

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

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	3.976
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	(0.017)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.045)
BALANCE ADJUSTMENT (BA)	\$/MCF	0.107
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	<u>4.021</u>

GAS COST RECOVERY RATE EFFECTIVE DATES: January 31, 2018 THROUGH February 28, 2018

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	3.976

SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	(0.009)
PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	(0.008)
SECOND PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
THIRD PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	<u>(0.017)</u>

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	0.097
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.265)
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.082)
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.205
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>(0.045)</u>

BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	(0.013)
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.050
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.051
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.019
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>0.107</u>

THIS MONTHLY REPORT FILED PURSUANT TO CASE NO. 2003-00386
OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED November 6, 2003

DATE FILED: January 10, 2018

BY: DON WATHEN

TITLE: DIRECTOR,
Rates & Regulatory Strategy - OH/KY

PURCHASED GAS ADJUSTMENT
COMPANY NAME: DUKE ENERGY KENTUCKY, INC.

SUPPLEMENTAL MONTHLY REPORT

EXPECTED GAS COST RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF
PROJECTED VOLUME FOR THE TWELVE MONTH PERIOD ENDED

January 31, 2018
November 30, 2018

		<u>\$</u>	
<u>DEMAND (FIXED) COSTS:</u>			
Columbia Gas Transmission Corp.		3,251,527	
Columbia Gulf Transmission Corp.		1,200,125	
Tennessee Gas Pipeline Company, LLC		677,580	
KO Transmission Company		1,838,592	
Texas Gas Transmission		0	
Gas Marketers		94,842	
	TOTAL DEMAND COST:	<u>7,062,666</u>	
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	9,070,798	MCF	
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$7,062,666	/	9,070,798 MCF
			\$0.779 /MCF
<u>COMMODITY COSTS:</u>			
Gas Marketers		\$2.640	/MCF
Gas Storage			
Columbia Gas Transmission		\$0.468	/MCF
ANR		\$0.000	/MCF
Propane		<u>\$0.079</u>	/MCF
COMMODITY COMPONENT OF EGC RATE:		\$3.187	
<u>OTHER COSTS:</u>			
Net Charge Off ⁽¹⁾	\$17,952	/	1,755,915
			\$0.010 /MCF
TOTAL EXPECTED GAS COST:			<u>\$3.976 /MCF</u>

⁽¹⁾ Net Charge Off amount from Case No. 2009-00202 WPD-2.15a.

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY, INC.**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : January 31, 2018



GAS COMMODITY RATE FOR FEBRUARY 2018:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$2.7505	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.700%	\$0.0743	\$2.8248	\$/Dth
DTH TO MCF CONVERSION	1.0815	\$0.2302	\$3.0550	\$/Mcf
ESTIMATED WEIGHTING FACTOR	86.420%		\$2.6401	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$2.640	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$3.1751	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$3.1904	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	1.432%	\$0.0457	\$3.2361	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0209	\$3.2570	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0013	\$3.2583	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.700%	\$0.0880	\$3.3463	\$/Dth
DTH TO MCF CONVERSION	1.0815	\$0.2727	\$3.6190	\$/Mcf
ESTIMATED WEIGHTING FACTOR	12.918%		\$0.4675	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.468	\$/Mcf

GAS STORAGE

ANR - STORAGE INVENTORY RATE			\$0.0000	\$/Dth
ANR FSS WITHDRAWAL FEE		\$0.0000	\$0.0000	\$/Dth
ANR FTS FUEL	0.000%	\$0.0000	\$0.0000	\$/Dth
DTH TO MCF CONVERSION	0.0000	\$0.0000	\$0.0000	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
GAS STORAGE COMMODITY RATE - ANR			\$0.000	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.78012	\$/Gallon
GALLON TO MCF CONVERSION	15.38	\$11.2181	\$11.9982	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.662%		\$0.0794	\$/Mcf
PROPANE COMMODITY RATE			\$0.079	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 1/8/2018 and contracted hedging prices.