#### DUKE ENERGY KENTUCKY, INC GAS COST ADJUSTMENT CLAUSE

#### **QUARTERLY REPORT**

GAS COST	RECOVERY RA	TES EFFECTIVE FROM	

August 29, 2018

THROUGH September 27, 2018

DESCRIPTION		
DESCRIPTION	UNIT	AMOUNT
XPECTED GAS COST (EGC)	\$/MCF	3.947
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.011
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.152
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.022
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	4.066
EXPECTED GAS COST CALCULATION	N	
DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	3.947
SUPPLIER REFUND ADJUSTMENT CALCUL	_ATION	
DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ.	\$/MCF	(0.002
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
ECOND PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
HIRD PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.009
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.011)
ACTUAL ADJUSTMENT CALCULATION	N	
DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	(0.345)
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.104
ECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.296
HIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.097
CTUAL ADJUSTMENT (AA)	\$/MCF	0.152
BALANCE ADJUSTMENT CALCULATIO	N	
DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	0.003
REVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.004)
ECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.008)
HIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.013)
ALANCE ADJUSTMENT (BA)	\$/MCF	(0.022)
THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 8373 OF THE KENTUCKY PICOMMISSION DATED APRIL 16, 1982.	UBLIC SERVICE	

DATE FILED: August 9, 2018

BY: DON WATHEN

TITLE: <u>DIRECTOR</u>,

Rates & Regulatory Strategy - OH/KY

# GAS COST ADJUSTMENT DUKE ENERGY KENTUCKY EXPECTED GAS COST RATE CALCULATION (EGC)

SUMMARY FOR THE EGC RATE IN EFFECT AS OF: SEPTEMBER 1, 2018

DEMAND (FIXED) COSTS:				\$	
DEMAND (FIXED) COSTS:  Columbia Gas Transmission Corp. Columbia Gulf Transmission Corp. Tennessee Gas Pipeline Company, LLC KO Transmission Company Gas Marketers  TOTAL	DEMAND COST:			3,215,122 1,200,125 677,580 1,943,654 94,842 7,131,323	
PROJECTED GAS SALES LESS SPECIAL CONTRACT	IT PURCHASES:		9,099,375 MCF	,,===	
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$7,131,323	/	9,099,375 MCF	\$0.784 /MCF	:
COMMODITY COSTS: Gas Marketers Gas Storage Columbia Gas Transmission Propane COMMODITY COMPONENT OF EGC RATE:				\$3.034 /MCF \$0.000 /MCF \$0.000 /MCF \$3.034 /MCF	=
Other Costs: Net Charge Off <sup>(1)</sup> TOTAL EXPECTED GAS COST:	\$17,952	/	139,193	\$0.129 <b>/MCF</b> \$3.947 <b>/</b> MCF	

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

## GAS COST ADJUSTMENT DUKE ENERGY KENTUCKY

DETAILS FOR THE EGC RATE IN EFFECT AS OF: September 1, 2018

×	RATE (\$DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE: COLUMBIA GAS TRANSMISSION, LLC TARIFF RATE EFFECTIVE DATE: FSS: 2/1/2015 SST: 2/1/2017				
BILLING DEMAND - TARIFF RATE - FSS				
Max. Daily Withdrawl Quan. Seasonal Contract Quantity	1.5010 0.0288	39,656 1,365,276	12 12	714,284 471,839
BILLING DEMAND - TARIFF RATE - SST				
Maximum Daily Quantity Maximum Daily Quantity	5.6850 5.6850	19,828 39,656	6 6	676,333 1,352,666
CAPACITY RELEASE CREDIT			_	0
TOTAL COLUMBIA GAS TRANSMISSION,	LLC - DEMAN	CHARGES		3,215,122
INTERSTATE PIPELINE: COLUMBIA GULF TRANSMISSION CORP. TARIFF RATE EFFECTIVE DATE: FTS-1: 7/1/2016				
BILLING DEMAND - TARIFF RATE - FTS-1				
Maximum Daily Quantity Maximum Daily Quantity	3.3300 3.3300	21,000 13,500	5 7	349,650 314,685
Maximum Daily Quantity Maximum Daily Quantity	3.3300 2.7100	9,000 13,000	12 5	359,640 176,150
CAPACITY RELEASE CREDIT FOR FTS-1				0
TOTAL COLUMBIA GULF TRANSMISSION	I CORP. DEMA	ND CHARGES		1,200,125
INTERSTATE PIPELINE: <b>TENNESSEE GAS PIPELINE COMPANY, L</b> TARIFF RATE EFFECTIVE DATE: FT-A: 11/1/2016	LC			
BILLING DEMAND - TARIFF RATE - FTS-1				
Maximum Daily Quantity	2.4550	23,000	12	677,580
TOTAL TENNESSEE GAS PIPELINE COM	PANY, LLC - DE	EMAND CHARGES	3	677,580

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Currently Effective Rates Applicable to Rate Schedule FSS Rate Per Dth

Daily Rate			0.0493	2.88	1.53	1.53	10.87
Total Effective	Rate		1.501	2.88	1.53	1.53	10.87
Annual Charge	Adjustment 2/		ı	1	ı	1	ı
Electric Power Costs Adjustment	Surcharge		1	1	ı	ı	ı
Electri Costs A	Current		1	ı	1	ı	,
Transportation Cost Rate Adjustment	Surcharge		1	ı	1	ı	ı
Transpor Rate A	Current		1	1	1	ı	1
Base Tariff	Rate 1/		1.501	2.88	1.53	1.53	10.87
			3/8	હ	છ	· 62	· &
		Rate Schedule FSS	Reservation Charge 3/ \$	Capacity 3/	Injection	Withdrawal	Overrun 3/

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.

ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

Shippers utilizing the Eastern Market Expansion (EME) facilities for FSS service will pay a total FSS MDSQ reservation charge of \$4.130 and a total FSS SCQ capacity rate of 6.80 cents. If EME customers incur an overrun for FSS services that is provided under their EME Project service agreements, they will pay a total FSS overrun rate of 23.44 cents. The additional EME demand charges and EME overrun charges can be added to the applicable surcharges above to develop the EME Total Effective Rate.

Effective On: February 1, 2015

Columbia Gas Transmission, LLC Fourth Revised FERC Tariff

Currently Effective Rates

**SST Rates** Version 50.0.0

FERC Tariff			
Fourth Revised Volume No. 1			
	And the second second	Approximation Co.	
	Discount:	\$4.198	
Currently Effective Rates	CCRM:	1.487	
Applicable to Rate Schedule SST	Total:	\$5.685	

Rate Per Dth

Daily Rate 2/	0.2015	1.87	1.87	0	77.07	1.87
Total Effective Rate 2/	6.127	1.87	1.87	(	22.02	1.87
CCRM Rates	1.487	0.00	0.00	(	4.89	0.00
OTRA Rates	0.015	0.00	0.00	(	0.05	0.00
EPCA Rates	0.077	0.80	08.0	,	1.05	0.80
TCRA Rates	0.224	0.05	0.05		0.79	0.05
Base Tariff Rate 1/2/	4.324	1.02	1.02		15.24	1.02
	<del>∽</del>	B	હ		હ	D.
	Rate Schedule SST Reservation Charge 3/4/ Commodity	Maximum	Minimum	Overnun 4/	Maximum	Minimum

Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.

applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 34 of the GTC of Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (http://www.ferc.gov) is incorporated herein by reference.

Minimum reservation charge is \$0.00. 3,

Shippers utilizing the Eastern Market Expansion (EME) facilities for Rate Schedule SST service will pay a total SST reservation charge of \$17.625. If EME customers incur an overrun for SST services that is provided under their EME Project service agreements, they will pay a total overrun rate of 58.97 cents. The applicable EME demand charge and EME overrun charge can be added to the applicable surcharges above to calculate the EME Total Effective Rates.

#### Columbia Gas Transmission, LLC 1700 MacCorkle Avenue SE, Charleston, WV 25314



March 28, 2018

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

RE:

SST Service Agreement No. 79977
Discount Letter Amendment

Dear Mr. Kern:

This letter will serve as an amendment to the SST Service Agreement No. 79977 between Columbia Gas Transmission, LLC (Transporter) and Duke Energy Kentucky, Inc. (Shipper) and supersedes and replaces all prior Discount Letter Amendments. Transporter and Shipper hereby agree that Section 3 of the above-referenced service agreement is amended to provide the following:

- The rate for service, for the period from 3/01/2018 to 1/31/2019, will include a discounted demand rate of \$4.198, inclusive of all surcharges, for any receipts into Transporter's pipeline system for delivery to the primary delivery point 834696 (KOT DEK MLI) and for delivery to the secondary delivery point STOR (RP Storage Point TCO).
- The rate for service, for the period from 2/01/2019 to 1/31/2020, will include a discounted demand rate of \$5.653, inclusive of all surcharges, for any receipts into Transporter's pipeline system for delivery to the primary delivery point 834696 (KOT DEK MLI) and for delivery to the secondary delivery point STOR (RP Storage Point TCO).
- The rate for service, for the period from 2/01/2020 to 1/31/2021, will include a discounted demand rate of \$6.045, inclusive of all surcharges, for any receipts into Transporter's pipeline system for delivery to the primary delivery point 834696 (KOT DEK MLI) and for delivery to the secondary delivery point STOR (RP Storage Point TCO).
- 4. The rate for service, for the period from 2/01/2021 to 3/31/2022, will include a discounted demand rate of \$6.428, inclusive of all surcharges, for any receipts into Transporter's pipeline system for delivery to the primary delivery point 834696 (KOT DEK MLI) and for delivery to the secondary delivery point STOR (RP Storage Point TCO).
- The above discounted demand rates will be inclusive of demand surcharges at the rates specified
  in the currently effective Part V.8. (Currently Effective Rates Applicable to Rate Schedule SST) of
  Transporter's FERC Gas Tariff as amended from time to time.

#### Columbia Gas Transmission, LLC 1700 MacCorkle Avenue SE, Charleston, WV 25314



- 6. Except to the extent Federal Energy Regulatory Commission ("FERC") policies, rules and/or regulations, and/or Transporter's FERC Gas Tariff provide otherwise, for service under the above-referenced Service Agreement to secondary delivery points other than STOR, in lieu of the rate set forth above, Transporter will charge and Shipper will pay the then existing maximum Recourse Rate set forth in Transporter's FERC Gas Tariff from time to time.
- 7. Notwithstanding the foregoing, the charge to be paid by Shipper to Transporter will be no lower than the applicable total effective minimum charges or higher than the applicable total effective maximum charges as set forth in Transporter's FERC Gas Tariff from time to time.
- 8. The discounted reservation rate will be apportioned in accordance with Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- In addition to the demand charges set forth above, Shipper must pay Transporter all applicable commodity charges, commodity surcharges, overrun charges, gathering charges, and retainage charges set forth in Transporter's FERC Gas Tariff as amended from time to time.
- In addition to the reservation charges set forth above, for the period from 3/01/2018 through 1/31/2019, Shipper will pay all applicable Capital Cost Recovery Mechanism ("CCRM") charges.
- 11. Shipper will have a contractual right of first refusal ("ROFR") under the referenced agreement If it does not qualify for the regulatory ROFR set forth in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

DUKE ENERGY KENTUCKY, INC.

COLUMBIA GAS TRANSMISSION, LIC

RU 3178/18

By:

James R. Eckert

Its:

Vice President

DATE

DATE

Version 13.0.0

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

ve Rate  Daily Rate (3) 1/	Discounted to\$3.33 for 0.1371 #79970 & \$154404 and 0.000 to \$2.71 for #190929	ACA 0.0109 + 0.0013 = 0.0122 0.0109 0.0109	
Total Effective Rate (2)	4.170	0.0109	
FS-1 Base Rate (1)	rge 4.170	0.0109	
Rate Schedule FTS-1	Market Zone Reservation Charge Maximum Minimum	Commodity Maximum Minimum	Overrun

applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of 1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (http://www.ferc.gov) is incorporated herein by reference. Currently Effective Rates Retainage Rates Version 9.0.0

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# RETAINAGE PERCENTAGES

Transportation Retainage	1.454%
Gathering Retainage	4.500%
Storage Gas Loss Retainage	0.540%
Ohio Storage Gas Loss Retainage	0.610%
Columbia Processing Retainage 1/	0.000%

1/ The Columbia Processing Retainage shall be assessed separately from the processing retainage applicable to third party processing plants set forth in Section 25.3 (f) of the General Terms and Conditions.

Effective On: April 1, 2018



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

jsydnor@nisource.com

April 11, 2014

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

RE:

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

Dear Jeff:

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

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

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

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

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

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

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

The above proposals are offered through April 30, 2014.

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

Executed and agreed to this Manager, Gas Resources

Executed and agreed to this Manager, Gas Resources

Its: Wanager, Gas Resources

Its: UP

Service Agreement No. 79970 Revision No. 3

#### FTS-1 SERVICE AGREEMENT

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

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

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

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

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

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

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

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DUKE E	NERGY KENTUCKY, INC.	COLUM	MBIA GULF TRANSMISSION, LLC	
Ву	Jeff Kern	Ву	Stan Chapman	
Title	Agent	Title	EVP & CCO	
Date	October 07, 2014	Date	October 02, 2014	

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

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

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

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

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

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

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

DUKE ENERGY KENTUCKY, INC.

By Jeff Kern
Title Agent
Date October 07, 2014

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

COLUMBIA GULF TRANSMISSION, LLC

Service Agreement No. 154404 Revision No. 0

#### FTS-1 SERVICE AGREEMENT

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

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

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

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

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

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

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

DUKE EN	ERGY KENTUCKY, INC.	. COLUMBIA GULF TRANSMISSION, LLC	
Ву	Jeff Kern	Ву	Stan Chapman
Title	Agent	Title	EVP & CCO
Date	October 07, 2014	Date	October 02, 2014

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

	Recurrence <u>Interval</u>	1/1 - 12/31		Recurrence Interval	1/1 - 12/31		Recurrence <u>Interval</u>	1/1 - 12/31
<u>Transportation Demand</u>	Recui	1/1	Maximum Daily Quantity (Dth/day)	000'6		Maximum Daily Quantity (Dth/day)	000'6	
	Transportation Demand Dth/day	000'6	ipt Points	Measuring Point Name	GULF-LEACH	ery Points	Measuring Point Name	MEANS
	End <u>Date</u>	Date October 31, 2	Primary Recei	Measuring Point No.	801	Primary Delivery Points	Measuring Point No.	MEANS
			End	October 31, 2019		End <u>Date</u>	October 31, 2019	
	Begin <u>Date</u>	November 1, 2014		Begin <u>Date</u>	November 1, 2014		Begin <u>Date</u>	November 1, 2014

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

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

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

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

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

DUKE ENERGY KENTUCKY, INC.

By Jeff Kern
Title Agent
Date October 07, 2014

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

COLUMBIA GULF TRANSMISSION, LLC

Service Agreement No. 190929 Revision No. 0

#### FTS-1 SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this <u>4th</u> day of <u>August</u>, <u>2017</u>, by and between COLUMBIA GULF TRANSMISSION, LLC ("Transporter") and DUKE ENERGY KENTUCKY, INC. ("Shipper").

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

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

Section 2. <u>Term.</u> Service under this Agreement shall commence as of November 1, 2017, and shall continue in full force and effect until March 31, 2018. Shipper and Transporter agree to avail themselves of the Commission's pre-granted abandonment authority upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's Regulations and Transporter's Tariff.

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

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Sulte 2400, Houston, Texas 77056, Atlention: Customer Services and notices to Shipper shall be addressed to it at Duke Energy Kentucky, Inc., 139 East Fourth Street, P. O. Box 960, Cincinnati, OH 45202, Attention: Jeff Kern, until changed by either party by written notice.

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

443.	DUKE EN	ERGY KENTUCKY, INC.	COLI	JMBIA GULF TRANSMISSION, LLC
JUL	Ву	- 4nl-	Ву	Kay Kundion
POR	Title	Senier Vice Provident	Title	Quid Contracte
0/	Date	Ayur 2, 2017	Date	7-19-2017
MA				

#### Revision No 0

Maximum Daily

Quantity

(Dth/day)

13,000

Recurrence

Interval

1/1 - 12/31

# Appendix A to Service Agreement No. 190929 Under Rate Schedule FTS-1 between Columbia Gulf Transmission, LLC ("Transporter") and Duke Energy Kentucky, Inc. ("Shipper").

Transportation Demand

#### Transportation Recurrence Begin Date End Date Demand Dth/day <u>Interval</u> 11/01/2017 03/31/2018 13,000 1/1 - 12/31 Primary Receipt Points Maximum Daily Measuring Quantity Recurrence Begin Date **End Date** Point No. Measuring Point Name (Dth/day) Interval 11/01/2017 03/31/2018 2700010 CGT-RAYNE 13,000 1/1 - 12/31 Primary Delivery Points

Measuring Point Name

**MEANS** 

Measuring

Point No.

**MEANS** 

**End Date** 

03/31/2018

Begin Date

11/01/2017

	The Master List of Interconnects ("MLI") as defined in Sect Tariff is incorporated herein by reference for purposes of lispoints.	ion 1 of the General Terms and Conditions of Transporter's sting valid secondary interruptible receipt points and delivery				
	Transporter and Shipper have mutually agreed to the following maximum or minimum pressure comm					
	Yes X No (Check applicable blank) Transporte	r and Shipper have mutually agreed to a Regulatory				
	Restructuring Reduction Option pursuant to Section 33 of t Tariff.	he General Terms and Conditions of Transporter's FERC Gas				
	Yes X No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.					
	YesX_ No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.					
LK	DUKE ENERGY KENTUCKY, INC.	COLUMBIA GULETRANSMISSION, LLC				
BOK	Title Senson Vice President  Date My 4, 2017	By Kay Under Tille Director Transportation Accounting and Controlle Date 7-19-2017				

## Columbia Pipeline Group 1700 MacCorkle Avenue, SE, Charleston, WV 25314



July 17, 2017

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

RE: FTS-1 Service Agreement No. 190929

Discount Letter Amendment

Dear Mr. Kern:

This letter will serve as an amendment to the FTS-1 Service Agreement No. 190929 between Columbia Gulf Transmission, LLC (Transporter) and Duke Energy Kentucky, Inc. (Shipper). Transporter and Shipper hereby agree that Section 3 of the above-referenced service agreement is amended to provide the following:

<u>Terms.</u> Shipper agrees to pay the discounted reservation rate(s) for the term(s) and point(s) specified below.

Effective from November 1, 2017 to March 31, 2018 for an MDQ of 13,000 Dth/day, the rate for service will include a discounted reservation rate of \$2.718 from the primary receipt point CGT-Rayne (2700010) to the primary delivery point Means, and for secondary receipt and delivery points between Rayne and Means. Service from any other secondary receipt points to any other secondary delivery points will be charged the then-existing maximum reservation rate set forth in Transporter's FERC Gas Tariff.

<u>Apportionment of Discounts</u>. The discounted reservation rate will be apportioned in accordance with Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

Other Charges. In addition to the reservation charge(s) set forth above, Shipper must pay Transporter all applicable charges and surcharges in the Transporter's FERC Gas Tariff, as amended from time to time, including, but not limited to, commodity charges, overrun charges and retainage charges.

#### Columbia Pipeline Group 1700 MacCorkle Avenue, SE, Charleston, WV 25314



<u>Compliance with Tariff.</u> Notwithstanding the foregoing, the charge to be paid by Shipper to Transporter will be no lower than the applicable total effective minimum charges or higher than the applicable total effective maximum charges as set forth in Transporter's FERC Gas Tariff from time to time.

Executed and agreed to this 4th day of August , 2017.

COLUMBIA GULF TRANSMISSION, LLC	DUKE ENERGY KENTUCKY, INC.	
By: Kay Lemion	By: 74 M	ALX
Its: Dreston Transputation According	Its: Senior Vice Prevident	DOK MS
Date: 7-19-2017	Date: Au, 4, 2017	

Eleventh Revised Sheet No. 14
Superseding
Tenth Revised Sheet No. 14

#### RATES PER DEKATHERM

### FIRM TRANSPORTATION RATES RATE SCHEDULE FOR FT-A

Reservation Rates	DECEINT				DELIVER	Y ZONE			
	ZONE	0	L	1	2	3	4	5	6
	0 L	\$5.5411	\$4.9193	\$11.5794	\$15.5758	\$15.8514	\$17.4175	\$18.4879	\$23.1959
	1	\$8.3417	+	\$7.9962	\$10.6413	\$15.0745	\$14.8460	\$16.7429	\$20.5878
	2	\$15.5759		\$10.5774	\$5.5014	\$5.1427	\$6.5803	\$9.0504	\$11.6830
	3	\$15.8514		\$8.3784	\$5.5458	\$4.0009	\$6.1457	\$11.1149	\$12.8437
	4	\$20.1259		\$18.5544	\$7.0708	\$10.7456	\$5.2598	\$5.6884	\$8.126
	5 6	\$23.9973 \$27.7603		\$16.8625 \$19.3678	\$7.4172 \$13.3296	\$8.9748 \$14.6845	\$5.8432 \$10.3726	\$5.4810 \$5.4568	\$7.1353 \$4.7233
							,	<b>+</b>	Ţ <u>-</u>
Daily Base Reservation Rate 1/					DELIVER	Y ZONE			
	RECEIPT ZONE	0	L	1	2	3	4	5	6
	0	\$0.1822		\$0.3807	\$0.5121	\$0.5211	\$0.5726	\$0.6078	\$0.7626
	L		\$0.1617						
	1	\$0.2742	,	\$0.2629	\$0.3499	\$0.4956	\$0.4881	\$0.5505	\$0.6769
	2	\$0.5121		\$0.3478	\$0.1809	\$0.4930	\$0.2163	\$0.2975	\$0.0703
	3	\$0.5211		\$0.2755	\$0.1823	\$0.1315	\$0.2021	\$0.3654	\$0.4223
	4	\$0.6617		\$0.6100	\$0.2325	\$0.3533	\$0.1729	\$0.1870	\$0.2672
	5	\$0.7890		\$0.5544	\$0.2439	\$0.2951	\$0.1921	\$0.1802	\$0.2346
	6	\$0.9127		\$0.6367	\$0.4382	\$0.4828	\$0.3410	\$0.1794	\$0.2540
Marrian Danner Branchin	_								
Maximum Reservation Rates 2/, 3/	n				DELIVER	Y ZONE			
	RECEIPT								
	ZONE	0	L,	1	2	3	4	5	6
	0	\$5.5627		\$11.6010	\$15.5974	\$15.8730	\$17.4391	\$18.5095	\$23.217
	L	•	\$4.9409						
	1	\$8.3633	-	\$8.0178	\$10.6629	\$15.0961	\$14.8676	\$16.7645	\$20.609
	2	\$15.5975		\$10.5990	\$5.5230	\$5.1643	\$6.6019	\$9.0720	\$11.704
	3	\$15.8730		\$8.4000	\$5.5674	\$4.0225	\$6.1673	\$11.1365	\$12.865
	4	\$20.1475		\$18.5760	\$7.0924	\$10.7672	\$5.2814	\$5.7100	\$8.148
	5	\$24.0189		\$16.8841	\$7.4388	\$8.9964	\$5.8648	\$5.5026	\$7.156
	6	\$27.7819		\$19.3894	\$13.3512	\$14.7061	\$10.3942	\$5.4784	\$4.745

#### Notes

- 1/ Applicable to demand charge credits and secondary points under discounted rate agreements.
- 2/ Includes a per Dth charge for the PCB Surcharge Adjustment per Article XXXII of the General Terms and Conditions of \$0.0000.
- 3/ Includes a per Dth charge for the PS/GHG Surcharge Adjustment per Article XXXVIII of the General Terms and Conditions of \$0.0216.

Discounted Rate: \$2.4334 PS/GHG: 0.0216 DEK Rate: \$2.4550

Issued: September 29, 2017 Docket No. RP17-1118-000 Effective: November 1, 2017 Accepted: October 26, 2017

#### Additional Information

May 18, 2016

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

Attention: Jeff Kern

RE: Discounted Rate Agreement

Rate Schedule FT-A Service Package No. 321247

Dear Jeff:

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

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

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

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

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

Sincerely,
Alison G. Stringer

Account Director, Marketing

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

Name Vice President

Marketing & Business Development

Title:

AGREED TO AND ACCEPTED
THIS 13 DAY OF JUNE 2016

DUKE ENERGY KENTUCKX

Name Chuck whitlock

Title: SVP midwest Delivery

JEG

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

Amendment Effective Date: November 1, 2016

Service Package: 321247-FTATGP

Service Package TQ: 23000 Dth

BEGINNING DATE	ENDING DATE	
1/01/2016	03/31/2019	23000
The state of the s		

TER-TQ	000	000
ME	230	23000
LEG	100 23000	800
ST ZONE R/D LEG METER-TQ	Ω	ď
ZONE	2	
ST	Σ	5
COUNTY	MONTGOME RY	FRANKLIN
INTERCONNECT PARTY NAME	COLUMBIA GAS TRNSM. CORP.	TENNESSEE GAS PIPELINE
METER MAME	COL GAS/TGP NORTH MEANS KY MONTGOME	POOLING PT - 800 LEG - ZONE L
METER	420049	420998
ENDING	03/31/2019 420049	03/31/2019
BEGINNING	11/01/2016	11/01/2016

Total Receipt TQ 23000 Total Delivery TQ 23000

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

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

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

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

REVENUE REDUCTION OPTION PROVISIONS\*

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2		>
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NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	
OPTION PERIOD(S)	OPTION DESCRIPTION	OPTION CONSIDERATION	

ANY LIMITATIONS ON THE EXERCISE OF THE REVENUE REDUCTION OPTION AS BID BY THE SHIPPER: \* NOTICE MUST BE GIVEN AS PROVIDED FOR IN THE NET PRESENT VALUE STANDARD OF THE GENERALTERMS AND CONDITIONS.

## GAS COST ADJUSTMENT DUKE ENERGY KENTUCKY

DETAILS FOR THE EGC RATE IN EFFECT AS OF: September 1, 2018

	RATE	CONTRACT VOLUME	NUMBER OF	EXPECTED GAS COST
	( \$ DTH)	(DTH)	DAYS/MTHS	(\$)
INTERSTATE PIPELINE: KO TRANSMISSION COMPANY TARIFF RATE EFFECTIVE DATE: 2/1/2017				
BILLING DEMAND - TARIFF RATE - FT  Maximum Daily Quantity	2.2496	72,000	12	1,943,654
CAPACITY RELEASE CREDIT			_	0
TOTAL KO TRANSMISSION CO. DEMAND CHARGES				1,943,654
GAS MARKETERS FIXED CHARGES				
November - March	0.0024	12,366,811		29,592
December - February	0.09	725,000		65,250
TOTAL GAS MARKETERS FIXED CHARGES				94,842

KO Transmission Company, Tariffs, Rate Schedules and Service Agreements

Filing Category: FERC Docket:

Normal

RP17-00554-000

Filing Date: FERC Action: Order Date:

03/24/2017 Accept 04/29/2017

Effective Date:

FERC Order:

BOL

04/01/2017

Part 3, Currently Effective Rates, 15.0.0

Status:

Effective

#### **CURRENTLY EFFECTIVE RATES** APPLICABLE TO RATE SCHEDULES FTS AND ITS

#### RATE LEVELS - RATE PER DTH

From February 1, 2017 to January 31, 2018 (Period 11):

**Base Tariff** 

Rate<sup>1/</sup>

RATE SCHEDULE FTS

Reservation Charge <sup>2/</sup>

Maximum

\$2,1280

Daily Rate - Maximum

\$0.0700

Commodity

Maximum

\$0.0000 \$0.0000

Minimum Overrun

\$0.0700

From February 1, 2018 to January 31, 2019 ( Period 2 ):

Base Tariff Rate<sup>1/</sup> RATE SCHEDULE FTS

Reservation Charge <sup>2/</sup>

Maximum

\$2.2496

Daily Rate - Maximum

\$0.0740

Commodity

Maximum

\$0.0000 + \$0.0013 = \$0.0013

Minimum

\$0.0000

Overrun

\$0.0740

From February 1, 2019 to December 31, 2019 (|| Period 3||):

Base Tariff Rate<sup>1/</sup> RATE SCHEDULE FTS Reservation Charge 2/

Maximum \$2.2496

Daily Rate - Maximum \$0.0740

Commodity

 Maximum
 \$0.0000

 Minimum
 \$0.0000

 Overrun
 \$0.0740

From January 1, 2020 until new generally applicable rates become effective ( Final Daily Recourse Reservation Rate ):

## Base Tariff Rate<sup>1/</sup> RATE SCHEDULE FTS

Reservation Charge <sup>2/</sup>

Maximum \$2.1979

Daily Rate - Maximum \$0.0723

Commodity

 Maximum
 \$0.0000

 Minimum
 \$0.0000

 Overrun
 \$0.0723

#### RATE SCHEDULE ITS

The daily reservation rates specified above are also applicable to ITS and overrun volumes.

Transportation Retainage Adjustment 0.307%

NOTE: Utilizing NAESB standards 5.3.22 and 5.3.23, Transporter's Rate Schedule FTS Reservation Charge can be converted to an applicable daily rate by dividing the above monthly rate by 30.4 days.

Transporter are made and posted on the Commission's website (<a href="http://www.ferc.gov">http://www.ferc.gov</a>).

<sup>&</sup>lt;sup>2</sup>/ Minimum reservation charge is \$0.00.

#### Duke Energy Kentucky Gas Resources Supply Portfolio - November 2017 - March 2018 Reservation Fees

			Dth per Day			Total	Reserv.	Total		
			Nov	Dec	Jan	Feb	Mar	<u>Volume</u>	Fee	Cost
Shell Tennessee, 800 leg Total	Swing	GD	8,905	5,900	5,800	5,700	8,904	1,065,474 1,065,474	\$0.0040 _	\$4,261.90 \$4,261.90
ENGIE Energy Columbia Gulf Columbia Gulf Total	Base Swing	FOMI, -0.0025 GD	6,000 19,700	11,800 13,900	19,400 6,300	19,400 6,300	4,600 21,100	1,833,000 2,047,700 3,880,700	\$0.0000 \$0.0000 _	\$0.00 \$0.00 \$0.00
DTE Energy Texas Eastern / ANR at Springboro Total	Base	FOMI, -0.14	6,000	6,000	6,000	6,000	6,000 _	906,000	\$0.0000 _	\$0.00 <b>\$0.00</b>
United Energy Trading Tennessee, 800 leg Total	Base	FOMI	2,300	6,200	6,300	4,900	2,300	665,000 <b>665,000</b>	\$0.0000 _	\$0.00 <b>\$0.00</b>
Centerpoint Energy Tennessee, 800 leg Total	Swing	GD +0.0075	10,000	5,205	5,105	8,105	10,000	1,156,550 1,156,550	\$0.0000 _	\$0.00 \$0.00
Twin Eagle Columbia Backhaul (Leach) Total	Swing	GD +0.10	9,068	9,068	9,068	9,068	9,068	1,369,268 1,369,268	\$0.0150 _	\$20,539.02 <b>\$20,539.02</b>
BP Energy Tennessee, 800 leg Total	Base	FOMI	2,300	6,200	6,300	4,800	2,300	662,200 <b>662,200</b>	\$0.0000 _	\$0.00 <b>\$0.00</b>
Conoco Columbia Gulf Total	Swing	GD	17,626	17,628	17,626	17,626	17,627	2,661,619 2,661,619	\$0.0018 _	\$4,790.91 \$4,790.91
Total Firm Supply								12,366,811		\$29,591.83
25 Day Peaking Service (North) CIMA (Lebanon or TGT Z1)		Leb +0.25 / TGT +0 .55	0	29,000	29,000	29,000	0	2,610,000 <b>2,610,000</b>	\$0.0250	\$65,250.00 <b>\$65,250.00</b>
Total Duke Energy Kentucky								14,976,811		\$94,841.83

29,000 x 25days = 725,000 dth

# DUKE ENERGY KENTUCKY TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS ESTIMATED FOR EGC EFFECTIVE 9/1/2018

TOTAL ANNUAL RESERVATION COST:					
TOTAL DOLLARS	\$_	29,592	(1)		
TOTAL ANNUAL COVERAGE:					
CITY GATE VOLUMES	-	12,366,811	Dth (2)		
CALCULATED RATE:	\$.	0.0024	per Dth		
<ul><li>(1) Reservation charges billed by firm suppliers for 2017 - 2</li><li>(2) Contracted volumes for the 2017 - 2018 winter season.</li></ul>	018				
DUKE ENERGY KENTUCKY TOTAL RESERVATION COSTS FROM NEEDLE PEAKING SUPPLIERS ESTIMATED FOR EGC EFFECTIVE 6/1/2018					
TOTAL ANNUAL RESERVATION COST:					
TOTAL DOLLARS	\$	\$65,250.00	(1)		
TOTAL ANNUAL COVERAGE:					
CITY GATE VOLUMES		725,000	Dth (2)		
CALCULATED RATE:	\$	0.0900	per Dth		

- (1) Reservation charges billed by needle peaking suppliers for 2017 2018
- (2) Contracted volumes for the 2017 2018 winter season.

## GAS COST ADJUSTMENT DUKE ENERGY KENTUCKY

DETAILS FOR THE EGC RATE IN EFFECT AS OF: September 1, 2018

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):				
1.900%	\$0.0524	\$2.8123	\$/Dth	
1.0787	\$0.2213	\$3.0336	\$/Mcf	
100.000%		\$3.0336	\$/Mcf	
GAS MARKETERS COMMODITY RATE				
_			*****	
E		•	\$/Dth	
			\$/Dth	
1.454%	T	•	\$/Dth	
		•	\$/Dth	
	*	*	\$/Dth	
	+		\$/Dth	
	\$0.2413	*	\$/Mcf	
	_		\$/Mcf	
COLUMBIA GAS	5	\$0.000	\$/Mcf	
		\$0.86120	\$/Gallon	
15.38	\$12.3841	\$13.2453	\$/Mcf	
0.000%		\$0.0000	\$/Mcf	
		\$0.000	\$/Mcf	
	1.900% 1.0787 100.000% E 1.454% 1.900% 1.0787 0.000% COLUMBIA GAS	1.900% \$0.0524 1.0787 \$0.2213 100.000%  E  \$0.0153 1.454% \$0.0428 \$0.0187 \$0.0013 1.900% \$0.0572 1.0787 \$0.2413 0.000%  COLUMBIA GAS	1.900% \$0.0524 \$2.8123 1.0787 \$0.2213 \$3.0336 100.000% \$3.0336 \$3.034 E \$2.9307 \$0.0153 \$2.9460 1.454% \$0.0428 \$2.9888 \$0.0187 \$3.0075 \$0.0013 \$3.0088 1.900% \$0.0572 \$3.0660 1.0787 \$0.2413 \$3.3073 0.000% \$0.0000 COLUMBIA GAS \$0.86120 \$0.86120 \$15.38 \$12.3841 \$13.2453 0.000% \$0.0000	

<sup>(1)</sup> Weighted average cost of gas based on NYMEX prices on 8/6/18

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

May 31, 2018

DESCRIPTI	DN			UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED March 1, 2017	DURING THREE M THROUGH	ONTH PERIO	DD May 31, 2018	\$	18,221.83
INTEREST FACTOR (REFLECTII	IG 90 DAY COMMER	RCIAL PAPE	R RATE)		1.0061
REFUNDS INCLUDING INTERES	T ( \$18,221.83	x 1.0061	)	\$	18,332.98
DIVIDED BY TWELVE MONTH	SALES ENDED		August 31, 2018	MCF	9,106,567
CURRENT SUPPLIER REFUND	DJUSTMENT			\$/MCF	(0.002)

### DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED

May 31, 2018

DESCRIPTION	UNIT	AMOUNT
SUPPLIER		
Columbia Gas Transmission		18,221.83
	8	
TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA	\$	18,221.83
RAU		

### GAS COST ADJUSTMENT CLAUSE DUKE ENERGY KENTUCKY, INC ACTUAL ADJUSTMENT

ACTUAL ADJUSTMENT DETAILS FOR THE THREE MONTH PERIOD ENDED

May 31, 2018

UTILITY PRODUCTION INCLIDABLE PROPANE MCF					
PRIMARY GAS SUPPLIERS  MCF	DESCRIPTION	UNIT	MARCH	APRIL	MAY
UTILITY PRODUCTION INCLIDABLE PROPANE MCF	SUPPLY VOLUME PER BOOKS				
UTILITY PRODUCTION  MCF	PRIMARY GAS SUPPLIERS		1,446,166	971,989	297,660
OTHER VOLUMES (SPECIFY) ADJUSTMENT  TOTAL SUPPLY VOLUMES  MCF  1,192,697  970.391  249,631  SUPPLY COST PER BOOKS  PRIMARY GAS SUPPLIERS  \$ 3,825,551  3,294,020  1,395,203  SPECIAL PURCHASES CREDIT  \$ 0 0 0 0 0  INCLUDABLE PROPANE  \$ 0,0 0 0 0  INCLUDABLE PROPANE  \$ 3,1826,551  3,294,020  1,395,203  SPECIAL PURCHASES CREDIT  \$ 0 0 0 0 0  INCLUDABLE PROPANE  \$ 1,192,697  970.391  1,395,203  SPECIAL PURCHASES CREDIT  \$ 0 0 0 0 0  INCLUDABLE PROPANE  \$ 0 0 0 0 0  OTHER COSTS (SPECIFY):  GAS COST UNCOLLECTIBLE  \$ (68,827)  \$ (68,827				0	0
SUPPLY COST PER BOOKS			-	_	(48,029)
PRIMARY GAS SUPPLIERS S \$ 3,825,551 3,294,020 1,395,203 SPECIAL PURCHASES CREDIT \$ 0 0 0 0 OTHER COSTS (SPECIFY):  CAS COST UNCOLLECTIBLE S (31,786) (16,783) (9,553) MANAGEMENT FEE S (68,827) (68,827) (68,827) X-5 TARIFF S 0 0 0 0 OTHER COSTS (SPECIFY):  S (68,827) (68,827) (68,827) CAS COST UNCOLLECTIBLE S (68,827) (68,827) CAS COST CREDIT S 0 0 0 0 O 0 O 0 O 0 O 0 O 0 0 0 0 O 0 O	TOTAL SUPPLY VOLUMES	MCF	1,192,697	970,391	249,631
SPECIAL PURCHASES CREDIT	SUPPLY COST PER BOOKS				
INCLUDABLE PROPANE   \$ 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			3,825,551	3,294,020	1,395,203
OTHER COSTS (SPECIFY):  GAS COST UNCOLLECTIBLE  \$ (31,786) (18,783) (9,553)  MANAGEMENT FEE  \$ (68,827) (68,827) (68,827)  X-5 TARIFE  \$ (68,827) (68,827) (68,827)  TRANSPORTATION SERVICE "UNACCOUNTED FOR" \$ 0 0 0 0  GAS COST CREDIT  TRANSPORTATION SERVICE "UNACCOUNTED FOR" \$ 0 0 0 0  GAS COST CREDIT  TRANSPORTATION SERVICE "UNACCOUNTED FOR" \$ 0 0 0 0  GAS COST CREDIT  TRANSPORTATION TAKE-OR-PAY RECOVERY \$ 0 0 0 0  TOTAL SUPPLY COSTS \$ 3,724,055 3,206,386 1,316,751  SALES VOLUMES  JURISDICTIONAL  MCF 1,276,001,0 1,229,888,9 477,861.8  MCF 1,278,001,0 1,229,888,9 477,861.8  MCF 0,0 0 0,0 0  TOTAL SALES VOLUMES  JURISDICTIONAL  MCF 0,0 0 0,0 0  TOTAL SALES VOLUMES  MCF 1,278,001,0 1,229,888,9 477,861.8  LUNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF) \$ MCF 2,914 2,607 2,756  LESS: EGC IN EFFECT FOR THE MONTH \$ MCF 1,278,001,0 1,229,888,9 477,861.8  EQUALS MONTHLY JURISDICTIONAL SALES MCF) \$ MCF 2,914 2,607 2,756  LESS: EGC IN EFFECT FOR THE MONTH \$ MCF 1,278,001,0 1,229,889,9 477,861.8  EQUALS MONTHLY JURISDICTIONAL SALES MCF 1,278,001,0 1,229,889,9 477,861.8  EQUALS MONTHLY COST DIFFERENCE \$ MCF 1,278,001,0 1,229,889,9 477,861.8  EQUALS MONTHLY COST DIFFERENCE \$ (0,951) (1,191) (0,970)  TOTAL COST USED IN THE CURRENT AA CALCULATION \$ (3,143,702,58)  EDIVIDED BY: 12 MONTH PROJECTED SALES ENDED AUGUST 31,2018 MCF 9,106,567  EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT \$ MCF 9,106,567		•			
MANAGEMENT FEE \$ (68,827) (68,	OTHER COSTS (SPECIFY):	Ψ	U	U	U
X-STARIFE				, , ,	(9,553)
TRANSPORTATION SERVICE "UNACCOUNTED FOR" \$ 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		·			, ,
LOSSES - DAMAGED LINES TRANSPORTATION TAKE-OR-PAY RECOVERY \$ 0 0 0 0 0 SALES TO REMARKETERS \$ 0 0 0 0 0 TOTAL SUPPLY COSTS \$ 3,724,055 3,206,386 1,316,751  SALES VOLUMES  SALES VOLUMES  JURISDICTIONAL MCF 1,278,001.0 1,229,888.9 477,861.8 NON-JURISDICTIONAL MCF 0.0 0.0 0.0 TOTAL SALES VOLUMES (SPECIFY): MCF 0.0 0.0 0.0 TOTAL SALES VOLUMES  UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF) \$/MCF 2,914 2,607 2,756 LESS: EGC IN EFFECT FOR THE MONTH \$/MCF 3,865 3,798 3,726  DIFFERENCE SMORTHLY JURISDICTIONAL SALES MCF) \$/MCF 1,278,001.0 1,229,888.9 477,861.8  EQUALS MONTHLY COST DIFFERENCE \$/MCF (0.951) (1.191) (0.970) TOTAL COST DIFFERENCE \$/MCF (0.951) (1.191) (0.970) TIMES: MONTHLY COST DIFFERENCE \$/MCF (0.951) (1.191) (0.970) TOTAL COST DIFFERENCE FOR THE THREE MONTH PERIOD \$/MCF (0.951) (1.464,797.68) (463,525.95)  MET COST DIFFERENCE FOR THE THREE MONTH PERIOD \$/MCF (0.951) (1.464,797.68) (3,143,702.58)  PRIOR PERIOD ADJUSTMENT - none \$/MCF (0.951) (1.464,797.68) (3,143,702.58)  DIVIDED BY: 12 MONTH PROJECTED SALES ENDED August 31, 2018 MCF (0.951) (3,143,702.58)  EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT \$/MCF (0.951) (0.345)	TRANSPORTATION SERVICE "UNACCOUNTED FOR"				
TRANSPORTATION TAKE-OR-PAY RECOVERY SALES TO REMARKETERS         \$ 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		\$	-	_	_
\$ 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0					
SALES VOLUMES  UNISIDICTIONAL NON-JURISDICTIONAL NON-JURISDICTIONAL NON-JURISDICTIONAL NON-JURISDICTIONAL NOTHER VOLUMES (SPECIFY):  TOTAL SALES VOLUMES  UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF) LESS: EGC IN EFFECT FOR THE MONTH  DIFFERENCE TIMES: MONTHLY JURISDICTIONAL SALES  EQUALS MONTHLY COST DIFFERENCE  S/MCF 1,278,001.0 1,229,888.9 477,861.8 2.756 2.914 2.607 2.756 3.865 3.798 3.726  DIFFERENCE MCF 1,278,001.0 1,229,888.9 477,861.8 477,861.8 2.914 2.607 2.756 2.914 2.607 2.756 3.865 3.798 3.726  DIFFERENCE S/MCF 1,278,001.0 1,229,888.9 477,861.8 477,					
JURISDICTIONAL   MCF   1,278,001.0   1,229,888.9   477,861.8     NON-JURISDICTIONAL   MCF   0.0   0.0   0.0     OTHER VOLUMES (SPECIFY):   MCF   0.0   0.0   0.0     TOTAL SALES VOLUMES   MCF   1,278,001.0   1,229,888.9   477,861.8     UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)   \$/MCF   2.914   2.607   2.756     LESS: EGC IN EFFECT FOR THE MONTH   \$/MCF   3.865   3.798   3.726     DIFFERENCE	TOTAL SUPPLY COSTS	\$	3,724,055	3,206,386	1,316,751
NON-JURISDICTIONAL OTHER VOLUMES (SPECIFY):         MCF MCF         0.0 0.0         0.0 0.0         0.0 0.0           TOTAL SALES VOLUMES         MCF         1,278,001.0         1,229,888.9         477,861.8           UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)         \$ /MCF         2.914         2.607         2.756           LESS: EGC IN EFFECT FOR THE MONTH         \$ /MCF         3.865         3.798         3.726           DIFFERENCE TIMES: MONTHLY JURISDICTIONAL SALES         \$ /MCF         (0.951)         (1.191)         (0.970)           EQUALS MONTHLY COST DIFFERENCE         \$ (1,215,378.95)         (1,464,797.68)         (463,525.95)           NET COST DIFFERENCE FOR THE THREE MONTH PERIOD         \$ (3,143,702.58)         (3,143,702.58)           PRIOR PERIOD ADJUSTMENT - none         \$ (3,143,702.58)         (3,143,702.58)           DIVIDED BY: 12 MONTH PROJECTED SALES ENDED AUGUST 31, 2018         MCF         9,106,567           EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT         \$ /MCF         (0.345)	SALES VOLUMES				
OTHER VOLUMES (SPECIFY):         MCF         0.0         0.0         0.0           TOTAL SALES VOLUMES         MCF         1,278,001.0         1,229,888.9         477,861.8           UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)         \$/MCF         2.914         2.607         2.756           LESS: EGC IN EFFECT FOR THE MONTH         \$/MCF         3.865         3.798         3.726           DIFFERENCE         \$/MCF         (0.951)         (1.191)         (0.970)           TIMES: MONTHLY JURISDICTIONAL SALES         MCF         1,278,001.0         1,229,888.9         477,861.8           EQUALS MONTHLY COST DIFFERENCE         \$         (1,215,378.95)         (1,464,797.68)         (463,525.95)           NET COST DIFFERENCE FOR THE THREE MONTH PERIOD         \$         (3,143,702.58)           PRIOR PERIOD ADJUSTMENT - none         \$         (3,143,702.58)           TOTAL COST USED IN THE CURRENT AA CALCULATION         \$         (3,143,702.58)           DIVIDED BY: 12 MONTH PROJECTED SALES ENDED AUGUST 31, 2018         MCF         9,106,567           EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT         \$/MCF         (0.345)	JURISDICTIONAL	MCF	1,278,001.0	1,229,888.9	477,861.8
TOTAL SALES VOLUMES  MCF  1,278,001.0  1,229,888.9  477,861.8  UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF) LESS: EGC IN EFFECT FOR THE MONTH  \$ //MCF  3.865  3.798  3.726  DIFFERENCE TIMES: MONTHLY JURISDICTIONAL SALES  EQUALS MONTHLY COST DIFFERENCE  NET COST DIFFERENCE FOR THE THREE MONTH PERIOD  \$ (1,215,378.95) (1,464,797.68) (463,525.95)  NET COST DIFFERENCE FOR THE THREE MONTH PERIOD  \$ (3,143,702.58)  PRIOR PERIOD ADJUSTMENT - none  \$ (3,143,702.58)  DIVIDED BY: 12 MONTH PROJECTED SALES ENDED August 31, 2018  MCF  403,455  MCF  9,106,567					
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF) LESS: EGC IN EFFECT FOR THE MONTH  \$ /MCF				0.0	0.0
LESS: EGC IN EFFECT FOR THE MONTH       \$/MCF       3.865       3.798       3.726         DIFFERENCE TIMES: MONTHLY JURISDICTIONAL SALES       \$/MCF       (0.951) (1.191) (0.970)       (0.970)       1,278,001.0       1,229,888.9       477,861.8         EQUALS MONTHLY COST DIFFERENCE       \$ (1,215,378.95) (1,464,797.68) (463,525.95)       (463,525.95)         NET COST DIFFERENCE FOR THE THREE MONTH PERIOD       \$ (3,143,702.58)         PRIOR PERIOD ADJUSTMENT - none       \$ 0.00         TOTAL COST USED IN THE CURRENT AA CALCULATION       \$ (3,143,702.58)         DIVIDED BY: 12 MONTH PROJECTED SALES ENDED August 31, 2018       MCF       9,106,567         EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT       \$/MCF       (0.345)	TOTAL SALES VOLUMES	MCF	1,278,001.0	1,229,888.9	477,861.8
DIFFERENCE TIMES: MONTHLY JURISDICTIONAL SALES  EQUALS MONTHLY COST DIFFERENCE  S  (1,215,378.95)  NET COST DIFFERENCE FOR THE THREE MONTH PERIOD  PRIOR PERIOD ADJUSTMENT - none  S  (3,143,702.58)  DIVIDED BY: 12 MONTH PROJECTED SALES ENDED August 31, 2018  EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT  \$ (0.951)  (1.191) (0.970) (1.191) (1.191) (0.970) (1.191) (1.191) (0.970) (1.191) (1.19	UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)		2.914	2.607	2.756
TIMES: MONTHLY JURISDICTIONAL SALES         MCF         1,278,001.0         1,229,888.9         477,861.8           EQUALS MONTHLY COST DIFFERENCE         \$ (1,215,378.95)         (1,464,797.68)         (463,525.95)           NET COST DIFFERENCE FOR THE THREE MONTH PERIOD         \$ (3,143,702.58)         (3,143,702.58)           PRIOR PERIOD ADJUSTMENT - none         \$ (3,143,702.58)         (3,143,702.58)           TOTAL COST USED IN THE CURRENT AA CALCULATION         \$ (3,143,702.58)           DIVIDED BY: 12 MONTH PROJECTED SALES ENDED August 31, 2018         MCF         9,106,567           EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT         \$/MCF         (0.345)	LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	3.865	3.798	3.726
TIMES: MONTHLY JURISDICTIONAL SALES         MCF         1,278,001.0         1,229,888.9         477,861.8           EQUALS MONTHLY COST DIFFERENCE         \$ (1,215,378.95)         (1,464,797.68)         (463,525.95)           NET COST DIFFERENCE FOR THE THREE MONTH PERIOD         \$ (3,143,702.58)           PRIOR PERIOD ADJUSTMENT - none         \$ (0.00)           TOTAL COST USED IN THE CURRENT AA CALCULATION         \$ (3,143,702.58)           DIVIDED BY: 12 MONTH PROJECTED SALES ENDED August 31, 2018         MCF         9,106,567           EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT         \$/MCF         (0.345)		\$/MCF	(0.951)	(1.191)	(0.970)
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD  \$ (3,143,702.58)  PRIOR PERIOD ADJUSTMENT - none  \$ 0.00  TOTAL COST USED IN THE CURRENT AA CALCULATION  \$ (3,143,702.58)  DIVIDED BY: 12 MONTH PROJECTED SALES ENDED August 31, 2018  MCF  9,106,567  EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT  \$/MCF  (0.345)	TIMES: MONTHLY JURISDICTIONAL SALES	MCF	, ,	, ,	
PRIOR PERIOD ADJUSTMENT - none \$ 0.00  TOTAL COST USED IN THE CURRENT AA CALCULATION \$ (3,143,702.58)  DIVIDED BY: 12 MONTH PROJECTED SALES ENDED August 31, 2018 MCF 9,106,567  EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT \$/MCF (0.345)	EQUALS MONTHLY COST DIFFERENCE	\$	(1,215,378.95)	(1,464,797.68)	(463,525.95)
PRIOR PERIOD ADJUSTMENT - none \$ 0.00  TOTAL COST USED IN THE CURRENT AA CALCULATION \$ (3,143,702.58)  DIVIDED BY: 12 MONTH PROJECTED SALES ENDED August 31, 2018 MCF 9,106,567  EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT \$/MCF (0.345)	NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			(3,143,702.58)
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED August 31, 2018 MCF 9,106,567  EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT \$/MCF (0.345)	PRIOR PERIOD ADJUSTMENT - none	\$			
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED August 31, 2018 MCF 9,106,567  EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT \$/MCF (0.345)	TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			(3,143,702.58)
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT \$/MCF (0.345)	DIVIDED DV. 40 MONTH DDO IFOTED CALLED EVIDED				
(6.545)	DIVIDED BY: 12 MONTH PROJECTED SALES ENDED August 31, 2018	MCF			9,106,567
AAU	EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			(0.345)
	AAU				

## GAS COST ADJUSTMENT CLAUSE DUKE ENERGY KENTUCKY, INC BALANCE ADJUSTMENT DETAILS FOR THE TWELVE MONTH PERIOD ENDED

May 31, 2018

DESCRIPTION	UNIT	AMOUNT
RECONCILIATION OF A PREVIOUS GAS COST VARIANCE		
GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE June 1, 2017	\$	(761,231.76)
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ (0.082) /MCF  APPLIED TO TOTAL SALES OF 10.225,570 MCF  (TWELVE MONTHS ENDED May 31, 2018 )	¢-	(929, 400, 75)
BALANCE ADJUSTMENT FOR THE "AA"	\$	(838,496.75) 77,264.99
RECONCILIATION OF A PREVIOUS SUPPLIER REFUND		
SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH		
WAS USED TO COMPUTE THE "RA" EFFECTIVE June 1, 2017	\$	0.00
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ 0.000 /MCF  APPLIED TO TOTAL SALES OF 10,225,570 MCF  (TWELVE MONTHS ENDED May 31, 2018 )	\$	0.00
BALANCE ADJUSTMENT FOR THE "RA"		0.00
RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT		
AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE June 1, 2017	\$	474,177.07
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ 0.051 /MCF  APPLIED TO TOTAL SALES OF 10.225,570 MCF		
(TWELVE MONTHS ENDED May 31, 2018 )	\$	521,504.04
BALANCE ADJUSTMENT FOR THE "BA"	\$	(47,326.97)
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	29,938.02
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED August 31, 2018	MCF	9,106,567
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	0.003

DUKE ENERGY KENTUCKY
SUPPLEMENTAL INFORMATION
FOR THE EXPECTED GAS COST (EGC) RATE CALCULATION
OF THE GAS COST RECOVERY RATE
IN EFFECT AS OF AUGUST 29, 2018

### 3rd Quarter

DUKE ENERGY Kentucky, Inc. USED FOR GCA EFFECTIVE Automorphisms COMPUTATION OF THE INTEREST		JUNE	2017	1 17	
FOR THE GCA CALCULATION O		JULY	2017	1.17 1.26	
		AUGUST	2017	1.26	
	e 30, 2018	SEPTEMBER	2017	1.31	
BLOOMBERG REPORT (90-DAY	COMMERCIAL PAPER RATES)	OCTOBER	2017	1.20	
		NOVEMBER	2017	1.38	
INTEREST RATE	0.0113	DECEMBER	2017	1.46	
		JANUARY	2018	1.72	
PAYMENT	0.083844	<b>FEBRUARY</b>	2018	1.67	
		MARCH	2018	2.21	
ANNUAL TOTAL	1.0061	APRIL	2018	1.90	
		MAY	2018	2.20	18.74
MONTHLY INTEREST	0.000942	JUNE	2018	2.04	19.61
AMOUNT	1				

PRIOR ANNUAL TOTAL	18.74
PLUS CURRENT MONTHLY F	2.04
LESS YEAR AGO RATE	1.17
NEW ANNUAL TOTAL	19.61
AVERAGE ANNUAL RATE	1.63
LESS 0.5% (ADMINISTRATIVE	1.13

DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA alkla GCR COMPONENTS
MONTH: March 2018

	TOTAL	5				0 63 2 89 3 44	14 44 25 53 78 05	(1,343.40) 1,272.45 (760.23)	102,894.01	102,187.81	0.00 7.8.95 0.00	78.95	102,266.76	(0.00) ecr 253130 und=dr253130
L	THRD.PREV.					0.63 2.89 3.44	7.29 12.89 39.41	(778.56) 737.44 (440.59)	65,594,93	65,179.77	0.00 0.00 45.75	45.75	65,225.52	CONTROL CK positive=recovered=cr 253130 negative=reduce refund=dr253130
BAL ANCE AD. HISTMENT	SEC.PREV.						7.15 12.64 38.64	(763.30) 722.99 (431.95)	64,308.76	63,894.93	0.00	44.86	63,939.79	0.00
BALA	PREVIOUS (0.013)							198.46 (187.98) 112.31	(16,720.28)	(16,597.49)	(11.66)	(11.66)	(16,609.15)	und/Rcls Adj due
	CURRENT (0.008)								(10,289.40)	(10,289.40)	00 00	,	(10,289.40)	0253130 is Gas Refund/Rds Adj due Cust (Liab)
	TOTAL					(1.02) (4.65) (5.53)	(49.59) (87.69) (268.16)	3,816.47 (3,614.93) 2,159.76	59,164.05	61,108.71	0.00 0.00 (224.27) 0.00	(224.27)	60,884.44	00.0
TN	THRD.PREV. (0.082)					(1.02) (4.65) (5.53)	(11.72) (20.72) (63.37)	1,251.80 (1,185.70) 708.40	(105,466.36)	(104,798.87)	0.00 0.00 (73.56) 0.00	(73.56)	(104,872.43)	CONTROL CK positive=recovered=cr 191400 negative=refund=dr 191400
ACTUAL ADJUSTMENT	SEC.PREV. (0.265)						(37.87) (66.97) (204.79)	4,045.46 (3,831.82) 2,289.34	(340,836.40)	(338,643.05)	0.00 0.00 0.7 73)	(237.73)	(338,880.78)	
	PREVIOUS 0.097							(1,480.79) 1,402.59 (837.98)	124,758.98	123,842.80	87 02 0.00	87.02	123,929.82	V Purch Gas Cost
	CURRENT 0.296								380,707.83	380,707.83	00 0		380,707.83	0191400 is Unrecov Purch Gas Cost (Llab)
	/ TOTAL RA				<u>.</u>	00:00	(1.14) (2.02) (6.18)	259.52 (245.82) 146.86	(21,864.98)	(21,713.76)	0.00 0.00 0.00 0.00 0.00	(15.25)	(21,729.01)	30 253130
STMENT	SEC.PREV. THRD.PREV (0.008)   0.000					00:00	00:00	00:00	0.00	,	00 0 00 0 00 0 00 0			ered=cr 2531 ce refund=dr
RECONCILIATION ADJUSTMENT	SEC.PREV. THRD.PR (0.008)   0.000						(1.14) (2.02) (6.18)	122.13 (115.68) 69.11	(10,289.40)	(10,223.18)	0.00 (7.18)	(7.18)	(10,230.36)	CONTROL CK positive=rectuce refund=rtr253130 negative=rectuce refund=rtr253130
RECONCIL	(0.009)							137.39 (130.14) 77.75	(11,575.58)	(11,490.58)	(8.07)	(8.07)	(11,498.65)	
	0.000								00 0		00.00			
Exptd Gas Cost	EGC \$	25.87	7 32 (27 42) (59 00)	(680.34) 764.65 (1,031.07)	1,039.11 (799.00) 924.81	55.71 244.26 276.21	582.32 1,054.01 3,123.66	(64,086.25) 57,650.82 (34,348.66)	4,974,925.29	4,939,647.46		TOTAL FOR CHOICE	TOTAL FOR Gas Cost Recovery (GCR)	
	\$/MCF	3.805	4.065 4.219 3.960	3.881 4.694 4.121	4.366 3.999 4.576	4.308	4.075 4.171 4.042	4.198 3.987 3.976	3.868	1 11	5AT):	01	OR Gas Cot	
MCF Usage	REPORTED SALES	6.8	1.8 (6.5) (14.9)	(175.3) 162.9 (250.2)	238.0 (199.8) 202.1	12.4 56.7 67.4	142.9 252.7 772.8	(15,265.9) 14,459.7 (8,639.0)	1,286,175.1	1,278,001.0	RAMSPORTATION: IFT3  Customer Choice Program (GCAT): 026 036 136 176 027 097 117 117 117 167 058	897.1	TOTALF	fation: IFT
Retail	CODE	106	126 146 156	166 017 037	047 067 077	087 107 117	127 137 147	157 018 038	048	TOTAL RETAIL =	TRAMSPORTATION: IFT3  Customer Choice Prograt  026 056 056 136 176 027 097 117 117 167 058 058	IFT3 CHOICE		Firm Transportation: IFT

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### DUKE ENERGY COMPANY KENTUCKY DETERMINATION OF TOTAL SUPPLY COST MONTH OF MARCH 2018

DESCRIPTION	W/P		TOTAL AMOUNT ROUNDED
PRIMARY GAS SUPPLY COST current month estimate adjustments from prior month Interruptible Transportation monthly charges by Gas Supply - PM	B1 B2 C	4,819,889.65 (1,003,295.93) 8,957.50	\$ 3,825,551
LESS: RATE SCHEDULE CF CREDIT current month adjustments		0.00	0
PLUS: INCLUDABLE PROPANE a/c 728-3 Erlanger	D2	0.00	0
PLUS: GAS COST UNCOLLECTIBLE	E	(31,786.00)	(31,786)
LESS: X-5 TARIFF		0.00	0
LESS Tenaska MANAGEMENT FEE	F	68,827.00	(68,827)
LESS: TOP TRANSP. RECOVERIES		0.00	0
LESS: GAS LOSSES - DAMAGED LINES	G	(882.90)	(883)
adjustments		0.00	0
LESS: GAS COST CREDIT		0.00	0
LESS: FIRM TRANSPORTATION ADJUSTMENTS current month adjustments		0.00	0
TOTAL SUPPLY COSTS		-	3,724,055
ACCOUNTING ENTRY FOR DEFERRAL ONLY		AMOUNT	
ACCTS: 191990 - Unrecv PG - Asset /191400 - Unrecv PG\$ - Liabl ACCOUNT 0805002 - Unrecv PG Adj - Expense		(1,215,378.95) 1,215,378.95	
LESS: MAR orig -191990 - Unrecv PG - Asset /191400 - Unrecv PG\$ - MAR orig - ACCOUNT 0805002 - Unrecv PG Adj - Expense	Liabl	(1,165,536.91) 1,165,536.91	
TO BE BOOKED - ACCOUNT 0191990/0191400 TO BE BOOKED - ACCOUNT 0805002		(49,842.04) 49,842.04	<u>Difference</u> (17,892.01) 17,892.01
Actuals_Mar Rvsd bookin in Apr 18 to 191990/191400 Actual Mar Rvsd booked in Apr 18 to 0805002		(31,950.03) 31,950.03	May true-up

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

### ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH MARCH 2018

PARTICULARS SUPPLY VOLUME PER BOOKS	<u>UNIT</u>	W/P	MONTH MARCH 2018
SUPPLY VOLUME PER BOOKS			
Primary Gas Suppliers	MCF	B1	1,446,166
Utility Production	MCF		0
Includable Propane	MCF	D1	0
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	(253,469)
TOTAL SUPPLY VOLUMES	MCF		1,192,697
SUPPLY COST PER BOOKS			
Primary Gas Suppliers	\$	A1	3,825,551
Includable Propane	\$		0
Gas Cost Uncollectible	\$	A1	(31,786)
Other Cost (Specify) - Gas Cost Credit	\$		0
- Unacct'd for Transp.	\$		0
- CF Credit	\$		0
- X-5 Tariff	\$		0
- CMT Management Fee	\$	A1	(68,827)
- Losses-Damaged Lines	\$	A1	(883)
- Gas Sold to Remarketers	\$		0
- TOP Transp. Recoveries	\$		0
TOTAL SUPPLY COST	\$	A1	3,724,055.0
SALES VOLUMES			
Jurisdictional - Retail	MCF	Н	1,278,001.0
Non-Jurisdictional	MCF		
Other Volumes (Specify) -	MCF		
TOTAL SALES VOLUME	MCF		1,278,001.0
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF) LESS: EGC IN EFFECT FOR MONTH	\$/MCF \$/MCF	н	2.914 <b>3.865</b>
DIFFERENCE	\$/MCF		(0.951)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		1,278,001.0
MONTHLY COST DIFFERENCE	\$		(1,215,378.95)

### **DUKE ENERGY COMPANY KENTUCKY**

#### **MARCH 2018**

	Applied MCF Sales	W/P	Amount	<u>\$/MCF</u>
GAS FUEL ADJUSTMENT BILLED EGC - Retail RA AA BA	1,278,001.0	Н Н Н	4,939,647.46 (21,729.01) 60,884.44 102,266.76	3.86513583
TOTAL GAS COST RECOVERY(GCR)			5,081,069.65	
TOTAL SALES VOLUME LESS: NON-JURISDICTIONAL SALES	1,278,001.0			
JURISDICTIONAL SALES =	1,278,001.0			
PROOF OF UNRECOVERED PURCHASED O	GAS COST ENTRY	<u>.</u>		
SUPPLIER COST - CURRENT MONTH UNRECOVERED PURCHASED GAS COST ROUNDING(ADD/(DEDUCT))	1,278,001.0		3,724,055.00 1,276,263.39 213.50	2.91396877
TOTAL GAS COST IN REVENUE			5,000,531.89	
TOTAL GAS COST RECOVERY(GCR) LESS: RA BA			5,081,069.65 (21,729.01) 102,266.76	
PLUS: COST OF NON-JURISDICTIONAL SAL	.ES		5,000,531.90	
UNRECOVERED PURCHASED GAS COST E	NTRY		1,276,263.39	
LESS: AA			60,884.44	
MONTHLY COST DIFFERENCE EXTENDED MONTHLY COST DIFFERENCE	CE		1,215,378.95 1,215,592.45	
ROUNDING			213.50	

DUKE ENERGY KENTUCKY
GAS SIERVICE
SUMMARY OF GGA alf/a GCR COMPONENTS
MONTH: April 2018

	TOTAL	BA				(0.32) 1.51 2.78	44.52 68.59 112.27	(527.52) 1,333.31 325.02	(413.65)	98,542.40	0.00 0.00 0.00 10.543	105.43	98,647.83	(0.00) ecr 253130 und=dr253130
List of the state	TUDD DOCV	0.051				(0.32) 1.51 2.78	22.48 34.63 56.69	(305.72) 772.71 188.36	(263.70) 62,217.38	62,726.80	0.00 0.00 0.00 0.00 67.21	67.21	62,794.01	CONTROL CK (0.00) positive=recuvered=cr.253130 negative=reduce refund=dr.253130
Total Control	DALANCE ADJUSTMENT	0.050					22.04 33.96 55.58	(299.73) 757.56 184.67	(258.53) 60.997.43	61,492.98	00 0 00 0 68 88	65.89	61,558.87	
A 140	DDEVIOUS	(0.013)						77 93 (196 96) (48 01)	67.22 (15.859.33)	(15,959.15)	0 00 (17.13)	(17.13)	(15,976.28)	fund/Rcts Adj due
	CLIDDENT	(0.008)							41.36 (9,759.59)	(9,718.23)	(10.54)	(10.54)	(9,728.77)	0253130 is Gas Refund/Rds Adj due Cust (Liābi)
	TOTAL	AA				0.51 (2.43) (4.47)	(152.93) (235.65) (385.72)	1,498.62 (3,787.77) (923.35)	(237.85) 56,117.63	51,886.59	0 0 0 0 00 0 00 60 62	60.62	51,947.21	00.0
1	THEN DREV	(0.062)				0.51 (2.43) (4.47)	(36.14) (55.69) (91.15)	491.55 (1,242.39) (302.86)	423.98 (100,035.79)	(100,854.88)	0 0 0 00 0 00 0 00 0 00 0 00 0	(108.06)	(100,962.94)	CONTROL CK positive=recovered=cr 191400 negative=refund=dr 191400
ACTUAL AD HISTMENT	SEC PREV	(0.265)					(116.79) (179.96) (294.57)	1,588.54 (4,015.04) (978.75)	1,370.18 (323,286.38)	(325,912.77)	0.00 0.00 0.00 (349.22)	(349.22)	(326,261.99)	
N	PREVIOUS	0.097						(581.47) 1,469.66 358.26	(501.54) 118,335.01	119,079.92	0.00	127.83	119,207.75	v Purch Gas Cost
	CURRENT	0.296							(1,530.47) 361,104.79	359,574.32	390.07	390.07	359,964.39	0191400 is Unrecov Purch Gas Cost (Labi)
	TOTAL					00 0	(3.53) (5.43) (8.89)	(257.57) (62.79)	87 89 (20,739 13)	(20,887.54)	0 00 0.00 0.00 (22 40)	(22.40)	(20,909.94)	(0.00)
TMFNT	HRD.PRE	0.000				0000	0000	00 0	00'0		0.00			ed=cr 2531 s refund=dr
RECONCILIATION ADJUSTMENT	SEC.PREV. THRD.PREV	(0.008)					(3.53) (5.43) (8.89)	47 96 (121.21) (29.55)	41.36 (9.759.59)	(9,838.88)	0 0 0 0.00 (10 54)	(10.54)	(9,849.42)	CONTROL CK positive=recovered=cr 253130 negativa=reduce refund=dr253130
RECONCIL	PREVIOUS	(0.009)						53.95 (136.36) (33.24)	46.53 (10,979.54)	(11,048.66)	0.00 (11.86)	(11.86)	(11,060.52)	
	CURRENT	0.000							0000		000			
Exptd Gas Cost	EGC	•	(51.48)	(388.49) 163.82 (310.72)	91.69 (339.52) 771.97	(27.86) 127.52 223.34	1,795.85 2,832.53 4,493.09	(25,164.91) 60,407 44 14,684.96	(19,999.49)	4,671,455.84		TOTAL FOR CHOICE	TOTAL FOR Gas Cost Recovery (GCR)	
		\$/MCF	4.219 3.960	3.881 4.694 4.121	4.366 3.999 4.576	4.493 4.308 4.098	4.075	4.198 3.987 3.976	3.868	1 1	Ë	10	OR Gas Cos	
MCF Usage	REPORTED	SALES	(13.0)	(100.1) 34.9 (75.4)	21.0 (84.9) 168.7	(6.2) 29.6 54.5	440.7 679.1 1,111.6	(5,994.5) 15,151.1 3,693.4	(5,170.5) 1,219,948.6	1,229,888.9	RANSPORTATION: IFT3  Customer Choice Program (GCAT): 026 036 136 176 027 037 177 167 038 1,317,8	1,317.8	TOTAL FC	Til. IFT
Retail	BILL	CODE	146 156	166 017 037	047 067 077	087 107 117	127 137 147	157 018 038	048	TOTAL RETAIL	TRANSPORTATION: 18773  Customer Choice Prograt 026 056 056 136 176 027 057 117 117 167 058 058	IFT3 CHOICE		Firm Transportation: HT

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	FT01	
264,926,1	Transportation:	139,167.0
E	Interruptible	Ŀ

Grand Total 1.635,299.8 ties to Grand Total mots wp SUM3 ADJUSTED EGC 3.798

### DUKE ENERGY COMPANY KENTUCKY DETERMINATION OF TOTAL SUPPLY COST MONTH OF APRIL 2018

DESCRIPTION	<u>W/P</u>		TOTAL AMOUNT ROUNDED
PRIMARY GAS SUPPLY COST  current month estimate adjustments from prior month Interruptible Transportation monthly charges by Gas Supply - PM	B1 B2	3,290,704.82 (16,561.17) 19,876.74	\$ 3,294,020
LESS: RATE SCHEDULE CF CREDIT current month adjustments		0.00	0
PLUS: INCLUDABLE PROPANE a/c 728-3 Erlanger	D2	0.00	0
PLUS: GAS COST UNCOLLECTIBLE	Е	(18,763.00)	(18,763)
LESS: X-5 TARIFF		0.00	0
LESS Tenaska MANAGEMENT FEE	F	68,827.00	(68,827)
LESS: TOP TRANSP. RECOVERIES		0.00	0
LESS: GAS LOSSES - DAMAGED LINES	G	(43.74)	(44)
adjustments		0.00	0
LESS: GAS COST CREDIT		0.00	0
LESS: FIRM TRANSPORTATION ADJUSTMENTS current month adjustments		0.00	0
TOTAL SUPPLY COSTS		=	3,206,386
ACCOUNTING ENTRY FOR DEFERRAL ONLY		AMOUNT	
ACCTS: 191990 - Unrecv PG - Asset /191400 - Unrecv PG\$ - Liabl ACCOUNT 0805002 - Unrecv PG Adj - Expense		(1,464,797.68) 1,464,797.68	
LESS: APR orig -191990 - Unrecv PG - Asset /191400 - Unrecv PG\$ APR orig - ACCOUNT 0805002 - Unrecv PG Adj - Expense	- Liabl	(1,427,901.01) 1,427,901.01	
TO BE BOOKED - ACCOUNT 0191990/0191400 TO BE BOOKED - ACCOUNT 0805002		(36,896.67) 36,896.67	

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

### ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH APRIL 2018

PARTICULARS	<u>UNIT</u>	W/P	MONTH APRIL 2018
SUPPLY VOLUME PER BOOKS			
Primary Gas Suppliers Utility Production Includable Propane	MCF MCF MCF	B1	<b>971,989</b> 0 0
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	(1,598)
TOTAL SUPPLY VOLUMES	MCF		970,391
SUPPLY COST PER BOOKS			
Primary Gas Suppliers Includable Propane Gas Cost Uncollectible Other Cost (Specify) - Gas Cost Credit	\$ \$ \$	A1	3,294,020 0 (18,763) 0
<ul> <li>- Unacct'd for Transp.</li> <li>- CF Credit</li> <li>- X-5 Tariff</li> <li>- CMT Management Fee</li> <li>- Losses-Damaged Lines</li> <li>- Gas Sold to Remarketers</li> <li>- TOP Transp. Recoveries</li> </ul>	* * * * * * *	A1 A1	0 0 0 (68,827) (44) 0
TOTAL SUPPLY COST	\$	A1	3,206,386.0
SALES VOLUMES			
Jurisdictional - Retail Non-Jurisdictional Other Volumes (Specify) -	MCF MCF	Н	1,229,888.9
TOTAL SALES VOLUME	MCF		1,229,888.9
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF) LESS: EGC IN EFFECT FOR MONTH	\$/MCF \$/MCF	Н	2.607 3.798
DIFFERENCE TIMES: MONTHLY JURISDICTIONAL SALES	\$/MCF MCF		(1.191) 1,229,888.9
MONTHLY COST DIFFERENCE	\$		(1,464,797.68)

### **DUKE ENERGY COMPANY KENTUCKY**

### **APRIL 2018**

	Applied MCF Sales	<u>W/P</u>	Amount	\$/MCF
GAS FUEL ADJUSTMENT BILLED EGC - Retail RA AA BA	1,229,888.9	Н Н Н	4,671,455.84 (20,909.94) 51,947.21 98,647.83	3.79827466
TOTAL GAS COST RECOVERY(GCR)			4,801,140.94	
TOTAL SALES VOLUME LESS: NON-JURISDICTIONAL SALES _	1,229,888.9			
JURISDICTIONAL SALES	1,229,888.9			
PROOF OF UNRECOVERED PURCHASED O	GAS COST ENTRY	<u>.</u>		
SUPPLIER COST - CURRENT MONTH UNRECOVERED PURCHASED GAS COST ROUNDING(ADD/(DEDUCT))	1,229,888.9		3,206,386.00 1,516,744.89 272.16	2.60705337
TOTAL GAS COST IN REVENUE			4,723,403.05	
TOTAL GAS COST RECOVERY(GCR) LESS: RA BA			4,801,140.94 (20,909.94) 98,647.83	
PLUS: COST OF NON-JURISDICTIONAL SAL	LES		4 702 402 05	
			4,723,403.05	
UNRECOVERED PURCHASED GAS COST E LESS: AA	NTRY		1,516,744.89 51,947.21	
MONTHLY COST DIFFERENCE EXTENDED MONTHLY COST DIFFERENCE	CE		1,464,797.68 1,465,069.84	
ROUNDING			272.16	

DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA # # # A GCF COMPONENTS
MONTH: May 2018

	TOTAL	1	_		(0.25) 1.55 2.31	10.44 16.99 49.75	(674.99) 688.00 (91.06)	(1,902.06) 1,352.50 38,795.54	38.248.72	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	54.56	38,303.28	(0.00) r.253130 id=dr253130
	THRD.PREV.				(0.25) 1.55 2.31	5.27 8.58 25.12	(391.19) 398.73 (52.77)	(1,212.56) 862.22 24,732.15	24.379.16	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	34.78	24,413.94	CONTROL CK (0 00) positive=recovered=cr 253130 negative=reduce refund=dr253130
BALANCE ADJUSTMENT	SEC.PREV.					5.17 8.41 24.63	(383.52) 390.91 (51.74)	(1,188.78) 845.31 24,247.21	23,897.60	0 00 0 00 34.10	34.10	23,931.70	203
BALA	PREVIOUS (0.013)						99.72 (101.64) 13.45	309.08 (219.78) (6.304.27)	(6,203.44)	00°0 00°0	(8.86)	(6,212.30)	fund/Rcts Adj due
	CURRENT (0.008)							190.20 (135.25) (3,879,55)	(3,824.60)	(5.46)	(5.46)	(3,830.06)	0283130'ls Gas Refund/Rds Adj due Cust (Llab)
	TOTAL				(2.48)	(35 84) (58 36) (170 93)	1,917.60 (1,954.54) 258.68	(1,093.68) 777.69 22,307.44	21,942.27	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	31.36	21,973.63	00:00
-	THRD.PREV. (0.082)				0.40 (2.48) (3.71)	(8 47) (13.79) (40.39)	628.97 (641.09) 84.85	1,949.60 (1,386.31) (39,765,42)	(39,197.84)	0 0 0 00 0 00 0 00 0 00 0	(55.92)	(39,253.76)	CONTROL CK positive=recovered=cr 191400 negative=refund=dr 191400
ACTUAL ADJUSTMENT	SEC.PREV. (0.265)					(27.37) (44.57) (130.54)	2,032.66 (2,071.82) 274.20	6,300.53 (4,480.14) (128,510.21)	(126,657.26)	0.00 0.00 (180.70)	(180.70)	(126,837.96)	
1 1	PREVIOUS 0.097						(744.03) 758.37 (100.37)	(2,306.23) 1,639.90 47,039.59	46,287.23	0.00	66.14	46,353.37	/ Purch Gas Cost (
	0.296							(7,037.58) 5,004.24 143,543.48	141,510.14	201.84	201.84	141,711.98	0191400] is Unrecov Purchi Gas Cost (Llab)
Ш	RA				0000	(0.83) (1.35) (3.94)	130.39 (132.91) 17.59	404.18 (287.41) (8,244.05)	(8,118.33)	0 0 0 0 0 0 0 0 0 (11 (6))	(11.60)	(8,129.93)	(0.00)
STMENT	(0.008) 0.000				00 00 00 0000	00.0	00.00	00.00		00 0 00 0 0 0			ered=cr 2531: ce refund=dr2
RECONCILIATION ADJUSTMENT	(0.008)					(0.83) (1.35) (3.94)	61.36 (62.55) 8.28	190.20 (135.25) (3,879.55)	(3,823.63)	0.00 0.00 (5.46)	(5.46)	(3,829.09)	CONTROL CK positive=recovered=cr 253130 negative=reduce refund=dr253130
RECONCILI	(0.009)						69.03 (70.36) 9.31	213.98 (152.16) (4,364.50)	(4,294.70)	0 00 (6.14)	(6.14)	(4,300.84)	
Figure	0.000							0.00		000	1		
Exptd Gas Cost	50	0.00 (3.96)	(348.51) 247.84 (410.45)	209 13 (844 59) 640 64	(22 02) 130 53 185 64	420 95 701 56 1 991 09	(32,200,34) 31,171,16 (4,113,97)	(91,964.02) 64,192.84 1,810,296.70	1,780,280.22		TOTAL FOR CHOICE	TOTAL FOR Gas Cost Recovery (GCR)	
	\$/MCF	4.219	3.881 4.694 4.121	4.366 3.999 4.576	4.493 4.308 4.098	4.075 4.171 4.042	4.198 3.987 3.976	3.868 3.797 3.733	1 1(	CAT):	70	FOR Gas Co.	
MCF Usage	SALES	(1.0)	(89.8) 52.8 (99.6)	47.9 (211.2) 140.0	(4.9) 30.3 45.3	103.3 168.2 492.6	(7,670.4) 7,818.2 (1,034.7)	(23,775.6) 16,906.2 484,944.2	477,861.8	RANSPORTATION: IFT3  Customer Choice Program (GCAT): 026 036 136 116 177 037 037 117 167 028 6819	681.9	TOTAL	intion: IFT
Retail	CODE	146 156	166 017 037	047 067 077	087 107 117	127 137 147	157 018 038	048 068 078	TOTAL RETAIL	TRANSPORTATION: 18173 Customer Choice Prograt 026 036 036 136 176 027 037 117 117 167 058	IFT3 CHOICE		Firm Transportation: IFT

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	E	,
204,580.6	ransportation:	133,050 0
E	Interruptible	E

SUM3	
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Total	
3 ties to Grand Total mcfs wp	728
9	3
es	
816,174.3	•
Grand Total	ADJUSTED EGC

### DUKE ENERGY COMPANY KENTUCKY DETERMINATION OF TOTAL SUPPLY COST

MONTH OF MAY 2018

DESCRIPTION	W/P		TOTAL AMOUNT ROUNDED
PRIMARY GAS SUPPLY COST  current month estimate adjustments from prior month Interruptible Transportation monthly charges by Gas Supply - PM	B1 B2 C	1,532,997.17 (138,873.83) 1,079.76	\$ 1,395,203
LESS: RATE SCHEDULE CF CREDIT current month adjustments		0.00	0
PLUS: INCLUDABLE PROPANE a/c 728-3 Erlanger	D2	0.00	0
PLUS: GAS COST UNCOLLECTIBLE	Ε	(9,553.00)	(9,553)
LESS: X-5 TARIFF		0.00	0
LESS Tenaska MANAGEMENT FEE	F	68,827.00	(68,827)
LESS: TOP TRANSP. RECOVERIES		0.00	0
LESS: GAS LOSSES - DAMAGED LINES	G	(71.91)	(72)
adjustments		0.00 0.00	0
LESS: GAS COST CREDIT		0.00	0
LESS: FIRM TRANSPORTATION ADJUSTMENTS current month adjustments  TOTAL SUPPLY COSTS		0.00	1,316,751
		=	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
ACCOUNTING ENTRY FOR DEFERRAL ONLY		<u>AMOUNT</u>	
ACCTS: 191990 - Unrecv PG - Asset /191400 - Unrecv PG\$ - Liabl ACCOUNT 0805002 - Unrecv PG Adj - Expense		(463,525.95) 463,525.95	
LESS: MAY orig -191990 - Unrecv PG - Asset /191400 - Unrecv PG\$ MAY orig - ACCOUNT 0805002 - Unrecv PG Adj - Expense	- Liabl	(422,429.83) 422,429.83	
TO BE BOOKED - ACCOUNT 0191990/0191400 TO BE BOOKED - ACCOUNT 0805002		(41,096.12) 41,096.12	

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

### ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH MAY 2018

PARTICULARS	<u>UNIT</u>	<u>W/P</u>	MONTH MAY 2018
SUPPLY VOLUME PER BOOKS			
Primary Gas Suppliers Utility Production	MCF MCF	B1	<b>297,660</b>
Includable Propane	MCF	D1	0
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	(48,029)
TOTAL SUPPLY VOLUMES	MCF		249,631
SUPPLY COST PER BOOKS			
Primary Gas Suppliers	\$	A1	1,395,203
Includable Propane	\$		0
Gas Cost Uncollectible	\$	A1	(9,553)
Other Cost (Specify) - Gas Cost Credit	\$		0
- Unacct'd for Transp.	\$		0
- CF Credit	\$		0
- X-5 Tariff	\$		0
- CMT Management Fee	\$	A1	(68,827)
- Losses-Damaged Lines	\$	A1	(72)
- Gas Sold to Remarketers	\$		Ó
- TOP Transp. Recoveries	\$		0
TOTAL SUPPLY COST	\$	A1	1,316,751.0
SALES VOLUMES			
Jurisdictional - Retail	MCF	Н	477,861.8
Non-Jurisdictional	MCF		
Other Volumes (Specify) -	MCF		
TOTAL SALES VOLUME	MCF		477,861.8
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF) LESS: EGC IN EFFECT FOR MONTH	\$/MCF \$/MCF	н	2.756 <b>3.726</b>
DIFFERENCE	\$/MCF		(0.970)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		477,861.8
MONTHLY COST DIFFERENCE	\$		(463,525.95)

### **DUKE ENERGY COMPANY KENTUCKY**

### **MAY 2018**

	Applied MCF Sales	W/P	Amount	\$/MCF
GAS FUEL ADJUSTMENT BILLED EGC - Retail RA AA BA	477,861.8	Н Н Н	1,780,280.22 (8,129.93) 21,973.63 38,303.28	3.72551273
TOTAL GAS COST RECOVERY(GCR)			1,832,427.20	
TOTAL SALES VOLUME LESS: NON-JURISDICTIONAL SALES	477,861.8 0.0			
JURISDICTIONAL SALES	477,861.8			
PROOF OF UNRECOVERED PURCHASED O	SAS COST ENTRY	<u>.</u>		
SUPPLIER COST - CURRENT MONTH UNRECOVERED PURCHASED GAS COST ROUNDING(ADD/(DEDUCT))	477,861.8		1,316,751.00 485,499.58 3.27	2.75550588
TOTAL GAS COST IN REVENUE			1,802,253.85	
TOTAL GAS COST RECOVERY(GCR) LESS: RA BA			1,832,427.20 (8,129.93) 38,303.28	
PLUS: COST OF NON-JURISDICTIONAL SAL	ES		4 992 952 95	
			1,802,253.85	
UNRECOVERED PURCHASED GAS COST E LESS: AA	NTRY		485,499.58 21,973.63	
MONTHLY COST DIFFERENCE EXTENDED MONTHLY COST DIFFERENCE	CE		463,525.95 463,529.22	
ROUNDING			3.27	

DUKE ENERGY KENTUCKY SUMMARY OF GAS COST RECOVERY COMPONENTS BY BILLING CODE

		ESTD	QUARTER	ALY RECONCI	QUARTERLY RECONCILIATION ADJUSTMENT	JSTMENT	J	QUARTERLY ACTUAL ADJUSTMENT	CTUAL ADJU:	STMENT		BALANCE AL	BALANCE ADJUSTMENT		TOTAL
MON/YR	BILLING	GAS	CURRENT	PREVIOUS	2ND PREV	3RD PREV	CURRENT	PREVIOUS	2ND PREV	3RD PREV	TNERRIT	PREVIOUS	Vadd OMC	300 005	GCR
		69	69	49	€9	69	€9	69	59	8	€9		\$ 8	\$ S	8
Jan-17	017	4.694	0000	00000	0.000	0.000	0.025	(0.055)	0.201	0.202	(0.098)	(0.006)	0.056	0.000	5.019
Feb-17	037	4.121	0.000	0000	0.000	0000	0.025	(0.055)	0.201	0 202	(0.098)	(900 0)	0.056	0000	4 446
Mar-17	047	4.366	0.000	0.000	0.000	0.000	0.205	0.025	(0.055)	0.201	0.019	(860'0)	(0.006)	0.056	4.713
Apr-17	290	3,999	0.000	0.000	0.000	0.000	0.205	0.025	(0.055)	0.201	0.019	(0.098)	(0.006)	0.056	4.346
May-17	220	4.576	0.000	0.000	0.000	0.000	0,205	0.025	(0.055)	0 201	0.019	(0.098)	(0.006)	0.056	4.923
Jun-17	280	4.493	00000	0.000	0.000	0.000	(0.082)	0.205	0.025	(0.055)	0.051	0.019	(0.098)	(0.006)	4.552
Jul-17	107	4.308	00.00	0.000	0.000	0.000	(0.082)	0.205	0.025	(0.055)	0.051	0.019	(0.098)	(0.006)	4.367
Ang-17	117	4.098	0.000	0.000	0.000	0.000	(0.082)	0.205	0.025	(0.055)	0.051	0.019	(0.098)	(0.006)	4.157
Sep-17	127	4.075	(0.008)	0.000	0.000	0.000	(0.265)	(0.082)	0.205	0.025	0:050	0.051	0.019	(0.098)	3.972
Oct-17	137	4.171	(0.008)	0.000	0.000	0.000	(0.265)	(0.082)	0.205	0.025	0:050	0.051	0.019	(0.098)	4.068
Nov-17	147	4.042	(0.008)	0.000	0.000	0.000	(0.265)	(0.082)	0.205	0.025	0.050	0.051	0.019	(0.098)	3.939
Dec-17	157	4.198	(0.009)	(0.008)	0.000	0.000	0.097	(0.265)	(0.082)	0.205	(0.013)	0.050	0.051	0.019	4.243
Jan-18	018	3.987	(0.009)	(0.008)	0.000	0.000	0.097	(0.265)	(0.082)	0.205	(0.013)	0.050	0.051	0.019	4.032
Feb-18	038	3.976	(0.009)	(0.008)	0.000	0.000	0.097	(0.265)	(0.082)	0.205	(0.013)	0.050	0.051	0.019	4.021
Mar-18	048	3.868	0.000	(0.00)	(0.008)	0.000	0.296	0.097	(0.265)	(0.082)	(0.008)	(0.013)	0.050	0.051	3.977
Apr-18	890	3.797	0.000	(0.009)	(0.008)	0.000	0.296	0.097	(0.265)	(0.082)	(0.008)	(0.013)	0.050	0.051	3.906
May-18	078	3.733	0.000	(0.009)	(0.008)	0.000	0.296	0.097	(0.265)	(0.082)	(0.008)	(0.013)	0.050	0.051	3.842
Jun-18													•		
Jul-18															
Aug-18															
Sep-18															
Oct-18															
Nov-18															
Dec-18															