. hydroelectric</p> <p style="margin-left: 40px;">i. Recreation fish and wildlife</p> <p style="margin-left: 40px;">ii Other hydroelectric</p> <p style="margin-left: 20px;">b. Fossil-fuel steam</p> <p style="margin-left: 20px;">c. Internal combustion or gas turbine</p> <p style="margin-left: 20px;">d. Nuclear</p> <p style="margin-left: 20px;">e. Unconventional generation</p> <p style="margin-left: 20px;">f. Siting and heat rejection</p> <p>(2) Transmission</p> <p style="margin-left: 20px;">a. Overhead</p> <p style="margin-left: 20px;">b. Underground</p> <p>(3) Distribution</p> <p>(4) Regional Transmission and Market Operation</p> <p>(5) Environment (other than equipment)</p> <p>(6) Other (Classify and include items in excess of \$50,000.)</p> <p>(7) Total Cost Incurred</p> <p>B. Electric, R, D & D Performed Externally:</p> <p>(1) Research Support to the electrical Research Council or the Electric Power Research Institute</p>			
Line No.	Classification (a)	Description (b)	
1	A. Electric R, D & D Performed Internally:		
2			
3	(3) Distribution	Research & Development Administration Costs	
4			
5	(7) Total Cost Incurred		
6			
7	B. Electric R, D & D Performed Externally:		
8			
9	(1) Electric Power Research Institute	Electric Power Research Institute Memberships	
10		Others (less than \$50K each)	
11			
12	(4) Research Support to Others	Others (less than \$50K each)	
13			
14	(5) Total Cost Incurred		
15			
16			
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2018/Q4
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

- (2) Research Support to Edison Electric Institute
 - (3) Research Support to Nuclear Power Groups
 - (4) Research Support to Others (Classify)
 - (5) Total Cost Incurred
3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.
4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)
5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.
6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."
7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
					1
					2
5,308		930.7	5,308		3
					4
5,308			5,308		5
					6
					7
					8
	530,339	Various	530,339		9
	2,346	Various	2,346		10
					11
					12
					13
	532,685		532,685		14
					15
					16
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)					
<p>(2) Research Support to Edison Electric Institute (3) Research Support to Nuclear Power Groups (4) Research Support to Others (Classify) (5) Total Cost Incurred</p> <p>3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.</p> <p>4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)</p> <p>5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.</p> <p>6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."</p> <p>7. Report separately research and related testing facilities operated by the respondent.</p>					
Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
					38

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
DISTRIBUTION OF SALARIES AND WAGES (Continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)	
48	Distribution	725,441			
49	Administrative and General	1,693			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)	868,025			
51	Total Operation and Maintenance				
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)	425,737			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,				
54	Other Gas Supply (Enter Total of lines 33 and 45)	319,347			
55	Storage, LNG Terminating and Processing (Total of lines 31 thru				
56	Transmission (Lines 35 and 47)				
57	Distribution (Lines 36 and 48)	4,142,516			
58	Customer Accounts (Line 37)	1,803,307			
59	Customer Service and Informational (Line 38)	198,719			
60	Sales (Line 39)				
61	Administrative and General (Lines 40 and 49)	1,592,663			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)	8,482,289	4,866		8,487,155
63	Other Utility Departments				
64	Operation and Maintenance				
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	37,604,328	607,005		38,211,333
66	Utility Plant				
67	Construction (By Utility Departments)				
68	Electric Plant	7,024,519	616,274		7,640,793
69	Gas Plant	4,956,312	47,122		5,003,434
70	Other (provide details in footnote):				
71	TOTAL Construction (Total of lines 68 thru 70)	11,980,831	663,396		12,644,227
72	Plant Removal (By Utility Departments)				
73	Electric Plant	1,698,570			1,698,570
74	Gas Plant	236,139			236,139
75	Other (provide details in footnote):				
76	TOTAL Plant Removal (Total of lines 73 thru 75)	1,934,709			1,934,709
77	Other Accounts (Specify, provide details in footnote):	874,115			874,115
78					
79					
80					
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92					
93					
94					
95	TOTAL Other Accounts	874,115			874,115
96	TOTAL SALARIES AND WAGES	52,393,983	1,270,401		53,664,384

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/13/2017	2016/Q4
FOOTNOTE DATA			

Schedule Page: 354 Line No.: 77 Column: b	
Projects For Duke's Subsidiaries & Merchandising	\$ 17,406
Other Work in Progress	(84,569)
Other Accounts	941,278
Total	\$ 874,115

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
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COMMON UTILITY PLANT AND EXPENSES

- Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
- Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
- Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
- Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

1. COMMON UTILITY PLANT
 COMMON PLANT IN SERVICE:

Acct. Title	Beg Bal.	Additions	Retirements	Transfers	End Bal.
Misc. Intangible Plant	22,332,072				22,332,072
Leased Meters	601,513	(601,513)			
Non-Depr Land & Land Rights	154,249				154,249
Structures and Improvements	11,528,710	(96,132)	(23,641)		11,408,937
Office Furniture and Equip.	67,899				67,899
Electronic Data Processing	804,024	35,358	(32,165)		807,217
Stores Equipment	-				-
Tools, Shop & Garage Equip.	150,146	(22,822)			127,324
Laboratory Equipment	-				-
Communication Equipment	7,135,925	658,562	(39,252)		7,755,235
Miscellaneous Equipment	41,504				41,504
Total Common Plant in Service	42,816,042	(3,725)	(117,880)	-	42,694,437
Construction Work in Progress	765,220		(452,814)		312,406
Total Common Utility Plant	43,581,262	(3,725)	(117,880)	(452,814)	43,006,843

ALLOCATION OF COMMON PLANT TO UTILITY DEPARTMENTS (2)
 Summary by Account Estimated as of 12/31/2016

Gas Department	27.62%	11,878,490
Electric Department	72.38%	31,128,353
	100.00%	43,006,843

- (1) Represents reclassification between common utility/nonutility departments and primary plant accounts.
- (2) The percentages used to allocate Common Plant to utility departments are the weighted average resulting from the application of allocation factors to the investment based on Gross Plant as of 12/31/2016.

2. ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF COMMON UTILITY PLANT

Summary by Account Estimated as of 12/31/2015 35,358,032

Depreciation provision for the year charged to:

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report <i>(Mo, Da, Yr)</i> 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>																																																
COMMON UTILITY PLANT AND EXPENSES																																																			
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COMMON UTILITY PLANT AND EXPENSES			
<p>1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.</p> <p>2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.</p> <p>3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.</p> <p>4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.</p>			
<p>previous month's balance of property capitalized in each primary plant account plus total Account 106-Completed Construction Not Classified. The rates became effective January 1, 2007 with the approval of the Kentucky Public Service Commission in Case No. 2006-00172.</p> <p>(2) The Respondent amortized its investment in Miscellaneous Intangible Plant equally over 60 months for certain projects and 120 for certain other projects.</p> <p>(3) The percentages used to allocate the Common Plant Accumulated Provision for Depreciation balances to utility departments are the weighted average resulting from the application of allocation factors to the balance of Common Plant Accumulated Provision at 12/31/2016. These factors are based on Gross Plant as of 12/31/2016.</p> <p>(4) In 1997, the Respondent adopted vintage year accounting for general plant accounts in accordance with FERC Accounting Release No. 15.</p> <p>(5) The Respondent amortized its investment in Laboratory Equipment over the estimated lives of the individual assets.</p>			
<p>3. COMMON UTILITY PLANT EXPENSE ACCOUNTS</p>			
<p>Common utility plant expense accounts are not maintained, but such expenses are allocated to gas and electric departments principally on one or more of the following bases:</p>			
<p>Floor space utilized for buildings and office equipment General labor - total company Number of gas and electric customers IT operations Number of customers Three factor formula</p>			
<p>4. COMMISSION APPROVAL</p>			
<p>Prior to establishment of original cost, Messrs. Brenner and Eilers of the respondent and Campbell and Schwartz from Columbia System met with Mr. Smith of the Federal Power Commission to discuss amongst other things, the Federal Power Commission's permission to use the Common Utility Plant accounts. It was pointed out by the representatives of the respondent that because of the nature of the respondent's operations it was impossible and impractical to assign certain types of equipment directly to either gas or electric</p>			

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<p>utility plant. Because of the facts presented, Mr. Smith gave the respondent's representatives verbal permission to use the common plant accounts.</p>			

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AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS					
1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.					
Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)	3,147,255	19,305,772	27,428,829	35,895,232
3	Net Sales (Account 447)	4,002,236	6,864,423	9,682,015	16,484,880
4	Transmission Rights	671,948	778,541	1,328,447	1,572,158
5	Ancillary Services				
6	Other Items (list separately)				
7	Ancillary Services (account 555)	114,611	214,408	214,829	329,841
8	Ancillary Services (account 447)	341,917	588,062	1,544,711	1,915,261
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46	TOTAL	8,277,967	27,751,206	40,298,831	56,197,172

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PURCHASES AND SALES OF ANCILLARY SERVICES							
Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.							
In columns for usage, report usage-related billing determinant and the unit of measure.							
(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.							
(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.							
(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.							
(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.							
(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.							
(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.							
		Amount Purchased for the Year			Amount Sold for the Year		
		Usage - Related Billing Determinant			Usage - Related Billing Determinant		
Line No.	Type of Ancillary Service (a)	Number of Units (b)	Unit of Measure (c)	Dollars (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch	-		665,929			
2	Reactive Supply and Voltage						
3	Regulation and Frequency Response						
4	Energy Imbalance						
5	Operating Reserve - Spinning						
6	Operating Reserve - Supplement						
7	Other						
8	Total (Lines 1 thru 7)			665,929			

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MONTHLY TRANSMISSION SYSTEM PEAK LOAD										
<p>(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.</p>										
NAME OF SYSTEM:										
Line No.	Month	Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Firm Network Service for Self	Firm Network Service for Others	Long-Term Firm Point-to-point Reservations	Other Long-Term Firm Service	Short-Term Firm Point-to-point Reservation	Other Service
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

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ELECTRIC ENERGY ACCOUNT					
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.					
Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	4,099,199
3	Steam	3,667,297	23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	573,788
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	694
7	Other	31,659	27	Total Energy Losses	295,058
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	4,968,739
9	Net Generation (Enter Total of lines 3 through 8)	3,698,956			
10	Purchases	1,269,783			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	4,968,739			

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MONTHLY PEAKS AND OUTPUT							
1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non-integrated system. 2. Report in column (b) by month the system's output in Megawatt hours for each month. 3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales. 4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system. 5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).							
NAME OF SYSTEM:							
Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK			
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)	
29	January	370,469	9,133	712	19	0800	
30	February	328,832	2,760	679	10	2000	
31	March	423,066	99,103	621	3	2000	
32	April	311,737	-12,168	599	26	1600	
33	May	366,529	28,662	717	31	1600	
34	June	465,393	57,018	787	20	1600	
35	July	447,071	12,056	847	25	1400	
36	August	466,479	-505	844	11	1500	
37	September	484,676	98,618	816	7	1500	
38	October	421,574	94,421	637	6	1600	
39	November	368,231	53,810	557	22	0800	
40	December	514,682	132,882	705	15	0800	
41	TOTAL	4,968,739	573,788				

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12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	4,968,739			

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MONTHLY PEAKS AND OUTPUT						
1. Report the monthly peak load and onergy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non-integrated system. 2. Report in column (b) by month the system's output in Megawatt hours for each month. 3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales. 4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system. 5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).						
NAME OF SYSTEM:						
Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
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36	August	466,479	-505	844	11	1500
37	September	484,676	96,618	816	7	1500
38	October	421,574	94,421	637	6	1600
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40	December	514,682	132,882	705	15	0800
41	TOTAL	4,968,739	573,788			

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)						
1. Report data for plant in service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.						
Line No.	Item (a)	Plant Name: EAST BEND (b)	Plant Name: MIAMI FORT 6 (c)			
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Steam	Steam			
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional	Conventional			
3	Year Originally Constructed	1981	1960			
4	Year Last Unit was Installed	1981	1960			
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	768.00	168.00			
6	Net Peak Demand on Plant - MW (60 minutes)	608	0			
7	Plant Hours Connected to Load	7180	0			
8	Net Continuous Plant Capability (Megawatts)	0	0			
9	When Not Limited by Condenser Water	600	0			
10	When Limited by Condenser Water	600	0			
11	Average Number of Employees	99	0			
12	Net Generation, Exclusive of Plant Use - KWh	3667297000	0			
13	Cost of Plant: Land and Land Rights	7036025	11276			
14	Structures and Improvements	71372345	0			
15	Equipment Costs	623251774	0			
16	Asset Retirement Costs	46586238	0			
17	Total Cost	748246382	11276			
18	Cost per KW of Installed Capacity (line 17/5) Including	974.2791	0.0671			
19	Production Expenses: Oper, Supv, & Engr	2586060	55967			
20	Fuel	83491486	0			
21	Coolants and Water (Nuclear Plants Only)	0	0			
22	Steam Expenses	11031968	0			
23	Steam From Other Sources	0	0			
24	Steam Transferred (Cr)	0	0			
25	Electric Expenses	747615	0			
26	Misc Steam (or Nuclear) Power Expenses	2311053	1096			
27	Rents	0	0			
28	Allowances	0	0			
29	Maintenance Supervision and Engineering	2205163	17			
30	Maintenance of Structures	2486174	12637			
31	Maintenance of Boiler (or reactor) Plant	9617382	2321			
32	Maintenance of Electric Plant	1585717	1233			
33	Maintenance of Misc Steam (or Nuclear) Plant	4121309	0			
34	Total Production Expenses	120194927	73271			
35	Expenses per Net KWh	0.0328	0.0000			
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Coal	Oil			
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Tons	Barrels			
38	Quantity (Units) of Fuel Burned	1649814	0	18636	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	12102	0	139050	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	49.432	0.000	67.861	0.000	0.000
41	Average Cost of Fuel per Unit Burned	49.809	0.000	70.610	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	2.058	0.000	12.091	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.022	0.000	0.000	0.000	0.000
44	Average BTU per KWh Net Generation	10889.000	0.000	10889.000	0.000	0.000

Name of Respondent		This Report Is:		Date of Report		Year/Period of Report			
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	04/13/2017		End of 2016/Q4			
STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)									
9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.									
Plant Name: WOODSDALE GT (d)	Plant Name: (e)	Plant Name: (f)						Line No.	
Combustion Turbine								1	
Conventional								2	
1992								3	
1993								4	
572.00	0.00		0.00					5	
464	0		0					6	
368	0		0					7	
0	0		0					8	
564	0		0					9	
462	0		0					10	
24	0		0					11	
31659000	0		0					12	
2910272	0		0					13	
36133375	0		0					14	
251869496	0		0					15	
0	0		0					16	
290913143	0		0					17	
508.5894	0		0					18	
394484	0		0					19	
2264023	0		0					20	
0	0		0					21	
272293	0		0					22	
0	0		0					23	
0	0		0					24	
1036079	0		0					25	
4402	0		0					26	
0	0		0					27	
0	0		0					28	
43733	0		0					29	
458622	0		0					30	
0	0		0					31	
2546950	0		0					32	
188372	0		0					33	
7208958	0		0					34	
0.2277	0.0000		0.0000					35	
Gas		Propane							36
Mcfs		Barrels							37
777354	0	137	0	0	0	0	0	0	38
1	0	91708	0	0	0	0	0	0	39
2.906	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	40
2.906	0.000	37.730	0.000	0.000	0.000	0.000	0.000	0.000	41
2.827	0.000	9.796	0.000	0.000	0.000	0.000	0.000	0.000	42
0.071	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	43
25258.000	0.000	25258.000	0.000	0.000	0.000	0.000	0.000	0.000	44

Name of Respondent:	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 402 Line No.: 1 Column: b

Effective 12-30-14, East Bend is owned 100% by Duke Energy Kentucky, Inc. Prior to that, East Bend was commonly owned by Duke Energy Kentucky, Inc. and the Dayton Power and Light Company with undivided interest of 69% and 31% respectively. Fuel expenses were shared on the basis of energy usage and other expenses were shared on an ownership basis.

Schedule Page: 402 Line No.: 1 Column: c

Miami Fort U6 retired 2015.

Schedule Page: 403 Line No.: 1 Column: d

The "Kind of Plant" description was updated in Q4 2016 to better reflect the plant's generation classification.

Schedule Page: 402 Line No.: 5 Column: b

The original FERC submission of Q4 2015, dated April 13, 2016, disclosed the "Total Installed Cap (Max Gen Name Plate Ratings-MW)" on line 5 as the Maximum Net Dependable Capacity (MNDC). The MNDC is the power level that the unit can sustain during a given period. The amount should have been the actual name plate capacity that is determined by the generator's manufacturer and indicates the maximum output a generator can produce.

The resubmission of FERC Form 1 for Duke Energy Kentucky, Inc. contains the correct name plate capacity of 768 MW for East Bend. (This resubmission was filed on June 20, 2016.)

Schedule Page: 402 Line No.: 5 Column: c

Miami Fort U6 retired 05/31/2015.

Schedule Page: 403 Line No.: 5 Column: d

The original FERC submission of Q4 2015, dated April 13, 2016, disclosed the "Total Installed Cap (Max Gen Name Plate Ratings-MW)" on line 5 as the Maximum Net Dependable Capacity (MNDC). The MNDC is the power level that the unit can sustain during a given period. The amount should have been the actual name plate capacity that is determined by the generator's manufacturer and indicates the maximum output a generator can produce.

The resubmission of FERC Form 1 for Duke Energy Kentucky, Inc. contains the correct name plate capacity of 572 MW for Woodsdale. (This resubmission was filed on June 20, 2016.)

Schedule Page: 402 Line No.: 9 Column: c

Miami Fort U6 retired 05/31/2015.

Schedule Page: 402 Line No.: 10 Column: c

Miami Fort 6 has no employees. Miami Fort U6 retired 05/31/2015.

Schedule Page: 402 Line No.: 11 Column: c

Miami Fort 6 has no employees. All employees at Miami Fort are non-regulated. Miami Fort U6 retired 05/31/2015.

Schedule Page: 402 Line No.: 20 Column: b

Excludes coal handling, sale of fly ash, and other miscellaneous cost of \$3,938,136.

Schedule Page: 403 Line No.: 20 Column: d

Excludes natural gas handling cost of \$10,218.

Schedule Page: 402 Line No.: 28 Column: b

In accordance with FERC's Order No. 552, Duke Energy Kentucky, Inc. is not required to report emission allowance charges to Account 509 on a per station basis. The FERC states the following on Page 22 of the Final Order dated March 31, 1993:

"The Commission does not perceive the merits of classifying allowances by affected generating unit and decline to require this approach."

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/13/2017	2016/Q4
FOOTNOTE DATA			

Duke Energy Kentucky, Inc. interprets this ruling to not only apply to the asset classification of allowances but to the associated expense classification for allowances charged to Account 509. Duke Energy Kentucky, Inc.'s charges to Account 509 for the year were \$71,079.

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)					
1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings) 2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number. 3. If net peak demand for 60 minutes is not available, give that which is available specifying period. 4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.					
Line No.	Item (a)	FERC Licensed Project No. Plant Name: (b)	0	FERC Licensed Project No. Plant Name: (c)	0
1	Kind of Plant (Run-of-River or Storage)				
2	Plant Construction type (Conventional or Outdoor)				
3	Year Originally Constructed				
4	Year Last Unit was Installed				
5	Total installed cap (Gen name plate Rating in MW)		0.00		0.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)		0		0
7	Plant Hours Connect to Load		0		0
8	Net Plant Capability (in megawatts)				
9	(a) Under Most Favorable Oper Conditions		0		0
10	(b) Under the Most Adverse Oper Conditions		0		0
11	Average Number of Employees		0		0
12	Net Generation, Exclusive of Plant Use - Kwh		0		0
13	Cost of Plant				
14	Land and Land Rights		0		0
15	Structures and Improvements		0		0
16	Reservoirs, Dams, and Waterways		0		0
17	Equipment Costs		0		0
18	Roads, Railroads, and Bridges		0		0
19	Asset Retirement Costs		0		0
20	TOTAL cost (Total of 14 thru 19)		0		0
21	Cost per KW of Installed Capacity (line 20 / 5)		0.0000		0.0000
22	Production Expenses				
23	Operation Supervision and Engineering		0		0
24	Water for Power		0		0
25	Hydraulic Expenses		0		0
26	Electric Expenses		0		0
27	Misc Hydraulic Power Generation Expenses		0		0
28	Rents		0		0
29	Maintenance Supervision and Engineering		0		0
30	Maintenance of Structures		0		0
31	Maintenance of Reservoirs, Dams, and Waterways		0		0
32	Maintenance of Electric Plant		0		0
33	Maintenance of Misc Hydraulic Plant		0		0
34	Total Production Expenses (total 23 thru 33)		0		0
35	Expenses per net KWh		0.0000		0.0000

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)					
5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."					
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.					
FERC Licensed Project No. 0 Plant Name: (d)	FERC Licensed Project No. 0 Plant Name: (e)	FERC Licensed Project No. 0 Plant Name: (f)			Line No.
					1
					2
					3
					4
0.00		0.00		0.00	5
0		0		0	6
0		0		0	7
					8
0		0		0	9
0		0		0	10
0		0		0	11
0		0		0	12
					13
0		0		0	14
0		0		0	15
0		0		0	16
0		0		0	17
0		0		0	18
0		0		0	19
0		0		0	20
0.0000		0.0000		0.0000	21
					22
0		0		0	23
0		0		0	24
0		0		0	25
0		0		0	26
0		0		0	27
0		0		0	28
0		0		0	29
0		0		0	30
0		0		0	31
0		0		0	32
0		0		0	33
0		0		0	34
0.0000		0.0000		0.0000	35

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants)				
<p>1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings)</p> <p>2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number.</p> <p>3. If net peak demand for 60 minutes is not available, give the which is available, specifying period.</p> <p>4. If a group of employees attends more than one generating plant, report on line 8 the approximate average number of employees assignable to each plant.</p> <p>5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."</p>				
Line No.	Item (a)	FERC Licensed Project No. Plant Name: (b)		
1	Type of Plant Construction (Conventional or Outdoor)			
2	Year Originally Constructed			
3	Year Last Unit was Installed			
4	Total Installed cap (Gen name plate Rating in MW)			
5	Net Peak Demand on Plant-Megawatts (60 minutes)			
6	Plant Hours Connect to Load While Generating			
7	Net Plant Capability (in megawatts)			
8	Average Number of Employees			
9	Generation, Exclusive of Plant Use - Kwh			
10	Energy Used for Pumping			
11	Net Output for Load (line 9 - line 10) - Kwh			
12	Cost of Plant			
13	Land and Land Rights			
14	Structures and Improvements			
15	Reservoirs, Dams, and Waterways			
16	Water Wheels, Turbines, and Generators			
17	Accessory Electric Equipment			
18	Miscellaneous Powerplant Equipment			
19	Roads, Railroads, and Bridges			
20	Asset Retirement Costs			
21	Total cost (total 13 thru 20)			
22	Cost per KW of Installed cap (line 21 / 4)			
23	Production Expenses			
24	Operation Supervision and Engineering			
25	Water for Power			
26	Pumped Storage Expenses			
27	Electric Expenses			
28	Misc Pumped Storage Power generation Expenses			
29	Rents			
30	Maintenance Supervision and Engineering			
31	Maintenance of Structures			
32	Maintenance of Reservoirs, Dams, and Waterways			
33	Maintenance of Electric Plant			
34	Maintenance of Misc Pumped Storage Plant			
35	Production Exp Before Pumping Exp (24 thru 34)			
36	Pumping Expenses			
37	Total Production Exp (total 35 and 36)			
38	Expenses per KWh (line 37 / 9)			

Name of Respondent Duke Energy Kentucky, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants) (Continued)					
<p>6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes.</p> <p>7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.</p>					
FERC Licensed Project No. Plant Name: (c)	FERC Licensed Project No. Plant Name: (d)	FERC Licensed Project No. Plant Name: (e)	Line No.		
			1		
			2		
			3		
			4		
			5		
			6		
			7		
			8		
			9		
			10		
			11		
			12		
			13		
			14		
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			16		
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			20		
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			26		
			27		
			28		
			29		
			30		
			31		
			32		
			33		
			34		
			35		
			36		
			37		
			38		

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
GENERATING PLANT STATISTICS (Small Plants)						
<p>1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.</p>						
Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
GENERATING PLANT STATISTICS (Small Plants) (Continued)						
3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see Instruction 11, Page 403. 4. If not peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.						
Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINE STATISTICS

- Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
- Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
- Report data by individual lines for all voltages if so required by a State commission.
- Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
- Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
- Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	69KV TRANSMISSION POOL		69.00	69.00	POLE	102.18	3.04	
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	102.18	3.04	

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (i) and the pole miles of the other line(s) in column (g)

8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.

9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.

10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Includes in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
	1,094,542	13,550,596	14,645,138	16,744	409,659		426,403	1
								2
								3
								4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
								32
								33
								34
	1,094,542	13,550,596	14,645,138	16,744	409,659		426,403	35

Name of Respondant Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo., Da., Yr) 04/13/2017	Year/Period of Report End of 2016/Q4		
TRANSMISSION LINES ADDED DURING YEAR							
<p>1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.</p> <p>2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (f) to (g), it is permissible to report in these columns the</p>							
Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1	No changes in 2016						
2							
3							
4							
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42							
43							
44	TOTAL						

Name of Respondent Duke Energy Kentucky, Inc.			This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017		Year/Period of Report End of 2016/Q4	
TRANSMISSION LINES ADDED DURING YEAR (Continued)								
costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).								
3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.								
CONDUCTORS			Voltage KV (Operating) (k)	LINE COST				Line No.
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	
								1
								2
								3
								4
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	ALEXANDRIA SOUTH-CAMPBELL CO	UNATTENDED - D	69.00	13.20	
2	ATLAS-KENTON CO	UNATTENDED - D	69.00	13.20	
3	AUGUSTINE-COVINGTON, KY	UNATTENDED - D	138.00	13.20	
4	BEAVER-BOONE CO.	UNATTENDED - D	69.00	13.20	
5	BELLEVUE-CAMPBELL CO.	UNATTENDED - D	138.00	13.20	
6	BLACKWELL-GRANT CO.	UNATTENDED - T	138.00	69.00	
7	BUFFINGTON-KENTON CO.	UNATTENDED - T&D	138.00	69.00	13.20
8	CLARYVILLE-CAMBELL CO.	UNATTENDED - D	69.00	13.20	
9	COLD SPRING-KENTON CO.	UNATTENDED - D	138.00	13.20	
10	CONSTANCE-KENTON CO.	UNATTENDED - D	138.00	13.20	
11	COVINGTON - KENTON CO.	UNATTENDED - D	69.00	13.20	
12	CRESCENT-KENTON CO.	UNATTENDED - D	138.00	13.20	
13	CRITTENDEN-GRANT CO.	UNATTENDED - D	69.00	13.20	
14	DAYTON - CAMPBELL CO.	UNATTENDED - D	138.00	13.20	
15	DECOURSEY-KENTON CO.	UNATTENDED - D	69.00	13.20	
16	DIXIE-BOONE CO.	UNATTENDED - D	69.00	13.20	
17	DONALDSON-KENTON CO.	UNATTENDED - D	138.00	13.20	
18	DRY RIDGE-GRANT CO.	UNATTENDED - D	69.00	13.20	
19	EMPIRE - BOONE CO.	UNATTENDED - D	69.00	13.20	
20	FLORENCE-BOONE CO.	UNATTENDED - D	138.00	13.20	
21	GRANT-GRANT CO.	UNATTENDED - D	69.00	13.20	
22	HANDS-KENTON CO.	UNATTENDED - D	138.00	13.20	
23	HEBRON - BOONE CO.	UNATTENDED - D	138.00	13.20	
24	KENTON-KENTON CO.	UNATTENDED - T&D	138.00	13.20	
25	KY. UNIVERSITY-CAMP. CO.	UNATTENDED - D	138.00	13.20	
26	LIMABURG-BOONE CO.	UNATTENDED - D	69.00	13.20	
27	LONGBRANCH- BOONE CO.	UNATTENDED - D	138.00	13.20	
28	MARSHALL-CAMPBELL CO.	UNATTENDED - D	69.00	13.20	
29	MT ZION - BOONE CO.	UNATTENDED - D	138.00	13.20	
30	OAKBROOK - BOONE CO	UNATTENDED - D	69.00	13.20	
31	RICHWOOD - BOONE CO.	UNATTENDED - D	69.00	13.20	
32	SILVER GROVE - CAMPBELL CO.	UNATTENDED - T&D	138.00	13.20	
33	THOMAS MORE - KENTON CO.	UNATTENDED - D	69.00	13.20	
34	VERONA - KENTON CO.	UNATTENDED - D	69.00	13.20	
35	VILLA-CRESTVIEW HLS., KY	UNATTENDED - D	69.00	13.20	
36	WHITE TOWER-KENTON CO.	UNATTENDED - D	69.00	13.20	
37	WILDER-WILDER, KY.	UNATTENDED - T&D	138.00	69.00	13.20
38	YORK-NEWPORT, KY.	UNATTENDED - D	138.00	13.20	
39	NO STATIONS UNDER 10 MVA				
40					

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1					
2	Summary of Listed Stations Above				
3	(By Function) not Including Commonly Owned				
4	Substations				
5					
6	UNATTENDED - T&D				
7	UNATTENDED - D				
8	UNATTENDED - T				
9	ATTENDED - T&D				
10	ATTENDED - D				
11	ATTENDED - T				
12					
13					
14	Note				
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
11	1					1
11	1					2
72	2					3
21	2					4
45	2					5
150	1					6
328	5					7
32	3					8
33	2					9
45	2					10
22	1					11
67	3					12
21	2					13
22	1					14
11	1					15
42	2					16
45	2					17
11	1					18
25	2					19
67	3					20
21	2					21
45	2					22
45	2					23
165	5					24
45	2					25
31	3					26
22	1					27
11	1					28
22	1					29
22	1					30
32	3					31
22	1					32
22	1					33
11	1					34
45	2					35
21	2					36
167	3					37
22	1					38
						39
						40

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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SUBSTATIONS (Continued)

5. Show in columns (i), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (l)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
						1
						2
						3
						4
						5
682						6
1020						7
150						8
						9
						10
						11
						12
						13
						14
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Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 426.1 Line No.: 14 Column: a
Note: The voltages reported in column (c), (d) and (e) are the highest and lowest in the substation by not necessarily on the same transformer.

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES					
1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies. 2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general". 3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.					
Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)	
Non-power Goods or Services Provided by Affiliated					
1	Non-power Goods or Services Provided by Affiliated				
2	Services provided by Duke Energy Commercial Enterprises	Duke Energy Commercial Enterprises,	Various	488,017	
3	Enterprises				
4	Services provided by Duke Energy Business Services	Duke Energy Business Services, LLC	Various	101,024,372	
5	Customer and Market Services	Duke Energy Ohio, Inc.	Various	363,199	
6	Gas Distribution Services	Duke Energy Ohio, Inc.	Various	4,772,048	
7	Other Goods and Services	Duke Energy Ohio, Inc.	Various	10,950	
8	Transmission and Distribution Services	Duke Energy Ohio, Inc.	Various	7,021,150	
9	Customer and Market Services	Duke Energy Florida, LLC	Various	83,304	
10	Generation Services	Duke Energy Florida, LLC	Various	45,468	
11	Other Goods and Services	Duke Energy Florida, LLC	Various	26,186	
12	Transmission and Distribution Services	Duke Energy Florida, LLC	Various	122,179	
13	Customer and Market Services	Duke Energy Carolinas, LLC	Various	6,563,023	
14	Generation Services	Duke Energy Carolinas, LLC	Various	4,724,650	
15	Other Goods and Services	Duke Energy Carolinas, LLC	Various	921,660	
16	Transmission and Distribution Services	Duke Energy Carolinas, LLC	Various	1,056,757	
17					
18					
19					
Non-power Goods or Services Provided for Affiliate					
20	Non-power Goods or Services Provided for Affiliate				
21	Customer and Market Services	Duke Energy Indiana, LLC	Various	1,332	
22	Gas Distribution Services	Duke Energy Indiana, LLC	Various	22,016	
23	Generation Services	Duke Energy Indiana, LLC	Various	1,403,965	
24	Transmission and Distribution Services	Duke Energy Indiana, LLC	Various	228,959	
25	Customer and Market Services	Duke Energy Ohio, Inc.	Various	55,475	
26	Gas Distribution Services	Duke Energy Ohio, Inc.	Various	1,424,720	
27	Generation Services	Duke Energy Ohio, Inc.	Various	7	
28	Transmission and Distribution Services	Duke Energy Ohio, Inc.	Various	1,264,379	
29	Customer and Market Services	Duke Energy Progress, LLC	Various	71	
30	Gas Distribution Services	Duke Energy Progress, LLC	Various	41,725	
31	Generation Services	Duke Energy Progress, LLC	Various	2,139	
32	Other Goods and Services	Duke Energy Progress, LLC	Various	360	
33	Transmission and Distribution Services	Duke Energy Progress, LLC	Various	262,812	
34	Duke Energy Kentucky provided gas transmission services for KO Transmission	KO Transmission Company	Various	27,899,499	
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES					
<p>1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.</p> <p>2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".</p> <p>3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.</p>					
Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)	
1	Non-power Goods or Services Provided by Affiliated				
2	Customer and Market Services	Duke Energy Progress, LLC	Various	341,455	
3	Generation Services	Duke Energy Progress, LLC	Various	249,028	
4	Other Goods and Services	Duke Energy Progress, LLC	Various	227,028	
5	Transmission and Distribution Services	Duke Energy Progress, LLC	Various	246,309	
6	Customer and Market Services	Duke Energy Indiana, LLC	Various	86,742	
7	Generation Services	Duke Energy Indiana, LLC	Various	7,246,361	
8	Other Goods and Services	Duke Energy Indiana, LLC	Various	33,967	
9	Transmission and Distribution Services	Duke Energy Indiana, LLC	Various	90,792	
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20	Non-power Goods or Services Provided for Affiliate				
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Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 429 Line No.: 4 Column: a

When an employee of the Service Company performs services for a Client Company, costs will be directly assigned or distributed or allocated. For allocated services, the allocation method will be on a basis reasonably related to the service performed. The Service Company Utility Service Agreement prescribes 23 Service Company functions and approximately 20 allocation methods.

Functions and Allocation Methods:

Information Systems

- Number of Central Processing Unit Seconds Ratio/Millions of Instructions per Second
- Number of Personal Computer Workstations Ratio
- Number of Information Systems Servers Ratio
- Number of Employees Ratio

Meters

- Number of Customers Ratio

Transportation

- Number of Employees Ratio
- Three Factor Formula

Electric System Maintenance

- Circuit Miles of Electric Transmission Lines Ratio
- Circuit Miles of Electric Distribution Lines Ratio

Marketing and Customer Relations

- Number of Customers Ratio

Electric Transmission & Distribution Engineering & Construction

- Electric Transmission Plant's Construction - Expenditures Ratio
- Electric Distribution Plant's Construction - Expenditures Ratio
- Power Engineering & Construction
- Electric Production Plant's Construction - Expenditures Ratio

Human Resources

- Number of Employees Ratio

Materials Management

- Procurement Spending Ratio
- Inventory Ratio

Facilities

- Square Footage Ratio

Accounting

- Three Factor Formula
- Generating Unit MW Capability Ratio

Power Planning and Operations

- Electric Peak Load Ratio
- Weighted Avg of the Circuit Miles of Electric Distribution Lines Ratio and the Electric Peak Load Ratio
- Sales Ratio
- Weighted Avg of the Circuit Miles of Electric Transmission Lines Ratio and the Electric Peak Load Ratio
- Generating Unit MW Capability Ratio

Public Affairs

- Three Factor Formula
- Weighted Avg of Number of Customers Ratio and Number of Employees Ratio

Legal

- Three Factor Formula

Rates

- Sales Ratio

Finance

- Three Factor Formula

Rights of Way

- Circuit Miles of Electric Transmission Lines Ratio

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

- Circuit Miles of Electric Distribution Lines Ratio
- Electric Peak Load Ratio
- Internal Auditing
 - Three Factor Formula
- Environmental, Health and Safety
 - Three Factor Formula
 - Sales Ratio
- Fuels
 - Sales Ratio
- Investor Relations
 - Three Factor Formula
- Planning
 - Three Factor Formula
- Executive
 - Three Factor Formula

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. _____

Form 2 Approved
OMB No.1902-0028
(Expires 09/30/2017)

Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2016)



FERC FINANCIAL REPORT

FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company) Duke Energy Kentucky, Inc.	Year/Period of Report End of <u>2016/Q4</u>
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QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION		
01 Exact Legal Name of Respondent Duke Energy Kentucky, Inc.	Year/Period of Report End of 2016/Q4	
03 Previous Name and Date of Change (If name changed during year)		
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 4580 Olympic Boulevard, Erlanger, KY 41018		
05 Name of Contact Person Charmain Barnes	06 Title of Contact Person Lead Accounting Analyst	
07 Address of Contact Person (Street, City, State, Zip Code) 550 South Tryon Street, Charlotte, NC 28202		
08 Telephone of Contact Person, Including Area Code 980-373-1369	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 04/13/2017
ANNUAL CORPORATE OFFICER CERTIFICATION		
<p>The undersigned officer certifies that:</p> <p>I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.</p>		
11 Name William E. Currens, Jr.	12 Title SVP Chief Accting Off & Controller	
13 Signature William E. Currens, Jr.	14 Date Signed 04/13/2017	
<p>Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.</p>		

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
List of Schedules (Natural Gas Company)				
Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
1	General Information	101		
2	Control Over Respondent	102		
3	Corporations Controlled by Respondent	103		
4	Security Holders and Voting Powers	107		
5	Important Changes During the Year	108		
6	Comparative Balance Sheet	110-113		
7	Statement of Income for the Year	114-116		
8	Statement of Accumulated Comprehensive Income and Hedging Activities	117		
9	Statement of Retained Earnings for the Year	118-119		
10	Statements of Cash Flows	120-121		
11	Notes to Financial Statements	122		
	BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
13	Gas Plant in Service	204-209		
14	Gas Property and Capacity Leased from Others	212		
15	Gas Property and Capacity Leased to Others	213		N/A
16	Gas Plant Held for Future Use	214		N/A
17	Construction Work in Progress-Gas	216		N/A
18	Non-Traditional Rate Treatment Afforded New Projects	217		N/A
19	General Description of Construction Overhead Procedure	218		
20	Accumulated Provision for Depreciation of Gas Utility Plant	219		
21	Gas Stored	220		
22	Investments	222-223		
23	Investments in Subsidiary Companies	224-225		N/A
24	Prepayments	230		
25	Extraordinary Property Losses	230		N/A
26	Unrecovered Plant and Regulatory Study Costs	230		N/A
27	Other Regulatory Assets	232		
28	Miscellaneous Deferred Debits	233		
29	Accumulated Deferred Income Taxes	234-235		
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
30	Capital Stock	250-251		
31	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252		
32	Other Paid-in Capital	253		
33	Discount on Capital Stock	254		N/A
34	Capital Stock Expense	254		N/A
35	Securities issued or Assumed and Securities Refunded or Retired During the Year	255		
36	Long-Term Debt	256-257		
37	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259		

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
List of Schedules (Natural Gas Company) (continued)					
Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."					
Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)	
38	Unamortized Loss and Gain on Reacquired Debt	260			
39	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261			
40	Taxes Accrued, Prepaid, and Charged During Year	262-263			
41	Miscellaneous Current and Accrued Liabilities	268			
42	Other Deferred Credits	269			
43	Accumulated Deferred Income Taxes-Other Property	274-275			
44	Accumulated Deferred Income Taxes-Other	276-277			
45	Other Regulatory Liabilities	278			
	INCOME ACCOUNT SUPPORTING SCHEDULES				
46	Monthly Quantity & Revenue Data by Rate Schedule	289			
47	Gas Operating Revenues	300-301			
48	Revenues from Transportation of Gas of Others Through Gathering Facilities	302-303		N/A	
49	Revenues from Transportation of Gas of Others Through Transmission Facilities	304-305			
50	Revenues from Storage Gas of Others	306-307		N/A	
51	Other Gas Revenues	308			
52	Discounted Rate Services and Negotiated Rate Services	313		N/A	
53	Gas Operation and Maintenance Expenses	317-325			
54	Exchange and Imbalance Transactions	328		N/A	
55	Gas Used in Utility Operations	331		N/A	
56	Transmission and Compression of Gas by Others	332		N/A	
57	Other Gas Supply Expenses	334			
58	Miscellaneous General Expenses-Gas	335			
59	Depreciation, Depletion, and Amortization of Gas Plant	336-338			
60	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340			
	COMMON SECTION				
61	Regulatory Commission Expenses	350-351			
62	Employee Pensions and Benefits (Account 926)	352			
63	Distribution of Salaries and Wages	354-355			
64	Charges for Outside Professional and Other Consultative Services	357			
65	Transactions with Associated (Affiliated) Companies	358			
	GAS PLANT STATISTICAL DATA				
66	Compressor Stations	508-509		N/A	
67	Gas Storage Projects	512-513		N/A	
68	Transmission Lines	514		N/A	
69	Transmission System Peak Deliveries	518		N/A	
70	Auxiliary Peaking Facilities	519			
71	Gas Account-Natural Gas	520			
72	Shipper Supplied Gas for the Current Quarter	521		N/A	
73	System Map	522			
74	Footnote Reference	551			
75	Footnote Text	552			
76	Stockholder's Reports (check appropriate box)				
	<input type="checkbox"/> Four copies will be submitted <input type="checkbox"/> No annual report to stockholders is prepared				

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
General Information			
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p>William E. Currans, Jr. Senior Vice President, Chief Accounting Officer & Controller 550 South Tryon Street Charlotte, NC 28202</p>			
<p>2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.</p> <p>Commonwealth of Kentucky Date of Incorporation: March 20, 1901</p>			
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>Not applicable</p>			
<p>4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p>Kentucky - Gas and Electric</p>			
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) <input type="checkbox"/> Yes... Enter the date when such independent accountant was initially engaged: (2) <input checked="" type="checkbox"/> No</p>			

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Control Over Respondent					
<p>1. Report in column (a) the names of all corporations, partnerships, business trusts, and similar organizations that directly, indirectly, or jointly held control (see page 103 for definition of control) over the respondent at the end of the year. If control is in a holding company organization, report in a footnote the chain of organization.</p> <p>2. If control is held by trustees, state in a footnote the names of trustees, the names of beneficiaries for whom the trust is maintained, and the purpose of the trust.</p> <p>3. In column (b) designate type of control over the respondent. Report an "M" if the company is the main parent or controlling company having ultimate control over the respondent. Otherwise, report a "D" for direct, an "I" for indirect, or a "J" for joint control.</p>					
Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)	
1	Duke Energy Ohio, Inc.	M	OH	100.00	
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3					
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Corporations Controlled by Respondent

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
4. In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary that exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	N/A				Not used
2					
3					
4					
5					
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Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Security Holders and Voting Powers

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants,

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy. Total: 585333 By Proxy:	3. Give the date and place of such meeting:
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Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		4. Number of votes as of (date):			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	585,333	585,333		
6	TOTAL number of security holders	1	1		
7	TOTAL votes of security holders listed below	585,333	585,333		
8					
9					
10					
11					
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20					

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
Important Changes During the Quarter/Year			

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

- Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
- Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
- Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
- Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
- Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.

Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.

- Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
- Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
- State the estimated annual effect and nature of any important wage scale changes during the year.
- State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
- Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
- Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
- Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
- In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

- None
- None
- See Notes to Financial Statements, Note 2, "Regulatory Matters"
- None
- None
- See Notes to Financial Statements, Note 4, "Debt and Credit Facilities"
- None
- During the fourth quarter 2016, there were no wage scale changes.

During the third quarter 2016, there were no wage scale changes.

During the second quarter 2016, employees bargained for by IBEW Local 1347, UWUA, IUU Local 600 and USW Local 12049 received pay changes (promotion, demotion, pay rate change/merit, job reclassification and adjustments) that totaled \$333,694.40 in annualized costs or a monthly amount of approximately \$27,807.87.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/13/2017	2016/Q4
Important Changes During the Quarter/Year			

During the first quarter 2016, non-union employees received pay changes (promotion, demotion, pay rate change/merit, job reclassification and adjustments) that totaled \$25,833.60 in annualized costs or a monthly amount of approximately \$2,152.80

9. See Notes to Financial Statements, Note 2, "Regulatory Matters" and Note 3, "Commitments and Contingencies"
10. None
11. None
12. There are no changes in major security holders and voting powers of Duke Energy Kentucky, Inc. that occurred during the fourth quarter of 2016.

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the fourth quarter of 2016 are as follows:

Appointments effective 10/04/16:

Victor M. Gaglio	Senior Vice President and Chief Operations Officer, Natural Gas Business
Karl W. Newlin	Senior Vice President and Chief Commercial Officer, Natural Gas Business
Franklin H. Yoho	Executive Vice President and President, Natural Gas Business

Appointments effective 10/03/16:

Charles R. Whitlock	Senior Vice President, Midwest Distribution Operations
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Appointments effective 10/01/16:

Sam Holeman	Vice President, Transmission Systems Planning and Operations
V. Nelson Peeler	Senior Vice President and Chief Transmission Officer

Resignations effective 10/03/16:

Charles R. Whitlock	Senior Vice President, Midwest Distribution and Gas Operations
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Resignations effective 10/01/16:

V. Nelson Peeler	Vice President, Transmission Systems, Planning and Operations
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There are no changes in major security holders and voting powers of Duke Energy Kentucky, Inc. that occurred during the third quarter of 2016.

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the third quarter of 2016 are as follows:

Appointments effective 09/01/16:

Douglas F. Esamann	Executive Vice President, Energy Solutions and President, Midwest and Florida Regions
Michael A. Lewis	Senior Vice President and Chief Distribution Officer
Charles R. Whitlock	Senior Vice President, Midwest Distribution and Gas Operations
Lloyd M. Yates	Executive Vice President, Customer Delivery Operations and President, Carolinas Region

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	2016/Q4
Important Changes During the Quarter/Year			

Appointments effective 07/08/16:

Robert F. Caldwell President, Duke Energy Renewables and Distributed Energy Technology

Resignations effective 09/01/16:

Douglas F. Esamann Executive Vice President
 Douglas F. Esamann President, Midwest and Florida Regions
 Michael A. Lewis Senior Vice President
 Michael A. Lewis Chief Transmission Officer
 Charles R. Whitlock Senior Vice President, Midwest Delivery and Gas Operations
 Lloyd M. Yates Executive Vice President, Market Solutions
 Lloyd M. Yates President, Carolinas Region

Resignations effective 08/31/16:

Heath J. Shuler Senior Vice President, Federal Government Affairs

Resignations effective 07/08/16:

Robert F. Caldwell Senior Vice President, Distributed Energy Resources

There are no changes in major security holders and voting powers of Duke Energy Kentucky, Inc. that occurred during the second quarter of 2016.

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the second quarter of 2016 are as follows:

Appointments effective 05/01/15:

Caren B. Anders Vice President, Operations Support
 Richard W. Bagley Vice President, Transmission Engineering, Resource and Project Management
 V. Nelson Peeler Vice President, Transmission Systems Planning and Operations
 Tom Silinski Vice President, Total Rewards and Human Resources Operations

Appointments effective 05/15/15:

William E. Currens, Jr. Senior Vice President, Chief Accounting Officer and Controller
 Brian D. Savoy Senior Vice President, Business Transformation and Technology

Appointments effective 05/01/15:

Melissa H. Anderson Executive Vice President, Administration and Chief Human Resources Officer
 Dhiaa M. Jamil Executive Vice President and Chief Operating Officer

Appointments effective 04/19/16:

Paul Draovitch Senior Vice President, Fossil Hydro Operations
 George T. Hamrick Senior Vice President, Coal Combustion Products

Appointments effective 04/11/16:

Terrell N. Garren Vice President and Chief Security Officer
 Thomas Cooper Monroe, III Director, State Tax
 Sandra S. Wyckoff Vice President and Chief Ethics and Compliance Officer

Appointments effective 04/01/16:

Regis T. Repko Senior Vice President
 Regis T. Repko Chief Fossil/Hydro Officer

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.		04/13/2017	2016/Q4
Important Changes During the Quarter/Year			

Resignations effective 06/01/16:

Caren B. Anders Vice President, Delivery Operations Support
 Richard W. Bagley Vice President, Transmission Engineering
 Stephen J. Immel Vice President, Outage and Project Services
 V. Nelson Peeler Vice President, Transmission Systems Operations
 Tom Silinski Vice President, Human Resources Operations

Resignations effective 05/16/16:

Brian D. Savoy Senior Vice President
 Brian D. Savoy Chief Accounting Officer
 Brian D. Savoy Controller

Resignations effective 05/01/16:

Melissa H. Anderson Senior Vice President
 Melissa H. Anderson Chief Human Resources Officer
 Dhiaa M. Jamil Executive Vice President
 Dhiaa M. Jamil President, Generation and Transmission
 A.R. Mullinax Executive Vice President, Strategic Services

Resignations effective 04/19/16:

George T. Hamrick Vice President, Coal Combustion Products

Resignations effective 04/11/16:

Sandra S. Wyckoff Vice President, Ethics and Compliance
 Sandra S. Wyckoff Chief Ethics Officer

There are no changes in major security holders and voting powers of Duke Energy Kentucky, Inc that occurred during the first quarter of 2016.

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the first quarter of 2016 are as follows:

Appointments effective 2/01/16

Keith G. Butler Senior Vice President, Global Risk Management and Insurance
 Keith G. Butler Chief Risk Officer
 Stephen G. De May Senior Vice President, Tax
 John B. Scheidler Assistant Corporate Secretary

Appointments effective 1/06/16

Jeffrey M. Stone Vice President, Corporate Audit Services
 John L. Sullivan, III Assistant Treasurer
 Sandra S. Wyckoff Vice President, Ethics and Compliance
 Sandra S. Wyckoff Chief Ethics Officer

Resignations effective 3/31/16

Charles M. Gates Senior Vice President, Chief Fossil/Hydro Officer

Resignations effective 2/26/16

Jennifer L. Weber Executive Vice President, External Affairs and Strategic Policy

Resignations effective 2/01/16

Keith G. Butler Vice President, Tax
 Dwight L. Jacobs Senior Vice President, Global Risk Management and Insurance
 Dwight L. Jacobs Chief Risk Officer

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
Important Changes During the Quarter/Year			

Resignations effective 1/06/16

John Elnitsky Senior Vice President, Ash Basin Strategy
Jeffrey M. Stone Vice President, Internal Audit, Ethics and Compliance
Sandra S. Wyckoff Assistant Treasurer

13. N/A

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Comparative Balance Sheet (Assets and Other Debits)				
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	2,052,384,114	2,036,397,765
3	Construction Work in Progress (107)	200-201	63,832,972	43,361,285
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	2,116,217,086	2,079,759,050
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,001,008,038	978,193,739
6	Net Utility Plant (Total of line 4 less 5)		1,115,209,048	1,101,565,311
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	0
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	0
9	Nuclear Fuel (Total of line 7 less 8)		0	0
10	Net Utility Plant (Total of lines 6 and 9)		1,115,209,048	1,101,565,311
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored-Base Gas (117.1)	220	0	0
13	System Balancing Gas (117.2)	220	0	0
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	0	0
15	Gas Owed to System Gas (117.4)	220	0	0
16	OTHER PROPERTY AND INVESTMENTS			
17	Nonutility Property (121)		2,206	2,206
18	(Less) Accum. Provision for Depreciation and Amortization (122)		0	0
19	Investments in Associated Companies (123)	222-223	0	0
20	Investments in Subsidiary Companies (123.1)	224-225	0	0
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)			
22	Noncurrent Portion of Allowances		0	0
23	Other Investments (124)	222-223	1,500	1,500
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		1,715,645	1,121,197
28	Long-Term Portion of Derivative Assets (175)		954,187	0
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		2,673,538	1,124,903
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)		6,533,836	9,140,810
33	Special Deposits (132-134)		0	0
34	Working Funds (135)		0	0
35	Temporary Cash Investments (136)	222-223	0	0
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		929,120	5,013,100
38	Other Accounts Receivable (143)		874,735	4,706,764
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		140,798	195,051
40	Notes Receivable from Associated Companies (145)		18,389,762	10,137,088
41	Accounts Receivable from Associated Companies (146)		4,392,007	1,362,224
42	Fuel Stock (151)		24,608,235	22,581,326
43	Fuel Stock Expenses Undistributed (152)		0	0

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Comparative Balance Sheet (Assets and Other Debits)(continued)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0	
45	Plant Materials and Operating Supplies (154)		20,679,892	20,450,713	
46	Merchandise (155)		0	0	
47	Other Materials and Supplies (156)		0	0	
48	Nuclear Materials Held for Sale (157)		0	0	
49	Allowances (158.1 and 158.2)		50,652	73,231	
50	(Less) Noncurrent Portion of Allowances		0	0	
51	Stores Expense Undistributed (163)		336,171	1,109,030	
52	Gas Stored Underground-Current (164.1)	220	3,412,415	0	
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0	
54	Prepayments (165)	230	491,138	856,973	
55	Advances for Gas (166 thru 167)		0	0	
56	Interest and Dividends Receivable (171)		0	0	
57	Rents Receivable (172)		2,500	2,500	
58	Accrued Utility Revenues (173)		0	0	
59	Miscellaneous Current and Accrued Assets (174)		14,017,712	20,285,345	
60	Derivative Instrument Assets (175)		4,916,554	2,912,924	
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		954,187	0	
62	Derivative Instrument Assets - Hedges (176)		0	0	
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0	
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		98,529,744	98,438,977	
65	DEFERRED DEBITS				
66	Unamortized Debt Expense (181)		1,736,629	1,306,096	
67	Extraordinary Property Losses (182.1)	230	0	0	
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0	
69	Other Regulatory Assets (182.3)	232	100,178,941	48,159,201	
70	Preliminary Survey and Investigation Charges (Electric)(183)		143,374	1,355,886	
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		0	0	
72	Clearing Accounts (184)		(16)	24	
73	Temporary Facilities (185)		0	0	
74	Miscellaneous Deferred Debits (186)	233	680,254	28,538,033	
75	Deferred Losses from Disposition of Utility Plant (187)		0	0	
76	Research, Development, and Demonstration Expend. (188)		0	0	
77	Unamortized Loss on Reacquired Debt (189)		1,454,906	1,721,380	
78	Accumulated Deferred Income Taxes (190)	234-235	32,002,628	40,297,566	
79	Unrecovered Purchased Gas Costs (191)		1,627,916	578,873	
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		137,824,632	122,957,059	
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		1,354,236,962	1,324,084,250	

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Comparative Balance Sheet (Liabilities and Other Credits)				
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock issued (201)	250-251	8,779,995	8,779,995
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	18,838,946	18,838,946
7	Other Paid-In Capital (208-211)	253	148,655,189	148,655,189
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	260,741,367	228,157,429
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	0	0
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		437,015,497	404,431,559
16	LONG TERM DEBT			
17	Bonds (221)	256-257	0	0
18	(Less) Reacquired Bonds (222)	256-257	0	0
19	Advances from Associated Companies (223)	256-257	25,000,000	25,000,000
20	Other Long-Term Debt (224)	256-257	336,720,000	291,720,000
21	Unamortized Premium on Long-Term Debt (225)	258-259	0	0
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	337,948	388,093
23	(Less) Current Portion of Long-Term Debt		0	50,000,000
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		361,382,052	266,331,907
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases-Noncurrent (227)		1,465,571	2,151,880
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		(57,669)	(40,546)
29	Accumulated Provision for Pensions and Benefits (228.3)		14,974,925	11,648,663
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0

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Comparative Balance Sheet (Liabilities and Other Credits)(continued)				
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
32	Long-Term Portion of Derivative Instrument Liabilities		5,110,664	5,735,787
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		52,822,086	103,500,128
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		74,315,577	122,995,912
36	CURRENT AND ACCRUED LIABILITIES			
37	Current Portion of Long-Term Debt		0	50,000,000
38	Notes Payable (231)		0	0
39	Accounts Payable (232)		31,671,028	25,682,371
40	Notes Payable to Associated Companies (233)		19,656,000	55,743,000
41	Accounts Payable to Associated Companies (234)		12,575,250	14,418,085
42	Customer Deposits (235)		10,269,585	10,130,787
43	Taxes Accrued (236)	262-263	11,102,968	(4,099,457)
44	Interest Accrued (237)		4,227,363	3,340,930
45	Dividends Declared (238)		0	0
46	Matured Long-Term Debt (239)		0	0
47	Matured Interest (240)		0	0
48	Tax Collections Payable (241)		1,769,826	1,586,741
49	Miscellaneous Current and Accrued Liabilities (242)	268	16,932,837	10,385,150
50	Obligations Under Capital Leases-Current (243)		686,310	1,519,753
51	Derivative Instrument Liabilities (244)		5,943,438	6,650,693
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		5,110,664	5,735,787
53	Derivative Instrument Liabilities - Hedges (245)		0	0
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		109,723,941	169,622,266
56	DEFERRED CREDITS			
57	Customer Advances for Construction (252)		1,434,379	981,414
58	Accumulated Deferred Investment Tax Credits (255)		685,347	886,573
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	20,046,049	25,093,634
61	Other Regulatory Liabilities (254)	278	5,986,078	3,791,681
62	Unamortized Gain on Reacquired Debt (257)	260	0	0
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		190,426	190,426
64	Accumulated Deferred Income Taxes - Other Property (282)		318,877,109	317,823,685
65	Accumulated Deferred Income Taxes - Other (283)		24,580,507	11,935,193
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		371,799,895	360,702,606
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		1,354,236,962	1,324,084,250

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Statement of Income

Quarterly
 1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
 2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
 3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
 4. If additional columns are needed place them in a footnote.

Annual or Quarterly, if applicable
 5. Do not report fourth quarter data in columns (e) and (f)
 6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
 7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
 8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
 9. Use page 122 for important notes regarding the statement of income for any account thereof.
 10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
 11. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
 12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
 13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
 14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
 15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	440,779,989	466,754,287	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	270,158,902	287,322,431	0	0
5	Maintenance Expenses (402)	317-325	33,479,990	32,137,254	0	0
6	Depreciation Expense (403)	336-336	41,052,844	40,995,981	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-336	0	0	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	2,615,436	2,816,564	0	0
9	Amortization of Utility Plant Acc. Adjustment (406)	336-338	0	0	0	0
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		0	0	0	0
11	Amortization of Conversion Expenses (407.2)		0	0	0	0
12	Regulatory Debits (407.3)		5,017,219	2,310,291	0	0
13	(Less) Regulatory Credits (407.4)		1,064,723	399,545	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	14,536,730	12,963,083	0	0
15	Income Taxes-Federal (409.1)	262-263	(3,732,567)	1,655,907	0	0
16	Income Taxes-Other (409.1)	262-263	(872,454)	(794,708)	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	90,755,536	144,168,278	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	69,127,951	117,061,600	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		(90,146)	(97,216)	0	0
20	(Less) Gains from Disposition of Utility Plant (411.5)		0	0	0	0
21	Losses from Disposition of Utility Plant (411.7)		0	0	0	0
22	(Less) Gains from Disposition of Allowances (411.8)		0	8,051	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		0	0	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		382,728,816	405,908,679	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		58,051,173	60,845,608	0	0

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Statement of Income(continued)						
Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		58,051,173	60,845,608	0	0
28	OTHER INCOME AND DEDUCTIONS					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues from Merchandising, Jobbing and Contract Work (415)		660,081	581,953	0	0
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (418)		239,363	183,752	0	0
33	Revenues from Nonutility Operations (417)		1,059	39,729	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		34,201	111,578	0	0
35	Nonoperating Rental Income (418)		0	0	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	0	0	0	0
37	Interest and Dividend Income (419)		990,145	1,019,460	0	0
38	Allowance for Other Funds Used During Construction (419.1)		1,332,221	619,464	0	0
39	Miscellaneous Nonoperating Income (421)		(1,405)	54	0	0
40	Gain on Disposition of Property (421.1)		38,549	240,478	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		2,747,696	2,205,608	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		10,853	(4,832)	0	0
44	Miscellaneous Amortization (425)		0	0	0	0
45	Donations (426.1)	340	418,773	483,274	0	0
46	Life Insurance (426.2)		0	0	0	0
47	Penalties (426.3)		8,087	1,149	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		502,347	441,036	0	0
49	Other Deductions (426.5)		1,107,036	960,110	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	2,047,096	1,888,737	0	0
51	Taxes Applicable to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	100,069	128,257	0	0
53	Income Taxes-Federal (409.2)	262-263	3,152,242	3,288,690	0	0
54	Income Taxes-Other (409.2)	262-263	511,744	549,325	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	227,382	6,808,421	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	3,734,569	10,280,872	0	0
57	Investment Tax Credit Adjustments-Net (411.5)		(42,057)	(75,340)	0	0
58	(Less) Investment Tax Credits (420)		0	0	0	0
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		214,811	416,481	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		485,179	(97,410)	0	0
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		13,759,989	12,168,565	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	748,311	417,713	0	0
64	Amortization of Loss on Recaptured Debt (428.1)		266,474	266,474	0	0
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259	0	0	0	0
66	(Less) Amortization of Gain on Recaptured Debt-Credit (429.1)		0	0	0	0
67	Interest on Debt to Associated Companies (430)	340	229,106	189,334	0	0
68	Other Interest Expense (431)	340	1,485,998	1,755,051	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		537,434	224,569	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		15,952,414	14,572,568	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		42,583,938	46,175,530	0	0
72	EXTRAORDINARY ITEMS					
73	Extraordinary Income (434)		0	0	0	0
74	(Less) Extraordinary Deductions (435)		0	0	0	0
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0	0	0
76	Income Taxes-Federal and Other (409.3)	262-263	0	0	0	0
77	Extraordinary Items after Taxes (Total of line 75 less line 76)		0	0	0	0
78	Net Income (Total of lines 71 and 77)		42,583,938	46,175,630	0	0

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Statement of Income						
Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2	347,770,121	362,301,964	93,009,868	104,452,723	0	0
3						
4	216,207,681	224,547,449	53,951,221	62,774,982	0	0
5	31,608,037	30,238,515	1,871,953	1,898,739	0	0
6	30,121,128	30,294,923	10,931,716	10,701,058	0	0
7	0	0	0	0	0	0
8	1,784,095	2,002,497	831,341	814,057	0	0
9	0	0	0	0	0	0
10	0	0	0	0	0	0
11	0	0	0	0	0	0
12	2,223,229	211,341	2,793,990	2,098,950	0	0
13	1,064,723	399,545	0	0	0	0
14	9,677,833	8,885,417	4,858,897	4,077,676	0	0
15	(10,640,581)	(6,384,426)	6,908,014	7,940,333	0	0
16	(1,978,199)	(1,731,081)	1,105,745	936,373	0	0
17	84,050,726	134,318,382	6,704,810	9,849,896	0	0
18	58,832,752	105,992,512	10,295,199	11,069,088	0	0
19	(21,438)	(28,061)	(68,708)	(69,155)	0	0
20	0	0	0	0	0	0
21	0	0	0	0	0	0
22	0	8,051	0	0	0	0
23	0	0	0	0	0	0
24	0	0	0	0	0	0
25	303,135,036	315,954,848	79,593,780	89,953,831	0	0
26	44,635,085	46,346,716	13,416,088	14,498,892	0	0

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Statement of Accumulated Comprehensive Income and Hedging Activities					
<p>1. Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.</p> <p>2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.</p> <p>3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.</p>					
Line No.	Item (a)	Unrealized Gains and Losses on available-for-sale securities (b)	Minimum Pension liability Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value				
4	Total (lines 2 and 3)				
5	Balance of Account 219 at End of Preceding Quarter/Year				
6	Balance of Account 219 at Beginning of Current Year				
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value				
9	Total (lines 7 and 8)				
10	Balance of Account 219 at End of Current Quarter/Year				

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Statement of Accumulated Comprehensive Income and Hedging Activities(continued)					
Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Insert Footnote at Line 1 to specify category] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 116, Line 7B) (i)	Total Comprehensive Income (j)
1					
2					
3					
4				46,175,630	46,175,630
5					
6					
7					
8					
9				42,583,938	42,583,938
10					

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Statement of Retained Earnings

- Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
- Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
- State the purpose and amount for each reservation or appropriation of retained earnings.
- List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
- Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter Year to Date Balance (c)	Previous Quarter Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		228,157,429	236,981,799
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	TOTAL Credits to Retained Earnings (Account 439) (footnote details)			
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		42,583,938	46,175,630
7	Appropriations of Retained Earnings (Account 436)			
8	TOTAL Appropriations of Retained Earnings (Account 436) (footnote details)			
9	Dividends Declared-Preferred Stock (Account 437)			
10	TOTAL Dividends Declared-Preferred Stock (Account 437) (footnote details)			
11	Dividends Declared-Common Stock (Account 438)			
12	TOTAL Dividends Declared-Common Stock (Account 438) (footnote details)	131	10,000,000	55,000,000
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings			
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		260,741,367	228,157,429
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)			
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines			
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		260,741,367	228,157,429
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)			
23	Equity in Earnings for Year (Credit) (Account 418.1)			
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
26	Balance-End of Year			

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FOOTNOTE DATA			

Schedule Page: 118 Line No.: 12 Column: c	
October 2016 Common Stock Dividend	\$10,000,000
Schedule Page: 118 Line No.: 12 Column: d	
July 2015 Common Stock Dividend	\$35,000,000
November 2015 Common Stock Dividend	\$20,000,000

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/13/2017	End of 2016/Q4
Statement of Cash Flows				
<p>(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instructions for explanation of codes)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year	
	(a)			
1	Net Cash Flow from Operating Activities			
2	Net Income (Line 78(c) on page 116)	42,583,938	46,175,630	
3	Noncash Charges (Credits) to Income:			
4	Depreciation and Depletion	41,052,844	40,995,981	
5	Amortization of (Specify) (footnote details)	3,630,221	3,500,751	
6	Deferred Income Taxes (Net)	18,120,398	23,634,227	
7	Investment Tax Credit Adjustments (Net)	(132,203)	(172,556)	
8	Net (Increase) Decrease in Receivables	(3,410,701)	8,336,850	
9	Net (Increase) Decrease in Inventory	(4,895,644)	8,758,879	
10	Net (Increase) Decrease in Allowances Inventory	22,579	(49,168)	
11	Net Increase (Decrease) in Payables and Accrued Expenses	28,166,317	(14,622,101)	
12	Net (Increase) Decrease in Other Regulatory Assets	(21,070,168)	(19,245,018)	
13	Net Increase (Decrease) in Other Regulatory Liabilities	(1,685,767)	3,233,693	
14	(Less) Allowance for Other Funds Used During Construction	1,332,221	619,464	
15	(Less) Undistributed Earnings from Subsidiary Companies			
16	Other (footnote details):	5,976,948	8,153,138	
17	Net Cash Provided by (Used in) Operating Activities			
18	(Total of Lines 2 thru 16)	107,026,541	108,080,842	
19				
20	Cash Flows from Investment Activities:			
21	Construction and Acquisition of Plant (including land):			
22	Gross Additions to Utility Plant (less nuclear fuel)	(109,720,103)	(73,159,764)	
23	Gross Additions to Nuclear Fuel			
24	Gross Additions to Common Utility Plant	456,540	(630,938)	
25	Gross Additions to Nonutility Plant			
26	(Less) Allowance for Other Funds Used During Construction	(1,332,221)	(619,464)	
27	Other (footnote details):			
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(107,931,342)	(73,171,238)	
29				
30	Acquisition of Other Noncurrent Assets (d)			
31	Proceeds from Disposal of Noncurrent Assets (d)			
32				
33	Investments in and Advances to Assoc. and Subsidiary Companies			
34	Contributions and Advances from Assoc. and Subsidiary Companies			
35	Disposition of Investments in (and Advances to)			
36	Associated and Subsidiary Companies			
37				
38	Purchase of Investment Securities (a)			
39	Proceeds from Sales of Investment Securities (a)			

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Statement of Cash Flows (continued)				
Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year	
40	Loans Made or Purchased			
41	Collections on Loans			
42				
43	Net (Increase) Decrease in Receivables			
44	Net (Increase) Decrease in Inventory			
45	Net (Increase) Decrease in Allowances Held for Speculation			
46	Net Increase (Decrease) in Payables and Accrued Expenses			
47	Other (footnote details):			
48	Net Cash Provided by (Used in) Investing Activities			
49	(Total of lines 28 thru 47)	(107,931,342)	(73,171,238)	
50				
51	Cash Flows from Financing Activities:			
52	Proceeds from Issuance of:			
53	Long-Term Debt (b)	95,000,000		
54	Preferred Stock			
55	Common Stock			
56	Other (footnote details):			
57	Net Increase in Short-term Debt (c)			
58	Other (footnote details):			
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	95,000,000		
60				
61	Payments for Retirement of:			
62	Long-Term Debt (b)	(50,000,000)		
63	Preferred Stock			
64	Common Stock			
65	Other (footnote details):	(36,087,000)	18,134,000	
66	Net Decrease in Short-Term Debt (c)			
67	Premium Payments and Fees on Deferred Debits	(615,173)	(209,702)	
68	Dividends on Preferred Stock			
69	Dividends on Common Stock	(10,000,000)	(55,000,000)	
70	Net Cash Provided by (Used in) Financing Activities			
71	(Total of lines 59 thru 69)	(1,702,173)	(37,075,702)	
72				
73	Net Increase (Decrease) in Cash and Cash Equivalents			
74	(Total of line 18, 49 and 71)	(2,606,974)	(2,166,098)	
75				
76	Cash and Cash Equivalents at Beginning of Period	9,140,810	11,306,908	
77				
78	Cash and Cash Equivalents at End of Period	6,533,836	9,140,810	

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	2016/Q4
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 16 Column: c

Unrecovered Purchased Gas Costs	2,016,229
Prepayments	1,496,140
Clearing Accounts	5,340
Miscellaneous Current and Accrued Assets	2,944,234
Miscellaneous Deferred Debits	4,930,724
Obligations Under Capital Leases - Non-current	(1,519,751)
Accumulated Provisions	474,474
Customer Advances for Construction	226,855
Other Deferred Credits	(898,677)
Contribution to Company Sponsored Pension Plan	(2,203,439)
Net Utility Plant and Non Utility Property	1,738,651
Deferred Income Taxes	(2,528,977)
Derivative Instruments Liabilities	(25,569)
Preliminary Survey and Investigation Charges	773,507
Debt Expenses	723,397
	<u>8,153,138</u>

Schedule Page: 120 Line No.: 16 Column: b

Unrecovered Purchased Gas Costs	(1,257,488)
Prepayments	2,224,062
Clearing Accounts	40
Miscellaneous Current and Accrued Assets	6,267,632
Derivative Instrument Assets	(8,765)
Miscellaneous Deferred Debits	2,635,555
Obligations Under Capital Leases - Non-current	(686,309)
Accumulated Provisions	(1,107,723)
Customer Advances for Construction	452,965
Other Deferred Credits	(891,996)
Contribution to Company Sponsored Pension Plan	(1,443,420)
Net Utility Plant and Nonutility Property	(4,346,667)
Deferred Income Taxes	3,804,255
Derivative Instruments Liabilities	(82,132)
Preliminary Survey and Investigative Charges	1,212,512
Debt Expenses	(513,525)
Other Investments	<u>(282,048)</u>
	<u>5,976,948</u>

Schedule Page: 120 Line No.: 65 Column: b

Intercompany Moneypool Payable (\$36,087,000)

Schedule Page: 120 Line No.: 65 Column: c

Intercompany Moneypool Payable \$18,134,000

Schedule Page: 120 Line No.: 78 Column: b

<u>Supplemental Disclosures (in thousands) :</u>	<u>YTD</u>	<u>YTD</u>
	<u>DEC 16</u>	<u>DEC 15</u>
Cash paid for interest, net of amount capitalized	\$12,986	\$13,492
Cash paid / (refunded) for income taxes	(\$18,335)	\$13,146

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

<u>Significant non-cash transactions (in thousands) :</u>	<u>YTD</u>	<u>YTD</u>
	<u>DEC 16</u>	<u>DEC 15</u>
AFUDC - Equity Component	\$ 1,332	\$ 619
Accrued Capital Expenditures	\$ 12,594	\$7,337

<u>Cash and Cash Equivalent at End of Period:</u>	<u>YTD</u>	<u>YTD</u>
	<u>DEC 16</u>	<u>DEC 15</u>
Cash (131)	\$ 6,533,836	\$ 9,140,810
Working Funds (135)	0	0
Temporary Cash Investments (136)	0	0
	<u>\$ 6,533,836</u>	<u>\$ 9,140,810</u>

Schedule Page: 120 Line No.: 5 Column: b

Amortization of:

Plant Items	2,615,436
Debt Discount, Premium, Expense and Loss on Reacquired Debt	<u>1,014,785</u>
Total Amortization	<u>3,630,221</u>

Schedule Page: 120 Line No.: 5 Column: c

Amortization of:

Plant Items	\$ 2,816,564
Debt Discount, Premium, Expense and Loss on Reacquired Debt	<u>\$ 684,187</u>
Total Amortization	<u>\$ 3,500,751</u>

Name of Respondent		This Report Is:		Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	04/13/2017	End of 2016/Q4
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion					
Line No.	Item (a)	Total Company For the Current Quarter/Year			
1	UTILITY PLANT				
2	In Service				
3	Plant In Service (Classified)	1,822,629,004			
4	Property Under Capital Leases	20,848,610			
5	Plant Purchased or Sold				
6	Completed Construction not Classified	208,906,500			
7	Experimental Plant Unclassified				
8	TOTAL Utility Plant (Total of lines 3 thru 7)	2,052,384,114			
9	Leased to Others				
10	Held for Future Use				
11	Construction Work in Progress	63,832,972			
12	Acquisition Adjustments				
13	TOTAL Utility Plant (Total of lines 8 thru 12)	2,116,217,086			
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,001,008,038			
15	Net Utility Plant (Total of lines 13 and 14)	1,115,209,048			
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
17	In Service:				
18	Depreciation	959,817,005			
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights				
20	Amortization of Underground Storage Land and Land Rights				
21	Amortization of Other Utility Plant	41,191,033			
22	TOTAL In Service (Total of lines 18 thru 21)	1,001,008,038			
23	Leased to Others				
24	Depreciation				
25	Amortization and Depletion				
26	TOTAL Leased to Others (Total of lines 24 and 25)				
27	Held for Future Use				
28	Depreciation				
29	Amortization				
30	TOTAL Held for Future Use (Total of lines 28 and 29)				
31	Abandonment of Leases (Natural Gas)				
32	Amortization of Plant Acquisition Adjustment				
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	1,001,008,038			

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (continued)					
Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)	
1					
2					
3	1,430,228,185	351,208,384			41,192,435
4	2,624,135	18,224,475			
5					
6	108,661,728	98,742,770			1,502,002
7					
8	1,541,514,048	468,175,629			42,694,437
9					
10					
11	53,259,515	10,261,051			312,406
12					
13	1,594,773,563	478,436,680			43,006,843
14	807,691,230	156,557,866			36,758,942
15	787,082,333	321,878,814			6,247,901
16					
17					
18	798,057,715	151,560,065			10,199,225
19					
20					
21	9,633,515	4,997,801			26,559,717
22	807,691,230	156,557,866			36,758,942
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33	807,691,230	156,557,866			36,758,942

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Gas Plant in Service (Accounts 101, 102, 103, and 106)				
<p>1. Report below the original cost of gas plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.</p> <p>3. Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).</p>				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
1	INTANGIBLE PLANT			
2	301 Organization			
3	302 Franchises and Consents			
4	303 Miscellaneous Intangible Plant	3,970,356		2,250,500
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	3,970,356		2,250,500
6	PRODUCTION PLANT			
7	Natural Gas Production and Gathering Plant			
8	325.1 Producing Lands			
9	325.2 Producing Leaseholds			
10	325.3 Gas Rights			
11	325.4 Rights-of-Way			
12	325.5 Other Land and Land Rights			
13	326 Gas Well Structures			
14	327 Field Compressor Station Structures			
15	328 Field Measuring and Regulating Station Equipment			
16	329 Other Structures			
17	330 Producing Gas Wells-Well Construction			
18	331 Producing Gas Wells-Well Equipment			
19	332 Field Lines			
20	333 Field Compressor Station Equipment			
21	334 Field Measuring and Regulating Station Equipment			
22	335 Drilling and Cleaning Equipment			
23	336 Purification Equipment			
24	337 Other Equipment			
25	338 Unsuccessful Exploration and Development Costs			
26	339 Asset Retirement Costs for Natural Gas Production and			
27	TOTAL Production and Gathering Plant (Enter Total of lines 8			
28	PRODUCTS EXTRACTION PLANT			
29	340 Land and Land Rights			
30	341 Structures and Improvements			
31	342 Extraction and Refining Equipment			
32	343 Pipe Lines			
33	344 Extracted Products Storage Equipment			

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
34	345 Compressor Equipment			
35	346 Gas Measuring and Regulating Equipment			
36	347 Other Equipment			
37	348 Asset Retirement Costs for Products Extraction Plant			
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)			
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and			
40	Manufactured Gas Production Plant (Submit Supplementary	7,569,222	250,908	
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	7,569,222	250,908	
42	NATURAL GAS STORAGE AND PROCESSING PLANT			
43	Underground Storage Plant			
44	350.1 Land			
45	350.2 Rights-of-Way			
46	351 Structures and Improvements			
47	352 Wells			
48	352.1 Storage Leaseholds and Rights			
49	352.2 Reservoirs			
50	352.3 Non-recoverable Natural Gas			
51	353 Lines			
52	354 Compressor Station Equipment			
53	355 Other Equipment			
54	356 Purification Equipment			
55	357 Other Equipment			
56	358 Asset Retirement Costs for Underground Storage Plant			
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru			
58	Other Storage Plant			
59	360 Land and Land Rights			
60	361 Structures and Improvements			
61	362 Gas Holders			
62	363 Purification Equipment			
63	363.1 Liquefaction Equipment			
64	363.2 Vaporizing Equipment			
65	363.3 Compressor Equipment			
66	363.4 Measuring and Regulating Equipment			
67	363.5 Other Equipment			
68	363.6 Asset Retirement Costs for Other Storage Plant			
69	TOTAL Other Storage Plant (Enter Total of lines 58 thru 68)			
70	Base Load Liquefied Natural Gas Terminating and Processing Plant			
71	364.1 Land and Land Rights			
72	364.2 Structures and Improvements			
73	364.3 LNG Processing Terminal Equipment			
74	364.4 LNG Transportation Equipment			
75	364.5 Measuring and Regulating Equipment			
76	364.6 Compressor Station Equipment			
77	364.7 Communications Equipment			
78	364.8 Other Equipment			
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas			
80	TOTAL Base Load Liquefied Nat'l Gas, Terminating and			

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/13/2017	End of 2016/Q4
Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57,			
82	TRANSMISSION PLANT			
83	365.1 Land and Land Rights			
84	365.2 Rights-of-Way			
85	366 Structures and Improvements			
86	367 Mains			
87	368 Compressor Station Equipment			
88	369 Measuring and Regulating Station Equipment			
89	370 Communication Equipment			
90	371 Other Equipment			
91	372 Asset Retirement Costs for Transmission Plant			
92	TOTAL Transmission Plant (Enter Totals of lines 83 thru 91)			
93	DISTRIBUTION PLANT			
94	374 Land and Land Rights	1,138,477		
95	375 Structures and Improvements	172,474		221,720
96	376 Mains	254,546,700		8,490,696
97	377 Compressor Station Equipment			
98	378 Measuring and Regulating Station Equipment-General	7,646,711		2,514,155
99	379 Measuring and Regulating Station Equipment-City Gate			
100	380 Services	129,722,008		10,982,074
101	381 Meters	12,448,193		2,268,594
102	382 Meter Installations	10,117,164		
103	383 House Regulators	7,061,433		
104	384 House Regulator Installations	5,939,557		
105	385 Industrial Measuring and Regulating Station Equipment	519,875		
106	386 Other Property on Customers' Premises			
107	387 Other Equipment	49,737		
108	388 Asset Retirement Costs for Distribution Plant	1,770,978		344,455
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)	431,131,307		24,821,694
110	GENERAL PLANT			
111	389 Land and Land Rights			
112	390 Structures and Improvements			
113	391 Office Furniture and Equipment	492,117		28,685
114	392 Transportation Equipment	65,845		
115	393 Stores Equipment			
116	394 Tools, Shop, and Garage Equipment	2,510,891		(841,997)
117	395 Laboratory Equipment			
118	396 Power Operated Equipment	47,221		
119	397 Communication Equipment	7,409		37,093
120	398 Miscellaneous Equipment	83,592		
121	Subtotal (Enter Total of lines 111 thru 120)	3,207,075		(776,219)
122	399 Other Tangible Property			
123	399.1 Asset Retirement Costs for General Plant			
124	TOTAL General Plant (Enter Total of lines 121, 122 and 123)	3,207,075		(776,219)
125	TOTAL (Accounts 101 and 106)	445,877,960		26,546,883
126	Gas Plant Purchased (See Instruction 8)			
127	(Less) Gas Plant Sold (See Instruction 8)			
128	Experimental Gas Plant Unclassified			
129	TOTAL Gas Plant In Service (Enter Total of lines 125 thru 128)	445,877,960		26,546,883

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				
3				
4				6,220,856
5				6,220,856
6				
7				
8				
9				
10				
11				
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Gas Plant in Service (Accounts 101, 102, 103, and 108) (continued)					
Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	
34					
35					
36					
37					
38					
39					
40					7,820,130
41					7,820,130
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)					
Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92					
93					
94					1,138,477
95					394,194
96	201,800				262,835,596
97					
98					10,160,866
99					
100	355,078				140,349,004
101	4,235,134		1,101,836		11,581,489
102			307,676		10,424,840
103	245,745				6,815,688
104	261				5,939,296
105					519,875
106					
107					49,737
108	(126,702)				2,242,135
109	4,911,316		1,409,512		452,451,197
110					
111					
112					
113	332,328				188,474
114					65,845
115					
116	367,861				1,301,033
117					
118	47,221				
119					44,502
120					83,592
121	747,410				1,683,446
122					
123					
124	747,410				1,683,446
125	5,658,726		1,409,512		468,175,629
126					
127					
128					
129	5,658,726		1,409,512		468,175,629

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Gas Property and Capacity Leased from Others					
<p>1. Report below the information called for concerning gas property and capacity leased from others for gas operations. 2. For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).</p>					
Line No.	Name of Lessor (a)	*	Description of Lease (c)	Lease Payments for Current Year (d)	
1	2007 Bank of America Leasing & Capital		Meters	907,619	
2	2009 Bank of America Leasing & Capital		Meters	431,579	
3	2010 Bank of America Leasing & Capital		Meters	111,975	
4	Erlanger		Service Center	251,175	
5					
6					
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44					
45	Total			1,702,348	

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Gas Property and Capacity Leased to Others					
1. For all leases in which the average lease income over the initial term of the lease exceeds \$500,000 provide in column (c), a description of each facility or leased capacity that is classified as gas plant in service, and is leased to others for gas operations. 2. In column (d) provide the lease payments received from others. 3. Designate associated companies with an asterisk in column (b).					
Line No.	Name of Lessor (a)	*	Description of Lease (c)	Lease Payments for Current Year (d)	
1					
2					
3					
4					
5					
6					
7					
8					
9					
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42					
43					
44					
45	Total				

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Gas Plant Hold for Future Use (Account 106)					
<p>1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.</p> <p>2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.</p>					
Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)	
1	None				
2					
3					
4					
5					
6					
7					
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44					
45	Total				

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
Construction Work in Progress-Gas (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (Account 107). 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts). 3. Minor projects (less than \$1,000,000) may be grouped.				
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)	
1				
2				
3				
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44				
45	Total			

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Non-Traditional Rate Treatment Afforded New Projects				
<p>1. The Commission's Certificate Policy Statement provides a threshold requirement for existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. See Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC P61,227 (1999); order clarifying policy, 90 FERC P61,128 (2000); order clarifying policy, 92 FERC P61,094 (2000) (Policy Statement). In column a, list the name of the facility granted non-traditional rate treatment.</p> <p>2. In column b, list the CP Docket Number where the Commission authorized the facility.</p> <p>3. In column c, indicate the type of rate treatment approved by the Commission (e.g. incremental, at risk)</p> <p>4. In column d, list the amount in Account 101, Gas Plant in Service, associated with the facility.</p> <p>5. In column e, list the amount in Account 108, Accumulated Provision for Depreciation of Gas Utility Plant, associated with the facility.</p>				
Line No.	Name of Facility (a)	CP Docket No. (b)	Type of Rate Treatment (c)	Gas Plant in Service (d)
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Total				0

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4		
Non-Traditional Rate Treatment Afforded New Projects (continued)							
6. In column f, list the amount in Account 190, Accumulated Deferred Income Tax; Account 281, Accumulated Deferred Income Taxes – Accelerated Amortization Property; Account 282, Accumulated Deferred Income Taxes – Other Property; Account 283, Accumulated Deferred Income Taxes – Other, associated with the facility. 7. In column g, report the total amount included in the gas operations expense accounts during the year related to the facility (Account 401, Operation Expense). 8. In column h, report the total amount included in the gas maintenance expense accounts during the year related to the facility. 9. In column i, report the amount of depreciation expense accrued on the facility during the year. 10. In column j, list any other expenses (including taxes) allocated to the facility. 11. In column k, report the incremental revenues associated with the facility. 12. Identify the volumes received and used for any incremental project that has a separate fuel rate for that project. 13. Provide the total amounts for each column.							
Line No.	Accumulated Depreciation (e)	Accumulated Deferred Income Taxes (f)	Operating Expense (g)	Maintenance Expense (h)	Depreciation Expense (i)	Other Expenses (including taxes) (j)	Incremental Revenues (k)
1							
2							
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Name of Respondent Duke Energy Kentucky, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
General Description of Construction Overhead Procedure (continued)					
<p>COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES</p> <p>1. For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.</p> <p>2. Identify, in a footnote, the specific entity used as the source for the capital structure figures. -</p> <p>3. Indicate, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.</p>					
1. Components of Formula (Derived from actual book balances and actual cost rates):					
Line No.	Title (a)	Amount (b)	Capitalization Ratio (percent) (c)	Cost Rate Percentage (d)	
(1)	Average Short-Term Debt	S			
(2)	Short-Term Interest			s	
(3)	Long-Term Debt	D		d	
(4)	Preferred Stock	P		p	
(5)	Common Equity	C		c	
(6)	Total Capitalization				
(7)	Average Construction Work in Progress Balance	W			
2. Gross Rate for Borrowed Funds $s(S/W) + d[(D/(D+P+C)) (1-(S/W))]$					
3. Rate for Other Funds $[1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))]$					
4. Weighted Average Rate Actually Used for the Year:					
a. Rate for Borrowed Funds -					
b. Rate for Other Funds -					

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
General Description of Construction Overhead Procedure			

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.

3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

1. CONSTRUCTION OVERHEAD COSTS INCLUDE ENGINEERING AND SUPERVISORY SALARIES, ADMINISTRATIVE AND GENERAL SALARIES AND ASSOCIATED PAYROLL TAXES AND BENEFITS AND EMPLOYEE EXPENSES.

IN GENERAL, IF ENGINEERS, SUPERVISORS, AND CLERICAL EMPLOYEES DEVOTE ALL OR SUBSTANTIALLY ALL OF THEIR TIME TO CAPITAL CONSTRUCTION PROJECTS, THE SALARIES AND RELATED EXPENSES ARE CHARGED DIRECTLY TO THE SPECIFIC CAPITAL CONSTRUCTION PROJECTS.

FOR POWER DELIVERY, CONSTRUCTION OVERHEAD COSTS ARE CHARGED TO THE ALLOCATION POOLS AND FROM THERE TRANSFERRED TO THE SPECIFIC CAPITAL CONSTRUCTION PROJECTS WHERE THE LABOR (INTERNAL AND CONTRACT) WAS CHARGED DURING THE MONTH.

2. ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) IS APPLIED TO THE TOTAL CONSTRUCTION EXPENDITURES, LESS CERTAIN EXCLUSIONS, ON JOBS UNDER CONSTRUCTION. EFFECTIVE JULY 1, 1982, THE RESPONDENT ADOPTED THE PRACTICE OF UPDATING THE AFUDC RATE MONTHLY, AS AUTHORIZED BY THE FEDERAL ENERGY REGULATORY COMMISSION IN A LETTER DATED MAY 27, 1982. THE AVERAGE AFUDC RATE FOR 2016 WAS 6.77%. THE MONTHLY RATE DOES NOT INCLUDE A REDUCTION FOR THE INCOME TAX EFFECT ON THE COST OF DEBT.

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Accumulated Provision for Depreciation of Gas Utility Plant (Account 108)					
1. Explain in a footnote any important adjustments during year. 2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, page 204-209, column (d), excluding retirements of nondepreciable property. 3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications. 4. Show separately interest credits under a sinking fund or similar method of depreciation accounting. 5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.					
Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
Section A. BALANCES AND CHANGES DURING YEAR					
1	Balance Beginning of Year	147,221,675	147,221,675		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	10,931,716	10,931,716		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing				
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):	17,615	17,615		
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	10,949,331	10,949,331		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(4,958,536)	(4,958,536)		
13	Cost of Removal	(1,428,057)	(1,428,057)		
14	Salvage (Credit)	5,059	5,059		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(6,391,652)	(6,391,652)		
16	Other Debit or Credit Items (Describe) (footnote details):	(219,289)	(219,289)		
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	151,560,065	151,560,065		
Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS					
21	Productions-Manufactured Gas	4,269,128	4,269,128		
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage				
25	Other Storage Plant				
26	Base Load LNG Terminaling and Processing Plant				
27	Transmission				
28	Distribution	147,278,595	147,278,595		
29	General	12,342	12,342		
30	TOTAL (Total of lines 21 thru 29)	151,560,065	151,560,065		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
Duke Energy Kentucky, Inc.			
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 8 Column: c	
ARO Gas Depreciation Deferral	17,615
Schedule Page: 219 Line No.: 16 Column: c	
Common Utility Plant Provision	(226,276)
Misc. Transfers/Adjustments	<u>6,987</u>
	(219,289)

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
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Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of								
2	Gas Delivered to Storage								
3	Gas Withdrawn from					841,599			841,599
4	Other Debits and Credits					4,254,014			4,254,014
5	Balance at End of Year					3,412,415			3,412,415
6	Dth					1,026,300			1,026,300
7	Amount Per Dth					3.3250			3.3250

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Investments (Account 123, 124, and 136)

1. Report below Investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.
 2. Provide a subheading for each account and list thereunder the information called for.
 (a) Investment in Securities-List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments) state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.
 (b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	(b)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During the Year (d)
1	124-9 Campbell County Business Dev. Corp		1,500	
2	Date Acquired 06/18/62			
3	Date of Maturity			
4	Capital Stock			
5				
6				
7	Total Account 124		1,500	
8				
9				
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Investments (Account 123, 124, and 136) (continued)

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.

4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.

5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1			1,500		
2					
3					
4					
5					
6					
7			1,500		
8					
9					
10					
11					
12					
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Investments in Subsidiary Companies (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.
 2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).
 (a) Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.
 (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
 3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	N/A			
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40	TOTAL Cost of Account 123.1 \$		TOTAL	

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Investments in Subsidiary Companies (Account 123.1) (continued)					
<p>4. Designate in a footnote, any securities, notes, or accounts that were pledged, and state the name of pledgee and purpose of the pledge.</p> <p>5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.</p> <p>6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.</p> <p>7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost), and the selling price thereof, not including interest adjustments includible in column (f).</p> <p>8. Report on Line 40, column (a) the total cost of Account 123.1.</p>					
Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

PREPAYMENTS (ACCOUNT 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	
2	Prepaid Rents	
3	Prepaid Taxes	
4	Prepaid Interest	
5	Miscellaneous Prepayments	491,138
6	TOTAL	491,138

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
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**Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)
 (continued)**

EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182.1)

Line No.	Description of Extraordinary Loss (include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)) Add rows as necessary to report all data. (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
7	NOT APPLICABLE						
8							
9							
10							
11							
12							
13							
14							
15	Total						

Name of Respondent Duke Energy Kentucky, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4		
Prepayments (Acct 166), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2) (continued)							
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2)							
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses. (a)	Balance at Beginning of Year (b)	Total Amount of Charges (c)	Costs Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
16	NOT APPLICABLE						
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	Total						

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4		
Other Regulatory Assets (Account 182.3)							
<p>1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).</p> <p>2. For regulatory assets being amortized, show period of amortization in column (a).</p> <p>3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes.</p> <p>4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.</p> <p>5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).</p>							
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
1	INCOME TAXES	1,965,263	7,194,346	Various	6,981,216		2,178,393
2							
3	DEMAND SIDE MANAGEMENT COSTS	6,662,855	841,415	407 3,557	5,843,572		1,660,598
4	(Amortized in accordance with rider revenue)						
5	- Order # 2015-368						
6							
7	ARO OTHER REGULATORY ASSET	2,271,628	238,080	403.1	147,275		2,362,433
8							
9	GAS ARO OTHER REGULATORY ASSET	4,311,315	312,704				4,024,019
10							
11	COAL ASH DEFERRED SPEND	3,015,675	5,683,300	182.3, 108	664,981		8,034,024
12	- Order # 2015-187						
13							
14	INTEREST RATE HEDGES	5,735,787	1,365,541	244	1,990,664		5,110,664
15	(Amortized over life associated debt)						
16	- Order # 2006-00563						
17							
18	HURRICANE IKE REGULATORY ASSET	4,912,684					4,912,684
19	- Order # 2008-00476						
20							
21	CARBON MANAGEMENT REGULATORY ASSET	1,400,000	200,000				1,600,000
22	- Order # 2008-308						
23							
24	EAST BEND PLANT O&M DEFERRAL	12,182,528	11,279,936				23,462,464
25	- Order # 2014-201						
26							
27	COAL ASH ARO	1,419,065	8,299,425	182.3, 411	6,081,878		3,638,612
28	- Order # 2015-187						
29							
30	EAST BEND DEPRECIATION DEFERRAL	4,282,401	4,522,344				8,804,745
31	- Order # 2015-120						
32							
33	DEFERRED GAS INTEGRITY COSTS		2,172,195				2,172,195
34	- Order # 2016-0159						
35							
36	OTHER REGULATORY ASSETS - GENERAL ACCOUNTING		24,337,959	128	255,836		24,082,123
37	- FERC Docket No. A107-1-000						
38	SEE FOOTNOTE FOR PENSION AMOUNT DETAIL		7,537,639				7,537,639
39	KO TRANSMISSION 2015-2016 RATE		348				348
40	Total	48,159,201	73,985,262		21,955,522	0	100,178,941

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 232 Line No.: 27 Column: d
 Accounts charged - 182,341.1

Schedule Page: 232 Line No.: 38 Column: a
 Additional lines - 2016 FERC Form 2 - page 232

	Beginning Balance	Debits	Account Charged	Written off During Period Amount Recovered	Balance at End of Year
PENSION POST RETIRE PURCHASE ACCOUNTING - Q FERC Docket No. A107-1-000	0	4,876,416			4,876,416
PENSION POST RETIRE PURCHASE ACCOUNTING - NQ FERC Docket No. A107-1-000	0	51,069			51,069
OPEB FAS 106 - MEDICAL FERC Docket No. A107-1-000	0	2,610,154			2,610,154
	-	7,537,639			7,537,639

Schedule Page: 232 Line No.: 36 Column: c
 FAS 158 related amounts are being reclassified from Misc. Deferred Debits. Please see page 233

Schedule Page: 232 Line No.: 38 Column: c
 FAS 158 related amounts are being reclassified from Misc. Deferred Debits. Please see page 233

Name of Respondent		This Report Is:		Date of Report (Mo, Da, Yr)	Year/Period of Report	
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	04/13/2017	End of 2016/Q4	
Miscellaneous Deferred Debits (Account 186)						
1. Report below the details called for concerning miscellaneous deferred debits. 2. For any deferred debit being amortized, show period of amortization in column (a). 3. Minor items (less than \$250,000) may be grouped by classes.						
Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance at End of Year (f)
1	Vacation accrual	1,440,146		146,242	91,883	1,348,263
2						
3	Indirect overhead allocation	(185,131)	8,207,543	Various	8,432,854	(410,442)
4	pool - undistributed					
5						
6	Deferred coal ash remediation costs	(9,619)		182.3	248,948	(258,567)
7						
8	Accrued pension post retire - FAS158	28,289,046	9,284,399	182.3	37,573,445	
9						
10	Private outdoor lighting	2,591	1,201,144	Various	1,203,735	
11						
12	Items defamed pending investigation		44,090	Various	44,090	
13						
14	Other miscellaneous items	1,000				1,000
15						
16						
17						
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28						
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34						
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39	Miscellaneous Work in Progress					
40	Total	29,538,033	18,737,176		47,594,955	680,254

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Accumulated Deferred Income Taxes (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. All Other (Specify), include deferrals relating to other income and deductions.
3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year	Changes During Year
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric	37,887,639	21,246,725	8,713,430
3	Gas	1,743,973	1,086,237	2,930,360
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	39,631,612	22,332,962	11,643,790
6	Other - Non-Utility	665,954		
7	TOTAL Account 190 (Total of lines 5 thru 6)	40,297,566	22,332,962	11,643,790
8	Classification of TOTAL			
9	Federal Income Tax	34,318,196	19,267,978	10,521,255
10	State Income Tax	5,979,370	3,064,984	1,122,535
11	Local Income Tax			

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year	Changes During Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at End of Year
	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits Account No. (g)	Debits Amount (h)	Credits Account No. (i)	Credits Amount (j)	
1							
2					BSO	1,172,149	26,526,493
3			254	116,206			3,471,890
4							
5				116,206		1,172,149	29,998,383
6					BSO	1,338,291	2,004,245
7				116,206		2,510,440	32,002,628
8							
9				116,206		2,690,702	28,145,969
10						(180,262)	3,856,659
11							

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
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Capital Stock (Accounts 201 and 204)

1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)
1	COMMON STOCK (ACCT 201)	1,000,000	15.00	
2	TOTAL COMMON STOCK	1,000,000		
3				
4	PREFERRED STOCK (ACCT 204)			
5	TOTAL PREFERRED STOCK			
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Capital Stock (Accounts 201 and 204)

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
 5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
 6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Line No.	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent) Shares (e)	Outstanding per Bal. Sheet Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1	585,333	8,779,995				
2	585,333	8,779,995				
3						
4						
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7						
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Capital Stock: Subscribed, Liability for Conversion, Premium on, and Installments Received on (Accts 202, 203, 205, 206, 207, and 212)

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.
2. For Account 202, Common Stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.
3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of year.
4. For Premium on Account 207, Capital Stock, designate with an asterisk in column (b), any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account and Description of Item (a)	(b)	Number of Shares (c)	Amount (d)
1	Accounts 202, 203, 205, 206, and 212			
2	Accounts 207 - Premium of \$15 per Share on Capital Stock in 1955		62,419	936,287
3	Accounts 207 - Premium of \$17 per Share on Capital Stock in 1957		104,000	1,768,003
4	Accounts 207 - Premium of \$38 per Share on Capital Stock in 1961		69,333	2,634,656
5	Accounts 207 - Premium of \$135 per Share on Capital Stock in 1992		100,000	13,500,000
6				
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40	Total		336,752	18,838,946

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Other Paid-In Capital (Accounts 208-211)				
<p>1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.</p> <p>(a) Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.</p> <p>(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.</p> <p>(c) Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.</p> <p>(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.</p>				
Line No.	Item (a)	Amount (b)		
1	Account 208 Donations Received from Stockholders			
2	Balance - Beginning of Year	148,811,383		
3				
4				
5				
6				
7	Subtotal Balance - End of Year	148,811,383		
8				
9				
10	Account 211 - Miscellaneous Paid-In Capital	(156,194)		
11	Balance - Beginning of Year (Sharesaver)			
12				
13	Subtotal Balance - End of Year (Sharesaver)	(156,194)		
14				
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40	Total	148,655,189		

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)				
1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data. 2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.				
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)		
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
TOTAL				
CAPITAL STOCK EXPENSE (ACCOUNT 214)				
1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above. 2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.				
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)		
16	None			
17				
18				
19				
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25				
26				
27				
28				
TOTAL				

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
Securities Issued or Assumed and Securities Refunded or Retired During the Year			

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.

2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.

3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance or redemption price and name of the principal underwriting firm through which the security transactions were consummated.

4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.

5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

Refinancing Transaction:

\$50M Pollution Control Bonds 2008A due 8/1/2027
 Unamortized Expenses: \$243,402.51
 Unamortized Discount: \$0
 Unamortized Premium: \$0

Issuances:

\$45M Debentures 3.42% due 1/15/2026
 Unamortized Expenses: \$220,190.98
 Unamortized Discount: \$0
 Unamortized Premium: \$0

\$50M Debentures 4.45% due 1/15/2046
 Unamortized Expenses: \$247,534.51
 Unamortized Discount: \$0
 Unamortized Premium: \$0

Retirements:

\$50M Debentures Series A 5.75% due 03/10/2016
 Unamortized Expenses: \$0
 Unamortized Discount: \$0
 Unamortized Premium: \$0

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Long-Term Debt (Accounts 221, 222, 223, and 224)					
1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. 2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds. 3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received. 4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.					
Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amls held by respondent) (d)	
1	ACCOUNT 221- NONE				
2					
3	INTERCOMPANY MONEYPool NOTES PAYABLE- LONG TERM	12/15/2014	01/30/2020	25,000,000	
4					
5	SUBTOTAL ACCOUNT 222 & 223			25,000,000	
6					
7	ACCOUNT 224				
8					
9	UNSECURED DEBENTURES 5.75% SERIES A DUE IN 2016	03/07/2006	03/10/2016		
10	UNSECURED DEBENTURES 6.20% SERIES B DUE IN 2036	03/07/2006	03/10/2036	65,000,000	
11	POLLUTION CONTROL REFUNDING BONDS 2008 SERIES A DUE IN 2027	12/11/2008	08/01/2027	50,000,000	
12	POLLUTION CONTROL REFUNDING BONDS 2010 SERIES B DUE IN 2027	11/24/2010	08/01/2027	26,720,000	
13	UNSECURED DEBENTURES 4.650% SERIES DUE IN 2019	09/22/2009	10/01/2019	100,000,000	
14	UNSECURED DEBENTURES 3.42% SERIES A DUE IN 2026	01/05/2016	01/15/2026	45,000,000	
15	UNSECURED DEBENTURES 4.45% SERIES A DUE IN 2046	01/05/2016	01/15/2046	50,000,000	
16					
17	SUBTOTAL ACCOUNT 224			336,720,000	
18					
19					
20	SEE FOOTNOTE				
21					
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40	TOTAL			381,720,000	

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 9 Column: a
 \$50M Unsecured Debentures retired 03/10/2016

Schedule Page: 256 Line No.: 20 Column: a
 On December 16, 2016 the Kentucky PSC approved Duke Energy Kentucky's long-term financing application authorizing the issuance of up to \$200 million of secured and/or unsecured notes, and \$76.72 million of tax-exempt private activity bonds to refund existing tax exempt bonds. Authorization expires 12/31/2018.

Schedule Page: 256 Line No.: 11 Column: e
 The interest rate varies on this bond. The interest rate is as of December 31, 2016

Schedule Page: 256 Line No.: 12 Column: e
 The interest rate varies on this bond. The interest rate is as of December 31, 2016

Schedule Page: 256 Line No.: 3 Column: e
 The interest rate varies on this bond. The interest rate is as of December 31, 2016

Schedule Page: 256 Line No.: 11 Column: i
 This PCB is redeemable at par (\$100) and is not subject to the redemption calculation.

Schedule Page: 256 Line No.: 12 Column: i
 This PCB is redeemable at par (\$100) and is not subject to the redemption calculation.

Schedule Page: 256 Line No.: 9 Column: i
 Footnote for Lines 9,10, 13, 14, 15 Column i: Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than \$100.

Name of Respondent Duka Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Long-Term Debt (Accounts 221, 222, 223, and 224)					
5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.					
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.					
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.					
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.					
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.					
Line No.	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per \$100 at End of Year (i)
1					
2					
3	0.986				
4					
5					
6					
7					
8					
9	5.750	551,042			0.20
10	6.200	4,030,000			0.30
11	1.219	630,962			1.00
12	0.740	175,607			1.00
13	4.650	4,650,000			0.25
14	3.420	1,521,900			0.50
15	4.450	2,200,278			0.50
16					
17		13,759,989			
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
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31					
32					
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34					
35					
36					
37					
38					
39					
40		13,759,989			

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)					
1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt. 2. Show premium amounts by enclosing the figures in parentheses. 3. In column (b) show the principal amount of bonds or other long-term debt originally issued. 4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.					
Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period Date From (d)	Amortization Period Date To (e)
1	UNAMORTIZED EXPENSE:				
2					
3					
4	MASTER CREDIT FACILITY		454,094	11/18/2011	11/18/2017
5					
6	UNSECURED DEBENTURES 6.20% SERIES B DUE IN 2036	65,000,000	653,550	03/10/2006	03/10/2036
7	UNSECURED DEBENTURES 5.75% SERIES A DUE IN 2016	50,000,000	390,200	03/10/2006	03/10/2016
8	UNSECURED DEBENTURES 4.650% SERIES DUE IN 2019	100,000,000	756,468	09/22/2009	10/01/2019
9	POLLUTION CONTROL BONDS 2010 SERIES B DUE IN 2027	26,720,000	939,966	11/24/2010	08/01/2027
10	POLLUTION CONTROL BONDS 2006 SERIES A DUE IN 2027	50,000,000	691,754	12/03/2008	08/01/2027
11	UNSECURED DEBENTURES 3.42% SERIES A DUE IN 2026	45,000,000	220,191	01/05/2016	01/15/2026
12	UNSECURED DEBENTURES 4.45% SERIES A DUE IN 2046	50,000,000	247,535	01/05/2016	01/15/2046
13					
14	TOTAL ACCOUNT 181	388,720,000	4,353,758		
15					
16	UNAMORTIZED PREMIUM ON LONG-TERM DEBT:				
17					
18					
19	TOTAL ACCOUNT 225- NONE				
20					
21	UNAMORTIZED DISCOUNT ON LONG-TERM DEBT				
22					
23					
24					
25	UNSECURED DEBENTURES 6.20% SERIES B DUE IN 2036	65,000,000	367,900	03/10/2006	03/10/2036
26	UNSECURED DEBENTURES 5.75% SERIES A DUE IN 2016	50,000,000	30,000	03/10/2006	03/10/2016
27	UNSECURED DEBENTURES 4.650% SERIES DUE IN 2019	100,000,000	374,000	09/22/2009	10/01/2019
28					
29					
30	TOTAL ACCOUNT 226	215,000,000	771,900		
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/13/2017	2016/Q4
FOOTNOTE DATA			

Schedule Page: 258 Line No.: 4 Column: a

At December 31, 2016, Duke Energy had a Master Credit Facility with a capacity of \$7.5 billion through January 2020. The Duke Energy Registrants, excluding Progress Energy (Parent) and Piedmont, have borrowing capacity under the Master Credit Facility up to specified sublimits for each borrower. Duke Energy Kentucky has a \$150 million borrowing limit as of December 31, 2016.

Schedule Page: 258 Line No.: 7 Column: a

Retired 03/10/2016

Schedule Page: 258 Line No.: 26 Column: a

Retired 03/10/2016

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
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Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
 6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.
 7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1				
2				
3				
4	331,043		81,071	249,972
5				
6	439,885		21,785	418,100
7				
8	169,198		53,302	115,896
9	365,970		127,333	238,637
10		719,187	494,900	224,287
11		288,572	20,274	248,298
12		249,035	7,596	241,439
13				
14	1,306,096	1,236,794	806,261	1,736,629
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	247,519		12,263	235,356
26	575		575	
27	139,899		37,307	102,592
28				
29				
30	388,093		50,145	337,948
31				
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
Unamortized Loss and Gain on Recquired Debt (Accounts 189, 257)						
<p>1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Recquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.</p> <p>2. In column (c) show the principal amount of bonds or other long-term debt reacquired.</p> <p>3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.</p> <p>4. Show loss amounts by enclosing the figures in parentheses.</p> <p>5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Recquired Debt, or credited to Account 429.1, Amortization of Gain on Recquired Debt-Credit.</p>						
Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	10-1/4% SERIES	06/01/1995	15,000,000	925,479	173,469	134,193
2	9.7% SERIES	09/01/1995	20,000,000	1,596,748	234,486	167,490
3	10-1/4% SERIES	02/15/1996	15,000,000	917,675	182,607	145,128
4						
5	7.65 SERIES	04/06/2006	15,000,000	1,230,503	609,894	545,956
6	5.5% SERIES	09/01/2006	48,000,000	669,996	309,229	270,576
7	6.5% SERIES	09/01/2006	12,720,663	73,931	31,357	26,794
8	2006A SERIES	12/26/2008	50,000,000	289,319	180,338	164,769
9						
10						
11	TOTAL 189		175,720,663	5,703,651	1,721,380	1,454,906
12						
13	TOTAL 257					
14						
15						
16						
17						
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19						
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Reconciliation of Reported Net Income with Taxable Income for Feder Income Taxes				
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group that files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.</p>				
Line No.	Details (a)	Amount (b)		
1	Net Income for the Year (Page 116)	42,583,938		
2	Reconciling Items for the Year			
3				
4	Taxable Income Not Reported on Books			
5	Contributions in Aid of Construction	362,311		
6				
7				
8	TOTAL	362,311		
9	Deductions Recorded on Books Not Deducted for Return			
10	Federal and State Income Tax Deducted for Books	17,047,160		
11	Other Deductions Recorded on Books Not Deducted for Return	131,859,559		
12				
13	TOTAL	148,906,719		
14	Income Recorded on Books Not Included in Return			
15	Allowance for Funds Used During Construction	1,869,655		
16				
17				
18	TOTAL	1,869,655		
19	Deductions on Return Not Charged Against Book Income			
20	Deductions on Return Not Charged Against Book Income	205,609,710		
21				
22				
23				
24				
25				
26	TOTAL	205,609,710		
27	Federal Tax Net Income	(15,626,397)		
28	Show Computation of Tax:			
29	Provision for Federal Income Tax @ 35%	(5,469,239)		
30	True-up Entries	1,690,489		
31	Other Benefits	(253,890)		
32	NOLs	3,452,315		
33				
34	Total Federal Income Tax Provision	(580,325)		
35				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/13/2017	2016/Q4
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 11 Column: b

Asset Retirement Costs - Coal Ash	53,767,767
Book Depreciation/Amortization	47,980,829
Reg Asset/Liab Def Revenue	5,786,160
Demand Side Management (Dsm) Defer	5,002,257
Reg Asset - Accr Pension FAS158 - FAS87NQ	4,894,631
Retirement Plan Expense - Underfunded	3,954,070
Reg Asset - Accr Pension FAS158 - FAS87Qual	2,633,881
Section 481(A) Casualty Losses	1,531,363
Other	6,308,601
	131,859,559

Schedule Page: 261 Line No.: 20 Column: b

Tax Depreciation/Amortization	75,751,600
Asset Retirement Obligation - Coal Ash	51,365,791
Equipment Repairs - Annual Adj	16,000,000
Regulatory Asset - Deferred Plant Costs	15,802,280
Tax Gains/Losses	13,987,236
Reg Asset - Accr Pension FAS158 - FAS 106	8,616,140
ARO Regulatory Asset - Coal Ash	6,986,949
T & D Repairs - Annual Adj.	5,200,000
Reg Liab Rslr & Other Misc Dfd Costs	2,172,195
Reg Asset-Pension Post Retirement PAA-FAS87Qual And Oth	2,010,947
Leased Meters - Elec & Gas	1,343,934
Unbilled Revenue - Fuel	1,049,043
Other	5,323,595
	205,609,710

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)				
<p>1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.</p>				
Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)	
1				
2	FEDERAL TAXES:			
3				
4	INCOME	(12,864,417)		
5	FUEL TAXES			
6	FEDERAL INSURANCE	57,581		
7	UNEMPLOYMENT	3,165		
8				
9				
10	STATE TAXES:			
11				
12	INCOME	(198,092)		
13	UNEMPLOYMENT	1,849		
14	PROPERTY	1,650,000		
15	SALES & USE TAX	173,985		
16	FRANCHISE			
17				
18				
19				
20	OTHER:			
21				
22	PROPERTY	7,076,492		
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
TOTAL		(4,099,457)		

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2					
3					
4	(580,325)	(18,583,098)	(3,533,949)	1,604,407	
5	2,345	2,345			
6	2,672,019	2,664,926		64,654	
7	9,702	12,439		428	
8					
9					
10					
11					
12	(360,710)	(23,119)	(673,230)	(1,208,913)	
13	22,570	26,559		(2,140)	
14	1,806,267	1,706,267		1,750,000	
15	212,378	189,521		196,842	
16	222	222			
17					
18					
19					
20					
21					
22	9,911,296	8,290,098		8,697,690	
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
TOTAL	13,695,764	(5,713,840)	(4,207,179)	11,102,968	

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)					
<p>1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.</p>					
DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)					
Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)	
1					
2					
3					
4	(10,640,581)	6,908,014		3,152,242	
5	1,738	607			
6	2,046,284	625,735			
7	7,283	2,419			
8					
9					
10					
11					
12	(1,978,199)	1,105,745		511,744	
13	16,944	5,626			
14	1,156,971	649,296			
15	99,968	12,341		100,069	
16	148	74			
17					
18					
19					
20					
21					
22	6,348,497	3,562,799			
23					
24					
25					
26					
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31					
32					
33					
34					
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36					
37					
38					
39					
TOTAL		(2,940,947)	12,872,656		3,764,055

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
 (continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
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37					
38					
39					
TOTAL					

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Miscellaneous Current and Accrued Liabilities (Account 242)				
1. Describe and report the amount of other current and accrued liabilities at the end of year. 2. Minor items (less than \$250,000) may be grouped under appropriate title.				
Line No.	Item (a)	Balance at End of Year (b)		
1	Deferred Revenue Payable - Fuel	5,792,084		
2	Native Deferred MTM Liability	2,502,214		
3	Accrued Payable - Other	1,975,210		
4	Vacation Entitlement Reserve	1,577,823		
5	Ratapayar Sharing Provisions	1,214,627		
6	MISO MTEP - Short Term Accrual	1,165,000		
7	Retirement Bank Accrual	967,242		
8	Wages Payable	758,000		
9	Provision for Incentive Ben Prog	656,230		
10	FAS 158 Current Liabilities	247,332		
11	Severance Reserve/Accrual	47,953		
12	Retirement Savings Plan Accrual	29,122		
13				
14				
15				
16				
17				
18				
19				
20				
21				
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41				
42				
43				
44				
45	Total	16,932,837		

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
Other Deferred Credits (Account 253)						
1. Report below the details called for concerning other deferred credits.						
2. For any deferred credit being amortized, show the period of amortization.						
3. Minor items (less than \$250,000) may be grouped by classes.						
Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	MISO MTEP Accrual	18,765,532	Various	1,206,909	728,805	16,287,428
2						
3	MGP Reserve	513,500	Various	69,396	225,896	670,000
4						
5	FTR MTM gains/losses				440,056	440,056
6						
7	Gas Refunds	468,743	191	322,292	208,445	354,896
8						
9	Merger - Related Donation Accrual	165,000				165,000
10						
11	Deferred Revenue - Outdoor Lighting				128,637	128,637
12						
13	Sch M Tax and S/L for Surplus	18	514	36	50	32
14	Mat'Ls					
15						
16	Pension Cost Adj. FAS 106	4,937,507	Various	4,937,507		
17						
18	DEK Capacity - Activity	287,340	447	419,018	131,678	
19						
20	Misc Deferred Credits and Other	(44,006)	146	45,179	89,185	
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45	Total	25,093,634		7,000,337	1,952,752	20,046,049

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Accumulated Deferred Income Taxes-Other Property (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	183,849,308	46,989,836	45,669,865
3	Gas	79,696,922	3,574,855	6,307,975
4	Other (Define) (footnote details)			
5	Total (Enter Total of lines 2 thru 4)	263,546,230	50,564,691	52,177,840
6	Other - Non-Utility	54,277,455		
7	TOTAL Account 282 (Enter Total of lines 5 thr	317,823,685	50,564,691	52,177,840
8	Classification of TOTAL			
9	Federal Income Tax	281,611,548	42,729,967	44,083,274
10	State Income Tax	36,212,137	7,834,524	8,094,566
11	Local Income Tax			

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
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Accumulated Deferred Income Taxes-Other Property (Account 282) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2			BSO	4,230,252			189,199,531
3			BSO	832,894			77,796,496
4							
5				5,063,146			266,996,027
6	219,572	3,648,540	BSO	1,032,595			51,881,082
7	219,572	3,648,540		6,095,741			318,877,109
8							
9	189,067	3,141,654		4,595,599			281,901,253
10	30,505	506,866		1,500,142			36,975,856
11							

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Accumulated Deferred Income Taxes-Other (Account 283)

- Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
- At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric	7,611,814	15,814,165	4,249,457
3	Gas	4,278,076	2,043,918	1,056,864
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	11,889,890	17,858,083	5,306,321
6	Other - Non-Utility	45,303		
7	TOTAL Account 283 (Total of lines 5 thru 6)	11,935,193	17,858,083	5,306,321
8	Classification of TOTAL			
9	Federal Income Tax	10,215,728	15,377,080	4,569,120
10	State Income Tax	1,719,465	2,481,003	737,201
11	Local Income Tax			

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Accumulated Deferred Income Taxes-Other (Account 283) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2			Misc. Adj	204,512			19,381,034
3					Misc. Adj.	32,741	5,232,389
4							
5				204,512		32,741	24,613,423
6	7,810	86,029					(32,916)
7	7,810	86,029		204,512		32,741	24,580,507
8							
9	6,725	74,077		233,386		33,354	21,156,368
10	1,085	11,952		(28,874)		(613)	3,424,139
11							

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4		
Other Regulatory Liabilities (Account 254)							
<p>1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).</p> <p>2. For regulatory liabilities being amortized, show period of amortization in column (a).</p> <p>3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.</p> <p>4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).</p>							
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	INCOME TAXES	3,791,681	Various	156,620,873		153,265,594	438,402
2							
3	PENSION COSTS					5,549,676	5,549,676
4							
5							
6							
7							
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45	Total	3,791,681		156,620,873	0	158,815,270	3,985,078

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Monthly Quantity & Revenue Data by Rate Schedule

1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
2. Total Quantities and Revenues in whole numbers
3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
5. Enter footnotes as appropriate.

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
1	Total Sales (480-488)	293,031			4,015,883	4,015,883
2	Transportation of Gas for Others (489.2 and 489.3)					
3	Rate - Case #PRO8-27				43,506	43,506
4	Rate FT	185,814			342,274	342,274
5	Rate JT	142,597			131,098	131,098
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Name of Respondant Duke Energy Kentucky, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
Monthly Quantity & Revenue Data by Rate Schedule (continued)						
Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
48						
49						
50						
51						
52						
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54						
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60						
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62						
63	Total Transportation (Other than Gathering)	328,411			516,878	516,878
64	Storage (489.4)					
65						
66						
67						
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86						
87						
88						
89						
90	Total Storage					
91	Gathering (489.1)					
92	Gathering-Firm					
93	Gathering-Interruptible					
94	Total Gathering (489.1)					
95	Additional Revenues					
96	Products Sales and Extraction (490-492)					
97	Rents (493-494)					
98	Other Gas Revenues (495)				29	29
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues				29	29

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2018/Q4</u>
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Monthly Quantity & Revenue Data by Rate Schedule (continued)

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)	621,442			4,532,790	4,532,790

Name of Respondent		This Report Is:		Date of Report (Mo, Da, Yr)		Year/Period of Report				
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	04/13/2017		End of 2016/Q4				
Monthly Quantity & Revenue Data by Rate Schedule										
1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts. 2. Total Quantities and Revenues in whole numbers 3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule. 4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495. 5. Enter footnotes as appropriate.										
Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
1	829,648			7,763,716	7,763,716	1,823,626			15,467,633	15,467,633
2										
3				43,506	43,506				43,506	43,506
4	295,400			529,674	529,674	299,300			515,293	515,293
5	158,008			145,183	145,183	141,621			127,966	127,966
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017		Year/Period of Report End of 2016/Q4				
Monthly Quantity & Revenue Data by Rate Schedule (continued)										
Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
48										
49										
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53										
54										
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58										
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62										
63	453,406			718,363	718,363	440,921			686,655	686,655
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100				14	14					

Name of Respondent Duke Energy Kentucky, Inc.				This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017		Year/Period of Report End of 2016/Q4		
Monthly Quantity & Revenue Data by Rate Schedule (continued)										
Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
101	1,283,056			8,482,093	8,482,093	2,294,547			16,154,298	18,154,298

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Gas Operating Revenues					
<p>1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.</p> <p>2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.</p> <p>3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.</p>					
Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay	Revenues for Transition Costs and Take-or-Pay	Revenues for GRI and ACA	Revenues for GRI and ACA
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	480 Residential Sales				
2	481 Commercial and Industrial Sales				
3	482 Other Sales to Public Authorities				
4	483 Sales for Resale				
5	484 Interdepartmental Sales				
6	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by Others				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:				
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:				

Name of Respondent Duke Energy Kentucky, Inc.			This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Gas Operating Revenues						
4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote. 5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases. 6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.						
Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1	62,214,654	69,532,325	62,214,654	69,532,325	5,889,555	6,306,653
2	21,689,871	25,505,830	21,689,871	25,505,830	3,176,300	3,452,230
3	2,135,670	2,532,943	2,135,670	2,532,943	354,047	380,980
4						
5	9,411	31,128	9,411	31,128	1,873	4,939
6						
7						
8	552,436	644,478	552,436	644,478		
9						
10	522,072	522,072	522,072	522,072		
11	5,884,561	5,682,978	5,884,561	5,682,978	4,058,298	3,763,129
12						
13						
14						
15						
16						
17						
18	1,193	969	1,193	969		
19	93,009,868	104,452,723	93,009,868	104,452,723		
20						
21	93,009,868	104,452,723	93,009,868	104,452,723		

Name of Respondent Duke Energy Kentucky, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.1)					
1. Report revenues and Dth of gas delivered through gathering facilities by zone of receipt (i.e. state in which gas enters respondent's system). 2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.					
Line No.	Rate Schedule and Zone of Receipt (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Current Year (d)
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4	
Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.1)						
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e).						
4. Delivered Dth of gas must not be adjusted for discounting.						
Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

1. Report revenues and Dth of gas delivered by Zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).

Line No.	Zone of Delivery, Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
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Name of Respondent Duke Energy Kentucky, Inc.			This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)						
<p>4. Delivered Dth of gas must not be adjusted for discounting.</p> <p>5. Each incremental rate schedule and each individually certificated rate schedule must be separately reported.</p> <p>6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.</p>						
Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1	522,072	522,072	522,072	522,072	10,266,352	7,560,946
2						
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Revenues from Storing Gas of Others (Account 489.4)

1. Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).

Line No.	Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay	Revenues for Transaction Costs and Take-or-Pay	Revenues for GRI and ACA	Revenues for GRI and ACA
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
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Name of Respondent Duke Energy Kentucky, Inc.			This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
Revenues from Storing Gas of Others (Account 489.4)						
4. Dth of gas withdrawn from storage must not be adjusted for discounting.						
5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.						
Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Other Gas Revenues (Account 495)				
Report below transactions of \$250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below \$250,000 in one amount and provide the number of items.				
Line No.	Description of Transaction (a)	Amount (in dollars) (b)		
1	Commissions on Sale or Distribution of Gas of Others			
2	Compensation for Minor or Incidental Services Provided for Others			
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale			
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments			
5	Miscellaneous Royalties			
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495			
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures			
8	Gains on Settlements of Imbalance Receivables and Payables			
9	Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements			
10	Revenues from Shipper Supplied Gas			
11	Other revenues (Specify):			1,193
12				
13				
14				
15				
16				
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18				
19				
20				
21				
22				
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27				
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32				
33				
34				
35				
36				
37				
38				
39				
	Total			1,193

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/13/2017	2016/Q4
FOOTNOTE DATA			

Schedule Page: 308 Line No.: 11 Column: b
Gas Losses Damaged Lines

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Discounted Rate Services and Negotiated Rate Services					
1. In column b, report the revenues from discounted rate services. 2. In column c, report the volumes of discounted rate services. 3. In column d, report the revenues from negotiated rate services. 4. In column e, report the volumes of negotiated rate services.					
Line No.	Account (a)	Discounted Rate Services Revenue (b)	Discounted Rate Services Volumes (c)	Negotiated Rate Services Revenue (d)	Negotiated Rate Services Volumes (e)
1	Account 489.1, Revenues from transportation of gas of others through gathering facilities.				
2	Account 489.2, Revenues from transportation of gas of others through transmission facilities.				
3	Account 489.4, Revenues from storing gas of others.				
4	Account 495, Other gas revenues.				
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39					
	Total				

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Gas Operation and Maintenance Expenses				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production			
3	Manufactured Gas Production (Submit Supplemental Statement)	1,084,480	983,293	
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering	0	0	
8	751 Production Maps and Records	0	0	
9	752 Gas Well Expenses	0	0	
10	753 Field Lines Expenses	0	0	
11	754 Field Compressor Station Expenses	0	0	
12	755 Field Compressor Station Fuel and Power	0	0	
13	756 Field Measuring and Regulating Station Expenses	0	0	
14	757 Purification Expenses	0	0	
15	758 Gas Well Royalties	0	0	
16	759 Other Expenses	0	0	
17	760 Rents	0	0	
18	TOTAL Operation (Total of lines 7 thru 17)	0	0	
19	Maintenance			
20	761 Maintenance Supervision and Engineering	0	0	
21	762 Maintenance of Structures and Improvements	0	0	
22	763 Maintenance of Producing Gas Wells	0	0	
23	764 Maintenance of Field Lines	0	0	
24	765 Maintenance of Field Compressor Station Equipment	0	0	
25	766 Maintenance of Field Measuring and Regulating Station Equipment	0	0	
26	767 Maintenance of Purification Equipment	0	0	
27	768 Maintenance of Drilling and Cleaning Equipment	0	0	
28	769 Maintenance of Other Equipment	0	0	
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0	
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0	

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Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering	0	0	
34	771 Operation Labor	0	0	
35	772 Gas Shrinkage	0	0	
36	773 Fuel	0	0	
37	774 Power	0	0	
38	775 Materials	0	0	
39	776 Operation Supplies and Expenses	0	0	
40	777 Gas Processed by Others	0	0	
41	778 Royalties on Products Extracted	0	0	
42	779 Marketing Expenses	0	0	
43	780 Products Purchased for Resale	0	0	
44	781 Variation in Products Inventory	0	0	
45	(Less) 782 Extracted Products Used by the Utility-Credit	0	0	
46	783 Rents	0	0	
47	TOTAL Operation (Total of lines 33 thru 46)	0	0	
48	Maintenance			
49	784 Maintenance Supervision and Engineering	0	0	
50	785 Maintenance of Structures and Improvements	0	0	
51	786 Maintenance of Extraction and Refining Equipment	0	0	
52	787 Maintenance of Pipe Lines	0	0	
53	788 Maintenance of Extracted Products Storage Equipment	0	0	
54	789 Maintenance of Compressor Equipment	0	0	
55	790 Maintenance of Gas Measuring and Regulating Equipment	0	0	
56	791 Maintenance of Other Equipment	0	0	
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	0	
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	0	

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FOOTNOTE DATA			

Schedule Page: 317 Line No.: 3 Column: b

Schedule Page: 317 Line No.:3 Column:b

Operation:

711 Gas Boiler Labor	4,770
712 Other Power Expenses	7,792
717 Liquefied Petroleum Gas Expenses	96,515
728 Liquefied Petroleum Gas	834,050
735 Misc. Production Expense	50,313
736 Gas Raw Material - Rents	-
Total Operation	993,440

Maintenance:

742 Production Equipment	71,040
Total Maintenance	71,040

Total Manufactured Gas Production 1,064,480

Schedule Page: 317 Line No.: 3 Column: c

Schedule Page: 317 Line No.:3 Column:c

Operation:

711 Gas Boiler Labor	5,597
712 Other Power Expenses	7,858
717 Liquefied Petroleum Gas Expenses	4,961
728 Liquefied Petroleum Gas	782,339
735 Misc. Production Expense	44,796
736 Gas Raw Material - Rents	11,167
Total Operation	856,718

Maintenance:

742 Production Equipment	106,575
Total Maintenance	106,575

Total Manufactured Gas Production 963,293

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Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals	0	0	
62	796 Nonproductive Well Drilling	0	0	
63	797 Abandoned Leases	0	0	
64	798 Other Exploration	0	0	
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0	0	
66	D. Other Gas Supply Expenses			
67	Operation			
68	800 Natural Gas Well Head Purchases	0	0	
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0	
70	801 Natural Gas Field Line Purchases	34,678,066	40,598,667	
71	802 Natural Gas Gasoline Plant Outlet Purchases	0	0	
72	803 Natural Gas Transmission Line Purchases	0	0	
73	804 Natural Gas City Gate Purchases	0	0	
74	804.1 Liquefied Natural Gas Purchases	0	0	
75	805 Other Gas Purchases	(2,066,943)	1,011,153	
76	(Less) 805.1 Purchases Gas Cost Adjustments	0	0	
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	32,611,123	41,609,820	
78	806 Exchange Gas	0	0	
79	Purchased Gas Expenses			
80	807.1 Well Expense-Purchased Gas	0	0	
81	807.2 Operation of Purchased Gas Measuring Stations	173,653	55,974	
82	807.3 Maintenance of Purchased Gas Measuring Stations	35,735	34,391	
83	807.4 Purchased Gas Calculations Expenses	0	0	
84	807.5 Other Purchased Gas Expenses	169,534	338,417	
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	378,922	428,782	

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Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
86	808.1 Gas Withdrawn from Storage-Debit	0	0	
87	(Less) 808.2 Gas Delivered to Storage-Credit	0	0	
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0	
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0	
90	Gas used in Utility Operation-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit	0	0	
92	811 Gas Used for Products Extraction-Credit	0	0	
93	812 Gas Used for Other Utility Operations-Credit	0	0	
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	0	0	
95	813 Other Gas Supply Expenses	875,719	964,793	
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	33,865,764	43,003,395	
97	TOTAL Production Expenses (Total of lines 3, 30, 56, 65, and 96)	34,930,244	43,966,688	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering	0	0	
102	815 Maps and Records	0	0	
103	816 Wells Expenses	0	0	
104	817 Lines Expense	0	0	
105	818 Compressor Station Expenses	0	0	
106	819 Compressor Station Fuel and Power	0	0	
107	820 Measuring and Regulating Station Expenses	0	0	
108	821 Purification Expenses	0	0	
109	822 Exploration and Development	0	0	
110	823 Gas Losses	0	0	
111	824 Other Expenses	0	0	
112	825 Storage Well Royalties	0	0	
113	826 Rents	0	0	
114	TOTAL Operation (Total of lines of 101 thru 113)	0	0	

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Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
115	Maintenance			
116	830 Maintenance Supervision and Engineering	0	0	
117	831 Maintenance of Structures and Improvements	0	0	
118	832 Maintenance of Reservoirs and Wells	0	0	
119	833 Maintenance of Lines	0	0	
120	834 Maintenance of Compressor Station Equipment	0	0	
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0	
122	836 Maintenance of Purification Equipment	0	0	
123	837 Maintenance of Other Equipment	0	0	
124	TOTAL Maintenance (Total of lines 116 thru 123)	0	0	
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	0	0	
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering	0	0	
129	841 Operation Labor and Expenses	0	0	
130	842 Rents	0	0	
131	842.1 Fuel	0	0	
132	842.2 Power	0	0	
133	842.3 Gas Losses	0	0	
134	TOTAL Operation (Total of lines 128 thru 133)	0	0	
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering	0	0	
137	843.2 Maintenance of Structures	0	0	
138	843.3 Maintenance of Gas Holders	0	0	
139	843.4 Maintenance of Purification Equipment	0	0	
140	843.5 Maintenance of Liquefaction Equipment	0	0	
141	843.6 Maintenance of Vaporizing Equipment	0	0	
142	843.7 Maintenance of Compressor Equipment	0	0	
143	843.8 Maintenance of Measuring and Regulating Equipment	0	0	
144	843.9 Maintenance of Other Equipment	0	0	
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	0	
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	0	0	

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Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering	0	0	
150	844.2 LNG Processing Terminal Labor and Expenses	0	0	
151	844.3 Liquefaction Processing Labor and Expenses	0	0	
152	844.4 Liquefaction Transportation Labor and Expenses	0	0	
153	844.5 Measuring and Regulating Labor and Expenses	0	0	
154	844.6 Compressor Station Labor and Expenses	0	0	
155	844.7 Communication System Expenses	0	0	
156	844.8 System Control and Load Dispatching	0	0	
157	845.1 Fuel	0	0	
158	845.2 Power	0	0	
159	845.3 Rents	0	0	
160	845.4 Demurrage Charges	0	0	
161	(less) 845.5 Wharfage Receipts-Credit	0	0	
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0	
163	846.1 Gas Losses	0	0	
164	846.2 Other Expenses	0	0	
165	TOTAL Operation (Total of lines 149 thru 164)	0	0	
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering	0	0	
168	847.2 Maintenance of Structures and Improvements	0	0	
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0	
170	847.4 Maintenance of LNG Transportation Equipment	0	0	
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0	
172	847.6 Maintenance of Compressor Station Equipment	0	0	
173	847.7 Maintenance of Communication Equipment	0	0	
174	847.8 Maintenance of Other Equipment	0	0	
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0	
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	0	0	
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	0	0	

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Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering	0	0	
181	851 System Control and Load Dispatching	0	0	
182	852 Communication System Expenses	0	0	
183	853 Compressor Station Labor and Expenses	0	0	
184	854 Gas for Compressor Station Fuel	0	0	
185	855 Other Fuel and Power for Compressor Stations	0	0	
186	856 Mains Expenses	0	0	
187	857 Measuring and Regulating Station Expenses	0	0	
188	858 Transmission and Compression of Gas by Others	0	0	
189	859 Other Expenses	6,885	6,490	
190	860 Rents	0	0	
191	TOTAL Operation (Total of lines 180 thru 190)	6,885	6,490	
192	Maintenance			
193	861 Maintenance Supervision and Engineering	0	0	
194	862 Maintenance of Structures and Improvements	0	0	
195	863 Maintenance of Mains	0	0	
196	864 Maintenance of Compressor Station Equipment	0	0	
197	865 Maintenance of Measuring and Regulating Station Equipment	0	0	
198	866 Maintenance of Communication Equipment	0	0	
199	867 Maintenance of Other Equipment	0	0	
200	TOTAL Maintenance (Total of lines 193 thru 199)	0	0	
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	6,885	6,490	
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering	(1,491)	112,057	
205	871 Distribution Load Dispatching	191,978	192,263	
206	872 Compressor Station Labor and Expenses	0	0	
207	873 Compressor Station Fuel and Power	0	0	

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Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
208	874 Mains and Services Expenses	2,608,224	2,955,174	
209	875 Measuring and Regulating Station Expenses-General	69,269	1,586	
210	876 Measuring and Regulating Station Expenses-Industrial	40,548	15,648	
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	0	0	
212	878 Meter and House Regulator Expenses	1,116,219	1,085,154	
213	879 Customer Installations Expenses	1,340,845	947,329	
214	880 Other Expenses	2,619,290	1,476,730	
215	881 Rents	0	0	
216	TOTAL Operation (Total of lines 204 thru 215)	7,984,882	6,795,941	
217	Maintenance			
218	885 Maintenance Supervision and Engineering	(2,635)	86,031	
219	886 Maintenance of Structures and Improvements	0	0	
220	887 Maintenance of Mains	761,041	702,408	
221	888 Maintenance of Compressor Station Equipment	0	0	
222	889 Maintenance of Measuring and Regulating Station Equipment-General	45,377	39,908	
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	1,097	3,977	
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	0	0	
225	892 Maintenance of Services	400,857	625,693	
226	893 Maintenance of Meters and House Regulators	543,580	301,184	
227	894 Maintenance of Other Equipment	45,930	25,279	
228	TOTAL Maintenance (Total of lines 218 thru 227)	1,795,247	1,784,480	
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	9,780,129	8,580,421	
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision	404,392	43,817	
233	902 Meter Reading Expenses	618,439	710,370	
234	903 Customer Records and Collection Expenses	2,798,436	2,589,591	

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Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts	185,695	242,191	
236	905 Miscellaneous Customer Accounts Expenses	318	757	
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	4,007,280	3,586,726	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	0	0	
241	908 Customer Assistance Expenses	166,854	157,153	
242	909 Informational and Instructional Expenses	200	3,594	
243	910 Miscellaneous Customer Service and Informational Expenses	338,705	471,707	
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	505,759	832,454	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	0	0	
248	912 Demonstrating and Selling Expenses	90,223	114,357	
249	913 Advertising Expenses	3,768	490	
250	916 Miscellaneous Sales Expenses	0	0	
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	93,991	114,847	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	1,910,444	2,182,998	
255	921 Office Supplies and Expenses	908,525	1,054,946	
256	(Less) 922 Administrative Expenses Transferred-Credit	(475)	0	
257	923 Outside Services Employed	536,163	883,801	
258	924 Property Insurance	129,250	158,576	
259	925 Injuries and Damages	513,100	463,576	
260	926 Employee Pensions and Benefits	1,642,940	2,468,507	
261	927 Franchise Requirements	0	0	
262	928 Regulatory Commission Expenses	218,031	216,289	
263	(Less) 929 Duplicate Charges-Credit	270,461	193,419	
264	930.1 General Advertising Expenses	7,162	10,716	
265	930.2 Miscellaneous General Expenses	323,575	119,097	
266	931 Rents	574,016	413,324	
267	TOTAL Operation (Total of lines 254 thru 266)	6,493,220	7,778,411	
268	Maintenance			
269	932 Maintenance of General Plant	5,666	7,684	
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	6,498,886	7,786,095	
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	55,823,174	64,673,721	

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Exchange and Imbalance Transactions

1. Report below details by zone and rate schedule concerning the gas quantities and related dollar amount of imbalances associated with system balancing and no-notice service. Also, report certificated natural gas exchange transactions during the year. Provide subtotals for imbalance and no-notice quantities for exchanges. If respondent does not have separate zones, provide totals by rate schedule. Minor exchange transactions (less than 100,000 Dth) may be grouped.

Line No.	Zone/Rate Schedule (a)	Gas Received from Others	Gas Received from Others	Gas Delivered to Others	Gas Delivered to Others
		Amount (b)	Dth (c)	Amount (d)	Dth (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	Total	0	0	0	0

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Gas Used in Utility Operations

1. Report below details of credits during the year to Accounts 810, 811, and 812.
2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas Gas Used Dth (c)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit					
2	811 Gas Used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)					
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	Total					

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2018/Q4
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Transmission and Compression of Gas by Others (Account 858)

1. Report below details concerning gas transported or compressed for respondent by others equaling more than 1,000,000 Dth and amounts of payments for such services during the year. Minor items (less than 1,000,000) Dth may be grouped. Also, include in column (c) amounts paid as transition costs to an upstream pipeline.
2. In column (a) give name of companies, points of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system.
3. Designate associated companies with an asterisk in column (b).

Line No.	Name of Company and Description of Service Performed (a)	*	Amount of Payment (in dollars) (c)	Dth of Gas Delivered (d)
		(b)		
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	Total			

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Other Gas Supply Expenses (Account 813)				
1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of \$250,000 or more.				
Line No.	Description (a)	Amount (In dollars) (b)		
1	OSM Gas Expense	875,719		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
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21				
22				
23				
24				
25	Total	875,719		

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Miscellaneous General Expenses (Account 930.2)				
1. Provide the information requested below on miscellaneous general expenses. 2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items of so grouped is shown.				
Line No.	Description (a)	Amount (in dollars) (b)		
1	Industry association dues.	22,346		
2	Experimental and general research expenses.			
	a. Gas Research Institute (GRI)			
	b. Other	1,843		
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent			
4	Other expenses			
5	Business and Service Company Support	162,495		
6	Director's Fees and Expenses	15,183		
7	Shareholder's Communications/Systems	(103)		
8	Account Analysis Reconciliation Adjustments	121,811		
9				
10				
11				
12				
13				
14				
15				
16				
17				
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19				
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21				
22				
23				
24				
25	Total	323,575		

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 406) (Except Amortization of Acquisition Adjustments)					
1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown. 2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are					
Section A. Summary of Depreciation, Depletion, and Amortization Charges					
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant				
2	Production plant, manufactured gas	149,974			
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant				
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant				
9	Distribution plant	10,555,466			
10	General plant				
11	Common plant-gas	226,276			
12	TOTAL	10,931,716			

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)
1	424,042		424,042	Intangible plant
2			149,974	Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5				Underground gas storage plant
6				Other storage plant
7				Base load LNG terminaling and processing plant
8				Transmission plant
9			10,555,466	Distribution plant
10	126,289		126,289	General plant
11	281,010		507,286	Common plant-gas
12	831,341		11,763,057	TOTAL

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (In thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore (footnote details)		
3	Onshore (footnote details)		
4	Underground Gas Storage Plant (footnote details)		
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)		
8	General Plant (footnote details)		
9			
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11			
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14			
15			

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Particulars Concerning Certain Income Deductions and Interest Charges Accounts				
Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.				
(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.				
(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$250,000 may be grouped by classes within the above accounts.				
(c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.				
(d) Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.				
Line No.	Item (a)	Amount (b)		
1				
2	Account 421.2 - Loss On Disposal of Property	10,853		
3				
4	Account 426.1 - Donations			
5	Customer Assistance Programs	32,763		
6	Items under Threshold	386,010		
7				
8	Account 426.3 - Penalties			
9	Items Under Threshold	8,087		
10				
11	Account 426.4 - Expenditures			
12	Civic, Political & Related Activities	502,347		
13				
14	Account 426.5 - Other Deductions			
15	Sale of A/R Fees	1,101,428		
16	Items Under Threshold	5,608		
17				
18	Total Account 426	2,047,096		
19				
20	Account 430 - Interest on Debt of Associated Companies			
21	Money Pool - Duke Energy Kentucky to Duke Energy Corporation	224,924		
22	Money Pool - Duke Energy Kentucky to Duke Energy Carolinas	1,578		
23	Money Pool - Duke Energy Kentucky to Duke Energy Progress	1,223		
24	Money Pool - Duke Energy Kentucky to Duke Energy Indiana	735		
25	Money Pool - Duke Energy Kentucky to Duke Energy Ohio	605		
26	Money Pool - Duke Energy Kentucky to Duke Energy Business Services	41		
27				
28	Total Account 430	229,106		
29				
30	Account 431 - Other Interest Expense:			
31	Swap Net Interest	942,856		
32	Credit Facility	325,405		
33	Capital Meter Lease Interest	107,239		
34	Coal Ash Equity Return	(98,489)		
35	Interest - Assigned from Service Company	80,833		

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
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Particulars Concerning Certain Income Deductions and Interest Charges Accounts (continued)

Line No.	Item (a)	Amount (b)
1		
2	Cox Avenue Office Lease	78,440
3	Customer Service Deposits @ .37% Annum	38,794
4	Deferred Compensation for Board of Directors	6,264
5	Items Under Threshold	4,628
6		
7	Total Account 431	1,485,968
8		
9		
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35		

Name of Respondent Duka Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Regulatory Commission Expenses (Account 928)					
1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party. 2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.					
Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred In Account 182.3 at Beginning of Year (e)
1	Kentucky Public Service Commission Expense				
2	Gas Related	217,713		217,713	
3	Electric Related	699,804		699,804	
4					
5	Miscellaneous Expenses - Gas		318	318	
6	Miscellaneous Expenses - Electric		86	86	
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
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21					
22					
23					
24					
25	Total	917,517	404	917,921	

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4		
Regulatory Commission Expenses (Account 928)							
3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization. 4. Identify separately all annual charge adjustments (ACA). 5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts. 6. Minor items (less than \$250,000) may be grouped.							
Line No.	Expenses Incurred During Year Charged Currently To Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Account 182.3 (i)	Amortized During Year Contra Account (j)	Amortized During Year Amount (k)	Deferred in Account 182.3 End of Year (l)
1							
2	Gas	928	217,713				
3	Electric	928	699,804				
4							
5	Gas	928	318				
6	Electric	928	86				
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
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19							
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21							
22							
23							
24							
25			917,921				

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Employee Pensions and Benefits (Account 926)				
1. Report below the items contained in Account 926, Employee Pensions and Benefits.				
Line No.	Expense (a)	Amount (b)		
1	Pensions - defined benefit plans	1,646,735		
2	Pensions - other	1,028,055		
3	Post-retirement benefits other than pensions (PBOP)	72,948		
4	Post-employment benefit plans	153,081		
5	Other (Specify)			
6	Medical and Dental	2,114,081		
7	Vacation Carryover			
8	Life Insurance	(113,453)		
9	Service/Safety Awards	37,999		
10	Other Work/Family Benefits/Tuition	5,445		
11	MSA/DCSA Fees			
12	Benefits Distribution	3,359,109		
13	Other	(669,093)		
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
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32				
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34				
35				
36				
37				
38				
39				
	Total	7,634,907		

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/13/2017	2016/Q4
FOOTNOTE DATA			

Schedule Page: 352 Line No.: 12 Column: b

Includes allocated benefits from DE Ohio and Service Company through a system generated journal entry that adds a loaded percentage for benefits to all labor charged to DE Kentucky with an offset to the 926 account on the originating entity.

Schedule Page: 352 Line No.: 40 Column: b

Total includes electric and gas expense.

Name of Respondent		This Report Is:		Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	04/13/2017	End of 2016/Q4
Distribution of Salaries and Wages					
Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating function(s) relating to the expenses.					
In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc.					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production	3,852,454	3,014,022	412,599	7,279,075
4	Transmission	55,597	706,530	45,916	810,043
5	Distribution	1,295,327	1,488,469	167,335	2,952,131
6	Customer Accounts	821,054	1,987,493	168,763	2,977,310
7	Customer Service and Informational	16,644	206,699	13,420	236,763
8	Sales				
9	Administrative and General	124,016	6,705,532	410,380	7,239,928
10	TOTAL Operation (Total of lines 3 thru 9)	6,168,092	14,110,745	1,218,413	21,495,250
11	Maintenance				
12	Production	2,562,407	3,454,687		6,017,094
13	Transmission	75,468	333,571		409,039
14	Distribution	1,487,873	929,397		2,417,270
15	Administrative and General	1,106	693		1,799
16	TOTAL Maintenance (Total of lines 12 thru 15)	4,126,854	4,718,348		8,845,202
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	6,414,861	6,468,709	412,599	13,296,169
19	Transmission (Total of lines 4 and 13)	131,065	1,042,101	45,916	1,219,082
20	Distribution (Total of lines 5 and 14)	2,784,200	2,417,866	167,335	5,369,401
21	Customer Accounts (line 6)	821,054	1,987,493	168,763	2,977,310
22	Customer Service and Informational (line 7)	16,644	206,699	13,420	236,763
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)	125,122	6,706,225	410,380	7,241,727
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	10,292,946	18,629,093	1,218,413	30,340,452
26	Gas				
27	Operation				
28	Production - Manufactured Gas	183,966	100,860	1,945	286,791
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply		319,347	2,160	321,527
31	Storage, LNG Terminating and Processing				
32	Transmission				
33	Distribution	1,787,081	1,629,994	23,331	3,440,405
34	Customer Accounts	468,749	1,334,558	12,312	1,815,619
35	Customer Service and Informational	11,609	187,110	1,357	200,076
36	Sales				
37	Administrative and General	9,718	1,581,252	10,663	1,601,633
38	TOTAL Operation (Total of lines 28 thru 37)	2,461,143	5,163,121	51,988	7,666,252
39	Maintenance				
40	Production - Manufactured Gas	55,240	85,651		140,891
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminating and Processing				
44	Transmission				
45	Distribution	259,318	466,123		725,441

Name of Respondent		This Report Is:		Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/13/2017	End of 2016/Q4
Distribution of Salaries and Wages (continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
46	Administrative and General	1,432	261		1,693
47	TOTAL Maintenance (Total of lines 40 thru 46)	315,990	552,035		868,025
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)	239,226	186,511	1,945	427,682
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)		319,347	2,180	321,527
53	Storage, LNG Terminating and Processing (Total of ll. 31 and 43)				
54	Transmission (Total of lines 32 and 44)				
55	Distribution (Total of lines 33 and 45)	2,046,399	2,096,117	23,331	4,165,847
56	Customer Accounts (Total of line 34)	468,749	1,334,558	12,312	1,815,619
57	Customer Service and Informational (Total of line 35)	11,609	187,110	1,357	200,076
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)	11,150	1,581,513	10,853	1,603,526
60	Total Operation and Maintenance (Total of lines 50 thru 59)	2,777,133	5,705,156	51,988	8,534,277
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	13,070,079	24,534,249	1,270,401	38,874,729
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant	2,898,770	4,125,749		7,024,519
67	Gas Plant	1,132,212	3,824,100		4,956,312
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	4,030,982	7,949,849		11,980,831
70	Plant Removal (By Utility Departments)				
71	Electric Plant	548,703	1,149,867		1,698,570
72	Gas Plant	69,297	166,842		236,139
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	618,000	1,316,709		1,934,709
75	Other Accounts (Specify) (footnote details)	(2,245,592)	3,119,707		874,115
76	TOTAL Other Accounts	(2,245,592)	3,119,707		874,115
77	TOTAL SALARIES AND WAGES	15,473,469	36,920,514	1,270,401	53,664,384

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 354 Line No.: 75 Column: b	
Projects For Duke's Subsidiaries & Merchandising	\$ 0
Other Work in Progress	(2,278,812)
Other Accounts	33,220
Total	\$ (2,245,592)

Schedule Page: 354 Line No.: 75 Column: c	
Projects For Duke's Subsidiaries & Merchandising	\$ 17,406
Other Work in Progress	2,194,243
Other Accounts	908,058
Total	\$ 3,119,707

Schedule Page: 354 Line No.: 75 Column: e	
Projects For Duke's Subsidiaries & Merchandising	\$ 17,406
Other Work in Progress	(84,569)
Other Accounts	941,278
Total	\$ 874,115

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Charges for Outside Professional and Other Consultative Services

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.

(a) Name of person or organization rendering services.
 (b) Total charges for the year.

2. Sum under a description "Other", all of the aforementioned services amounting to \$250,000 or less.

3. Total under a description "Total", the total of all of the aforementioned services.

4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 368, according to the instructions for that schedule.

Line No.	Description (a)	Amount (in dollars) (b)
1	UTTER CONSTRUCTION INC	4,931,656
2	ACCENTURE LLP	3,615,086
3	INTERNATIONAL BUSINESS MACHINES CORP	428,502
4	ELECTRIC POWER RESEARCH INSTITUTE EPRI	389,244
5	UBISENSE INC	271,082
6	OTHER	852,258
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16	TOTAL	10,487,808
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
Transactions with Associated (Affiliated) Companies					
1. Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than \$250,000. 2. Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less. 3. Total under a description "Total", the total of all of the aforementioned goods and services. 4. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.					
Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)	
1	Goods or Services Provided by Affiliated Company				
2	Services provided by Duke Energy Commercial Enterprises	Duke Energy Commercial Enterprises	Various	448,017	
3					
4	Services provided by Duke Energy Business Services	Duke Energy Business Services, LLC	Various	101,024,372	
5	Customer and Market Services	Duke Energy Ohio, Inc.	Various	363,199	
6	Gas Distribution Services	Duke Energy Ohio, Inc.	Various	4,772,048	
7	Other Goods and Services	Duke Energy Ohio, Inc.	Various	10,950	
8	Transmission and Distribution Services	Duke Energy Ohio, Inc.	Various	7,021,150	
9	Customer and Market Services	Duke Energy Florida, LLC	Various	83,304	
10	Gas Distribution Services	Duke Energy Florida, LLC	Various	45,468	
11	Other Goods and Services	Duke Energy Florida, LLC	Various	26,186	
12	Transmission and Distribution Services	Duke Energy Florida, LLC	Various	122,179	
13	Customer and Market Services	Duke Energy Carolinas, LLC	Various	6,563,023	
14	Gas Distribution Services	Duke Energy Carolinas, LLC	Various	4,724,650	
15	Other Goods and Services	Duke Energy Carolinas, LLC	Various	921,660	
16	Transmission and Distribution Services	Duke Energy Carolinas, LLC	Various	1,056,757	
17					
18					
19					
20	Goods or Services Provided for Affiliated Company				
21	Customer and Market Services	Duke Energy Indiana, LLC	Various	1,332	
22	Gas Distribution Services	Duke Energy Indiana, LLC	Various	22,016	
23	Other Goods and Services	Duke Energy Indiana, LLC	Various	1,403,965	
24	Transmission and Distribution Services	Duke Energy Indiana, LLC	Various	228,959	
25	Customer and Market Services	Duke Energy Ohio, Inc.	Various	55,475	
26	Customer and Market Services	Duke Energy Ohio, Inc.	Various	1,424,720	
27	Other Goods and Services	Duke Energy Ohio, Inc.	Various	7	
28	Transmission and Distribution Services	Duke Energy Ohio, Inc.	Various	1,264,379	
29	Customer and Market Services	Duke Energy Progress, LLC	Various	71	
30	Gas Distribution Services	Duke Energy Progress, LLC	Various	41,725	
31	Generation Services	Duke Energy Progress, LLC	Various	2,139	
32	Other Goods and Services	Duke Energy Progress, LLC	Various	360	
33	Transmission and Distribution Services	Duke Energy Progress, LLC	Various	262,812	
34	Duke Energy Kentucky provided gas transmission services for KO Transmission	KO Transmission Company	Various	27,899,499	
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Transactions with Associated (Affiliated) Companies (continued)

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
2	Customer and Market Services	Duke Energy Progress, LLC	Various	341,455
3	Generation Services	Duke Energy Progress, LLC	Various	249,028
4	Other Goods and Services	Duke Energy Progress, LLC	Various	227,028
5	Transmission and Distribution Services	Duke Energy Progress, LLC	Various	246,309
6	Customer and Market Services	Duke Energy Indiana, LLC	Various	86,742
7	Generation Services	Duke Energy Indiana, LLC	Various	7,246,361
8	Other Goods and Services	Duke Energy Indiana, LLC	Various	33,967
9	Transmission and Distribution Services	Duke Energy Indiana, LLC	Various	90,792
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20	Goods or Services Provided for Affiliated Company			
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Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 358 Line No.: 4 Column: a

When an employee of the Service Company performs services for a Client Company, costs will be directly assigned or distributed or allocated. For allocated services, the allocation method will be on a basis reasonably related to the service performed. The Service Company Utility Service Agreement prescribes 23 Service Company functions and approximately 20 allocation methods.

Functions and Allocation Methods:

Information Systems

- Number of Central Processing Unit Seconds Ratio/Millions of Instructions per Second
- Number of Personal Computer Workstations Ratio
- Number of Information Systems Servers Ratio
- Number of Employees Ratio
- Three Factor Formula

Meters

- Number of Customers Ratio

Transportation

- Number of Employees Ratio
- Three Factor Formula

Electric System Maintenance

- Circuit Miles of Electric Transmission Lines Ratio
- Circuit Miles of Electric Distribution Lines Ratio

Marketing and Customer Relations

- Number of Customers Ratio

Electric Transmission & Distribution Engineering & Construction

- Electric Transmission Plant's Construction - Expenditures Ratio
- Electric Distribution Plant's Construction - Expenditures Ratio

Power Engineering & Construction

- Electric Production Plant's Construction - Expenditures Ratio

Human Resources

- Number of Employees Ratio

Materials Management

- Procurement Spending Ratio
- Inventory Ratio

Facilities

- Square Footage Ratio

Accounting

- Three Factor Formula
- Generating Unit MW Capability Ratio

Power Planning and Operations

- Electric Peak Load Ratio
- Weighted Avg of the Circuit Miles of Electric Distribution Lines Ratio and the Electric Peak Load Ratio
- Sales Ratio
- Weighted Avg of the Circuit Miles of Electric Transmission Lines Ratio and the Electric Peak Load Ratio
- Generating Unit MW Capability Ratio

Public Affairs

- Three Factor Formula
- Weighted Avg of Number of Customers Ratio and Number of Employees Ratio

Legal

- Three Factor Formula

Rates

- Sales Ratio

Finance

- Three Factor Formula

Rights of Way

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

- Circuit Miles of Electric Transmission Lines Ratio
- Circuit Miles of Electric Distribution Lines Ratio
- Electric Peak Load Ratio

Internal Auditing

- Three Factor Formula

Environmental, Health and Safety

- Three Factor Formula
- Sales Ratio

Fuels

- Sales Ratio

Investor Relations

- Three Factor Formula

Planning

- Three Factor Formula

Executive

- Three Factor Formula

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
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Compressor Stations

1. Report below details concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.
 2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned.

Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1				
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
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Compressor Stations

Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size and the date the unit was placed in operation.

3. For column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

Line No.	Expenses (except depreciation and taxes)	Expenses (except depreciation and taxes)	Expenses (except depreciation and taxes)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)
	Fuel (e)	Power (f)	Other (g)					
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Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
Gas Storage Projects					
1. Report injections and withdrawals of gas for all storage projects used by respondent.					
Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)	
	STORAGE OPERATIONS (in Dth)				
1	Gas Delivered to Storage				
2	January				
3	February				
4	March				
5	April				
6	May				
7	June				
8	July				
9	August				
10	September				
11	October				
12	November				
13	December				
14	TOTAL (Total of lines 2 thru 13)				
15	Gas Withdrawn from Storage				
16	January				
17	February				
18	March				
19	April				
20	May				
21	June				
22	July				
23	August				
24	September				
25	October				
26	November				
27	December				
28	TOTAL (Total of lines 16 thru 27)				

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
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Gas Storage Projects

- On line 4, enter the total storage capacity certificated by FERC.
- Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.

Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top or Working Gas End of Year	
2	Cushion Gas (Including Native Gas)	
3	Total Gas in Reservoir (Total of line 1 and 2)	
4	Certificated Storage Capacity	
5	Number of Injection - Withdrawal Wells	
6	Number of Observation Wells	
7	Maximum Days' Withdrawal from Storage	
8	Date of Maximum Days' Withdrawal	
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of <u>2016/Q4</u>
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Transmission Lines

1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.
3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.
4. Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)	*	Total Miles of Pipe (c)
		(b)	
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Transmission System Peak Deliveries

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.

Line No.	Description	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
SECTION A: SINGLE DAY PEAK DELIVERIES				
1	Date:			
2	Volumes of Gas Transported			
3	No-Notice Transportation			
4	Other Firm Transportation			
5	Interruptible Transportation			
6	Other (Describe) (footnote details)			
7	TOTAL			
8	Volumes of gas Withdrawn from Storage under Storage Contract			
9	No-Notice Storage			
10	Other Firm Storage			
11	Interruptible Storage			
12	Other (Describe) (footnote details)			
13	TOTAL			
14	Other Operational Activities			
15	Gas Withdrawn from Storage for System Operations			
16	Reduction in Line Pack			
17	Other (Describe) (footnote details)			
18	TOTAL			
19	SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES			
20	Dates:			
21	Volumes of Gas Transported			
22	No-Notice Transportation			
23	Other Firm Transportation			
24	Interruptible Transportation			
25	Other (Describe) (footnote details)			
26	TOTAL			
27	Volumes of Gas Withdrawn from Storage under Storage Contract			
28	No-Notice Storage			
29	Other Firm Storage			
30	Interruptible Storage			
31	Other (Describe) (footnote details)			
32	TOTAL			
33	Other Operational Activities			
34	Gas Withdrawn from Storage for System Operations			
35	Reduction in Line Pack			
36	Other (Describe) (footnote details)			
37	TOTAL			

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Auxiliary Peaking Facilities

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.
 2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.
 3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery? (e)
1	Erlanger (KY)	Liquid Petroleum	25,060	7,859,628	Yes
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Name of Respondent Duka Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2017	Year/Period of Report End of 2016/Q4
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Gas Account - Natural Gas

- The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
- Natural gas means either natural gas unblended or any mixture of natural and manufactured gas.
- Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.
- Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.
- Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
- If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
- Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
- Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.
- Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
- Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only
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D1 Name of System:

2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		9,886,292	2,978,059
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305	10,266,352	3,316,786
6	Gas of Others Received for Distribution (Account 489.3)	301	4,051,865	1,171,899
7	Gas of Others Received for Contract Storage (Account 489.4)	307		
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328		
10	Gas Received as Imbalances (Account 806)	328		
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)			
13	Gas Received from Shippers as Compressor Station Fuel			
14	Gas Received from Shippers as Lost and Unaccounted for			
15	Other Receipts (Specify) (footnote details)		71,248	15,291
16	Total Receipts (Total of lines 3 thru 15)		24,275,757	7,482,035
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		9,421,774	2,946,306
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305	10,266,352	3,316,786
21	Deliveries of Gas Distributed for Others (Account 489.3)	301	4,058,298	1,222,741
22	Deliveries of Contract Storage Gas (Account 489.4)	307		
23	Gas of Others Delivered for Production/Extraction/Processing (Account 490 and 491)			
24	Exchange Gas Delivered to Others (Account 806)	328		
25	Gas Delivered as Imbalances (Account 806)	328		
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)			
28	Gas Used for Compressor Station Fuel	509		
29	Other Deliveries and Gas Used for Other Operations		5,421	270
30	Total Deliveries (Total of lines 18 thru 29)		23,751,845	7,486,103
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		523,912	(4,058)
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		24,275,757	7,482,035