

DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(q)

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

Description of Filing Requirement:

The independent auditor's annual opinion report, with any written communication from the auditors to the utility, if applicable, which indicates the existence of a material weakness in the utility's internal controls.

Response:

See attached.

Witness Responsible: Michael Covington



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder of
Duke Energy Kentucky, Inc.
Charlotte, North Carolina

We have audited the accompanying financial statements of Duke Energy Kentucky, Inc. (the "Company"), which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of operations, changes in equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Duke Energy Kentucky, Inc. as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

March 14, 2018

DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(r)

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

Description of Filing Requirement:

The quarterly reports to the stockholders for the most recent five (5) quarters.

Response:

See the attached for the unaudited quarterly financial statements for the most recent five quarters.

Note that beginning in the first quarter of 2018, these financial statements began being included as an attachment to the Company's quarterly earnings release.

Sponsoring Witness: Robert H. "Beau" Pratt



2nd Quarter 2017 Statistical Supplement

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Duke Energy and Piedmont Natural Gas

This Statistical Supplement includes results of Piedmont Natural Gas (Piedmont) subsequent to the acquisition on October 3, 2016, and should be read in conjunction with i) Duke Energy and Piedmont's combined Form 10-Q for the six months ended June 30, 2017, ii) Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2016, iii) Piedmont's Annual Report on Form 10-K for the year ended October 31, 2016, and iv) the transition report filed by Piedmont on Form 10-Q as of December 31, 2016, for the transition period from November 1, 2016 to December 31, 2016.

Segment Change

Due to the Piedmont acquisition and the sale of International Energy in the fourth quarter of 2016, Duke Energy's segment structure has been realigned to include the following segments: Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables. The remainder of Duke Energy's operations is presented as Other. Other now includes the results of National Methanol Company (NMC), previously included in the International Energy segment.

Prior periods have been recast to conform to the current segment structure.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Six Months Ended June 30, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Operating Revenues						
Regulated electric	\$ 10,105	\$ —	\$ —	\$ —	(74)	\$ 10,031
Regulated natural gas	—	966	—	—	(45)	921
Nonregulated electric and other	—	5	238	68	21	332
Total operating revenues	10,105	971	238	68	(98)	11,284
Operating Expenses						
Fuel used in electric generation and purchased power	3,003	—	—	29	(42)	2,990
Cost of natural gas	—	334	—	—	—	334
Operation, maintenance and other	2,536	198	135	26	(55)	2,840
Depreciation and amortization	1,451	114	77	52	—	1,694
Property and other taxes	531	56	17	7	—	611
Impairment charges	2	—	—	7	—	9
Total operating expenses	7,523	702	229	121	(97)	8,478
Gains on Sales of Other Assets and Other, net	4	—	4	11	(1)	18
Operating Income (Loss)	2,586	269	13	(42)	(2)	2,824
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	1	36	(2)	30	—	65
Other income and expenses, net	154	2	—	19	(8)	167
Total Other Income and Expenses	155	38	(2)	49	(8)	232
Interest Expense	620	52	42	273	(10)	977
Income (Loss) from Continuing Operations Before Income Taxes	2,121	255	(31)	(266)	—	2,079
Income Tax Expense (Benefit) from Continuing Operations	757	95	(81)	(100)	—	671
Income (Loss) from Continuing Operations	1,364	160	50	(166)	—	1,408
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(1)	5	—	4
Segment Income / Other Net Expense	\$ 1,364	\$ 160	\$ 51	\$ (171)	\$ —	\$ 1,404
Loss from Discontinued Operations, net of tax						(2)
Net Income Attributable to Duke Energy Corporation						\$ 1,402
Segment Income / Other Net Expense	\$ 1,364	\$ 160	\$ 51	\$ (171)	\$ —	\$ 1,404
Special Items	—	—	—	29	—	29
Adjusted Earnings^(a)	\$ 1,364	\$ 160	\$ 51	\$ (142)	\$ —	\$ 1,433

(a) See page 16 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Six Months Ended June 30, 2016 ^(a)						
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	International Energy	Eliminations / Adjustments	Duke Energy
Operating Revenues							
Regulated electric	\$ 10,090	\$ —	\$ —	\$ —	\$ —	(72)	\$ 10,018
Regulated natural gas	—	269	—	—	—	(9)	266
Nonregulated electric and other	—	—	226	59	—	21	306
Total operating revenues	10,090	269	226	59	—	(54)	10,590
Operating Expenses							
Fuel used in electric generation and purchased power	3,086	—	—	23	—	—	3,109
Cost of natural gas	—	58	—	—	—	—	58
Operation, maintenance and other	2,528	60	155	75	—	(51)	2,767
Depreciation and amortization	1,410	40	62	71	—	—	1,583
Property and other taxes	525	32	12	17	—	(1)	585
Impairment charges	3	—	—	2	—	(1)	4
Total operating expenses	7,552	190	229	188	—	(53)	8,106
Gains on Sales of Other Assets and Other, net	2	—	2	11	—	—	15
Operating Income (Loss)	2,540	79	(1)	(118)	—	(1)	2,499
Other Income and Expenses							
Equity in earnings (losses) of unconsolidated affiliates	1	6	(2)	19	—	(1)	23
Other income and expenses, net	139	—	—	17	—	(5)	151
Total other income and expenses	140	6	(2)	36	—	(6)	174
Interest Expense^(b)	542	13	23	396	—	(7)	967
Income (Loss) from Continuing Operations Before Income Taxes	2,138	72	(26)	(478)	—	—	1,706
Income Tax Expense (Benefit) from Continuing Operations	770	24	(62)	(227)	—	—	505
Income (Loss) from Continuing Operations	1,368	48	36	(251)	—	—	1,201
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(1)	4	—	—	3
Segment Income / Other Net Expense	\$ 1,368	\$ 48	\$ 37	\$ (255)	\$ —	\$ —	\$ 1,198
Income from Discontinued Operations, net of tax							5
Net Income Attributable to Duke Energy Corporation							\$ 1,203
Segment Income / Other Net Expense	\$ 1,368	\$ 48	\$ 37	\$ (255)	\$ —	\$ —	\$ 1,198
Special Items^(c)	—	—	—	170	148	—	318
Adjusted Earnings^(d)	\$ 1,368	\$ 48	\$ 37	\$ (85)	\$ 148	\$ —	\$ 1,516

- (a) Amounts have been recast to conform to the current segment structure.
(b) Other includes \$183 million related to Piedmont acquisition financing, primarily due to losses on forward-starting interest rate swaps.
(c) International Energy amount represents the operating results of the International Disposal Group classified as discontinued operations.
(d) See page 17 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	June 30, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 60	\$ 15	\$ 8	\$ 215	\$ —	\$ 298
Receivables, net	380	65	10	43	—	498
Receivables of variable interest entities, net	1,854	—	26	—	—	1,880
Receivables from affiliated companies	36	16	1,148	350	(1,550)	—
Notes receivable from affiliated companies	84	22	—	1,098	(1,204)	—
Inventory	3,253	77	13	26	—	3,369
Regulatory assets	966	123	—	103	—	1,192
Other	263	89	102	20	(38)	436
Total current assets	6,896	407	1,307	1,855	(2,792)	7,673
Property, Plant and Equipment						
Cost	108,912	9,227	4,376	1,924	—	124,439
Accumulated depreciation and amortization	(36,688)	(2,133)	(648)	(1,054)	1	(40,522)
Generation facilities to be retired, net	487	—	—	—	—	487
Net property, plant and equipment	72,711	7,094	3,728	870	1	84,404
Other Noncurrent Assets						
Goodwill	17,379	1,924	122	—	—	19,425
Regulatory assets	11,586	742	—	480	—	12,808
Nuclear decommissioning trust funds	6,601	—	—	—	—	6,601
Investments in equity method unconsolidated affiliates	95	879	185	107	1	1,267
Investments and advances to (from) subsidiaries	237	6	8	55,009	(55,260)	—
Other	1,930	28	112	1,393	(637)	2,826
Total other noncurrent assets	37,828	3,579	427	56,989	(55,896)	42,927
Total Assets	117,435	11,080	5,462	59,714	(58,687)	135,004
Segment reclassifications, intercompany balances and other	(426)	(7)	(1,156)	(57,279)	58,868	—
Segment Assets	\$ 117,009	\$ 11,073	\$ 4,306	\$ 2,435	\$ 181	\$ 135,004

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	June 30, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 1,644	\$ 185	\$ 20	\$ 328	\$ —	\$ 2,177
Accounts payable to affiliated companies	365	68	8	1,085	(1,526)	—
Notes payable to affiliated companies	996	167	—	51	(1,214)	—
Notes payable and commercial paper	—	—	—	3,487	1	3,488
Taxes accrued	460	31	(309)	250	—	432
Interest accrued	336	35	—	135	—	506
Current maturities of long-term debt	1,831	35	157	1,449	—	3,472
Asset retirement obligations	397	—	—	—	—	397
Regulatory liabilities	281	—	—	5	—	286
Other	1,234	72	48	407	(53)	1,708
Total current liabilities	7,544	593	(76)	7,197	(2,792)	12,466
Long-Term Debt	28,046	2,559	1,557	13,881	—	46,043
Long-Term Debt Payable to Affiliated Companies	618	7	9	—	(634)	—
Other Noncurrent Liabilities						
Deferred income taxes	16,259	1,526	342	(3,432)	—	14,695
Asset retirement obligations	10,033	43	88	1	—	10,165
Regulatory liabilities	6,271	750	—	28	(1)	7,048
Accrued pension and other post-retirement benefit costs	720	31	—	357	—	1,108
Investment tax credits	531	3	—	—	—	534
Other	831	223	269	328	—	1,651
Total other noncurrent liabilities	34,645	2,576	699	(2,718)	(1)	35,201
Equity						
Total Duke Energy Corporation stockholders' equity	46,582	5,345	3,255	41,362	(55,260)	41,284
Noncontrolling interests	—	—	18	(8)	—	10
Total equity	46,582	5,345	3,273	41,354	(55,260)	41,294
Total Liabilities and Equity	117,435	11,080	5,462	59,714	(58,687)	135,004
Segment reclassifications, intercompany balances and other	(426)	(7)	(1,156)	(57,279)	58,868	—
Segment Liabilities and Equity	\$ 117,009	\$ 11,073	\$ 4,306	\$ 2,435	\$ 181	\$ 135,004

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Six Months Ended June 30, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments	Electric Utilities and Infrastructure
Operating Revenues	\$ 3,445	\$ 2,418	\$ 2,150	\$ 665	\$ 1,500	\$ —	\$ (73)	\$ 10,105
Operating Expenses								
Fuel used in electric generation and purchased power	863	739	817	183	485	—	(84)	3,003
Operation, maintenance and other	932	668	386	188	362	1	(1)	2,536
Depreciation and amortization	523	354	269	88	216	—	1	1,451
Property and other taxes	139	80	166	109	37	—	—	531
Impairment charges	—	—	2	1	(1)	—	—	2
Total operating expenses	2,457	1,841	1,640	569	1,099	1	(84)	7,523
Gains on Sales of Other Assets and Other, net	—	3	—	1	—	—	—	4
Operating Income (Loss)	988	580	510	97	401	(1)	11	2,586
Other Income and Expenses, net^(b)	73	33	30	6	18	2	(7)	155
Interest Expense	206	152	140	31	88	—	3	620
Income Before Income Taxes	855	461	400	72	331	1	1	2,121
Income Tax Expense	300	153	147	26	131	—	—	757
Segment Income	\$ 555	\$ 308	\$ 253	\$ 46	\$ 200	\$ 1	\$ 1	\$ 1,364

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes an equity component of allowance for funds used during construction of \$59 million for Duke Energy Carolinas, \$26 million for Duke Energy Progress, \$22 million for Duke Energy Florida, \$4 million for Duke Energy Ohio, and \$12 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Six Months Ended June 30, 2016 ^(a)							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(b)	Duke Energy Indiana	Commercial Transmission	Eliminations / Adjustments	Electric Utilities and Infrastructure
Operating Revenues	\$ 3,416	\$ 2,520	\$ 2,157	\$ 663	\$ 1,416	\$ —	\$ (82)	\$ 10,090
Operating Expenses								
Fuel used in electric generation and purchased power	810	872	841	211	448	—	(96)	3,086
Operation, maintenance and other	946	684	391	161	342	2	2	2,528
Depreciation and amortization	523	346	235	85	221	—	—	1,410
Property and other taxes	138	80	159	103	44	—	1	525
Impairment charges	—	—	3	—	—	—	—	3
Total operating expenses	2,417	1,982	1,629	560	1,055	2	(93)	7,552
Gains on Sales of Other Assets and Other, net	—	1	—	—	—	—	1	2
Operating Income (Loss)	999	539	528	103	361	(2)	12	2,540
Other Income and Expenses, net^(c)	82	29	18	2	9	2	(2)	140
Interest Expense	214	127	81	27	90	—	3	542
Income Before Income Taxes	867	441	465	78	280	—	7	2,138
Income Tax Expense	301	157	175	23	93	—	21	770
Segment Income	\$ 566	\$ 284	\$ 290	\$ 55	\$ 187	\$ —	\$ (14)	\$ 1,368

(a) Amounts have been recast to conform to the current segment structure.

(b) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(c) Includes an equity component of allowance for funds used during construction of \$48 million for Duke Energy Carolinas, \$20 million for Duke Energy Progress, \$9 million for Duke Energy Florida, \$2 million for Duke Energy Ohio, and \$7 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	June 30, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments ^(b)	Electric Utilities and Infrastructure
Current Assets								
Cash and cash equivalents	\$ 16	\$ 12	\$ 8	\$ 7	\$ 17	\$ —	\$ —	\$ 60
Receivables, net	165	32	61	74	45	—	3	380
Receivables of variable interest entities, net	611	422	354	—	—	—	467	1,854
Receivables from affiliated companies	85	5	1	43	87	2	(187)	36
Notes receivable from affiliated companies	—	—	230	38	19	—	(203)	84
Inventory	1,066	1,053	568	95	470	—	1	3,253
Regulatory assets	249	212	321	6	159	—	19	966
Other	34	73	50	17	88	—	1	263
Total current assets	2,226	1,809	1,593	280	885	2	101	6,896
Property, Plant and Equipment								
Cost	41,881	28,936	17,369	5,550	14,573	4	599	108,912
Accumulated depreciation and amortization	(14,632)	(10,734)	(4,910)	(1,918)	(4,484)	(1)	(9)	(36,688)
Generation facilities to be retired, net	—	487	—	—	—	—	—	487
Net property, plant and equipment	27,249	18,689	12,459	3,632	10,089	3	590	72,711
Other Noncurrent Assets								
Goodwill	—	—	—	596	—	—	16,783	17,379
Regulatory assets	3,060	3,379	2,474	357	1,100	—	1,216	11,586
Nuclear decommissioning trust funds	3,499	2,380	723	—	—	—	(1)	6,601
Investments in equity method unconsolidated affiliates	—	—	—	—	—	94	1	95
Investments and advances to (from) subsidiaries	47	11	3	173	3	—	—	237
Other	929	536	279	17	159	—	10	1,930
Total other noncurrent assets	7,535	6,306	3,479	1,143	1,262	94	18,009	37,828
Total Assets	37,010	26,804	17,531	5,055	12,236	99	18,700	117,435
Intercompany balances and other	(180)	(95)	(202)	(176)	(50)	(55)	332	(426)
Reportable Segment Assets	\$ 36,830	\$ 26,709	\$ 17,329	\$ 4,879	\$ 12,186	\$ 44	\$ 19,032	\$ 117,009

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes the elimination of intercompany balances, purchase accounting adjustments and restricted receivables related to Cinergy Receivables Company.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	June 30, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments ^(b)	Electric Utilities and Infrastructure
Current Liabilities								
Accounts payable	\$ 639	\$ 277	\$ 372	\$ 183	\$ 171	\$ —	\$ 2	\$ 1,644
Accounts payable to affiliated companies	127	169	42	10	50	55	(88)	365
Notes payable to affiliated companies	534	633	—	22	—	—	(193)	996
Taxes accrued	166	61	113	84	29	1	6	460
Interest accrued	104	101	58	15	59	—	(1)	336
Current maturities of long-term debt	704	203	819	1	3	—	101	1,831
Asset retirement obligations	227	170	—	—	—	—	—	397
Regulatory liabilities	115	113	7	10	36	—	—	281
Other	409	308	323	74	122	—	(2)	1,234
Total current liabilities	3,025	2,035	1,734	399	470	56	(175)	7,544
Long-Term Debt	8,520	6,407	6,160	1,490	3,631	—	1,838	28,046
Long-Term Debt Payable to Affiliated Companies	300	150	—	18	150	—	—	618
Other Noncurrent Liabilities								
Deferred income taxes	6,786	3,546	2,895	1,005	2,013	4	10	16,259
Asset retirement obligations	3,644	4,520	768	46	865	—	190	10,033
Regulatory liabilities	2,885	2,048	462	131	745	—	—	6,271
Accrued pension and other post-retirement benefit costs	103	246	258	36	77	—	—	720
Investment tax credits	235	145	3	1	148	—	(1)	531
Other	573	48	99	93	23	—	(5)	831
Total other noncurrent liabilities	14,226	10,553	4,485	1,312	3,871	4	194	34,645
Equity	10,939	7,659	5,152	1,836	4,114	39	16,843	46,582
Total Liabilities and Equity	37,010	26,804	17,531	5,055	12,236	99	18,700	117,435
Intercompany balances and other	(180)	(95)	(202)	(176)	(50)	(55)	332	(426)
Reportable Segment Liabilities and Equity	\$ 36,830	\$ 26,709	\$ 17,329	\$ 4,879	\$ 12,186	\$ 44	\$ 19,032	\$ 117,009

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Six Months Ended June 30, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage ^(b)	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues					
Regulated natural gas	\$ 270	\$ 696	\$ —	\$ —	\$ 966
Nonregulated natural gas and other	—	5	—	—	5
Operating Revenues	270	701	—	—	971
Operating Expenses					
Cost of natural gas	64	270	—	—	334
Operation, maintenance and other	57	141	2	(2)	198
Depreciation and amortization	42	71	—	1	114
Property and other taxes	31	25	—	—	56
Total operating expenses	194	507	2	(1)	702
Operating Income (Loss)	76	194	(2)	1	269
Other Income and Expenses					
Equity in earnings of unconsolidated affiliates	—	—	36	—	36
Other income and expenses, net	2	—	—	—	2
Total other income and expenses	2	—	36	—	38
Interest Expense	13	38	—	1	52
Income Before Income Taxes	65	156	34	—	255
Income Tax Expense	23	59	13	—	95
Segment Income	\$ 42	\$ 97	\$ 21	\$ —	\$ 160

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes earnings from investments in ACP, Sabal Trail, Constitution and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Six Months Ended June 30, 2016			
	Duke Energy Ohio ^(a)	Midstream Pipelines	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues	\$ 269	\$ —	\$ —	\$ 269
Operating Expenses				
Cost of natural gas	58	—	—	58
Operation, maintenance and other	59	1	—	60
Depreciation and amortization	40	—	—	40
Property and other taxes	32	—	—	32
Total operating expenses	189	1	—	190
Operating Income (Loss)	80	(1)	—	79
Other Income and Expenses, net	—	6	—	6
Interest Expense	13	—	—	13
Income Before Income Taxes	67	5	—	72
Income Tax Expense	22	2	—	24
Segment Income	\$ 45	\$ 3	\$ —	\$ 48

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	June 30, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Assets					
Cash and cash equivalents	\$ 2	\$ 13	\$ —	\$ —	\$ 15
Receivables, net	(15)	80	—	—	65
Receivables from affiliated companies	16	53	—	(53)	16
Notes receivable from affiliated companies	25	—	—	(3)	22
Inventory	39	38	—	—	77
Regulatory assets	4	119	—	—	123
Other	(1)	88	—	2	89
Total current assets	70	391	—	(54)	407
Property, Plant and Equipment					
Cost	2,797	6,430	—	—	9,227
Accumulated depreciation and amortization	(708)	(1,425)	—	—	(2,133)
Net property, plant and equipment	2,089	5,005	—	—	7,094
Other Noncurrent Assets					
Goodwill	324	49	—	1,551	1,924
Regulatory assets	195	345	—	202	742
Investments in equity method unconsolidated affiliates	—	—	879	—	879
Investments and advances from subsidiaries	—	—	—	6	6
Other	3	13	13	(1)	28
Total other noncurrent assets	522	407	892	1,758	3,579
Total Assets	2,681	5,803	892	1,704	11,080
Intercompany balances and other	(9)	(68)	(26)	96	(7)
Reportable Segment Assets	\$ 2,672	\$ 5,735	\$ 866	\$ 1,800	\$ 11,073

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	June 30, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Liabilities					
Accounts payable	\$ 80	\$ 105	\$ —	\$ —	\$ 185
Accounts payable to affiliated companies	—	57	63	(52)	68
Notes payable to affiliated companies	2	167	—	(2)	167
Taxes accrued	(9)	6	34	—	31
Interest accrued	5	30	—	—	35
Current maturities of long-term debt	—	35	—	—	35
Regulatory liabilities	7	(6)	—	(1)	—
Other	4	69	—	(1)	72
Total current liabilities	89	463	97	(56)	593
Long-Term Debt	461	1,911	—	187	2,559
Long-Term Debt Payable to Affiliated Companies	7	—	—	—	7
Other Noncurrent Liabilities					
Deferred income taxes	495	992	40	(1)	1,526
Asset retirement obligations	29	15	—	(1)	43
Regulatory liabilities	109	625	—	16	750
Accrued pension and other post-retirement benefit costs	17	14	—	—	31
Investment tax credits	2	1	—	—	3
Other	61	162	—	—	223
Total other noncurrent liabilities	713	1,809	40	14	2,576
Equity	1,411	1,620	755	1,559	5,345
Total Liabilities and Equity	2,681	5,803	892	1,704	11,080
Intercompany balances and other	(9)	(68)	(26)	96	(7)
Reportable Segment Liabilities and Equity	\$ 2,672	\$ 5,735	\$ 866	\$ 1,794	\$ 11,073

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

Revenues By Customer Class
(Unaudited)

(in millions)	Six Months Ended June 30, 2017							Total
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Piedmont Natural Gas	Eliminations / Adjustments	
Regulated Electric Revenues								
Residential	\$ 1,302	\$ 846	\$ 1,103	\$ 348	\$ 497	\$ —	\$ —	\$ 4,096
General service	1,029	594	665	211	372	—	—	2,871
Industrial	562	299	125	59	381	—	—	1,426
Wholesale	230	544	74	13	155	—	—	1,016
Change in unbilled	(4)	(5)	36	(5)	(6)	—	—	16
Other revenues	326	140	147	39	101	—	(73)	680
Total Electric Revenues	\$ 3,445	\$ 2,418	\$ 2,150	\$ 665	\$ 1,500	\$ —	\$ (73)	\$ 10,105
Regulated Natural Gas Revenues								
Residential	\$ —	\$ —	\$ —	\$ 191	\$ —	\$ 398	\$ —	\$ 589
Commercial	—	—	—	78	—	215	—	293
Industrial	—	—	—	11	—	68	—	79
Power Generation	—	—	—	—	—	40	—	40
Change in unbilled	—	—	—	(22)	—	(75)	—	(97)
Other revenues	—	—	—	12	—	50	—	62
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 270	\$ —	\$ 696	\$ —	\$ 966

(in millions)	Six Months Ended June 30, 2016							Total
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana		Eliminations / Adjustments	
Regulated Electric Revenues								
Residential	\$ 1,398	\$ 900	\$ 1,100	\$ 356	\$ 476	\$ —	\$ —	\$ 4,230
General service	1,071	622	642	215	344	—	—	2,894
Industrial	604	303	123	59	349	—	—	1,438
Wholesale	217	593	104	9	171	—	—	1,094
Change in unbilled	73	20	35	8	13	—	—	149
Other revenues	53	82	153	16	63	—	(82)	285
Total Electric Revenues	\$ 3,416	\$ 2,520	\$ 2,157	\$ 663	\$ 1,416	\$ —	\$ (82)	\$ 10,090
Regulated Natural Gas Revenues								
Residential	\$ —	\$ —	\$ —	\$ 183	\$ —	\$ —	\$ —	\$ 183
Commercial	—	—	—	75	—	—	—	75
Industrial	—	—	—	10	—	—	—	10
Change in unbilled	—	—	—	(9)	—	—	—	(9)
Other revenues	—	—	—	10	—	—	—	10
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 269	\$ —	\$ —	\$ —	\$ 269

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Six Months Ended June 30, 2017
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Item Costs to Achieve Piedmont Merger	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME					
Electric Utilities and Infrastructure	\$ 1,364	\$ —	\$ —	\$ —	\$ 1,364
Gas Utilities and Infrastructure	160	—	—	—	160
Commercial Renewables	51	—	—	—	51
Total Reportable Segment Income	1,575	—	—	—	1,575
Other	(171)	29 A	—	29	(142)
Discontinued Operations	(2)	—	2 B	2	—
Net Income Attributable to Duke Energy Corporation	\$ 1,402	\$ 29	\$ 2	\$ 31	\$ 1,433
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 2.00	\$ 0.05	\$ —	\$ 0.05	\$ 2.05

A - Net of \$17 million tax benefit. \$45 million recorded within Operating Expenses and \$1 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

B - Recorded in (Loss) Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

Weighted Average Shares, Diluted (reported and adjusted) - 700 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Six Months Ended June 30, 2016
(Dollars in millions, except per share amounts)

	Special Items						Adjusted Earnings
	Reported Earnings	Costs to Achieve Mergers	Cost Savings Initiatives	International Energy Operations	Discontinued Operations	Total Adjustments	
SEGMENT INCOME							
Electric Utilities and Infrastructure	\$ 1,368	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,368
Gas Utilities and Infrastructure	48	—	—	—	—	—	48
Commercial Renewables	37	—	—	—	—	—	37
Total Reportable Segment Income	1,453	—	—	—	—	—	1,453
International Energy	—	—	—	148 C	—	148	148
Other	(255)	143 A	27 B	—	—	170	(85)
Discontinued Operations	5	—	—	(148) C	143 D	(5)	—
Net Income Attributable to Duke Energy Corporation	\$ 1,203	\$ 143	\$ 27	\$ —	\$ 143	\$ 313	\$ 1,516
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.74	\$ 0.21	\$ 0.04	\$ —	\$ 0.21	\$ 0.46	\$ 2.20

A - Net of \$88 million tax benefit. Includes \$1 million recorded within Operating Revenues, \$47 million recorded within Operating Expenses and \$183 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

B - Net of \$17 million tax benefit. Consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.

C - Includes \$4 million tax benefit. Operating results of the International Disposal Group, which exclude the impairment described below, recorded within Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

D - Recorded in (Loss) Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations. Includes an impairment charge related to certain assets in Central America.

Weighted Average Shares Outstanding, Diluted (reported and adjusted) - 689 million

DUKE ENERGY CORPORATION
Non-GAAP Financial Measures

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings and adjusted diluted EPS.

Adjusted earnings and adjusted diluted EPS represent income from continuing operations attributable to Duke Energy, adjusted for the dollar and per share impact of special items. As discussed below, special items represent certain charges and credits which management believes are not indicative of Duke Energy's ongoing performance. Management believes the presentation of adjusted earnings and adjusted diluted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses these non-GAAP financial measures for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation and Diluted EPS Attributable to Duke Energy Corporation common stockholders, respectively.

Special items included in the periods presented include the following items which management believes do not reflect ongoing costs:

- Costs to Achieve Mergers represent charges resulting from strategic acquisitions.
- Cost Savings Initiatives represents severance charges related to company-wide initiatives, excluding merger integration, to standardize processes and systems, leverage technology and workforce optimization.

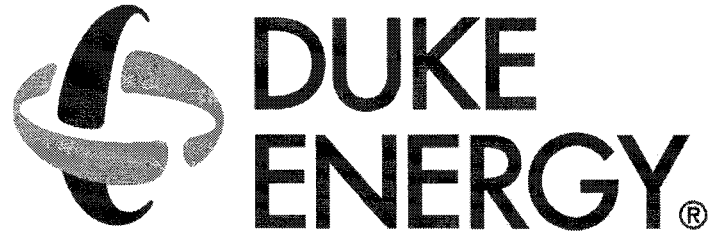
Adjusted earnings also include operating results of the International Disposal Group, which have been classified as discontinued operations. Management believes inclusion of the operating results of the Disposal Group within adjusted earnings and adjusted diluted EPS results in a better reflection of Duke Energy's financial performance during the period.

Due to the forward-looking nature of any forecasted adjusted earnings guidance, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods (such as legal settlements, the impact of regulatory orders, or asset impairments).

Management evaluates segment performance based on segment income and other net expense. Segment income is defined as income from continuing operations attributable to Duke Energy. Segment income includes intercompany revenues and expenses that are eliminated in the Consolidated Financial Statements. Management also uses adjusted segment income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for special items, which are discussed above. Management believes the presentation of adjusted segment income provides useful information to investors, as it provides them with an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income or adjusted other net expense is segment income and other net expense.

Due to the forward-looking nature of any forecasted adjusted segment income or adjusted other net expense and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast all special items, as discussed above.

Duke Energy's adjusted earnings, adjusted diluted EPS, and adjusted segment income may not be comparable to similarly titled measures of another company because other companies may not calculate the measures in the same manner.



Third Quarter 2017 Statistical Supplement

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Duke Energy and Piedmont Natural Gas

This Statistical Supplement includes results of Piedmont Natural Gas (Piedmont) subsequent to the acquisition on October 3, 2016, and should be read in conjunction with i) Duke Energy and Piedmont's combined Form 10-Q for the nine months ended September 30, 2017, ii) Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2016, iii) Piedmont's Annual Report on Form 10-K for the year ended October 31, 2016, and iv) the transition report filed by Piedmont on Form 10-Q as of December 31, 2016, for the transition period from November 1, 2016, to December 31, 2016.

Segment Change

Due to the Piedmont acquisition and the sale of International Energy in the fourth quarter of 2016, Duke Energy's segment structure has been realigned to include the following segments: Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables. The remainder of Duke Energy's operations is presented as Other. Other now includes the results of National Methanol Company (NMC), previously included in the International Energy segment.

Prior periods have been recast to conform to the current segment structure.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Nine Months Ended September 30, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Operating Revenues						
Regulated electric	\$ 16,234	\$ —	\$ —	\$ —	(112)	\$ 16,122
Regulated natural gas	—	1,237	—	—	(69)	1,168
Nonregulated electric and other	—	6	333	103	34	476
Total operating revenues	16,234	1,243	333	103	(147)	17,766
Operating Expenses						
Fuel used in electric generation and purchased power	4,875	—	—	42	(64)	4,853
Cost of natural gas	—	402	—	—	—	402
Operation, maintenance and other	3,833	291	191	47	(80)	4,282
Depreciation and amortization	2,228	171	116	79	—	2,594
Property and other taxes	808	81	26	10	(1)	924
Impairment charges	134	—	76	7	(1)	216
Total operating expenses	11,878	945	409	185	(146)	13,271
Gains on Sales of Other Assets and Other, net	4	—	5	15	—	24
Operating Income (Loss)	4,360	298	(71)	(67)	(1)	4,519
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	3	57	(5)	46	—	101
Other income and expenses, net	219	3	(7)	54	(14)	255
Total Other Income and Expenses	222	60	(12)	100	(14)	356
Interest Expense	925	78	64	423	(15)	1,475
Income (Loss) from Continuing Operations Before Income Taxes	3,657	280	(147)	(390)	—	3,400
Income Tax Expense (Benefit) from Continuing Operations	1,273	101	(146)	(193)	—	1,035
Income (Loss) from Continuing Operations	2,384	179	(1)	(197)	—	2,365
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(3)	8	—	5
Segment Income / Other Net Expense	\$ 2,384	\$ 179	\$ 2	\$ (205)	\$ —	\$ 2,360
Loss from Discontinued Operations, net of tax						(4)
Net Income Attributable to Duke Energy Corporation						\$ 2,356
Segment Income / Other Net Expense	\$ 2,384	\$ 179	\$ 2	\$ (205)	\$ —	\$ 2,360
Special Items	84	—	56	43	—	183
Adjusted Earnings^(a)	\$ 2,468	\$ 179	\$ 58	\$ (162)	\$ —	\$ 2,543

(a) See page 16 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Nine Months Ended September 30, 2016 ^(a)							Duke Energy
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	International Energy	Eliminations / Adjustments		
Operating Revenues								
Regulated electric	\$ 16,430	\$ —	\$ —	\$ —	\$ —	\$ (109)	\$	16,321
Regulated natural gas	—	358	—	—	—	(3)		355
Nonregulated electric and other	—	—	365	91	—	34		490
Total operating revenues	16,430	358	365	91	—	(78)		17,166
Operating Expenses								
Fuel used in electric generation and purchased power	5,102	—	—	37	—	1		5,140
Cost of natural gas	—	64	—	—	—	—		64
Operation, maintenance and other	3,819	90	253	145	—	(80)		4,227
Depreciation and amortization	2,139	59	96	108	—	—		2,402
Property and other taxes	799	44	20	25	—	(1)		887
Impairment charges	12	—	—	2	—	—		14
Total operating expenses	11,871	257	369	317	—	(80)		12,734
Gains on Sales of Other Assets and Other, net	3	—	4	14	—	—		21
Operating Income (Loss)	4,562	101	—	(212)	—	2		4,453
Other Income and Expenses								
Equity in earnings (losses) of unconsolidated affiliates	2	11	(78)	28	—	—		(37)
Other income and expenses, net	213	2	—	32	—	(10)		237
Total other income and expenses	215	13	(78)	60	—	(10)		200
Interest Expense ^(b)	829	19	38	553	—	(8)		1,431
Income (Loss) from Continuing Operations Before Income Taxes	3,948	95	(116)	(705)	—	—		3,222
Income Tax Expense (Benefit) from Continuing Operations	1,391	32	(127)	(276)	—	—		1,020
Income (Loss) from Continuing Operations	2,557	63	11	(429)	—	—		2,202
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(2)	7	—	—		5
Segment Income / Other Net Expense	\$ 2,557	\$ 63	\$ 13	\$ (436)	\$ —	\$ —		2,197
Income from Discontinued Operations, net of tax								182
Net Income Attributable to Duke Energy Corporation								\$ 2,379
Segment Income / Other Net Expense	\$ 2,557	\$ 63	\$ 13	\$ (436)	\$ —	\$ —		2,197
Special Items^(c)	—	—	45	234	203	—		482
Adjusted Earnings^(d)	\$ 2,557	\$ 63	\$ 58	\$ (202)	\$ 203	\$ —		2,679

- (a) Amounts have been recast to conform to the current segment structure.
(b) Other includes \$234 million related to Piedmont acquisition financing, primarily due to losses on forward-starting interest rate swaps.
(c) International Energy amount represents the operating results of the International Disposal Group classified as discontinued operations.
(d) See page 17 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	September 30, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 67	\$ 14	\$ 7	\$ 194	\$ —	\$ 282
Receivables, net	429	63	1	36	(1)	528
Receivables of variable interest entities, net	2,064	—	25	—	—	2,089
Receivables from affiliated companies	21	8	1,599	403	(2,031)	—
Notes receivable from affiliated companies	145	21	—	541	(707)	—
Inventory	3,129	98	13	25	—	3,265
Regulatory assets	853	144	—	113	(1)	1,109
Other	260	129	148	(87)	(17)	433
Total current assets	6,968	477	1,793	1,225	(2,757)	7,706
Property, Plant and Equipment						
Cost	109,941	9,424	4,325	1,893	(1)	125,582
Accumulated depreciation and amortization	(37,257)	(2,178)	(688)	(1,039)	1	(41,161)
Generation facilities to be retired, net	441	—	—	—	—	441
Net property, plant and equipment	73,125	7,246	3,637	854	—	84,862
Other Noncurrent Assets						
Goodwill	17,379	1,924	115	—	—	19,418
Regulatory assets	12,207	695	—	465	—	13,367
Nuclear decommissioning trust funds	6,814	—	—	—	—	6,814
Investments in equity method unconsolidated affiliates	86	975	183	121	1	1,366
Investments and advances to (from) subsidiaries	273	9	8	55,725	(56,015)	—
Other	1,962	35	88	1,341	(634)	2,792
Total other noncurrent assets	38,721	3,638	394	57,652	(56,648)	43,757
Total Assets	118,814	11,361	5,824	59,731	(59,405)	136,325
Segment reclassifications, intercompany balances and other	(491)	—	(1,608)	(57,491)	59,590	—
Segment Assets	\$ 118,323	\$ 11,361	\$ 4,216	\$ 2,240	\$ 185	\$ 136,325

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	September 30, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 2,103	\$ 156	\$ 13	\$ 374	\$ (1)	\$ 2,645
Accounts payable to affiliated companies	444	45	9	1,518	(2,016)	—
Notes payable to affiliated companies	372	271	—	74	(717)	—
Notes payable and commercial paper	—	—	—	1,899	—	1,899
Taxes accrued	921	63	(311)	(47)	1	627
Interest accrued	375	35	—	129	(1)	538
Current maturities of long-term debt	1,574	—	162	749	—	2,485
Asset retirement obligations	619	—	—	—	—	619
Regulatory liabilities	264	3	—	5	1	273
Other	1,240	74	63	381	(24)	1,734
Total current liabilities	7,912	647	(64)	5,082	(2,757)	10,820
Long-Term Debt	28,865	2,678	1,781	15,605	—	48,929
Long-Term Debt Payable to Affiliated Companies	618	7	9	—	(634)	—
Other Noncurrent Liabilities						
Deferred income taxes	16,558	1,555	286	(3,342)	1	15,058
Asset retirement obligations	9,451	44	89	1	1	9,586
Regulatory liabilities	6,252	753	—	23	(1)	7,027
Accrued pension and other post-retirement benefit costs	722	31	—	352	—	1,105
Investment tax credits	531	3	—	—	—	534
Other	857	196	267	304	—	1,624
Total other noncurrent liabilities	34,371	2,582	642	(2,662)	1	34,934
Equity						
Total Duke Energy Corporation stockholders' equity	47,048	5,447	3,440	41,711	(56,015)	41,631
Noncontrolling interests	—	—	16	(5)	—	11
Total equity	47,048	5,447	3,456	41,706	(56,015)	41,642
Total Liabilities and Equity	118,814	11,361	5,824	59,731	(59,405)	136,325
Segment reclassifications, intercompany balances and other	(491)	—	(1,608)	(57,491)	59,590	—
Segment Liabilities and Equity	\$ 118,323	\$ 11,361	\$ 4,216	\$ 2,240	\$ 185	\$ 136,325

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Nine Months Ended September 30, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments	Electric Utilities and Infrastructure
Operating Revenues	\$ 5,581	\$ 3,878	\$ 3,551	\$ 1,036	\$ 2,302	\$ 1	\$ (115)	\$ 16,234
Operating Expenses								
Fuel used in electric generation and purchased power	1,394	1,214	1,374	283	744	—	(134)	4,875
Operation, maintenance and other	1,403	1,015	598	276	533	3	5	3,833
Depreciation and amortization	804	536	423	131	336	—	(2)	2,228
Property and other taxes	206	120	265	161	56	—	—	808
Impairment charges	—	—	137	1	—	—	(4)	134
Total operating expenses	3,807	2,885	2,797	852	1,669	3	(135)	11,878
Gains on Sales of Other Assets and Other, net	—	3	—	—	1	—	—	4
Operating Income (Loss)	1,774	996	754	184	634	(2)	20	4,360
Other Income and Expenses, net^(b)	99	47	45	9	27	4	(9)	222
Interest Expense	314	217	211	47	132	—	4	925
Income Before Income Taxes	1,559	826	588	146	529	2	7	3,657
Income Tax Expense	532	268	213	50	206	1	3	1,273
Segment Income	\$ 1,027	\$ 558	\$ 375	\$ 96	\$ 323	\$ 1	\$ 4	\$ 2,384

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes an equity component of allowance for funds used during construction of \$79 million for Duke Energy Carolinas, \$35 million for Duke Energy Progress, \$33 million for Duke Energy Florida, \$6 million for Duke Energy Ohio, and \$20 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Nine Months Ended September 30, 2016 ^(a)							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(b)	Duke Energy Indiana	Commercial Transmission	Eliminations / Adjustments	Electric Utilities and Infrastructure
Operating Revenues	\$ 5,642	\$ 4,103	\$ 3,538	\$ 1,053	\$ 2,225	\$ —	\$ (131)	\$ 16,430
Operating Expenses								
Fuel used in electric generation and purchased power	1,391	1,441	1,391	340	690	—	(151)	5,102
Operation, maintenance and other	1,420	1,031	601	249	512	2	4	3,819
Depreciation and amortization	785	520	376	115	343	1	(1)	2,139
Property and other taxes	206	119	256	150	67	—	1	799
Impairment charges	—	1	4	—	8	—	(1)	12
Total operating expenses	3,802	3,112	2,628	854	1,620	3	(148)	11,871
(Losses) Gains on Sales of Other Assets and Other, net	(1)	2	—	1	—	—	1	3
Operating Income (Loss)	1,839	993	910	200	605	(3)	18	4,562
Other Income and Expenses, net^(c)	122	47	30	4	15	4	(7)	215
Interest Expense	317	188	143	43	136	—	2	829
Income Before Income Taxes	1,644	852	797	161	484	1	9	3,948
Income Tax Expense	568	287	296	54	165	—	21	1,391
Segment Income	\$ 1,076	\$ 565	\$ 501	\$ 107	\$ 319	\$ 1	\$ (12)	\$ 2,557

(a) Amounts have been recast to conform to the current segment structure.

(b) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(c) Includes an equity component of allowance for funds used during construction of \$75 million for Duke Energy Carolinas, \$34 million for Duke Energy Progress, \$16 million for Duke Energy Florida, \$3 million for Duke Energy Ohio, and \$11 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	September 30, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/Adjustments ^(b)	Electric Utilities and Infrastructure
Current Assets								
Cash and cash equivalents	\$ 18	\$ 15	\$ 8	\$ 4	\$ 22	\$ —	\$ —	\$ 67
Receivables, net	180	29	61	81	74	—	4	429
Receivables of variable interest entities, net	691	472	428	—	—	—	473	2,064
Receivables from affiliated companies	146	8	—	44	83	1	(261)	21
Notes receivable from affiliated companies	—	101	70	57	29	—	(112)	145
Inventory	1,000	1,018	566	95	450	—	—	3,129
Regulatory assets	237	230	211	6	158	—	11	853
Other	27	40	154	5	34	1	(1)	260
Total current assets	2,299	1,913	1,498	292	850	2	114	6,968
Property, Plant and Equipment								
Cost	42,321	29,104	17,546	5,663	14,716	4	587	109,941
Accumulated depreciation and amortization	(14,969)	(10,793)	(4,960)	(1,933)	(4,592)	(2)	(8)	(37,257)
Generation facilities to be retired, net	—	441	—	—	—	—	—	441
Net property, plant and equipment	27,352	18,752	12,586	3,730	10,124	2	579	73,125
Other Noncurrent Assets								
Goodwill	—	—	—	596	—	—	16,783	17,379
Regulatory assets	3,077	3,588	2,850	374	1,123	—	1,195	12,207
Nuclear decommissioning trust funds	3,621	2,463	731	—	—	—	(1)	6,814
Investments in equity method unconsolidated affiliates	—	—	—	—	—	86	—	86
Investments and advances to (from) subsidiaries	47	10	3	209	3	—	1	273
Other	910	565	293	17	170	—	7	1,962
Total other noncurrent assets	7,655	6,626	3,877	1,196	1,296	86	17,985	38,721
Total Assets	37,306	27,291	17,961	5,218	12,270	90	18,678	118,814
Intercompany balances and other	(256)	(137)	(95)	(212)	(74)	(55)	338	(491)
Reportable Segment Assets	\$ 37,050	\$ 27,154	\$ 17,866	\$ 5,006	\$ 12,196	\$ 35	\$ 19,016	\$ 118,323

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes the elimination of intercompany balances, purchase accounting adjustments and restricted receivables related to Cinergy Receivables Company.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	September 30, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/Adjustments ^(b)	Electric Utilities and Infrastructure
Current Liabilities								
Accounts payable	\$ 726	\$ 271	\$ 744	\$ 170	\$ 188	\$ —	\$ 4	\$ 2,103
Accounts payable to affiliated companies	159	207	90	17	73	55	(157)	444
Notes payable to affiliated companies	468	—	—	5	—	—	(101)	372
Taxes accrued	372	139	145	112	148	—	5	921
Interest accrued	135	91	71	23	54	—	1	375
Current maturities of long-term debt	705	203	567	—	3	—	96	1,574
Asset retirement obligations	304	250	—	6	58	—	1	619
Regulatory liabilities	105	107	14	10	28	—	—	264
Other	435	318	309	70	111	—	(3)	1,240
Total current liabilities	3,409	1,586	1,940	413	663	55	(154)	7,912
Long-Term Debt	8,520	7,204	6,129	1,580	3,632	—	1,800	28,865
Long-Term Debt Payable to Affiliated Companies	300	150	—	18	150	—	—	618
Other Noncurrent Liabilities								
Deferred income taxes	6,839	3,613	3,078	1,032	1,979	6	11	16,558
Asset retirement obligations	3,297	4,426	763	45	735	—	185	9,451
Regulatory liabilities	2,884	2,097	414	123	735	—	(1)	6,252
Accrued pension and other post-retirement benefit costs	108	246	257	32	78	—	1	722
Investment tax credits	234	144	5	1	147	—	—	531
Other	559	45	101	94	66	—	(8)	857
Total other noncurrent liabilities	13,921	10,571	4,618	1,327	3,740	6	188	34,371
Equity	11,156	7,780	5,274	1,880	4,085	29	16,844	47,048
Total Liabilities and Equity	37,306	27,291	17,961	5,218	12,270	90	18,678	118,814
Intercompany balances and other	(256)	(137)	(95)	(212)	(74)	(55)	338	(491)
Reportable Segment Liabilities and Equity	\$ 37,050	\$ 27,154	\$ 17,866	\$ 5,006	\$ 12,196	\$ 35	\$ 19,016	\$ 118,323

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Nine Months Ended September 30, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage ^(b)	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues					
Regulated natural gas	\$ 360	\$ 877	\$ —	\$ —	\$ 1,237
Nonregulated natural gas and other	—	7	—	(1)	6
Operating Revenues	360	884	—	(1)	1,243
Operating Expenses					
Cost of natural gas	69	333	—	—	402
Operation, maintenance and other	84	207	2	(2)	291
Depreciation and amortization	62	109	—	—	171
Property and other taxes	43	37	1	—	81
Total operating expenses	258	686	3	(2)	945
Operating Income (Loss)	102	198	(3)	1	298
Other Income and Expenses					
Equity in earnings of unconsolidated affiliates	—	—	57	—	57
Other income and expenses, net	4	(1)	—	—	3
Total other income and expenses	4	(1)	57	—	60
Interest Expense	21	56	—	1	78
Income Before Income Taxes	85	141	54	—	280
Income Tax Expense	29	52	20	—	101
Segment Income	\$ 56	\$ 89	\$ 34	\$ —	\$ 179

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes earnings from investments in ACP, Sabal Trail, Constitution and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Nine Months Ended September 30, 2016			
	Duke Energy Ohio ^(a)	Midstream Pipelines ^(b)	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues	\$ 358	\$ —	\$ —	\$ 358
Operating Expenses				
Cost of natural gas	64	—	—	64
Operation, maintenance and other	89	1	—	90
Depreciation and amortization	59	—	—	59
Property and other taxes	44	—	—	44
Total operating expenses	256	1	—	257
Gains on Sales of Other Assets and Other, net	2	—	(2)	—
Operating Income (Loss)	104	(1)	(2)	101
Other Income and Expenses				
Equity in earnings of unconsolidated affiliates	—	11	—	11
Other income and expenses, net	2	—	—	2
Other Income and Expenses, net	2	11	—	13
Interest Expense	21	—	(2)	19
Income Before Income Taxes	85	10	—	95
Income Tax Expense	28	4	—	32
Segment Income	\$ 57	\$ 6	\$ —	\$ 63

- (a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes earnings from investments in ACP and Sabal Trail pipelines.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	September 30, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/Adjustments ^(b)	Gas Utilities and Infrastructure
Current Assets					
Cash and cash equivalents	\$ 2	\$ 12	\$ —	\$ —	\$ 14
Receivables, net	(15)	77	—	1	63
Receivables from affiliated companies	8	68	—	(68)	8
Notes receivable from affiliated companies	29	—	—	(8)	21
Inventory	45	53	—	—	98
Regulatory assets	11	133	—	—	144
Other	—	130	—	(1)	129
Total current assets	80	473	—	(76)	477
Property, Plant and Equipment					
Cost	2,845	6,578	—	1	9,424
Accumulated depreciation and amortization	(724)	(1,454)	—	—	(2,178)
Net property, plant and equipment	2,121	5,124	—	1	7,246
Other Noncurrent Assets					
Goodwill	324	49	—	1,551	1,924
Regulatory assets	177	321	—	197	695
Investments in equity method unconsolidated affiliates	—	—	975	—	975
Investments and advances from subsidiaries	—	—	—	9	9
Other	6	12	18	(1)	35
Total other noncurrent assets	507	382	993	1,756	3,638
Total Assets	2,708	5,979	993	1,681	11,361
Intercompany balances and other	—	(22)	(26)	48	—
Reportable Segment Assets	\$ 2,708	\$ 5,957	\$ 967	\$ 1,729	\$ 11,361

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	September 30, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Liabilities					
Accounts payable	\$ 57	\$ 98	\$ —	\$ 1	\$ 156
Accounts payable to affiliated companies	20	8	85	(68)	45
Notes payable to affiliated companies	(5)	284	—	(8)	271
Taxes accrued	27	30	6	—	63
Interest accrued	10	24	—	1	35
Regulatory liabilities	5	(2)	—	—	3
Other	4	72	—	(2)	74
Total current liabilities	118	514	91	(76)	647
Long-Term Debt	461	2,037	—	180	2,678
Long-Term Debt Payable to Affiliated Companies	7	—	—	—	7
Other Noncurrent Liabilities					
Deferred income taxes	476	1,021	60	(2)	1,555
Asset retirement obligations	29	15	—	—	44
Regulatory liabilities	110	627	—	16	753
Accrued pension and other post-retirement benefit costs	17	14	—	—	31
Investment tax credits	2	1	—	—	3
Other	57	138	—	1	196
Total other noncurrent liabilities	691	1,816	60	15	2,582
Equity	1,431	1,612	842	1,562	5,447
Total Liabilities and Equity	2,708	5,979	993	1,681	11,361
Intercompany balances and other	—	(22)	(26)	48	—
Reportable Segment Liabilities and Equity	\$ 2,708	\$ 5,957	\$ 967	\$ 1,729	\$ 11,361

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

Revenues By Customer Class
(Unaudited)

Nine Months Ended September 30, 2017								
(in millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Piedmont Natural Gas	Eliminations / Adjustments	Total
Regulated Electric Revenues								
Residential	\$ 2,110	\$ 1,392	\$ 1,910	\$ 544	\$ 761	\$ —	\$ —	\$ 6,717
General service	1,689	962	1,068	324	584	—	—	4,627
Industrial	925	469	193	92	582	—	—	2,261
Wholesale	369	850	116	19	236	—	—	1,590
Change in unbilled	(13)	(15)	44	(6)	(4)	—	—	6
Other revenues	501	220	220	63	143	—	(114)	1,033
Total Electric Revenues	\$ 5,581	\$ 3,878	\$ 3,551	\$ 1,036	\$ 2,302	\$ —	\$ (114)	\$ 16,234
Regulated Natural Gas Revenues								
Residential	\$ —	\$ —	\$ —	\$ 251	\$ —	\$ 458	\$ —	\$ 709
Commercial	—	—	—	99	—	263	—	362
Industrial	—	—	—	13	—	95	—	108
Power Generation	—	—	—	—	—	65	—	65
Change in unbilled	—	—	—	(22)	—	(72)	—	(94)
Other revenues	—	—	—	19	—	68	—	87
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 360	\$ —	\$ 877	\$ —	\$ 1,237

Nine Months Ended September 30, 2016								
(in millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana		Eliminations / Adjustments	Total
Regulated Electric Revenues								
Residential	\$ 2,324	\$ 1,500	\$ 1,910	\$ 586	\$ 754		\$ —	\$ 7,074
General service	1,779	1,021	1,033	335	557		—	4,725
Industrial	994	485	187	91	542		—	2,299
Wholesale	340	834	150	13	265		—	1,602
Change in unbilled	35	12	28	9	12		—	96
Other revenues	170	251	230	19	95		(131)	634
Total Electric Revenues	\$ 5,642	\$ 4,103	\$ 3,538	\$ 1,053	\$ 2,225		\$ (131)	\$ 16,430
Regulated Natural Gas Revenues								
Residential	\$ —	\$ —	\$ —	\$ 243	\$ —		\$ —	\$ 243
Commercial	—	—	—	97	—		—	97
Industrial	—	—	—	13	—		—	13
Change in unbilled	—	—	—	(8)	—		—	(8)
Other revenues	—	—	—	13	—		—	13
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 358	\$ —		\$ —	\$ 358

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Nine Months Ended September 30, 2017
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Items				Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Piedmont Merger	Florida Settlement	Commercial Renewables Impairments				
SEGMENT INCOME								
Electric Utilities and Infrastructure	\$ 2,384	\$ —	\$ 84 B	\$ —	\$ —	\$ 84	\$ 2,468	
Gas Utilities and Infrastructure	179	—	—	—	—	—	179	
Commercial Renewables	2	—	—	56 C	—	56	58	
Total Reportable Segment Income	2,565	—	84	56	—	140	2,705	
Other	(205)	43 A	—	—	—	43	(162)	
Discontinued Operations	(4)	—	—	—	4 D	4	—	
Net Income Attributable to Duke Energy Corporation	\$ 2,356	\$ 43	\$ 84	\$ 56	\$ 4	\$ 187	\$ 2,543	
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 3.36	\$ 0.06	\$ 0.12	\$ 0.08	\$ 0.01	\$ 0.27	\$ 3.63	

A - Net of \$26 million tax benefit. \$68 million recorded within Operating Expenses and \$1 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

B - Net of \$51 million tax benefit. \$135 million recorded within Impairment charges on the Condensed Consolidated Statements of Operations.

C - Net of \$28 million tax benefit. \$74 million recorded within Impairment charges and \$10 million recorded within Other Income and Expenses on the Condensed Consolidated Statements of Operations.

D - Recorded in (Loss) Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

Weighted Average Shares, Diluted (reported and adjusted) - 700 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Nine Months Ended September 30, 2016
(Dollars in millions, except per share amounts)

	Special Items							Adjusted Earnings
	Reported Earnings	Costs to Achieve Mergers	Cost Savings Initiatives	Commercial Renewables Impairment	International Energy Operations	Discontinued Operations	Total Adjustments	
SEGMENT INCOME								
Electric Utilities and Infrastructure	\$ 2,557	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,557
Gas Utilities and Infrastructure	63	—	—	—	—	—	—	63
Commercial Renewables	13	—	—	45 C	—	—	45	58
Total Reportable Segment Income	2,633	—	—	45	—	—	45	2,678
International Energy Operations	—	—	—	—	203 D	—	203	203
Other	(436)	195 A	39 B	—	—	—	234	(202)
Discontinued Operations	182	—	—	—	(203) D	21 E	(182)	—
Net Income Attributable to Duke Energy Corporation	\$ 2,379	\$ 195	\$ 39	\$ 45	\$ —	\$ 21	\$ 300	\$ 2,679
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 3.44	\$ 0.28	\$ 0.06	\$ 0.07	\$ —	\$ 0.03	\$ 0.44	\$ 3.88

A - Net of \$120 million tax benefit. Includes \$1 million recorded within Operating Revenues, \$80 million recorded within Operating Expenses and \$234 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

B - Net of \$24 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.

C - Net of \$26 million tax benefit. Other-than-temporary impairment included within Equity in earnings (losses) of unconsolidated affiliates on the Condensed Consolidated Statements of Operations.

D - Net of \$1 million tax expense. Operating results of the International Disposal Group, which exclude the impairment described below, recorded within (Loss) Income From Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

E - Recorded within (Loss) Income From Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations. Includes an impairment charge related to certain assets in Central America, partially offset by a tax benefit related to previously sold businesses not related to the International Disposal Group.

Weighted Average Shares Outstanding, Diluted (reported and adjusted) - 690 million

DUKE ENERGY CORPORATION
Non-GAAP Financial Measures

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings and adjusted diluted EPS.

Adjusted earnings and adjusted diluted EPS represent income from continuing operations attributable to Duke Energy, adjusted for the dollar and per share impact of special items. As discussed below, special items represent certain charges and credits which management believes are not indicative of Duke Energy's ongoing performance. Management believes the presentation of adjusted earnings and adjusted diluted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses these non-GAAP financial measures for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation (GAAP Reported Earnings) and Diluted EPS Attributable to Duke Energy Corporation common stockholders (GAAP Reported EPS), respectively.

Special items included in the periods presented include the following items which management believes do not reflect ongoing costs:

- Costs to Achieve Mergers represent charges that result from strategic acquisitions.
- Cost Savings Initiatives represent severance charges related to company-wide initiatives, excluding merger integration, to standardize processes and systems, leverage technology and workforce optimization.
- Commercial Renewables Impairments represents other-than-temporary and asset impairments.
- Florida Settlement represents an impairment charge related to the Levy nuclear project based on a settlement agreement approved by regulators.

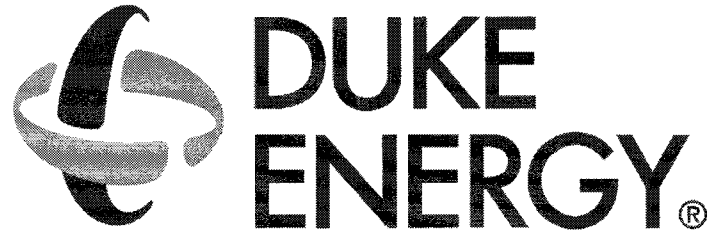
Adjusted earnings also include operating results of the International Disposal Group, which have been classified as discontinued operations. Management believes inclusion of the operating results of the Disposal Group within adjusted earnings and adjusted diluted EPS results in a better reflection of Duke Energy's financial performance during the period.

Due to the forward-looking nature of any forecasted adjusted earnings guidance, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods (such as legal settlements, the impact of regulatory orders, or asset impairments).

Management evaluates segment performance based on segment income and other net expense. Segment income is defined as income from continuing operations attributable to Duke Energy. Segment income includes intercompany revenues and expenses that are eliminated in the Consolidated Financial Statements. Management also uses adjusted segment income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for special items, which are discussed above. Management believes the presentation of adjusted segment income provides useful information to investors, as it provides them with an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income or adjusted other net expense is segment income and other net expense.

Due to the forward-looking nature of any forecasted adjusted segment income or adjusted other net expense and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast all special items, as discussed above.

Duke Energy's adjusted earnings, adjusted diluted EPS, and adjusted segment income may not be comparable to similarly titled measures of another company because other companies may not calculate the measures in the same manner.



Fourth Quarter 2017 Statistical Supplement

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This Statistical Supplement includes results of Piedmont Natural Gas subsequent to the acquisition on October 3, 2016, and should be read in conjunction with Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2017.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Twelve Months Ended December 31, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/ Adjustments	Duke Energy
Operating Revenues						
Regulated electric	\$ 21,331	\$ —	\$ —	\$ —	(154)	\$ 21,177
Regulated natural gas	—	1,827	—	—	(93)	1,734
Nonregulated electric and other	—	9	460	138	47	654
Total operating revenues	21,331	1,836	460	138	(200)	23,565
Operating Expenses						
Fuel used in electric generation and purchased power	6,379	—	—	58	(87)	6,350
Cost of natural gas	—	632	—	—	—	632
Operation, maintenance and other	5,196	393	267	44	(112)	5,788
Depreciation and amortization	3,010	231	155	131	—	3,527
Property and other taxes	1,079	106	33	14	1	1,233
Impairment charges	176	—	99	7	—	282
Total operating expenses	15,840	1,362	554	254	(198)	17,812
Gains on Sales of Other Assets and Other, net	6	—	1	21	—	28
Operating Income (Loss)	5,497	474	(93)	(95)	(2)	5,781
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	5	62	(5)	57	—	119
Other income and expenses, net	303	4	(7)	70	(18)	352
Total other income and expenses	308	66	(12)	127	(18)	471
Interest Expense	1,240	105	87	574	(20)	1,986
Income (Loss) from Continuing Operations Before Income Taxes	4,565	435	(192)	(542)	—	4,266
Income Tax Expense (Benefit) from Continuing Operations	1,355	116	(628)	353	—	1,196
Income (Loss) from Continuing Operations	3,210	319	436	(895)	—	3,070
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(5)	10	—	5
Segment Income / Other Net Expense	\$ 3,210	\$ 319	\$ 441	\$ (905)	\$ —	\$ 3,065
Loss from Discontinued Operations, net of tax						(6)
Net Income Attributable to Duke Energy Corporation						\$ 3,059
Segment Income / Other Net Expense	\$ 3,210	\$ 319	\$ 441	\$ (905)	\$ —	\$ 3,065
Special Items	(133)	(26)	(368)	661	—	134
Adjusted Earnings^(a)	\$ 3,077	\$ 293	\$ 73	\$ (244)	\$ —	\$ 3,199

(a) See page 22 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Twelve Months Ended December 31, 2016						
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	International Energy	Eliminations/ Adjustments	Duke Energy
Operating Revenues							
Regulated electric	\$ 21,366	\$ —	\$ —	\$ —	\$ —	\$ (145)	\$ 21,221
Regulated natural gas	—	901	—	(10)	—	(28)	863
Nonregulated electric and other	—	—	484	127	—	48	659
Total operating revenues	21,366	901	484	117	—	(125)	22,743
Operating Expenses							
Fuel used in electric generation and purchased power	6,595	—	—	51	—	(21)	6,625
Cost of natural gas	—	265	—	—	—	—	265
Operation, maintenance and other	5,293	186	337	371	—	(102)	6,085
Depreciation and amortization	2,897	115	130	152	—	—	3,294
Property and other taxes	1,020	70	25	28	—	(1)	1,142
Impairment charges	16	—	—	2	—	—	18
Total operating expenses	15,821	636	492	604	—	(124)	17,429
(Loss) Gains on Sales of Other Assets and Other, net	—	(1)	5	23	—	—	27
Operating Income (Loss)	5,545	264	(3)	(464)	—	(1)	5,341
Other Income and Expenses							
Equity in earnings (losses) of unconsolidated affiliates ^(a)	5	19	(82)	43	—	—	(15)
Other income and expenses, net	298	5	(1)	32	—	(10)	324
Total other income and expenses	303	24	(83)	75	—	(10)	309
Interest Expense ^(b)	1,136	46	53	693	—	(12)	1,916
Income (Loss) from Continuing Operations Before Income Taxes	4,712	242	(139)	(1,082)	—	1	3,734
Income Tax Expense (Benefit) from Continuing Operations	1,672	90	(160)	(446)	—	—	1,156
Income (Loss) from Continuing Operations	3,040	152	21	(636)	—	1	2,578
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(2)	9	—	—	7
Segment Income / Other Net Expense	\$ 3,040	\$ 152	\$ 23	\$ (645)	\$ —	\$ 1	\$ 2,571
Loss from Discontinued Operations, net of tax ^(c)	—	—	—	—	—	—	(419)
Net Income Attributable to Duke Energy Corporation	—	—	—	—	—	—	\$ 2,152
Segment Income / Other Net Expense	\$ 3,040	\$ 152	\$ 23	\$ (645)	\$ —	\$ 1	\$ 2,571
Special Items	—	—	45	386	243	(1)	673
Adjusted Earnings ^(d)	\$ 3,040	\$ 152	\$ 68	\$ (259)	\$ 243	\$ —	\$ 3,244

(a) Commercial Renewables includes a pretax impairment charge of \$71 million related to certain equity method investments in wind projects.

(b) Other includes \$234 million related to Piedmont acquisition financing, primarily due to losses on forward-starting interest rate swaps.

(c) Includes a loss on the sale of the International Disposal Group and an impairment charge related to certain assets in Central America, partially offset by the operating results of the International Disposal Group and a tax benefit related to previously sold businesses.

(d) See page 23 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	December 31, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/ Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 67	\$ 23	\$ 10	\$ 258	\$ —	\$ 358
Receivables, net	445	276	6	52	—	779
Receivables of variable interest entities, net	1,966	—	30	—	(1)	1,995
Receivables from affiliated companies	22	7	1,315	454	(1,798)	—
Notes receivable from affiliated companies	166	3	—	613	(782)	—
Inventory	3,106	106	15	23	—	3,250
Regulatory assets	1,220	96	—	122	(1)	1,437
Other	240	56	124	212	2	634
Total current assets	7,232	567	1,500	1,734	(2,580)	8,453
Property, Plant and Equipment						
Cost	111,582	9,635	4,294	1,995	1	127,507
Accumulated depreciation and amortization	(37,541)	(2,216)	(691)	(1,088)	(1)	(41,537)
Generation facilities to be retired, net	421	—	—	—	—	421
Net property, plant and equipment	74,462	7,419	3,603	907	—	86,391
Other Noncurrent Assets						
Goodwill	17,379	1,924	93	—	—	19,396
Regulatory assets	11,344	652	—	445	1	12,442
Nuclear decommissioning trust funds	7,097	—	—	—	—	7,097
Investments in equity method unconsolidated affiliates	89	763	190	133	—	1,175
Investment in consolidated subsidiaries	215	15	7	56,379	(56,616)	—
Other	2,069	87	86	1,353	(635)	2,960
Total other noncurrent assets	38,193	3,441	376	58,310	(57,250)	43,070
Total Assets	119,887	11,427	5,479	60,951	(59,830)	137,914
Segment reclassifications, intercompany balances and other	(464)	35	(1,323)	(58,266)	60,018	—
Segment Assets	\$ 119,423	\$ 11,462	\$ 4,156	\$ 2,685	\$ 188	\$ 137,914

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	December 31, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/ Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 2,248	\$ 205	\$ 30	\$ 560	\$ —	\$ 3,043
Accounts payable to affiliated companies	512	22	10	1,228	(1,772)	—
Notes payable to affiliated companies	396	368	—	43	(807)	—
Notes payable and commercial paper	—	—	4	2,159	—	2,163
Taxes accrued	580	42	(69)	(2)	—	551
Interest accrued	338	35	—	152	—	525
Current maturities of long-term debt	2,073	251	170	750	—	3,244
Asset retirement obligations	689	—	—	—	—	689
Regulatory liabilities	387	9	—	5	1	402
Other	1,370	74	35	388	(2)	1,865
Total current liabilities	8,593	1,006	180	5,283	(2,580)	12,482
Long-Term Debt	29,063	2,449	1,700	15,822	1	49,035
Long-Term Debt Payable to Affiliated Companies	618	7	9	—	(634)	—
Other Noncurrent Liabilities						
Deferred income taxes	8,555	860	(169)	(2,625)	—	6,621
Asset retirement obligations	9,345	50	90	1	—	9,486
Regulatory liabilities	13,819	1,510	—	2	(1)	15,330
Accrued pension and other post-retirement benefit costs	723	21	—	359	—	1,103
Investment tax credits	536	3	—	—	—	539
Other	789	230	259	303	—	1,581
Total other noncurrent liabilities	33,767	2,674	180	(1,960)	(1)	34,660
Equity						
Total Duke Energy Corporation stockholders' equity	47,846	5,291	3,409	41,809	(56,616)	41,739
Noncontrolling interests	—	—	1	(3)	—	(2)
Total equity	47,846	5,291	3,410	41,806	(56,616)	41,737
Total Liabilities and Equity	119,887	11,427	5,479	60,951	(59,830)	137,914
Segment reclassifications, intercompany balances and other	(464)	35	(1,323)	(58,266)	60,018	—
Segment Liabilities and Equity	\$ 119,423	\$ 11,462	\$ 4,156	\$ 2,685	\$ 188	\$ 137,914

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	December 31, 2016					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/ Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 72	\$ 25	\$ 8	\$ 287	\$ —	\$ 392
Receivables, net	451	228	24	47	1	751
Receivables of variable interest entities, net	1,871	—	22	—	—	1,893
Receivables from affiliated companies	25	31	769	3,075	(3,900)	—
Notes receivable from affiliated companies	179	38	—	89	(306)	—
Inventory	3,372	108	17	26	(1)	3,522
Regulatory assets	806	124	—	93	—	1,023
Other	283	31	107	35	2	458
Total current assets	7,059	585	947	3,652	(4,204)	8,039
Property, Plant and Equipment						
Cost	106,271	8,922	4,344	1,860	—	121,397
Accumulated depreciation and amortization	(35,788)	(2,047)	(569)	(1,002)	—	(39,406)
Generation facilities to be retired, net	529	—	—	—	—	529
Net property, plant and equipment	71,012	6,875	3,775	858	—	82,520
Other Noncurrent Assets						
Goodwill	17,379	1,924	122	—	—	19,425
Regulatory assets	11,590	785	—	503	—	12,878
Nuclear decommissioning trust funds	6,205	—	—	—	—	6,205
Investments in equity method unconsolidated affiliates	93	566	185	81	—	925
Investment in consolidated subsidiaries	234	(7)	9	52,478	(52,714)	—
Other	1,917	36	117	3,194	(2,495)	2,769
Total other noncurrent assets	37,418	3,304	433	56,256	(55,209)	42,202
Total Assets	115,489	10,764	5,155	60,766	(59,413)	132,761
Segment reclassifications, intercompany balances and other	(496)	(4)	(778)	(58,323)	59,601	—
Segment Assets	\$ 114,993	\$ 10,760	\$ 4,377	\$ 2,443	\$ 188	\$ 132,761

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	December 31, 2016					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 2,301	\$ 233	\$ 57	\$ 403	\$ —	\$ 2,994
Accounts payable to affiliated companies	3,427	5	174	248	(3,854)	—
Notes payable to affiliated companies	143	1	—	186	(330)	—
Notes payable and commercial paper	—	330	—	2,157	—	2,487
Taxes accrued	471	102	(267)	79	(1)	384
Interest accrued	328	38	—	139	(2)	503
Current maturities of long-term debt	986	35	198	1,099	1	2,319
Asset retirement obligations	411	—	—	—	—	411
Regulatory liabilities	404	—	—	5	—	409
Other	1,360	99	53	551	(19)	2,044
Total current liabilities	9,831	843	215	4,867	(4,205)	11,551
Long-Term Debt	28,396	2,445	1,096	13,640	(1)	45,576
Long-Term Debt Payable to Affiliated Companies	618	7	9	1,859	(2,493)	—
Other Noncurrent Liabilities						
Deferred income taxes	15,484	1,411	385	(3,124)	(1)	14,155
Asset retirement obligations	10,071	42	85	1	1	10,200
Regulatory liabilities	6,111	733	—	37	—	6,881
Accrued pension and other post-retirement benefit costs	718	31	—	362	—	1,111
Investment tax credits	490	3	—	—	—	493
Other	875	262	273	343	—	1,753
Total other noncurrent liabilities	33,749	2,482	743	(2,381)	—	34,593
Equity						
Total Duke Energy Corporation stockholders' equity	42,895	4,987	3,072	42,792	(52,713)	41,033
Noncontrolling interests	—	—	20	(11)	(1)	8
Total equity	42,895	4,987	3,092	42,781	(52,714)	41,041
Total Liabilities and Equity	115,489	10,764	5,155	60,766	(59,413)	132,761
Segment reclassifications, intercompany balances and other	(496)	(4)	(778)	(58,323)	59,601	—
Segment Liabilities and Equity	\$ 114,993	\$ 10,760	\$ 4,377	\$ 2,443	\$ 188	\$ 132,761

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Twelve Months Ended December 31, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments	Electric Utilities and Infrastructure
Operating Revenues	\$ 7,302	\$ 5,129	\$ 4,646	\$ 1,373	\$ 3,047	\$ 1	\$ (167)	\$ 21,331
Operating Expenses								
Fuel used in electric generation and purchased power	1,822	1,609	1,808	369	966	—	(195)	6,379
Operation, maintenance and other	1,923	1,365	802	376	723	2	5	5,196
Depreciation and amortization	1,090	725	560	178	458	1	(2)	3,010
Property and other taxes	281	156	347	220	76	—	(1)	1,079
Impairment charges	—	19	138	1	18	—	—	176
Total operating expenses	5,116	3,874	3,655	1,144	2,241	3	(193)	15,840
Gains on Sales of Other Assets and Other, net	1	4	1	—	—	—	—	6
Operating Income (Loss)	2,187	1,259	992	229	806	(2)	26	5,497
Other Income and Expenses, net^(b)	139	65	61	11	37	5	(10)	308
Interest Expense	422	293	279	62	178	—	6	1,240
Income Before Income Taxes	1,904	1,031	774	178	665	3	10	4,565
Income Tax Expense (Benefit)	659	296	52	40	305	(1)	4	1,355
Segment Income	\$ 1,245	\$ 735	\$ 722	\$ 138	\$ 360	\$ 4	\$ 6	\$ 3,210

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes an equity component of allowance for funds used during construction of \$106 million for Duke Energy Carolinas, \$47 million for Duke Energy Progress, \$45 million for Duke Energy Florida, \$9 million for Duke Energy Ohio, and \$28 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Twelve Months Ended December 31, 2016							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations / Adjustments	Electric Utilities and Infrastructure
Operating Revenues	\$ 7,322	\$ 5,277	\$ 4,568	\$ 1,410	\$ 2,958	\$ —	\$ (169)	\$ 21,366
Operating Expenses								
Fuel used in electric generation and purchased power	1,797	1,830	1,814	442	909	—	(197)	6,595
Operation, maintenance and other	1,969	1,423	831	358	704	3	5	5,293
Depreciation and amortization	1,049	694	506	151	493	1	3	2,897
Property and other taxes	276	156	333	199	58	—	(2)	1,020
Impairment charges	1	1	6	—	8	—	—	16
Total operating expenses	5,092	4,104	3,490	1,150	2,172	4	(191)	15,821
(Loss) Gain on Sales of Other Assets and Other, net	(5)	3	1	2	1	—	(2)	—
Operating Income (Loss)	2,225	1,176	1,079	262	787	(4)	20	5,545
Other Income and Expenses, net^(b)	162	71	44	5	22	6	(7)	303
Interest Expense	424	257	212	58	181	—	4	1,136
Income Before Income Taxes	1,963	990	911	209	628	2	9	4,712
Income Tax Expense	693	335	337	55	234	1	17	1,672
Segment Income	\$ 1,270	\$ 655	\$ 574	\$ 154	\$ 394	\$ 1	\$ (8)	\$ 3,040

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes an equity component of allowance for funds used during construction of \$102 million for Duke Energy Carolinas, \$50 million for Duke Energy Progress, \$26 million for Duke Energy Florida, \$5 million for Duke Energy Ohio, and \$16 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	December 31, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/Adjustments ^(b)	Electric Utilities and Infrastructure
Current Assets								
Cash and cash equivalents	\$ 16	\$ 20	\$ 13	\$ 8	\$ 9	\$ —	\$ 1	\$ 67
Receivables, net	200	56	65	64	57	—	3	445
Receivables of variable interest entities, net	640	459	321	—	—	—	546	1,966
Receivables from affiliated companies	95	4	2	72	125	2	(278)	22
Notes receivable from affiliated companies	—	—	313	10	—	—	(157)	166
Inventory	971	1,017	574	93	450	—	1	3,106
Regulatory assets	299	352	389	7	165	—	8	1,220
Other	19	96	86	10	30	1	(2)	240
Total current assets	2,240	2,004	1,763	264	836	3	122	7,232
Property, Plant and Equipment								
Cost	42,939	29,583	17,730	5,818	14,948	4	560	111,582
Accumulated depreciation and amortization	(15,063)	(10,903)	(4,947)	(1,954)	(4,662)	(2)	(10)	(37,541)
Generation facilities to be retired, net	—	421	—	—	—	—	—	421
Net property, plant and equipment	27,876	19,101	12,783	3,864	10,286	2	550	74,462
Other Noncurrent Assets								
Goodwill	—	—	—	596	—	—	16,783	17,379
Regulatory assets	2,853	3,507	2,503	329	978	—	1,174	11,344
Nuclear decommissioning trust funds	3,772	2,588	736	—	—	—	1	7,097
Investments in equity method unconsolidated affiliates	—	—	—	—	—	89	—	89
Investment in consolidated subsidiaries	39	5	3	167	1	—	—	215
Other	978	599	283	15	189	—	5	2,069
Total other noncurrent assets	7,642	6,699	3,525	1,107	1,168	89	17,963	38,193
Total Assets	37,758	27,804	18,071	5,235	12,290	94	18,635	119,887
Intercompany balances and other	(300)	(97)	(223)	(169)	(76)	(55)	456	(464)
Reportable Segment Assets	\$ 37,458	\$ 27,707	\$ 17,848	\$ 5,066	\$ 12,214	\$ 39	\$ 19,091	\$ 119,423

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes the elimination of intercompany balances, purchase accounting adjustments and restricted receivables related to Cinergy Receivables Company.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	December 31, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments ^(b)	Electric Utilities and Infrastructure
Current Liabilities								
Accounts payable	\$ 842	\$ 402	\$ 602	\$ 206	\$ 196	\$ —	\$ —	\$ 2,248
Accounts payable to affiliated companies	218	179	74	16	78	56	(109)	512
Notes payable to affiliated companies	104	240	—	23	161	—	(132)	396
Taxes accrued	236	64	35	144	95	1	5	580
Interest accrued	108	102	56	16	57	—	(1)	338
Current maturities of long-term debt	1,205	3	768	2	3	—	92	2,073
Asset retirement obligations	337	295	—	3	54	—	—	689
Regulatory liabilities	126	139	74	25	24	—	(1)	387
Other	486	376	335	67	105	—	1	1,370
Total current liabilities	3,662	1,800	1,944	502	773	57	(145)	8,593
Long-Term Debt	8,598	7,204	6,327	1,552	3,630	—	1,752	29,063
Long-Term Debt Payable to Affiliated Companies	300	150	—	18	150	—	—	618
Other Noncurrent Liabilities								
Deferred income taxes	3,440	1,888	1,762	526	925	3	11	8,555
Asset retirement obligations	3,273	4,378	741	45	727	—	181	9,345
Regulatory liabilities	6,231	3,999	1,307	559	1,723	—	—	13,819
Accrued pension and other post-retirement benefit costs	95	248	264	40	76	—	—	723
Investment tax credits	232	143	9	4	147	—	1	536
Other	566	45	99	70	18	—	(9)	789
Total other noncurrent liabilities	13,837	10,701	4,182	1,244	3,616	3	184	33,767
Equity	11,361	7,949	5,618	1,919	4,121	34	16,844	47,846
Total Liabilities and Equity	37,758	27,804	18,071	5,235	12,290	94	18,635	119,887
Intercompany balances and other	(300)	(97)	(223)	(169)	(76)	(55)	456	(464)
Reportable Segment Liabilities and Equity	\$ 37,458	\$ 27,707	\$ 17,848	\$ 5,066	\$ 12,214	\$ 39	\$ 19,091	\$ 119,423

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	December 31, 2016							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/Adjustments ^(b)	Electric Utilities and Infrastructure
Current Assets								
Cash and cash equivalents	\$ 14	\$ 11	\$ 16	\$ 13	\$ 17	\$ —	\$ 1	\$ 72
Receivables, net	160	51	61	72	105	—	2	451
Receivables of variable interest entities, net	645	404	288	—	—	—	534	1,871
Receivables from affiliated companies	163	5	5	72	111	2	(333)	25
Notes receivable from affiliated companies	66	165	—	58	86	—	(196)	179
Inventory	1,055	1,076	641	96	504	—	—	3,372
Regulatory assets	238	188	213	9	149	—	9	806
Other	36	57	125	21	45	—	(1)	283
Total current assets	2,377	1,957	1,349	341	1,017	2	16	7,059
Property, Plant and Equipment								
Cost	41,127	28,419	16,434	5,377	14,241	4	669	106,271
Accumulated depreciation and amortization	(14,365)	(10,561)	(4,644)	(1,892)	(4,317)	(1)	(8)	(35,788)
Generation facilities to be retired, net	—	529	—	—	—	—	—	529
Net property, plant and equipment	26,762	18,387	11,790	3,485	9,924	3	661	71,012
Other Noncurrent Assets								
Goodwill	—	—	—	596	—	—	16,783	17,379
Regulatory assets	3,159	3,243	2,480	348	1,074	—	1,286	11,590
Nuclear decommissioning trust funds	3,273	2,217	715	—	—	—	—	6,205
Investments in equity method unconsolidated affiliates	—	—	1	—	—	92	—	93
Investment in consolidated subsidiaries	52	12	6	161	—	—	3	234
Other	943	525	278	16	143	—	12	1,917
Total other noncurrent assets	7,427	5,997	3,480	1,121	1,217	92	18,084	37,418
Total Assets	36,566	26,341	16,619	4,947	12,158	97	18,761	115,489
Intercompany balances and other	(298)	(188)	(132)	(178)	(53)	(54)	407	(496)
Reportable Segment Assets	\$ 36,268	\$ 26,153	\$ 16,487	\$ 4,769	\$ 12,105	\$ 43	\$ 19,168	\$ 114,993

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes the elimination of intercompany balances, purchase accounting adjustments and restricted receivables related to Cinergy Receivables Company.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

	December 31, 2016							
(in millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments ^(b)	Electric Utilities and Infrastructure
Current Liabilities								
Accounts payable	\$ 833	\$ 589	\$ 413	\$ 200	\$ 262	\$ —	\$ 4	\$ 2,301
Accounts payable to affiliated companies	247	227	125	13	7	54	2,754	3,427
Notes payable to affiliated companies	—	—	297	18	—	—	(172)	143
Taxes accrued	150	107	37	139	32	1	5	471
Interest accrued	102	102	49	14	61	—	—	328
Current maturities of long-term debt	116	452	326	1	3	—	88	986
Asset retirement obligations	222	189	—	—	—	—	—	411
Regulatory liabilities	161	158	31	15	40	—	(1)	404
Other	467	366	353	82	94	—	(2)	1,360
Total current liabilities	2,298	2,190	1,631	482	499	55	2,676	9,831
Long-Term Debt	9,187	6,409	5,799	1,397	3,633	—	1,971	28,396
Long-Term Debt Payable to Affiliated Companies	300	150	—	18	150	—	—	618
Other Noncurrent Liabilities								
Deferred income taxes	6,588	3,331	2,695	954	1,902	4	10	15,484
Asset retirement obligations	3,673	4,508	778	48	866	—	198	10,071
Regulatory liabilities	2,840	1,946	448	129	748	—	—	6,111
Accrued pension and other post-retirement benefit costs	97	252	262	36	71	—	—	718
Investment tax credits	203	146	3	1	137	—	—	490
Other	608	51	103	95	27	—	(9)	875
Total other noncurrent liabilities	14,009	10,234	4,289	1,263	3,751	4	199	33,749
Equity	10,772	7,358	4,900	1,787	4,125	38	13,915	42,895
Total Liabilities and Equity	36,566	26,341	16,619	4,947	12,158	97	18,761	115,489
Intercompany balances and other	(298)	(188)	(132)	(178)	(53)	(54)	407	(496)
Reportable Segment Liabilities and Equity	\$ 36,268	\$ 26,153	\$ 16,487	\$ 4,769	\$ 12,105	\$ 43	\$ 19,168	\$ 114,993

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Twelve Months Ended December 31, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage ^(b)	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues					
Regulated natural gas	\$ 508	\$ 1,319	\$ —	\$ —	\$ 1,827
Nonregulated natural gas and other	—	9	—	—	9
Operating Revenues	508	1,328	—	—	1,836
Operating Expenses					
Cost of natural gas	107	524	—	1	632
Operation, maintenance and other	114	276	4	(1)	393
Depreciation and amortization	83	148	—	—	231
Property and other taxes	58	48	—	—	106
Total operating expenses	362	996	4	—	1,362
Operating Income (Loss)	146	332	(4)	—	474
Other Income and Expenses					
Equity in earnings of unconsolidated affiliates	—	—	62	—	62
Other income and expenses, net	6	(1)	—	(1)	4
Total other income and expenses	6	(1)	62	(1)	66
Interest Expense	28	77	—	—	105
Income Before Income Taxes	124	254	58	(1)	435
Income Tax Expense (Benefit)	39	88	(10)	(1)	116
Segment Income	\$ 85	\$ 166	\$ 68	\$ —	\$ 319

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes earnings from investments in ACP, Sabal Trail, Constitution and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Twelve Months Ended December 31, 2016				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC ^(b)	Midstream Pipelines and Storage ^{(b)(c)}	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues	\$ 503	\$ 398	\$ —	\$ —	\$ 901
Operating Expenses					
Cost of natural gas	103	161	—	1	265
Operation, maintenance and other	116	70	2	(2)	186
Depreciation and amortization	80	35	—	—	115
Property and other taxes	59	11	—	—	70
Total operating expenses	358	277	2	(1)	636
Gains on Sales of Other Assets and Other, net	—	—	—	(1)	(1)
Operating Income (Loss)	145	121	(2)	—	264
Other Income and Expenses					
Equity in earnings of unconsolidated affiliates	—	—	19	—	19
Other income and expenses, net	3	1	2	(1)	5
Total other income and expenses	3	1	21	(1)	24
Interest Expense	27	20	—	(1)	46
Income Before Income Taxes	121	102	19	—	242
Income Tax Expense	44	37	7	2	90
Segment Income	\$ 77	\$ 65	\$ 12	\$ (2)	\$ 152

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes Piedmont's results subsequent to the acquisition on October 3, 2016.

(c) Includes earnings from investments in ACP, Sabal Trail, Constitution and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	December 31, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Assets					
Cash and cash equivalents	\$ 4	\$ 19	\$ —	\$ —	\$ 23
Receivables, net	1	275	—	—	276
Receivables from affiliated companies	22	74	—	(89)	7
Notes receivable from affiliated companies	4	—	—	(1)	3
Inventory	40	66	—	—	106
Regulatory assets	1	95	—	—	96
Other	5	52	—	(1)	56
Total current assets	77	581	—	(91)	567
Property, Plant and Equipment					
Cost	2,914	6,721	—	—	9,635
Accumulated depreciation and amortization	(737)	(1,478)	—	(1)	(2,216)
Net property, plant and equipment	2,177	5,243	—	(1)	7,419
Other Noncurrent Assets					
Goodwill	324	49	—	1,551	1,924
Regulatory assets	178	283	—	191	652
Investments in equity method unconsolidated affiliates	—	—	763	—	763
Investment in consolidated subsidiaries	—	—	—	15	15
Other	2	64	18	3	87
Total other noncurrent assets	504	396	781	1,760	3,441
Total Assets	2,758	6,220	781	1,668	11,427
Intercompany balances and other	—	(20)	(35)	90	35
Reportable Segment Assets	\$ 2,758	\$ 6,200	\$ 746	\$ 1,758	\$ 11,462

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	December 31, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/Adjustments ^(b)	Gas Utilities and Infrastructure
Current Liabilities					
Accounts payable	\$ 80	\$ 125	\$ —	\$ —	\$ 205
Accounts payable to affiliated companies	5	14	92	(89)	22
Notes payable to affiliated companies	6	364	—	(2)	368
Taxes accrued	38	38	(34)	—	42
Interest accrued	5	31	—	(1)	35
Current maturities of long-term debt	1	250	—	—	251
Regulatory liabilities	11	(2)	—	—	9
Other	2	69	1	2	74
Total current liabilities	148	889	59	(90)	1,006
Long-Term Debt	487	1,787	—	175	2,449
Long-Term Debt Payable to Affiliated Companies	7	—	—	—	7
Other Noncurrent Liabilities					
Deferred income taxes	251	552	58	(1)	860
Asset retirement obligations	35	15	—	—	50
Regulatory liabilities	353	1,141	—	16	1,510
Accrued pension and other post-retirement benefit costs	16	5	—	—	21
Investment tax credits	2	1	—	—	3
Other	57	162	11	—	230
Total other noncurrent liabilities	714	1,876	69	15	2,674
Equity	1,402	1,668	653	1,568	5,291
Total Liabilities and Equity	2,758	6,220	781	1,668	11,427
Intercompany balances and other	—	(20)	(35)	90	35
Reportable Segment Liabilities and Equity	\$ 2,758	\$ 6,200	\$ 746	\$ 1,758	\$ 11,462

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	December 31, 2016				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/Adjustments ^(b)	Gas Utilities and Infrastructure
Current Assets					
Cash and cash equivalents	\$ —	\$ 25	\$ —	\$ —	\$ 25
Receivables, net	(4)	232	—	—	228
Receivables from affiliated companies	21	7	—	3	31
Notes receivable from affiliated companies	38	—	—	—	38
Inventory	41	66	—	1	108
Regulatory assets	6	117	—	1	124
Other	12	21	—	(2)	31
Total current assets	114	468	—	3	585
Property, Plant and Equipment					
Cost	2,748	6,174	—	—	8,922
Accumulated depreciation and amortization	(687)	(1,360)	—	—	(2,047)
Net property, plant and equipment	2,061	4,814	—	—	6,875
Other Noncurrent Assets					
Goodwill	324	49	—	1,551	1,924
Regulatory assets	196	379	—	210	785
Investments in equity method unconsolidated affiliates	—	—	566	—	566
Investment in consolidated subsidiaries	—	—	—	(7)	(7)
Other	2	21	12	1	36
Total other noncurrent assets	522	449	578	1,755	3,304
Total Assets	2,697	5,731	578	1,758	10,764
Intercompany balances and other	(1)	91	—	(94)	(4)
Reportable Segment Assets	\$ 2,696	\$ 5,822	\$ 578	\$ 1,664	\$ 10,760

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	December 31, 2016				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/Adjustments ^(b)	Gas Utilities and Infrastructure
Current Liabilities					
Accounts payable	\$ 78	\$ 155	\$ —	\$ —	\$ 233
Accounts payable to affiliated companies	4	4	25	(28)	5
Notes payable to affiliated companies	1	—	—	—	1
Notes payable and commercial paper	—	330	—	—	330
Taxes accrued	27	(14)	89	—	102
Interest accrued	5	33	—	—	38
Current maturities of long-term debt	—	35	—	—	35
Regulatory liabilities	6	(6)	—	—	—
Other	3	96	—	—	99
Total current liabilities	124	633	114	(28)	843
Long-Term Debt	462	1,786	—	197	2,445
Long-Term Debt Payable to Affiliated Companies	7	—	—	—	7
Other Noncurrent Liabilities					
Deferred income taxes	480	904	28	(1)	1,411
Asset retirement obligations	28	14	—	—	42
Regulatory liabilities	108	608	—	17	733
Accrued pension and other post-retirement benefit costs	17	14	—	—	31
Investment tax credits	2	1	—	—	3
Other	68	194	—	—	262
Total other noncurrent liabilities	703	1,735	28	16	2,482
Equity	1,401	1,577	436	1,573	4,987
Total Liabilities and Equity	2,697	5,731	578	1,758	10,764
Intercompany balances and other	(1)	91	—	(94)	(4)
Reportable Segment Liabilities and Equity	\$ 2,696	\$ 5,822	\$ 578	\$ 1,664	\$ 10,760

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

**Revenues By Customer Class
(Unaudited)**

Twelve Months Ended December 31, 2017								
(In millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Piedmont Natural Gas	Eliminations/ Adjustments	Total
Regulated Electric Revenues								
Residential	\$ 2,734	\$ 1,806	\$ 2,505	\$ 706	\$ 998	\$ —	\$ —	\$ 8,749
General service	2,212	1,262	1,422	424	768	—	—	6,088
Industrial	1,217	622	256	122	769	—	—	2,986
Wholesale	487	1,112	150	27	309	—	—	2,085
Change in unbilled	21	18	25	5	9	—	—	78
Other revenues	631	309	288	89	194	—	(166)	1,345
Total Electric Revenues	\$ 7,302	\$ 5,129	\$ 4,646	\$ 1,373	\$ 3,047	\$ —	\$ (166)	\$ 21,331
Regulated Natural Gas Revenues								
Residential	\$ —	\$ —	\$ —	\$ 332	\$ —	\$ 631	\$ —	\$ 963
Commercial	—	—	—	133	—	359	—	492
Industrial	—	—	—	18	—	132	—	150
Power Generation	—	—	—	—	—	89	—	89
Change in unbilled	—	—	—	1	—	9	—	10
Other revenues	—	—	—	24	—	99	—	123
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 508	\$ —	\$ 1,319	\$ —	\$ 1,827

Twelve Months Ended December 31, 2016								
(In millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Piedmont Natural Gas ^(b)	Eliminations/ Adjustments	Total
Regulated Electric Revenues								
Residential	\$ 2,933	\$ 1,897	\$ 2,473	\$ 755	\$ 983	\$ —	\$ —	\$ 9,041
General service	2,299	1,323	1,373	442	741	—	—	6,178
Industrial	1,287	638	251	121	726	—	—	3,023
Wholesale	457	1,078	185	20	334	—	—	2,074
Change in unbilled	29	22	(11)	13	26	—	—	79
Other revenues	317	319	297	59	148	—	(169)	971
Total Electric Revenues	\$ 7,322	\$ 5,277	\$ 4,568	\$ 1,410	\$ 2,958	\$ —	\$ (169)	\$ 21,366
Regulated Natural Gas Revenues								
Residential	\$ —	\$ —	\$ —	\$ 324	\$ —	\$ 154	\$ —	\$ 478
Commercial	—	—	—	128	—	83	—	211
Industrial	—	—	—	18	—	31	—	49
Power Generation	—	—	—	—	—	21	—	21
Change in unbilled	—	—	—	14	—	74	—	88
Other revenues	—	—	—	19	—	35	—	54
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 503	\$ —	\$ 398	\$ —	\$ 901

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes Piedmont's results subsequent to the acquisition on October 3, 2016.

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Twelve Months Ended December 31, 2017
(Dollars in millions, except per share amounts)

	Special Items							Adjusted Earnings
	Reported Earnings	Costs to Achieve Piedmont Merger	Regulatory Settlements	Commercial Renewables Impairments	Impacts of the Tax Act	Discontinued Operations	Total Adjustments	
SEGMENT INCOME								
Electric Utilities and Infrastructure	\$ 3,210	\$ —	\$ 98 B	\$ —	\$ (231)	\$ —	\$ (133)	\$ 3,077
Gas Utilities and Infrastructure	319	—	—	—	(26) D	—	(26)	293
Commercial Renewables	441	—	—	74 C	(442)	—	(368)	73
Total Reportable Segment Income	3,970	—	98	74	(699)	—	(527)	3,443
Other	(905)	64 A	—	—	597	—	661	(244)
Discontinued Operations	(6)	—	—	—	—	6 E	6	—
Net Income Attributable to Duke Energy Corporation	\$ 3,059	\$ 64	\$ 98	\$ 74	\$ (102) D	\$ 6	\$ 140	\$ 3,199
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 4.36	\$ 0.09	\$ 0.14	\$ 0.11	\$ (0.14)	\$ 0.01	\$ 0.21	\$ 4.57

A - Net of \$39 million tax benefit. \$102 million recorded within Operating Expenses and \$1 million recorded within Interest Expense on the Consolidated Statements of Operations.

B - Net of \$60 million tax benefit. \$154 recorded within Impairment Charges and \$4 million recorded within Other Income and Expenses on the Consolidated Statements of Operations.

C - Net of \$28 million tax benefit. \$92 million recorded within Impairment Charges and \$10 million recorded within Other Income and Expenses on the Consolidated Statements of Operations.

D - \$118 million benefit recorded within Income Tax Expense from Continuing Operations, offset by \$16 million expense recorded within Gas Utilities and Infrastructure's Equity in Earnings of Unconsolidated Affiliates on the Consolidated Statements of Operations.

E - Recorded in (Loss) Income from Discontinued Operations, net of tax on the Consolidated Statements of Operations.

Weighted Average Shares, Diluted (reported and adjusted) - 700 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Twelve Months Ended December 31, 2016
(Dollars in millions, except per share amounts)

	Special Items							Adjusted Earnings
	Reported Earnings	Costs to Achieve Mergers	Cost Savings Initiatives	Commercial Renewables Impairment	International Energy Operations	Discontinued Operations	Total Adjustments	
SEGMENT INCOME								
Electric Utilities and Infrastructure	\$ 3,040	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,040
Gas Utilities and Infrastructure	152	—	—	—	—	—	—	152
Commercial Renewables	23	—	—	45 C	—	—	45	68
Total Reportable Segment Income	3,215	—	—	45	—	—	45	3,260
International Energy	—	—	—	—	243 D	—	243	243
Other	(645)	329 A	57 B	—	—	—	386	(259)
Intercompany Eliminations	1	—	—	—	—	(1)	(1)	—
Discontinued Operations	(419)	—	—	—	(243) D	662 E	419	—
Net Income Attributable to Duke Energy Corporation	\$ 2,152	\$ 329	\$ 57	\$ 45	\$ —	\$ 661	\$ 1,092	\$ 3,244
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 3.11	\$ 0.48	\$ 0.08	\$ 0.07	\$ —	\$ 0.95	\$ 1.58	\$ 4.69

A - Net of \$194 million tax benefit. Includes \$11 million recorded within Operating Revenues, \$278 million recorded within Operating Expenses and \$234 million recorded within Interest Expense on the Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

B - Net of \$35 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Consolidated Statements of Operations.

C - Net of \$26 million tax benefit. Other-than-temporary impairment included within Equity in earnings (losses) of unconsolidated affiliates on the Consolidated Statements of Operations.

D - Net of \$27 million tax expense. Operating results of the International Disposal Group, which exclude the loss and impairment described below and other miscellaneous transaction-related costs, recorded within (Loss) Income from Discontinued Operations, net of tax on the Consolidated Statements of Operations.

E - Recorded within (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations. Includes a loss on the sale of the International Disposal Group, an impairment related to certain assets in Central America, and a tax benefit related to previously sold businesses.

Weighted Average Shares, Diluted (reported and adjusted) - 691 million

DUKE ENERGY CORPORATION
Non-GAAP Financial Measures

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings and adjusted diluted EPS. These items represent income from continuing operations attributable to Duke Energy, adjusted for the dollar and per share impact of special items. As discussed below, special items represent certain charges and credits, which management believes are not indicative of Duke Energy's ongoing performance. Management believes the presentation of adjusted earnings and adjusted diluted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods.

Management uses these non-GAAP financial measures for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation (GAAP Reported Earnings) and Diluted EPS Attributable to Duke Energy Corporation common stockholders (GAAP Reported EPS), respectively.

Special items included in the periods presented include the following items, which management believes do not reflect ongoing costs:

- Costs to Achieve Mergers represents charges that result from strategic acquisitions.
- Regulatory Settlements represent charges related to the Levy nuclear project in Florida and the Mayo Zero Liquid Discharge and Sutton combustion turbine projects in North Carolina.
- Commercial Renewables Impairments represent other-than-temporary, asset and goodwill impairments.
- Impacts of the Tax Act represent estimated amounts recognized related to the Tax Cuts and Jobs Act.
- Cost Savings Initiatives represent severance charges related to company-wide initiatives, excluding merger integration, to standardize processes and systems, leverage technology and workforce optimization.

Adjusted earnings also include operating results of the International Disposal Group, which have been classified as discontinued operations. Management believes inclusion of the operating results of the Disposal Group within adjusted earnings and adjusted diluted EPS results in a better reflection of Duke Energy's financial performance during the period.

Duke Energy's adjusted earnings, adjusted diluted EPS, and adjusted segment income may not be comparable to similarly titled measures of another company because other companies may not calculate the measures in the same manner.

News Release



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May 10, 2018

Duke Energy reports first quarter 2018 financial results

- **First quarter 2018 GAAP EPS of \$0.88; adjusted EPS of \$1.28**
- **Growth at the utilities and return to normal weather drive quarterly results**
- **Company reaffirms 2018 adjusted EPS guidance range of \$4.55 to \$4.85**

CHARLOTTE, N.C. – Duke Energy (NYSE: DUK) today announced first quarter 2018 reported diluted earnings per share (EPS), prepared in accordance with Generally Accepted Accounting Principles (GAAP) of \$0.88, compared to \$1.02 for the first quarter of 2017. Duke Energy's first quarter 2018 adjusted diluted EPS was \$1.28, compared to \$1.04 for the first quarter of 2017.

Adjusted diluted EPS excludes the impact of certain items that are included in GAAP reported diluted EPS. The difference between first quarter 2018 GAAP reported diluted EPS and adjusted diluted EPS was primarily due to a loss on sale of the retired Beckjord plant in Ohio, the recognition of a valuation allowance related to the Tax Cuts and Jobs Act of 2017 (the Tax Act), charges related to the Duke Energy Progress North Carolina rate case order, and an impairment of Duke Energy's investment in the Constitution pipeline.

Adjusted diluted EPS for first quarter 2018 was higher than the prior year due primarily to a return to normal weather this year compared to the significantly warmer winter weather in the prior year, as well as growth from investments in the electric and gas utilities.

"2018 is off to a strong start – we delivered solid financial results for the first quarter and took steps to further strengthen our credit quality, enabling us to make smart investments for our customers," said Duke Energy chairman, president and CEO Lynn Good. "We reached constructive outcomes in several regulatory cases and started construction of the Atlantic Coast Pipeline, which will support economic growth in the Southeast.

"Our comprehensive, long-term strategy is delivering value for customers and shareholders as we invest in a modern, cleaner energy future."

Business segment results

In addition to the following summary of first quarter 2018 business segment performance, comprehensive tables with detailed EPS drivers for the first quarter compared to prior year are provided in the tables at the end of this news release.

The discussion below of first quarter results includes both GAAP segment income and adjusted segment income, which is a non-GAAP financial measure. The tables at the end of this news release present a full reconciliation of GAAP reported results to adjusted results.

Electric Utilities and Infrastructure

On a reported basis, Electric Utilities and Infrastructure recognized first quarter 2018 segment income of \$750 million, compared to \$635 million in the first quarter of 2017. In addition to the drivers outlined below, first quarter 2018 results were impacted by \$66 million in after-tax charges related to the Duke Energy Progress North Carolina rate case order. This amount was treated as a special item and excluded from adjusted earnings.

On an adjusted basis, Electric Utilities and Infrastructure recognized first quarter 2018 adjusted segment income of \$816 million, compared to \$635 million in the first quarter of 2017, an increase of \$0.26 per share.

Higher quarterly results at Electric Utilities and Infrastructure were primarily due to:

- Return to normal weather this year compared to the significantly warmer winter weather in the prior year (+\$0.16 per share)
- Higher retail revenues from increased volumes and pricing and riders due to increased investments (+\$0.06 per share)
- Lower income tax expense, including impacts of the Tax Act (+\$0.06 per share); a portion of the benefit is due to timing and is expected to reverse in future quarters
- Lower operation and maintenance expense (+\$0.04 per share) due to the timing of spend and lower storm restoration costs

These favorable drivers were partially offset by higher depreciation and amortization expense (-\$0.08 per share).

Gas Utilities and Infrastructure

On a reported basis, Gas Utilities and Infrastructure recognized first quarter 2018 segment income of \$116 million, compared to \$133 million in the first quarter of 2017. In addition to the drivers outlined below, first quarter 2018 results were impacted by a \$42 million after-tax impairment charge related to the Constitution pipeline investment. This amount was treated as a special item and excluded from adjusted earnings.

On an adjusted basis, Gas Utilities and Infrastructure recognized first quarter 2018 adjusted segment income of \$158 million, compared to \$133 million in the first quarter of 2017, an increase of \$0.03 per share.

Higher quarterly results at Gas Utilities and Infrastructure were primarily driven by customer growth and increased investments.

Commercial Renewables

On a reported and adjusted basis, Commercial Renewables recognized first quarter 2018 segment income of \$20 million, compared to \$25 million in the first quarter of 2017, a decrease of \$0.01 per share. Lower quarterly results at Commercial Renewables were primarily due to lower wind resource compared to last year.

Other

Other primarily includes interest expense on holding company debt and other unallocated corporate costs. It also includes results from Duke Energy's captive insurance company and the equity method investment in NMC.

On a reported basis, Other recognized a first quarter 2018 net loss of \$266 million, compared to a net loss of \$77 million in the first quarter of 2017. In addition to the drivers outlined below, first quarter 2018 results were impacted by an \$82 million after-tax loss on sale of the retired Beckjord plant in Ohio, the recognition of a \$76 million valuation allowance related to the Tax Act, and costs to achieve the Piedmont merger. These amounts were treated as special items and excluded from adjusted earnings.

On an adjusted basis, Other recognized a first quarter 2018 adjusted net loss of \$95 million, compared to an adjusted net loss of \$67 million in the first quarter of 2017, a difference of \$0.04 per share. Lower quarterly results at Other were primarily due to higher interest expense (-\$0.02 per share) and higher income taxes (-\$0.02 per share). Income taxes were impacted by a lower tax shield on holding company interest as a result of the Tax Act (-\$0.03 per share), partially offset by a favorable state tax audit settlement (+\$0.01 per share).

Duke Energy's consolidated reported effective tax rate for the first quarter of 2018 was 22.5% compared to 32.4% in the first quarter of 2017. The consolidated adjusted effective tax rate for first quarter 2018 was 15.7%, compared to 32.5% in 2017. The decreases in the reported and adjusted effective tax rates were primarily due to the impacts of the Tax Act. Adjusted effective tax rate is a non-GAAP financial measure. The tables at the end of this news release present a reconciliation of the reported effective tax rate to the adjusted effective tax rate.

Earnings conference call for analysts

An earnings conference call for analysts is scheduled from 10 to 11 a.m. ET today to discuss the first quarter 2018 financial results and other business and financial updates. The conference call will be hosted by Lynn Good, chairman, president and chief executive officer, and Steve Young, executive vice president and chief financial officer.

The call can be accessed via the investors section (www.duke-energy.com/investors) of Duke Energy's website or by dialing 888-601-3869 in the United States or 719-325-4760 outside the United States. The confirmation code is 3587017. Please call in 10 to 15 minutes prior to the scheduled start time.

A replay of the conference call will be available until 1 p.m. ET, May 20, 2018, by calling 888-203-1112 in the United States or 719-457-0820 outside the United States and using the code 3587017. An audio replay and transcript will also be available by accessing the investors section of the company's website.

Special Items and Non-GAAP Reconciliation

The following tables present a reconciliation of GAAP reported to adjusted diluted EPS for first quarter 2018 and 2017 financial results:

(In millions, except per-share amounts)	After-Tax Amount	1Q 2018 EPS	1Q 2017 EPS
Diluted EPS, as reported		\$ 0.88	\$ 1.02
Adjustments to reported EPS:			
First Quarter 2018			
Costs to achieve Piedmont merger	\$ 13	0.02	
Regulatory settlements	66	0.09	
Sale of retired plant	82	0.12	
Impairment of equity method investment	42	0.06	
Impacts of the Tax Act (Alternative Minimum Tax valuation allowance)	76	0.11	
First Quarter 2017			
Costs to achieve Piedmont merger	10		0.02
Total adjustments		\$ 0.40	\$ 0.02
Diluted EPS, adjusted		\$ 1.28	\$ 1.04

Non-GAAP financial measures

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings and adjusted diluted EPS. Adjusted earnings and adjusted diluted EPS represent income from continuing operations attributable to Duke Energy, adjusted for the dollar and per-share impact of special items. As discussed below, special items include certain charges and credits which management believes are not indicative of Duke Energy's ongoing performance.

Management believes the presentation of adjusted earnings and adjusted diluted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses these non-GAAP financial measures for planning and forecasting, and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation (GAAP Reported Earnings) and Diluted EPS Attributable to Duke Energy Corporation common stockholders (GAAP Reported EPS), respectively.

Special items included in the periods presented include the following items, which management believes do not reflect ongoing costs:

- Costs to achieve Piedmont merger represent charges that result from the Piedmont acquisition.
- Regulatory settlements represent costs related to rate case orders, settlements or other actions of regulators.

- Sale of retired plant represents the loss associated with selling Beckjord, a non-regulated generating facility in Ohio.
- Impairment of equity method investment represents an other-than-temporary impairment of an investment in Constitution Pipeline Company, LLC (Constitution).
- Impacts of the Tax Act represents an Alternative Minimum Tax valuation allowance recognized related to the Tax Act.

Due to the forward-looking nature of any forecasted adjusted earnings guidance, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods (such as legal settlements, the impact of regulatory orders or asset impairments).

Management evaluates segment performance based on segment income and other net loss. Segment income is defined as income from continuing operations attributable to Duke Energy. Segment income includes intercompany revenues and expenses that are eliminated in the Condensed Consolidated Financial Statements. Management also uses adjusted segment income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for special items, which are discussed above. Management believes the presentation of adjusted segment income provides useful information to investors, as it provides them with an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income or adjusted other net loss is segment income and other net loss.

Due to the forward-looking nature of any forecasted adjusted segment income or adjusted other net loss and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast all special items, as discussed above.

Duke Energy's adjusted earnings, adjusted diluted EPS and adjusted segment income may not be comparable to similarly titled measures of another company because other companies may not calculate the measures in the same manner.

Duke Energy

Headquartered in Charlotte, N.C., Duke Energy (NYSE: DUK) is one of the largest energy holding companies in the U.S., with approximately 29,000 employees and a generating capacity of 49,500 megawatts. The company is transforming its customers' experience, modernizing its energy grid, generating cleaner energy and expanding its natural gas infrastructure to create a smarter energy future for the people and communities it serves.

The company's Electric Utilities and Infrastructure unit serves approximately 7.6 million retail electric customers in six states - North Carolina, South Carolina, Florida, Indiana, Ohio and Kentucky. Its Gas Utilities and Infrastructure unit distributes natural gas to approximately 1.6

million customers in five states - North Carolina, South Carolina, Tennessee, Ohio and Kentucky. Its Commercial Renewables unit operates a growing renewable energy portfolio across the U.S.

A Fortune 125 company, Duke Energy was named to Fortune's 2018 "World's Most Admired Companies" list and Forbes' 2018 "America's Best Employers" list.

More information about the company is available at duke-energy.com. The [Duke Energy News Center](#) includes news releases, fact sheets, photos, videos and other materials. [Duke Energy's illumination](#) features stories about people, innovations, community topics and environmental issues. Follow Duke Energy on [Twitter](#), [LinkedIn](#), [Instagram](#) and [Facebook](#).

Forward-Looking Information

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to:

- State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices;
- The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate;
- The ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process;
- The costs of decommissioning Crystal River Unit 3 and other nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process;
- Costs and effects of legal and administrative proceedings, settlements, investigations and claims;
- Industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies;
- Federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs;
- Advancements in technology;
- Additional competition in electric and natural gas markets and continued industry consolidation;
- The influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change;

- The ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources;
- The ability to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business;
- Operational interruptions to our natural gas distribution and transmission activities;
- The availability of adequate interstate pipeline transportation capacity and natural gas supply;
- The impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches and other catastrophic events, such as fires, explosions, pandemic health events or other similar occurrences;
- The inherent risks associated with the operation of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third-party service providers;
- The timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets;
- The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions and general market and economic conditions;
- Credit ratings of the Duke Energy Registrants may be different from what is expected;
- Declines in the market prices of equity and fixed-income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans and nuclear decommissioning trust funds;
- Construction and development risks associated with the completion of the Duke Energy Registrants' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all;
- Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants;
- The ability to control operation and maintenance costs;
- The level of creditworthiness of counterparties to transactions;
- Employee workforce factors, including the potential inability to attract and retain key personnel;
- The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);
- The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities;
- The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- The impact of new U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings;
- The impacts from potential impairments of goodwill or equity method investment carrying values;
- The ability to successfully complete future merger, acquisition or divestiture plans; and
- The ability to implement our business strategy.

Duke Energy News Release

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Additional risks and uncertainties are identified and discussed in the Duke Energy Registrants' reports filed with the SEC and available at the SEC's website at www.sec.gov. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made and the Duke Energy Registrants expressly disclaim an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended March 31, 2018
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Items				Impacts of the Tax Act	Total Adjustments	Adjusted Earnings
		Costs to Achieve Piedmont Merger	Regulatory Settlements	Sale of Retired Plant	Impairment of Equity Method Investment			
SEGMENT INCOME								
Electric Utilities and Infrastructure	\$ 750	\$ —	\$ 66 B	\$ —	\$ —	\$ —	\$ 66	\$ 816
Gas Utilities and Infrastructure	116	—	—	—	42 D	—	42	158
Commercial Renewables	20	—	—	—	—	—	—	20
Total Reportable Segment Income	886	—	66	—	42	—	108	994
Other	(266)	13 A	—	82 C	—	76 E	171	(95)
Net Income Attributable to Duke Energy Corporation	\$ 620	\$ 13	\$ 66	\$ 82	\$ 42	\$ 76	\$ 279	\$ 899
EPS ATTRIBUTABLE TO DUKE ENERGY CORP, DILUTED	\$ 0.88	\$ 0.02	\$ 0.09	\$ 0.12	\$ 0.06	\$ 0.11	\$ 0.40	\$ 1.28

A - Net of \$4 million tax benefit. \$17 million recorded within Operating Expenses on the Condensed Consolidated Statements of Operations.

B - Net of \$20 million tax benefit. \$45 million recorded within Impairment Charges, \$35 million within Operating Expenses and \$6 million within Interest Expense on the Condensed Consolidated Statements of Operations.

C - Net of \$25 million tax benefit. \$107 million recorded within (Losses) Gains on Sales of Other Assets and Other, net on the Condensed Consolidated Statements of Operations.

D - Net of \$13 million tax benefit. \$55 million recorded within Other Income and Expenses on the Condensed Consolidated Statements of Operations.

E - \$76 million AMT valuation allowance within Income Tax Expense from Continuing Operations on the Condensed Consolidated Statements of Operations.

Weighted Average Shares, Diluted (reported and adjusted) - 701 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended March 31, 2017
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Item Costs to Achieve Piedmont Merger	Adjusted Earnings
SEGMENT INCOME			
Electric Utilities and Infrastructure	\$ 635	\$ —	\$ 635
Gas Utilities and Infrastructure	133	—	133
Commercial Renewables	25	—	25
Total Reportable Segment Income	793	—	793
Other	(77)	10 ^A	(67)
Net Income Attributable to Duke Energy Corporation	\$ 716	\$ 10	\$ 726
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.02	\$ 0.02	\$ 1.04

A - Net of \$6 million tax benefit. \$15 million recorded within Operating Expenses and \$1 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

Weighted Average Shares, Diluted (reported and adjusted) - 700 million

DUKE ENERGY CORPORATION
ADJUSTED EFFECTIVE TAX RECONCILIATION
March 2018
(Dollars in millions)

	Three Months Ended	
	March 31, 2018	
	<u>Balance</u>	<u>Effective Tax Rate</u>
Reported Income From Continuing Operations Before Income Taxes	\$ 803	
Costs to Achieve Piedmont Merger	17	
Regulatory Settlements	86	
Sale of Retired Plant	107	
Impairment of Equity Method Investment	55	
Impacts of the Tax Act	—	
Noncontrolling Interests	(2)	
Adjusted Pretax Income	<u>\$ 1,066</u>	
Reported Income Tax Expense From Continuing Operations	\$ 181	22.5%
Costs to Achieve Piedmont Merger	4	
Regulatory Settlements	20	
Sale of Retired Plant	25	
Impairment of Equity Method Investment	13	
Impacts of the Tax Act	(76)	
Adjusted Tax Expense	<u>\$ 167</u>	15.7% *
	Three Months Ended	
	March 31, 2017	
	<u>Balance</u>	<u>Effective Tax Rate</u>
Reported Income From Continuing Operations Before Income Taxes	\$ 1,061	
Costs to Achieve Piedmont Merger	16	
Noncontrolling Interests	(1)	
Adjusted Pretax Income	<u>\$ 1,076</u>	
Reported Income Tax Expense From Continuing Operations	\$ 344	32.4%
Costs to Achieve Piedmont Merger	6	
Adjusted Tax Expense	<u>\$ 350</u>	32.5% *

*Adjusted effective tax rate is a non-GAAP financial measure as the rate is calculated using pretax earnings and income tax expense, both adjusted for the impact of special items. The most directly comparable GAAP measure for adjusted effective tax rate is reported effective tax rate, which includes the impact of special items.

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
March 2018 YTD vs. Prior Year

(\$ per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Consolidated
2017 YTD Reported Earnings Per Share, Diluted	\$ 0.91	\$ 0.19	\$ 0.04	\$ (0.12)	\$ 1.02
Costs to Achieve Piedmont Merger	—	—	—	0.02	0.02
2017 YTD Adjusted Earnings Per Share, Diluted	\$ 0.91	\$ 0.19	\$ 0.04	\$ (0.10)	\$ 1.04
Weather	0.16	—	—	—	0.16
Volume	0.02	—	—	—	0.02
Pricing and Riders	0.04	0.03	—	—	0.07
Wholesale ^(a)	0.04	—	—	—	0.04
Operations and maintenance, net of recoverables ^(b)	0.04	—	—	—	0.04
Duke Energy Renewables	—	—	(0.01)	—	(0.01)
Interest Expense	—	—	—	(0.02)	(0.02)
Other ^(c)	(0.10)	—	—	—	(0.10)
Change in effective income tax rate, including impacts of the Tax Act ^(d)	0.06	—	—	(0.02)	0.04
2018 YTD Adjusted Earnings Per Share, Diluted	\$ 1.17	\$ 0.22	\$ 0.03	\$ (0.14)	\$ 1.28
Costs to Achieve Piedmont Merger	—	—	—	(0.02)	(0.02)
Regulatory Settlements	(0.09)	—	—	—	(0.09)
Sale of Retired Plant	—	—	—	(0.12)	(0.12)
Impairment of Equity Method Investment	—	(0.06)	—	—	(0.06)
Impacts of the Tax Act (Alternative Minimum Tax valuation allowance)	—	—	—	(0.11)	(0.11)
2018 YTD Reported Earnings Per Share, Diluted	\$ 1.08	\$ 0.16	\$ 0.03	\$ (0.39)	\$ 0.88

Note: Earnings Per Share amounts are calculated using the prior year consolidated statutory income tax rate for all drivers except for Duke Energy Renewables, which uses an effective rate.

(a) Primarily due to the recovery of deferred coal ash costs from wholesale customers in the Carolinas, which is offset in depreciation and amortization.

(b) Primarily due to timing of spend and lower storm restoration costs.

(c) Primarily due to higher depreciation and amortization (-\$0.08).

(d) Includes the net earnings impact of the Tax Act, including regulatory deferrals.

March 2018
QUARTERLY HIGHLIGHTS
(Unaudited)

<i>(In millions, except per-share amounts and where noted)</i>	Three Months Ended	
	March 31,	
	2018	2017
Earnings Per Share - Basic and Diluted		
Net income attributable to Duke Energy Corporation common stockholders		
Basic	\$ 0.88	\$ 1.02
Diluted	\$ 0.88	\$ 1.02
Weighted average shares outstanding		
Basic	701	700
Diluted	701	700
INCOME (LOSS) BY BUSINESS SEGMENT		
Electric Utilities and Infrastructure ^(a)	\$ 750	\$ 635
Gas Utilities and Infrastructure ^(b)	116	133
Commercial Renewables	20	25
Total Reportable Segment Income	886	793
Other ^{(c)(d)(e)}	(266)	(77)
Net income Attributable to Duke Energy Corporation	\$ 620	\$ 716
CAPITALIZATION		
Total Common Equity (%)	43%	44%
Total Debt (%)	57%	56%
Total Debt	\$ 55,950	\$ 52,566
Book Value Per Share	\$ 59.63	\$ 58.84
Actual Shares Outstanding	701	700
CAPITAL AND INVESTMENT EXPENDITURES		
Electric Utilities and Infrastructure	\$ 1,773	\$ 1,874
Gas Utilities and Infrastructure	228	341
Commercial Renewables	87	59
Other	73	61
Total Capital and Investment Expenditures	\$ 2,161	\$ 2,335

(a) Includes regulatory costs related to rate case orders, settlements or other actions of regulators of \$66 million (net of tax of \$20 million) for the three months ended March 31, 2018.

(b) Includes an other-than-temporary impairment of an investment in Constitution of \$42 million (net of tax of \$13 million) for the three months ended March 31, 2018.

(c) Includes costs to achieve the Piedmont merger of \$13 million (net of tax of \$4 million) for the three months ended March 31, 2018, and \$10 million (net of tax of \$6 million) for the three months ended March 31, 2017.

(d) Includes the loss associated with selling Beckjord, a non-regulated generating facility in Ohio, of \$82 million (net of tax of \$25 million) for the three months ended March 31, 2018.

(e) Includes an Alternative Minimum Tax valuation allowance recognized related to the Tax Act of \$76 million for the three months ended March 31, 2018.

March 2018
QUARTERLY HIGHLIGHTS
(Unaudited)

<i>(In millions)</i>	Three Months Ended	
	March 31,	
	2018	2017
ELECTRIC UTILITIES AND INFRASTRUCTURE		
Operating Revenues	\$ 5,323	\$ 4,947
Operating Expenses		
Fuel used in electric generation and purchased power	1,685	1,454
Operation, maintenance and other	1,325	1,304
Depreciation and amortization	835	737
Property and other taxes	274	261
Impairment charges	43	—
Total operating expenses	4,162	3,756
Gains on Sales of Other Assets and Other, net	1	3
Operating Income	1,162	1,194
Other Income and Expenses		
Equity in earnings of unconsolidated affiliates	2	—
Other income and expenses, net	86	412
Total other income and expenses	88	112
Interest Expense	317	315
Income Before Income Taxes	933	991
Income Tax Expense	183	356
Segment Income	\$ 750	\$ 635
GAS UTILITIES AND INFRASTRUCTURE		
Operating Revenues	\$ 727	\$ 670
Operating Expenses		
Cost of natural gas	313	258
Operation, maintenance and other	108	105
Depreciation and amortization	61	57
Property and other taxes	31	30
Total operating expenses	513	450
Operating Income	214	220
Other Income and Expenses		
Equity in (losses) earnings of unconsolidated affiliates	(40)	17
Other income and expenses, net	5	1
Total other income and expenses	(35)	18
Interest Expense	27	26
Income Before Income Taxes	152	212
Income Tax Expense	36	79
Segment Income	\$ 116	\$ 133
COMMERCIAL RENEWABLES		
Operating Revenues	\$ 101	\$ 128
Operating Expenses		
Operation, maintenance and other	55	78
Depreciation and amortization	38	39
Property and other taxes	7	9
Total operating expenses	100	126
Gains on Sales of Other Assets and Other, net	—	2
Operating Income	1	4
Other Income and Expenses		
Equity in losses of unconsolidated affiliates	—	(1)
Other income and expenses, net	2	1
Total other income and expenses	2	—
Interest Expense	22	19
Loss Before Income Taxes	(19)	(15)
Income Tax Benefit	(39)	(39)
Less: Loss Attributable to Noncontrolling Interests	—	(1)
Segment Income	\$ 20	\$ 25

March 2018
QUARTERLY HIGHLIGHTS
(Unaudited)

<i>(In millions)</i>	Three Months Ended	
	March 31,	
	2018	2017
OTHER		
Operating Revenues	\$ 35	\$ 33
Operating Expenses		
Fuel used in electric generation and purchased power	14	15
Operation, maintenance and other	3	8
Depreciation and amortization	33	26
Property and other taxes	4	3
Total operating expenses	<u>54</u>	<u>52</u>
(Loss) Gains on Sales of Other Assets and Other, net	<u>(101)</u>	<u>5</u>
Operating Loss	<u>(120)</u>	<u>(14)</u>
Other Income and Expenses		
Equity in earnings of unconsolidated affiliates	13	13
Other income and expenses, net	1	8
Total other income and expenses	<u>14</u>	<u>21</u>
Interest Expense	<u>157</u>	<u>134</u>
Loss Before Income Taxes	<u>(263)</u>	<u>(127)</u>
Income Tax Expense (Benefit)	<u>1</u>	<u>(52)</u>
Less: Income Attributable to Noncontrolling Interests	<u>2</u>	<u>2</u>
Net Loss	<u>\$ (266)</u>	<u>\$ (77)</u>

Note: Prior period amounts have been recast to reclassify the presentation of the non-service cost (benefit) components of net periodic costs from Operation, maintenance and other to Other income and expenses due to the adoption of new accounting guidance on January 1, 2018.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In millions, except per-share amounts)

	Three Months Ended March 31,	
	2018	2017
Operating Revenues		
Regulated electric	\$ 5,284	\$ 4,913
Regulated natural gas	700	646
Nonregulated electric and other	151	170
Total operating revenues	6,135	5,729
Operating Expenses		
Fuel used in electric generation and purchased power	1,676	1,449
Cost of natural gas	313	258
Operation, maintenance and other	1,464	1,468
Depreciation and amortization	967	859
Property and other taxes	316	304
Impairment charges	43	—
Total operating expenses	4,779	4,338
(Loss) Gains on Sales of Other Assets and Other, net	(100)	11
Operating Income	1,256	1,402
Other Income and Expenses		
Equity in (losses) earnings of unconsolidated affiliates	(24)	29
Other income and expenses, net	86	121
Total other income and expenses	62	150
Interest Expense	515	491
Income Before Income Taxes	803	1,061
Income Tax Expense	181	344
Net Income	622	717
Less: Net Income Attributable to Noncontrolling Interests	2	1
Net Income Attributable to Duke Energy Corporation	\$ 620	\$ 716
Earnings Per Share - Basic and Diluted		
Net income attributable to Duke Energy Corporation common stockholders		
Basic	\$ 0.88	\$ 1.02
Diluted	\$ 0.88	\$ 1.02
Weighted average shares outstanding		
Basic	701	700
Diluted	701	700

Note: Prior period amounts have been recast to reclassify the presentation of the non-service cost (benefit) components of net periodic costs from Operation, maintenance and other to Other income and expenses due to the adoption of new accounting guidance on January 1, 2018.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	March 31, 2018	December 31, 2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 421	\$ 358
Receivables (net of allowance for doubtful accounts of \$17 at 2018 and \$14 at 2017)	759	779
Receivables of VIEs (net of allowance for doubtful accounts of \$57 at 2018 and \$54 at 2017)	1,984	1,995
Inventory	3,149	3,250
Regulatory assets (includes \$51 at 2018 and 2017 related to VIEs)	1,544	1,437
Other	422	634
Total current assets	8,279	8,453
Property, Plant and Equipment		
Cost	129,281	127,507
Accumulated depreciation and amortization	(42,307)	(41,537)
Generation facilities to be retired, net	399	421
Net property, plant and equipment	87,373	86,391
Other Noncurrent Assets		
Goodwill	19,396	19,396
Regulatory assets (includes \$1,082 at 2018 and \$1,091 at 2017 related to VIEs)	12,218	12,442
Nuclear decommissioning trust funds	7,024	7,097
Investments in equity method unconsolidated affiliates	1,189	1,175
Other	3,062	2,960
Total other noncurrent assets	42,889	43,070
Total Assets	\$ 138,541	\$ 137,914
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 2,391	\$ 3,043
Notes payable and commercial paper	2,969	2,163
Taxes accrued	422	551
Interest accrued	542	525
Current maturities of long-term debt (includes \$225 at 2018 and 2017 related to VIEs)	3,951	3,244
Asset retirement obligations	676	689
Regulatory liabilities	505	402
Other	1,542	1,865
Total current liabilities	12,998	12,482
Long-Term Debt (includes \$4,275 at 2018 and \$4,306 at 2017 related to VIEs)	49,030	49,035
Other Noncurrent Liabilities		
Deferred income taxes	6,855	6,621
Asset retirement obligations	9,484	9,486
Regulatory liabilities	15,283	15,330
Accrued pension and other post-retirement benefit costs	1,018	1,103
Investment tax credits	537	539
Other	1,538	1,581
Total other noncurrent liabilities	34,715	34,660
Commitments and Contingencies		
Equity		
Common stock, \$0.001 par value, 2 billion shares authorized; 701 million shares outstanding at 2018 and 700 million shares outstanding at 2017	1	1
Additional paid-in capital	38,839	38,792
Retained earnings	3,021	3,013
Accumulated other comprehensive loss	(69)	(67)
Total Duke Energy Corporation stockholders' equity	41,792	41,739
Noncontrolling interests	6	(2)
Total equity	41,798	41,737
Total Liabilities and Equity	\$ 138,541	\$ 137,914

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	Three Months Ended March 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 622	\$ 717
Adjustments to reconcile net income to net cash provided by operating activities	769	529
Net cash provided by operating activities	1,391	1,246
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	(2,264)	(2,361)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by financing activities	947	1,596
Net increase in cash and cash equivalents	74	481
Cash and cash equivalents at beginning of period	505	541
Cash and cash equivalents at end of period	\$ 579	\$ 1,022

DUKE ENERGY CORPORATION
CONSOLIDATING BALANCE SHEETS - ASSETS
(Unaudited)

(in millions)	March 31, 2018					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 44	\$ 14	\$ 10	\$ 354	\$ (1)	\$ 421
Receivables, net	441	251	2	66	(1)	759
Receivables of variable interest entities, net	1,952	—	32	—	—	1,984
Receivables from affiliated companies	28	9	1,227	531	(1,795)	—
Notes receivable from affiliated companies	88	—	—	696	(784)	—
Inventory	3,060	49	16	25	(1)	3,149
Regulatory assets	1,385	48	—	111	—	1,544
Other	180	21	169	103	(51)	422
Total current assets	7,178	392	1,456	1,886	(2,633)	8,279
Property, Plant and Equipment						
Cost	113,074	9,800	4,391	2,016	—	129,281
Accumulated depreciation and amortization	(38,206)	(2,251)	(730)	(1,120)	—	(42,307)
Generation facilities to be retired, net	399	—	—	—	—	399
Net property, plant and equipment	75,267	7,549	3,661	896	—	87,373
Other Noncurrent Assets						
Goodwill	17,379	1,924	93	—	—	19,396
Regulatory assets	11,133	616	—	468	1	12,218
Nuclear decommissioning trust funds	7,024	—	—	—	—	7,024
Investments in equity method unconsolidated affiliates	93	790	193	113	—	1,189
Investment in consolidated subsidiaries	197	21	7	57,024	(57,249)	—
Other	2,156	83	89	1,367	(633)	3,062
Total other noncurrent assets	37,982	3,434	382	58,972	(57,881)	42,889
Total Assets	120,427	11,375	5,499	61,754	(60,514)	138,541
Segment reclassifications, intercompany balances and other	(406)	21	(1,234)	(59,072)	60,691	—
Segment Assets	\$ 120,021	\$ 11,396	\$ 4,265	\$ 2,682	\$ 177	\$ 138,541

DUKE ENERGY CORPORATION
CONSOLIDATING BALANCE SHEETS - LIABILITIES AND EQUITY
(Unaudited)

(in millions)	March 31, 2018					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 1,834	\$ 181	\$ 31	\$ 346	\$ (1)	\$ 2,391
Accounts payable to affiliated companies	595	45	10	1,129	(1,779)	—
Notes payable to affiliated companies	589	148	—	64	(801)	—
Notes payable and commercial paper	—	—	12	2,957	—	2,969
Taxes accrued	420	80	(91)	14	(1)	422
Interest accrued	379	35	—	128	—	542
Current maturities of long-term debt	2,330	251	171	1,199	—	3,951
Asset retirement obligations	676	—	—	—	—	676
Regulatory liabilities	439	63	—	3	—	505
Other	1,136	57	56	343	(50)	1,542
Total current liabilities	8,398	860	189	6,183	(2,632)	12,998
Long-Term Debt	29,276	2,445	1,700	15,609	—	49,030
Long-Term Debt Payable to Affiliated Companies	618	7	9	—	(634)	—
Other Noncurrent Liabilities						
Deferred income taxes	8,763	839	(200)	(2,547)	—	6,855
Asset retirement obligations	9,342	50	91	—	1	9,484
Regulatory liabilities	13,710	1,551	—	22	—	15,283
Accrued pension and other post-retirement benefit costs	676	18	—	324	—	1,018
Investment tax credits	534	3	—	—	—	537
Other	764	216	253	306	(1)	1,538
Total other noncurrent liabilities	33,789	2,677	144	(1,895)	—	34,715
Equity						
Total Duke Energy Corporation stockholders' equity	48,346	5,386	3,450	41,859	(57,249)	41,792
Noncontrolling interests	—	—	7	(2)	1	6
Total equity	48,346	5,386	3,457	41,857	(57,248)	41,798
Total Liabilities and Equity	120,427	11,375	5,499	61,754	(60,514)	138,541
Segment reclassifications, intercompany balances and other	(406)	21	(1,234)	(59,072)	60,691	—
Segment Liabilities and Equity	\$ 120,021	\$ 11,396	\$ 4,265	\$ 2,682	\$ 177	\$ 138,541

**ELECTRIC UTILITIES AND INFRASTRUCTURE
CONSOLIDATING SEGMENT INCOME**
(Unaudited)

(in millions)	Three Months Ended March 31, 2018						
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Eliminations/ Other	Electric Utilities and Infrastructure
Operating Revenues	\$ 1,763	\$ 1,460	\$ 1,115	\$ 336	\$ 731	\$ (82)	\$ 5,323
Operating Expenses							
Fuel used in electric generation and purchased power	473	509	467	92	232	(88)	1,685
Operation, maintenance and other	443	376	234	89	179	4	1,325
Depreciation and amortization	272	235	150	48	130	—	835
Property and other taxes	72	35	88	59	20	—	274
Impairment charges	13	32	—	—	—	(2)	43
Total operating expenses	1,273	1,187	939	288	561	(86)	4,162
Gains on Sales of Other Assets and Other, net	—	1	—	—	—	—	1
Operating Income	490	274	176	48	170	4	1,162
Other Income and Expenses, net^(b)	39	18	21	5	7	(2)	88
Interest Expense	107	81	70	16	40	3	317
Income Before Income Taxes	422	211	127	37	137	(1)	933
Income Tax Expense	93	30	21	4	36	(1)	183
Segment Income	\$ 329	\$ 181	\$ 106	\$ 33	\$ 101	\$ —	\$ 750

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes an equity component of allowance for funds used during construction of \$21 million for Duke Energy Carolinas, \$14 million for Duke Energy Progress, \$12 million for Duke Energy Florida, \$3 million for Duke Energy Ohio and \$4 million for Duke Energy Indiana.

**ELECTRIC UTILITIES AND INFRASTRUCTURE
CONSOLIDATING BALANCE SHEETS - ASSETS**
(Unaudited)

(in millions)	March 31, 2018						
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Eliminations/ Adjustments ^(b)	Electric Utilities and Infrastructure
Current Assets							
Cash and cash equivalents	\$ 3	\$ 8	\$ 6	\$ 11	\$ 15	\$ 1	\$ 44
Receivables, net	194	50	71	68	56	2	441
Receivables of variable interest entities, net	634	497	318	—	—	503	1,952
Receivables from affiliated companies	106	5	1	58	99	(241)	28
Notes receivable from affiliated companies	—	—	153	—	—	(65)	88
Inventory	980	1,002	535	88	453	2	3,060
Regulatory assets	331	476	393	11	170	4	1,385
Other	42	54	40	14	30	—	180
Total current assets	2,290	2,092	1,517	250	823	206	7,178
Property, Plant and Equipment							
Cost	43,562	29,866	18,040	5,949	15,104	553	113,074
Accumulated depreciation and amortization	(15,404)	(11,012)	(5,042)	(1,978)	(4,759)	(11)	(38,206)
Generation facilities to be retired, net	—	399	—	—	—	—	399
Net property, plant and equipment	28,158	19,253	12,998	3,971	10,345	542	75,267
Other Noncurrent Assets							
Goodwill	—	—	—	596	—	16,783	17,379
Regulatory assets	2,825	3,480	2,391	308	976	1,153	11,133
Nuclear decommissioning trust funds	3,734	2,568	722	—	—	—	7,024
Investments in equity method unconsolidated affiliates	—	—	—	—	—	93	93
Investment in consolidated subsidiaries	30	7	2	158	1	(1)	197
Other	1,022	640	301	44	234	(85)	2,156
Total other noncurrent assets	7,611	6,695	3,416	1,106	1,211	17,943	37,982
Total Assets	38,059	28,040	17,931	5,327	12,379	18,691	120,427
Segment reclassifications, intercompany balances and other	(351)	(115)	(143)	(162)	(74)	439	(406)
Reportable Segment Assets	\$ 37,708	\$ 27,925	\$ 17,788	\$ 5,165	\$ 12,305	\$ 19,130	\$ 120,021

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes the elimination of intercompany balances, purchase accounting adjustments and restricted receivables related to Cinergy Receivables Company.

**ELECTRIC UTILITIES AND INFRASTRUCTURE
CONSOLIDATING BALANCE SHEETS - LIABILITIES AND EQUITY
(Unaudited)**

(in millions)	March 31, 2018						
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Eliminations/ Adjustments ^(b)	Electric Utilities and Infrastructure
Current Liabilities							
Accounts payable	\$ 726	\$ 342	\$ -416	\$ 187	\$ 157	\$ 6	\$ 1,834
Accounts payable to affiliated companies	259	208	82	19	73	(46)	595
Notes payable to affiliated companies	45	354	—	88	149	(47)	589
Taxes accrued	86	36	73	124	95	6	420
Interest accrued	144	86	74	23	52	—	379
Current maturities of long-term debt	805	603	768	2	62	90	2,330
Asset retirement obligations	281	323	3	4	65	—	676
Regulatory liabilities	116	184	88	32	20	(1)	439
Other	369	324	299	62	83	(1)	1,136
Total current liabilities	2,831	2,460	1,803	541	756	7	8,398
Long-Term Debt	9,589	6,604	6,247	1,552	3,570	1,714	29,276
Long-Term Debt Payable to Affiliated Companies	300	150	—	18	150	—	618
Other Noncurrent Liabilities							
Deferred income taxes	3,521	1,937	1,813	538	942	12	8,763
Asset retirement obligations	3,318	4,356	735	43	713	177	9,342
Regulatory liabilities	6,208	3,973	1,254	531	1,743	1	13,710
Accrued pension and other post-retirement benefit costs	95	246	248	67	110	(90)	676
Investment tax credits	231	142	9	4	147	1	534
Other	531	46	101	69	28	(11)	764
Total other noncurrent liabilities	13,904	10,700	4,160	1,252	3,683	90	33,789
Equity	11,435	8,126	5,721	1,964	4,220	16,880	48,346
Total Liabilities and Equity	38,059	28,040	17,931	5,327	12,379	18,691	120,427
Segment reclassifications, intercompany balances and other	(351)	(115)	(143)	(162)	(74)	439	(406)
Reportable Segment Liabilities and Equity	\$ 37,708	\$ 27,925	\$ 17,788	\$ 5,165	\$ 12,305	\$ 19,130	\$ 120,021

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
CONSOLIDATING SEGMENT INCOME
(Unaudited)

(in millions)	Three Months Ended March 31, 2018				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage ^(b)	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues					
Regulated natural gas	\$ 174	\$ 551	\$ —	\$ —	\$ 725
Nonregulated natural gas and other	—	2	—	—	2
Operating Revenues	174	553	—	—	727
Operating Expenses					
Cost of natural gas	54	259	—	—	313
Operation, maintenance and other	33	76	1	(2)	108
Depreciation and amortization	22	39	—	—	61
Property and other taxes	18	12	—	1	31
Total operating expenses	127	386	1	(1)	513
Operating Income (Loss)	47	167	(1)	1	214
Other Income and Expenses					
Equity in losses of unconsolidated affiliates	—	—	(40)	—	(40)
Other income and expenses, net	3	3	—	(1)	5
Total other income and expenses	3	3	(40)	(1)	(35)
Interest Expense	6	21	—	—	27
Income Before Income Taxes	44	149	(41)	—	152
Income Tax Expense	10	36	(10)	—	36
Segment Income	\$ 34	\$ 113	\$ (31)	\$ —	\$ 116

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes earnings from investments in ACP, Sabal Trail, Constitution and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
CONSOLIDATING BALANCE SHEETS - ASSETS
(Unaudited)

(in millions)	March 31, 2018				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Assets					
Cash and cash equivalents	\$ 2	\$ 12	\$ —	\$ —	\$ 14
Receivables, net	—	251	—	—	251
Receivables from affiliated companies	17	68	—	(76)	9
Inventory	20	29	—	—	49
Regulatory assets	—	48	—	—	48
Other	—	21	—	—	21
Total current assets	39	429	—	(76)	392
Property, Plant and Equipment					
Cost	2,943	6,857	—	—	9,800
Accumulated depreciation and amortization	(751)	(1,500)	—	—	(2,251)
Net property, plant and equipment	2,192	5,357	—	—	7,549
Other Noncurrent Assets					
Goodwill	324	49	—	1,551	1,924
Regulatory assets	156	274	—	186	616
Investments in equity method unconsolidated affiliates	—	—	790	—	790
Investment in consolidated subsidiaries	—	—	—	21	21
Other	—	65	17	1	83
Total other noncurrent assets	480	388	807	1,759	3,434
Total Assets	2,711	6,174	807	1,683	11,375
Segment reclassifications, intercompany balances and other	(2)	(34)	(36)	93	21
Reportable Segment Assets	\$ 2,709	\$ 6,140	\$ 771	\$ 1,776	\$ 11,396

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
CONSOLIDATING BALANCE SHEETS - LIABILITIES AND EQUITY
(Unaudited)

(in millions)	March 31, 2018				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Liabilities					
Accounts payable	\$ 53	\$ 128	\$ —	\$ —	\$ 181
Accounts payable to affiliated companies	—	35	86	(76)	45
Notes payable to affiliated companies	41	107	—	—	148
Taxes accrued	27	80	(26)	(1)	80
Interest accrued	10	24	—	1	35
Current maturities of long-term debt	1	250	—	—	251
Regulatory liabilities	22	41	—	—	63
Other	3	55	(1)	—	57
Total current liabilities	157	720	59	(76)	860
Long-Term Debt	487	1,787	—	171	2,445
Long-Term Debt Payable to Affiliated Companies	7	—	—	—	7
Other Noncurrent Liabilities					
Deferred income taxes	247	544	48	—	839
Asset retirement obligations	35	15	—	—	50
Regulatory liabilities	357	1,179	—	15	1,551
Accrued pension and other post-retirement benefit costs	14	4	—	—	18
Investment tax credits	2	1	—	—	3
Other	53	153	11	(1)	216
Total other noncurrent liabilities	708	1,896	59	14	2,677
Equity	1,352	1,771	689	1,574	5,386
Total Liabilities and Equity	2,711	6,174	807	1,683	11,375
Segment reclassifications, intercompany balances and other	(2)	(34)	(36)	93	21
Reportable Segment Liabilities and Equity	\$ 2,709	\$ 6,140	\$ 771	\$ 1,776	\$ 11,396

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

Electric Utilities and Infrastructure
Quarterly Highlights
March 2018

	Three Months Ended March 31,			
	2018	2017	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal (2)
GWh Sales (1)				
Residential	23,741	20,085	18.3%	2.6%
General Service	18,440	17,549	5.1%	0.7%
Industrial	12,104	12,305	(1.6%)	(2.7%)
Other Energy Sales	140	144	(2.8%)	
Unbilled Sales	(1,875)	(935)	(100.5%)	n/a
Total Retail Sales	52,550	49,128	7.0%	0.7%
Wholesale and Other	10,979	9,862	11.3%	
Total Consolidated Electric Sales - Electric Utilities and Infrastructure	63,529	58,990	7.7%	
Average Number of Customers (Electric)				
Residential	6,603,614	6,510,679	1.4%	
General Service	979,220	968,897	1.1%	
Industrial	17,600	17,748	(0.8%)	
Other Energy Sales	23,475	23,205	1.2%	
Total Retail Customers	7,624,109	7,520,529	1.4%	
Wholesale and Other	54	58	(6.9%)	
Total Average Number of Customers - Electric Utilities and Infrastructure	7,624,163	7,520,587	1.4%	
Sources of Electric Energy (GWh)				
Generated - Net Output (3)				
Coal	17,738	16,939	4.7%	
Nuclear	18,505	17,741	4.3%	
Hydro	754	201	275.1%	
Oil and Natural Gas	16,317	14,231	14.7%	
Renewable Energy	96	75	28.0%	
Total Generation (4)	53,410	49,187	8.6%	
Purchased Power and Net Interchange (5)	13,920	12,588	10.8%	
Total Sources of Energy	67,330	61,755	9.0%	
Less: Line Loss and Other	3,801	2,765	37.5%	
Total GWh Sources	63,529	58,990	7.7%	
Owned MW Capacity (3)				
Summer	49,511	49,950		
Winter	53,003	53,717		
Nuclear Capacity Factor (%) (6)				
	96	94		

(1) Except as indicated in footnote (2), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

(6) Statistics reflect 100% of jointly owned stations.

Duke Energy Carolinas
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
March 2018

	Three Months Ended March 31,			
	2018	2017	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal (2)
GWh Sales (1)				
Residential	8,284	6,671	20.6%	
General Service	6,946	6,527	6.4%	
Industrial	4,984	5,062	(1.5%)	
Other Energy Sales	75	76	(1.3%)	
Unbilled Sales	(523)	(232)	(125.4%)	
Total Retail Sales	19,766	18,304	8.0%	1.6%
Wholesale and Other	2,861	2,477	15.5%	
Total Consolidated Electric Sales - Duke Energy Carolinas	22,627	20,781	8.9%	
Average Number of Customers				
Residential	2,202,857	2,169,345	1.5%	
General Service	356,100	351,773	1.2%	
Industrial	6,206	6,252	(0.7%)	
Other Energy Sales	15,480	15,298	1.2%	
Total Retail Customers	2,580,643	2,542,668	1.5%	
Wholesale and Other	22	24	(8.3%)	
Total Average Number of Customers - Duke Energy Carolinas	2,580,665	2,542,692	1.5%	
Sources of Electric Energy (GWh)				
Generated - Net Output (3)				
Coal	6,250	5,586	11.9%	
Nuclear	11,638	11,036	5.5%	
Hydro	525	53	890.6%	
Oil and Natural Gas	3,152	2,694	17.0%	
Renewable Energy	29	9	222.2%	
Total Generation (4)	21,594	19,378	11.4%	
Purchased Power and Net Interchange (5)	2,317	2,483	(6.7%)	
Total Sources of Energy	23,911	21,861	9.4%	
Less: Line Loss and Other	1,284	1,080	18.9%	
Total GWh Sources	22,627	20,781	8.9%	
Owned MW Capacity (3)				
Summer	19,574	19,568		
Winter	20,385	20,425		
Nuclear Capacity Factor (%) (6)	99	98		
Heating and Cooling Degree Days				
Actual				
Heating Degree Days	1,721	1,291	33.3%	
Cooling Degree Days	10	10	—%	
Variance from Normal				
Heating Degree Days	(1.3%)	(26.2%)	n/a	
Cooling Degree Days	56.4%	66.7%	n/a	

(1) Except as indicated in footnote (2), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

(6) Statistics reflect 100% of jointly owned stations.

Duke Energy Progress
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
March 2018

	Three Months Ended March 31,			% Inc. (Dec.) Weather Normal (2)
	2018	2017	% Inc.(Dec.)	
GWh Sales (1)				
Residential	5,500	4,633	18.7%	
General Service	3,732	3,549	5.2%	
Industrial	2,437	2,489	(2.1%)	
Other Energy Sales	19	21	(9.5%)	
Unbilled Sales	(587)	(500)	(13.4%)	
Total Retail Sales	11,121	10,192	9.1%	1.3%
Wholesale and Other	6,105	5,445	12.1%	
Total Consolidated Electric Sales - Duke Energy Progress	17,226	15,637	10.2%	
Average Number of Customers				
Residential	1,323,129	1,302,464	1.6%	
General Service	233,307	230,405	1.3%	
Industrial	4,060	4,129	(1.7%)	
Other Energy Sales	1,451	1,462	(0.8%)	
Total Retail Customers	1,561,947	1,538,460	1.5%	
Wholesale and Other	14	14	—%	
Total Average Number of Customers - Duke Energy Progress	1,561,961	1,538,474	1.5%	
Sources of Electric Energy (GWh)				
Generated - Net Output (3)				
Coal	2,303	1,644	40.1%	
Nuclear	6,867	6,705	2.4%	
Hydro	209	103	102.9%	
Oil and Natural Gas	6,199	5,836	6.2%	
Renewable Energy	54	62	(12.9%)	
Total Generation (4)	15,632	14,350	8.9%	
Purchased Power and Net Interchange (5)	2,235	1,824	22.5%	
Total Sources of Energy	17,867	16,174	10.5%	
Less: Line Loss and Other	641	537	19.4%	
Total GWh Sources	17,226	15,637	10.2%	
Owned MW Capacity (3)				
Summer	12,813	12,827		
Winter	14,016	14,034		
Nuclear Capacity Factor (%) (6)				
	90	88		
Heating and Cooling Degree Days				
Actual				
Heating Degree Days	1,614	1,203	34.2%	
Cooling Degree Days	23	10	130.0%	
Variance from Normal				
Heating Degree Days	(0.1%)	(25.6%)	n/a	
Cooling Degree Days	139.2%	11.1%	n/a	

(1) Except as indicated in footnote (2), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

(6) Statistics reflect 100% of jointly owned stations.

Duke Energy Florida
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
March 2018

	Three Months Ended March 31,			% Inc. (Dec.) Weather Normal (2)
	2018	2017	% Inc.(Dec.)	
GWh Sales (1)				
Residential	4,528	3,824	18.4%	
General Service	3,440	3,254	5.7%	
Industrial	758	755	0.4%	
Other Energy Sales	6	6	—%	
Unbilled Sales	(185)	156	(218.8%)	
Total Retail Sales	8,547	7,995	6.9%	0.2%
Wholesale and Other	572	310	84.5%	
Total Electric Sales - Duke Energy Florida	9,119	8,305	9.8%	
Average Number of Customers				
Residential	1,588,910	1,584,038	1.6%	
General Service	200,207	197,422	1.4%	
Industrial	2,109	2,156	(2.2%)	
Other Energy Sales	1,517	1,524	(0.5%)	
Total Retail Customers	1,792,743	1,765,140	1.6%	
Wholesale and Other	12	12	—%	
Total Average Number of Customers - Duke Energy Florida	1,792,755	1,765,152	1.6%	
Sources of Electric Energy (GWh)				
Generated - Net Output (3)				
Coal	2,121	2,117	0.2%	
Oil and Natural Gas	6,091	5,348	13.9%	
Renewable Energy	8	4	n/a	
Total Generation (4)	8,220	7,469	10.1%	
Purchased Power and Net Interchange (5)	1,378	1,296	6.3%	
Total Sources of Energy	9,598	8,765	9.5%	
Less: Line Loss and Other	479	480	4.1%	
Total GWh Sources	9,119	8,305	9.8%	
Owned MW Capacity (3)				
Summer	9,304	9,212		
Winter	10,255	10,332		
Heating and Cooling Degree Days				
Actual				
Heating Degree Days	383	176	117.6%	
Cooling Degree Days	264	273	(3.3%)	
Variance from Normal				
Heating Degree Days	1.1%	(53.6%)	n/a	
Cooling Degree Days	42.7%	49.2%	n/a	

(1) Except as indicated in footnote (2), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

Duke Energy Ohio
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
March 2018

	Three Months Ended March 31,			% Inc. (Dec.) Weather Normal (2)
	2018	2017	%	
GWh Sales (1)				
Residential	2,563	2,263	13.8%	
General Service	2,319	2,257	2.7%	
Industrial	1,387	1,441	(3.7%)	
Other Energy Sales	27	28	(3.6%)	
Unbilled Sales	(324)	(201)	(61.2%)	
Total Retail Sales	5,972	5,778	3.4%	(2.0%)
Wholesale and Other	100	281	(64.4%)	
Total Electric Sales - Duke Energy Ohio	6,072	6,059	0.2%	
Average Number of Customers				
Residential	766,947	759,487	1.0%	
General Service	88,263	88,141	0.1%	
Industrial	2,500	2,507	(0.3%)	
Other Energy Sales	3,331	3,282	1.5%	
Total Retail Customers	861,041	853,397	0.9%	
Wholesale and Other	1	1	—%	
Total Average Number of Customers - Duke Energy Ohio	861,042	853,398	0.9%	
Sources of Electric Energy (GWh)				
Generated - Net Output (3)				
Coal	676	1,203	(43.8%)	
Oil and Natural Gas	20	1	1,900.0%	
Total Generation (4)	696	1,204	(42.2%)	
Purchased Power and Net Interchange (5)	6,335	5,466	15.9%	
Total Sources of Energy	7,031	6,670	5.4%	
Less: Line Loss and Other	959	611	57.0%	
Total GWh Sources	6,072	6,059	0.2%	
Owned MW Capacity (3)				
Summer	1,076	1,076		
Winter	1,164	1,164		
Heating and Cooling Degree Days				
Actual				
Heating Degree Days	2,569	2,044	25.7%	
Cooling Degree Days	4	1	300.0%	
Variance from Normal				
Heating Degree Days	2.6%	(20.7%)	n/a	
Cooling Degree Days	(0.1%)	(75.0%)	n/a	

(1) Except as indicated in footnote (2), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

Duke Energy Indiana
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
March 2018

	Three Months Ended March 31,			% Inc. (Dec.) Weather Normal (2)
	2018	2017	% Inc.(Dec.)	
GWh Sales (1)				
Residential	2,866	2,484	15.4%	
General Service	2,003	1,962	2.1%	
Industrial	2,538	2,558	(0.8%)	
Other Energy Sales	13	13	—%	
Unbilled Sales	(276)	(158)	74.7%	
Total Retail Sales	7,144	6,859	4.2%	—%
Wholesale and Other	1,341	1,349	(0.6%)	
Total Electric Sales - Duke Energy Indiana	8,485	8,208	3.4%	
Average Number of Customers				
Residential	721,971	715,365	0.9%	
General Service	101,343	101,156	0.2%	
Industrial	2,725	2,704	0.8%	
Other Energy Sales	1,696	1,639	3.5%	
Total Retail Customers	827,735	820,864	0.8%	
Wholesale and Other	5	7	(28.6%)	
Total Average Number of Customers - Duke Energy Indiana	827,740	820,871	0.8%	
Sources of Electric Energy (GWh)				
Generated - Net Output (3)				
Coal	6,388	5,389	—%	
Hydro	20	45	(55.6%)	
Oil and Natural Gas	856	352	142.9%	
Renewable Energy	5	—	n/a	
Total Generation (4)	7,269	6,786	7.1%	
Purchased Power and Net Interchange (5)	1,655	1,499	10.4%	
Total Sources of Energy	8,924	8,285	7.7%	
Less: Line Loss and Other	438	77	468.8%	
Total GWh Sources	8,485	8,208	3.4%	
Owned MW Capacity (3)				
Summer	6,744	7,267		
Winter	7,183	7,762		
Heating and Cooling Degree Days				
Actual				
Heating Degree Days	2,831	2,208	28.2%	
Cooling Degree Days	4	—	—%	
Variance from Normal				
Heating Degree Days	2.4%	(20.1%)	n/a	
Cooling Degree Days	22.1%	(100.0%)	n/a	

(1) Except as indicated in footnote (2), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

Gas Utilities and Infrastructure
Quarterly Highlights
March 2018

	Three Months Ended March 31,		
	2018	2017	% Inc.(Dec.)
Total Sales			
Piedmont Natural Gas Local Distribution Company (LDC) throughput (dekatherms) (1)	154,901,379	133,276,787	18.2%
Duke Energy Midwest LDC throughput (Mcf)	37,126,065	30,830,999	20.4%
Average Number of Customers - Piedmont Natural Gas			
Residential	970,666	953,702	1.8%
Commercial	104,835	102,597	2.2%
Industrial	963	968	(0.5)%
Power Generation	17	15	13.3%
Total Average Number of Gas Customers - Piedmont Natural Gas	1,076,481	1,057,262	1.8%
Average Number of Customers - Duke Energy Midwest			
Residential	488,853	484,091	1.0%
General Service	45,280	45,340	(0.1)%
Industrial	1,661	1,669	(0.5)%
Other	138	141	(2.1)%
Total Average Number of Gas Customers - Duke Energy Midwest	535,932	531,241	0.9%

(1) Piedmont has a margin decoupling mechanism in North Carolina and weather normalization mechanisms in South Carolina and Tennessee that significantly eliminate the impact of throughput changes on earnings. Duke Energy Ohio's rate design also serves to offset this impact.

Commercial Renewables
Quarterly Highlights
March 2018

	Three Months Ended March 31,		
	2018	2017	% Inc.(Dec.)
Renewable Plant Production, GWh	2,180	2,285	(4.6)%
Net Proportional MW Capacity in Operation	2,943	2,943	— %

News Release



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Aug. 2, 2018

Duke Energy reports second quarter 2018 financial results

- **Second quarter 2018 GAAP EPS of \$0.71; adjusted EPS of \$0.93**
- **Company delivering on commitments as it executes on long-term strategy**
- **Company reaffirms 2018 adjusted EPS guidance range of \$4.55 to \$4.85**

CHARLOTTE, N.C. – Duke Energy (NYSE: DUK) today announced second quarter 2018 reported diluted earnings per share (EPS), prepared in accordance with Generally Accepted Accounting Principles (GAAP) of \$0.71, compared to \$0.98 for the second quarter of 2017. Duke Energy's second quarter 2018 adjusted diluted EPS was \$0.93, compared to \$1.01 for the second quarter of 2017. The company remains on track to achieve its earnings targets for the year.

Adjusted diluted EPS excludes the impact of certain items that are included in GAAP reported diluted EPS. The difference between second quarter 2018 GAAP reported diluted EPS and adjusted diluted EPS was primarily due to charges related to the Duke Energy Carolinas (DEC) North Carolina rate case order.

Adjusted diluted EPS for second quarter 2018 was lower than the prior year primarily due to a lower tax shield on holding company interest as a result of the Tax Cuts and Jobs Act of 2017 (Tax Act), higher depreciation from a growing asset base, and higher operation and maintenance expense (O&M) including storm costs; partially offset by warmer weather and contributions from the Duke Energy Progress (DEP) North Carolina rate case.

“Our second quarter results reinforce confidence as we deliver on our long-term strategy, creating value for customers and growth for investors,” said Lynn Good, Duke Energy chairman, president and CEO. “We have executed on our plan during the first half of the year - reaching constructive regulatory outcomes in the Carolinas, addressing tax reform impacts in our largest jurisdictions and making progress on key infrastructure investments like the Atlantic Coast Pipeline. We have the right strategy and are on track to achieve our full-year guidance for 2018.”

Business segment results

In addition to the following summary of second quarter 2018 business segment performance, comprehensive tables with detailed EPS drivers for the second quarter compared to prior year are provided in the tables at the end of this news release.

The discussion below of second quarter results includes both GAAP segment income and adjusted segment income, which is a non-GAAP financial measure. The tables at the end of this news release present a full reconciliation of GAAP reported results to adjusted results.

Electric Utilities and Infrastructure

On a reported basis, Electric Utilities and Infrastructure recognized second quarter 2018 segment income of \$575 million, compared to \$729 million in the second quarter of 2017. In addition to the drivers outlined below, second quarter 2018 results were impacted by \$136 million in after-tax charges primarily related to the DEC North Carolina rate case order. This amount was treated as a special item and excluded from adjusted earnings.

On an adjusted basis, Electric Utilities and Infrastructure recognized second quarter 2018 adjusted segment income of \$711 million, compared to \$729 million in the second quarter of 2017, a decrease of \$0.03 per share.

Lower quarterly results at Electric Utilities and Infrastructure were driven by higher depreciation and amortization expense (-\$0.07 per share) primarily due to a growing asset base, higher O&M expense (-\$0.03 per share) including storm restoration costs, the resolution of FERC accounting matters (-\$0.02 per share), and lower AFUDC equity (-\$0.02 per share). These unfavorable drivers were partially offset by warmer weather (+\$0.07 per share), higher rider revenues (+\$0.04 per share) and the DEP rate case contribution (+\$0.02 per share).

Gas Utilities and Infrastructure

On a reported and adjusted basis, Gas Utilities and Infrastructure recognized second quarter 2018 segment income of \$28 million, compared to \$27 million in the second quarter of 2017. As expected, results at Gas Utilities and Infrastructure were flat for the quarter, with the bulk of the remaining earnings expected to come in the fourth quarter.

Commercial Renewables

On a reported and adjusted basis, Commercial Renewables recognized second quarter 2018 segment income of \$38 million, compared to \$26 million in the second quarter of 2017, an increase of \$0.02 per share. Higher quarterly results at Commercial Renewables were primarily due to a favorable settlement on a contractual agreement.

Other

Other primarily includes interest expense on holding company debt, other unallocated corporate costs and results from Duke Energy's captive insurance company.

On a reported basis, Other recognized a second quarter 2018 net loss of \$136 million, compared to a net loss of \$94 million in the second quarter of 2017. In addition to the drivers outlined below, second quarter 2018 results were impacted by costs to achieve the Piedmont merger. These costs were treated as special items and excluded from adjusted earnings.

On an adjusted basis, Other recognized a second quarter 2018 adjusted net loss of \$121 million, compared to an adjusted net loss of \$75 million in the second quarter of 2017, a difference of \$0.07 per share. Lower quarterly results at Other were primarily due to a lower

tax shield on holding company interest as a result of the Tax Act (-\$0.04 per share) and higher interest expense (-\$0.02 per share).

Duke Energy's consolidated reported effective tax rate for the second quarter of 2018 was 16.5% compared to 32.1% in the second quarter of 2017. The consolidated adjusted effective tax rate for second quarter 2018 was 18.4%, compared to 32.3% in 2017. The decreases in the reported and adjusted effective tax rates were primarily due to the impacts of the Tax Act. Adjusted effective tax rate is a non-GAAP financial measure. The tables at the end of this news release present a reconciliation of the reported effective tax rate to the adjusted effective tax rate.

Earnings conference call for analysts

An earnings conference call for analysts is scheduled from 10 to 11 a.m. ET today to discuss the second quarter 2018 financial results and other business and financial updates. The conference call will be hosted by Lynn Good, chairman, president and chief executive officer, and Steve Young, executive vice president and chief financial officer.

The call can be accessed via the investors section (www.duke-energy.com/investors) of Duke Energy's website or by dialing 888-778-8913 in the United States or 719-325-4773 outside the United States. The confirmation code is 5013212. Please call in 10 to 15 minutes prior to the scheduled start time.

A replay of the conference call will be available until 1 p.m. ET, August 12, 2018, by calling 888-203-1112 in the United States or 719-457-0820 outside the United States and using the code 5013212. An audio replay and transcript will also be available by accessing the investors section of the company's website.

Special Items and Non-GAAP Reconciliation

The following tables present a reconciliation of GAAP reported to adjusted diluted EPS for second quarter 2018 and 2017 financial results:

(In millions, except per-share amounts)	After-Tax Amount	2Q 2018 EPS	2Q 2017 EPS
Diluted EPS, as reported		\$ 0.71	\$ 0.98
Adjustments to reported EPS:			
Second Quarter 2018			
Costs to Achieve Piedmont merger	\$ 15	0.02	
Regulatory and Legislative Impacts	136	0.19	
Discontinued Operations	5	0.01	
Second Quarter 2017			
Costs to Achieve Piedmont merger	19		0.03
Discontinued Operations	2		
Total adjustments		\$ 0.22	\$ 0.03
Diluted EPS, adjusted		\$ 0.93	\$ 1.01

Non-GAAP financial measures

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings, adjusted diluted EPS, and adjusted effective tax rate. Adjusted earnings and adjusted diluted EPS represent income from continuing operations attributable to Duke Energy, adjusted for the dollar and per-share impact of special items. The adjusted effective tax rate is calculated using pretax earnings and income tax expense, both as adjusted for the impact of special items. As discussed below, special items include certain charges and credits which management believes are not indicative of Duke Energy's ongoing performance.

Management believes the presentation of adjusted earnings, adjusted diluted EPS, and the adjusted effective tax rate provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses these non-GAAP financial measures for planning and forecasting, and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings, adjusted diluted EPS and adjusted effective tax rate are Net Income Attributable to Duke Energy Corporation (GAAP reported earnings) and Diluted EPS Attributable to Duke Energy Corporation common stockholders (GAAP reported EPS), and the reported effective tax rate, respectively.

Special items included in the periods presented include the following items, which management believes do not reflect ongoing costs:

- Costs to achieve Piedmont merger represent charges that result from the Piedmont acquisition.
- Regulatory and Legislative Impacts represent charges related to rate case orders, settlements or other actions of regulators or legislative bodies.
- Sale of Retired Plant represents the loss associated with selling Beckjord Generating Station (Beckjord), a non-regulated generating facility in Ohio.
- Impairment of Equity Method Investment represents an other-than-temporary impairment of an investment in Constitution Pipeline Company, LLC (Constitution).
- Impacts of the Tax Act represents an Alternative Minimum Tax (AMT) valuation allowance recognized related to the Tax Act.

Due to the forward-looking nature of any forecasted adjusted earnings guidance, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods (such as legal settlements, the impact of regulatory orders or asset impairments).

Management evaluates segment performance based on segment income and other net loss. Segment income is defined as income from continuing operations attributable to Duke Energy. Segment income includes intercompany revenues and expenses that are eliminated in the Condensed Consolidated Financial Statements. Management also uses adjusted segment

income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for special items, which are discussed above. Management believes the presentation of adjusted segment income provides useful information to investors, as it provides them with an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income or adjusted other net loss is segment income and other net loss.

Due to the forward-looking nature of any forecasted adjusted segment income or adjusted other net loss and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast all special items, as discussed above.

Duke Energy's adjusted earnings, adjusted diluted EPS and adjusted segment income may not be comparable to similarly titled measures of another company because other companies may not calculate the measures in the same manner.

Duke Energy

Headquartered in Charlotte, N.C., Duke Energy (NYSE: DUK) is one of the largest energy holding companies in the U.S., with approximately 29,000 employees and a generating capacity of 49,500 megawatts. The company is transforming its customers' experience, modernizing its energy grid, generating cleaner energy and expanding its natural gas infrastructure to create a smarter energy future for the people and communities it serves.

The company's Electric Utilities and Infrastructure unit serves approximately 7.6 million retail electric customers in six states - North Carolina, South Carolina, Florida, Indiana, Ohio and Kentucky. Its Gas Utilities and Infrastructure unit distributes natural gas to approximately 1.6 million customers in five states - North Carolina, South Carolina, Tennessee, Ohio and Kentucky. Its Commercial Renewables unit operates a growing renewable energy portfolio across the U.S.

A Fortune 125 company, Duke Energy was named to Fortune's 2018 "World's Most Admired Companies" list and Forbes' 2018 "America's Best Employers" list.

More information about the company is available at duke-energy.com. The [Duke Energy News Center](#) includes news releases, fact sheets, photos, videos and other materials. Duke Energy's [illumination](#) features stories about people, innovations, community topics and environmental issues. Follow Duke Energy on [Twitter](#), [LinkedIn](#), [Instagram](#) and [Facebook](#).

Forward-Looking Information

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to:

- State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices;
- The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate;
- The ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process;
- The costs of decommissioning Crystal River Unit 3 and other nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process;
- Costs and effects of legal and administrative proceedings, settlements, investigations and claims;
- Industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies;
- Federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs;
- Advancements in technology;
- Additional competition in electric and natural gas markets and continued industry consolidation;
- The influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change;
- The ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources;
- The ability to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business;
- Operational interruptions to our natural gas distribution and transmission activities;
- The availability of adequate interstate pipeline transportation capacity and natural gas supply;
- The impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches and other catastrophic events, such as fires, explosions, pandemic health events or other similar occurrences;
- The inherent risks associated with the operation of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third-party service providers;

- The timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets;
- The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions and general market and economic conditions;
- Credit ratings of the Duke Energy Registrants may be different from what is expected;
- Declines in the market prices of equity and fixed-income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans and nuclear decommissioning trust funds;
- Construction and development risks associated with the completion of the Duke Energy Registrants' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all;
- Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants;
- The ability to control operation and maintenance costs;
- The level of creditworthiness of counterparties to transactions;
- Employee workforce factors, including the potential inability to attract and retain key personnel;
- The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);
- The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities;
- The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- The impact of new U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings;
- The impacts from potential impairments of goodwill or equity method investment carrying values; and
- The ability to implement our business strategy.

Additional risks and uncertainties are identified and discussed in the Duke Energy Registrants' reports filed with the SEC and available at the SEC's website at www.sec.gov. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made and the Duke Energy Registrants expressly disclaim an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended June 30, 2018
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Items		Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Piedmont Merger	Regulatory and Legislative Impacts			
SEGMENT INCOME						
Electric Utilities and Infrastructure	\$ 575	\$ —	\$ 136	\$ —	\$ 136	\$ 711
Gas Utilities and Infrastructure	28	—	—	—	—	28
Commercial Renewables	38	—	—	—	—	38
Total Reportable Segment Income	641	—	136	—	136	777
Other	(136)	15 A	—	—	15	(121)
Discontinued Operations	(5)	—	—	5 C	5	—
Net Income Attributable to Duke Energy Corporation	\$ 500	\$ 15	\$ 136	\$ 5	\$ 156	\$ 656
EPS ATTRIBUTABLE TO DUKE ENERGY CORP, DILUTED	\$ 0.71	\$ 0.02	\$ 0.19	\$ 0.01	\$ 0.22	\$ 0.93

A - Net of \$5 million tax benefit. \$20 million recorded within Operating Expenses on the Condensed Consolidated Statements of Operations.

B - Net of \$43 million tax benefit at Duke Energy Carolinas. \$175 million recorded within Impairment charges and \$4 million recorded within Operations, maintenance and other on the Duke Energy Carolinas Condensed Consolidated Statements of Operations.

C - Recorded in Loss from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

Weighted Average Shares, Diluted (reported and adjusted) - 704 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Six Months Ended June 30, 2018
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Items					Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Piedmont Merger	Regulatory and Legislative Impacts	Sale of Retired Plant	Impairment of Equity Method Investment	Impacts of the Tax Act			
SEGMENT INCOME									
Electric Utilities and Infrastructure	\$ 1,325	\$ —	\$ 202 B	\$ —	\$ —	\$ —	\$ —	\$ 202	\$ 1,527
Gas Utilities and Infrastructure	144	—	—	—	42 D	—	—	42	186
Commercial Renewables	58	—	—	—	—	—	—	—	58
Total Reportable Segment Income	1,527	—	202	—	42	—	—	244	1,771
Other	(402)	28 A	—	82 C	—	76 E	—	186	(216)
Discontinued Operations	(5)	—	—	—	—	—	5 F	5	—
Net Income Attributable to Duke Energy Corporation	\$ 1,120	\$ 28	\$ 202	\$ 82	\$ 42	\$ 76	\$ 5	\$ 435	\$ 1,555
EPS ATTRIBUTABLE TO DUKE ENERGY CORP, DILUTED	\$ 1.59	\$ 0.04	\$ 0.29	\$ 0.12	\$ 0.06	\$ 0.11	\$ 0.01	\$ 0.63	\$ 2.22

A - Net of \$9 million tax benefit. \$37 million recorded within Operating Expenses on the Condensed Consolidated Statements of Operations.

B - Net of \$16 million tax benefit at Duke Energy Progress and \$47 million tax benefit at Duke Energy Carolinas.

- On the Duke Energy Progress Condensed Consolidated Statements of Operations, \$32 million is recorded within Impairment charges, \$31 million within Operations, maintenance and other, \$6 million within Interest Expense and \$(1) million within Depreciation and amortization.
- On the Duke Energy Carolinas Condensed Consolidated Statements of Operations, \$188 million is recorded within Impairment charges, \$8 million within Operations, maintenance and other, and \$1 million within Depreciation and amortization.

C - Net of \$25 million tax benefit. \$107 million recorded within Gains (Losses) on Sales of Other Assets and Other, net on the Condensed Consolidated Statements of Operations.

D - Net of \$13 million tax benefit. \$55 million included within Other Income and Expenses on the Condensed Consolidated Statements of Operations.

E - \$76 million AMT valuation allowance within Income Tax Expense from Continuing Operations on the Condensed Consolidated Statements of Operations.

F - Recorded in Loss from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

Weighted Average Shares, Diluted (reported and adjusted) - 702 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended June 30, 2017
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Item Costs to Achieve Piedmont Merger	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME					
Electric Utilities and Infrastructure	\$ 729	\$ —	\$ —	\$ —	\$ 729
Gas Utilities and Infrastructure	27	—	—	—	27
Commercial Renewables	26	—	—	—	26
Total Reportable Segment Income	782	—	—	—	782
Other	(94)	19 A	—	19	(75)
Discontinued Operations	(2)	—	2 B	2	—
Net Income Attributable to Duke Energy Corporation	\$ 686	\$ 19	\$ 2	\$ 21	\$ 707
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 0.98	\$ 0.03	\$ —	\$ 0.03	\$ 1.01

A - Net of \$11 million tax benefit. \$30 million recorded within Operating Expenses on the Condensed Consolidated Statements of Operations.

B - Recorded in Loss from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

Weighted Average Shares, Diluted (reported and adjusted) - 700 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Six Months Ended June 30, 2017
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Item Costs to Achieve Piedmont Merger	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME					
Electric Utilities and Infrastructure	\$ 1,364	\$ —	\$ —	\$ —	\$ 1,364
Gas Utilities and Infrastructure	160	—	—	—	160
Commercial Renewables	51	—	—	—	51
Total Reportable Segment Income	1,575	—	—	—	1,575
Other	(171)	29 A	—	29	(142)
Discontinued Operations	(2)	—	2 B	2	—
Net Income Attributable to Duke Energy Corporation	\$ 1,402	\$ 29	\$ 2	\$ 31	\$ 1,433
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 2.00	\$ 0.05	\$ —	\$ 0.05	\$ 2.05

A - Net of \$17 million tax benefit. \$45 million recorded within Operating Expenses and \$1 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

B - Recorded in Loss from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

Weighted Average Shares, Diluted (reported and adjusted) - 700 million

DUKE ENERGY CORPORATION
ADJUSTED EFFECTIVE TAX RECONCILIATION
June 2018
(Dollars in millions)

	Three Months Ended June 30, 2018		Six Months Ended June 30, 2018	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income From Continuing Operations Before Income Taxes	\$ 607		\$ 1,410	
Costs to Achieve Piedmont Merger	20		37	
Regulatory and Legislative Impacts	179		265	
Sale of Retired Plant	—		107	
Impairment of Equity Method Investment	—		55	
Noncontrolling Interests	(2)		(4)	
Adjusted Pretax Income	\$ 804		\$ 1,870	
Reported Income Tax Expense From Continuing Operations	\$ 100	16.5%	\$ 281	19.9%
Costs to Achieve Piedmont Merger	5		9	
Regulatory and Legislative Impacts	43		63	
Sale of Retired Plant	—		25	
Impairment of Equity Method Investment	—		13	
Impacts of the Tax Act	—		(76)	
Adjusted Tax Expense	\$ 148	18.4% *	\$ 315	16.8% *

	Three Months Ended June 30, 2017		Six Months Ended June 30, 2017	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income From Continuing Operations Before Income Taxes	\$ 1,018		\$ 2,079	
Costs to Achieve Piedmont Merger	30		46	
Noncontrolling Interests	(3)		(4)	
Adjusted Pretax Income	\$ 1,045		\$ 2,121	
Reported Income Tax Expense From Continuing Operations	\$ 327	32.1%	\$ 671	32.3%
Costs to Achieve Piedmont Merger	11		17	
Adjusted Tax Expense	\$ 338	32.3% *	\$ 688	32.4% *

*Adjusted effective tax rate is a non-GAAP financial measure as the rate is calculated using pretax earnings and income tax expense, both adjusted for the impact of special items. The most directly comparable GAAP measure for adjusted effective tax rate is reported effective tax rate, which includes the impact of special items.

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
June 2018 QTD vs. Prior Year

(\$ per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Discontinued Operations	Consolidated
2017 QTD Reported Earnings Per Share, Diluted	\$ 1.04	\$ 0.04	\$ 0.04	\$ (0.14)	\$ —	\$ 0.98
Costs to Achieve Piedmont Merger	—	—	—	0.03	—	0.03
2017 QTD Adjusted Earnings Per Share, Diluted	\$ 1.04	\$ 0.04	\$ 0.04	\$ (0.11)	\$ —	\$ 1.01
Weather	0.07	—	—	—	—	0.07
Volume	(0.01)	—	—	—	—	(0.01)
Pricing and Riders ^(a)	0.07	0.01	—	—	—	0.08
Wholesale ^(b)	0.01	—	—	—	—	0.01
Operations and maintenance, net of recoverables ^(c)	(0.03)	(0.01)	—	—	—	(0.04)
Duke Energy Renewables	—	—	0.02	—	—	0.02
Interest Expense and AFUDC ^(d)	(0.03)	—	—	(0.02)	—	(0.05)
Other ^(e)	(0.12)	—	—	(0.01)	—	(0.13)
Change in effective income tax rate, including impacts of the Tax Act ^(f)	0.01	—	—	(0.04)	—	(0.03)
2018 QTD Adjusted Earnings Per Share, Diluted	\$ 1.01	\$ 0.04	\$ 0.06	\$ (0.18)	\$ —	\$ 0.93
Costs to Achieve Piedmont Merger	—	—	—	(0.02)	—	(0.02)
Regulatory and Legislative Impacts	(0.19)	—	—	—	—	(0.19)
Discontinued Operations	—	—	—	—	(0.01)	(0.01)
2018 QTD Reported Earnings Per Share, Diluted	\$ 0.82	\$ 0.04	\$ 0.06	\$ (0.20)	\$ (0.01)	\$ 0.71

Note: Earnings Per Share amounts are calculated using the prior year consolidated statutory income tax rate for all drivers except Commercial Renewables, which uses an effective rate.

(a) Electric Utilities and Infrastructure includes rate increases at DEP as a result of the North Carolina rate case (+\$0.03) and increased rider revenues (+\$0.04).

(b) Primarily due to the recovery of deferred coal ash costs from wholesale customers in the Carolinas, which is offset in depreciation (+\$0.03), and charges related to the resolution of FERC accounting matters (-\$0.02).

(c) Electric Utilities and Infrastructure is primarily due to higher storm costs compared to the prior year (-\$0.02).

(d) Electric Utilities and Infrastructure includes lower AFUDC equity (-\$0.02) and higher interest expense (-\$0.01).

(e) Electric Utilities and Infrastructure is primarily due to the amortization of coal ash costs, which is partially offset in wholesale (-\$0.04), higher depreciation associated with the DEP rate case (-\$0.02), and other increases in depreciation and amortization (-\$0.07), primarily due to a growing asset base.

(f) Includes the net earnings impact of the Tax Act, including regulatory deferrals. Electric Utilities and Infrastructure also includes a benefit related to the return of North Carolina state excess deferred income taxes as a result of the DEP rate case.

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
June 2018 YTD vs. Prior Year

(\$ per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Discontinued Operations	Consolidated
2017 YTD Reported Earnings Per Share, Diluted	\$ 1.95	\$ 0.23	\$ 0.07	\$ (0.25)	\$ —	\$ 2.00
Costs to Achieve Piedmont Merger	—	—	—	0.05	—	0.05
2017 YTD Adjusted Earnings Per Share, Diluted	\$ 1.95	\$ 0.23	\$ 0.07	\$ (0.20)	\$ —	\$ 2.05
Weather	0.23	—	—	—	—	0.23
Volume	0.02	0.01	—	—	—	0.03
Pricing and Riders ^(a)	0.11	0.03	—	—	—	0.14
Wholesale ^(b)	0.05	—	—	—	—	0.05
Operations and maintenance, net of recoverables	0.02	(0.01)	—	—	—	0.01
Duke Energy Renewables	—	—	0.01	—	—	0.01
Interest Expense and AFUDC ^(c)	(0.04)	—	—	(0.05)	—	(0.09)
Other ^(d)	(0.22)	—	—	(0.01)	—	(0.23)
Change in effective income tax rate, including impacts of the Tax Act ^(e)	0.06	0.01	—	(0.05)	—	0.02
2018 YTD Adjusted Earnings Per Share, Diluted	\$ 2.18	\$ 0.27	\$ 0.08	\$ (0.31)	\$ —	\$ 2.22
Costs to Achieve Piedmont Merger	—	—	—	(0.04)	—	(0.04)
Regulatory and Legislative Impacts	(0.29)	—	—	—	—	(0.29)
Sale of Retired Plant	—	—	—	(0.12)	—	(0.12)
Impairment of Equity Method Investment	—	(0.06)	—	—	—	(0.06)
Impacts of the Tax Act (Alternative Minimum Tax valuation allowance)	—	—	—	(0.11)	—	(0.11)
Discontinued Operations	—	—	—	—	(0.01)	(0.01)
2018 YTD Reported Earnings Per Share, Diluted	\$ 1.89	\$ 0.21	\$ 0.08	\$ (0.58)	\$ (0.01)	\$ 1.59

Note: Earnings Per Share amounts are calculated using the prior year consolidated statutory income tax rate for all drivers except for Commercial Renewables, which uses an effective rate.

(a) Electric Utilities and Infrastructure includes rate increases at DEP as a result of the North Carolina rate case (+\$0.04) and increased rider revenues (+\$0.07).

(b) Primarily due to the recovery of deferred coal ash costs from wholesale customers in the Carolinas, which is offset in depreciation (+\$0.07), partially offset by charges related to the resolution of FERC accounting matters (-\$0.04).

(c) Electric Utilities and Infrastructure includes lower AFUDC equity (-\$0.03) and higher interest expense (-\$0.01).

(d) Electric Utilities and Infrastructure is primarily due to amortization of coal ash costs, which is partially offset in wholesale (-\$0.08), higher depreciation associated with the DEP rate case (-\$0.02) and other increases in depreciation and amortization (-\$0.11), primarily due to a growing asset base.

(e) Includes the net earnings impact of the Tax Act, including regulatory deferrals. Electric Utilities and Infrastructure also includes a benefit related to the return of North Carolina state excess deferred income taxes as a result of the DEP rate case.

June 2018
QUARTERLY HIGHLIGHTS
(Unaudited)

<i>(In millions, except per-share amounts and where noted)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Earnings Per Share - Basic and Diluted				
Income from continuing operations attributable to Duke Energy Corporation common stockholders				
Basic	\$ 0.72	\$ 0.98	\$ 1.60	\$ 2.00
Diluted	\$ 0.72	\$ 0.98	\$ 1.60	\$ 2.00
Loss from discontinued operations attributable to Duke Energy Corporation common stockholders				
Basic	\$ (0.01)	\$ —	\$ (0.01)	\$ —
Diluted	\$ (0.01)	\$ —	\$ (0.01)	\$ —
Net income attributable to Duke Energy Corporation common stockholders				
Basic	\$ 0.71	\$ 0.98	\$ 1.59	\$ 2.00
Diluted	\$ 0.71	\$ 0.98	\$ 1.59	\$ 2.00
Weighted average shares outstanding				
Basic	703	700	702	700
Diluted	704	700	702	700
INCOME (LOSS) BY BUSINESS SEGMENT				
Electric Utilities and Infrastructure ^(a)	\$ 575	\$ 729	\$ 1,325	\$ 1,364
Gas Utilities and Infrastructure ^(b)	28	27	144	160
Commercial Renewables	38	26	58	51
Total Reportable Segment Income	641	782	1,527	1,575
Other ^{(c)(d)}	(136)	(94)	(402)	(171)
Loss from Discontinued Operations	(5)	(2)	(5)	(2)
Net income Attributable to Duke Energy Corporation	\$ 500	\$ 686	\$ 1,120	\$ 1,402
CAPITALIZATION				
Total Common Equity (%)			43%	44%
Total Debt (%)			57%	56%
Total Debt			\$ 56,044	\$ 53,003
Book Value Per Share			\$ 69.71	\$ 58.99
Actual Shares Outstanding			712	700
CAPITAL AND INVESTMENT EXPENDITURES				
Electric Utilities and Infrastructure	\$ 1,970	\$ 1,571	\$ 3,743	\$ 3,445
Gas Utilities and Infrastructure	181	265	409	607
Commercial Renewables	16	10	103	69
Other	68	37	141	97
Total Capital and Investment Expenditures	\$ 2,235	\$ 1,883	\$ 4,396	\$ 4,218

(a) Includes regulatory and legislative charges related to rate case orders, settlements or other actions of regulators or legislative bodies of \$136 million (net of tax of \$43 million) for the three months ended June 30, 2018, and \$202 million (net of tax of \$63 million) for the six months ended June 30, 2018.

(b) Includes an other-than-temporary impairment of an investment in Constitution of \$42 million (net of tax of \$13 million) for the six months ended June 30, 2018.

(c) Includes the loss associated with selling Beckjord, a non-regulated generating facility in Ohio which was retired in 2014, of \$82 million (net of tax of \$25 million) for the six months ended June 30, 2018.

(d) Includes an Alternative Minimum Tax valuation allowance recognized related to the Tax Act of \$76 million for the six months ended June 30, 2018.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)
(In millions, except per-share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Operating Revenues				
Regulated electric	\$ 5,178	\$ 5,118	\$ 10,462	\$ 10,031
Regulated natural gas	291	275	991	921
Nonregulated electric and other	174	162	325	332
Total operating revenues	5,643	5,555	11,778	11,284
Operating Expenses				
Fuel used in electric generation and purchased power	1,574	1,541	3,250	2,990
Cost of natural gas	89	76	402	334
Operation, maintenance and other	1,544	1,441	3,008	2,909
Depreciation and amortization	973	835	1,940	1,694
Property and other taxes	315	307	631	611
Impairment charges	172	9	215	9
Total operating expenses	4,667	4,209	9,446	8,547
Gains (Losses) on Sales of Other Assets and Other, net	3	7	(97)	18
Operating Income	979	1,353	2,235	2,755
Other Income and Expenses				
Equity in earnings of unconsolidated affiliates	36	36	12	65
Other income and expenses, net	110	115	196	236
Total other income and expenses	146	151	208	301
Interest Expense	518	486	1,033	977
Income From Continuing Operations Before Income Taxes	607	1,018	1,410	2,079
Income Tax Expense From Continuing Operations	100	327	281	671
Income From Continuing Operations	507	691	1,129	1,408
Loss From Discontinued Operations, net of tax	(5)	(2)	(5)	(2)
Net Income	502	689	1,124	1,406
Less: Net Income Attributable to Noncontrolling Interests	2	3	4	4
Net Income Attributable to Duke Energy Corporation	\$ 500	\$ 686	\$ 1,120	\$ 1,402
Earnings Per Share - Basic and Diluted				
Income from continuing operations attributable to Duke Energy Corporation common stockholders				
Basic	\$ 0.72	\$ 0.98	\$ 1.60	\$ 2.00
Diluted	\$ 0.72	\$ 0.98	\$ 1.60	\$ 2.00
Loss from discontinued operations attributable to Duke Energy Corporation common stockholders				
Basic	\$ (0.01)	\$ —	\$ (0.01)	\$ —
Diluted	\$ (0.01)	\$ —	\$ (0.01)	\$ —
Net income attributable to Duke Energy Corporation common stockholders				
Basic	\$ 0.71	\$ 0.98	\$ 1.59	\$ 2.00
Diluted	\$ 0.71	\$ 0.98	\$ 1.59	\$ 2.00
Weighted average shares outstanding				
Basic	703	700	702	700
Diluted	704	700	702	700

Note: Prior period amounts have been recast to reclassify the presentation of the non-service cost (benefit) components of net periodic costs from Operation, maintenance and other to Other income and expenses due to the adoption of new accounting guidance on January 1, 2018.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	June 30, 2018	December 31, 2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 304	\$ 358
Receivables (net of allowance for doubtful accounts of \$18 at 2018 and \$14 at 2017)	612	779
Receivables of VIEs (net of allowance for doubtful accounts of \$56 at 2018 and \$54 at 2017)	2,205	1,995
Inventory	3,177	3,250
Regulatory assets (includes \$51 at 2018 and 2017 related to VIEs)	1,741	1,437
Other	437	634
Total current assets	8,476	8,453
Property, Plant and Equipment		
Cost	130,616	127,507
Accumulated depreciation and amortization	(42,499)	(41,537)
Generation facilities to be retired, net	378	421
Net property, plant and equipment	88,495	86,391
Other Noncurrent Assets		
Goodwill	19,396	19,396
Regulatory assets (includes \$1,071 at 2018 and \$1,091 at 2017 related to VIEs)	12,505	12,442
Nuclear decommissioning trust funds	7,132	7,097
Investments in equity method unconsolidated affiliates	1,168	1,175
Other	3,087	2,960
Total other noncurrent assets	43,288	43,070
Total Assets	\$ 140,259	\$ 137,914
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 2,686	\$ 3,043
Notes payable and commercial paper	3,329	2,163
Taxes accrued	494	551
Interest accrued	530	525
Current maturities of long-term debt (includes \$229 at 2018 and \$225 at 2017 related to VIEs)	2,852	3,244
Asset retirement obligations	716	689
Regulatory liabilities	485	402
Other	1,699	1,865
Total current liabilities	12,791	12,482
Long-Term Debt (includes \$4,179 at 2018 and \$4,306 at 2017 related to VIEs)	49,863	49,035
Other Noncurrent Liabilities		
Deferred income taxes	6,977	6,621
Asset retirement obligations	9,753	9,486
Regulatory liabilities	15,355	15,330
Accrued pension and other post-retirement benefit costs	1,014	1,103
Investment tax credits	534	539
Other	1,457	1,581
Total other noncurrent liabilities	35,090	34,660
Commitments and Contingencies		
Equity		
Common stock, \$0.001 par value, 2 billion shares authorized, 712 million shares outstanding at 2018 and 700 million shares outstanding at 2017	1	1
Additional paid-in capital	39,682	38,792
Retained earnings	2,894	3,013
Accumulated other comprehensive loss	(70)	(67)
Total Duke Energy Corporation stockholders' equity	42,507	41,739
Noncontrolling interests	8	(2)
Total equity	42,515	41,737
Total Liabilities and Equity	\$ 140,259	\$ 137,914

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	Six Months Ended June 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 1,124	\$ 1,406
Adjustments to reconcile net income to net cash provided by operating activities	2,178	1,394
Net cash provided by operating activities	<u>3,302</u>	<u>2,800</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	<u>(4,645)</u>	<u>(4,344)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by financing activities	<u>1,265</u>	<u>1,474</u>
Net decrease in cash and cash equivalents	(78)	(70)
Cash and cash equivalents at beginning of period	505	541
Cash and cash equivalents at end of period	<u>\$ 427</u>	<u>\$ 471</u>

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

(in millions)	Three Months Ended June 30, 2018					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/ Adjustments	Duke Energy
Operating Revenues						
Regulated electric	\$ 5,223	\$ —	\$ —	\$ —	(45)	\$ 5,178
Regulated natural gas	—	315	—	—	(24)	291
Nonregulated electric and other	—	3	119	32	20	174
Total operating revenues	5,223	318	119	32	(49)	5,643
Operating Expenses						
Fuel used in electric generation and purchased power	1,582	—	—	15	(23)	1,574
Cost of natural gas	—	89	—	—	—	89
Operation, maintenance and other	1,395	103	69	3	(26)	1,544
Depreciation and amortization	838	60	38	37	—	973
Property and other taxes	279	26	6	4	—	315
Impairment charges	172	—	—	—	—	172
Total operating expenses	4,266	278	113	59	(49)	4,667
Gains on Sales of Other Assets and Other, net	—	—	—	2	1	3
Operating Income (Loss)	957	40	6	(25)	1	979
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	2	17	2	16	(1)	36
Other income and expenses, net	89	5	16	11	(11)	110
Total Other Income and Expenses	91	22	18	27	(12)	146
Interest Expense	316	26	23	164	(11)	518
Income (Loss) from Continuing Operations Before Income Taxes	732	36	1	(162)	—	607
Income Tax Expense (Benefit) from Continuing Operations	157	8	(36)	(28)	(1)	100
Income (Loss) from Continuing Operations	575	28	37	(134)	1	507
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(1)	2	1	2
Segment Income / Other Net Loss	\$ 575	\$ 28	\$ 38	\$ (136)	\$ —	\$ 505
Loss from Discontinued Operations, net of tax						(5)
Net Income Attributable to Duke Energy Corporation						\$ 500
Segment Income / Other Net Loss	\$ 575	\$ 28	\$ 38	\$ (136)	\$ —	\$ 505
Special Items	136	—	—	15	—	151
Adjusted Earnings ^(a)	\$ 711	\$ 28	\$ 38	\$ (121)	\$ —	\$ 656

(a) See Reported To Adjusted Earnings Reconciliation above for a detailed reconciliation of Segment Income / Other Net Loss to Adjusted Earnings.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

(in millions)	Six Months Ended June 30, 2018					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/ Adjustments	Duke Energy
Operating Revenues						
Regulated electric	\$ 10,546	\$ —	\$ —	\$ —	\$ (84)	\$ 10,462
Regulated natural gas	—	1,040	—	—	(49)	991
Nonregulated electric and other	—	5	220	67	33	325
Total operating revenues	10,546	1,045	220	67	(100)	11,778
Operating Expenses						
Fuel used in electric generation and purchased power	3,267	—	—	29	(46)	3,250
Cost of natural gas	—	402	—	—	—	402
Operation, maintenance and other	2,720	211	124	6	(53)	3,008
Depreciation and amortization	1,673	121	76	70	—	1,940
Property and other taxes	553	57	13	8	—	631
Impairment charges	215	—	—	—	—	215
Total operating expenses	8,428	791	213	113	(99)	9,446
Gains (Losses) on Sales of Other Assets and Other, net	1	—	—	(99)	1	(97)
Operating Income (Loss)	2,119	254	7	(145)	—	2,235
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	4	(23)	2	29	—	12
Other income and expenses, net	175	10	18	12	(19)	196
Total Other Income and Expenses	179	(13)	20	41	(19)	208
Interest Expense	633	53	45	321	(19)	1,033
Income (Loss) from Continuing Operations Before Income Taxes	1,665	188	(18)	(425)	—	1,410
Income Tax Expense (Benefit) from Continuing Operations	340	44	(75)	(27)	(1)	281
Income (Loss) from Continuing Operations	1,325	144	57	(398)	1	1,129
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(1)	4	1	4
Segment Income / Other Net Loss	\$ 1,325	\$ 144	\$ 58	\$ (402)	\$ —	\$ 1,125
Loss from Discontinued Operations, net of tax						(5)
Net Income Attributable to Duke Energy Corporation						\$ 1,120
Segment Income / Other Net Loss	\$ 1,325	\$ 144	\$ 58	\$ (402)	\$ —	\$ 1,125
Special Items	202	42	—	186	—	430
Adjusted Earnings ^(a)	\$ 1,527	\$ 186	\$ 58	\$ (216)	\$ —	\$ 1,555

(a) See Reported To Adjusted Earnings Reconciliation above for a detailed reconciliation of Segment Income / Other Net Loss to Adjusted Earnings.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

(in millions)	Three Months Ended June 30, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/ Adjustments	Duke Energy
Operating Revenues						
Regulated electric	\$ 5,158	\$ —	\$ —	\$ —	\$ (40)	\$ 5,118
Regulated natural gas	—	298	—	—	(23)	275
Nonregulated electric and other	—	3	110	35	14	162
Total operating revenues	5,158	301	110	35	(49)	5,555
Operating Expenses						
Fuel used in electric generation and purchased power	1,549	—	—	14	(22)	1,541
Cost of natural gas	—	76	—	—	—	76
Operation, maintenance and other	1,299	94	58	19	(29)	1,441
Depreciation and amortization	714	57	38	26	—	835
Property and other taxes	270	26	8	4	(1)	307
Impairment charges	2	—	—	7	—	9
Total operating expenses	3,834	253	104	70	(52)	4,209
Gains (Loss) on Sales of Other Assets and Other, net	1	—	2	6	(2)	7
Operating Income (Loss)	1,325	48	8	(29)	1	1,353
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	1	19	(1)	17	—	36
Other income and expenses, net	109	2	—	12	(8)	115
Total Other Income and Expenses	110	21	(1)	29	(8)	151
Interest Expense	305	26	23	139	(7)	486
Income (Loss) from Continuing Operations Before Income Taxes	1,130	43	(16)	(139)	—	1,018
Income Tax Expense (Benefit) from Continuing Operations	401	16	(42)	(48)	—	327
Income (Loss) from Continuing Operations	729	27	26	(91)	—	691
Less: Net Income Attributable to Noncontrolling Interest	—	—	—	3	—	3
Segment Income / Other Net Loss	\$ 729	\$ 27	\$ 26	\$ (94)	\$ —	\$ 688
Loss from Discontinued Operations, net of tax						(2)
Net Income Attributable to Duke Energy Corporation						\$ 686
Segment Income / Other Net Loss	\$ 729	\$ 27	\$ 26	\$ (94)	\$ —	\$ 688
Special Items	—	—	—	19	—	19
Adjusted Earnings ^(a)	\$ 729	\$ 27	\$ 26	\$ (75)	\$ —	\$ 707

Note: Prior period amounts have been recast to reclassify the presentation of the non-service cost (benefit) components of net periodic costs from Operation, maintenance and other to Other income and expenses due to the adoption of new accounting guidance on January 1, 2018.

(a) See Reported To Adjusted Earnings Reconciliation above for a detailed reconciliation of Segment Income / Other Net Loss to Adjusted Earnings.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

(in millions)	Six Months Ended June 30, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/ Adjustments	Duke Energy
Operating Revenues						
Regulated electric	\$ 10,105	\$ —	\$ —	\$ —	(74)	\$ 10,031
Regulated natural gas	—	966	—	—	(45)	921
Nonregulated electric and other	—	5	238	68	21	332
Total operating revenues	10,105	971	238	68	(98)	11,284
Operating Expenses						
Fuel used in electric generation and purchased power	3,003	—	—	29	(42)	2,990
Cost of natural gas	—	334	—	—	—	334
Operation, maintenance and other	2,603	199	136	27	(56)	2,909
Depreciation and amortization	1,451	114	77	52	—	1,694
Property and other taxes	531	56	17	7	—	611
Impairment charges	2	—	—	7	—	9
Total operating expenses	7,590	703	230	122	(98)	8,547
Gains (Loss) on Sales of Other Assets and Other, net	4	—	4	11	(1)	18
Operating Income (Loss)	2,519	268	12	(43)	(1)	2,755
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	1	36	(2)	30	—	65
Other income and expenses, net	221	3	1	20	(9)	236
Total Other Income and Expenses	222	39	(1)	50	(9)	301
Interest Expense	620	52	42	273	(10)	977
Income (Loss) from Continuing Operations Before Income Taxes	2,121	255	(31)	(266)	—	2,079
Income Tax Expense (Benefit) from Continuing Operations	757	95	(81)	(100)	—	671
Income (Loss) from Continuing Operations	1,364	160	50	(166)	—	1,408
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(1)	5	—	4
Segment Income / Other Net Loss	\$ 1,364	\$ 160	\$ 51	\$ (171)	\$ —	\$ 1,404
Loss from Discontinued Operations, net of tax						(2)
Net Income Attributable to Duke Energy Corporation						\$ 1,402
Segment Income / Other Net Loss	\$ 1,364	\$ 160	\$ 51	\$ (171)	\$ —	\$ 1,404
Special Items	—	—	—	29	—	29
Adjusted Earnings^(a)	\$ 1,364	\$ 160	\$ 51	\$ (142)	\$ —	\$ 1,433

Note: Prior period amounts have been recast to reclassify the presentation of the non-service cost (benefit) components of net periodic costs from Operation, maintenance and other to Other income and expenses due to the adoption of new accounting guidance on January 1, 2018.

(a) See Reported To Adjusted Earnings Reconciliation above for a detailed reconciliation of Segment Income / Other Net Loss to Adjusted Earnings.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEETS - ASSETS
(Unaudited)

	June 30, 2018					
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 78	\$ 10	\$ 22	\$ 194	\$ —	\$ 304
Receivables, net	458	94	20	40	—	612
Receivables of variable interest entities, net	2,171	—	34	—	—	2,205
Receivables from affiliated companies	18	14	1,310	333	(1,675)	—
Notes receivable from affiliated companies	80	77	—	1,292	(1,449)	—
Inventory	3,068	69	14	25	1	3,177
Regulatory assets	1,595	36	—	110	—	1,741
Other	294	37	124	18	(36)	437
Total current assets	7,762	337	1,524	2,012	(3,159)	8,476
Property, Plant and Equipment						
Cost	114,127	10,052	4,391	2,045	1	130,616
Accumulated depreciation and amortization	(38,341)	(2,288)	(769)	(1,100)	(1)	(42,499)
Generation facilities to be retired, net	378	—	—	—	—	378
Net property, plant and equipment	76,164	7,764	3,622	945	—	88,495
Other Noncurrent Assets						
Goodwill	17,379	1,924	93	—	—	19,396
Regulatory assets	11,411	633	—	462	(1)	12,505
Nuclear decommissioning trust funds	7,132	—	—	—	—	7,132
Investments in equity method unconsolidated affiliates	94	744	202	128	—	1,168
Investment in consolidated subsidiaries	201	23	6	57,788	(58,018)	—
Other	2,174	83	103	1,361	(634)	3,087
Total other noncurrent assets	38,391	3,407	404	59,739	(58,653)	43,288
Total Assets	122,317	11,508	5,550	62,696	(61,812)	140,259
Segment reclassifications, intercompany balances and other	(370)	(71)	(1,317)	(60,235)	61,993	—
Segment Assets	\$ 121,947	\$ 11,437	\$ 4,233	\$ 2,461	\$ 181	\$ 140,259

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEETS - LIABILITIES AND EQUITY
(Unaudited)

June 30, 2018						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 2,000	\$ 172	\$ 32	\$ 483	\$ (1)	\$ 2,686
Accounts payable to affiliated companies	426	18	9	1,207	(1,660)	—
Notes payable to affiliated companies	1,320	72	—	72	(1,464)	—
Notes payable and commercial paper	—	—	23	3,306	—	3,329
Taxes accrued	540	18	(92)	27	1	494
Interest accrued	340	36	—	155	(1)	530
Current maturities of long-term debt	1,977	250	175	450	—	2,852
Asset retirement obligations	716	—	—	—	—	716
Regulatory liabilities	412	69	—	3	1	485
Other	1,302	56	37	341	(37)	1,699
Total current liabilities	9,033	691	184	6,044	(3,161)	12,791
Long-Term Debt	29,723	2,440	1,606	16,095	(1)	49,863
Long-Term Debt Payable to Affiliated Companies	618	7	9	—	(634)	—
Other Noncurrent Liabilities						
Deferred income taxes	9,019	854	(236)	(2,660)	—	6,977
Asset retirement obligations	9,610	51	93	—	(1)	9,753
Regulatory liabilities	13,773	1,561	—	21	—	15,355
Accrued pension and other post-retirement benefit costs	674	18	—	322	—	1,014
Investment tax credits	532	3	—	—	(1)	534
Other	683	229	243	299	3	1,457
Total other noncurrent liabilities	34,291	2,716	100	(2,018)	1	35,090
Equity						
Total Duke Energy Corporation stockholders' equity	48,652	5,654	3,644	42,575	(58,018)	42,507
Noncontrolling interests	—	—	7	—	1	8
Total equity	48,652	5,654	3,651	42,575	(58,017)	42,515
Total Liabilities and Equity	122,317	11,508	5,550	62,696	(61,812)	140,259
Segment reclassifications, intercompany balances and other	(370)	(71)	(1,317)	(60,235)	61,993	—
Segment Liabilities and Equity	\$ 121,947	\$ 11,437	\$ 4,233	\$ 2,461	\$ 181	\$ 140,259

ELECTRIC UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING SEGMENT INCOME
(Unaudited)

(in millions)	Three Months Ended June 30, 2018						
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Eliminations/ Other	Electric Utilities and Infrastructure
Operating Revenues	\$ 1,672	\$ 1,291	\$ 1,203	\$ 346	\$ 738	\$ (27)	\$ 5,223
Operating Expenses							
Fuel used in electric generation and purchased power	407	408	486	93	226	(38)	1,582
Operation, maintenance and other	492	371	234	95	197	6	1,395
Depreciation and amortization	289	235	144	41	126	3	838
Property and other taxes	75	40	91	53	20	—	279
Impairment charges	177	1	—	—	—	(6)	172
Total operating expenses	1,440	1,055	955	282	569	(35)	4,266
(Losses) Gains on Sales of Other Assets and Other, net	(1)	1	—	—	—	—	—
Operating Income	231	237	248	64	169	8	957
Other Income and Expenses, net^(b)	35	19	26	6	6	(1)	91
Interest Expense	110	78	67	17	43	1	316
Income Before Income Taxes	156	178	207	53	132	6	732
Income Tax Expense	33	36	37	14	33	4	157
Segment Income	\$ 123	\$ 142	\$ 170	\$ 39	\$ 99	\$ 2	\$ 575

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes an equity component of allowance for funds used during construction of \$18 million for Duke Energy Carolinas, \$12 million for Duke Energy Progress, \$14 million for Duke Energy Florida, \$3 million for Duke Energy Ohio and \$3 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING SEGMENT INCOME
(Unaudited)

(in millions)	Six Months Ended June 30, 2018						
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Eliminations/ Other	Electric Utilities and Infrastructure
Operating Revenues	\$ 3,435	\$ 2,751	\$ 2,318	\$ 682	\$ 1,469	\$ (109)	\$ 10,546
Operating Expenses							
Fuel used in electric generation and purchased power	880	917	953	185	458	(126)	3,267
Operation, maintenance and other	935	747	468	184	376	10	2,720
Depreciation and amortization	561	470	294	89	256	3	1,673
Property and other taxes	147	75	179	112	40	—	553
Impairment charges	190	33	—	—	—	(8)	215
Total operating expenses	2,713	2,242	1,894	570	1,130	(121)	8,428
Gains on Sales of Other Assets and Other, net	(1)	2	—	—	—	—	1
Operating Income	721	511	424	112	339	12	2,119
Other Income and Expenses, net^(b)	74	37	47	11	13	(3)	179
Interest Expense	217	159	137	33	83	4	633
Income Before Income Taxes	578	389	334	90	269	5	1,665
Income Tax Expense	126	66	58	18	69	3	340
Segment Income	\$ 452	\$ 323	\$ 276	\$ 72	\$ 200	\$ 2	\$ 1,325

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes an equity component of allowance for funds used during construction of \$39 million for Duke Energy Carolinas, \$26 million for Duke Energy Progress, \$26 million for Duke Energy Florida, \$6 million for Duke Energy Ohio and \$7 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS - ASSETS
(Unaudited)

(in millions)	June 30, 2018						
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Eliminations/Adjustments ^(b)	Electric Utilities and Infrastructure
Current Assets							
Cash and cash equivalents	\$ 16	\$ 18	\$ 14	\$ 5	\$ 24	\$ 1	\$ 78
Receivables, net	172	50	78	101	54	3	458
Receivables of variable interest entities, net	704	568	400	—	—	499	2,171
Receivables from affiliated companies	117	1	6	53	89	(248)	18
Notes receivable from affiliated companies	—	—	423	—	—	(343)	80
Inventory	984	976	546	92	470	—	3,068
Regulatory assets	420	532	439	14	191	(1)	1,595
Other	21	33	183	5	52	—	294
Total current assets	2,434	2,178	2,089	270	880	(89)	7,762
Property, Plant and Equipment							
Cost	43,429	30,535	18,353	6,054	15,213	543	114,127
Accumulated depreciation and amortization	(15,248)	(11,296)	(5,079)	(1,941)	(4,767)	(10)	(38,341)
Generation facilities to be retired, net	—	378	—	—	—	—	378
Net property, plant and equipment	28,181	19,617	13,274	4,113	10,446	533	76,164
Other Noncurrent Assets							
Goodwill	—	—	—	596	—	16,783	17,379
Regulatory assets	3,234	3,573	2,163	301	1,021	1,119	11,411
Nuclear decommissioning trust funds	3,790	2,627	715	—	—	—	7,132
Investments in equity method unconsolidated affiliates	—	—	—	—	—	94	94
Investment in consolidated subsidiaries	29	6	2	163	1	—	201
Other	1,036	636	307	59	224	(88)	2,174
Total other noncurrent assets	8,089	6,842	3,187	1,119	1,246	17,908	38,391
Total Assets	38,704	28,637	18,550	5,502	12,572	18,352	122,317
Segment reclassifications, intercompany balances and other	(262)	(72)	(410)	(166)	(58)	598	(370)
Reportable Segment Assets	\$ 38,442	\$ 28,565	\$ 18,140	\$ 5,336	\$ 12,514	\$ 18,950	\$ 121,947

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes the elimination of intercompany balances, purchase accounting adjustments and restricted receivables related to Cinergy Receivables Company.

ELECTRIC UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS - LIABILITIES AND EQUITY
(Unaudited)

(in millions)	June 30, 2018						
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Eliminations/Adjustments ^(b)	Electric Utilities and Infrastructure
Current Liabilities							
Accounts payable	\$ 809	\$ 375	\$ 440	\$ 200	\$ 171	\$ 5	\$ 2,000
Accounts payable to affiliated companies	158	175	63	11	58	(39)	426
Notes payable to affiliated companies	740	540	—	147	221	(328)	1,320
Taxes accrued	159	91	116	114	54	6	540
Interest accrued	109	103	53	16	59	—	340
Current maturities of long-term debt	505	603	269	451	62	87	1,977
Asset retirement obligations	227	381	5	5	98	—	716
Regulatory liabilities	131	157	76	29	19	—	412
Other	412	344	357	67	123	(1)	1,302
Total current liabilities	3,250	2,769	1,379	1,040	865	(270)	9,033
Long-Term Debt	9,589	6,605	7,183	1,102	3,570	1,674	29,723
Long-Term Debt Payable to Affiliated Companies	300	150	—	18	150	—	618
Other Noncurrent Liabilities							
Deferred income taxes	3,535	1,962	2,008	547	958	9	9,019
Asset retirement obligations	3,592	4,454	597	48	758	161	9,610
Regulatory liabilities	6,292	3,998	1,194	533	1,755	1	13,773
Accrued pension and other post-retirement benefit costs	99	243	243	69	111	(91)	674
Investment tax credits	230	142	9	4	147	—	532
Other	515	49	49	69	14	(13)	683
Total other noncurrent liabilities	14,263	10,848	4,100	1,270	3,743	67	34,291
Equity	11,302	8,265	5,888	2,072	4,244	16,881	48,652
Total Liabilities and Equity	38,704	28,637	18,550	5,502	12,572	18,352	122,317
Segment reclassifications, intercompany balances and other	(262)	(72)	(410)	(166)	(58)	598	(370)
Reportable Segment Liabilities and Equity	\$ 38,442	\$ 28,565	\$ 18,140	\$ 5,336	\$ 12,514	\$ 18,950	\$ 121,947

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING SEGMENT INCOME
(Unaudited)

(in millions)	Three Months Ended June 30, 2018				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage ^(b)	Eliminations/Adjustments	Gas Utilities and Infrastructure
Operating Revenues	\$ 103	\$ 215	\$ —	\$ —	\$ 318
Operating Expenses					
Cost of natural gas	15	74	—	—	89
Operation, maintenance and other	25	74	2	2	103
Depreciation and amortization	21	39	—	—	60
Property and other taxes	15	12	—	(1)	26
Total operating expenses	76	199	2	1	278
Operating Income (Loss)	27	16	(2)	(1)	40
Other Income and Expenses					
Equity in earnings of unconsolidated affiliates	—	—	17	—	17
Other income and expenses, net	1	3	—	1	5
Total other income and expenses	1	3	17	1	22
Interest Expense	6	21	—	(1)	26
Income (Loss) Before Income Taxes	22	(2)	15	1	36
Income Tax Expense (Benefit)	4	(1)	4	1	8
Segment Income	\$ 18	\$ (1)	\$ 11	\$ —	\$ 28

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes earnings from investments in ACP, Sabal Trail, Constitution and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING SEGMENT INCOME
(Unaudited)

(in millions)	Six Months Ended June 30, 2018				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage ^(b)	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues	\$ 277	\$ 768	\$ —	\$ —	\$ 1,045
Operating Expenses					
Cost of natural gas	69	333	—	—	402
Operation, maintenance and other	58	150	3	—	211
Depreciation and amortization	43	78	—	—	121
Property and other taxes	33	24	—	—	57
Total operating expenses	203	585	3	—	791
Operating Income (Loss)	74	183	(3)	—	254
Other Income and Expenses					
Equity in losses of unconsolidated affiliates	—	—	(23)	—	(23)
Other income and expenses, net	4	6	—	—	10
Total other income and expenses	4	6	(23)	—	(13)
Interest Expense	12	42	—	(1)	53
Income (Loss) Before Income Taxes	66	147	(26)	1	188
Income Tax Expense (Benefit)	14	35	(6)	1	44
Segment Income	\$ 52	\$ 112	\$ (20)	\$ —	\$ 144

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes earnings from investments in ACP, Sabal Trail, Constitution and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS - ASSETS
(Unaudited)

(in millions)	June 30, 2018				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Assets					
Cash and cash equivalents	\$ 2	\$ 8	\$ —	\$ —	\$ 10
Receivables, net	(16)	109	—	1	94
Receivables from affiliated companies	16	71	—	(73)	14
Notes receivable from affiliated companies	—	77	—	—	77
Inventory	31	38	—	—	69
Regulatory assets	1	35	—	—	36
Other	1	37	—	(1)	37
Total current assets	35	375	—	(73)	337
Property, Plant and Equipment					
Cost	2,970	7,082	—	—	10,052
Accumulated depreciation and amortization	(755)	(1,533)	—	—	(2,288)
Net property, plant and equipment	2,215	5,549	—	—	7,764
Other Noncurrent Assets					
Goodwill	324	49	—	1,551	1,924
Regulatory assets	155	297	—	181	633
Investments in equity method unconsolidated affiliates	—	—	744	—	744
Investment in consolidated subsidiaries	—	—	—	23	23
Other	1	63	17	2	83
Total other noncurrent assets	480	409	761	1,757	3,407
Total Assets	2,730	6,333	761	1,684	11,508
Segment reclassifications, intercompany balances and other	(3)	1	(30)	(39)	(71)
Reportable Segment Assets	\$ 2,727	\$ 6,334	\$ 731	\$ 1,645	\$ 11,437

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS - LIABILITIES AND EQUITY
(Unaudited)

(in millions)	June 30, 2018				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Liabilities					
Accounts payable	\$ 38	\$ 133	\$ —	\$ 1	\$ 172
Accounts payable to affiliated companies	—	4	86	(72)	18
Notes payable to affiliated companies	72	—	—	—	72
Taxes accrued	7	37	(26)	—	18
Interest accrued	5	31	—	—	36
Current maturities of long-term debt	1	250	—	(1)	250
Regulatory liabilities	22	47	—	—	69
Other	3	53	—	—	56
Total current liabilities	148	555	60	(72)	691
Long-Term Debt	486	1,787	—	167	2,440
Long-Term Debt Payable to Affiliated Companies	7	—	—	—	7
Other Noncurrent Liabilities					
Deferred income taxes	247	555	52	—	854
Asset retirement obligations	36	15	—	—	51
Regulatory liabilities	363	1,183	—	15	1,561
Accrued pension and other post-retirement benefit costs	14	3	—	1	18
Investment tax credits	2	1	—	—	3
Other	46	174	12	(3)	229
Total other noncurrent liabilities	708	1,931	64	13	2,716
Equity	1,381	2,060	637	1,576	5,654
Total Liabilities and Equity	2,730	6,333	761	1,684	11,508
Segment reclassifications, intercompany balances and other	(3)	1	(30)	(39)	(71)
Reportable Segment Liabilities and Equity	\$ 2,727	\$ 6,334	\$ 731	\$ 1,645	\$ 11,437

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

Electric Utilities and Infrastructure
Quarterly Highlights
June 2018

	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	2017	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2018	2017	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	19,159	18,061	6.1%	0.8%	42,900	38,126	12.5%	1.8%
General Service	19,026	18,774	1.3%	0.6%	37,466	36,323	3.1%	0.7%
Industrial	13,070	13,096	(0.2%)	(2.1%)	25,174	25,401	(0.9%)	(2.3%)
Other Energy Sales	141	141	—%		281	285	(1.4%)	
Unbilled Sales	1,640	1,397	17.4%	n/a	(235)	462	(150.9%)	n/a
Total Retail Sales	53,036	51,469	3.0%	—%	105,586	100,597	5.0%	0.3%
Wholesale and Other	9,884	9,949	(0.7%)		20,853	19,811	5.3%	
Total Consolidated Electric Sales - Electric Utilities and Infrastructure	62,920	61,418	2.4%		126,449	120,408	5.0%	
Average Number of Customers (Electric)								
Residential	6,619,271	6,523,982	1.5%		6,611,543	6,517,331	1.4%	
General Service	982,634	972,127	1.1%		980,927	970,512	1.1%	
Industrial	17,530	17,730	(1.1%)		17,567	17,739	(1.0%)	
Other Energy Sales	23,527	23,298	1.0%		23,501	23,251	1.1%	
Total Retail Customers	7,642,962	7,537,137	1.4%		7,633,538	7,528,833	1.4%	
Wholesale and Other	57	58	(1.7%)		55	59	(6.8%)	
Total Average Number of Customers - Electric Utilities and Infrastructure	7,643,019	7,537,195	1.4%		7,633,593	7,528,892	1.4%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	15,458	18,257	(15.3%)		33,198	35,196	(5.7%)	
Nuclear	17,595	18,158	(3.1%)		36,100	35,899	0.6%	
Hydro	982	628	56.4%		1,736	829	109.4%	
Oil and Natural Gas	17,697	14,364	23.2%		34,014	28,595	19.0%	
Renewable Energy	148	128	15.8%		244	203	20.2%	
Total Generation (4)	51,880	51,535	0.7%		105,290	100,722	4.5%	
Purchased Power and Net Interchange (5)	14,761	13,146	12.3%		28,661	25,714	11.5%	
Total Sources of Energy	66,641	64,681	3.0%		133,971	126,436	6.0%	
Less: Line Loss and Other	3,721	3,263	14.0%		7,522	6,028	24.8%	
Total GWh Sources	62,920	61,418	2.4%		126,449	120,408	5.0%	
Owned MW Capacity (3)								
Summer					49,934	49,387		
Winter					53,503	53,091		
Nuclear Capacity Factor (%) (6)								
					94	93		

(1) Except as indicated in footnote (2), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

(6) Statistics reflect 100% of jointly owned stations.

Duke Energy Carolinas
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
June 2018

	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	2017	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2018	2017	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	6,324	5,841	8.3%		14,608	12,712	14.9%	
General Service	7,193	7,005	2.7%		14,139	13,532	4.5%	
Industrial	5,519	5,672	(1.0%)		10,503	10,634	(1.2%)	
Other Energy Sales	75	75	—%		150	151	(0.7%)	
Unbilled Sales	426	200	113.0%		(97)	(32)	(203.1%)	
Total Retail Sales	19,537	18,693	4.5%	0.7%	39,303	36,997	6.2%	1.2%
Wholesale and Other	2,735	2,550	7.3%		5,596	5,027	11.3%	
Total Consolidated Electric Sales - Duke Energy Carolinas	22,272	21,243	4.8%		44,899	42,024	6.8%	
Average Number of Customers								
Residential	2,209,018	2,176,876	1.5%		2,205,938	2,173,011	1.5%	
General Service	357,583	353,269	1.2%		356,842	352,521	1.2%	
Industrial	6,181	6,239	(0.9%)		6,194	6,245	(0.8%)	
Other Energy Sales	15,536	15,365	1.1%		15,508	15,331	1.2%	
Total Retail Customers	2,588,318	2,551,549	1.4%		2,584,482	2,547,108	1.5%	
Wholesale and Other	26	25	4.0%		24	25	(4.0%)	
Total Average Number of Customers - Duke Energy Carolinas	2,588,344	2,551,574	1.4%		2,584,506	2,547,133	1.5%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	6,029	6,906	(12.7%)		12,279	12,492	(1.7%)	
Nuclear	11,083	11,027	0.5%		22,721	22,063	3.0%	
Hydro	714	384	85.9%		1,239	437	183.5%	
Oil and Natural Gas	4,051	2,366	71.2%		7,203	5,060	42.4%	
Renewable Energy	56	41	36.6%		85	50	70.0%	
Total Generation (4)	21,933	20,724	5.8%		43,527	40,102	8.5%	
Purchased Power and Net Interchange (5)	1,517	1,816	(16.5%)		3,834	4,299	(10.8%)	
Total Sources of Energy	23,450	22,540	4.0%		47,361	44,401	6.7%	
Less: Line Loss and Other	1,178	1,297	(9.2%)		2,462	2,377	3.6%	
Total GWh Sources	22,272	21,243	4.8%		44,899	42,024	6.8%	
Owned MW Capacity (3)								
Summer					20,188	19,568		
Winter					21,068	20,425		
Nuclear Capacity Factor (%) (6)								
					97	95		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	208	131	58.8%		1,929	1,422	35.7%	
Cooling Degree Days	638	524	21.8%		648	534	21.3%	
Variance from Normal								
Heating Degree Days	(5.8%)	(40.5%)	n/a		(1.8%)	(27.7%)	n/a	
Cooling Degree Days	30.0%	6.3%	n/a		30.3%	7.2%	n/a	

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(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

(6) Statistics reflect 100% of jointly owned stations.

Duke Energy Progress
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
June 2018

	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	2017	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2018	2017	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	4,032	3,705	8.8%		9,532	8,338	14.3%	
General Service	3,771	3,723	1.3%		7,503	7,272	3.2%	
Industrial	2,640	2,602	1.5%		5,077	5,091	(0.3%)	
Other Energy Sales	20	20	—%		39	41	(4.9%)	
Unbilled Sales	295	448	(34.2%)		(272)	(52)	(423.1%)	
Total Retail Sales	10,758	10,498	2.5%	—%	21,879	20,690	5.7%	0.7%
Wholesale and Other	5,138	5,064	1.5%		11,243	10,509	7.0%	
Total Consolidated Electric Sales - Duke Energy Progress	15,896	15,562	2.1%		33,122	31,199	6.2%	
Average Number of Customers								
Residential	1,328,158	1,307,337	1.6%		1,325,644	1,304,901	1.6%	
General Service	234,703	231,713	1.3%		234,005	231,059	1.3%	
Industrial	4,055	4,132	(1.9%)		4,057	4,130	(1.8%)	
Other Energy Sales	1,444	1,456	(0.8%)		1,447	1,459	(0.8%)	
Total Retail Customers	1,568,360	1,544,638	1.5%		1,565,153	1,541,549	1.5%	
Wholesale and Other	14	14	—%		14	14	—%	
Total Average Number of Customers - Duke Energy Progress	1,568,374	1,544,652	1.5%		1,565,167	1,541,563	1.5%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	2,023	1,593	27.0%		4,326	3,237	33.6%	
Nuclear	6,512	7,131	(8.7%)		13,379	13,836	(3.3%)	
Hydro	236	198	19.2%		445	301	47.8%	
Oil and Natural Gas	5,027	4,876	3.1%		11,226	10,712	4.8%	
Renewable Energy	74	72	2.8%		128	134	(4.5%)	
Total Generation (4)	13,872	13,870	—%		29,504	28,220	4.5%	
Purchased Power and Net Interchange (5)	2,734	2,162	26.5%		4,969	3,986	24.7%	
Total Sources of Energy	16,606	16,032	3.6%		34,473	32,206	7.0%	
Less: Line Loss and Other	710	470	51.1%		1,351	1,007	34.2%	
Total GWh Sources	15,896	15,562	2.1%		33,122	31,199	6.2%	
Owned MW Capacity (3)								
Summer					12,760	12,777		
Winter					14,016	13,987		
Nuclear Capacity Factor (%) (6)					87	90		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	191	83	130.1%		1,805	1,286	40.4%	
Cooling Degree Days	696	647	7.6%		719	657	9.4%	
Variance from Normal								
Heating Degree Days	1.1%	(55.7%)	n/a		0.1%	(28.7%)	n/a	
Cooling Degree Days	30.3%	21.1%	n/a		32.1%	20.8%	n/a	

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(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

(6) Statistics reflect 100% of jointly owned stations.

Duke Energy Florida
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
June 2018

	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	2017	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2018	2017	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	4,663	4,944	(5.7%)		9,191	8,768	4.8%	
General Service	3,699	3,803	(2.7%)		7,139	7,057	1.2%	
Industrial	781	787	(0.8%)		1,539	1,542	(0.2%)	
Other Energy Sales	6	6	—%		12	12	—%	
Unbilled Sales	573	497	15.3%		388	653	(40.6%)	
Total Retail Sales	9,722	10,037	(3.1%)	(1.7%)	18,269	18,032	1.3%	(0.8%)
Wholesale and Other	582	703	(17.2%)		1,154	1,013	13.9%	
Total Electric Sales - Duke Energy Florida	10,304	10,740	(4.1%)		19,423	19,045	2.0%	
Average Number of Customers								
Residential	1,594,538	1,569,855	1.6%		1,591,724	1,566,947	1.6%	
General Service	200,657	198,307	1.2%		200,432	197,864	1.3%	
Industrial	2,082	2,146	(3.0%)		2,096	2,151	(2.6%)	
Other Energy Sales	1,511	1,518	(0.5%)		1,514	1,521	(0.5%)	
Total Retail Customers	1,798,788	1,771,826	1.5%		1,795,766	1,768,483	1.5%	
Wholesale and Other	11	13	(15.4%)		11	14	(21.4%)	
Total Average Number of Customers - Duke Energy Florida	1,798,799	1,771,839	1.5%		1,795,777	1,768,497	1.5%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	1,877	2,835	(33.8%)		3,698	4,952	(19.3%)	
Oil and Natural Gas	7,238	6,664	8.6%		13,329	12,012	11.0%	
Renewable Energy	9	4	n/a		17	8	n/a	
Total Generation (4)	9,124	9,503	(4.0%)		17,344	16,972	2.2%	
Purchased Power and Net Interchange (5)	1,901	1,753	8.4%		3,279	3,049	7.5%	
Total Sources of Energy	11,025	11,256	(2.1%)		20,623	20,021	3.0%	
Less: Line Loss and Other	721	516	39.7%		1,200	976	23.0%	
Total GWh Sources	10,304	10,740	(4.1%)		19,423	19,045	2.0%	
Owned MW Capacity (3)								
Summer					9,304	9,225		
Winter					10,255	10,332		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	2	1	100.0%		385	177	117.5%	
Cooling Degree Days	1,052	1,079	(2.5%)		1,316	1,352	(2.7%)	
Variance from Normal								
Heating Degree Days	(81.9%)	(94.1%)	n/a		(1.3%)	(54.8%)	n/a	
Cooling Degree Days	1.2%	4.5%	n/a		7.5%	11.2%	n/a	

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(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

Duke Energy Ohio
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
June 2018

	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	2017	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2018	2017	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	2,052	1,777	15.5%		4,615	4,030	14.5%	
General Service	2,341	2,267	3.3%		4,660	4,524	3.0%	
Industrial	1,471	1,464	0.5%		2,858	2,905	(1.6%)	
Other Energy Sales	27	27	—%		54	55	(1.8%)	
Unbilled Sales	208	132	56.1%		(118)	(69)	(71.0%)	
Total Retail Sales	6,097	5,667	7.6%	0.4%	12,069	11,445	5.5%	(0.8%)
Wholesale and Other	50	234	(78.6%)		150	515	(70.9%)	
Total Electric Sales - Duke Energy Ohio	6,147	5,901	4.2%		12,219	11,960	2.2%	
Average Number of Customers								
Residential	765,215	758,460	0.9%		766,081	758,962	0.9%	
General Service	88,214	87,787	0.5%		88,238	87,965	0.3%	
Industrial	2,492	2,499	(0.3%)		2,497	2,504	(0.3%)	
Other Energy Sales	3,332	3,302	0.9%		3,332	3,292	1.2%	
Total Retail Customers	859,253	852,048	0.8%		860,148	852,723	0.9%	
Wholesale and Other	1	1	—%		1	1	—%	
Total Average Number of Customers - Duke Energy Ohio	859,254	852,049	0.8%		860,149	852,724	0.9%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	143	1,023	(86.0%)		819	2,226	(63.2%)	
Oil and Natural Gas	49	6	716.7%		69	7	885.7%	
Total Generation (4)	192	1,029	(81.3%)		888	2,233	(60.2%)	
Purchased Power and Net Interchange (5)	6,549	5,446	20.3%		12,884	10,912	18.1%	
Total Sources of Energy	6,741	6,475	4.1%		13,772	13,145	4.8%	
Less: Line Loss and Other	594	574	3.5%		1,553	1,185	31.1%	
Total GWh Sources	6,147	5,901	4.2%		12,219	11,960	2.2%	
Owned MW Capacity (3)								
Summer					1,076	1,076		
Winter					1,164	1,164		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	497	313	58.8%		3,066	2,357	30.1%	
Cooling Degree Days	539	332	62.3%		543	333	63.1%	
Variance from Normal								
Heating Degree Days	9.9%	(30.4%)	n/a		1.4%	(22.1%)	n/a	
Cooling Degree Days	64.2%	1.2%	n/a		63.5%	0.5%	n/a	

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(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

Duke Energy Indiana
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
June 2018

	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	2017	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2018	2017	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	2,088	1,794	16.4%		4,954	4,278	15.8%	
General Service	2,022	1,976	2.3%		4,025	3,938	2.2%	
Industrial	2,659	2,671	(0.4%)		5,197	5,229	(0.6%)	
Other Energy Sales	13	13	—%		26	26	—%	
Unbilled Sales	140	120	16.7%		(136)	(98)	257.9%	
Total Retail Sales	6,922	6,574	5.3%	0.1%	14,066	13,433	4.7%	0.1%
Wholesale and Other	1,379	1,398	(1.4%)		2,720	2,747	(1.0%)	
Total Electric Sales - Duke Energy Indiana	8,301	7,972	4.1%		16,786	16,180	3.7%	
Average Number of Customers								
Residential	722,342	711,654	1.5%		722,156	713,510	1.2%	
General Service	101,477	101,051	0.4%		101,410	101,103	0.3%	
Industrial	2,720	2,714	0.2%		2,723	2,709	0.5%	
Other Energy Sales	1,704	1,657	2.8%		1,700	1,648	3.2%	
Total Retail Customers	828,243	817,076	1.4%		827,989	818,970	1.1%	
Wholesale and Other	5	5	—%		5	5	—%	
Total Average Number of Customers - Duke Energy Indiana	828,248	817,081	1.4%		827,994	818,975	1.1%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	5,386	5,900	(8.7%)		11,774	12,289	(4.2%)	
Hydro	32	46	(30.4%)		52	91	(42.9%)	
Oil and Natural Gas	1,332	452	194.7%		2,187	804	172.0%	
Renewable Energy	9	11	n/a		14	11	n/a	
Total Generation (4)	6,759	6,409	5.5%		14,027	13,195	6.3%	
Purchased Power and Net Interchange (5)	2,060	1,969	4.6%		3,715	3,468	7.1%	
Total Sources of Energy	8,819	8,378	5.3%		17,742	16,663	6.5%	
Less: Line Loss and Other	518	406	27.6%		956	483	97.9%	
Total GWh Sources	8,301	7,972	4.1%		16,786	16,180	3.7%	
Owned MW Capacity (3)								
Summer					6,606	6,741		
Winter					7,000	7,183		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	547	372	47.0%		3,378	2,560	30.9%	
Cooling Degree Days	557	323	72.4%		561	323	73.7%	
Variance from Normal								
Heating Degree Days	11.0%	(24.6%)	n/a		3.7%	(20.8%)	n/a	
Cooling Degree Days	68.9%	(2.2%)	n/a		68.4%	(3.1%)	n/a	

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(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

Gas Utilities and Infrastructure
Quarterly Highlights
June 2018

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	% Inc.(Dec.)	2018	2017	% Inc.(Dec.)
Total Sales						
Piedmont Natural Gas Local Distribution Company (LDC) throughput (dekatherms) (1)	116,839,962	94,013,754	24.3%	271,741,341	227,290,541	19.6%
Duke Energy Midwest LDC throughput (Mcf)	15,615,050	12,204,767	27.9%	52,741,115	43,035,766	22.6%
Average Number of Customers - Piedmont Natural Gas						
Residential	968,046	952,716	1.6%	969,356	953,900	1.6%
Commercial	103,543	101,138	2.4%	104,189	101,378	2.8%
Industrial	961	2,295	(58.1%)	962	2,317	(58.5%)
Power Generation	17	26	(34.6%)	17	26	(34.6%)
Total Average Number of Gas Customers - Piedmont Natural Gas	1,072,567	1,056,175	1.6%	1,074,524	1,057,521	1.6%
Average Number of Customers - Duke Energy Midwest						
Residential	486,015	481,716	0.9%	487,434	482,905	0.9%
General Service	43,157	42,816	0.8%	44,219	44,077	0.3%
Industrial	1,574	1,564	0.6%	1,618	1,617	0.1%
Other	138	140	(1.4%)	138	140	(1.4%)
Total Average Number of Gas Customers - Duke Energy Midwest	530,884	526,236	0.9%	533,409	528,739	0.9%

(1) Piedmont has a margin decoupling mechanism in North Carolina and weather normalization mechanisms in South Carolina and Tennessee that significantly eliminate the impact of throughput changes on earnings. Duke Energy Ohio's rate design also serves to offset this impact.

Commercial Renewables
Quarterly Highlights
June 2018

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	% Inc.(Dec.)	2018	2017	% Inc.(Dec.)
Renewable Plant Production, GWh	2,471	2,231	10.8%	4,651	4,516	3.0%
Net Proportional MW Capacity in Operation	n/a	n/a		2,951	2,908	1.5%

**DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(s)**

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

Description of Filing Requirement:

A summary of the utility's latest depreciation study with schedules by major plant accounts, except that telecommunications utilities that have adopted the commission's average depreciation rates shall provide a schedule that identifies the current and test period depreciation rates used by major plant accounts. If the required information has been filed in another commission case, a reference to that case's number shall be sufficient.

Response:

See Attachment JJS-1 attached to John Spanos' testimony.

Witness Responsible: John J. Spanos

**DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(t)**

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

Description of Filing Requirement:

A list of all commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of the utility's application. The list shall include:

1. Each software, program or model;
2. What the software, program or model was used for;
3. The supplier of each software, program or model;
4. A brief description of the software, program or model;
5. The specifications for the computer hardware and the operating system required to run the program.

Response:

See attached.

Witness Responsible: Sarah E. Lawler

Supplier	Oracle Hyperion	PowerPlan Consultants	SAS
Software / Program / Model	12.1.3	PowerPlan Version 2015.1.3.0 PowerTax	9.3 Enterprise Guide 5.1
Description and Use in Application	This application suite was used to create the budget data and forecast data used in the development of the base and forecasted test year.	This application is used to maintain records of fixed assets including book and tax depreciation and associated deferred taxes.	This application is used to query billing data from the Company's billing system.
Hardware Specifications	Intel 2 GHz processor or greater 24x Intel(R) Xeon(R) CPU E5-2690 v2 @ 3.00GHz CPU	2 Intel Xeon CPU E5-2680 @ 2.70GHz (4vCPU) 8GB of RAM	Intel 2 GHz processor or greater
Operating System Specifications	Linux version 2.6.32-431.29.2e16.x86_64 Red Hat Enterprise Linux Server release 6.3	Windows Server 2008 R2 SP1	Windows XP or Windows 7

Supplier	PeopleSoft	SAP Analytics Software	Power Costs Inc.
Software / Program / Model	PeopleSoft version 9.1	Business Objects 4.1	GenTrader
Description and Use in Application	This application is used for the Company's accounting system.	This application is used to query accounting data from the Company's accounting system.	This application is used to forecast the economic dispatch of the Company's generating fleet and projects market dispatch generation sales, power purchases to meet forecasted load, fuel consumption, and emissions.
Hardware Specifications	4 Intel Xeon CPU's with 12 GB of RAM on the application server and 2 Intel Xeon CPU's with 6GB of RAM on the webserver.	4 CPU cores operating at 2GHz or faster with 8GB of RAM	Intel 2 GHz processor or greater
Operating System Specifications	Windows Server 2008 R2	Windows Server 2003 x64 or higher	Windows XP or Windows 7

Supplier	UI Planner	Microsoft Office 2010	Adobe Acrobat
Software / Program / Model	UI Planner 10.04.2	Microsoft Word 2010 32Bit Microsoft Excel 2010 32Bit Microsoft Access 2010 32Bit	Adobe Acrobat Pro XI Version 11.0.20
Description and Use in Application	UI Planner was used to create the budget data and forecast data used in the development of the base and forecast test year.	This suite of products were used to prepare various documents utilized in this filing.	This application is used to preserve and secure the layout of documents created in other applications.
Hardware Specifications	Intel Core i7 64 bit processor 2.7 Ghz, 16 Gb. Memory, 125 Gb HD	Intel 2 GHz processor or greater	Intel 2 GHz processor or greater
Operating System Specifications	Windows XP or Windows 7	Microsoft Windows 7 Enterprise or greater	Microsoft Windows 7 Enterprise or greater

DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(u)

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

Description of Filing Requirement:

If the utility had any amounts charged or allocated to it by an affiliate or general or home office or paid monies to an affiliate or a general or home office during the base period or during the previous three (3) calendar years, the utility shall file:

- (1) a detailed description of the method and amounts allocated or charged to the utility by the affiliate or general or home office for each allocation or payment;
- (2) the method and amounts allocated during the base period and the method and estimated amounts to be allocated during the forecasted test period;
- (3) an explanation of how the allocator for both the base period and the forecasted test period were determined; and
- (4) all facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated, or paid during the base period is reasonable.

Response:

See attached.

Witness Responsible: Jeffrey R. Setser

Duke Energy Kentucky

Basis for Allocating Duke Energy Business Services Costs to Affiliated
For those Items Which Cannot be Charge Direct

DEBS provides a variety of administrative, management, and support services to Duke Energy and its affiliates pursuant to two agreements: the Utility Service Agreement and the Non-Utility Service Agreement. Under the Utility Service Agreement, DEBS provides service to and on behalf of duke energy's utility operating companies, including Duke Energy Kentucky. Under the Non-Utility Service Agreement, DEBS provides services to and on behalf of Duke Energy's non-utility companies. These affiliate companies receiving services from DEBS are referred to as "Client Companies."

Under the provisions of these agreement (as amended September 1, 2008), the service that DEBS may provide to the Client Companies are grouped into the following Functions:

Utility Service Agreement

Non-Utility Service Agreement

Information Systems

Information Systems

Meters

Meters

Transportation

Transportation

System Maintenance

Human Resources

Marketing and Customer Relations

Facilities

Transmission & Distr. Engineering & Contr.

Accounting

Power Engineering and Construction

Public Affairs

Human Resources

Legal

Supply Chain

Finance

Facilities

Internal Auditing

Accounting

Investor Relations

Power and Gas Planning Operations

Planning

Public Affairs

Executive

Legal

Energy-Related Facility Maintenance

Rates

Engineering and Construction

Finance

Marketing and Customer Relations

Rights of Way

Supply Chain

Internal Auditing

Fuels

Environmental, Health and Safety

Environmental, Health and Safety

Fuels

Rates

Investor Relations

Rights of Way

Planning

Energy-Related System Operations

Executive

Nuclear Development

The above mentioned service agreements provide the bases of how costs for services will be assigned, distributed or allocated between companies. To the extent costs are allocated, these agreements specify the appropriate allocation methods for services provided by each of the above mentioned Functions. The current allocation methods (Ratios) include:

Utility Service Agreement

Sales Ratio
Electric Peak Load Ratio
Number of Customers Ratio
Number of Employees Ratio
Construction Expenditures Ratio
Miles of Distribution Lines Ratio
Circuit Miles of Electric Trans. Lines Ratio
Million of Instructions Per Second (MIPS) Ratio
Revenues Ratio
Inventory Ratio
Procurement Spending Ratio
Square Footage Ratio
Gross Margin Ratio
Labor Dollars Ratio
Number of PC Work Stations Ratio
Number of Information Servers Ratio
Total Property, Plant and Equipment Ratio
Generating Unit MW Capability Ratio
Number of Meters Ratio
O&M Expenditures Ratio

Non-Utility Service Agreement

Revenues Ratio
Number of Employees Ratio
Construction Expenditures Ratio
Million of Instructions Per Second (MIPS) Ratio
Sales Ratio
Electric Peak Load Ratio
Number of Customers Ratio
Inventory Ratio
Procurement Spending Ratio
Square Footage Ratio
Gross Margin Ratio
Labor Dollars Ratio
Number of PC Work Stations Ratio
Number of Information Servers Ratio
Total Property, Plant and Equipment Ratio
Generating Unit MW Capability Ratio

Depending on the type of service provided, the cost may be allocated using a single Ratio, or it may be allocated using a weighted average of two or more Ratios. Each of the service agreements provides an example of how a weighted average ratio is calculated.

Supplemental Information

Amounts assigned to DE Kentucky from the service companies during the year ended December 31, 2015, 2016, 2017, the base period, and the forecasted test period are provided by the method of assignment in the attached Schedule FR16(7)-u 2(a) of 5

Duke Energy Kentucky
 Analysis of Amounts Allocated to Duke Energy Kentucky Gas from DEBS
 Summarized by Allocation Basis

	Years Ended December 31,			Base Period (1)	Forecasted Test Period (2)
	2015	2016	2017		
Construction	2		60	14	
CPU Seconds (MIPS)	123,964	129,005	135,777	134,497	139,648
Customers	1,984,086	1,674,174	1,704,354	1,672,768	1,267,298
Customers and Employees	32,439	31,698	26,128	22,764	23,412
Employees	252,531	214,364	206,783	268,286	274,091
Interest	8,310	18,610	12,890	35,332	
Procurement	339,298	140,272	264,690	332,425	69,334
Sales	54,110	11,004	5,494	4,624	5,003
Servers	312,895	318,064	224,105	321,251	278,858
Square Footage	134,522	73,602	69,762	81,741	80,087
Three Factor Formula	2,606,014	2,334,089	1,814,950	2,008,439	1,683,417
Workstations	15,753	149,267	219,674	301,482	365,466
	\$ 5,863,924	\$ 5,094,149	\$ 4,684,667	\$ 5,183,623	\$ 4,186,614

(1) Base period represents December 2017 - May 2018 Actuals and June 2018 - November 2018 Budget.

(2) Forecasted test period represents April 2019 - March 2020.

Duke Energy Kentucky

Basis for Allocating Charges Between Duke Energy Ohio
And Duke Energy Kentucky for Those Items Which Cannot Be Charged Direct

Certain of the Duke Energy Ohio departments provide services to Duke Energy Ohio and Duke Energy Kentucky. To the extent that the charges from those departments cannot be direct charged to a particular company, they are allocated. The bases for such allocations is determined by a review of the work activities performed by each department. The costs associated with each activity are distributed to the appropriate company based on a quantitative measure related to the work being performed. The primary quantitative measure is the Number of Customers Ratio.

Various departments of the Duke Energy Ohio provide services to the Duke Energy Ohio and Duke Energy Kentucky. Whenever possible, the costs of these services are charged direct to the company for which the services were performed. In some cases, however, there is no reasonable bases for direct charging an expense to either Duke Energy Ohio or Duke Energy Kentucky, so the expense must be allocated between the two companies. Examples of such expenses are the Marketing Department's expense for preparing bill inserts for both Duke Energy Ohio and Duke Energy Kentucky customers and the Customer Services Department's expense for credit and collection activity provided to both Duke Energy Ohio and Duke Energy Kentucky. These are activities that benefit both Duke Energy Ohio and Duke Energy Kentucky, but cannot be directly charged to either one, so the cost of these actives is allocated between the two companies.

Most costs can be directly charged, such that the need to allocate costs only arises for a small percentage of Duke Energy Kentucky's total costs. When costs must be allocated, the functional activities of each department are matched with the allocation method that most closely related to the nature of the work performed. Departments are provided an allocation code to pool the costs to be allocated. The various pools will be allocated between gas and electric based on the above methods when costs cannot be directly charged. The amounts allocated by Duke Energy Ohio to Duke Energy Kentucky during the years ended December 31, 2015, 2016, 2017 for the base period and forecasted test period are provide by allocation code in the attached Schedule FR 16(7)-u-3a of 5.

The allocation codes provided in the attached Schedule FR 16(7)-u-3(a) of 5 are based on the primary quantitative measure listed above. Each department is responsible for periodically reviewing the activities it performs and for determining a quantitative measure for allocating its common costs, based on the nature of the work being performed. In so doing, the goal is to select the quantitative measure that most closely related to the nature of the work performed, such that quantitative measure used to allocate common costs is reasonable.

For the majority of costs, Duke Energy Ohio department general managers select the Number of Retail Gas and Electric Customers as the method for allocating common costs, which as of December 31, 2017 was split approximately 83% - Duke Energy Ohio and 17% Duke Energy Kentucky.

Allocation Code <u>(1)</u>	Years Ended December 31,			Base Period <u>(2)</u>	Forecasted Test Period <u>(3)</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>		
COK1	\$ 160,538	\$ 100,666	\$ 42,274	\$ 43,261	\$ 34,595
COK3	3,240,115	(72,312) *	110,406	123,843	127,751
MOK4	\$ 3,400,653	\$ 28,354	\$ 152,680	\$ 167,104	\$ 162,346

(1) These codes allocate between Duke Energy Ohio and Duke Energy Kentucky based on number gas and electric customers (COK1 and COK3) and total gas sales (MOK4).

(2) Base period represents December 2017 - May 2018 Actuals and June 2018 - November 2018 Budget.

(3) Forecasted test period represents April 2019 - March 2020.

*2015 Income Tax Payable

Duke Energy Kentucky

Basis for Allocating Charges Between Duke Energy Carolina, Duke Energy Progress And
Duke Energy Kentucky For Costs Which Cannot Be Charged Direct

Under the Operating Company Services Agreement, Duke Energy Kentucky and its utility affiliates are permitted to provide and receive services to and from each other in the normal course of conducting business at the providing company's fully embedded costs. Services provided to Duke Energy Kentucky from its utility affiliate companies in 2017 include but are not limited to the following Functions:

Electric System Maintenance	Power Engineering and Construction
Electric System Engineering and Construction	Power Planning and Operations
Customer Operations and Marketing Relations	Procurement (including Fuel)
Environmental Health & Safety	Coal Combustion Support

In 2013 DEBS employees engaged in core utility functions that primarily supported the Carolina utilities were transferred to either Duke Energy Carolina or Duke Energy Progress. While these employees primarily support the Carolinas, they also provide support to other jurisdictions including Duke Energy Kentucky. This has resulted in an increase in affiliate charges from the Carolinas that was previously incurred from DEBS. The allocation methods utilized during the year ended December 31, 2017 are as follows:

1. Number of Customers Ratio
2. Generating Unit MW Capability Ratio
3. Construction Expenditures Ratio
4. Sales Ratio
5. Electric Peak Load Ratio
6. Circuit Miles of Electric Lines Ratio
7. Weighted Average of Circuit Miles and Electric Peak Load

The majority of common costs can be directly charged. A portion of the common costs are allocated to Duke Energy's utilities from the Carolina's including Duke Energy Kentucky. When costs must be allocated, the functional activities of each department are matched with the allocation method that most closely related to the nature of the work performed. Departments are provided an allocation code to pool the costs to be allocated. The amounts allocated from Duke Energy Carolina and Duke Energy Progress to Duke Energy Kentucky Gas during the years ended December 31, 2015, 2016, 2017, for the base period and forecasted test period are provided by allocation method in the attached Schedule FR 16(7)-u-4a of 5.

The majority of common costs are allocated from the Carolinas to other Duke utilities including Duke Energy Kentucky using the number of customers ratio as the allocation method.

Duke Energy Kentucky

Analysis of Amounts Allocated to Duke Energy Kentucky from DE Carolinas and DE Progress (Utility to Utility allocations)
Summarized by Allocation Basis

	Years Ended				
	December 31,				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Base Period (1)</u>	<u>Forecasted Test Period (2)</u>
Customers	578,203	404,602	337,676	374,419	315,757
	\$ 578,203	\$ 404,602	\$ 337,676	\$ 374,419	\$ 315,757

(1) Base period represents December 2017 - May 2018 Actuals and June 2018 - November 2018 Budget.

(2) Forecasted test period represents April 2019 - March 2020.

Duke Energy Kentucky

Basis for Allocating Customer and Administrative and General Charges Between Gas and Electric
Expense
For Those Items Which Cannot Be Charged Direct

To the extent that Duke Energy Kentucky's Customer and Administrative and General (A&G) costs cannot be directly charged to gas and/or electric expense, they are allocated using a subset of the bases specified in the Utility Service Agreement. Department costs are then distributed based on quantitative measures associated with the activity performed. The allocation methods utilized during the year ended December 31, 2017 are as follows:

8. Labor Dollars Ratio
9. Number of Customers Ratio
10. Total Property, Plant and Equipment Ratio (PPE)
11. Three Factor Formula
12. Revenues Ratio

The Three Factor Formula uses a weighted average of the three ratios. The Three Factor Formula shown above uses 34% PPE, 33% Labor Dollars Ratio and 33% Gross margin Ratio to allocate gas and electric charges.

The functional activities of each department are matched with the allocation method that most closely related to the nature of the work performed. Departments are provided an allocation code to pool the costs to be allocated. The various pools will be allocated between gas and electric based on the above methods when costs cannot be directly charged. The amounts allocated by the Duke Energy Kentucky to gas and electric during the year ended December 31, 2015, 2016, 2017 the base period and forecast test period are provided by allocation code in the attached Schedule FR 16(7)-u-5(a) of 5.

Example of Customer and A&G departments that could allocate gas / electric costs include : Meter Reading and Planning.

Duke Energy Kentucky
Customer and Administrative and General Charges Advanced between Gas and Electric Expense Accounts
for the years Ended December 31, 2015, 2016, 2017, Base Period, and Forecasted Test Period

Account Number	Account Description	12/31/2015			12/31/2016			12/31/2017			Base Period(1)			Forecasted Test Period(2)		
		Electric	Gas	Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas	Total
092000	Supervision - Curt Accts	239,292.18	4,819.17	244,111.35	281,544.42	806,391.89	1,087,936.34	177,977.92	453,410.41	631,388.34	177,977.92	453,410.41	631,388.34	177,977.92	453,410.41	631,388.34
092005	Major Reading and Collection	710,249.69	1,640,416.29	2,350,665.98	2,462,942.49	8,043,919.42	10,506,861.97	803,385.85	1,771,763.29	2,575,149.14	803,385.85	1,771,763.29	2,575,149.14	803,385.85	1,771,763.29	2,575,149.14
092010	Cost Credits and Collection - Local	130,127.96	3,185,576.63	3,315,704.59	3,110,245.31	1,676,543.37	4,786,788.68	2,939,222.27	4,536,760.59	7,475,982.86	2,939,222.27	4,536,760.59	7,475,982.86	2,939,222.27	4,536,760.59	7,475,982.86
092015	Cost Billing and Audit	68,714.09	1,146,258.78	1,214,972.87	1,310,492.71	1,549,373.61	2,859,866.32	144,817.19	1,441,179.77	1,585,996.96	144,817.19	1,441,179.77	1,585,996.96	144,817.19	1,441,179.77	1,585,996.96
092020	Cost Review and Collect Exp - Eds	240,133.39	116,418.43	356,551.82	317,471.76	215,020.06	532,491.82	248,934.27	134,150.94	383,085.21	248,934.27	134,150.94	383,085.21	248,934.27	134,150.94	383,085.21
092025	Commission - Operating - Curt Accts	30,457.11	20,971.23	51,428.34	51,217.28	37,183.16	88,400.44	40,459.27	64,674.59	105,133.86	40,459.27	64,674.59	105,133.86	40,459.27	64,674.59	105,133.86
092030	Unrecoverable Accounts	58,609.78	2,615.51	61,225.29	61,872.29	116,466.78	178,339.07	187,466.78	195,170.09	350,646.87	187,466.78	195,170.09	350,646.87	187,466.78	195,170.09	350,646.87
092035	Bad Debt Expense	1,633,699.34	797,580.52	2,431,279.86	3,163,932.99	185,695.31	5,019,928.30	1,652,175.06	11,378,484.48	13,030,659.48	1,652,175.06	11,378,484.48	13,030,659.48	1,652,175.06	11,378,484.48	13,030,659.48
092040	MC Accts on Sale of AR with WE	1,083.22	757.25	1,840.47	1,840.47	18.02	36.42	451.28	31.78	14.50	451.28	31.78	14.50	451.28	31.78	14.50
092045	MC Customer Accts Estormt	37.89	0.91	38.80	38.80	37.86	37.86	481.28	1.18	1.18	481.28	1.18	1.18	481.28	1.18	1.18
092050	Cost Acct Up-Conversion Programs - MC	348.53	59.64	408.17	408.17	18.02	36.42	451.28	31.78	14.50	451.28	31.78	14.50	451.28	31.78	14.50
092055	Customer/Project Marketing Exp	17,153.64	157,132.44	174,286.08	164,846.06	30.40	60.80	91.20	119,141.44	119,141.44	91.20	119,141.44	119,141.44	91.20	119,141.44	119,141.44
092060	MC Advertising Expense	10,423.50	3,232.39	13,655.89	13,655.89	6,984.57	6,798.28	6,824.78	5,913.51	1,771.50	6,824.78	5,913.51	1,771.50	6,824.78	5,913.51	1,771.50
092065	MC Distribution Expense	415,888.01	300,059.43	715,947.44	715,947.44	212,681.82	598,026.39	347,728.49	557,965.59	547,665.24	347,728.49	557,965.59	547,665.24	347,728.49	557,965.59	547,665.24
092070	Exp - Rtg Prod/Inst - Chasct	130,971.87	300,941.67	431,913.54	431,913.54	121,191.13	417,817.36	319,409.09	346,101.12	215,959.98	319,409.09	346,101.12	215,959.98	319,409.09	346,101.12	215,959.98
092075	Supplies	830,661.87	94,913.23	925,575.10	925,575.10	90,000.81	940,014.04	823,025.02	914,943.82	1,202,041.11	823,025.02	914,943.82	1,202,041.11	823,025.02	914,943.82	1,202,041.11
092080	Advertising Expense	76,289.41	171.95	76,461.36	76,461.36	3,784.27	54,973.52	62,187.61	74,548.20	3,468.41	62,187.61	74,548.20	3,468.41	62,187.61	74,548.20	3,468.41
092085	A and G Salaries	4,365,930.82	1,777,144.58	6,143,075.40	6,143,075.40	5,516,077.48	7,558,637.76	5,043,143.51	6,405,197.78	8,136,802.50	5,043,143.51	6,405,197.78	8,136,802.50	5,043,143.51	6,405,197.78	8,136,802.50
092090	Salaries & Wages - Proj Dept - MCRC Exp	1.18	0.31	1.49	1.49	0.50	0.50	19.29	13.89	13.89	19.29	13.89	13.89	19.29	13.89	13.89
092095	Project Development Labor	143,950.82	117,102.44	261,053.26	261,053.26	99,266.02	305,963.90	207,181.41	297,764.97	18,584.21	207,181.41	297,764.97	18,584.21	207,181.41	297,764.97	18,584.21
092100	Employee Exp - MC	24.47	17.34	41.81	41.81	2.80	13.19	16.39	21.76	7.15	16.39	21.76	7.15	16.39	21.76	7.15
092105	Substation Expenses	14,944.74	310,366.07	325,310.81	325,310.81	3,768.73	3,768.73	47.64	1,011.99	1,011.99	47.64	1,011.99	1,011.99	47.64	1,011.99	1,011.99
092110	Telephone and Telegraph Exp	38,425.74	79.14	38,504.88	38,504.88	10,025.45	15,179.94	6,053.54	15,179.94	6,053.54	6,053.54	15,179.94	6,053.54	6,053.54	15,179.94	6,053.54
092115	Computer Terminals Expenses	37,280.54	191,849.24	229,130.78	229,130.78	7.96	1,179.55	1,187.51	1,179.55	1,179.55	1,179.55	1,179.55	1,179.55	1,179.55	1,179.55	1,179.55
092120	Computer Equip (Net Oth)	135,180.10	1,179.55	136,359.65	136,359.65	11,099.46	18,114.41	4,613.89	18,114.41	12,545.27	4,613.89	18,114.41	12,545.27	4,613.89	18,114.41	12,545.27
092125	Other	1,051.11	0.15	1,051.26	1,051.26	0.57	0.01	0.57	1,167.59	1,167.59	0.57	1,167.59	1,167.59	0.57	1,167.59	1,167.59
092130	Office Supplies and Exp - Proj	1,305,957.57	41,018.24	1,346,975.81	1,346,975.81	965,553.94	1,802,467.48	1,066,415.50	1,802,467.48	1,802,467.48	1,066,415.50	1,802,467.48	1,802,467.48	1,066,415.50	1,802,467.48	1,802,467.48
092135	Admin Exp Transfer	1,895,784.89	904.51	1,896,689.40	1,896,689.40	677.48	677.48	494.72	1,170,848.15	1,170,848.15	494.72	1,170,848.15	1,170,848.15	494.72	1,170,848.15	1,170,848.15
092140	Outside Services Contract	15,951,026.02	31,421.42	15,982,447.44	15,982,447.44	1,170,848.15	1,170,848.15	630.25	1,542,219.36	1,542,219.36	630.25	1,542,219.36	1,542,219.36	630.25	1,542,219.36	1,542,219.36
092145	Outside Services Contract - Proj Dept - MCRC Exp	138,629.58	0.78	138,630.36	138,630.36	4.06	0.78	4.84	167,628.34	167,628.34	4.84	167,628.34	167,628.34	4.84	167,628.34	167,628.34
092150	Property Taxes - Property Insurance Exp	202,755.84	90,844.08	293,599.92	293,599.92	64,295.20	352,000.02	189,375.84	263,099.96	38,075.98	189,375.84	263,099.96	38,075.98	189,375.84	263,099.96	38,075.98
092155	Property Taxes - Property Insurance Exp - Proj Dept - MCRC Exp	114,551.77	72,844.27	187,396.04	187,396.04	65,878.83	209,940.02	25,919.63	197,875.95	197,875.95	25,919.63	197,875.95	197,875.95	25,919.63	197,875.95	197,875.95
092160	Telephone and Telegraph Exp	247,044.00	179,950.00	426,994.00	426,994.00	7,703.34	7,703.34	7,703.34	997,100.00	997,100.00	7,703.34	997,100.00	997,100.00	7,703.34	997,100.00	997,100.00
092165	Telephone and Telegraph Exp - Proj Dept - MCRC Exp	3,558.54	2,948.00	6,506.54	6,506.54	1,911.26	1,911.26	2,832.24	3,545.49	3,545.49	2,832.24	3,545.49	3,545.49	2,832.24	3,545.49	3,545.49
092170	Engineering and Design Exp	4,217,431.76	1,406,368.72	5,623,800.48	5,623,800.48	3,760,370.93	4,778,615.95	3,760,370.93	4,195,816.03	4,195,816.03	3,760,370.93	4,195,816.03	4,195,816.03	3,760,370.93	4,195,816.03	4,195,816.03
092175	Engineering and Design Exp - Proj Dept - MCRC Exp	16.03	10.46	26.49	26.49	69.07	184.74	36.96	58.36	94.32	36.96	58.36	94.32	36.96	58.36	94.32
092180	Other Employee Benefits	1,134,426.27	972,654.13	2,107,080.40	2,107,080.40	481,779.18	2,377,868.86	1,950,157.27	2,538,474.76	2,538,474.76	1,950,157.27	2,538,474.76	2,538,474.76	1,950,157.27	2,538,474.76	2,538,474.76
092185	Union Service Cost (ASAC 2017-07)	481,796.20	216,188.51	697,984.71	697,984.71	15,482.82	101.54	15,634.36	67,244.44	67,244.44	15,634.36	67,244.44	67,244.44	15,634.36	67,244.44	67,244.44
092190	State Reg Comm Proceeding	145,551.37	145,551.37	291,102.74	291,102.74	11,577.56	11,577.56	11,577.56	11,577.56	11,577.56	11,577.56	11,577.56	11,577.56	11,577.56	11,577.56	11,577.56
092195	Admin Exp Transf	4,561,811.81	1,980,494.31	6,542,306.12	6,542,306.12	2,879,278.78	2,879,278.78	2,879,278.78	2,879,278.78	2,879,278.78	2,879,278.78	2,879,278.78	2,879,278.78	2,879,278.78	2,879,278.78	2,879,278.78
092200	Marketing Advertising Exp	6,422.08	6,422.08	12,844.16	12,844.16	2,879.28	2,879.28	2,879.28	2,879.28	2,879.28	2,879.28	2,879.28	2,879.28	2,879.28	2,879.28	2,879.28
092205	Marketing Advertising Exp - Proj Dept - MCRC Exp	198,038.94	198,038.94	396,077.88	396,077.88	4,699.36	4,699.36	4,699.36	4,699.36	4,699.36	4,699.36	4,699.36	4,699.36	4,699.36	4,699.36	4,699.36
092210	Marketing Advertising Exp - Proj Dept - MCRC Exp	39,500.79	21,981.20	61,481.99	61,481.99	22,395.61	22,395.61	22,395.61	22,395.61	22,395.61	22,395.61	22,395.61	22,395.61	22,395.61	22,395.61	22,395.61
092215	Marketing Advertising Exp - Proj Dept - MCRC Exp	39,500.79	21,981.20	61,481.99	61,481.99	22,395.61	22,395.61	22,395.61	22,395.61	22,395.61	22,395.61	22,395.61	22,395.61	22,395.61	22,395.61	22,395.61
092220	Exp of Shipping Supplies	27,575.22	24,482.74	52,057.96	52,057.96	19,653.75	19,653.75	19,653.75	19,653.75	19,653.75	19,653.75	19,653.75	19,653.75	19,653.75	19,653.75	19,653.75
092225	Exp of Shipping Supplies - Proj Dept - MCRC Exp	41,997.80	13,133.33	55,131.13	55,131.13	19,449.66	19,449.66	19,449.66	19,449.66	19,449.66	19,449.66	19,449.66	19,449.66	19,449.66	19,449.66	19,449.66
092230	Project Development Labor	1,454,511.71	1,454,511.71	2,909,023.42	2,909,023.42	1,454,511.71	1,454,511.71	1,454,5								

DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(v)

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

Description of Filing Requirement:

If the utility provides electric, gas or water utility service and has annual gross revenues greater than \$5,000,000, a cost of service study based on a methodology generally accepted within the industry and based on current and reliable data from a single time period.

Response:

See attached Schedules FR 16(7)(v)-1 through FR 16(7)(v)-12 which contain the cost of service studies. See attached Work Paper FR-16(7)(v), for work papers supporting the cost of service study.

Witness Responsible: James E. Ziolkowski

DUKE ENERGY KENTUCKY, INC.
 FUNCTIONAL GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-1
 WITNESS RESPONSIBLE:
 JAMES E. ZIOLKOWSKI
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LINE NO.	SUMMARY OF RESULTS	ALLO	TOTAL GAS	FUNCTIONAL			TOTAL AT ISSUE	ALL OTHER
				PRODUCTION	STORAGE	DISTRIBUTION		
		Schedule 1		3	4	5		
1	NET INCOME COMPUTATION							
2	GROSS GAS PLANT IN SERVICE		588,627,191	6,658,967	0	581,968,224	588,627,191	0
3	TOTAL DEPRECIATION RESERVE		(187,541,693)	(3,706,705)	0	(183,834,988)	(187,541,693)	0
4	TOTAL RATE BASE ADJUSTMENTS		(87,410,259)	3,742,217	0	(91,152,476)	(87,410,259)	0
5	TOTAL RATE BASE		313,675,239	6,694,479	0	306,980,760	313,675,239	0
6								
7	OPERATING EXPENSES							
8	TOTAL O&M EXPENSE		60,507,968	38,032,691	0	22,475,277	60,507,968	0
9	TOTAL DEPRECIATION EXPENSE		14,615,192	457,905	0	14,157,287	14,615,192	0
10	TOTAL OTHER TAX & MISC EXPENSE		4,118,771	100,391	0	4,018,380	4,118,771	0
11	TOTAL OP EXP EXCLUDING INC & REV TAX		79,241,931	38,590,987	0	40,650,944	79,241,931	0
12	NET FED INCOME TAX EXP ALLOWABLE		3,326,904	955,859	0	2,371,042	3,326,901	3
13	NET STATE INCOME TAX EXP ALLOWABLE		830,495	58,434	0	772,059	830,493	2
14	TOTAL OPERATING EXPENSE		83,399,330	39,605,280	0	43,794,045	83,399,325	5
15								
16	RETURN ON RATE BASE		22,525,019	480,731	0	22,044,288	22,525,019	0
17	TOTAL OTHER OPERATING REVENUES		(94,257)	(2,870)	0	(91,387)	(94,257)	0
18	TOTAL GAS COST OF SERVICE		105,830,092	40,083,141	0	65,746,946	105,830,087	5

DUKE ENERGY KENTUCKY, INC.
 FUNCTIONAL GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-1
 WITNESS RESPONSIBLE:
 JAMES E. ZIOLKOWSKI
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LINE NO.	GROSS GAS PLANT IN SERVICE	ALLO	TOTAL GAS	FUNCTIONAL			TOTAL AT ISSUE	ALL OTHER
				PRODUCTION	STORAGE	DISTRIBUTION		
	Schedule 2			3	4	5		
1	PRODUCTION PLANT							
2	PRODUCTION PLANT	K205	2,799,608	2,799,608	0	0	2,799,608	0
3	GAS PRODUCTION -CPMPL NOT CLASS	K205	0	0	0	0	0	0
4	PRODUCTION PLANT IN SERVICE		2,799,608	2,799,608	0	0	2,799,608	0
5								
6	TRANSMISSION PLANT							
7	TRANSMISSION PLANT							
8	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0
9								
10	TOTAL PROD & TRANS PLANT		2,799,608	2,799,608	0	0	2,799,608	0
11								
12	DISTRIBUTION PLANT							
13	SYSTEM M&R - (2780, 2781)	K203	8,194,914	0	0	8,194,914	8,194,914	0
14	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	2,419,176	0	0	2,419,176	2,419,176	0
15	LARGE IND M&R - (2850, 2851)	K595	519,875	0	0	519,875	519,875	0
16	MAINS - (2761, 2762, 2763, 2765)	K415	283,446,655	0	0	283,446,655	283,446,655	0
17	SERVICES - (2801, 2802, 2803)	K403	163,028,490	0	0	163,028,490	163,028,490	0
18	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	23,257,250	0	0	23,257,250	23,257,250	0
19	LAND, R OF W, STRUCT & IMPROV	K203	1,460,393	0	0	1,460,393	1,460,393	0
20	HOUSE REG & INSTALL (2830, 2840)	K417	12,497,082	0	0	12,497,082	12,497,082	0
21	STREET LIGHTING EQUIPMENT & OTH	K597	49,737	0	0	49,737	49,737	0
22	ASSET RETIREMENT COST FOR DISTRIBUTION PLANT	K203	53,610,236	0	0	53,610,236	53,610,236	0
23	DISTRIBUTION PLANT IN SERVICE		548,483,808	0	0	548,483,808	548,483,808	0
24								
25	TOTAL TRANS & DIST PLANT		548,483,808	0	0	548,483,808	548,483,808	0
26	TOTAL GROSS PTD PLANT		551,283,416	2,799,608	0	548,483,808	551,283,416	0
27								
28	GENERAL & INTANGIBLE PLANT							
29	PRODUCTION PLANT	K201	1,418,707	1,418,707	0	0	1,418,707	0
30	PRODUCTION PLANT COMMODITY	P349	1,109,764	1,109,764	0	0	1,109,764	0
31	DISTRIBUTION PLANT	D349	15,031,206	0	0	15,031,206	15,031,206	0
32	CUSTOMER ACCOUNTING	CA19	6,350,501	0	0	6,350,501	6,350,501	0
33	CUSTOMER SERVICE & INFORMATION	CS19	555,712	0	0	555,712	555,712	0
34	SALES	SE19	0	0	0	0	0	0
35	GEN & INTANG PLANT IN SERVICE		24,465,890	2,528,471	0	21,937,419	24,465,890	0
36								
37	COMMON & OTHER PLANT							
38	PRODUCTION PLANT	K201	746,752	746,752	0	0	746,752	0
39	PRODUCTION PLANT COMMODITY	P349	584,136	584,136	0	0	584,136	0
40	DISTRIBUTION PLANT	D349	7,911,837	0	0	7,911,837	7,911,837	0
41	CUSTOMER ACCOUNTING	CA19	3,342,655	0	0	3,342,655	3,342,655	0
42	CUSTOMER SERVICE & INFORMATION	CS19	292,505	0	0	292,505	292,505	0
43	SALES	SE19	0	0	0	0	0	0
44	COMMON & OTHER PLANT IN SERVICE		12,877,885	1,330,888	0	11,546,997	12,877,885	0
45								
46	GROSS GAS PLANT IN SERVICE		588,627,191	6,658,967	0	581,968,224	588,627,191	0

DUKE ENERGY KENTUCKY, INC.
 FUNCTIONAL GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-1
 WITNESS RESPONSIBLE:
 JAMES E. ZIOLKOWSKI
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LINE NO.	DEPRECIATION RESERVE	ALLO	TOTAL GAS	FUNCTIONAL			TOTAL AT ISSUE	ALL OTHER
				PRODUCTION	STORAGE	DISTRIBUTION		
				3	4	5		
1	PRODUCTION PLANT	Schedule 3						
2	PRODUCTION PLANT	K205	1,634,598	1,634,598	0	0	1,634,598	0
3	TOTAL PROD DEPREC RESERVE		1,634,598	1,634,598	0	0	1,634,598	0
4								
5	TRANSMISSION PLANT							
6	TRANSMISSION PLANT							
7	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0
8								
9	DISTRIBUTION PLANT							
10	SYSTEM M&R - (2780, 2781)	K203	2,957,792	0	0	2,957,792	2,957,792	0
11	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	1,110,309	0	0	1,110,309	1,110,309	0
12	LARGE IND M&R - (2850, 2851)	K595	498,099	0	0	498,099	498,099	0
13	MAINS - (2761, 2762, 2763, 2765)	K415	106,766,757	0	0	106,766,757	106,766,757	0
14	SERVICES - (2801, 2802, 2803)	K403	53,771,817	0	0	53,771,817	53,771,817	0
15	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	(2,918,585)	0	0	(2,918,585)	(2,918,585)	0
16	LAND, R OF W, STRUCT & IMPROV & OTH	K203	674,357	0	0	674,357	674,357	0
17	HOUSE REG & INSTALL (2830, 2840)	K417	5,133,050	0	0	5,133,050	5,133,050	0
18	STREET LIGHTING EQUIPMENT & OTH	K597	(2,136,531)	0	0	(2,136,531)	(2,136,531)	0
19	TOTAL DIST DEPREC RESERVE		165,857,065	0	0	165,857,065	165,857,065	0
20								
21	GENERAL & INTANGIBLE PLANT							
22	PRODUCTION PLANT	K201	546,802	546,802	0	0	546,802	0
23	PRODUCTION PLANT COMMODITY	P349	427,728	427,728	0	0	427,728	0
24	DISTRIBUTION PLANT	D349	5,793,367	0	0	5,793,367	5,793,367	0
25	CUSTOMER ACCOUNTING	CA19	2,447,627	0	0	2,447,627	2,447,627	0
26	CUSTOMER SERVICE & INFORMATION	CS19	214,184	0	0	214,184	214,184	0
27	SALES	SE19	0	0	0	0	0	0
28	TOTAL GEN DEPREC RESERVE		9,429,708	974,530	0	8,455,178	9,429,708	0
29								
30	COMMON & OTHER PLANT							
31	PRODUCTION PLANT	K201	615,843	615,843	0	0	615,843	0
32	PRODUCTION PLANT COMMODITY	P349	481,734	481,734	0	0	481,734	0
33	DISTRIBUTION PLANT	D349	6,524,849	0	0	6,524,849	6,524,849	0
34	CUSTOMER ACCOUNTING	CA19	2,756,669	0	0	2,756,669	2,756,669	0
35	CUSTOMER SERVICE & INFORMATION	CS19	241,227	0	0	241,227	241,227	0
36	SALES	SE19	0	0	0	0	0	0
37	TOTAL COM & OTHER PLT RESERVE		10,620,322	1,097,577	0	9,522,745	10,620,322	0
38								
39	TOTAL DEPRECIATION RESERVE		187,541,693	3,706,705	0	183,834,988	187,541,693	0

DUKE ENERGY KENTUCKY, INC.
 FUNCTIONAL GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-1
 WITNESS RESPONSIBLE:
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LINE NO.	NET GAS PLANT	ALLO	TOTAL GAS	FUNCTIONAL			TOTAL AT ISSUE	ALL OTHER
				PRODUCTION	STORAGE	DISTRIBUTION		
		Schedule 4		3	4	5		
1	PRODUCTION PLANT							
2	PRODUCTION PLANT IN SERVICE		2,799,608	2,799,608	0	0	2,799,608	0
3	TOTAL PROD DEPRC RESERVE		(1,634,598)	(1,634,598)	0	0	(1,634,598)	0
4	NET PRODUCTION PLANT		1,165,010	1,165,010	0	0	1,165,010	0
5								
6	TRANSMISSION PLANT							
7	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0
8	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0
9	NET TRANSMISSION PLANT		0	0	0	0	0	0
10								
11	DISTRIBUTION PLANT							
12	DISTRIBUTION PLANT IN SERVICE		548,483,808	0	0	548,483,808	548,483,808	0
13	TOTAL DIST DEPREC RESERVE		(165,857,065)	0	0	(165,857,065)	(165,857,065)	0
14	NET DISTRIBUTION PLANT		382,626,743	0	0	382,626,743	382,626,743	0
15								
16	NET PTD PLANT		383,791,753	1,165,010	0	382,626,743	383,791,753	0
17	NET TRANS & DIST PLANT		382,626,743	0	0	382,626,743	382,626,743	0
18								
19	GENERAL & INTANGIBLE PLANT							
20	GEN & INTANG PLANT IN SERVICE		24,465,890	2,528,471	0	21,937,419	24,465,890	0
21	TOTAL GEN & INTG DEPREC RESERVE		(9,429,708)	(974,530)	0	(8,455,178)	(9,429,708)	0
22	NET GENERAL & INTANG PLANT		15,036,182	1,553,941	0	13,482,241	15,036,182	0
23								
24	COMMON & OTHER PLANT							
25	COMMON & OTH PLT IN SERVICE		12,877,885	1,330,888	0	11,546,997	12,877,885	0
26	TOTAL COM & OTH DEPREC RESERVE		(10,620,322)	(1,097,577)	0	(9,522,745)	(10,620,322)	0
27	NET COMMON & OTHER PLANT		2,257,563	233,311	0	2,024,252	2,257,563	0
28								
29	NET GAS PLANT IN SERVICE		401,085,498	2,952,262	0	398,133,236	401,085,498	0

DUKE ENERGY KENTUCKY, INC.
 FUNCTIONAL GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-1
 WITNESS RESPONSIBLE:
 JAMES E. ZIOLKOWSKI
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LINE NO.	SUBTRACTIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL GAS	FUNCTIONAL			TOTAL AT ISSUE	ALL OTHER
				PRODUCTION	STORAGE	DISTRIBUTION		
		Schedule 5		3	4	5		
1	RATE BASE ADJUSTMENTS							
2	ACCUMULATED DEFERRED INCOME TAXES							
3	ACCUM DEF INC TAXES (282)							
4	LIBERALIZED DEPRECIATION	NP29	52,815,985	388,726	0	52,427,259	52,815,985	0
5	LEASED METERS	K413	1,689,651	0	0	1,689,651	1,689,651	0
6	CONTRIB AID CONSTR	D249	(185,094)	0	0	(185,094)	(185,094)	0
7	CAPITALIZED INTEREST	NP29	(939,111)	(6,912)	0	(932,199)	(939,111)	0
8	AFUDC IN DEBT	NP29	253,203	1,864	0	251,339	253,203	0
9	CWIP DIFFERENCES	NP29	0	0	0	0	0	0
10	NON-CASH OVERHEADS	AG39	(536,983)	(55,497)	0	(481,486)	(536,983)	0
11	PLANT FAS 109	NP29	0	0	0	0	0	0
12	MISCELLANEOUS	AG39	9,455,127	977,188	0	8,477,939	9,455,127	0
13	TOTAL ACCOUNT 282		62,552,778	1,305,369	0	61,247,409	62,552,778	0
14								
15	ACCUM DEF INC TAXES (283)							
16	BLANK	K413		0	0	0	0	0
17	BLANK	K413		0	0	0	0	0
18	UNRECOVERED PURCHASED GAS COST	AG39	20,028	2,070	0	17,958	20,028	0
19	ENVIRONMENTAL RESERVE	NP29		0	0	0	0	0
20	POST IN-SERVICE CARRYING COSTS	K667		0	0	0	0	0
21	ARO CUMULATIVE EFFECT	NP29		0	0	0	0	0
22	LOSS ON REACQUIRED DEBT	NP29	17,095	126	0	16,969	17,095	0
23	VACATION PAY ACCRUAL	AG39	91,771	9,485	0	82,286	91,771	0
24	RATE CASE EXPENSE AMORT	AG39	(25,088)	(2,593)	0	(22,495)	(25,088)	0
25	PENSION	AG39	1,603,339	165,705	0	1,437,634	1,603,339	0
26	MISCELLANEOUS	K406	722,522	0	0	722,522	722,522	0
27	TOTAL ACCOUNT 283		2,429,667	174,793	0	2,254,874	2,429,667	0
28								
29	OTHER ACCUMULATED DEFERRED INCOME TAXES							
30	CUSTOMER ADVANCES FOR CONSTRUCTION	D249	1,579,329	0	0	1,579,329	1,579,329	0
31	CUSTOMER SERVICE DEPOSITS	D249		0	0	0	0	0
32	POST RETIREMENT BENEFITS	AG39		0	0	0	0	0
33	EDIT	NP29	31,320,215	230,517	0	31,089,698	31,320,215	0
34	TOTAL OTHER SUBTRACTIVE ADJS		32,899,544	230,517	0	32,669,027	32,899,544	0
35								
36	SUBTOTAL ACCUMULATED DEFERRED INC TAXES		97,881,989	1,710,679	0	96,171,310	97,881,989	0

DUKE ENERGY KENTUCKY, INC.
 FUNCTIONAL GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-1
 WITNESS RESPONSIBLE:
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LINE NO.	ADDITIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL GAS	FUNCTIONAL			TOTAL AT ISSUE	ALL OTHER
				PRODUCTION	STORAGE	DISTRIBUTION		
				3	4	5		
1	OTHER ACCUMULATED DEFERRED INCOME TAXES							
2	ACCUM DEF INC TAXES (190)							
3	UNCOLLECTIBLE ACCTS	K406	3,828	0	0	3,828	3,828	0
4	GAS SUPPLIER REFUND	K300	40,128	40,128	0	0	40,128	0
5	UNBILLED REVENUE - FUEL & RATE REFUNDS	K300	727,162	727,162	0	0	727,162	0
6	OFFSITE GAS STORAGE	K300	88,650	88,650	0	0	88,650	0
7	GAS METERS	K413	37,579	0	0	37,579	37,579	0
8	UNAMORTIZED DEBT PREMIUM	NP29	(1,833)	(13)	0	(1,820)	(1,833)	0
9	ARO CUMULATIVE EFFECT	NP29		0	0	0	0	0
10	PENSION EXPENSE	AG39	184,414	19,059	0	165,355	184,414	0
11	POST RETIREMENT BENEFITS - LIFE INS	AG39		0	0	0	0	0
12	POST RETIREMENT BENEFITS - HEALTH CARE	AG39		0	0	0	0	0
13	POST EMPLOYMENT BENEFITS - SFAS 112	AG39	43,984	4,546	0	39,438	43,984	0
14	OPEB EXPENSE ACCRUAL	AG39	302,668	31,281	0	271,387	302,668	0
15	INCENTIVE PLAN	AG39		0	0	0	0	0
16	FEDERAL DEFERRED TAX RECEIVABLE	AG39		0	0	0	0	0
17	DSM DEFERRAL	AG39	187,434	19,371	0	168,063	187,434	0
18	PROPERTY TAX	P229		0	0	0	0	0
19	PROPERTY TAX ON PROPANE	P229		0	0	0	0	0
20	401K INCENTIVE PLAN	AG39		0	0	0	0	0
21	ENVIRONMENTAL RESERVE	NP29	159,230	1,172	0	158,058	159,230	0
22	VACATION PAY ACCRUALS	G129	163,904	16,939	0	146,965	163,904	0
23	SMART GRID	K413		0	0	0	0	0
24	METERS & TRANSFORMERS	D249		0	0	0	0	0
25	OTHER	AG39	379,414	39,212	0	340,202	379,414	0
26	TOTAL ACCOUNT 190		2,316,562	987,507	0	1,329,055	2,316,562	0
27								
28	OTHER							
29	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0
30	ANNUALIZE DEPRECIATION	NP29	(270,298)	(1,989)	0	(268,309)	(270,298)	0
31	ELIMINATE UNBILLED REVENUE AND GAS COSTS	K300	(20,077)	(20,077)	0	0	(20,077)	0
32	OTHER		(290,375)	(22,066)	0	(268,309)	(290,375)	0
33								
34	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		2,026,187	965,441	0	1,060,746	2,026,187	0

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LINE NO.	WORKING CAPITAL	ALLO	TOTAL GAS	FUNCTIONAL			TOTAL AT ISSUE	ALL OTHER
				PRODUCTION	STORAGE	DISTRIBUTION		
				3	4	5		
1	NET ORIGINAL COST RATE BASE		305,229,696	2,207,024	0	303,022,672	305,229,696	0
2								
3	WORKING CAPITAL							
4								
5	PLANT MATERIALS & SUPPLIES							
6	GAS ENRICHER LIQUID	K301	1,284,114	1,284,114	0	0	1,284,114	0
7	OTHER SUPPLIES	NP29	1,143,072	8,413	0	1,134,659	1,143,072	0
8	TOTAL PLANT MATS. & SUPPLIES		2,427,186	1,292,527	0	1,134,659	2,427,186	0
9	TOTAL MATERIALS & SUPPLIES		2,427,186	1,292,527	0	1,134,659	2,427,186	0
10								
11	PREPAYMENTS							
12	INSURANCE GENERAL	OM39	37,742	23,723	0	14,019	37,742	0
13	EXCISE TAX	OM39	0	0	0	0	0	0
14	GAS PURCHASE	K301	0	0	0	0	0	0
15	TOTAL PREPAYMENTS		37,742	23,723	0	14,019	37,742	0
16								
17	AUTO CALC (O&M-GAS COST)/8		3,021,735	212,325	0	2,809,410	3,021,735	0
18	TOTAL WORKING CASH		3,021,735	212,325	0	2,809,410	3,021,735	0
19								
20	MISCELLANEOUS WORKING CAPITAL							
21	GAS STORED UNDERGROUND	K301	2,958,880	2,958,880	0	0	2,958,880	0
22	PIPP UNCOLLECTIBLES	K406	0	0	0	0	0	0
23	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0
24	TOTAL MISC WORK CAPITAL		2,958,880	2,958,880	0	0	2,958,880	0
25								
26	TOTAL WORKING CAPITAL		8,445,543	4,487,455	0	3,958,088	8,445,543	0
27	PRELIMINARY SUMMARY							
28	TOTAL ACCUMULATED DEFERRED INCOME TAXES		(97,881,989)	(1,710,679)	0	(96,171,310)	(97,881,989)	0
29	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		2,026,187	965,441	0	1,060,746	2,026,187	0
30	TOTAL WORKING CAPITAL		8,445,543	4,487,455	0	3,958,088	8,445,543	0
31	TOTAL RATE BASE ADJUSTMENTS		(87,410,259)	3,742,217	0	(91,152,476)	(87,410,259)	0
32								
33	RATE BASE CALCULATION							
34	NET GAS PLANT IN SERVICE		401,085,498	2,952,262	0	398,133,236	401,085,498	0
35	TOTAL RATE BASE ADJUSTMENTS		(87,410,259)	3,742,217	0	(91,152,476)	(87,410,259)	0
36	TOTAL RATE BASE		313,675,239	6,694,479	0	306,980,760	313,675,239	0
37								
38	TOTAL RATE OF RETURN ALLOWABLE		0.07181	0.07181	0.07181	0.07181	0.07181	0.07181
39	RETURN ON RATE BASE		22,525,019	480,731	0	22,044,288	22,525,019	0

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LINE NO.	O&M EXPENSES	ALLO	TOTAL GAS	FUNCTIONAL			TOTAL AT ISSUE	ALL OTHER
				PRODUCTION	STORAGE	DISTRIBUTION		
		Schedule 6		3	4	5		
1	PRODUCTION O&M							
2	COMMODITY RELATED O&M							
3	ANNUALIZED GAS COST	K301	36,334,092	36,334,092	0	0	36,334,092	0
4	OTHER ASSOCIATED COST	K300	972,828	972,828	0	0	972,828	0
5	TOTAL COMMODITY RELATED		37,306,920	37,306,920	0	0	37,306,920	0
6								
7	DEMAND RELATED PROD O&M							
8	ANNUALIZED GAS COST - DEMAND	K301	0	0	0	0	0	0
9	TOTAL DEMAND RELATED		0	0	0	0	0	0
10								
11	DEMAND RELATED & OTHER PROD O&M							
12	PRODUCTION EXPENSES	K201	0	0	0	0	0	0
13	TOTAL DEM REL & OTH PROD O&M		0	0	0	0	0	0
14								
15	TOTAL PRODUCTION O&M		37,306,920	37,306,920	0	0	37,306,920	0
16								
17	TRANSMISSION O & M							
18	TRANSMISSION O & M							
19	TOTAL TRANSMISSION O & M		0	0	0	0	0	0
20								
21	DISTRIBUTION O & M							
22	LOAD DISPATCHING	K203	185,332	0	0	185,332	185,332	0
23	MAINS & SERVICES OPER	K667	2,548,186	0	0	2,548,186	2,548,186	0
24	M & R STATION GENERAL	K203	66,190	0	0	66,190	66,190	0
25	CUSTOMER INST & OTHER	K415	1,353,005	0	0	1,353,005	1,353,005	0
26	METERS & HOUSE REG	K697	2,583,784	0	0	2,583,784	2,583,784	0
27	MAINS	K415	2,158,350	0	0	2,158,350	2,158,350	0
28	SERVICES	K403	596,174	0	0	596,174	596,174	0
29	SUPV & ENG	D249	0	0	0	0	0	0
30	ELIMINATE NON-KY CUSTOMER	K595	(102,870)	0	0	(102,870)	(102,870)	0
31	INTEGRITY MANAGEMENT EXPENSES	K203	1,065,488	0	0	1,065,488	1,065,488	0
32	OTHER DISTRIBUTION EXPENSES	K415	2,451,456	0	0	2,451,456	2,451,456	0
33	TOTAL DISTRIBUTION O & M		12,905,095	0	0	12,905,095	12,905,095	0
34								
35	CUSTOMER ACCOUNTING							
36	SUPERVISION & ENGINEERING	K405	185,894	0	0	185,894	185,894	0
37	METER READING	K405	15,923	0	0	15,923	15,923	0
38	CUSTOMER BILLING & COLLECTIONS	K405	2,595,599	0	0	2,595,599	2,595,599	0
39	UNCOLLECTIBLE EXP	K406	(229,924)	0	0	(229,924)	(229,924)	0
40	ELIMINATE MISC EXPENSES	K406	0	0	0	0	0	0
41	SALE OF A/R	K406	105,421	0	0	105,421	105,421	0
42	INTEREST ON CUSTOMER SERVICE DEPOSITS	K405	0	0	0	0	0	0
43	ANNUALIZED UNCOLL EXP ON INCR	K406	0	0	0	0	0	0
44	TOTAL CUSTOMER ACCT EXPENSE		2,672,913	0	0	2,672,913	2,672,913	0

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LINE NO.	O&M EXPENSES	ALLO	TOTAL GAS	FUNCTIONAL			TOTAL AT ISSUE	ALL OTHER
				PRODUCTION	STORAGE	DISTRIBUTION		
				3	4	5		
1	CUSTOMER SERVICE & INFORMATION							
2	TOTAL CUST SERVICE & INFO	K407	406,241	0	0	406,241	406,241	0
3	TOTAL CUSTOMER SERV. & INFO.		406,241	0	0	406,241	406,241	0
4								
5	SALES							
6	SALES EXPENSE	K408	194,128	0	0	194,128	194,128	0
7	TOTAL SALES EXPENSE		194,128	0	0	194,128	194,128	0
8								
9	ADMINISTRATIVE & GENERAL							
10	PRODUCTION PLANT DEMAND	P349	403,815	403,815	0	0	403,815	0
11	PRODUCTION PLANT COMMODITY	K301	315,879	315,879	0	0	315,879	0
12	DISTRIBUTION PLANT	D349	4,278,422	0	0	4,278,422	4,278,422	0
13	CUSTOMER ACCOUNTING	CA19	1,807,581	0	0	1,807,581	1,807,581	0
14	CUSTOMER SERVICE & INFORMATION	CS19	158,176	0	0	158,176	158,176	0
15	SALES	SE19	0	0	0	0	0	0
16	TOT ADMIN & GEN LESS REG EXP		6,963,873	719,694	0	6,244,179	6,963,873	0
17	AMORTIZATION RATE CASE EXPENSE	AG39	115,100	11,896	0	103,204	115,100	0
18	INCENTIVE COMPENSATION	AG39	(277,270)	(28,656)	0	(248,614)	(277,270)	0
19	ELIMINATE MISCELLANEOUS EXPENSES	AG39	(322,075)	(33,286)	0	(288,789)	(322,075)	0
20	ELIMINATE NON-JURISDICTIONAL EXPENSES	NP29	0	0	0	0	0	0
21	AMORTIZATION OF DEFERRED EXP	AG39	543,043	56,123	0	486,920	543,043	0
22	STATE REG COMMISSION EXPENSES	AG39	0	0	0	0	0	0
23	STATE REG COM EXP ANN ADJ.	AG39	0	0	0	0	0	0
24	AMORTIZE CAMERA WORK	AG39	0	0	0	0	0	0
25	ELIMINATE MERGER EXPENSE	AG39	0	0	0	0	0	0
26	SMART GRID AMORTIZATION ADJUSTMENT	K413	0	0	0	0	0	0
27	AMORTIZE 2011 SMART GRID DEFERRED O&M	K413	0	0	0	0	0	0
28	INCREASED MEDICAL COSTS	AG39	0	0	0	0	0	0
29	AMORTIZE GAS FURNACE PROGRAM	NP29	0	0	0	0	0	0
30	AMORTIZATION OF MGP DEFERRED EXP	NP29	0	0	0	0	0	0
31	TOTAL ADMIN. & GENERAL		7,022,671	725,771	0	6,296,900	7,022,671	0
32								
33	TOTAL O & M EXPENSE		60,507,968	38,032,691	0	22,475,277	60,507,968	0

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				PRODUCTION	STORAGE	DISTRIBUTION		
		Schedule 7		3	4	5		
1	PRODUCTION DEPRECIATION							
2	PRODUCTION DEPRECIATION	P229	217,881	217,881	0	0	217,881	0
3	TOTAL PRODUCTION DEPREC EXP.		217,881	217,881	0	0	217,881	0
4								
5	TRANSMISSION DEPRECIATION							
6	TOTAL TRANSMISSION DEP. EXP.		0	0	0	0	0	0
7								
8	DISTRIBUTION DEPRECIATION							
9	DISTRIBUTION DEPRECIATION	D249	12,074,876	0	0	12,074,876	12,074,876	0
10	TOTAL DIST. DEPREC EXP.		12,074,876	0	0	12,074,876	12,074,876	0
11								
12	GENERAL DEPRECIATION							
13	GENERAL DEPRECIATION	G229	2,195,008	226,854	0	1,968,154	2,195,008	0
14	TOTAL GENERAL DEPREC EXP.		2,195,008	226,854	0	1,968,154	2,195,008	0
15								
16	COMMON AND OTHER DEPRECIATION							
17	COMMON DEPRECIATION	C229	127,427	13,170	0	114,257	127,427	0
18	TOTAL COM & OTHER DEPREC EXP.		127,427	13,170	0	114,257	127,427	0
19								
20								
21	TOTAL DEPRECIATION EXPENSE		14,615,192	457,905	0	14,157,287	14,615,192	0

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LINE NO.	OTHER TAXES & MISC EXPENSES	ALLO	TOTAL GAS	FUNCTIONAL			TOTAL AT ISSUE	ALL OTHER
				PRODUCTION	STORAGE	DISTRIBUTION		
				3	4	5		
1	TAXES OTHER THAN INC & REV	Schedule 8						
2	REAL ESTATE & PROPERTY TAX							
3	REAL ESTATE & PROPERTY TAX	NP29	3,388,723	24,941	0	3,363,782	3,388,723	0
4	ANNUALIZE PROPERTY TAX	NP29	0	0	0	0	0	0
5	TOTAL REAL ESTATE & PROPERTY TAX		3,388,723	24,941	0	3,363,782	3,388,723	0
6								
7	MISCELLANEOUS TAXES							
8	PAYROLL & HIGHWAY	AG39	708,964	73,271	0	635,693	708,964	0
9	UNEMPLOYMENT COMPENSATION	AG39	0	0	0	0	0	0
10	OHIO EXCISE TAX	OM39	0	0	0	0	0	0
11	STATE TAX RIDER	OM39	0	0	0	0	0	0
12	TOTAL MISCELLANEOUS TAXES		708,964	73,271	0	635,693	708,964	0
13								
14	MISCELLANEOUS EXPENSES							
15	PSC MAINT. EXP ON INCREASE	AG39	21,084	2,179	0	18,905	21,084	0
16	RESERVED FOR FUTURE USE	AG39	0	0	0	0	0	0
17	TOTAL MISCELLANEOUS EXPENSES		21,084	2,179	0	18,905	21,084	0
18								
19	TOTAL OTHER TAX & MISC EXPENSE		4,118,771	100,391	0	4,018,380	4,118,771	0
20								
21	PRELIMINARY SUMMARY							
22	TOTAL O&M EXPENSE		60,507,968	38,032,691	0	22,475,277	60,507,968	0
23	TOTAL DEPRECIATION EXPENSE		14,615,192	457,905	0	14,157,287	14,615,192	0
24	TOTAL OTHER TAX & MISC EXPENSE		4,118,771	100,391	0	4,018,380	4,118,771	0
25	TOTAL OPER EXP EXCL INCOME & REV TAX		79,241,931	38,590,987	0	40,650,944	79,241,931	0

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LINE NO.	FEDERAL INCOME TAX BASED ON RETURN	ALLO	TOTAL GAS	FUNCTIONAL			TOTAL AT ISSUE	ALL OTHER
				PRODUCTION	STORAGE	DISTRIBUTION		
				3	4	5		
1	FEDERAL INCOME TAX DEDUCTIONS							
2	AUTOMATIC INTEREST CALCULATION							
3	AUTO PROC INTEREST DED	RB99	6,761,503	144,290	0	6,617,213	6,761,503	0
4	TOTAL INTEREST EXPENSE		6,761,503	144,290	0	6,617,213	6,761,503	0
5								
6	OTHER DEDUCTIONS							
7	DEPREC EXCESS TAX-BOOK	DE49	6,466,130	202,584	0	6,263,546	6,466,130	0
8	PERMANENT DIFFERENCES	AG39	(99,651)	(10,299)	0	(89,352)	(99,651)	0
9	TEMPORARY DIFFERENCES	DE49	234,549	7,348	0	227,201	234,549	0
10	TOTAL OTHER DEDUCTIONS		6,601,028	199,633	0	6,401,395	6,601,028	0
11								
12	NET DEDUCTIONS AND ADDITIONS		13,362,531	343,923	0	13,018,608	13,362,531	0
13								
14	FED DEFERRED INCOME TAX (410 & 411)							
15	DEFERRED INCOME TAXES - NET	OM39	1,277,969	803,280	0	474,689	1,277,969	0
16	AMORT OF DEFERRED MERGER COST	AG39	0	0	0	0	0	0
17	DIT ADJUSTMENT - S/L DEPRECIATION	DE49	0	0	0	0	0	0
18	DIT ADJUSTMENT - ARAM	K201	(16,534)	(16,534)	0	0	(16,534)	0
19	DIT ADJUSTMENT - AMORT OF EXCESS DEF TAXES	AG39	(585,952)	(60,558)	0	(525,394)	(585,952)	0
20	TOTAL FED DEF IT (410 & 411)		675,483	726,188	0	(50,705)	675,483	0
21								
22	AMORT INV TAX CREDIT							
23	AMORTIZE ITC	NP29	66,055	486	0	65,569	66,055	0
24	TOTAL AMORTIZED ITC		66,055	486	0	65,569	66,055	0
25								
26	TEST YEAR INV TAX CREDIT							
27	PROV INVEST TAX CREDIT	NP29	0	0	0	0	0	0
28	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0
29								
30	PRELIMINARY SUMMARY							
31	TOTAL FED DEF IT (410 & 411)		675,483	726,188	0	(50,705)	675,483	0
32	TOTAL AMORTIZED ITC		(66,055)	(486)	0	(65,569)	(66,055)	0
33	TOTAL FEDERAL TAX ADJUSTMENTS		609,428	725,702	0	(116,274)	609,428	0
34								
35	FEDERAL INCOME TAX COMPUTATION							
36	RETURN ON RATE BASE		22,525,019	480,731	0	22,044,288	22,525,019	0
37	NET DEDUCTIONS AND ADDITIONS		(13,362,531)	(343,923)	0	(13,018,608)	(13,362,531)	0
38	TOTAL STATE PROV DEF IT (410 & 411)		450,960	3,319	0	447,641	450,960	0
39	TOTAL FEDERAL TAX ADJUSTMENTS		609,428	725,702	0	(116,274)	609,428	0
40	BASE FOR FIT COMPUTATION		10,222,876	865,829	0	9,357,047	10,222,876	0
41								
42	FIT FACTOR K190/(1-K190)		0.26582	0.26582	0.26582	0.26582		0.26582
43	PRELIM FED INCOME TAX		2,717,476	230,157	0	2,487,316	2,717,473	0
44	TOTAL FEDERAL TAX ADJUSTMENTS		609,428	725,702	0	(116,274)	609,428	0
45	NET FED INCOME TAX ALLOWABLE		3,326,904	955,859	0	2,371,042	3,326,901	0
46								
47	INCOME TAX BASED ON RETURN							
48	FEDERAL INCOME TAX PAYABLE							
49	PRELIM FEDERAL INCOME TAX		2,717,476	230,157	0	2,487,316	2,717,473	0
50	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0
51	NET FED INCOME TAX PAYABLE		2,717,476	230,157	0	2,487,316	2,717,473	0
52								
53	COMPOSITE TAX RATE		0.2492500	0.24925	0.24925	0.24925		0.24925

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				PRODUCTION	STORAGE	DISTRIBUTION		
	Schedule 9.1			3	4	5		
1	DEDUCTIONS IN ADDITION TO Y871							
2	KY TAXABLE INCOME ADJUSTMENT	NP29	5,681,089	41,813	0	5,639,276	5,681,089	0
3	RESERVED FOR FUTURE USE	NP29		0	0	0	0	0
4	DEDUCTIONS IN ADD TO Y871		5,681,089	41,813	0	5,639,276	5,681,089	0
5								
6	STATE INCOME TAX ADJUSTMENTS							
7	STATE PROV DEF INC TAX (410 & 411)							
8	OTHER DEFERRED INCOME TAXES - NET	NP29	450,960	3,319	0	447,641	450,960	0
9	TOT STATE PROV DEF IT (410 & 411)		450,960	3,319	0	447,641	450,960	0
10								
11	OTHER SIT ADJUSTMENTS							
12	CURRENT YEAR PAYABLE ADJUSTMENT	NP29	0	0	0	0	0	0
13	OTHER SIT ADJUSTMENTS		0	0	0	0	0	0
14								
15	TOTAL STATE INC TAX ADJUSTMENT		450,960	3,319	0	447,641	450,960	0
16								
17	INCOME TAX BASED ON RETURN							
18	SUMMARY OF SIT CALCULATION							
19	RETURN ON RATE BASE		22,525,019	480,731	0	22,044,288	22,525,019	0
20	NET FED INCOME TAX ALLOWABLE		3,326,904	955,859	0	2,371,042	3,326,901	0
21	NET FED. DED. AND ADDITIONS		(13,362,531)	(343,923)	0	(13,018,608)	(13,362,531)	0
22	DEDUCTIONS IN ADD TO Y871		(5,681,089)	(41,813)	0	(5,639,276)	(5,681,089)	0
23	TOTAL STATE INC TAX ADJ		450,960	3,319	0	447,641	450,960	0
24	BASE FOR SIT COMPUTATION		7,259,263	1,054,173	0	6,205,087	7,259,260	0
25								
26	SIT FACTOR K192/(1-K192)		0.05228266	0.05228266	0.05228266	0.05228266	0.05228266	0.05228266
27	PRELIMINARY STATE INCOME TAX	Rounding added	379,535	55,115	0	324,418	379,533	2
28	TOTAL STATE INCOME TAX ADJ.		450,960	3,319	0	447,641	450,960	0
29	NET STATE INC TAX ALLOWABLE		830,495	58,434	0	772,059	830,493	2
30								
31	STATE INCOME TAX PAYABLE							
32	PRELIMINARY STATE INCOME TAX		379,535	55,115	0	324,418	379,533	2
33	OTHER SIT ADJUSTMENTS		0	0	0	0	0	0
34	NET STATE INCOME TAX PAYABLE		379,535	55,115	0	324,418	379,533	2
35								
36	COMPOSITE TAX RATE		0.2492512	0.249251	0.249251	0.249251	0.249251	0.249251

DUKE ENERGY KENTUCKY, INC.
 FUNCTIONAL GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

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 WITNESS RESPONSIBLE:
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LINE NO.	COST OF SERVICE COMPUTATION	ALLO	TOTAL GAS	FUNCTIONAL			TOTAL AT ISSUE	ALL OTHER
				PRODUCTION	STORAGE	DISTRIBUTION		
				3	4	5		
1	OTHER OPERATING REVENUES	Schedule 10						
2	MISC SERVICE REVENUE	K401	50,100	0	0	50,100	50,100	0
3	INTERDEPARTMENTAL	AG39	27,765	2,870	0	24,895	27,765	0
4	OTH MISC REVENUE	K401	1,896	0	0	1,896	1,896	0
5	RENTS	D249	14,496	0	0	14,496	14,496	0
6	IT TRANSPORT SPECIAL CONTRACTS	AG39	0	0	0	0	0	0
7	TOTAL OTHER OPERATING REVS		94,257	2,870	0	91,387	94,257	0
8								
9	COST OF SERVICE COMPUTATION							
10	TOTAL OP EXP EXC INC & REV TAX		79,241,931	38,590,987	0	40,650,944	79,241,931	0
11	RETURN ON RATE BASE		22,525,019	480,731	0	22,044,288	22,525,019	0
12	NET FED INCOME TAX ALLOWABLE		3,326,904	955,859	0	2,371,042	3,326,901	0
13	TOTAL OTHER OPERATING REVENUES		(94,257)	(2,870)	0	(91,387)	(94,257)	0
14	SUBTOTAL B		104,999,597	40,024,707	0	64,974,887	104,999,594	(3)
15								
16	TOTAL OTHER OPERATING REVENUES		94,257	2,870	0	91,387	94,257	0
17	LESS: REVS EXCL FROM REV TAX CALC		0	0	0	0	0	0
18	OTHER OPERATING REVS TO BE TAXED		94,257	2,870	0	91,387	94,257	0
19								
20	REVENUE TAX FACTOR		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	REVENUE TAX ON OTHER OPER. REVS		0	0	0	0	0	0
22	REVENUE TAX ON COST OF SERVICE		0	0	0	0	0	0
23	TOTAL REVENUE TAX		0	0	0	0	0	0
24	TOTAL GAS COST OF SERVICE		104,999,597	40,024,707	0	64,974,887	104,999,594	(3)
25								
26	PROPOSED REVENUES		95,287,873	36,322,784	0	58,965,089	95,287,873	0
27	TOTAL GAS COST OF SERVICE		(104,999,597)	(40,024,707)	0	(64,974,887)	(104,999,594)	(3)
28	EXCESS REVENUES		(9,711,724)	(3,701,923)	0	(6,009,798)	(9,711,721)	(3)
29	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925	0.24925	0.24925
30	EXCESS TAX		(2,420,647)	(922,704)	0	(1,497,942)	(2,420,646)	(1)
31	EXCESS RETURN		(7,291,077)	(2,779,219)	0	(4,511,856)	(7,291,075)	(2)

DUKE ENERGY KENTUCKY, INC.
 FUNCTIONAL GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL GAS	FUNCTIONAL			TOTAL AT ISSUE	ALL OTHER
					PRODUCTION	STORAGE	DISTRIBUTION		
		Schedule 12	1	2	3	4	5		
1	DEMAND ENERGY & SPEC. ASSIGN								
2	FIRM MCF SALES	External		10,485,450	10,485,450	0	0	10,485,450	0
3	RATIO TO TOTAL GAS		K201	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000
4	AVERAGE & EXCESS INCL IT (PK & AVG)	External		100.00000	0	0	100.00000	100	0
5	RATIO TO TOTAL GAS		K203	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
6	AVERAGE & EXCESS EXCL IT (PK & AVG)	External		100.00000	100.00000	0	0.00000	100	0
7	RATIO TO TOTAL GAS		K205	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000
8	TOTAL ANNUAL MCF THROUGHPUT	External		12,030,761	12,030,761	0	0	12,030,761	0
9	RATIO TO TOTAL GAS		K300	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000
10	PURCHASED MCF SALES	External		10,485,450	10,485,450	0	0	10,485,450	0
11	RATIO TO TOTAL GAS		K301	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000
12	TOTAL CUSTOMERS	External		98,442	0	0	98,442	98,442	0
13	RATIO TO TOTAL GAS		K401	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
14	W'TD CUSTOMERS - SERVICES	External		104,676	0	0	104,676	104,676	0
15	RATIO TO TOTAL GAS		K403	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
16	CUST ACCTG EXPENSE	External		3,624,077	0	0	3,624,077	3,624,077	0
17	RATIO TO TOTAL GAS		K405	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
18	UNCOLLECTIBLE EXP	External		3,920	0	0	3,920	3,920	0
19	RATIO TO TOTAL GAS		K406	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
20	CUST SERVICE & INFORMATION EXP	External		140,653	0	0	140,653	140,653	0
21	RATIO TO TOTAL GAS		K407	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
22	CUSTOMER SALES EXPENSE	External		7,322	0	0	7,322	7,322	0
23	RATIO TO TOTAL GAS		K408	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
24	METER COSTS	External		22,926,071	0	0	22,926,071	22,926,071	0
25	RATIO TO TOTAL GAS		K413	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
26	CUSTOMER / DEMAND	External		100	0	0	100	100	0
27	RATIO TO TOTAL GAS		K415	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
28	WEIGHTED CUST - REGULATORS	External		138,304	0	0	138,304	138,304	0
29	RATIO TO TOTAL GAS		K417	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
30	LARGE CUSTOMERS	External		117	0	0	117	117	0
31	RATIO TO TOTAL GAS		K431	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
32	GS INDUST, FT & IT TRANSP (MCF)	External		3,688,683	0	0	3,688,683	3,688,683	0
33	RATIO TO TOTAL GAS		K595	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
34	ASSIGN 100% TO GS OTHER	External		1	0	0	1	1	0
35	RATIO TO TOTAL GAS		K597	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
36	ASSIGN 100% TO RS/RFT			1	0	0	1	1	0
37	RATIO TO TOTAL GAS		K903	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
38									
39	PRESENT REVENUES	CS09	R600	95,287,873	36,322,784	0	58,965,089	95,287,873	0
40	PROPOSED REVENUES	CS09	R602	95,287,873	36,322,784	0	58,965,089	95,287,873	0

DUKE ENERGY KENTUCKY, INC.
 FUNCTIONAL GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

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 WITNESS RESPONSIBLE:
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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL GAS	FUNCTIONAL			TOTAL AT ISSUE	ALL OTHER	
					PRODUCTION	STORAGE	DISTRIBUTION			
				1	2	3	4	5		
1	COMBINATION MAINS & SERVICES	Internal		285,936,571	0	0	285,936,571	285,936,571	0	
2	RATIO TO TOTAL GAS		K667	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000	
3	COMBINATION METERS & HOUSE REGULATORS	Internal		33,539,867	0	0	33,539,867	33,539,867	0	
4	RATIO TO TOTAL GAS		K697	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000	
5	PRESENT REVENUES	Internal		95,287,873	36,322,784	0	58,965,089	95,287,873	0	
6	RATIO TO TOTAL GAS		K901	1.00000	0.38119	0.00000	0.61881	1.00000	0.00000	
7	PROPOSED REVENUES	Internal		95,287,873	36,322,784	0	58,965,089	95,287,873	0	
8	RATIO TO TOTAL GAS		K902	1.00000	0.38119	0.00000	0.61881	1.00000	0.00000	
9										
10	<u>SPECIAL ALLOCATOR INFO FOR K667</u>									
11	MAINS - (2761, 2762, 2763, 2765) - Gross Plant			283,446,655	0	0	283,446,655	283,446,655	0	
12	SERVICES - (2801, 2802, 2803) - Gross Plant			163,028,490	0	0	163,028,490	163,028,490	0	
13	MAINS - (2761, 2762, 2763, 2765) - Accum Reserve			(106,766,757)	0	0	(106,766,757)	(106,766,757)	0	
14	SERVICES - (2801, 2802, 2803) - Accum Reserve			(53,771,817)	0	0	(53,771,817)	(53,771,817)	0	
15	TOTAL K667			285,936,571	0	0	285,936,571	285,936,571	0	
16										
17	<u>SPECIAL ALLOCATOR INFO FOR K697</u>									
18	MTRS & MTR INST (2810, 2811, 2820, 2821) - Gross Plant			23,257,250	0	0	23,257,250	23,257,250	0	
19	HOUSE REG & INSTALL (2830, 2840) - Gross Plant			12,497,082	0	0	12,497,082	12,497,082	0	
20	MTRS & MTR INST (2810, 2811, 2820, 2821) - Accum Reserve			2,918,585	0	0	2,918,585	2,918,585	0	
21	HOUSE REG & INSTALL (2830, 2840) - Accum Reserve			(5,133,050)	0	0	(5,133,050)	(5,133,050)	0	
22	TOTAL K697			33,539,867	0	0	33,539,867	33,539,867	0	
23										
24	WEIGHTED RATIOS									
25	GROSS GAS PLANT IN SERVICE									
26	WTD GROSS PROD PLANT RATIOS	Internal	P129	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	
27	WTD GROSS DIST PLANT RATIOS	Internal	D149	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000	
28	WTD GROSS PTD PLT RATIOS	Internal	PD29	1.00000	0.00508	0.00000	0.99492	1.00000	0.00000	
29	WTD GROSS G & I PLT RATIOS	Internal	G129	1.00000	0.10335	0.00000	0.89665	1.00000	0.00000	
30	WTD GROSS C & O PLANT RATIOS	Internal	C129	1.00000	0.10335	0.00000	0.89665	1.00000	0.00000	
31	WTD GROSS PLANT RATIOS	Internal	GP19	1.00000	0.01131	0.00000	0.98869	1.00000	0.00000	
32	WTD DISTR ACCUM RESERVE	Internal	D199	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000	
33	WTD TOTAL DEPRC RES RATIOS	Internal	DR19	1.00000	0.01976	0.00000	0.98024	1.00000	0.00000	
34										
35	NET GAS PLANT									
36	WTD NET PROD PLANT RATIOS	Internal	P229	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	
37	WTD NET DIST PLANT RATIOS	Internal	D249	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000	
38	WTD NET G & I PLT RATIOS	Internal	G229	1.00000	0.10335	0.00000	0.89665	1.00000	0.00000	
39	WTD NET C & O PLANT RATIOS	Internal	C229	1.00000	0.10335	0.00000	0.89665	1.00000	0.00000	
40	WTD NET PLANT RATIOS	Internal	NP29	1.00000	0.00736	0.00000	0.99264	1.00000	0.00000	
41										
42	WORKING CAPITAL									
43	WTD MATERIAL & SUPPLY RATIOS	Internal	W669	1.00000	0.53252	0.00000	0.46748	1.00000	0.00000	
44	WTD PREPAYMENTS RATIOS	Internal	W689	1.00000	0.62856	0.00000	0.37144	1.00000	0.00000	
45	WTD TOTAL WORKING CASH RATIOS	Internal	W729	1.00000	0.07027	0.00000	0.92973	1.00000	0.00000	
46	WTD TOTAL MISC WRKNG CAP RATIO	Internal	W749	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000	
47	WTD TOTAL WRKNG CAP RATIOS	Internal	WC79	1.00000	0.53134	0.00000	0.46866	1.00000	0.00000	

DUKE ENERGY KENTUCKY, INC.
 FUNCTIONAL GAS COST OF SERVICE
 CASE NO: 2018-00261
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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL GAS	FUNCTIONAL			TOTAL AT ISSUE	ALL OTHER
					PRODUCTION	STORAGE	DISTRIBUTION		
		Schedule 12.2	1	2	3	4	5		
1	RATE BASE								
2	WTD NET OCRB RATIOS	Internal	RB29	1.00000	0.00723	0.00000	0.99277	1.00000	0.00000
3	WTD TOTAL RATE BASE RATIOS	Internal	RB99	1.00000	0.02134	0.00000	0.97866	1.00000	0.00000
4	WTD CWIP RATIO	Internal	CW29	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
5									
6	WEIGHTED O & M EXPENSE RATIOS								
7	WTD PROD COMMODITY EXP RATIOS	Internal	P349	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000
8	WTD PROD O&M EXP RATIOS	Internal	P459	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000
9	WTD DIST O&M EXP RATIOS	Internal	D349	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
10	WTD CUST ACCT EXP RATIOS	Internal	CA19	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
11	WTD CUST SERV & INFO EXP RATIOS	Internal	CS19	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
12	WTD SALES EXP RATIOS	Internal	SE19	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
13	WTD A&G EXP RATIOS	Internal	AG39	1.00000	0.10335	0.00000	0.89665	1.00000	0.00000
14	WTD O&M EXP RATIOS	Internal	OM39	1.00000	0.62856	0.00000	0.37144	1.00000	0.00000
15									
16	DEPRECIATION EXPENSES								
17	WTD PRODUCTION DEPREC RATIOS	Internal	P489	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000
18	WTD DIST DEPREC RATIOS	Internal	D489	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
19	WTD GENERAL DEPREC EXP RATIOS	Internal	G489	1.00000	0.10335	0.00000	0.89665	1.00000	0.00000
20	WTD COM & OTHER DEP EXP RATIOS	Internal	C489	1.00000	0.10335	0.00000	0.89665	1.00000	0.00000
21	WTD TOT DEPREC EXP RATIOS	Internal	DE49	1.00000	0.03133	0.00000	0.96867	1.00000	0.00000
22									
23	OTHER TAXES & MISC EXPENSES								
24	WTD R. E. & PROP TAX RATIOS	Internal	L529	1.00000	0.00736	0.00000	0.99264	1.00000	0.00000
25	WTD MISC TAX RATIOS	Internal	L589	1.00000	0.10335	0.00000	0.89665	1.00000	0.00000
26	WTD OTHER TAX RATIOS	Internal	L599	1.00000	0.02437	0.00000	0.97563	1.00000	0.00000
27	WTD OP EXP EX IT & REV RATIOS	Internal	OP69	1.00000	0.48700	0.00000	0.51300	1.00000	0.00000
28									
29	TOTAL COST OF SERVICE								
30	WTD TOTAL COST OF SERVICE	Internal	CS09	1.00000	0.38119	0.00000	0.61881	1.00000	0.00000

DUKE ENERGY KENTUCKY, INC.
 PRODUCTION CLASSIFIED - GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-2
 WITNESS RESPONSIBLE:
 JAMES E. ZIOLKOWSKI
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LINE NO.	SUMMARY OF RESULTS	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
		Schedule 1						
1	NET INCOME COMPUTATION							
2	GROSS GAS PLANT IN SERVICE		6,658,967	0	6,658,967	0	6,658,967	0
3	TOTAL DEPRECIATION RESERVE		(3,706,705)	0	(3,706,705)	0	(3,706,705)	0
4	TOTAL RATE BASE ADJUSTMENTS		3,742,217	0	3,742,217	0	3,742,217	0
5	TOTAL RATE BASE		6,694,479	0	6,694,479	0	6,694,479	0
6								
7	OPERATING EXPENSES							
8	TOTAL O&M EXPENSE		38,032,691	0	38,032,691	0	38,032,691	0
9	TOTAL DEPRECIATION EXPENSE		457,905	0	457,905	0	457,905	0
10	TOTAL OTHER TAX & MISC EXPENSE		100,391	0	100,391	0	100,391	0
11	TOTAL OP EXP EXCLUDING INC & REV TAX		38,590,987	0	38,590,987	0	38,590,987	0
12	NET FED INCOME TAX EXP ALLOWABLE		955,859	0	955,859	0	955,859	0
13	NET STATE INCOME TAX EXP ALLOWABLE		58,434	0	58,434	0	58,434	0
14	TOTAL OPERATING EXPENSE		39,605,280	0	39,605,280	0	39,605,280	0
15								
16	RETURN ON RATE BASE		480,732	0	480,732	0	480,732	0
17	TOTAL OTHER OPERATING REVENUES		(2,870)	0	(2,870)	0	(2,870)	0
18	TOTAL GAS COST OF SERVICE		40,083,142	0	40,083,142	0	40,083,142	0

DUKE ENERGY KENTUCKY, INC.
 PRODUCTION CLASSIFIED - GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
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LINE NO.	GROSS GAS PLANT IN SERVICE	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
	Schedule 2							
1	PRODUCTION PLANT							
2	PRODUCTION PLANT	K205	2,799,608	0	2,799,608	0	2,799,608	0
3	GAS PRODUCTION -CPMPL NOT CLASS	K205	0	0	0	0	0	0
4	PRODUCTION PLANT IN SERVICE		2,799,608	0	2,799,608	0	2,799,608	0
5								
6	TRANSMISSION PLANT							
7	TRANSMISSION PLANT							
8	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0
9								
10	TOTAL PROD & TRANS PLANT		2,799,608	0	2,799,608	0	2,799,608	0
11								
12	DISTRIBUTION PLANT							
13	SYSTEM M&R - (2780, 2781)	K203	0	0	0	0	0	0
14	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	0	0	0	0	0	0
15	LARGE IND M&R - (2850, 2851)	K595	0	0	0	0	0	0
16	MAINS - (2761, 2762, 2763, 2765)	K415	0	0	0	0	0	0
17	SERVICES - (2801, 2802, 2803)	K403	0	0	0	0	0	0
18	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	0	0	0	0	0	0
19	LAND, R OF W, STRUCT & IMPROV	K203	0	0	0	0	0	0
20	HOUSE REG & INSTALL (2830, 2840)	K417	0	0	0	0	0	0
21	STREET LIGHTING EQUIPMENT & OTH	K597	0	0	0	0	0	0
22	ASSET RETIREMENT COST FOR DISTRIBUTION PLANT	K203	0	0	0	0	0	0
23	DISTRIBUTION PLANT IN SERVICE		0	0	0	0	0	0
24								
25	TOTAL TRANS & DIST PLANT		0	0	0	0	0	0
26	TOTAL GROSS PTD PLANT		2,799,608	0	2,799,608	0	2,799,608	0
27								
28	GENERAL & INTANGIBLE PLANT							
29	PRODUCTION PLANT	K201	1,418,707	0	1,418,707	0	1,418,707	0
30	PRODUCTION PLANT COMMODITY	P349	1,109,764	0	1,109,764	0	1,109,764	0
31	DISTRIBUTION PLANT	D349	0	0	0	0	0	0
32	CUSTOMER ACCOUNTING	CA19	0	0	0	0	0	0
33	CUSTOMER SERVICE & INFORMATION	CS19	0	0	0	0	0	0
34	SALES	SE19	0	0	0	0	0	0
35	GEN & INTANG PLANT IN SERVICE		2,528,471	0	2,528,471	0	2,528,471	0
36								
37	COMMON & OTHER PLANT							
38	PRODUCTION PLANT	K201	746,752	0	746,752	0	746,752	0
39	PRODUCTION PLANT COMMODITY	P349	584,136	0	584,136	0	584,136	0
40	DISTRIBUTION PLANT	D349	0	0	0	0	0	0
41	CUSTOMER ACCOUNTING	CA19	0	0	0	0	0	0
42	CUSTOMER SERVICE & INFORMATION	CS19	0	0	0	0	0	0
43	SALES	SE19	0	0	0	0	0	0
44	COMMON & OTHER PLANT IN SERVICE		1,330,888	0	1,330,888	0	1,330,888	0
45								
46	GROSS GAS PLANT IN SERVICE		6,658,967	0	6,658,967	0	6,658,967	0

DUKE ENERGY KENTUCKY, INC.
 PRODUCTION CLASSIFIED - GAS COST OF SERVICE
 CASE NO: 2018-00261
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LINE NO.	DEPRECIATION RESERVE	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
		Schedule 3						
1	PRODUCTION PLANT							
2	PRODUCTION PLANT	K205	1,634,598	0	1,634,598	0	1,634,598	0
3	TOTAL PROD DEPREC RESERVE		1,634,598	0	1,634,598	0	1,634,598	0
4								
5	TRANSMISSION PLANT							
6	TRANSMISSION PLANT							
7	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0
8								
9	DISTRIBUTION PLANT							
10	SYSTEM M&R - (2780, 2781)	K203	0	0	0	0	0	0
11	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	0	0	0	0	0	0
12	LARGE IND M&R - (2850, 2851)	K595	0	0	0	0	0	0
13	MAINS - (2761, 2762, 2763, 2765)	K415	0	0	0	0	0	0
14	SERVICES - (2801, 2802, 2803)	K403	0	0	0	0	0	0
15	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	0	0	0	0	0	0
16	LAND, R OF W, STRUCT & IMPROV & OTH	K203	0	0	0	0	0	0
17	HOUSE REG & INSTALL (2830, 2840)	K417	0	0	0	0	0	0
18	STREET LIGHTING EQUIPMENT & OTH	K597	0	0	0	0	0	0
19	TOTAL DIST DEPREC RESERVE		0	0	0	0	0	0
20								
21	GENERAL & INTANGIBLE PLANT							
22	PRODUCTION PLANT	K201	546,802	0	546,802	0	546,802	0
23	PRODUCTION PLANT COMMODITY	P349	427,728	0	427,728	0	427,728	0
24	DISTRIBUTION PLANT	D349	0	0	0	0	0	0
25	CUSTOMER ACCOUNTING	CA19	0	0	0	0	0	0
26	CUSTOMER SERVICE & INFORMATION	CS19	0	0	0	0	0	0
27	SALES	SE19	0	0	0	0	0	0
28	TOTAL GEN DEPREC RESERVE		974,530	0	974,530	0	974,530	0
29								
30	COMMON & OTHER PLANT							
31	PRODUCTION PLANT	K201	615,843	0	615,843	0	615,843	0
32	PRODUCTION PLANT COMMODITY	P349	481,734	0	481,734	0	481,734	0
33	DISTRIBUTION PLANT	D349	0	0	0	0	0	0
34	CUSTOMER ACCOUNTING	CA19	0	0	0	0	0	0
35	CUSTOMER SERVICE & INFORMATION	CS19	0	0	0	0	0	0
36	SALES	SE19	0	0	0	0	0	0
37	TOTAL COM & OTHER PLT RESERVE		1,097,577	0	1,097,577	0	1,097,577	0
38								
39	TOTAL DEPRECIATION RESERVE		3,706,705	0	3,706,705	0	3,706,705	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	NET GAS PLANT	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
		Schedule 4						
1	PRODUCTION PLANT							
2	PRODUCTION PLANT IN SERVICE		2,799,608	0	2,799,608	0	2,799,608	0
3	TOTAL PROD DEPRC RESERVE		(1,634,598)	0	(1,634,598)	0	(1,634,598)	0
4	NET PRODUCTION PLANT		1,165,010	0	1,165,010	0	1,165,010	0
5								
6	TRANSMISSION PLANT							
7	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0
8	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0
9	NET TRANSMISSION PLANT		0	0	0	0	0	0
10								
11	DISTRIBUTION PLANT							
12	DISTRIBUTION PLANT IN SERVICE		0	0	0	0	0	0
13	TOTAL DIST DEPREC RESERVE		0	0	0	0	0	0
14	NET DISTRIBUTION PLANT		0	0	0	0	0	0
15								
16	NET PTD PLANT		1,165,010	0	1,165,010	0	1,165,010	0
17	NET TRANS & DIST PLANT		0	0	0	0	0	0
18								
19	GENERAL & INTANGIBLE PLANT							
20	GEN & INTANG PLANT IN SERVICE		2,528,471	0	2,528,471	0	2,528,471	0
21	TOTAL GEN & INTG DEPREC RESERVE		(974,530)	0	(974,530)	0	(974,530)	0
22	NET GENERAL & INTANG PLANT		1,553,941	0	1,553,941	0	1,553,941	0
23								
24	COMMON & OTHER PLANT							
25	COMMON & OTH PLT IN SERVICE		1,330,888	0	1,330,888	0	1,330,888	0
26	TOTAL COM & OTH DEPREC RESERVE		(1,097,577)	0	(1,097,577)	0	(1,097,577)	0
27	NET COMMON & OTHER PLANT		233,311	0	233,311	0	233,311	0
28								
29	NET GAS PLANT IN SERVICE		2,952,262	0	2,952,262	0	2,952,262	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	SUBTRACTIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
1	RATE BASE ADJUSTMENTS							
2	ACCUMULATED DEFERRED INCOME TAXES							
3	ACCUM DEF INC TAXES (282)	Schedule 5						
4	LIBERALIZED DEPRECIATION	NP29	388,726.00	0	388,726	0	388,726	0
5	LEASED METERS	K413	0.00	0	0	0	0	0
6	CONTRIB AID CONSTR	D249	0.00	0	0	0	0	0
7	CAPITALIZED INTEREST	NP29	(6,912.00)	0	(6,912)	0	(6,912)	0
8	AFUDC IN DEBT	NP29	1,864.00	0	1,864	0	1,864	0
9	CWIP DIFFERENCES	NP29	0.00	0	0	0	0	0
10	NON-CASH OVERHEADS	AG39	(55,497.00)	0	(55,497)	0	(55,497)	0
11	PLANT FAS 109	NP29	0.00	0	0	0	0	0
12	MISCELLANEOUS	AG39	977,187.86	(0)	977,188	0	977,188	0
13	TOTAL ACCOUNT 282		1,305,368.86	(0)	1,305,369	0	1,305,369	0
14								
15	ACCUM DEF INC TAXES (283)							
16	BLANK	K413	0	0	0	0	0	0
17	BLANK	K413	0	0	0	0	0	0
18	UNRECOVERED PURCHASED GAS COST	AG39	2,070	0	2,070	0	2,070	0
19	ENVIRONMENTAL RESERVE	NP29	0	0	0	0	0	0
20	POST IN-SERVICE CARRYING COSTS	K667	0	0	0	0	0	0
21	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0
22	LOSS ON REACQUIRED DEBT	NP29	126	0	126	0	126	0
23	VACATION PAY ACCRUAL	AG39	9,485	0	9,485	0	9,485	0
24	RATE CASE EXPENSE AMORT	AG39	(2,593)	0	(2,593)	0	(2,593)	0
25	PENSION	AG39	165,705	0	165,705	0	165,705	0
26	MISCELLANEOUS	K406	0	0	0	0	0	0
27	TOTAL ACCOUNT 283		174,793	0	174,793	0	174,793	0
28								
29	OTHER ACCUMULATED DEFERRED INCOME TAXES							
30	CUSTOMER ADVANCES FOR CONSTRUCTION	D249	0	0	0	0	0	0
31	CUSTOMER SERVICE DEPOSITS	D249	0	0	0	0	0	0
32	POST RETIREMENT BENEFITS	AG39	0	0	0	0	0	0
33	EDIT	NP29	230,517	0	230,517	0	230,517	0
34	TOTAL OTHER SUBTRACTIVE ADJS		230,517	0	230,517	0	230,517	0
35								
36	SUBTOTAL ACCUMULATED DEFERRED INC TAXES		1,710,679	(0)	1,710,679	0	1,710,679	0

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LINE NO.	ADDITIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
				Schedule 5.1				
1	OTHER ACCUMULATED DEFERRED INCOME TAXES							
2	ACCUM DEF INC TAXES (190)							
3	UNCOLLECTIBLE ACCTS	K406	0	0	0	0	0	0
4	GAS SUPPLIER REFUND	K300	40,128	0	40,128	0	40,128	0
5	UNBILLED REVENUE - FUEL & RATE REFUNDS	K300	727,162	0	727,162	0	727,162	0
6	OFFSITE GAS STORAGE	K300	88,650	0	88,650	0	88,650	0
7	GAS METERS	K413	0	0	0	0	0	0
8	UNAMORTIZED DEBT PREMIUM	NP29	(13)	0	(13)	0	(13)	0
9	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0
10	PENSION EXPENSE	AG39	19,059	0	19,059	0	19,059	0
11	POST RETIREMENT BENEFITS - LIFE INS	AG39	0	0	0	0	0	0
12	POST RETIREMENT BENEFITS - HEALTH CARE	AG39	0	0	0	0	0	0
13	POST EMPLOYMENT BENEFITS - SFAS 112	AG39	4,546	0	4,546	0	4,546	0
14	OPEB EXPENSE ACCRUAL	AG39	31,281	0	31,281	0	31,281	0
15	INCENTIVE PLAN	AG39	0	0	0	0	0	0
16	FEDERAL DEFERRED TAX RECEIVABLE	AG39	0	0	0	0	0	0
17	DSM DEFERRAL	AG39	19,371	0	19,371	0	19,371	0
18	PROPERTY TAX	P229	0	0	0	0	0	0
19	PROPERTY TAX ON PROPANE	P229	0	0	0	0	0	0
20	401K INCENTIVE PLAN	AG39	0	0	0	0	0	0
21	ENVIRONMENTAL RESERVE	NP29	1,172	0	1,172	0	1,172	0
22	VACATION PAY ACCRUALS	G129	16,939	0	16,939	0	16,939	0
23	SMART GRID	K413	0	0	0	0	0	0
24	METERS & TRANSFORMERS	D249	0	0	0	0	0	0
25	OTHER	AG39	39,212	0	39,212	0	39,212	0
26	TOTAL ACCOUNT 190		987,507	0	987,507	0	987,507	0
27								
28	OTHER							
29	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0
30	ANNUALIZE DEPRECIATION	NP29	(1,989)	0	(1,989)	0	(1,989)	0
31	ELIMINATE UNBILLED REVENUE AND GAS COSTS	K300	(20,077)	0	(20,077)	0	(20,077)	0
32	OTHER		(22,066)	0	(22,066)	0	(22,066)	0
33								
34	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		965,441	0	965,441	0	965,441	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	WORKING CAPITAL	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
		Schedule 5.2						
1	NET ORIGINAL COST RATE BASE		2,207,024	0	2,207,024	0	2,207,024	0
2								
3	WORKING CAPITAL							
4								
5	PLANT MATERIALS & SUPPLIES							
6	GAS ENRICHER LIQUID	K301	1,284,114	0	1,284,114	0	1,284,114	0
7	OTHER SUPPLIES	NP29	8,413	0	8,413	0	8,413	0
8	TOTAL PLANT MATS. & SUPPLIES		1,292,527	0	1,292,527	0	1,292,527	0
9	TOTAL MATERIALS & SUPPLIES		1,292,527	0	1,292,527	0	1,292,527	0
10								
11	PREPAYMENTS							
12	INSURANCE GENERAL	OM39	23,723	0	23,723	0	23,723	0
13	EXCISE TAX	OM39	0	0	0	0	0	0
14	GAS PURCHASE	K301	0	0	0	0	0	0
15	TOTAL PREPAYMENTS		23,723	0	23,723	0	23,723	0
16								
17	AUTO CALC (O&M-GAS COST)/8		212,325	0	212,325	0	212,325	0
18	TOTAL WORKING CASH		212,325	0	212,325	0	212,325	0
19								
20	MISCELLANEOUS WORKING CAPITAL							
21	GAS STORED UNDERGROUND	K301	2,958,880	0	2,958,880	0	2,958,880	0
22	PIPP UNCOLLECTIBLES	K406	0	0	0	0	0	0
23	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0
24	TOTAL MISC WORK CAPITAL		2,958,880	0	2,958,880	0	2,958,880	0
25								
26	TOTAL WORKING CAPITAL		4,487,455	0	4,487,455	0	4,487,455	0
27	PRELIMINARY SUMMARY							
28	TOTAL ACCUMULATED DEFERRED INCOME TAXES		(1,710,679)	0	(1,710,679)	0	(1,710,679)	0
29	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		965,441	0	965,441	0	965,441	0
30	TOTAL WORKING CAPITAL		4,487,455	0	4,487,455	0	4,487,455	0
31	TOTAL RATE BASE ADJUSTMENTS		3,742,217	0	3,742,217	0	3,742,217	0
32								
33	RATE BASE CALCULATION							
34	NET GAS PLANT IN SERVICE		2,952,262	0	2,952,262	0	2,952,262	0
35	TOTAL RATE BASE ADJUSTMENTS		3,742,217	0	3,742,217	0	3,742,217	0
36	TOTAL RATE BASE		6,694,479	0	6,694,479	0	6,694,479	0
37								
38	TOTAL RATE OF RETURN ALLOWABLE		0.07181	0.07181	0.07181	0.07181	0.07181	0.07181
39	RETURN ON RATE BASE		480,732	0	480,732	0	480,732	0

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LINE NO.	O&M EXPENSES	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
		Schedule 6						
1	PRODUCTION O&M							
2	COMMODITY RELATED O&M							
3	ANNUALIZED GAS COST	K301	36,334,092	0	36,334,092	0	36,334,092	0
4	OTHER ASSOCIATED COST	K300	972,828	0	972,828	0	972,828	0
5	TOTAL COMMODITY RELATED		37,306,920	0	37,306,920	0	37,306,920	0
6								
7	DEMAND RELATED PROD O&M							
8	ANNUALIZED GAS COST - DEMAND	K301	0	0	0	0	0	0
9	TOTAL DEMAND RELATED		0	0	0	0	0	0
10								
11	DEMAND RELATED & OTHER PROD O&M							
12	PRODUCTION EXPENSES	K201	0	0	0	0	0	0
13	TOTAL DEM REL & OTH PROD O&M		0	0	0	0	0	0
14								
15	TOTAL PRODUCTION O&M		37,306,920	0	37,306,920	0	37,306,920	0
16								
17	TRANSMISSION O & M							
18	TRANSMISSION O & M							
19	TOTAL TRANSMISSION O & M		0	0	0	0	0	0
20								
21	DISTRIBUTION O & M							
22	LOAD DISPATCHING	K203	0	0	0	0	0	0
23	MAINS & SERVICES OPER	K667	0	0	0	0	0	0
24	M & R STATION GENERAL	K203	0	0	0	0	0	0
25	CUSTOMER INST & OTHER	K415	0	0	0	0	0	0
26	METERS & HOUSE REG	K697	0	0	0	0	0	0
27	MAINS	K415	0	0	0	0	0	0
28	SERVICES	K403	0	0	0	0	0	0
29	SUPV & ENG	D249	0	0	0	0	0	0
30	ELIMINATE NON-KY CUSTOMER	K595	0	0	0	0	0	0
31	INTEGRITY MANAGEMENT EXPENSES	K203	0	0	0	0	0	0
32	OTHER DISTRIBUTION EXPENSES	K415	0	0	0	0	0	0
33	TOTAL DISTRIBUTION O & M		0	0	0	0	0	0
34								
35	CUSTOMER ACCOUNTING							
36	SUPERVISION & ENGINEERING	K405	0	0	0	0	0	0
37	METER READING	K405	0	0	0	0	0	0
38	CUSTOMER BILLING & COLLECTIONS	K405	0	0	0	0	0	0
39	UNCOLLECTIBLE EXP	K406	0	0	0	0	0	0
40	ELIMINATE MISC EXPENSES	K406	0	0	0	0	0	0
41	SALE OF A/R	K406	0	0	0	0	0	0
42	INTEREST ON CUSTOMER SERVICE DEPOSITS	K405	0	0	0	0	0	0
43	ANNUALIZED UNCOLL EXP ON INCR	K406	0	0	0	0	0	0
44	TOTAL CUSTOMER ACCT EXPENSE		0	0	0	0	0	0

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LINE NO.	O&M EXPENSES	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
		Schedule 6.1						
1	CUSTOMER SERVICE & INFORMATION							
2	TOTAL CUST SERVICE & INFO	K407	0	0	0	0	0	0
3	TOTAL CUSTOMER SERV. & INFO.		0	0	0	0	0	0
4								
5	SALES							
6	SALES EXPENSE	K408	0	0	0	0	0	0
7	TOTAL SALES EXPENSE		0	0	0	0	0	0
8								
9	ADMINISTRATIVE & GENERAL							
10	PRODUCTION PLANT DEMAND	P349	403,815	0	403,815	0	403,815	0
11	PRODUCTION PLANT COMMODITY	K301	315,879	0	315,879	0	315,879	0
12	DISTRIBUTION PLANT	D349	0	0	0	0	0	0
13	CUSTOMER ACCOUNTING	CA19	0	0	0	0	0	0
14	CUSTOMER SERVICE & INFORMATION	CS19	0	0	0	0	0	0
15	SALES	SE19	0	0	0	0	0	0
16	TOT ADMIN & GEN LESS REG EXP		719,694	0	719,694	0	719,694	0
17	AMORTIZATION RATE CASE EXPENSE	AG39	11,896	0	11,896	0	11,896	0
18	INCENTIVE COMPENSATION	AG39	(28,656)	0	(28,656)	0	(28,656)	0
19	ELIMINATE MISCELLANEOUS EXPENSES	AG39	(33,286)	0	(33,286)	0	(33,286)	0
20	ELIMINATE NON-JURISDICTIONAL EXPENSES	NP29	0	0	0	0	0	0
21	AMORTIZATION OF DEFERRED EXP	AG39	56,123	0	56,123	0	56,123	0
22	STATE REG COMMISSION EXPENSES	AG39	0	0	0	0	0	0
23	STATE REG COM EXP ANN ADJ.	AG39	0	0	0	0	0	0
24	AMORTIZE CAMERA WORK	AG39	0	0	0	0	0	0
25	ELIMINATE MERGER EXPENSE	AG39	0	0	0	0	0	0
26	SMART GRID AMORTIZATION ADJUSTMENT	K413	0	0	0	0	0	0
27	AMORTIZE 2011 SMART GRID DEFERRED O&M	K413	0	0	0	0	0	0
28	INCREASED MEDICAL COSTS	AG39	0	0	0	0	0	0
29	AMORTIZE GAS FURNACE PROGRAM	NP29	0	0	0	0	0	0
30	AMORTIZATION OF MGP DEFERRED EXP	NP29	0	0	0	0	0	0
31	TOTAL ADMIN. & GENERAL		725,771	0	725,771	0	725,771	0
32								
33	TOTAL O & M EXPENSE		38,032,691	0	38,032,691	0	38,032,691	0

DUKE ENERGY KENTUCKY, INC.
 PRODUCTION CLASSIFIED - GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

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LINE NO.	DEPRECIATION EXPENSE	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
1	PRODUCTION DEPRECIATION							
2	PRODUCTION DEPRECIATION	P229	217,881	0	217,881	0	217,881	0
3	TOTAL PRODUCTION DEPREC EXP.		217,881	0	217,881	0	217,881	0
4								
5	TRANSMISSION DEPRECIATION							
6	TOTAL TRANSMISSION DEP. EXP.		0	0	0	0	0	0
7								
8	DISTRIBUTION DEPRECIATION							
9	DISTRIBUTION DEPRECIATION	D249	0	0	0	0	0	0
10	TOTAL DIST. DEPREC EXP.		0	0	0	0	0	0
11								
12	GENERAL DEPRECIATION							
13	GENERAL DEPRECIATION	G229	226,854	0	226,854	0	226,854	0
14	TOTAL GENERAL DEPREC EXP.		226,854	0	226,854	0	226,854	0
15								
16	COMMON AND OTHER DEPRECIATION							
17	COMMON DEPRECIATION	C229	13,170	0	13,170	0	13,170	0
18	TOTAL COM & OTHER DEPREC EXP.		13,170	0	13,170	0	13,170	0
19								
20								
21	TOTAL DEPRECIATION EXPENSE		457,905	0	457,905	0	457,905	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	OTHER TAXES & MISC EXPENSES	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
1	TAXES OTHER THAN INC & REV							
2	REAL ESTATE & PROPERTY TAX							
3	REAL ESTATE & PROPERTY TAX	NP29	24,941	0	24,941	0	24,941	0
4	ANNUALIZE PROPERTY TAX	NP29	0	0	0	0	0	0
5	TOTAL REAL ESTATE & PROPERTY TAX		24,941	0	24,941	0	24,941	0
6								
7	MISCELLANEOUS TAXES							
8	PAYROLL & HIGHWAY	AG39	73,271	0	73,271	0	73,271	0
9	UNEMPLOYMENT COMPENSATION	AG39	0	0	0	0	0	0
10	OHIO EXCISE TAX	OM39	0	0	0	0	0	0
11	STATE TAX RIDER	OM39	0	0	0	0	0	0
12	TOTAL MISCELLANEOUS TAXES		73,271	0	73,271	0	73,271	0
13								
14	MISCELLANEOUS EXPENSES							
15	PSC MAINT. EXP ON INCREASE	AG39	2,179	0	2,179	0	2,179	0
16	RESERVED FOR FUTURE USE	AG39	0	0	0	0	0	0
17	TOTAL MISCELLANEOUS EXPENSES		2,179	0	2,179	0	2,179	0
18								
19	TOTAL OTHER TAX & MISC EXPENSE		100,391	0	100,391	0	100,391	0
20								
21	PRELIMINARY SUMMARY							
22	TOTAL O&M EXPENSE		38,032,691	0	38,032,691	0	38,032,691	0
23	TOTAL DEPRECIATION EXPENSE		457,905	0	457,905	0	457,905	0
24	TOTAL OTHER TAX & MISC EXPENSE		100,391	0	100,391	0	100,391	0
25	TOTAL OPER EXP EXCL INCOME & REV TAX		38,590,987	0	38,590,987	0	38,590,987	0

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LINE NO.	FEDERAL INCOME TAX BASED ON RETURN	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				3 DEMAND	4 COMMODITY	5 CUSTOMER		
		Schedule 9						
1	FEDERAL INCOME TAX DEDUCTIONS							
2	AUTOMATIC INTEREST CALCULATION							
3	AUTO PROC INTEREST DED	RB99	144,290	0	144,290	0	144,290	0
4	TOTAL INTEREST EXPENSE		144,290	0	144,290	0	144,290	0
5								
6	OTHER DEDUCTIONS							
7	DEPREC EXCESS TAX-BOOK	DE49	202,584	0	202,584	0	202,584	0
8	PERMANENT DIFFERENCES	AG39	(10,299)	0	(10,299)	0	(10,299)	0
9	TEMPORARY DIFFERENCES	DE49	7,348	0	7,348	0	7,348	0
10	TOTAL OTHER DEDUCTIONS		199,633	0	199,633	0	199,633	0
11								
12	NET DEDUCTIONS AND ADDITIONS		343,923	0	343,923	0	343,923	0
13								
14	FED DEFERRED INCOME TAX (410 & 411)							
15	DEFERRED INCOME TAXES - NET	OM39	803,280	0	803,280	0	803,280	0
16	AMORT OF DEFERRED MERGER COST	AG39	0	0	0	0	0	0
17	DIT ADJUSTMENT - S/L DEPRECIATION	DE49	0	0	0	0	0	0
18	DIT ADJUSTMENT - ARAM	K201	(16,534)	0	(16,534)	0	(16,534)	0
19	DIT ADJUSTMENT - AMORT OF EXCESS DEF TAXES	AG39	(60,558)	0	(60,558)	0	(60,558)	0
20	TOTAL FED DEF IT (410 & 411)		726,188	0	726,188	0	726,188	0
21								
22	AMORT INV TAX CREDIT							
23	AMORTIZE ITC	NP29	486	0	486	0	486	0
24	TOTAL AMORTIZED ITC		486	0	486	0	486	0
25								
26	TEST YEAR INV TAX CREDIT							
27	PROV INVEST TAX CREDIT	NP29	0	0	0	0	0	0
28	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0
29								
30	PRELIMINARY SUMMARY							
31	TOTAL FED DEF IT (410 & 411)		726,188	0	726,188	0	726,188	0
32	TOTAL AMORTIZED ITC		(486)	0	(486)	0	(486)	0
33	TOTAL FEDERAL TAX ADJUSTMENTS		725,702	0	725,702	0	725,702	0
34								
35	FEDERAL INCOME TAX COMPUTATION							
36	RETURN ON RATE BASE		480,732	0	480,732	0	480,732	0
37	NET DEDUCTIONS AND ADDITIONS		(343,923)	0	(343,923)	0	(343,923)	0
38	TOTAL STATE PROV DEF IT (410 & 411)		3,319	0	3,319	0	3,319	0
39	TOTAL FEDERAL TAX ADJUSTMENTS		725,702	0	725,702	0	725,702	0
40	BASE FOR FIT COMPUTATION		865,830	0	865,830	0	865,830	0
41								
42	FIT FACTOR K190/(1-K190)		0.26582	0.26582	0.26582	0.26582		0.26582
43	PRELIM FED INCOME TAX		230,157	0	230,157	0	230,157	0
44	TOTAL FEDERAL TAX ADJUSTMENTS		725,702	0	725,702	0	725,702	0
45	NET FED INCOME TAX ALLOWABLE		955,859	0	955,859	0	955,859	0
46								
47	INCOME TAX BASED ON RETURN							
48	FEDERAL INCOME TAX PAYABLE							
49	PRELIM FEDERAL INCOME TAX		230,157	0	230,157	0	230,157	0
50	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0
51	NET FED INCOME TAX PAYABLE		230,157	0	230,157	0	230,157	0
52								
53	COMPOSITE TAX RATE		0.21	0.24925	0.24925	0.24925		0.24925

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LINE NO.	COST OF SERVICE COMPUTATION	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
1	OTHER OPERATING REVENUES	Schedule 10						
2	MISC SERVICE REVENUE	K401	0	0	0	0	0	0
3	INTERDEPARTMENTAL	AG39	2,870	0	2,870	0	2,870	0
4	OTH MISC REVENUE	K401	0	0	0	0	0	0
5	RENTS	D249	0	0	0	0	0	0
6	IT TRANSPORT SPECIAL CONTRACTS	AG39	0	0	0	0	0	0
7	TOTAL OTHER OPERATING REVS		2,870	0	2,870	0	2,870	0
8								
9	COST OF SERVICE COMPUTATION							
10	TOTAL OP EXP EXC INC & REV TAX		38,590,987	0	38,590,987	0	38,590,987	0
11	RETURN ON RATE BASE		480,732	0	480,732	0	480,732	0
12	NET FED INCOME TAX ALLOWABLE		955,859	0	955,859	0	955,859	0
13	TOTAL OTHER OPERATING REVENUES		(2,870)	0	(2,870)	0	(2,870)	0
14	SUBTOTAL B		40,024,708	0	40,024,708	0	40,024,708	0
15								
16	TOTAL OTHER OPERATING REVENUES		2,870	0	2,870	0	2,870	0
17	LESS: REVS EXCL FROM REV TAX CALC		0	0	0	0	0	0
18	OTHER OPERATING REVS TO BE TAXED		2,870	0	2,870	0	2,870	0
19								
20	REVENUE TAX FACTOR		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	REVENUE TAX ON OTHER OPER. REVS		0	0	0	0	0	0
22	REVENUE TAX ON COST OF SERVICE		0	0	0	0	0	0
23	TOTAL REVENUE TAX		0	0	0	0	0	0
24	TOTAL GAS COST OF SERVICE		40,024,708	0	40,024,708	0	40,024,708	0
25								
26	PROPOSED REVENUES		36,322,784	0	36,322,784	0	0	0
27	TOTAL GAS COST OF SERVICE		(40,024,708)	(0)	(40,024,708)	0	(40,024,708)	0
28	EXCESS REVENUES		(3,701,924)	(0)	(3,701,924)	0	(3,701,924)	0
29	COMPOSITE TAX RATE		0.21000	0.24925	0.24925	0.24925	0.24925	0.24925
30	EXCESS TAX		(777,404)	0	(922,705)	0	(922,705)	0
31	EXCESS RETURN		(2,924,520)	(0)	(2,779,219)	0	(2,779,219)	0

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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
					DEMAND	COMMODITY	CUSTOMER		
			1	2	3	4	5		
1	DEMAND ENERGY & SPEC. ASSIGN								
2	FIRM MCF SALES	External		10,485,450	0	10,485,450	0	10,485,450	0
3	RATIO TO TOTAL GAS		K201	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
4	AVERAGE & EXCESS INCL IT (PK & AVG)	External		100.00000	0	100.00000	0	100	0
5	RATIO TO TOTAL GAS		K203	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
6	AVERAGE & EXCESS EXCL IT (PK & AVG)	External		100.00000	0	100.00000	0	100	0
7	RATIO TO TOTAL GAS		K205	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
8	TOTAL ANNUAL MCF THROUGHPUT	External		12,030,761	0	12,030,761	0	12,030,761	0
9	RATIO TO TOTAL GAS		K300	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
10	PURCHASED MCF SALES	External		10,485,450	0	10,485,450	0	10,485,450	0
11	RATIO TO TOTAL GAS		K301	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
12	TOTAL CUSTOMERS	External		98,442	0	98,442	0	98,442	0
13	RATIO TO TOTAL GAS		K401	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
14	W'TD CUSTOMERS - SERVICES	External		104,676	0	104,676	0	104,676	0
15	RATIO TO TOTAL GAS		K403	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
16	CUST ACCTG EXPENSE	External		3,624,077	0	3,624,077	0	3,624,077	0
17	RATIO TO TOTAL GAS		K405	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
18	UNCOLLECTIBLE EXP	External		3,920	0	3,920	0	3,920	0
19	RATIO TO TOTAL GAS		K406	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
20	CUST SERVICE & INFORMATION EXP	External		140,653	0	140,653	0	140,653	0
21	RATIO TO TOTAL GAS		K407	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
22	CUSTOMER SALES EXPENSE	External		7,322	0	7,322	0	7,322	0
23	RATIO TO TOTAL GAS		K408	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
24	METER COSTS	External		22,926,071	0	22,926,071	0	22,926,071	0
25	RATIO TO TOTAL GAS		K413	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
26	CUSTOMER / DEMAND	External		100	0	100	0	100	0
27	RATIO TO TOTAL GAS		K415	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
28	WEIGHTED CUST - REGULATORS	External		138,304	0	138,304	0	138,304	0
29	RATIO TO TOTAL GAS		K417	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
30	LARGE CUSTOMERS	External		117	0	117	0	117	0
31	RATIO TO TOTAL GAS		K431	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
32	GS INDUST, FT & IT TRANSP	External		3,688,683	0	3,688,683	0	3,688,683	0
33	RATIO TO TOTAL GAS		K595	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
34	ASSIGN 100% TO GS OTHER	External		1	0	1	0	1	0
35	RATIO TO TOTAL GAS		K597	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
36	ASSIGN 100% TO RS/RFT			1	0	1	0	1	0
37	RATIO TO TOTAL GAS		K903	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
38									
39	PRESENT REVENUES	CS09	R600	36,322,784	0	36,322,784	0	36,322,784	0
40	PROPOSED REVENUES	CS09	R602	36,322,784	0	36,322,784	0	36,322,784	0

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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
					DEMAND	COMMODITY	CUSTOMER		
				1	2	3	4	5	
	Schedule 12.1								
1	COMBINATION MAINS & SERVICES	Internal		0	0	0	0	0	0
2	RATIO TO TOTAL GAS		K667	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000
3	COMBINATION METERS & HOUSE REGULATORS	Internal		0	0	0	0	0	0
4	RATIO TO TOTAL GAS		K697	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000
5	PRESENT REVENUES	Internal		36,322,784	0	36,322,784	0	36,322,784	0
6	RATIO TO TOTAL GAS		K901	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
7	PROPOSED REVENUES	Internal		36,322,784	0	36,322,784	0	36,322,784	0
8	RATIO TO TOTAL GAS		K902	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
9									
10	<u>SPECIAL ALLOCATOR INFO FOR K667</u>								
11	MAINS - (2761, 2762, 2763, 2765) - Gross Plant			0	0	0	0	0	0
12	SERVICES - (2801, 2802, 2803) - Gross Plant			0	0	0	0	0	0
13	MAINS - (2761, 2762, 2763, 2765) - Accum Reserve			0	0	0	0	0	0
14	SERVICES - (2801, 2802, 2803) - Accum Reserve			0	0	0	0	0	0
15	TOTAL K667			0	0	0	0	0	0
16									
17	<u>SPECIAL ALLOCATOR INFO FOR K697</u>								
18	MTRS & MTR INST (2810, 2811, 2820, 2821) - Gross Plant			0	0	0	0	0	0
19	HOUSE REG & INSTALL (2830, 2840) - Gross Plant			0	0	0	0	0	0
20	MTRS & MTR INST (2810, 2811, 2820, 2821) - Accum Reserve			0	0	0	0	0	0
21	HOUSE REG & INSTALL (2830, 2840) - Accum Reserve			0	0	0	0	0	0
22	TOTAL K697			0	0	0	0	0	0
23									
24	WEIGHTED RATIOS								
25	GROSS GAS PLANT IN SERVICE								
26	WTD GROSS PROD PLANT RATIOS	Internal	P129	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
27	WTD GROSS DIST PLANT RATIOS	Internal	D149	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
28	WTD GROSS PTD PLT RATIOS	Internal	PD29	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
29	WTD GROSS G & I PLT RATIOS	Internal	G129	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
30	WTD GROSS C & O PLANT RATIOS	Internal	C129	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
31	WTD GROSS PLANT RATIOS	Internal	GP19	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
32	WTD DISTR ACCUM RESERVE	Internal	D199	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
33	WTD TOTAL DEPRC RES RATIOS	Internal	DR19	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
34									
35	NET GAS PLANT								
36	WTD NET PROD PLANT RATIOS	Internal	P229	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
37	WTD NET DIST PLANT RATIOS	Internal	D249	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
38	WTD NET G & I PLT RATIOS	Internal	G229	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
39	WTD NET C & O PLANT RATIOS	Internal	C229	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
40	WTD NET PLANT RATIOS	Internal	NP29	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
41									
42	WORKING CAPITAL								
43	WTD MATERIAL & SUPPLY RATIOS	Internal	W669	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
44	WTD PREPAYMENTS RATIOS	Internal	W689	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
45	WTD TOTAL WORKING CASH RATIOS	Internal	W729	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
46	WTD TOTAL MISC WRKNG CAP RATIO	Internal	W749	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
47	WTD TOTAL WRKNG CAP RATIOS	Internal	WC79	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000

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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL PRODUCTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
					DEMAND	COMMODITY	CUSTOMER		
		Schedule 12.2	1	2	3	4	5		
1	RATE BASE								
2	WTD NET OCRB RATIOS	Internal	RB29	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
3	WTD TOTAL RATE BASE RATIOS	Internal	RB99	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
4	WTD CWIP RATIO	Internal	CW29	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
5									
6	WEIGHTED O & M EXPENSE RATIOS								
7	WTD PROD COMMODITY EXP RATIOS	Internal	P349	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
8	WTD PROD O&M EXP RATIOS	Internal	P459	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
9	WTD DIST O&M EXP RATIOS	Internal	D349	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
10	WTD CUST ACCT EXP RATIOS	Internal	CA19	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
11	WTD CUST SERV & INFO EXP RATIOS	Internal	CS19	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
12	WTD SALES EXP RATIOS	Internal	SE19	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000
13	WTD A&G EXP RATIOS	Internal	AG39	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
14	WTD O&M EXP RATIOS	Internal	OM39	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
15									
16	DEPRECIATION EXPENSES								
17	WTD PRODUCTION DEPREC RATIOS	Internal	P489	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
18	WTD DIST DEPREC RATIOS	Internal	D489	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
19	WTD GENERAL DEPREC EXP RATIOS	Internal	G489	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
20	WTD COM & OTHER DEP EXP RATIOS	Internal	C489	1.00000	0.00001	0.99999	0.00000	1.00000	0.00000
21	WTD TOT DEPREC EXP RATIOS	Internal	DE49	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
22									
23	OTHER TAXES & MISC EXPENSES								
24	WTD R. E. & PROP TAX RATIOS	Internal	L529	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
25	WTD MISC TAX RATIOS	Internal	L589	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
26	WTD OTHER TAX RATIOS	Internal	L599	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
27	WTD OP EXP EX IT & REV RATIOS	Internal	OP69	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
28									
29	TOTAL COST OF SERVICE								
30	WTD TOTAL COST OF SERVICE	Internal	CS09	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000

DUKE ENERGY KENTUCKY, INC.
 PRODUCTION COMMODITY ALLOCATED - GAS COST OF SERVICE
 CASE NO: 2018-00261
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LINE NO.	SUMMARY OF RESULTS	ALLO	TOTAL					TOTAL AT ISSUE	ALL OTHER
			PRODUCTION COMMODITY	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS		
			3	4	5	6			
1	NET INCOME COMPUTATION	Schedule 1							
2	GROSS GAS PLANT IN SERVICE		6,658,967	3,586,520	1,965,952	1,100,820	5,675	6,658,967	0
3	TOTAL DEPRECIATION RESERVE		(3,706,705)	(2,002,318)	(1,095,602)	(605,738)	(3,047)	(3,706,705)	0
4	TOTAL RATE BASE ADJUSTMENTS		3,742,217	1,817,236	1,041,706	762,404	120,872	3,742,218	(1)
5	TOTAL RATE BASE		6,694,479	3,401,438	1,912,056	1,257,486	123,500	6,694,480	(1)
6									
7	OPERATING EXPENSES								
8	TOTAL O&M EXPENSE		38,032,691	19,213,586	10,944,332	7,748,449	126,324	38,032,691	0
9	TOTAL DEPRECIATION EXPENSE		457,905	248,589	135,607	73,357	352	457,905	0
10	TOTAL OTHER TAX & MISC EXPENSE		100,391	51,554	29,096	19,577	164	100,391	0
11	TOTAL OP EXP EXCLUDING INC & REV TAX		38,590,987	19,513,729	11,109,035	7,841,383	126,840	38,590,987	0
12	NET FED INCOME TAX EXP ALLOWABLE		955,859	480,917	274,348	195,674	4,920	955,859	0
13	NET STATE INCOME TAX EXP ALLOWABLE		58,434	29,020	16,657	12,071	687	58,435	(1)
14	TOTAL OPERATING EXPENSE		39,605,280	20,023,666	11,400,040	8,049,128	132,447	39,605,281	(1)
15									
16	RETURN ON RATE BASE		480,732	244,258	137,305	90,300	8,869	480,732	0
17	TOTAL OTHER OPERATING REVENUES		(2,870)	(1,452)	(827)	(586)	(5)	(2,870)	0
18	TOTAL GAS COST OF SERVICE		40,083,142	20,266,472	11,536,518	8,138,842	141,311	40,083,143	(1)

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	GROSS GAS PLANT IN SERVICE	ALLO	TOTAL PRODUCTION COMMODITY	RS/RFT/RSLI RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	PRODUCTION PLANT								
2	PRODUCTION PLANT	K205	2,799,608	1,633,207	853,321	313,080	0	2,799,608	0
3	GAS PRODUCTION - CPML NOT CLASS	K205	0	0	0	0	0	0	0
4	PRODUCTION PLANT IN SERVICE		2,799,608	1,633,207	853,321	313,080	0	2,799,608	0
5									
6	TRANSMISSION PLANT								
7	TRANSMISSION PLANT								
8	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0	0
9									
10	TOTAL PROD & TRANS PLANT		2,799,608	1,633,207	853,321	313,080	0	2,799,608	0
11									
12	DISTRIBUTION PLANT								
13	SYSTEM M&R - (2780, 2781)	K203	0	0	0	0	0	0	0
14	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	0	0	0	0	0	0	0
15	LARGE IND M&R - (2850, 2851)	K595	0	0	0	0	0	0	0
16	MAINS - (2761, 2762, 2763, 2765)	K415	0	0	0	0	0	0	0
17	SERVICES - (2801, 2802, 2803)	K403	0	0	0	0	0	0	0
18	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	0	0	0	0	0	0	0
19	LAND, R OF W, STRUCT & IMPROV	K203	0	0	0	0	0	0	0
20	HOUSE REG & INSTALL (2830, 2840)	K417	0	0	0	0	0	0	0
21	STREET LIGHTING EQUIPMENT & OTH	K597	0	0	0	0	0	0	0
22	ASSET RETIREMENT COST FOR DISTRIBUTION PLANT	K203	0	0	0	0	0	0	0
23	DISTRIBUTION PLANT IN SERVICE		0	0	0	0	0	0	0
24									
25	TOTAL TRANS & DIST PLANT		0	0	0	0	0	0	0
26	TOTAL GROSS PTD PLANT		2,799,608	1,633,207	853,321	313,080	0	2,799,608	0
27									
28	GENERAL & INTANGIBLE PLANT								
29	PRODUCTION PLANT	K201	1,418,707	719,100	409,609	289,998	0	1,418,707	0
30	PRODUCTION PLANT COMMODITY	P349	1,109,764	560,619	319,335	226,092	3,718	1,109,764	0
31	DISTRIBUTION PLANT	D349	0	0	0	0	0	0	0
32	CUSTOMER ACCOUNTING	CA19	0	0	0	0	0	0	0
33	CUSTOMER SERVICE & INFORMATION	CS19	0	0	0	0	0	0	0
34	SALES	SE19	0	0	0	0	0	0	0
35	GEN & INTANG PLANT IN SERVICE		2,528,471	1,279,719	728,944	516,090	3,718	2,528,471	0
36									
37	COMMON & OTHER PLANT								
38	PRODUCTION PLANT	K201	746,752	378,506	215,602	152,644	0	746,752	0
39	PRODUCTION PLANT COMMODITY	P349	584,136	295,088	168,085	119,006	1,957	584,136	0
40	DISTRIBUTION PLANT	D349	0	0	0	0	0	0	0
41	CUSTOMER ACCOUNTING	CA19	0	0	0	0	0	0	0
42	CUSTOMER SERVICE & INFORMATION	CS19	0	0	0	0	0	0	0
43	SALES	SE19	0	0	0	0	0	0	0
44	COMMON & OTHER PLANT IN SERVICE		1,330,888	673,594	383,687	271,650	1,957	1,330,888	0
45									
46	GROSS GAS PLANT IN SERVICE		6,658,967	3,586,520	1,965,952	1,100,820	5,675	6,658,967	0

DUKE ENERGY KENTUCKY, INC.
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			PRODUCTION COMMODITY	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS		
				3	4	5	6		
1	PRODUCTION PLANT								
2	PRODUCTION PLANT	K205	1,634,598	953,576	498,225	182,797	0	1,634,598	0
3	TOTAL PROD DEPREC RESERVE		1,634,598	953,576	498,225	182,797	0	1,634,598	0
4									
5	TRANSMISSION PLANT								
6	TRANSMISSION PLANT								
7	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0	0
8									
9	DISTRIBUTION PLANT								
10	SYSTEM M&R - (2780, 2781)	K203	0	0	0	0	0	0	0
11	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	0	0	0	0	0	0	0
12	LARGE IND M&R - (2850, 2851)	K595	0	0	0	0	0	0	0
13	MAINS - (2761, 2762, 2763, 2765)	K415	0	0	0	0	0	0	0
14	SERVICES - (2801, 2802, 2803)	K403	0	0	0	0	0	0	0
15	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	0	0	0	0	0	0	0
16	LAND, R OF W, STRUCT & IMPROV & OTH	K203	0	0	0	0	0	0	0
17	HOUSE REG & INSTALL (2830, 2840)	K417	0	0	0	0	0	0	0
18	STREET LIGHTING EQUIPMENT & OTH	K597	0	0	0	0	0	0	0
19	TOTAL DIST DEPREC RESERVE		0	0	0	0	0	0	0
20									
21	GENERAL & INTANGIBLE PLANT								
22	PRODUCTION PLANT	K201	546,802	277,157	157,873	111,772	0	546,802	0
23	PRODUCTION PLANT COMMODITY	P349	427,728	216,075	123,079	87,141	1,433	427,728	0
24	DISTRIBUTION PLANT	D349	0	0	0	0	0	0	0
25	CUSTOMER ACCOUNTING	CA19	0	0	0	0	0	0	0
26	CUSTOMER SERVICE & INFORMATION	CS19	0	0	0	0	0	0	0
27	SALES	SE19	0	0	0	0	0	0	0
28	TOTAL GEN DEPREC RESERVE		974,530	493,232	280,952	198,913	1,433	974,530	0
29									
30	COMMON & OTHER PLANT								
31	PRODUCTION PLANT	K201	615,843	312,153	177,806	125,884	0	615,843	0
32	PRODUCTION PLANT COMMODITY	P349	481,734	243,357	138,619	98,144	1,614	481,734	0
33	DISTRIBUTION PLANT	D349	0	0	0	0	0	0	0
34	CUSTOMER ACCOUNTING	CA19	0	0	0	0	0	0	0
35	CUSTOMER SERVICE & INFORMATION	CS19	0	0	0	0	0	0	0
36	SALES	SE19	0	0	0	0	0	0	0
37	TOTAL COM & OTHER PLT RESERVE		1,097,577	555,510	316,425	224,028	1,614	1,097,577	0
38									
39	TOTAL DEPRECIATION RESERVE		3,706,705	2,002,318	1,095,602	605,738	3,047	3,706,705	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	NET GAS PLANT	ALLO	TOTAL				INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
			PRODUCTION COMMODITY	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV			
			3	4	5	6			
1	PRODUCTION PLANT	Schedule 4							
2	PRODUCTION PLANT IN SERVICE		2,799,608	1,633,207	853,321	313,080	0	2,799,608	
3	TOTAL PROD DEPRC RESERVE		(1,634,598)	(953,576)	(498,225)	(182,797)	0	(1,634,598)	
4	NET PRODUCTION PLANT		1,165,010	679,631	355,096	130,283	0	1,165,010	
5									
6	TRANSMISSION PLANT								
7	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0	
8	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0	
9	NET TRANSMISSION PLANT		0	0	0	0	0	0	
10									
11	DISTRIBUTION PLANT								
12	DISTRIBUTION PLANT IN SERVICE		0	0	0	0	0	0	
13	TOTAL DIST DEPREC RESERVE		0	0	0	0	0	0	
14	NET DISTRIBUTION PLANT		0	0	0	0	0	0	
15									
16	NET PTD PLANT		1,165,010	679,631	355,096	130,283	0	1,165,010	
17	NET TRANS & DIST PLANT		0	0	0	0	0	0	
18									
19	GENERAL & INTANGIBLE PLANT								
20	GEN & INTANG PLANT IN SERVICE		2,528,471	1,279,719	728,944	516,090	3,718	2,528,471	
21	TOTAL GEN & INTG DEPREC RESERVE		(974,530)	(493,232)	(280,952)	(198,913)	(1,433)	(974,530)	
22	NET GENERAL & INTANG PLANT		1,553,941	786,487	447,992	317,177	2,285	1,553,941	
23									
24	COMMON & OTHER PLANT								
25	COMMON & OTH PLT IN SERVICE		1,330,888	673,594	383,687	271,650	1,957	1,330,888	
26	TOTAL COM & OTH DEPREC RESERVE		(1,097,577)	(555,510)	(316,425)	(224,028)	(1,614)	(1,097,577)	
27	NET COMMON & OTHER PLANT		233,311	118,084	67,262	47,622	343	233,311	
28									
29	NET GAS PLANT IN SERVICE		2,952,262	1,584,202	870,350	495,082	2,628	2,952,262	

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LINE NO.	SUBTRACTIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL PRODUCTION COMMODITY	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	RATE BASE ADJUSTMENTS								
2	ACCUMULATED DEFERRED INCOME TAXES								
3	ACCUM DEF INC TAXES (282)	Schedule 5							
4	LIBERALIZED DEPRECIATION	NP29	388,726	208,591	114,600	65,189	346	388,726	0
5	LEASED METERS	K413	0	0	0	0	0	0	0
6	CONTRIB AID CONSTR	D249	0	0	0	0	0	0	0
7	CAPITALIZED INTEREST	NP29	(6,912)	(3,709)	(2,038)	(1,159)	(6)	(6,912)	0
8	AFUDC IN DEBT	NP29	1,864	999	550	313	2	1,864	0
9	CWIP DIFFERENCES	NP29	0	0	0	0	0	0	0
10	NON-CASH OVERHEADS	AG39	(55,497)	(28,077)	(15,993)	(11,323)	(104)	(55,497)	0
11	PLANT FAS 109	NP29	0	0	0	0	0	0	0
12	MISCELLANEOUS	AG39	977,188	494,369	281,606	199,376	1,837	977,188	0
13	TOTAL ACCOUNT 282		1,305,369	672,173	378,725	252,396	2,075	1,305,369	0
14									
15	ACCUM DEF INC TAXES (283)								
16	BLANK	K413	0	0	0	0	0	0	0
17	BLANK	K413	0	0	0	0	0	0	0
18	UNRECOVERED PURCHASED GAS COST	AG39	2,070	1,047	597	422	4	2,070	0
19	ENVIRONMENTAL RESERVE	NP29	0	0	0	0	0	0	0
20	POST IN-SERVICE CARRYING COSTS	K667	0	0	0	0	0	0	0
21	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0	0
22	LOSS ON REACQUIRED DEBT	NP29	126	68	37	21	0	126	0
23	VACATION PAY ACCRUAL	AG39	9,485	4,799	2,733	1,935	18	9,485	0
24	RATE CASE EXPENSE AMORT	AG39	(2,593)	(1,312)	(747)	(529)	(5)	(2,593)	0
25	PENSION	AG39	165,705	83,831	47,753	33,809	312	165,705	0
26	MISCELLANEOUS	K406	0	0	0	0	0	0	0
27	TOTAL ACCOUNT 283		174,793	88,433	50,373	35,658	329	174,793	0
28									
29	OTHER ACCUMULATED DEFERRED INCOME TAXES								
30	CUSTOMER ADVANCES FOR CONSTRUCTION	D249	0	0	0	0	0	0	0
31	CUSTOMER SERVICE DEPOSITS	D249	0	0	0	0	0	0	0
32	POST RETIREMENT BENEFITS	AG39	0	0	0	0	0	0	0
33	EDIT	NP29	230,517	123,695	67,959	38,658	205	230,517	0
34	TOTAL OTHER SUBTRACTIVE ADJS		230,517	123,695	67,959	38,658	205	230,517	0
35									
36	SUBTOTAL ACCUMULATED DEFERRED INC TAXES		1,710,679	884,301	497,057	326,712	2,609	1,710,679	0

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LINE NO.	ADDITIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL PRODUCTION COMMODITY	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	OTHER ACCUMULATED DEFERRED INCOME TAXES								
2	ACCUM DEF INC TAXES (190)								
3	UNCOLLECTIBLE ACCTS	K406	0	0	0	0	0	0	0
4	GAS SUPPLIER REFUND	K300	40,128	17,727	10,098	7,149	5,154	40,128	0
5	UNBILLED REVENUE - FUEL & RATE REFUNDS	K300	727,162	321,224	182,983	129,551	93,404	727,162	0
6	OFFSITE GAS STORAGE	K300	88,650	39,161	22,308	15,794	11,387	88,650	0
7	GAS METERS	K413	0	0	0	0	0	0	0
8	UNAMORTIZED DEBT PREMIUM	NP29	(13)	(7)	(4)	(2)	0	(13)	0
9	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0	0
10	PENSION EXPENSE	AG39	19,059	9,642	5,492	3,889	36	19,059	0
11	POST RETIREMENT BENEFITS - LIFE INS	AG39	0	0	0	0	0	0	0
12	POST RETIREMENT BENEFITS - HEALTH CARE	AG39	0	0	0	0	0	0	0
13	POST EMPLOYMENT BENEFITS - SFAS 112	AG39	4,546	2,299	1,310	928	9	4,546	0
14	OPEB EXPENSE ACCRUAL	AG39	31,281	15,825	9,015	6,382	59	31,281	0
15	INCENTIVE PLAN	AG39	0	0	0	0	0	0	0
16	FEDERAL DEFERRED TAX RECEIVABLE	AG39	0	0	0	0	0	0	0
17	DSM DEFERRAL	AG39	19,371	9,801	5,582	3,952	36	19,371	0
18	PROPERTY TAX	P229	0	0	0	0	0	0	0
19	PROPERTY TAX ON PROPANE	P229	0	0	0	0	0	0	0
20	401K INCENTIVE PLAN	AG39	0	0	0	0	0	0	0
21	ENVIRONMENTAL RESERVE	NP29	1,172	628	346	197	1	1,172	0
22	VACATION PAY ACCRUALS	G129	16,939	8,574	4,883	3,457	25	16,939	0
23	SMART GRID	K413	0	0	0	0	0	0	0
24	METERS & TRANSFORMERS	D249	0	0	0	0	0	0	0
25	OTHER	AG39	39,212	19,838	11,300	8,000	74	39,212	0
26	TOTAL ACCOUNT 190		987,507	444,712	253,313	179,297	110,185	987,507	0
27									
28	OTHER								
29	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0	0
30	ANNUALIZE DEPRECIATION	NP29	(1,989)	(1,067)	(586)	(334)	(2)	(1,989)	0
31	ELIMINATE UNBILLED REVENUE AND GAS COSTS	K300	(20,077)	(8,869)	(5,052)	(3,577)	(2,579)	(20,077)	0
32	OTHER		(22,066)	(9,936)	(5,638)	(3,911)	(2,581)	(22,066)	0
33									
34	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		965,441	434,776	247,675	175,386	107,604	965,441	0

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LINE NO.	WORKING CAPITAL	ALLO	TOTAL PRODUCTION COMMODITY	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	NET ORIGINAL COST RATE BASE		2,207,024	1,134,677	620,968	343,756	107,623	2,207,024	0
2									
3	WORKING CAPITAL								
4									
5	PLANT MATERIALS & SUPPLIES								
6	GAS ENRICHER LIQUID	K301	1,284,114	650,879	370,749	262,486	0	1,284,114	0
7	OTHER SUPPLIES	NP29	8,413	4,515	2,480	1,411	7	8,413	0
8	TOTAL PLANT MATS. & SUPPLIES		1,292,527	655,394	373,229	263,897	7	1,292,527	0
9	TOTAL MATERIALS & SUPPLIES		1,292,527	655,394	373,229	263,897	7	1,292,527	0
10									
11	PREPAYMENTS								
12	INSURANCE GENERAL	OM39	23,723	11,984	6,827	4,833	79	23,723	0
13	EXCISE TAX	OM39	0	0	0	0	0	0	0
14	GAS PURCHASE	K301	0	0	0	0	0	0	0
15	TOTAL PREPAYMENTS		23,723	11,984	6,827	4,833	79	23,723	0
16									
17	AUTO CALC (O&M-GAS COST)/8		212,325	99,616	56,744	40,175	15,791	212,326	(1)
18	TOTAL WORKING CASH		212,325	99,616	56,744	40,175	15,791	212,326	(1)
19									
20	MISCELLANEOUS WORKING CAPITAL								
21	GAS STORED UNDERGROUND	K301	2,958,880	1,499,767	854,288	604,825	0	2,958,880	0
22	PIPP UNCOLLECTIBLES	K406	0	0	0	0	0	0	0
23	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0	0
24	TOTAL MISC WORK CAPITAL		2,958,880	1,499,767	854,288	604,825	0	2,958,880	0
25									
26	TOTAL WORKING CAPITAL		4,487,455	2,266,761	1,291,088	913,730	15,877	4,487,456	(1)
27	PRELIMINARY SUMMARY								
28	TOTAL ACCUMULATED DEFERRED INCOME TAXES		(1,710,679)	(884,301)	(497,057)	(326,712)	(2,609)	(1,710,679)	0
29	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		965,441	434,776	247,675	175,386	107,604	965,441	0
30	TOTAL WORKING CAPITAL		4,487,455	2,266,761	1,291,088	913,730	15,877	4,487,456	(1)
31	TOTAL RATE BASE ADJUSTMENTS		3,742,217	1,817,236	1,041,706	762,404	120,872	3,742,218	(1)
32									
33	RATE BASE CALCULATION								
34	NET GAS PLANT IN SERVICE		2,952,262	1,584,202	870,350	495,082	2,628	2,952,262	0
35	TOTAL RATE BASE ADJUSTMENTS		3,742,217	1,817,236	1,041,706	762,404	120,872	3,742,218	(1)
36	TOTAL RATE BASE		6,694,479	3,401,438	1,912,056	1,257,486	123,500	6,694,480	(1)
37									
38	TOTAL RATE OF RETURN ALLOWABLE		0.07181	0.07181	0.07181	0.07181	0.07181	0.07181	0.07181
39	RETURN ON RATE BASE		480,732	244,258	137,305	90,300	8,869	480,732	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	O&M EXPENSES	ALLO	TOTAL PRODUCTION COMMODITY	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
		Schedule 6							
1	PRODUCTION O&M								
2	COMMODITY RELATED O&M								
3	ANNUALIZED GAS COST	K301	36,334,092	18,416,661	10,490,379	7,427,052	0	36,334,092	0
4	OTHER ASSOCIATED COST	K300	972,828	429,747	244,802	173,319	124,960	972,828	0
5	TOTAL COMMODITY RELATED		37,306,920	18,846,408	10,735,181	7,600,371	124,960	37,306,920	0
6									
7	DEMAND RELATED PROD O&M								
8	ANNUALIZED GAS COST - DEMAND	K301	0	0	0	0	0	0	0
9	TOTAL DEMAND RELATED		0	0	0	0	0	0	0
10									
11	DEMAND RELATED & OTHER PROD O&M								
12	PRODUCTION EXPENSES	K201	0	0	0	0	0	0	0
13	TOTAL DEM REL & OTH PROD O&M		0	0	0	0	0	0	0
14									
15	TOTAL PRODUCTION O&M		37,306,920	18,846,408	10,735,181	7,600,371	124,960	37,306,920	0
16									
17	TRANSMISSION O & M								
18	TRANSMISSION O & M								
19	TOTAL TRANSMISSION O & M		0	0	0	0	0	0	0
20									
21	DISTRIBUTION O & M								
22	LOAD DISPATCHING	K203	0	0	0	0	0	0	0
23	MAINS & SERVICES OPER	K667	0	0	0	0	0	0	0
24	M & R STATION GENERAL	K203	0	0	0	0	0	0	0
25	CUSTOMER INST & OTHER	K415	0	0	0	0	0	0	0
26	METERS & HOUSE REG	K697	0	0	0	0	0	0	0
27	MAINS	K415	0	0	0	0	0	0	0
28	SERVICES	K403	0	0	0	0	0	0	0
29	SUPV & ENG	D249	0	0	0	0	0	0	0
30	ELIMINATE NON-KY CUSTOMER	K595	0	0	0	0	0	0	0
31	INTEGRITY MANAGEMENT EXPENSES	K203	0	0	0	0	0	0	0
32	OTHER DISTRIBUTION EXPENSES	K415	0	0	0	0	0	0	0
33	TOTAL DISTRIBUTION O & M		0	0	0	0	0	0	0
34									
35	CUSTOMER ACCOUNTING								
36	SUPERVISION & ENGINEERING	K405	0	0	0	0	0	0	0
37	METER READING	K405	0	0	0	0	0	0	0
38	CUSTOMER BILLING & COLLECTIONS	K405	0	0	0	0	0	0	0
39	UNCOLLECTIBLE EXP	K406	0	0	0	0	0	0	0
40	ELIMINATE MISC EXPENSES	K406	0	0	0	0	0	0	0
41	SALE OF A/R	K406	0	0	0	0	0	0	0
42	INTEREST ON CUSTOMER SERVICE DEPOSITS	K405	0	0	0	0	0	0	0
43	ANNUALIZED UNCOLL EXP ON INCR	K406	0	0	0	0	0	0	0
44	TOTAL CUSTOMER ACCT EXPENSE		0	0	0	0	0	0	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	O&M EXPENSES	ALLO	TOTAL					TOTAL AT ISSUE	ALL OTHER
			PRODUCTION COMMODITY	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS		
			3	4	5	6			
Schedule 6.1									
1	CUSTOMER SERVICE & INFORMATION								
2	TOTAL CUST SERVICE & INFO	K407	0	0	0	0	0	0	
3	TOTAL CUSTOMER SERV. & INFO.		0	0	0	0	0	0	
4									
5	SALES								
6	SALES EXPENSE	K408	0	0	0	0	0	0	
7	TOTAL SALES EXPENSE		0	0	0	0	0	0	
8									
9	ADMINISTRATIVE & GENERAL								
10	PRODUCTION PLANT DEMAND	P349	403,815	203,995	116,198	82,269	1,353	403,815	
11	PRODUCTION PLANT COMMODITY	K301	315,879	160,109	91,201	64,569	0	315,879	
12	DISTRIBUTION PLANT	D349	0	0	0	0	0	0	
13	CUSTOMER ACCOUNTING	CA19	0	0	0	0	0	0	
14	CUSTOMER SERVICE & INFORMATION	CS19	0	0	0	0	0	0	
15	SALES	SE19	0	0	0	0	0	0	
16	TOT ADMIN & GEN LESS REG EXP		719,694	364,104	207,399	146,838	1,353	719,694	
17	AMORTIZATION RATE CASE EXPENSE	AG39	11,896	6,019	3,428	2,427	22	11,896	
18	INCENTIVE COMPENSATION	AG39	(28,656)	(14,497)	(8,258)	(5,847)	(54)	(28,656)	
19	ELIMINATE MISCELLANEOUS EXPENSES	AG39	(33,286)	(16,840)	(9,592)	(6,791)	(63)	(33,286)	
20	ELIMINATE NON-JURISDICTIONAL EXPENSES	NP29	0	0	0	0	0	0	
21	AMORTIZATION OF DEFERRED EXP	AG39	56,123	28,392	16,174	11,451	106	56,123	
22	STATE REG COMMISSION EXPENSES	AG39	0	0	0	0	0	0	
23	STATE REG COM EXP ANN ADJ.	AG39	0	0	0	0	0	0	
24	AMORTIZE CAMERA WORK	AG39	0	0	0	0	0	0	
25	ELIMINATE MERGER EXPENSE	AG39	0	0	0	0	0	0	
26	SMART GRID AMORTIZATION ADJUSTMENT	K413	0	0	0	0	0	0	
27	AMORTIZE 2011 SMART GRID DEFERRED O&M	K413	0	0	0	0	0	0	
28	INCREASED MEDICAL COSTS	AG39	0	0	0	0	0	0	
29	AMORTIZE GAS FURNACE PROGRAM	NP29	0	0	0	0	0	0	
30	AMORTIZATION OF MGP DEFERRED EXP	NP29	0	0	0	0	0	0	
31	TOTAL ADMIN. & GENERAL		725,771	367,178	209,151	148,078	1,364	725,771	
32									
33	TOTAL O & M EXPENSE		38,032,691	19,213,586	10,944,332	7,748,449	126,324	38,032,691	

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LINE NO.	DEPRECIATION EXPENSE	ALLO	TOTAL	RS/RFT	GS/FT SMALL	GS/FT LARGE	INTERUPT	TOTAL	ALL
			PRODUCTION COMMODITY	RESIDENTIAL	GEN SERV	GEN SERV	TRANS	AT ISSUE	OTHER
			3	4	5	6			
1	PRODUCTION DEPRECIATION								
2	PRODUCTION DEPRECIATION	P229	217,881	127,105	66,410	24,366	0	217,881	0
3	TOTAL PRODUCTION DEPREC EXP.		217,881	127,105	66,410	24,366	0	217,881	0
4									
5	TRANSMISSION DEPRECIATION								
6	TOTAL TRANSMISSION DEP. EXP.		0	0	0	0	0	0	0
7									
8	DISTRIBUTION DEPRECIATION								
9	DISTRIBUTION DEPRECIATION	D249	0	0	0	0	0	0	0
10	TOTAL DIST. DEPREC EXP.		0	0	0	0	0	0	0
11									
12	GENERAL DEPRECIATION								
13	GENERAL DEPRECIATION	G229	226,854	114,818	65,400	46,303	333	226,854	0
14	TOTAL GENERAL DEPREC EXP.		226,854	114,818	65,400	46,303	333	226,854	0
15									
16	COMMON AND OTHER DEPRECIATION								
17	COMMON DEPRECIATION	C229	13,170	6,666	3,797	2,688	19	13,170	0
18	TOTAL COM & OTHER DEPREC EXP.		13,170	6,666	3,797	2,688	19	13,170	0
19									
20									
21	TOTAL DEPRECIATION EXPENSE		457,905	248,589	135,607	73,357	352	457,905	0

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LINE NO.	OTHER TAXES & MISC EXPENSES	ALLO	TOTAL PRODUCTION COMMODITY	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	TAXES OTHER THAN INC & REV								
2	REAL ESTATE & PROPERTY TAX								
3	REAL ESTATE & PROPERTY TAX	NP29	24,941	13,383	7,353	4,183	22	24,941	0
4	ANNUALIZE PROPERTY TAX	NP29	0	0	0	0	0	0	0
5	TOTAL REAL ESTATE & PROPERTY TAX		24,941	13,383	7,353	4,183	22	24,941	0
6									
7	MISCELLANEOUS TAXES								
8	PAYROLL & HIGHWAY	AG39	73,271	37,069	21,115	14,949	138	73,271	0
9	UNEMPLOYMENT COMPENSATION	AG39	0	0	0	0	0	0	0
10	OHIO EXCISE TAX	OM39	0	0	0	0	0	0	0
11	STATE TAX RIDER	OM39	0	0	0	0	0	0	0
12	TOTAL MISCELLANEOUS TAXES		73,271	37,069	21,115	14,949	138	73,271	0
13									
14	MISCELLANEOUS EXPENSES								
15	PSC MAINT. EXP ON INCREASE	AG39	2,179	1,102	628	445	4	2,179	0
16	RESERVED FOR FUTURE USE	AG39	0	0	0	0	0	0	0
17	TOTAL MISCELLANEOUS EXPENSES		2,179	1,102	628	445	4	2,179	0
18									
19	TOTAL OTHER TAX & MISC EXPENSE		100,391	51,554	29,096	19,577	164	100,391	0
20									
21	PRELIMINARY SUMMARY								
22	TOTAL O&M EXPENSE		38,032,691	19,213,586	10,944,332	7,748,449	126,324	38,032,691	0
23	TOTAL DEPRECIATION EXPENSE		457,905	248,589	135,607	73,357	352	457,905	0
24	TOTAL OTHER TAX & MISC EXPENSE		100,391	51,554	29,096	19,577	164	100,391	0
25	TOTAL OPER EXP EXCL INCOME & REV TAX		38,590,987	19,513,729	11,109,035	7,841,383	126,840	38,590,987	0

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LINE NO.	FEDERAL INCOME TAX BASED ON RETURN	ALLO	TOTAL PRODUCTION COMMODITY	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
	Schedule 9			3	4	5	6		
1	FEDERAL INCOME TAX DEDUCTIONS								
2	AUTOMATIC INTEREST CALCULATION								
3	AUTO PROC INTEREST DED	RB99	144,290	73,313	41,212	27,103	2,662	144,290	0
4	TOTAL INTEREST EXPENSE		144,290	73,313	41,212	27,103	2,662	144,290	0
5									
6	OTHER DEDUCTIONS								
7	DEPREC EXCESS TAX-BOOK	DE49	202,584	109,979	59,995	32,454	156	202,584	0
8	PERMANENT DIFFERENCES	AG39	(10,299)	(5,211)	(2,968)	(2,101)	(19)	(10,299)	0
9	TEMPORARY DIFFERENCES	DE49	7,348	3,989	2,176	1,177	6	7,348	0
10	TOTAL OTHER DEDUCTIONS		199,633	108,757	59,203	31,530	143	199,633	0
11									
12	NET DEDUCTIONS AND ADDITIONS		343,923	182,070	100,415	58,633	2,805	343,923	0
13									
14	FED DEFERRED INCOME TAX (410 & 411)								
15	DEFERRED INCOME TAXES - NET	OM39	803,280	405,809	231,152	163,652	2,667	803,280	0
16	AMORT OF DEFERRED MERGER COST	AG39	0	0	0	0	0	0	0
17	DIT ADJUSTMENT - S/L DEPRECIATION	DE49	0	0	0	0	0	0	0
18	DIT ADJUSTMENT - ARAM	K201	(16,534)	(8,380)	(4,774)	(3,380)	0	(16,534)	0
19	DIT ADJUSTMENT - AMORT OF EXCESS DEF TAXES	AG39	(60,558)	(30,636)	(17,452)	(12,356)	(114)	(60,558)	0
20	TOTAL FED DEF IT (410 & 411)		726,188	366,793	208,926	147,916	2,553	726,188	0
21									
22	AMORT INV TAX CREDIT								
23	AMORTIZE ITC	NP29	486	261	143	82	0	486	0
24	TOTAL AMORTIZED ITC		486	261	143	82	0	486	0
25									
26	TEST YEAR INV TAX CREDIT								
27	PROV INVEST TAX CREDIT	NP29	0	0	0	0	0	0	0
28	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0
29									
30	PRELIMINARY SUMMARY								
31	TOTAL FED DEF IT (410 & 411)		726,188	366,793	208,926	147,916	2,553	726,188	0
32	TOTAL AMORTIZED ITC		(486)	(261)	(143)	(82)	0	(486)	0
33	TOTAL FEDERAL TAX ADJUSTMENTS		725,702	366,532	208,783	147,834	2,553	725,702	0
34									
35	FEDERAL INCOME TAX COMPUTATION								
36	RETURN ON RATE BASE		480,732	244,258	137,305	90,300	8,869	480,732	0
37	NET DEDUCTIONS AND ADDITIONS		(343,923)	(182,070)	(100,415)	(58,633)	(2,805)	(343,923)	0
38	TOTAL STATE PROV DEF IT (410 & 411)		3,319	1,586	978	468	288	3,320	(1)
39	TOTAL FEDERAL TAX ADJUSTMENTS		725,702	366,532	208,783	147,834	2,553	725,702	0
40	BASE FOR FIT COMPUTATION		865,830	430,306	246,651	179,969	8,905	865,831	(1)
41									
42	FIT FACTOR K190/(1-K190)		0.26582	0.26582	0.26582	0.26582	0.26582		0.26582
43	PRELIM FED INCOME TAX		230,157	114,385	65,565	47,840	2,367	230,157	0
44	TOTAL FEDERAL TAX ADJUSTMENTS		725,702	366,532	208,783	147,834	2,553	725,702	0
45	NET FED INCOME TAX ALLOWABLE		955,859	480,917	274,348	195,674	4,920	955,859	0
46									
47	INCOME TAX BASED ON RETURN								
48	FEDERAL INCOME TAX PAYABLE								
49	PRELIM FEDERAL INCOME TAX		230,157	114,385	65,565	47,840	2,367	230,157	0
50	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0
51	NET FED INCOME TAX PAYABLE		230,157	114,385	65,565	47,840	2,367	230,157	0
52									
53	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.2492512	0.24925		0.24925

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LINE NO.	COST OF SERVICE COMPUTATION	ALLO	TOTAL					TOTAL AT ISSUE	ALL OTHER
			PRODUCTION COMMODITY	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS		
			3	4	5	6			
1	OTHER OPERATING REVENUES	Schedule 10							
2	MISC SERVICE REVENUE	K401	0	0	0	0	0	0	0
3	INTERDEPARTMENTAL	AG39	2,870	1,452	827	586	5	2,870	0
4	OTH MISC REVENUE	K401	0	0	0	0	0	0	0
5	RENTS	D249	0	0	0	0	0	0	0
6	IT TRANSPORT SPECIAL CONTRACTS	AG39	0	0	0	0	0	0	0
7	TOTAL OTHER OPERATING REVS		2,870	1,452	827	586	5	2,870	0
8									
9	COST OF SERVICE COMPUTATION								
10	TOTAL OP EXP EXC INC & REV TAX		38,590,987	19,513,729	11,109,035	7,841,383	126,840	38,590,987	0
11	RETURN ON RATE BASE		480,732	244,258	137,305	90,300	8,869	480,732	0
12	NET FED INCOME TAX ALLOWABLE		955,859	480,917	274,348	195,674	4,920	955,859	0
13	TOTAL OTHER OPERATING REVENUES		(2,870)	(1,452)	(827)	(586)	(5)	(2,870)	0
14	SUBTOTAL B		40,024,708	20,237,452	11,519,861	8,126,771	140,624	40,024,708	0
15									
16	TOTAL OTHER OPERATING REVENUES		2,870	1,452	827	586	5	2,870	0
17	LESS: REVS EXCL FROM REV TAX CALC		0	0	0	0	0	0	0
18	OTHER OPERATING REVS TO BE TAXED		2,870	1,452	827	586	5	2,870	0
19									
20	REVENUE TAX FACTOR		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	REVENUE TAX ON OTHER OPER. REVS		0	0	0	0	0	0	0
22	REVENUE TAX ON COST OF SERVICE		0	0	0	0	0	0	0
23	TOTAL REVENUE TAX		0	0	0	0	0	0	0
24	TOTAL GAS COST OF SERVICE		40,024,708	20,237,452	11,519,861	8,126,771	140,624	40,024,708	0
25									
26	PROPOSED REVENUES		36,322,784	24,976,596	8,842,940	1,922,220	581,028	36,322,784	0
27	TOTAL GAS COST OF SERVICE		(40,024,708)	(20,237,452)	(11,519,861)	(8,126,771)	(140,624)	(40,024,708)	0
28	EXCESS REVENUES		(3,701,924)	4,739,144	(2,676,921)	(6,204,551)	440,404	(3,701,924)	0
29	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925	0.24925	0.24925	0.24925
30	EXCESS TAX		(922,705)	1,181,232	(667,223)	(1,546,492)	109,771	(922,712)	0
31	EXCESS RETURN		(2,779,219)	3,557,912	(2,009,698)	(4,658,059)	330,633	(2,779,212)	0

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LINE NO.	ALLOCATORS	SOURCE	TOTAL PRODUCTION					INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
			ALLO	COMMODITY	RS RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV			
			1	2	3	4	5	6		
1	DEMAND ENERGY & SPEC. ASSIGN									
2	FIRM MCF SALES	External		10,485,450	5,314,682	3,027,396	2,143,372	0	10,485,450	0
3	RATIO TO TOTAL GAS		K201	1.00000	0.50687	0.28872	0.20441	0.00000	1.00000	0.00000
4	AVERAGE & EXCESS INCL IT (PK & AVG)	External		100.00000	56.46700	29.52300	10.91300	3.09700	100.00000	0.00000
5	RATIO TO TOTAL GAS		K203	1.00000	0.56467	0.29523	0.10913	0.03097	1.00000	0.00000
6	AVERAGE & EXCESS EXCL IT (PK & AVG)	External		100.00000	58.33700	30.48000	11.18300	0.00000	100.00000	0.00000
7	RATIO TO TOTAL GAS		K205	1.00000	0.58337	0.30480	0.11183	0.00000	1.00000	0.00000
8	TOTAL ANNUAL MCF THROUGHPUT	External		12,030,761	5,314,682	3,027,396	2,143,372	1,545,311	12,030,761	0
9	RATIO TO TOTAL GAS		K300	1.00000	0.44175	0.25164	0.17816	0.12845	1.00000	0.00000
10	PURCHASED MCF SALES	External		10,485,450	5,314,682	3,027,396	2,143,372	0	10,485,450	0
11	RATIO TO TOTAL GAS		K301	1.00000	0.50687	0.28872	0.20441	0.00000	1.00000	0.00000
12	TOTAL CUSTOMERS	External		98,442	91,382	6,943	95	22	98,442	0
13	RATIO TO TOTAL GAS		K401	1.00000	0.92828	0.07053	0.00097	0.00022	1.00000	0.00000
14	WTD CUSTOMERS - SERVICES	External		104,676	91,382	12,541	256	497	104,676	0
15	RATIO TO TOTAL GAS		K403	1.00000	0.87299	0.11981	0.00245	0.00475	1.00000	0.00000
16	CUST ACCTG EXPENSE	External		3,624,077	3,364,168	255,602	3,497	810	3,624,077	0
17	RATIO TO TOTAL GAS		K405	1.00000	0.92828	0.07053	0.00097	0.00022	1.00000	0.00000
18	UNCOLLECTIBLE EXP	External		3,920	3,639	276	4	1	3,920	0
19	RATIO TO TOTAL GAS		K406	1.00000	0.92828	0.07053	0.00097	0.00022	1.00000	0.00000
20	CUST SERVICE & INFORMATION EXP	External		140,653	130,566	9,920	136	31	140,653	0
21	RATIO TO TOTAL GAS		K407	1.00000	0.92828	0.07053	0.00097	0.00022	1.00000	0.00000
22	CUSTOMER SALES EXPENSE	External		7,322	6,797	516	7	2	7,322	0
23	RATIO TO TOTAL GAS		K408	1.00000	0.92830	0.07047	0.00096	0.00027	1.00000	0.00000
24	METER COSTS	External		22,926,071	18,152,038	4,499,288	184,982	89,763	22,926,071.00	0
25	RATIO TO TOTAL GAS		K413	1.00000	0.79176	0.19625	0.00807	0.00392	1.00000	0.00000
26	CUSTOMER / DEMAND	External		100.000	62.194	25.985	9.209	2.612	100.000	0.000
27	RATIO TO TOTAL GAS		K415	1.00000	0.62194	0.25985	0.09209	0.02612	1.00000	0.00000
28	WEIGHTED CUST - REGULATORS	External		138,304	91,382	45,530	1,130	262	138,304	0
29	RATIO TO TOTAL GAS		K417	1.00000	0.66074	0.32920	0.00817	0.00189	1.00000	0.00000
30	LARGE CUSTOMERS	External		117	0	0	95	22	117	0
31	RATIO TO TOTAL GAS		K431	1.00000	0.00000	0.00000	0.81197	0.18803	1.00000	0.00000
32	GS INDUST, FT & IT TRANSP	External		3,688,683	0	0	2,143,372	1,545,311	3,688,683	0
33	RATIO TO TOTAL GAS		K595	1.00000	0.00000	0.00000	0.58107	0.41893	1.00000	0.00000
34	ASSIGN 100% TO GS OTHER	External		1	0	1	0	0	1	0
35	RATIO TO TOTAL GAS		K597	1.00000	0.00000	1.00000	0.00000	0.00000	1.00000	0.00000
36	ASSIGN 100% TO RS/RFT			1	1	0	0	0	1	0
37	RATIO TO TOTAL GAS		K903	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000
38										
39	PRESENT REVENUES		K901 R600	36,322,784	24,976,596	8,842,940	1,922,220	581,028	36,322,784	0
40	PROPOSED REVENUES		K902 R602	36,322,784	24,976,596	8,842,940	1,922,220	581,028	36,322,784	0

DUKE ENERGY KENTUCKY, INC.
 PRODUCTION COMMODITY ALLOCATED - GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL PRODUCTION					TOTAL AT ISSUE	ALL OTHER	
				COMMODITY	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS			
Schedule 12.1				1	2	3	4	5	6		
1	COMBINATION MAINS & SERVICES	Internal		0	0	0	0	0	0	0	
2	RATIO TO TOTAL GAS		K667	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
3	COMBINATION METERS & HOUSE REGULATORS	Internal		0	0	0	0	0	0	0	
4	RATIO TO TOTAL GAS		K697	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
5	PRESENT REVENUES	Internal		95,287,873	65,522,695	23,198,247	5,042,683	1,524,248	95,287,873	0	
6	RATIO TO TOTAL GAS		K901	1.00000	0.68763	0.24345	0.05292	0.01600	1.00000	0.00000	
7	PROPOSED REVENUES	Internal		95,287,873	65,522,695	23,198,247	5,042,683	1,524,248	95,287,873	0	
8	RATIO TO TOTAL GAS		K902	1.00000	0.68763	0.24345	0.05292	0.01600	1.00000	0.00000	
9											
10	<u>SPECIAL ALLOCATOR INFO FOR K667</u>										
11	MAINS - (2761, 2762, 2763, 2765) - Gross Plant			0	0	0	0	0	0	0	
12	SERVICES - (2801, 2802, 2803) - Gross Plant			0	0	0	0	0	0	0	
13	MAINS - (2761, 2762, 2763, 2765) - Accum Reserve			0	0	0	0	0	0	0	
14	SERVICES - (2801, 2802, 2803) - Accum Reserve			0	0	0	0	0	0	0	
15	TOTAL K667			0	0	0	0	0	0	0	
16											
17	<u>SPECIAL ALLOCATOR INFO FOR K697</u>										
18	MTRS & MTR INST (2810, 2811, 2820, 2821) - Gross Plant			0	0	0	0	0	0	0	
19	HOUSE REG & INSTALL (2830, 2840) - Gross Plant			0	0	0	0	0	0	0	
20	MTRS & MTR INST (2810, 2811, 2820, 2821) - Accum Reserve			0	0	0	0	0	0	0	
21	HOUSE REG & INSTALL (2830, 2840) - Accum Reserve			0	0	0	0	0	0	0	
22	TOTAL K697			0	0	0	0	0	0	0	
23											
24	WEIGHTED RATIOS										
25	GROSS GAS PLANT IN SERVICE										
26	WTD GROSS PROD PLANT RATIOS	Internal	P129	1.00000	0.58337	0.30480	0.11183	0.00000	1.00000	0.00000	
27	WTD GROSS DIST PLANT RATIOS	Internal	D149	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
28	WTD GROSS PTD PLT RATIOS	Internal	PD29	1.00000	0.58337	0.30480	0.11183	0.00000	1.00000	0.00000	
29	WTD GROSS G & I PLT RATIOS	Internal	G129	1.00000	0.50613	0.28829	0.20411	0.00147	1.00000	0.00000	
30	WTD GROSS C & O PLANT RATIOS	Internal	C129	1.00000	0.50613	0.28829	0.20411	0.00147	1.00000	0.00000	
31	WTD GROSS PLANT RATIOS	Internal	GP19	1.00000	0.53861	0.29523	0.16531	0.00085	1.00000	0.00000	
32	WTD DISTR ACCUM RESERVE	Internal	D199	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
33	WTD TOTAL DEPRC RES RATIOS	Internal	DR19	1.00000	0.54019	0.29557	0.16342	0.00082	1.00000	0.00000	
34											
35	NET GAS PLANT										
36	WTD NET PROD PLANT RATIOS	Internal	P229	1.00000	0.58337	0.30480	0.11183	0.00000	1.00000	0.00000	
37	WTD NET DIST PLANT RATIOS	Internal	D249	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
38	WTD NET G & I PLT RATIOS	Internal	G229	1.00000	0.50613	0.28829	0.20411	0.00147	1.00000	0.00000	
39	WTD NET C & O PLANT RATIOS	Internal	C229	1.00000	0.50613	0.28829	0.20411	0.00147	1.00000	0.00000	
40	WTD NET PLANT RATIOS	Internal	NP29	1.00000	0.53660	0.29481	0.16770	0.00089	1.00000	0.00000	
41											
42	WORKING CAPITAL										
43	WTD MATERIAL & SUPPLY RATIOS	Internal	W669	1.00000	0.50706	0.28876	0.20417	0.00001	1.00000	0.00000	
44	WTD PREPAYMENTS RATIOS	Internal	W689	0.00000	(0.49484)	0.28778	0.20373	0.00333	(0.00000)	0.00000	
45	WTD TOTAL WORKING CASH RATIOS	Internal	W729	0.00000	(0.53083)	0.26725	0.18921	0.07437	0.00000	0.00000	
46	WTD TOTAL MISC WRKNG CAP RATIO	Internal	W749	0.00000	(0.49313)	0.28872	0.20441	0.00000	0.00000	(0.00000)	
47	WTD TOTAL WRKNG CAP RATIOS	Internal	WC79	1.00000	0.50513	0.28771	0.20362	0.00354	1.00000	0.00000	

DUKE ENERGY KENTUCKY, INC.
 PRODUCTION COMMODITY ALLOCATED - GAS COST OF SERVICE
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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL	RS	GS	FT-L	INTERUPT	TOTAL	ALL
				PRODUCTION	RESIDENTIAL	GEN SERV	FIRM TRANS	TRANS	AT ISSUE	OTHER
				COMMODITY						
			1	2	3	4	5	6		
1	RATE BASE									
2	WTD NET OCRB RATIOS	Internal	RB29	1.00000	0.51412	0.28136	0.15576	0.04876	1.00000	0.00000
3	WTD TOTAL RATE BASE RATIOS	Internal	RB99	1.00000	0.50809	0.28562	0.18784	0.01845	1.00000	0.00000
4	WTD CWIP RATIO	Internal	CW29	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
5										
6	WEIGHTED O & M EXPENSE RATIOS									
7	WTD PROD COMMODITY EXP RATIOS	Internal	P349	1.00000	0.50517	0.28775	0.20373	0.00335	1.00000	0.00000
8	WTD PROD O&M EXP RATIOS	Internal	P459	1.00000	0.50517	0.28775	0.20373	0.00335	1.00000	0.00000
9	WTD DIST O&M EXP RATIOS	Internal	D349	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
10	WTD CUST ACCT EXP RATIOS	Internal	CA19	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
11	WTD CUST SERV & INFO EXP RATIOS	Internal	CS19	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
12	WTD SALES EXP RATIOS	Internal	SE19	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
13	WTD A&G EXP RATIOS	Internal	AG39	1.00000	0.50591	0.28818	0.20403	0.00188	1.00000	0.00000
14	WTD O&M EXP RATIOS	Internal	OM39	1.00000	0.50519	0.28776	0.20373	0.00332	1.00000	0.00000
15										
16	DEPRECIATION EXPENSES									
17	WTD PRODUCTION DEPREC RATIOS	Internal	P489	1.00000	0.58337	0.30480	0.11183	0.00000	1.00000	0.00000
18	WTD DIST DEPREC RATIOS	Internal	D489	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
19	WTD GENERAL DEPREC EXP RATIOS	Internal	G489	1.00000	0.50613	0.28829	0.20411	0.00147	1.00000	0.00000
20	WTD COM & OTHER DEP EXP RATIOS	Internal	C489	1.00000	0.50615	0.28831	0.20410	0.00144	1.00000	0.00000
21	WTD TOT DEPREC EXP RATIOS	Internal	DE49	1.00000	0.54288	0.29615	0.16020	0.00077	1.00000	0.00000
22										
23	OTHER TAXES & MISC EXPENSES									
24	WTD R. E. & PROP TAX RATIOS	Internal	L529	1.00000	0.53658	0.29482	0.16772	0.00088	1.00000	0.00000
25	WTD MISC TAX RATIOS	Internal	L589	1.00000	0.50592	0.28818	0.20402	0.00188	1.00000	0.00000
26	WTD OTHER TAX RATIOS	Internal	L599	1.00000	0.51353	0.28983	0.19501	0.00163	1.00000	0.00000
27	WTD OP EXP EX IT & REV RATIOS	Internal	OP69	1.00000	0.50565	0.28787	0.20319	0.00329	1.00000	0.00000
28										
29	TOTAL COST OF SERVICE									
30	WTD TOTAL COST OF SERVICE	Internal	CS09	1.00000	0.50563	0.28782	0.20304	0.00351	1.00000	0.00000

DUKE ENERGY KENTUCKY, INC.
 DISTRIBUTION CLASSIFIED - GAS COST OF SERVICE
 CASE NO: 2018-00261
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LINE NO.	SUMMARY OF RESULTS	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	NET INCOME COMPUTATION	Schedule 1						
2	GROSS GAS PLANT IN SERVICE		581,968,224	317,764,089	0	264,204,135	581,968,224	0
3	TOTAL DEPRECIATION RESERVE		(183,834,988)	(99,990,440)	0	(83,844,548)	(183,834,988)	0
4	TOTAL RATE BASE ADJUSTMENTS		(91,152,476)	(47,623,916)	0	(43,528,560)	(91,152,476)	0
5	TOTAL RATE BASE		306,980,760	170,149,733	0	136,831,027	306,980,760	0
6								
7	OPERATING EXPENSES							
8	TOTAL O&M EXPENSE		22,475,277	10,068,183	0	12,407,094	22,475,277	0
9	TOTAL DEPRECIATION EXPENSE		14,157,287	7,510,696	0	6,646,591	14,157,287	0
10	TOTAL OTHER TAX & MISC EXPENSE		4,018,380	2,102,200	0	1,916,180	4,018,380	0
11	TOTAL OP EXP EXCLUDING INC & REV TAX		40,650,944	19,681,079	0	20,969,865	40,650,944	0
12	NET FED INCOME TAX EXP ALLOWABLE		2,371,042	1,389,567	0	981,475	2,371,042	0
13	NET STATE INCOME TAX EXP ALLOWABLE		772,059	437,927	0	334,133	772,060	(1)
14	TOTAL OPERATING EXPENSE		43,794,045	21,508,573	0	22,285,473	43,794,046	(1)
15								
16	RETURN ON RATE BASE		22,044,288	12,218,452	0	9,825,836	22,044,288	0
17	TOTAL OTHER OPERATING REVENUES		(91,387)	(17,988)	0	(73,399)	(91,387)	0
18	TOTAL GAS COST OF SERVICE		65,746,946	33,709,037	0	32,037,910	65,746,947	(1)

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	GROSS GAS PLANT IN SERVICE	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
	Schedule 2			3	4	5		
1	PRODUCTION PLANT							
2	PRODUCTION PLANT	K205	0	0	0	0	0	0
3	GAS PRODUCTION -CPMPL NOT CLASS	K205	0	0	0	0	0	0
4	PRODUCTION PLANT IN SERVICE		0	0	0	0	0	0
5								
6	TRANSMISSION PLANT							
7	TRANSMISSION PLANT							
8	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0
9								
10	TOTAL PROD & TRANS PLANT		0	0	0	0	0	0
11								
12	DISTRIBUTION PLANT							
13	SYSTEM M&R - (2780, 2781)	K203	8,194,914	8,194,914	0	0	8,194,914	0
14	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	2,419,176	2,419,176	0	0	2,419,176	0
15	LARGE IND M&R - (2850, 2851)	K595	519,875	519,875	0	0	519,875	0
16	MAINS - (2761, 2762, 2763, 2765)	K415	283,446,655	238,095,190	0	45,351,465	283,446,655	0
17	SERVICES - (2801, 2802, 2803)	K403	163,028,490	0	0	163,028,490	163,028,490	0
18	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	23,257,250	0	0	23,257,250	23,257,250	0
19	LAND, R OF W, STRUCT & IMPROV	K203	1,460,393	1,460,393	0	0	1,460,393	0
20	HOUSE REG & INSTALL (2830, 2840)	K417	12,497,082	0	0	12,497,082	12,497,082	0
21	STREET LIGHTING EQUIPMENT & OTH	K597	49,737	49,737	0	0	49,737	0
22	ASSET RETIREMENT COST FOR DISTRIBUTION PLANT	K203	53,610,236	53,610,236	0	0	53,610,236	0
23	DISTRIBUTION PLANT IN SERVICE		548,483,808	304,349,521	0	244,134,287	548,483,808	0
24								
25	TOTAL TRANS & DIST PLANT		548,483,808	304,349,521	0	244,134,287	548,483,808	0
26	TOTAL GROSS PTD PLANT		548,483,808	304,349,521	0	244,134,287	548,483,808	0
27								
28	GENERAL & INTANGIBLE PLANT							
29	PRODUCTION PLANT	K201	0	0	0	0	0	0
30	PRODUCTION PLANT COMMODITY	P349	0	0	0	0	0	0
31	DISTRIBUTION PLANT	D349	15,031,206	8,788,596	0	6,242,610	15,031,206	0
32	CUSTOMER ACCOUNTING	CA19	6,350,501	0	0	6,350,501	6,350,501	0
33	CUSTOMER SERVICE & INFORMATION	CS19	555,712	0	0	555,712	555,712	0
34	SALES	SE19	0	0	0	0	0	0
35	GEN & INTANG PLANT IN SERVICE		21,937,419	8,788,596	0	13,148,823	21,937,419	0
36								
37	COMMON & OTHER PLANT							
38	PRODUCTION PLANT	K201	0	0	0	0	0	0
39	PRODUCTION PLANT COMMODITY	P349	0	0	0	0	0	0
40	DISTRIBUTION PLANT	D349	7,911,837	4,625,972	0	3,285,865	7,911,837	0
41	CUSTOMER ACCOUNTING	CA19	3,342,655	0	0	3,342,655	3,342,655	0
42	CUSTOMER SERVICE & INFORMATION	CS19	292,505	0	0	292,505	292,505	0
43	SALES	SE19	0	0	0	0	0	0
44	COMMON & OTHER PLANT IN SERVICE		11,546,997	4,625,972	0	6,921,025	11,546,997	0
45								
46	GROSS GAS PLANT IN SERVICE		581,968,224	317,764,089	0	264,204,135	581,968,224	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	DEPRECIATION RESERVE	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	PRODUCTION PLANT							
2	PRODUCTION PLANT	K205	0	0	0	0	0	0
3	TOTAL PROD DEPREC RESERVE		0	0	0	0	0	0
4								
5	TRANSMISSION PLANT							
6	TRANSMISSION PLANT							
7	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0
8								
9	DISTRIBUTION PLANT							
10	SYSTEM M&R - (2780, 2781)	K203	2,957,792	2,957,792	0	0	2,957,792	0
11	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	1,110,309	1,110,309	0	0	1,110,309	0
12	LARGE IND M&R - (2850, 2851)	K595	498,099	498,099	0	0	498,099	0
13	MAINS - (2761, 2762, 2763, 2765)	K415	106,766,757	89,684,076	0	17,082,681	106,766,757	0
14	SERVICES - (2801, 2802, 2803)	K403	53,771,817	0	0	53,771,817	53,771,817	0
15	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	(2,918,585)	0	0	(2,918,585)	(2,918,585)	0
16	LAND, R OF W, STRUCT & IMPROV & OTH	K203	674,357	674,357	0	0	674,357	0
17	HOUSE REG & INSTALL (2830, 2840)	K417	5,133,050	0	0	5,133,050	5,133,050	0
18	STREET LIGHTING EQUIPMENT & OTH	K597	(2,136,531)	(2,136,531)	0	0	(2,136,531)	0
19	TOTAL DIST DEPREC RESERVE		165,857,065	92,788,102	0	73,068,963	165,857,065	0
20								
21	GENERAL & INTANGIBLE PLANT							
22	PRODUCTION PLANT	K201	0	0	0	0	0	0
23	PRODUCTION PLANT COMMODITY	P349	0	0	0	0	0	0
24	DISTRIBUTION PLANT	D349	5,793,367	3,387,324	0	2,406,043	5,793,367	0
25	CUSTOMER ACCOUNTING	CA19	2,447,627	0	0	2,447,627	2,447,627	0
26	CUSTOMER SERVICE & INFORMATION	CS19	214,184	0	0	214,184	214,184	0
27	SALES	SE19	0	0	0	0	0	0
28	TOTAL GEN DEPREC RESERVE		8,455,178	3,387,324	0	5,067,854	8,455,178	0
29								
30	COMMON & OTHER PLANT							
31	PRODUCTION PLANT	K201	0	0	0	0	0	0
32	PRODUCTION PLANT COMMODITY	P349	0	0	0	0	0	0
33	DISTRIBUTION PLANT	D349	6,524,849	3,815,014	0	2,709,835	6,524,849	0
34	CUSTOMER ACCOUNTING	CA19	2,756,669	0	0	2,756,669	2,756,669	0
35	CUSTOMER SERVICE & INFORMATION	CS19	241,227	0	0	241,227	241,227	0
36	SALES	SE19	0	0	0	0	0	0
37	TOTAL COM & OTHER PLT RESERVE		9,522,745	3,815,014	0	5,707,731	9,522,745	0
38								
39	TOTAL DEPRECIATION RESERVE		183,834,988	99,990,440	0	83,844,548	183,834,988	0

DUKE ENERGY KENTUCKY, INC.
DISTRIBUTION CLASSIFIED - GAS COST OF SERVICE
CASE NO: 2018-00261
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LINE NO.	NET GAS PLANT	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
1	PRODUCTION PLANT	Schedule 4						
2	PRODUCTION PLANT IN SERVICE		0	0	0	0	0	0
3	TOTAL PROD DEPRC RESERVE		0	0	0	0	0	0
4	NET PRODUCTION PLANT		0	0	0	0	0	0
5								
6	TRANSMISSION PLANT							
7	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0
8	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0
9	NET TRANSMISSION PLANT		0	0	0	0	0	0
10								
11	DISTRIBUTION PLANT							
12	DISTRIBUTION PLANT IN SERVICE		548,483,808	304,349,521	0	244,134,287	548,483,808	0
13	TOTAL DIST DEPREC RESERVE		(165,857,065)	(92,788,102)	0	(73,068,963)	(165,857,065)	0
14	NET DISTRIBUTION PLANT		382,626,743	211,561,419	0	171,065,324	382,626,743	0
15								
16	NET PTD PLANT		382,626,743	211,561,419	0	171,065,324	382,626,743	0
17	NET TRANS & DIST PLANT		382,626,743	211,561,419	0	171,065,324	382,626,743	0
18								
19	GENERAL & INTANGIBLE PLANT							
20	GEN & INTANG PLANT IN SERVICE		21,937,419	8,788,596	0	13,148,823	21,937,419	0
21	TOTAL GEN & INTG DEPREC RESERVE		(8,455,178)	(3,387,324)	0	(5,067,854)	(8,455,178)	0
22	NET GENERAL & INTANG PLANT		13,482,241	5,401,272	0	8,080,969	13,482,241	0
23								
24	COMMON & OTHER PLANT							
25	COMMON & OTH PLT IN SERVICE		11,546,997	4,625,972	0	6,921,025	11,546,997	0
26	TOTAL COM & OTH DEPREC RESERVE		(9,522,745)	(3,815,014)	0	(5,707,731)	(9,522,745)	0
27	NET COMMON & OTHER PLANT		2,024,252	810,958	0	1,213,294	2,024,252	0
28								
29	NET GAS PLANT IN SERVICE		398,133,236	217,773,649	0	180,359,587	398,133,236	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	SUBTRACTIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	RATE BASE ADJUSTMENTS	Schedule 5						
2	ACCUMULATED DEFERRED INCOME TAXES							
3	ACCUM DEF INC TAXES (282)							
4	LIBERALIZED DEPRECIATION	NP29	52,427,259	28,677,186	0	23,750,073	52,427,259	0
5	LEASED METERS	K413	1,689,651	0	0	1,689,651	1,689,651	0
6	CONTRIB AID CONSTR	D249	(185,094)	(102,342)	0	(82,752)	(185,094)	0
7	CAPITALIZED INTEREST	NP29	(932,199)	(509,904)	0	(422,295)	(932,199)	0
8	AFUDC IN DEBT	NP29	251,339	137,480	0	113,859	251,339	0
9	CWIP DIFFERENCES	NP29	0	0	0	0	0	0
10	NON-CASH OVERHEADS	AG39	(481,486)	(192,893)	0	(288,593)	(481,486)	0
11	PLANT FAS 109	NP29	0	0	0	0	0	0
12	MISCELLANEOUS	AG39	8,477,939	3,396,432	0	5,081,507	8,477,939	0
13	TOTAL ACCOUNT 282		61,247,409	31,405,959	0	29,841,450	61,247,409	0
14								
15	ACCUM DEF INC TAXES (283)							
16	BLANK	K413	0	0	0	0	0	0
17	BLANK	K413	0	0	0	0	0	0
18	UNRECOVERED PURCHASED GAS COST	AG39	17,958	7,194	0	10,764	17,958	0
19	ENVIRONMENTAL RESERVE	NP29	0	0	0	0	0	0
20	POST IN-SERVICE CARRYING COSTS	K667	0	0	0	0	0	0
21	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0
22	LOSS ON REACQUIRED DEBT	NP29	16,969	9,282	0	7,687	16,969	0
23	VACATION PAY ACCRUAL	AG39	82,286	32,965	0	49,321	82,286	0
24	RATE CASE EXPENSE AMORT	AG39	(22,495)	(9,012)	0	(13,483)	(22,495)	0
25	PENSION	AG39	1,437,634	575,945	0	861,689	1,437,634	0
26	MISCELLANEOUS	K406	722,522	0	0	722,522	722,522	0
27	TOTAL ACCOUNT 283		2,254,874	616,374	0	1,638,500	2,254,874	0
28								
29	OTHER ACCUMULATED DEFERRED INCOME TAXES							
30	CUSTOMER ADVANCES FOR CONSTRUCTION	D249	1,579,329	873,243	0	706,086	1,579,329	0
31	CUSTOMER SERVICE DEPOSITS	D249	0	0	0	0	0	0
32	POST RETIREMENT BENEFITS	AG39	0	0	0	0	0	0
33	EDIT	NP29	31,089,698	17,005,754	0	14,083,944	31,089,698	0
34	TOTAL OTHER SUBTRACTIVE ADJS		32,669,027	17,878,997	0	14,790,030	32,669,027	0
35								
36	SUBTOTAL ACCUMULATED DEFERRED INC TAXES		96,171,310	49,901,330	0	46,269,980	96,171,310	0

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LINE NO.	ADDITIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
				Schedule 5.1				
1	OTHER ACCUMULATED DEFERRED INCOME TAXES							
2	ACCUM DEF INC TAXES (190)							
3	UNCOLLECTIBLE ACCTS	K406	3,828	0	0	3,828	3,828	0
4	GAS SUPPLIER REFUND	K300	0	0	0	0	0	0
5	UNBILLED REVENUE - FUEL & RATE REFUNDS	K300	0	0	0	0	0	0
6	OFFSITE GAS STORAGE	K300	0	0	0	0	0	0
7	GAS METERS	K413	37,579	0	0	37,579	37,579	0
8	UNAMORTIZED DEBT PREMIUM	NP29	(1,820)	(996)	0	(824)	(1,820)	0
9	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0
10	PENSION EXPENSE	AG39	165,355	66,245	0	99,110	165,355	0
11	POST RETIREMENT BENEFITS - LIFE INS	AG39	0	0	0	0	0	0
12	POST RETIREMENT BENEFITS - HEALTH CARE	AG39	0	0	0	0	0	0
13	POST EMPLOYMENT BENEFITS - SFAS 112	AG39	39,438	15,800	0	23,638	39,438	0
14	OPEB EXPENSE ACCRUAL	AG39	271,387	108,723	0	162,664	271,387	0
15	INCENTIVE PLAN	AG39	0	0	0	0	0	0
16	FEDERAL DEFERRED TAX RECEIVABLE	AG39	0	0	0	0	0	0
17	DSM DEFERRAL	AG39	168,063	67,329	0	100,734	168,063	0
18	PROPERTY TAX	P229	0	0	0	0	0	0
19	PROPERTY TAX ON PROPANE	P229	0	0	0	0	0	0
20	401K INCENTIVE PLAN	AG39	0	0	0	0	0	0
21	ENVIRONMENTAL RESERVE	NP29	158,058	86,456	0	71,602	158,058	0
22	VACATION PAY ACCRUALS	G129	146,965	58,877	0	88,088	146,965	0
23	SMART GRID	K413	0	0	0	0	0	0
24	METERS & TRANSFORMERS	D249	0	0	0	0	0	0
25	OTHER	AG39	340,202	136,292	0	203,910	340,202	0
26	TOTAL ACCOUNT 190		1,329,055	538,726	0	790,329	1,329,055	0
27								
28	OTHER							
29	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0
30	ANNUALIZE DEPRECIATION	NP29	(268,309)	(146,762)	0	(121,547)	(268,309)	0
31	ELIMINATE UNBILLED REVENUE AND GAS COSTS	K300	0	0	0	0	0	0
32	OTHER		(268,309)	(146,762)	0	(121,547)	(268,309)	0
33								
34	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		1,060,746	391,964	0	668,782	1,060,746	0

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LINE NO.	WORKING CAPITAL	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	NET ORIGINAL COST RATE BASE		303,022,672	168,264,283	0	134,758,389	303,022,672	0
2								
3	WORKING CAPITAL							
4								
5	PLANT MATERIALS & SUPPLIES							
6	GAS ENRICHER LIQUID	K301	0	0	0	0	0	0
7	OTHER SUPPLIES	NP29	1,134,659	620,647	0	514,012	1,134,659	0
8	TOTAL PLANT MATS. & SUPPLIES		1,134,659	620,647	0	514,012	1,134,659	0
9	TOTAL MATERIALS & SUPPLIES		1,134,659	620,647	0	514,012	1,134,659	0
10								
11	PREPAYMENTS							
12	INSURANCE GENERAL	OM39	14,019	6,280	0	7,739	14,019	0
13	EXCISE TAX	OM39	0	0	0	0	0	0
14	GAS PURCHASE	K301	0	0	0	0	0	0
15	TOTAL PREPAYMENTS		14,019	6,280	0	7,739	14,019	0
16								
17	AUTO CALC (O&M-GAS COST)/8		2,809,410	1,258,523	0	1,550,887	2,809,410	0
18	TOTAL WORKING CASH		2,809,410	1,258,523	0	1,550,887	2,809,410	0
19								
20	MISCELLANEOUS WORKING CAPITAL							
21	GAS STORED UNDERGROUND	K301	0	0	0	0	0	0
22	PIPP UNCOLLECTIBLES	K406	0	0	0	0	0	0
23	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0
24	TOTAL MISC WORK CAPITAL		0	0	0	0	0	0
25								
26	TOTAL WORKING CAPITAL		3,958,088	1,885,450	0	2,072,638	3,958,088	0
27	PRELIMINARY SUMMARY							
28	TOTAL ACCUMULATED DEFERRED INCOME TAXES		(96,171,310)	(49,901,330)	0	(46,269,980)	(96,171,310)	0
29	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		1,060,746	391,964	0	668,782	1,060,746	0
30	TOTAL WORKING CAPITAL		3,958,088	1,885,450	0	2,072,638	3,958,088	0
31	TOTAL RATE BASE ADJUSTMENTS		(91,152,476)	(47,623,916)	0	(43,528,560)	(91,152,476)	0
32								
33	RATE BASE CALCULATION							
34	NET GAS PLANT IN SERVICE		398,133,236	217,773,649	0	180,359,587	398,133,236	0
35	TOTAL RATE BASE ADJUSTMENTS		(91,152,476)	(47,623,916)	0	(43,528,560)	(91,152,476)	0
36	TOTAL RATE BASE		306,980,760	170,149,733	0	136,831,027	306,980,760	0
37								
38	TOTAL RATE OF RETURN ALLOWABLE		0.07181	0.07181	0.07181	0.07181	0.07181	0.07181
39	RETURN ON RATE BASE		22,044,288	12,218,452	0	9,825,836	22,044,288	0

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LINE NO.	O&M EXPENSES	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	PRODUCTION O&M	Schedule 6						
2	COMMODITY RELATED O&M							
3	ANNUALIZED GAS COST	K301	0	0	0	0	0	0
4	OTHER ASSOCIATED COST	K300	0	0	0	0	0	0
5	TOTAL COMMODITY RELATED		0	0	0	0	0	0
6								
7	DEMAND RELATED PROD O&M							
8	ANNUALIZED GAS COST - DEMAND	K301	0	0	0	0	0	0
9	TOTAL DEMAND RELATED		0	0	0	0	0	0
10								
11	DEMAND RELATED & OTHER PROD O&M							
12	PRODUCTION EXPENSES	K201	0	0	0	0	0	0
13	TOTAL DEM REL & OTH PROD O&M		0	0	0	0	0	0
14								
15	TOTAL PRODUCTION O&M		0	0	0	0	0	0
16								
17	TRANSMISSION O & M							
18	TRANSMISSION O & M							
19	TOTAL TRANSMISSION O & M		0	0	0	0	0	0
20								
21	DISTRIBUTION O & M							
22	LOAD DISPATCHING	K203	185,332	185,332	0	0	185,332	0
23	MAINS & SERVICES OPER	K667	2,548,186	1,322,610	0	1,225,576	2,548,186	0
24	M & R STATION GENERAL	K203	66,190	66,190	0	0	66,190	0
25	CUSTOMER INST & OTHER	K415	1,353,005	1,136,524	0	216,481	1,353,005	0
26	METERS & HOUSE REG	K697	2,583,784	0	0	2,583,784	2,583,784	0
27	MAINS	K415	2,158,350	1,813,014	0	345,336	2,158,350	0
28	SERVICES	K403	596,174	0	0	596,174	596,174	0
29	SUPV & ENG	D249	0	0	0	0	0	0
30	ELIMINATE NON-KY CUSTOMER	K595	(102,870)	(102,870)	0	0	(102,870)	0
31	INTEGRITY MANAGEMENT EXPENSES	K203	1,065,488	1,065,488	0	0	1,065,488	0
32	OTHER DISTRIBUTION EXPENSES	K415	2,451,456	2,059,223	0	392,233	2,451,456	0
33	TOTAL DISTRIBUTION O & M		12,905,095	7,545,511	0	5,359,584	12,905,095	0
34								
35	CUSTOMER ACCOUNTING							
36	SUPERVISION & ENGINEERING	K405	185,894	0	0	185,894	185,894	0
37	METER READING	K405	15,923	0	0	15,923	15,923	0
38	CUSTOMER BILLING & COLLECTIONS	K405	2,595,599	0	0	2,595,599	2,595,599	0
39	UNCOLLECTIBLE EXP	K406	(229,924)	0	0	(229,924)	(229,924)	0
40	ELIMINATE MISC EXPENSES	K406	0	0	0	0	0	0
41	SALE OF A/R	K406	105,421	0	0	105,421	105,421	0
42	INTEREST ON CUSTOMER SERVICE DEPOSITS	K405	0	0	0	0	0	0
43	ANNUALIZED UNCOLL EXP ON INCR	K406	0	0	0	0	0	0
44	TOTAL CUSTOMER ACCT EXPENSE		2,672,913	0	0	2,672,913	2,672,913	0

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LINE NO.	O&M EXPENSES	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
		Schedule 6.1						
1	CUSTOMER SERVICE & INFORMATION							
2	TOTAL CUST SERVICE & INFO	K407	406,241	0	0	406,241	406,241	0
3	TOTAL CUSTOMER SERV. & INFO.		406,241	0	0	406,241	406,241	0
4								
5	SALES							
6	SALES EXPENSE	K408	194,128	0	0	194,128	194,128	0
7	TOTAL SALES EXPENSE		194,128	0	0	194,128	194,128	0
8								
9	ADMINISTRATIVE & GENERAL							
10	PRODUCTION PLANT DEMAND	P349	0	0	0	0	0	0
11	PRODUCTION PLANT COMMODITY	K301	0	0	0	0	0	0
12	DISTRIBUTION PLANT	D349	4,278,422	2,501,551	0	1,776,871	4,278,422	0
13	CUSTOMER ACCOUNTING	CA19	1,807,581	0	0	1,807,581	1,807,581	0
14	CUSTOMER SERVICE & INFORMATION	CS19	158,176	0	0	158,176	158,176	0
15	SALES	SE19	0	0	0	0	0	0
16	TOT ADMIN & GEN LESS REG EXP		6,244,179	2,501,551	0	3,742,628	6,244,179	0
17	AMORTIZATION RATE CASE EXPENSE	AG39	103,204	41,346	0	61,858	103,204	0
18	INCENTIVE COMPENSATION	AG39	(248,614)	(99,600)	0	(149,014)	(248,614)	0
19	ELIMINATE MISCELLANEOUS EXPENSES	AG39	(288,789)	(115,695)	0	(173,094)	(288,789)	0
20	ELIMINATE NON-JURISDICTIONAL EXPENSES	NP29	0	0	0	0	0	0
21	AMORTIZATION OF DEFERRED EXP	AG39	486,920	195,070	0	291,850	486,920	0
22	STATE REG COMMISSION EXPENSES	AG39	0	0	0	0	0	0
23	STATE REG COM EXP ANN ADJ.	AG39	0	0	0	0	0	0
24	AMORTIZE CAMERA WORK	AG39	0	0	0	0	0	0
25	ELIMINATE MERGER EXPENSE	AG39	0	0	0	0	0	0
26	SMART GRID AMORTIZATION ADJUSTMENT	K413	0	0	0	0	0	0
27	AMORTIZE 2011 SMART GRID DEFERRED O&M	K413	0	0	0	0	0	0
28	INCREASED MEDICAL COSTS	AG39	0	0	0	0	0	0
29	AMORTIZE GAS FURNACE PROGRAM	NP29	0	0	0	0	0	0
30	AMORTIZATION OF MGP DEFERRED EXP	NP29	0	0	0	0	0	0
31	TOTAL ADMIN. & GENERAL		6,296,900	2,522,672	0	3,774,228	6,296,900	0
32								
33	TOTAL O & M EXPENSE		22,475,277	10,068,183	0	12,407,094	22,475,277	0

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LINE NO.	DEPRECIATION EXPENSE	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	PRODUCTION DEPRECIATION							
2	PRODUCTION DEPRECIATION	P229	0	0	0	0	0	0
3	TOTAL PRODUCTION DEPREC EXP.		0	0	0	0	0	0
4								
5	TRANSMISSION DEPRECIATION							
6	TOTAL TRANSMISSION DEP. EXP.		0	0	0	0	0	0
7								
8	DISTRIBUTION DEPRECIATION							
9	DISTRIBUTION DEPRECIATION	D249	12,074,876	6,676,440	0	5,398,436	12,074,876	0
10	TOTAL DIST. DEPREC EXP.		12,074,876	6,676,440	0	5,398,436	12,074,876	0
11								
12	GENERAL DEPRECIATION							
13	GENERAL DEPRECIATION	G229	1,968,154	788,482	0	1,179,672	1,968,154	0
14	TOTAL GENERAL DEPREC EXP.		1,968,154	788,482	0	1,179,672	1,968,154	0
15								
16	COMMON AND OTHER DEPRECIATION							
17	COMMON DEPRECIATION	C229	114,257	45,774	0	68,483	114,257	0
18	TOTAL COM & OTHER DEPREC EXP.		114,257	45,774	0	68,483	114,257	0
19								
20								
21	TOTAL DEPRECIATION EXPENSE		14,157,287	7,510,696	0	6,646,591	14,157,287	0

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LINE NO.	OTHER TAXES & MISC EXPENSES	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	TAXES OTHER THAN INC & REV							
2	REAL ESTATE & PROPERTY TAX							
3	REAL ESTATE & PROPERTY TAX	NP29	3,363,782	1,839,955	0	1,523,827	3,363,782	0
4	ANNUALIZE PROPERTY TAX	NP29	0	0	0	0	0	0
5	TOTAL REAL ESTATE & PROPERTY TAX		3,363,782	1,839,955	0	1,523,827	3,363,782	0
6								
7	MISCELLANEOUS TAXES							
8	PAYROLL & HIGHWAY	AG39	635,693	254,671	0	381,022	635,693	0
9	UNEMPLOYMENT COMPENSATION	AG39	0	0	0	0	0	0
10	OHIO EXCISE TAX	OM39	0	0	0	0	0	0
11	STATE TAX RIDER	OM39	0	0	0	0	0	0
12	TOTAL MISCELLANEOUS TAXES		635,693	254,671	0	381,022	635,693	0
13								
14	MISCELLANEOUS EXPENSES							
15	PSC MAINT. EXP ON INCREASE	AG39	18,905	7,574	0	11,331	18,905	0
16	RESERVED FOR FUTURE USE	AG39	0	0	0	0	0	0
17	TOTAL MISCELLANEOUS EXPENSES		18,905	7,574	0	11,331	18,905	0
18								
19	TOTAL OTHER TAX & MISC EXPENSE		4,018,380	2,102,200	0	1,916,180	4,018,380	0
20								
21	PRELIMINARY SUMMARY							
22	TOTAL O&M EXPENSE		22,475,277	10,068,183	0	12,407,094	22,475,277	0
23	TOTAL DEPRECIATION EXPENSE		14,157,287	7,510,696	0	6,646,591	14,157,287	0
24	TOTAL OTHER TAX & MISC EXPENSE		4,018,380	2,102,200	0	1,916,180	4,018,380	0
25	TOTAL OPER EXP EXCL INCOME & REV TAX		40,650,944	19,681,079	0	20,969,865	40,650,944	0

DUKE ENERGY KENTUCKY, INC.
 DISTRIBUTION CLASSIFIED - GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

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LINE NO.	FEDERAL INCOME TAX BASED ON RETURN	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	FEDERAL INCOME TAX DEDUCTIONS							
2	AUTOMATIC INTEREST CALCULATION							
3	AUTO PROC INTEREST DED	RB99	6,617,213	3,667,723	0	2,949,490	6,617,213	0
4	TOTAL INTEREST EXPENSE		6,617,213	3,667,723	0	2,949,490	6,617,213	0
5								
6	OTHER DEDUCTIONS							
7	DEPREC EXCESS TAX-BOOK	DE49	6,263,546	3,322,936	0	2,940,610	6,263,546	0
8	PERMANENT DIFFERENCES	AG39	(89,352)	(35,796)	0	(53,556)	(89,352)	0
9	TEMPORARY DIFFERENCES	DE49	227,201	120,535	0	106,666	227,201	0
10	TOTAL OTHER DEDUCTIONS		6,401,395	3,407,675	0	2,993,720	6,401,395	0
11								
12	NET DEDUCTIONS AND ADDITIONS		13,018,608	7,075,398	0	5,943,210	13,018,608	0
13								
14	FED DEFERRED INCOME TAX (410 & 411)							
15	DEFERRED INCOME TAXES - NET	OM39	474,689	212,646	0	262,043	474,689	0
16	AMORT OF DEFERRED MERGER COST	AG39	0	0	0	0	0	0
17	DIT ADJUSTMENT - S/L DEPRECIATION	DE49	0	0	0	0	0	0
18	DIT ADJUSTMENT - ARAM	K201	0	0	0	0	0	0
19	DIT ADJUSTMENT - AMORT OF EXCESS DEF TAXES	AG39	(525,394)	(210,483)	0	(314,911)	(525,394)	0
20	TOTAL FED DEF IT (410 & 411)		(50,705)	2,163	0	(52,868)	(50,705)	0
21								
22	AMORT INV TAX CREDIT							
23	AMORTIZE ITC	NP29	65,569	35,866	0	29,703	65,569	0
24	TOTAL AMORTIZED ITC		65,569	35,866	0	29,703	65,569	0
25								
26	TEST YEAR INV TAX CREDIT							
27	PROV INVEST TAX CREDIT	NP29	0	0	0	0	0	0
28	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0
29								
30	PRELIMINARY SUMMARY							
31	TOTAL FED DEF IT (410 & 411)		(50,705)	2,163	0	(52,868)	(50,705)	0
32	TOTAL AMORTIZED ITC		(65,569)	(35,866)	0	(29,703)	(65,569)	0
33	TOTAL FEDERAL TAX ADJUSTMENTS		(116,274)	(33,703)	0	(82,571)	(116,274)	0
34								
35	FEDERAL INCOME TAX COMPUTATION							
36	RETURN ON RATE BASE		22,044,288	12,218,452	0	9,825,836	22,044,288	0
37	NET DEDUCTIONS AND ADDITIONS		(13,018,608)	(7,075,398)	0	(5,943,210)	(13,018,608)	0
38	TOTAL STATE PROV DEF IT (410 & 411)		447,641	244,855	0	202,786	447,641	0
39	TOTAL FEDERAL TAX ADJUSTMENTS		(116,274)	(33,703)	0	(82,571)	(116,274)	0
40	BASE FOR FIT COMPUTATION		9,357,047	5,354,206	0	4,002,841	9,357,047	0
41								
42	FIT FACTOR K190/(1-K190)		0.26582	0.26582	0.26582	0.26582		0.26582
43	PRELIM FED INCOME TAX		2,487,316	1,423,270	0	1,064,046	2,487,316	0
44	TOTAL FEDERAL TAX ADJUSTMENTS		(116,274)	(33,703)	0	(82,571)	(116,274)	0
45	NET FED INCOME TAX ALLOWABLE		2,371,042	1,389,567	0	981,475	2,371,042	0
46								
47	INCOME TAX BASED ON RETURN							
48	FEDERAL INCOME TAX PAYABLE							
49	PRELIM FEDERAL INCOME TAX		2,487,316	1,423,270	0	1,064,046	2,487,316	0
50	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0
51	NET FED INCOME TAX PAYABLE		2,487,316	1,423,270	0	1,064,046	2,487,316	0
52								
53	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925		0.24925

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	COST OF SERVICE COMPUTATION	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
		Schedule 10						
1	OTHER OPERATING REVENUES							
2	MISC SERVICE REVENUE	K401	50,100	0	0	50,100	50,100	0
3	INTERDEPARTMENTAL	AG39	24,895	9,973	0	14,922	24,895	0
4	OTH MISC REVENUE	K401	1,896	0	0	1,896	1,896	0
5	RENTS	D249	14,496	8,015	0	6,481	14,496	0
6	IT TRANSPORT SPECIAL CONTRACTS	AG39	0	0	0	0	0	0
7	TOTAL OTHER OPERATING REVS		91,387	17,988	0	73,399	91,387	0
8								
9	COST OF SERVICE COMPUTATION							
10	TOTAL OP EXP EXC INC & REV TAX		40,650,944	19,681,079	0	20,969,865	40,650,944	0
11	RETURN ON RATE BASE		22,044,288	12,218,452	0	9,825,836	22,044,288	0
12	NET FED INCOME TAX ALLOWABLE		2,371,042	1,389,567	0	981,475	2,371,042	0
13	TOTAL OTHER OPERATING REVENUES		(91,387)	(17,988)	0	(73,399)	(91,387)	0
14	SUBTOTAL B		64,974,887	33,271,110	0	31,703,777	64,974,887	0
15								
16	TOTAL OTHER OPERATING REVENUES		91,387	17,988	0	73,399	91,387	0
17	LESS: REVS EXCL FROM REV TAX CALC		0	0	0	0	0	0
18	OTHER OPERATING REVS TO BE TAXED		91,387	17,988	0	73,399	91,387	0
19								
20	REVENUE TAX FACTOR		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	REVENUE TAX ON OTHER OPER. REVS		0	0	0	0	0	0
22	REVENUE TAX ON COST OF SERVICE		0	0	0	0	0	0
23	TOTAL REVENUE TAX		0	0	0	0	0	0
24	TOTAL GAS COST OF SERVICE		64,974,887	33,271,110	0	31,703,777	64,974,887	0
25								
26	PROPOSED REVENUES		58,965,089	30,193,663	0	28,771,426	0	0
27	TOTAL GAS COST OF SERVICE		(64,974,887)	(33,271,110)	0	(31,703,777)	(64,974,887)	0
28	EXCESS REVENUES		(6,009,798)	(3,077,447)	0	(2,932,351)	(6,009,798)	0
29	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925	0.24925	0.24925
30	EXCESS TAX		(1,497,942)	(767,054)	0	(730,888)	(1,497,942)	0
31	EXCESS RETURN		(4,511,856)	(2,310,393)	0	(2,201,463)	(4,511,856)	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
					DEMAND	COMMODITY	CUSTOMER		
	Schedule 12		1	2	3	4	5		
1	DEMAND ENERGY & SPEC. ASSIGN								
2	FIRM MCF SALES	External		10,485,450	10,485,450	0	0	10,485,450	0
3	RATIO TO TOTAL GAS		K201	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000
4	AVERAGE & EXCESS INCL IT (PK & AVG)	External		100.00000	100.00000	0	0	100	0
5	RATIO TO TOTAL GAS		K203	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000
6	AVERAGE & EXCESS EXCL IT (PK & AVG)	External		100.00000	100.00000	0	0	100	0
7	RATIO TO TOTAL GAS		K205	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000
8	TOTAL ANNUAL MCF THROUGHPUT	External		12,030,761	0	12,030,761	0	12,030,761	0
9	RATIO TO TOTAL GAS		K300	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
10	PURCHASED MCF SALES	External		10,485,450	0	10,485,450	0	10,485,450	0
11	RATIO TO TOTAL GAS		K301	1.00000	0.00000	1.00000	0.00000	1.00000	0.00000
12	TOTAL CUSTOMERS	External		98,442	0	0	98,442	98,442	0
13	RATIO TO TOTAL GAS		K401	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
14	W'TD CUSTOMERS - SERVICES	External		104,676	0	0	104,676	104,676	0
15	RATIO TO TOTAL GAS		K403	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
16	CUST ACCTG EXPENSE	External		3,624,077	0	0	3,624,077	3,624,077	0
17	RATIO TO TOTAL GAS		K405	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
18	UNCOLLECTIBLE EXP	External		3,920	0	0	3,920	3,920	0
19	RATIO TO TOTAL GAS		K406	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
20	CUST SERVICE & INFORMATION EXP	External		140,653	0	0	140,653	140,653	0
21	RATIO TO TOTAL GAS		K407	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
22	CUSTOMER SALES EXPENSE	External		7,322	0	0	7,322	7,322	0
23	RATIO TO TOTAL GAS		K408	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
24	METER COSTS	External		22,926,071	0	0	22,926,071	22,926,071	0
25	RATIO TO TOTAL GAS		K413	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
26	CUSTOMER / DEMAND	External		100.000	84	0	16	100	0
27	RATIO TO TOTAL GAS		K415	1.00000	0.84000	0.00000	0.16000	1.00000	0.00000
28	WEIGHTED CUST - REGULATORS	External		138,304	0	0	138,304	138,304	0
29	RATIO TO TOTAL GAS		K417	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
30	LARGE CUSTOMERS	External		117	0	0	117	117	0
31	RATIO TO TOTAL GAS		K431	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
32	GS INDUST, FT & IT TRANSP	External		3,688,683	3,688,683	0	0	3,688,683	0
33	RATIO TO TOTAL GAS		K595	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000
34	ASSIGN 100% TO GS OTHER	External		1	1	0	0	1	0
35	RATIO TO TOTAL GAS		K597	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000
36	ASSIGN 100% TO RS/RFT			1	1	0	0	1	0
37	RATIO TO TOTAL GAS		K903	1.00000	1.00000	0.00000	0.00000	1.00000	0.00000
38									
39	PRESENT REVENUES	CS09	R600	58,965,089	30,193,663	0	28,771,426	58,965,089	0
40	PROPOSED REVENUES	CS09	R602	58,965,089	30,193,663	0	28,771,426	58,965,089	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
					DEMAND	COMMODITY	CUSTOMER		
	Schedule 12.1		1	2	3	4	5		
1	COMBINATION MAINS & SERVICES	Internal		285,936,571	148,411,114	0	137,525,457	285,936,571	0
2	RATIO TO TOTAL GAS		K667	1.00000	0.51904	0.00000	0.48096	1.00000	0.00000
3	COMBINATION METERS & HOUSE REGULATORS	Internal		33,539,867	0	0	33,539,867	33,539,867	0
4	RATIO TO TOTAL GAS		K697	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
5	PRESENT REVENUES	Internal		58,965,089	30,193,663	0	28,771,426	58,965,089	0
6	RATIO TO TOTAL GAS		K901	1.00000	0.51206	0.00000	0.48794	1.00000	0.00000
7	PROPOSED REVENUES	Internal		58,965,089	30,193,663	0	28,771,426	58,965,089	0
8	RATIO TO TOTAL GAS		K902	1.00000	0.51206	0.00000	0.48794	1.00000	0.00000
9									
10	<u>SPECIAL ALLOCATOR INFO FOR K667</u>								
11	MAINS - (2761, 2762, 2763, 2765) - Gross Plant			283,446,655	238,095,190	0	45,351,465	283,446,655	0
12	SERVICES - (2801, 2802, 2803) - Gross Plant			163,028,490	0	0	163,028,490	163,028,490	0
13	MAINS - (2761, 2762, 2763, 2765) - Accum Reserve			(106,766,757)	(89,684,076)	0	(17,082,681)	(106,766,757)	0
14	SERVICES - (2801, 2802, 2803) - Accum Reserve			(53,771,817)	0	0	(53,771,817)	(53,771,817)	0
15	TOTAL K667			285,936,571	148,411,114	0	137,525,457	285,936,571	0
16									
17	<u>SPECIAL ALLOCATOR INFO FOR K697</u>								
18	MTRS & MTR INST (2810, 2811, 2820, 2821) - Gross Plant			23,257,250	0	0	23,257,250	23,257,250	0
19	HOUSE REG & INSTALL (2830, 2840) - Gross Plant			12,497,082	0	0	12,497,082	12,497,082	0
20	MTRS & MTR INST (2810, 2811, 2820, 2821) - Accum Reserve			2,918,585	0	0	2,918,585	2,918,585	0
21	HOUSE REG & INSTALL (2830, 2840) - Accum Reserve			(5,133,050)	0	0	(5,133,050)	(5,133,050)	0
22	TOTAL K697			33,539,867	0	0	33,539,867	33,539,867	0
23									
24	WEIGHTED RATIOS								
25	GROSS GAS PLANT IN SERVICE								
26	WTD GROSS PROD PLANT RATIOS	Internal	P129	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000
27	WTD GROSS DIST PLANT RATIOS	Internal	D149	1.00000	0.55489	0.00000	0.44511	1.00000	0.00000
28	WTD GROSS PTD PLT RATIOS	Internal	PD29	1.00000	0.55489	0.00000	0.44511	1.00000	0.00000
29	WTD GROSS G & I PLT RATIOS	Internal	G129	1.00000	0.40062	0.00000	0.59938	1.00000	0.00000
30	WTD GROSS C & O PLANT RATIOS	Internal	C129	1.00000	0.40062	0.00000	0.59938	1.00000	0.00000
31	WTD GROSS PLANT RATIOS	Internal	GP19	1.00000	0.54602	0.00000	0.45398	1.00000	0.00000
32	WTD DISTR ACCUM RESERVE	Internal	D199	1.00000	0.55945	0.00000	0.44055	1.00000	0.00000
33	WTD TOTAL DEPRC RES RATIOS	Internal	DR19	1.00000	0.54391	0.00000	0.45609	1.00000	0.00000
34									
35	NET GAS PLANT								
36	WTD NET PROD PLANT RATIOS	Internal	P229	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000
37	WTD NET DIST PLANT RATIOS	Internal	D249	1.00000	0.55292	0.00000	0.44708	1.00000	0.00000
38	WTD NET G & I PLT RATIOS	Internal	G229	1.00000	0.40062	0.00000	0.59938	1.00000	0.00000
39	WTD NET C & O PLANT RATIOS	Internal	C229	1.00000	0.40062	0.00000	0.59938	1.00000	0.00000
40	WTD NET PLANT RATIOS	Internal	NP29	1.00000	0.54699	0.00000	0.45301	1.00000	0.00000
41									
42	WORKING CAPITAL								
43	WTD MATERIAL & SUPPLY RATIOS	Internal	W669	1.00000	0.54699	0.00000	0.45301	1.00000	0.00000
44	WTD PREPAYMENTS RATIOS	Internal	W689	1.00000	0.44796	0.00000	0.55204	1.00000	0.00000
45	WTD TOTAL WORKING CASH RATIOS	Internal	W729	1.00000	0.44797	0.00000	0.55203	1.00000	0.00000
46	WTD TOTAL MISC WRKNG CAP RATIO	Internal	W749	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000
47	WTD TOTAL WRKNG CAP RATIOS	Internal	WC79	1.00000	0.47635	0.00000	0.52365	1.00000	0.00000

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL DISTRIBUTION	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
					DEMAND	COMMODITY	CUSTOMER		
	Schedule 12.2		1	2	3	4	5		
1	RATE BASE								
2	WTD NET OCRB RATIOS	Internal	RB29	1.00000	0.55529	0.00000	0.44471	1.00000	0.00000
3	WTD TOTAL RATE BASE RATIOS	Internal	RB99	1.00000	0.55427	0.00000	0.44573	1.00000	0.00000
4	WTD CWIP RATIO	Internal	CW29	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
5									
6	WEIGHTED O & M EXPENSE RATIOS								
7	WTD PROD COMMODITY EXP RATIOS	Internal	P349	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000
8	WTD PROD O&M EXP RATIOS	Internal	P459	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000
9	WTD DIST O&M EXP RATIOS	Internal	D349	1.00000	0.58469	0.00000	0.41531	1.00000	0.00000
10	WTD CUST ACCT EXP RATIOS	Internal	CA19	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
11	WTD CUST SERV & INFO EXP RATIOS	Internal	CS19	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
12	WTD SALES EXP RATIOS	Internal	SE19	1.00000	0.00000	0.00000	1.00000	1.00000	0.00000
13	WTD A&G EXP RATIOS	Internal	AG39	1.00000	0.40062	0.00000	0.59938	1.00000	0.00000
14	WTD O&M EXP RATIOS	Internal	OM39	1.00000	0.44797	0.00000	0.55203	1.00000	0.00000
15									
16	DEPRECIATION EXPENSES								
17	WTD PRODUCTION DEPREC RATIOS	Internal	P489	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000
18	WTD DIST DEPREC RATIOS	Internal	D489	1.00000	0.55292	0.00000	0.44708	1.00000	0.00000
19	WTD GENERAL DEPREC EXP RATIOS	Internal	G489	1.00000	0.40062	0.00000	0.59938	1.00000	0.00000
20	WTD COM & OTHER DEP EXP RATIOS	Internal	C489	1.00000	0.40062	0.00000	0.59938	1.00000	0.00000
21	WTD TOT DEPREC EXP RATIOS	Internal	DE49	1.00000	0.53052	0.00000	0.46948	1.00000	0.00000
22									
23	OTHER TAXES & MISC EXPENSES								
24	WTD R. E. & PROP TAX RATIOS	Internal	L529	1.00000	0.54699	0.00000	0.45301	1.00000	0.00000
25	WTD MISC TAX RATIOS	Internal	L589	1.00000	0.40062	0.00000	0.59938	1.00000	0.00000
26	WTD OTHER TAX RATIOS	Internal	L599	1.00000	0.52315	0.00000	0.47685	1.00000	0.00000
27	WTD OP EXP EX IT & REV RATIOS	Internal	OP69	1.00000	0.48415	0.00000	0.51585	1.00000	0.00000
28									
29	TOTAL COST OF SERVICE								
30	WTD TOTAL COST OF SERVICE	Internal	CS09	1.00000	0.51206	0.00000	0.48794	1.00000	0.00000

DUKE ENERGY KENTUCKY, INC.
DISTRIBUTION DEMAND ALLOCATED - GAS COST OF SERVICE
CASE NO: 2018-00261
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LINE NO.	SUMMARY OF RESULTS	ALLO	TOTAL					TOTAL AT ISSUE	ALL OTHER
			DISTRIBUTION DEMAND	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS		
		Schedule 1		3	4	5	6		
1	NET INCOME COMPUTATION								
2	GROSS GAS PLANT IN SERVICE		317,764,089	179,723,521	93,434,014	34,679,409	9,927,145	317,764,089	0
3	TOTAL DEPRECIATION RESERVE		(99,990,440)	(57,716,066)	(27,727,203)	(11,252,348)	(3,294,823)	(99,990,440)	0
4	TOTAL RATE BASE ADJUSTMENTS		(47,623,916)	(26,784,641)	(14,315,374)	(5,089,840)	(1,434,061)	(47,623,916)	0
5	TOTAL RATE BASE		170,149,733	95,222,814	51,391,437	18,337,221	5,198,261	170,149,733	0
6									
7	OPERATING EXPENSES								
8	TOTAL O&M EXPENSE		10,068,183	6,145,478	2,776,499	920,064	226,142	10,068,183	0
9	TOTAL DEPRECIATION EXPENSE		7,510,696	4,239,883	2,249,553	797,623	223,637	7,510,696	0
10	TOTAL OTHER TAX & MISC EXPENSE		2,102,200	1,190,888	627,471	221,906	61,935	2,102,200	0
11	TOTAL OP EXP EXCLUDING INC & REV TAX		19,681,079	11,576,249	5,653,523	1,939,593	511,714	19,681,079	0
12	NET FED INCOME TAX EXP ALLOWABLE		1,389,567	773,837	421,681	150,991	43,060	1,389,569	(2)
13	NET STATE INCOME TAX EXP ALLOWABLE		437,927	244,158	132,748	47,495	13,526	437,927	0
14	TOTAL OPERATING EXPENSE		21,508,573	12,594,244	6,207,952	2,138,079	568,300	21,508,575	(2)
15									
16	RETURN ON RATE BASE		12,218,452	6,837,950	3,690,419	1,316,796	373,287	12,218,452	0
17	TOTAL OTHER OPERATING REVENUES		(17,988)	(10,567)	(5,174)	(1,777)	(470)	(17,988)	0
18	TOTAL GAS COST OF SERVICE		33,709,037	19,421,627	9,893,197	3,453,098	941,117	33,709,039	(2)

DUKE ENERGY KENTUCKY, INC.
 DISTRIBUTION DEMAND ALLOCATED - GAS COST OF SERVICE
 CASE NO: 2018-00261
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LINE NO.	GROSS GAS PLANT IN SERVICE	ALLO	TOTAL DISTRIBUTION DEMAND	RS/RFT/RSLI RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	PRODUCTION PLANT								
2	PRODUCTION PLANT	K205	0	0	0	0	0	0	0
3	GAS PRODUCTION -CPMPL NOT CLASS	K205	0	0	0	0	0	0	0
4	PRODUCTION PLANT IN SERVICE		0	0	0	0	0	0	0
5									
6	TRANSMISSION PLANT								
7	TRANSMISSION PLANT								
8	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0	0
9									
10	TOTAL PROD & TRANS PLANT		0	0	0	0	0	0	0
11									
12	DISTRIBUTION PLANT								
13	SYSTEM M&R - (2780, 2781)	K203	8,194,914	4,627,423	2,419,384	894,311	253,796	8,194,914	0
14	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	2,419,176	1,366,036	714,213	264,005	74,922	2,419,176	0
15	LARGE IND M&R - (2850, 2851)	K595	519,875	0	0	302,084	217,791	519,875	0
16	MAINS - (2761, 2762, 2763, 2765)	K203	238,095,190	134,445,211	70,292,843	25,983,328	7,373,808	238,095,190	0
17	SERVICES - (2801, 2802, 2803)	K403	0	0	0	0	0	0	0
18	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	0	0	0	0	0	0	0
19	LAND, R OF W, STRUCT & IMPROV	K203	1,460,393	824,640	431,152	159,373	45,228	1,460,393	0
20	HOUSE REG & INSTALL (2830, 2840)	K417	0	0	0	0	0	0	0
21	STREET LIGHTING EQUIPMENT & OTH	K597	49,737	0	49,737	0	0	49,737	0
22	ASSET RETIREMENT COST FOR DISTRIBUTION PLANT	K203	53,610,236	30,272,092	15,827,350	5,850,485	1,660,309	53,610,236	0
23	DISTRIBUTION PLANT IN SERVICE		304,349,521	171,535,402	89,734,679	33,453,586	9,625,854	304,349,521	0
24									
25	TOTAL TRANS & DIST PLANT		304,349,521	171,535,402	89,734,679	33,453,586	9,625,854	304,349,521	0
26	TOTAL GROSS PTD PLANT		304,349,521	171,535,402	89,734,679	33,453,586	9,625,854	304,349,521	0
27									
28	GENERAL & INTANGIBLE PLANT								
29	PRODUCTION PLANT	K201	0	0	0	0	0	0	0
30	PRODUCTION PLANT COMMODITY	P349	0	0	0	0	0	0	0
31	DISTRIBUTION PLANT	D349	8,788,596	5,364,471	2,423,631	803,102	197,392	8,788,596	0
32	CUSTOMER ACCOUNTING	CA19	0	0	0	0	0	0	0
33	CUSTOMER SERVICE & INFORMATION	CS19	0	0	0	0	0	0	0
34	SALES	SE19	0	0	0	0	0	0	0
35	GEN & INTANG PLANT IN SERVICE		8,788,596	5,364,471	2,423,631	803,102	197,392	8,788,596	0
36									
37	COMMON & OTHER PLANT								
38	PRODUCTION PLANT	K201	0	0	0	0	0	0	0
39	PRODUCTION PLANT COMMODITY	P349	0	0	0	0	0	0	0
40	DISTRIBUTION PLANT	D349	4,625,972	2,823,648	1,275,704	422,721	103,899	4,625,972	0
41	CUSTOMER ACCOUNTING	CA19	0	0	0	0	0	0	0
42	CUSTOMER SERVICE & INFORMATION	CS19	0	0	0	0	0	0	0
43	SALES	SE19	0	0	0	0	0	0	0
44	COMMON & OTHER PLANT IN SERVICE		4,625,972	2,823,648	1,275,704	422,721	103,899	4,625,972	0
45									
46	GROSS GAS PLANT IN SERVICE		317,764,089	179,723,521	93,434,014	34,679,409	9,927,145	317,764,089	0

DUKE ENERGY KENTUCKY, INC.
 DISTRIBUTION DEMAND ALLOCATED - GAS COST OF SERVICE
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LINE NO.	DEPRECIATION RESERVE	ALLO	TOTAL DISTRIBUTION DEMAND	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	PRODUCTION PLANT								
2	PRODUCTION PLANT	K205	0	0	0	0	0	0	0
3	TOTAL PROD DEPREC RESERVE		0	0	0	0	0	0	0
4									
5	TRANSMISSION PLANT								
6	TRANSMISSION PLANT								
7	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0	0
8									
9	DISTRIBUTION PLANT								
10	SYSTEM M&R - (2780, 2781)	K203	2,957,792	1,670,176	873,229	322,784	91,603	2,957,792	0
11	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	1,110,309	626,958	327,797	121,168	34,386	1,110,309	0
12	LARGE IND M&R - (2850, 2851)	K595	498,099	0	0	289,430	208,669	498,099	0
13	MAINS - (2761, 2762, 2763, 2765)	K203	89,684,076	50,641,907	26,477,430	9,787,223	2,777,516	89,684,076	0
14	SERVICES - (2801, 2802, 2803)	K403	0	0	0	0	0	0	0
15	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	0	0	0	0	0	0	0
16	LAND, R OF W, STRUCT & IMPROV & OTH	K203	674,357	380,789	199,090	73,593	20,885	674,357	0
17	HOUSE REG & INSTALL (2830, 2840)	K417	0	0	0	0	0	0	0
18	STREET LIGHTING EQUIPMENT & OTH	K597	(2,136,531)	0	(2,136,531)	0	0	(2,136,531)	0
19	TOTAL DIST DEPREC RESERVE		92,788,102	53,319,830	25,741,015	10,594,198	3,133,059	92,788,102	0
20									
21	GENERAL & INTANGIBLE PLANT								
22	PRODUCTION PLANT	K201	0	0	0	0	0	0	0
23	PRODUCTION PLANT COMMODITY	P349	0	0	0	0	0	0	0
24	DISTRIBUTION PLANT	D349	3,387,324	2,067,589	934,122	309,534	76,079	3,387,324	0
25	CUSTOMER ACCOUNTING	CA19	0	0	0	0	0	0	0
26	CUSTOMER SERVICE & INFORMATION	CS19	0	0	0	0	0	0	0
27	SALES	SE19	0	0	0	0	0	0	0
28	TOTAL GEN DEPREC RESERVE		3,387,324	2,067,589	934,122	309,534	76,079	3,387,324	0
29									
30	COMMON & OTHER PLANT								
31	PRODUCTION PLANT	K201	0	0	0	0	0	0	0
32	PRODUCTION PLANT COMMODITY	P349	0	0	0	0	0	0	0
33	DISTRIBUTION PLANT	D349	3,815,014	2,328,647	1,052,066	348,616	85,685	3,815,014	0
34	CUSTOMER ACCOUNTING	CA19	0	0	0	0	0	0	0
35	CUSTOMER SERVICE & INFORMATION	CS19	0	0	0	0	0	0	0
36	SALES	SE19	0	0	0	0	0	0	0
37	TOTAL COM & OTHER PLT RESERVE		3,815,014	2,328,647	1,052,066	348,616	85,685	3,815,014	0
38									
39	TOTAL DEPRECIATION RESERVE		99,990,440	57,716,066	27,727,203	11,252,348	3,294,823	99,990,440	0

DUKE ENERGY KENTUCKY, INC.
 DISTRIBUTION DEMAND ALLOCATED - GAS COST OF SERVICE
 CASE NO: 2018-00261
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LINE NO.	NET GAS PLANT	ALLO	TOTAL DISTRIBUTION DEMAND	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	PRODUCTION PLANT	Schedule 4							
2	PRODUCTION PLANT IN SERVICE		0	0	0	0	0	0	0
3	TOTAL PROD DEPRC RESERVE		0	0	0	0	0	0	0
4	NET PRODUCTION PLANT		0	0	0	0	0	0	0
5									
6	TRANSMISSION PLANT								
7	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0	0
8	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0	0
9	NET TRANSMISSION PLANT		0	0	0	0	0	0	0
10									
11	DISTRIBUTION PLANT								
12	DISTRIBUTION PLANT IN SERVICE		304,349,521	171,535,402	89,734,679	33,453,586	9,625,854	304,349,521	0
13	TOTAL DIST DEPREC RESERVE		(92,788,102)	(53,319,830)	(25,741,015)	(10,594,198)	(3,133,059)	(92,788,102)	0
14	NET DISTRIBUTION PLANT		211,561,419	118,215,572	63,993,664	22,859,388	6,492,795	211,561,419	0
15									
16	NET PTD PLANT		211,561,419	118,215,572	63,993,664	22,859,388	6,492,795	211,561,419	0
17	NET TRANS & DIST PLANT		211,561,419	118,215,572	63,993,664	22,859,388	6,492,795	211,561,419	0
18									
19	GENERAL & INTANGIBLE PLANT								
20	GEN & INTANG PLANT IN SERVICE		8,788,596	5,364,471	2,423,631	803,102	197,392	8,788,596	0
21	TOTAL GEN & INTG DEPREC RESERVE		(3,387,324)	(2,067,589)	(934,122)	(309,534)	(76,079)	(3,387,324)	0
22	NET GENERAL & INTANG PLANT		5,401,272	3,296,882	1,489,509	493,568	121,313	5,401,272	0
23									
24	COMMON & OTHER PLANT								
25	COMMON & OTH PLT IN SERVICE		4,625,972	2,823,648	1,275,704	422,721	103,899	4,625,972	0
26	TOTAL COM & OTH DEPREC RESERVE		(3,815,014)	(2,328,647)	(1,052,066)	(348,616)	(85,685)	(3,815,014)	0
27	NET COMMON & OTHER PLANT		810,958	495,001	223,638	74,105	18,214	810,958	0
28									
29	NET GAS PLANT IN SERVICE		217,773,649	122,007,455	65,706,811	23,427,061	6,632,322	217,773,649	0

DUKE ENERGY KENTUCKY, INC.
 DISTRIBUTION DEMAND ALLOCATED - GAS COST OF SERVICE
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LINE NO.	SUBTRACTIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL DISTRIBUTION DEMAND	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	RATE BASE ADJUSTMENTS								
2	ACCUMULATED DEFERRED INCOME TAXES								
3	ACCUM DEF INC TAXES (282)								
4	LIBERALIZED DEPRECIATION	NP29	28,677,186	16,066,106	8,652,481	3,085,092	873,507	28,677,186	0
5	LEASED METERS	K413	0	0	0	0	0	0	0
6	CONTRIB AID CONSTR	D249	(102,342)	(57,187)	(30,956)	(11,058)	(3,141)	(102,342)	0
7	CAPITALIZED INTEREST	NP29	(509,904)	(285,669)	(153,848)	(54,855)	(15,532)	(509,904)	0
8	AFUDC IN DEBT	NP29	137,480	77,022	41,480	14,790	4,188	137,480	0
9	CWIP DIFFERENCES	NP29	0	0	0	0	0	0	0
10	NON-CASH OVERHEADS	AG39	(192,893)	(117,740)	(53,194)	(17,627)	(4,332)	(192,893)	0
11	PLANT FAS 109	NP29	0	0	0	0	0	0	0
12	MISCELLANEOUS	AG39	3,396,432	2,073,148	936,634	310,366	76,284	3,396,432	0
13	TOTAL ACCOUNT 282		31,405,959	17,755,680	9,392,597	3,326,708	930,974	31,405,959	0
14									
15	ACCUM DEF INC TAXES (283)								
16	BLANK	K413	0	0	0	0	0	0	0
17	BLANK	K413	0	0	0	0	0	0	0
18	UNRECOVERED PURCHASED GAS COST	AG39	7,194	4,391	1,984	657	162	7,194	0
19	ENVIRONMENTAL RESERVE	NP29	0	0	0	0	0	0	0
20	POST IN-SERVICE CARRYING COSTS	K667	0	0	0	0	0	0	0
21	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0	0
22	LOSS ON REACQUIRED DEBT	NP29	9,282	5,199	2,801	999	283	9,282	0
23	VACATION PAY ACCRUAL	AG39	32,965	20,122	9,091	3,012	740	32,965	0
24	RATE CASE EXPENSE AMORT	AG39	(9,012)	(5,501)	(2,485)	(824)	(202)	(9,012)	0
25	PENSION	AG39	575,945	351,551	158,828	52,630	12,936	575,945	0
26	MISCELLANEOUS	K406	0	0	0	0	0	0	0
27	TOTAL ACCOUNT 283		616,374	375,762	170,219	56,474	13,919	616,374	0
28									
29	OTHER ACCUMULATED DEFERRED INCOME TAXES								
30	CUSTOMER ADVANCES FOR CONSTRUCTION	D249	873,243	487,950	264,139	94,354	26,800	873,243	0
31	CUSTOMER SERVICE DEPOSITS	D249	0	0	0	0	0	0	0
32	POST RETIREMENT BENEFITS	AG39	0	0	0	0	0	0	0
33	EDIT	NP29	17,005,754	9,527,304	5,130,976	1,829,479	517,995	17,005,754	0
34	TOTAL OTHER SUBTRACTIVE ADJS		17,878,997	10,015,254	5,395,115	1,923,833	544,795	17,878,997	0
35									
36	SUBTOTAL ACCUMULATED DEFERRED INC TAXES		49,901,330	28,146,696	14,957,931	5,307,015	1,489,688	49,901,330	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	ADDITIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL DISTRIBUTION DEMAND	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	OTHER ACCUMULATED DEFERRED INCOME TAXES								
2	ACCUM DEF INC TAXES (190)								
3	UNCOLLECTIBLE ACCTS	K406	0	0	0	0	0	0	0
4	GAS SUPPLIER REFUND	K300	0	0	0	0	0	0	0
5	UNBILLED REVENUE - FUEL & RATE REFUNDS	K300	0	0	0	0	0	0	0
6	OFFSITE GAS STORAGE	K300	0	0	0	0	0	0	0
7	GAS METERS	K413	0	0	0	0	0	0	0
8	UNAMORTIZED DEBT PREMIUM	NP29	(996)	(558)	(301)	(107)	(30)	(996)	0
9	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0	0
10	PENSION EXPENSE	AG39	66,245	40,436	18,268	6,053	1,488	66,245	0
11	POST RETIREMENT BENEFITS - LIFE INS	AG39	0	0	0	0	0	0	0
12	POST RETIREMENT BENEFITS - HEALTH CARE	AG39	0	0	0	0	0	0	0
13	POST EMPLOYMENT BENEFITS - SFAS 112	AG39	15,800	9,644	4,357	1,444	355	15,800	0
14	OPEB EXPENSE ACCRUAL	AG39	108,723	66,363	29,983	9,935	2,442	108,723	0
15	INCENTIVE PLAN	AG39	0	0	0	0	0	0	0
16	FEDERAL DEFERRED TAX RECEIVABLE	AG39	0	0	0	0	0	0	0
17	DSM DEFERRAL	AG39	67,329	41,097	18,567	6,153	1,512	67,329	0
18	PROPERTY TAX	P229	0	0	0	0	0	0	0
19	PROPERTY TAX ON PROPANE	P229	0	0	0	0	0	0	0
20	401K INCENTIVE PLAN	AG39	0	0	0	0	0	0	0
21	ENVIRONMENTAL RESERVE	NP29	86,456	48,436	26,086	9,301	2,633	86,456	0
22	VACATION PAY ACCRUALS	G129	58,877	35,938	16,237	5,380	1,322	58,877	0
23	SMART GRID	K413	0	0	0	0	0	0	0
24	METERS & TRANSFORMERS	D249	0	0	0	0	0	0	0
25	OTHER	AG39	136,292	83,192	37,585	12,454	3,061	136,292	0
26	TOTAL ACCOUNT 190		538,726	324,548	150,782	50,613	12,783	538,726	0
27									
28	OTHER								
29	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0	0
30	ANNUALIZE DEPRECIATION	NP29	(146,762)	(82,222)	(44,281)	(15,789)	(4,470)	(146,762)	0
31	ELIMINATE UNBILLED REVENUE AND GAS COSTS	K300	0	0	0	0	0	0	0
32	OTHER		(146,762)	(82,222)	(44,281)	(15,789)	(4,470)	(146,762)	0
33									
34	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		391,964	242,326	106,501	34,824	8,313	391,964	0

DUKE ENERGY KENTUCKY, INC.
 DISTRIBUTION DEMAND ALLOCATED - GAS COST OF SERVICE
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LINE NO.	WORKING CAPITAL	ALLO	TOTAL DISTRIBUTION DEMAND	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
		Schedule 5.2		3	4	5	6		
1	NET ORIGINAL COST RATE BASE		168,264,283	94,103,085	50,855,381	18,154,870	5,150,947	168,264,283	0
2									
3	WORKING CAPITAL								
4									
5	PLANT MATERIALS & SUPPLIES								
6	GAS ENRICHER LIQUID	K301	0	0	0	0	0	0	0
7	OTHER SUPPLIES	NP29	620,647	347,711	187,262	66,769	18,905	620,647	0
8	TOTAL PLANT MATS. & SUPPLIES		620,647	347,711	187,262	66,769	18,905	620,647	0
9	TOTAL MATERIALS & SUPPLIES		620,647	347,711	187,262	66,769	18,905	620,647	0
10									
11	PREPAYMENTS								
12	INSURANCE GENERAL	OM39	6,280	3,833	1,732	574	141	6,280	0
13	EXCISE TAX	OM39	0	0	0	0	0	0	0
14	GAS PURCHASE	K301	0	0	0	0	0	0	0
15	TOTAL PREPAYMENTS		6,280	3,833	1,732	574	141	6,280	0
16									
17	AUTO CALC (O&M-GAS COST)/8		1,258,523	768,185	347,062	115,008	28,268	1,258,523	0
18	TOTAL WORKING CASH		1,258,523	768,185	347,062	115,008	28,268	1,258,523	0
19									
20	MISCELLANEOUS WORKING CAPITAL								
21	GAS STORED UNDERGROUND	K301	0	0	0	0	0	0	0
22	PIPP UNCOLLECTIBLES	K406	0	0	0	0	0	0	0
23	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0	0
24	TOTAL MISC WORK CAPITAL		0	0	0	0	0	0	0
25									
26	TOTAL WORKING CAPITAL		1,885,450	1,119,729	536,056	182,351	47,314	1,885,450	0
27	PRELIMINARY SUMMARY								
28	TOTAL ACCUMULATED DEFERRED INCOME TAXES		(49,901,330)	(28,146,696)	(14,957,931)	(5,307,015)	(1,489,688)	(49,901,330)	0
29	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		391,964	242,326	106,501	34,824	8,313	391,964	0
30	TOTAL WORKING CAPITAL		1,885,450	1,119,729	536,056	182,351	47,314	1,885,450	0
31	TOTAL RATE BASE ADJUSTMENTS		(47,623,916)	(26,784,641)	(14,315,374)	(5,089,840)	(1,434,061)	(47,623,916)	0
32									
33	RATE BASE CALCULATION								
34	NET GAS PLANT IN SERVICE		217,773,649	122,007,455	65,706,811	23,427,061	6,632,322	217,773,649	0
35	TOTAL RATE BASE ADJUSTMENTS		(47,623,916)	(26,784,641)	(14,315,374)	(5,089,840)	(1,434,061)	(47,623,916)	0
36	TOTAL RATE BASE		170,149,733	95,222,814	51,391,437	18,337,221	5,198,261	170,149,733	0
37									
38	TOTAL RATE OF RETURN ALLOWABLE		0.07181	0.07181	0.07181	0.07181	0.07181	0.07181	0.07181
39	RETURN ON RATE BASE		12,218,452	6,837,950	3,690,419	1,316,796	373,287	12,218,452	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	O&M EXPENSES	ALLO	TOTAL DISTRIBUTION DEMAND	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	PRODUCTION O&M								
2	COMMODITY RELATED O&M								
3	ANNUALIZED GAS COST	K301	0	0	0	0	0	0	0
4	OTHER ASSOCIATED COST	K300	0	0	0	0	0	0	0
5	TOTAL COMMODITY RELATED		0	0	0	0	0	0	0
6									
7	DEMAND RELATED PROD O&M								
8	ANNUALIZED GAS COST - DEMAND	K301	0	0	0	0	0	0	0
9	TOTAL DEMAND RELATED		0	0	0	0	0	0	0
10									
11	DEMAND RELATED & OTHER PROD O&M								
12	PRODUCTION EXPENSES	K201	0	0	0	0	0	0	0
13	TOTAL DEM REL & OTH PROD O&M		0	0	0	0	0	0	0
14									
15	TOTAL PRODUCTION O&M		0	0	0	0	0	0	0
16									
17	TRANSMISSION O & M								
18	TRANSMISSION O & M								
19	TOTAL TRANSMISSION O & M		0	0	0	0	0	0	0
20									
21	DISTRIBUTION O & M								
22	LOAD DISPATCHING	K203	185,332	104,651	54,716	20,225	5,740	185,332	0
23	MAINS & SERVICES OPER	K667	1,322,610	746,839	390,474	144,336	40,961	1,322,610	0
24	M & R STATION GENERAL	K203	66,190	37,376	19,541	7,223	2,050	66,190	0
25	CUSTOMER INST & OTHER	K415	1,136,524	706,850	295,326	104,662	29,886	1,136,524	0
26	METERS & HOUSE REG	K697	0	0	0	0	0	0	0
27	MAINS	K415	1,813,014	1,127,586	471,112	166,960	47,356	1,813,014	0
28	SERVICES	K403	0	0	0	0	0	0	0
29	SUPV & ENG	D249	0	0	0	0	0	0	0
30	ELIMINATE NON-KY CUSTOMER	K595	(102,870)	0	0	(59,775)	(43,095)	(102,870)	0
31	INTEGRITY MANAGEMENT EXPENSES	K203	1,065,488	601,649	314,564	116,277	32,998	1,065,488	0
32	OTHER DISTRIBUTION EXPENSES	K415	2,059,223	1,280,713	535,089	189,634	53,787	2,059,223	0
33	TOTAL DISTRIBUTION O & M		7,545,511	4,605,664	2,080,822	689,542	169,483	7,545,511	0
34									
35	CUSTOMER ACCOUNTING								
36	SUPERVISION & ENGINEERING	K405	0	0	0	0	0	0	0
37	METER READING	K405	0	0	0	0	0	0	0
38	CUSTOMER BILLING & COLLECTIONS	K405	0	0	0	0	0	0	0
39	UNCOLLECTIBLE EXP	K406	0	0	0	0	0	0	0
40	ELIMINATE MISC EXPENSES	K406	0	0	0	0	0	0	0
41	SALE OF A/R	K406	0	0	0	0	0	0	0
42	INTEREST ON CUSTOMER SERVICE DEPOSITS	K405	0	0	0	0	0	0	0
43	ANNUALIZED UNCOLL EXP ON INCR	K406	0	0	0	0	0	0	0
44	TOTAL CUSTOMER ACCT EXPENSE		0	0	0	0	0	0	0

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LINE NO.	O&M EXPENSES	ALLO	TOTAL DISTRIBUTION DEMAND	RS/RFT RESIDENTIAL 3	GS/FT SMALL GEN SERV 4	GS/FT LARGE GEN SERV 5	INTERUPT TRANS 6	TOTAL AT ISSUE	ALL OTHER
		Schedule 6.1							
1	CUSTOMER SERVICE & INFORMATION								
2	TOTAL CUST SERVICE & INFO	K407	0	0	0	0	0	0	0
3	TOTAL CUSTOMER SERV. & INFO.		0	0	0	0	0	0	0
4									
5	SALES								
6	SALES EXPENSE	K408	0	0	0	0	0	0	0
7	TOTAL SALES EXPENSE		0	0	0	0	0	0	0
8									
9	ADMINISTRATIVE & GENERAL								
10	PRODUCTION PLANT DEMAND	P349	0	0	0	0	0	0	0
11	PRODUCTION PLANT COMMODITY	K301	0	0	0	0	0	0	0
12	DISTRIBUTION PLANT	D349	2,501,551	1,526,921	689,853	228,592	56,185	2,501,551	0
13	CUSTOMER ACCOUNTING	CA19	0	0	0	0	0	0	0
14	CUSTOMER SERVICE & INFORMATION	CS19	0	0	0	0	0	0	0
15	SALES	SE19	0	0	0	0	0	0	0
16	TOT ADMIN & GEN LESS REG EXP		2,501,551	1,526,921	689,853	228,592	56,185	2,501,551	0
17	AMORTIZATION RATE CASE EXPENSE	AG39	41,346	25,237	11,402	3,778	929	41,346	0
18	INCENTIVE COMPENSATION	AG39	(99,600)	(60,795)	(27,467)	(9,101)	(2,237)	(99,600)	0
19	ELIMINATE MISCELLANEOUS EXPENSES	AG39	(115,695)	(70,619)	(31,905)	(10,572)	(2,599)	(115,695)	0
20	ELIMINATE NON-JURISDICTIONAL EXPENSES	NP29	0	0	0	0	0	0	0
21	AMORTIZATION OF DEFERRED EXP	AG39	195,070	119,070	53,794	17,825	4,381	195,070	0
22	STATE REG COMMISSION EXPENSES	AG39	0	0	0	0	0	0	0
23	STATE REG COM EXP ANN ADJ.	AG39	0	0	0	0	0	0	0
24	AMORTIZE CAMERA WORK	AG39	0	0	0	0	0	0	0
25	ELIMINATE MERGER EXPENSE	AG39	0	0	0	0	0	0	0
26	SMART GRID AMORTIZATION ADJUSTMENT	K413	0	0	0	0	0	0	0
27	AMORTIZE 2011 SMART GRID DEFERRED O&M	K413	0	0	0	0	0	0	0
28	INCREASED MEDICAL COSTS	AG39	0	0	0	0	0	0	0
29	AMORTIZE GAS FURNACE PROGRAM	NP29	0	0	0	0	0	0	0
30	AMORTIZATION OF MGP DEFERRED EXP	NP29	0	0	0	0	0	0	0
31	TOTAL ADMIN. & GENERAL		2,522,672	1,539,814	695,677	230,522	56,659	2,522,672	0
32									
33	TOTAL O & M EXPENSE		10,068,183	6,145,478	2,776,499	920,064	226,142	10,068,183	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	DEPRECIATION EXPENSE	ALLO	TOTAL DISTRIBUTION DEMAND	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	PRODUCTION DEPRECIATION								
2	PRODUCTION DEPRECIATION	P229	0	0	0	0	0	0	0
3	TOTAL PRODUCTION DEPREC EXP.		0	0	0	0	0	0	0
4									
5	TRANSMISSION DEPRECIATION								
6	TOTAL TRANSMISSION DEP. EXP.		0	0	0	0	0	0	0
7									
8	DISTRIBUTION DEPRECIATION								
9	DISTRIBUTION DEPRECIATION	D249	6,676,440	3,730,661	2,019,490	721,389	204,900	6,676,440	0
10	TOTAL DIST. DEPREC EXP.		6,676,440	3,730,661	2,019,490	721,389	204,900	6,676,440	0
11									
12	GENERAL DEPRECIATION								
13	GENERAL DEPRECIATION	G229	788,482	481,282	217,440	72,051	17,709	788,482	0
14	TOTAL GENERAL DEPREC EXP.		788,482	481,282	217,440	72,051	17,709	788,482	0
15									
16	COMMON AND OTHER DEPRECIATION								
17	COMMON DEPRECIATION	C229	45,774	27,940	12,623	4,183	1,028	45,774	0
18	TOTAL COM & OTHER DEPREC EXP.		45,774	27,940	12,623	4,183	1,028	45,774	0
19									
20									
21	TOTAL DEPRECIATION EXPENSE		7,510,696	4,239,883	2,249,553	797,623	223,637	7,510,696	0

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LINE NO.	OTHER TAXES & MISC EXPENSES	ALLO	TOTAL DISTRIBUTION DEMAND	RS/RFT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
		Schedule 8		3	4	5	6		
1	TAXES OTHER THAN INC & REV								
2	REAL ESTATE & PROPERTY TAX								
3	REAL ESTATE & PROPERTY TAX	NP29	1,839,955	1,030,817	555,151	197,942	56,045	1,839,955	0
4	ANNUALIZE PROPERTY TAX	NP29	0	0	0	0	0	0	0
5	TOTAL REAL ESTATE & PROPERTY TAX		1,839,955	1,030,817	555,151	197,942	56,045	1,839,955	0
6									
7	MISCELLANEOUS TAXES								
8	PAYROLL & HIGHWAY	AG39	254,671	155,448	70,231	23,272	5,720	254,671	0
9	UNEMPLOYMENT COMPENSATION	AG39	0	0	0	0	0	0	0
10	OHIO EXCISE TAX	OM39	0	0	0	0	0	0	0
11	STATE TAX RIDER	OM39	0	0	0	0	0	0	0
12	TOTAL MISCELLANEOUS TAXES		254,671	155,448	70,231	23,272	5,720	254,671	0
13									
14	MISCELLANEOUS EXPENSES								
15	PSC MAINT. EXP ON INCREASE	AG39	7,574	4,623	2,089	692	170	7,574	0
16	RESERVED FOR FUTURE USE	AG39	0	0	0	0	0	0	0
17	TOTAL MISCELLANEOUS EXPENSES		7,574	4,623	2,089	692	170	7,574	0
18									
19	TOTAL OTHER TAX & MISC EXPENSE		2,102,200	1,190,888	627,471	221,906	61,935	2,102,200	0
20									
21	PRELIMINARY SUMMARY								
22	TOTAL O&M EXPENSE		10,068,183	6,145,478	2,776,499	920,064	226,142	10,068,183	0
23	TOTAL DEPRECIATION EXPENSE		7,510,696	4,239,883	2,249,553	797,623	223,637	7,510,696	0
24	TOTAL OTHER TAX & MISC EXPENSE		2,102,200	1,190,888	627,471	221,906	61,935	2,102,200	0
25	TOTAL OPER EXP EXCL INCOME & REV TAX		19,681,079	11,576,249	5,653,523	1,939,593	511,714	19,681,079	0

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LINE NO.	FEDERAL INCOME TAX BASED ON RETURN	ALLO	TOTAL DISTRIBUTION DEMAND	RS/RT RESIDENTIAL	GS/FT SMALL GEN SERV	GS/FT LARGE GEN SERV	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
	Schedule 9			3	4	5	6		
1	FEDERAL INCOME TAX DEDUCTIONS								
2	AUTOMATIC INTEREST CALCULATION								
3	AUTO PROC INTEREST DED	RB99	3,667,723	2,052,604	1,107,799	395,271	112,049	3,667,723	0
4	TOTAL INTEREST EXPENSE		3,667,723	2,052,604	1,107,799	395,271	112,049	3,667,723	0
5									
6	OTHER DEDUCTIONS								
7	DEPREC EXCESS TAX-BOOK	DE49	3,322,936	1,875,830	995,253	352,896	98,957	3,322,936	0
8	PERMANENT DIFFERENCES	AG39	(35,796)	(21,850)	(9,871)	(3,271)	(804)	(35,796)	0
9	TEMPORARY DIFFERENCES	DE49	120,535	68,043	36,101	12,801	3,590	120,535	0
10	TOTAL OTHER DEDUCTIONS		3,407,675	1,922,023	1,021,483	362,426	101,743	3,407,675	0
11									
12	NET DEDUCTIONS AND ADDITIONS		7,075,398	3,974,627	2,129,282	757,697	213,792	7,075,398	0
13									
14	FED DEFERRED INCOME TAX (410 & 411)								
15	DEFERRED INCOME TAXES - NET	OM39	212,646	129,797	58,641	19,432	4,776	212,646	0
16	AMORT OF DEFERRED MERGER COST	AG39	0	0	0	0	0	0	0
17	DIT ADJUSTMENT - S/L DEPRECIATION	DE49	0	0	0	0	0	0	0
18	DIT ADJUSTMENT - ARAM	K201	0	0	0	0	0	0	0
19	DIT ADJUSTMENT - AMORT OF EXCESS DEF TAXES	AG39	(210,483)	(128,477)	(58,045)	(19,234)	(4,727)	(210,483)	0
20	TOTAL FED DEF IT (410 & 411)		2,163	1,320	596	198	49	2,163	0
21									
22	AMORT INV TAX CREDIT								
23	AMORTIZE ITC	NP29	35,866	20,094	10,821	3,858	1,092	35,866	1
24	TOTAL AMORTIZED ITC		35,866	20,094	10,821	3,858	1,092	35,866	1
25									
26	TEST YEAR INV TAX CREDIT								
27	PROV INVEST TAX CREDIT	NP29	0	0	0	0	0	0	0
28	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0
29									
30	PRELIMINARY SUMMARY								
31	TOTAL FED DEF IT (410 & 411)		2,163	1,320	596	198	49	2,163	0
32	TOTAL AMORTIZED ITC		(35,866)	(20,094)	(10,821)	(3,858)	(1,092)	(35,865)	(1)
33	TOTAL FEDERAL TAX ADJUSTMENTS		(33,703)	(18,774)	(10,225)	(3,660)	(1,043)	(33,702)	(1)
34									
35	FEDERAL INCOME TAX COMPUTATION								
36	RETURN ON RATE BASE		12,218,452	6,837,950	3,690,419	1,316,796	373,287	12,218,452	0
37	NET DEDUCTIONS AND ADDITIONS		(7,075,398)	(3,974,627)	(2,129,282)	(757,697)	(213,792)	(7,075,398)	0
38	TOTAL STATE PROV DEF IT (410 & 411)		244,855	137,177	73,878	26,342	7,458	244,855	0
39	TOTAL FEDERAL TAX ADJUSTMENTS		(33,703)	(18,774)	(10,225)	(3,660)	(1,043)	(33,702)	(1)
40	BASE FOR FIT COMPUTATION		5,354,206	2,981,726	1,624,790	581,781	165,910	5,354,207	(1)
41									
42	FIT FACTOR K190/(1-K190)		0.26582	0.26582	0.26582	0.26582	0.26582		0.26582
43	PRELIM FED INCOME TAX		1,423,270	792,611	431,906	154,651	44,103	1,423,271	0
44	TOTAL FEDERAL TAX ADJUSTMENTS		(33,703)	(18,774)	(10,225)	(3,660)	(1,043)	(33,702)	(1)
45	NET FED INCOME TAX ALLOWABLE		1,389,567	773,837	421,681	150,991	43,060	1,389,569	(1)
46									
47	INCOME TAX BASED ON RETURN								
48	FEDERAL INCOME TAX PAYABLE								
49	PRELIM FEDERAL INCOME TAX		1,423,270	792,611	431,906	154,651	44,103	1,423,271	0
50	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0
51	NET FED INCOME TAX PAYABLE		1,423,270	792,611	431,906	154,651	44,103	1,423,271	0
52									
53	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.2492512	0.24925		0.24925

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LINE NO.	COST OF SERVICE COMPUTATION	ALLO	TOTAL	RS/RFT	GS/FT SMALL	GS/FT LARGE	INTERUPT	TOTAL	ALL
			DISTRIBUTION DEMAND	RESIDENTIAL	GEN SERV	GEN SERV	TRANS	AT ISSUE	OTHER
				3	4	5	6		
1	OTHER OPERATING REVENUES								
2	MISC SERVICE REVENUE	K401	0	0	0	0	0	0	0
3	INTERDEPARTMENTAL	AG39	9,973	6,088	2,750	911	224	9,973	0
4	OTH MISC REVENUE	K401	0	0	0	0	0	0	0
5	RENTS	D249	8,015	4,479	2,424	866	246	8,015	0
6	IT TRANSPORT SPECIAL CONTRACTS	AG39	0	0	0	0	0	0	0
7	TOTAL OTHER OPERATING REVS		17,988	10,567	5,174	1,777	470	17,988	0
8									
9	COST OF SERVICE COMPUTATION								
10	TOTAL OP EXP EXC INC & REV TAX		19,681,079	11,576,249	5,653,523	1,939,593	511,714	19,681,079	0
11	RETURN ON RATE BASE		12,218,452	6,837,950	3,690,419	1,316,796	373,287	12,218,452	0
12	NET FED INCOME TAX ALLOWABLE		1,389,567	773,837	421,681	150,991	43,060	1,389,569	(1)
13	TOTAL OTHER OPERATING REVENUES		(17,988)	(10,567)	(5,174)	(1,777)	(470)	(17,988)	0
14	SUBTOTAL B		33,271,110	19,177,469	9,760,449	3,405,603	927,591	33,271,112	2
15									
16	TOTAL OTHER OPERATING REVENUES		17,988	10,567	5,174	1,777	470	17,988	0
17	LESS: REVS EXCL FROM REV TAX CALC		0	0	0	0	0	0	0
18	OTHER OPERATING REVS TO BE TAXED		17,988	10,567	5,174	1,777	470	17,988	0
19									
20	REVENUE TAX FACTOR		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	REVENUE TAX ON OTHER OPER. REVS		0	0	0	0	0	0	0
22	REVENUE TAX ON COST OF SERVICE		0	0	0	0	0	0	0
23	TOTAL REVENUE TAX		0	0	0	0	0	0	0
24	TOTAL GAS COST OF SERVICE		33,271,110	19,177,469	9,760,449	3,405,603	927,591	33,271,112	2
25									
26	PROPOSED REVENUES		30,193,663	20,762,035	7,350,779	1,597,864	482,985	30,193,663	0
27	TOTAL GAS COST OF SERVICE		(33,271,110)	(19,177,469)	(9,760,449)	(3,405,603)	(927,591)	(33,271,112)	(2)
28	EXCESS REVENUES		(3,077,447)	1,584,566	(2,409,670)	(1,807,739)	(444,606)	(3,077,449)	(2)
29	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925	0.24925	0.24925	0.24925
30	EXCESS TAX		(767,054)	394,955	(600,610)	(450,581)	(110,818)	(767,054)	0
31	EXCESS RETURN		(2,310,393)	1,189,611	(1,809,060)	(1,357,158)	(333,788)	(2,310,395)	(2)

DUKE ENERGY KENTUCKY, INC.
 DISTRIBUTION DEMAND ALLOCATED - GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-5
 WITNESS RESPONSIBLE:
 JAMES E. ZIOLKOWSKI
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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL DISTRIBUTION		RS	GS/FT SMALL	GS/FT LARGE	INTERUPT	TOTAL	ALL
				DEMAND	RESIDENTIAL	GEN SERV	GEN SERV	TRANS	AT ISSUE	OTHER	
		Schedule 12	1	2	3	4	5	6			
1	DEMAND ENERGY & SPEC. ASSIGN										
2	FIRM MCF SALES	External		10,485,450	5,314,682	3,027,396	2,143,372	0	10,485,450	0	
3	RATIO TO TOTAL GAS		K201	1.00000	0.50687	0.28872	0.20441	0.00000	1.00000	0.00000	
4	AVERAGE & EXCESS INCL IT (PK & AVG)	External		100.00000	56.46700	29.52300	10.91300	3.09700	100.00000	0.00000	
5	RATIO TO TOTAL GAS		K203	1.00000	0.56467	0.29523	0.10913	0.03097	1.00000	0.00000	
6	AVERAGE & EXCESS EXCL IT (PK & AVG)	External		100.00000	58.33700	30.48000	11.18300	0.00000	100.00000	0.00000	
7	RATIO TO TOTAL GAS		K205	1.00000	0.58337	0.30480	0.11183	0.00000	1.00000	0.00000	
8	TOTAL ANNUAL MCF THROUGHPUT	External		12,030,761	5,314,682	3,027,396	2,143,372	1,545,311	12,030,761	0	
9	RATIO TO TOTAL GAS		K300	1.00000	0.44175	0.25164	0.17816	0.12845	1.00000	0.00000	
10	PURCHASED MCF SALES	External		10,485,450	5,314,682	3,027,396	2,143,372	0	10,485,450	0	
11	RATIO TO TOTAL GAS		K301	1.00000	0.50687	0.28872	0.20441	0.00000	1.00000	0.00000	
12	TOTAL CUSTOMERS	External		98,442	91,382	6,943	95	22	98,442	0	
13	RATIO TO TOTAL GAS		K401	1.00000	0.92828	0.07053	0.00097	0.00022	1.00000	0.00000	
14	WTD CUSTOMERS - SERVICES	External		104,676	91,382	12,541	256	497	104,676	0	
15	RATIO TO TOTAL GAS		K403	1.00000	0.87299	0.11981	0.00245	0.00475	1.00000	0.00000	
16	CUST ACCTG EXPENSE	External		3,624,077	3,364,168	255,602	3,497	810	3,624,077	0	
17	RATIO TO TOTAL GAS		K405	1.00000	0.92828	0.07053	0.00097	0.00022	1.00000	0.00000	
18	UNCOLLECTIBLE EXP	External		3,920	3,639	276	4	1	3,920	0	
19	RATIO TO TOTAL GAS		K406	1.00000	0.92828	0.07053	0.00097	0.00022	1.00000	0.00000	
20	CUST SERVICE & INFORMATION EXP	External		140,653	130,566	9,920	136	31	140,653	0	
21	RATIO TO TOTAL GAS		K407	1.00000	0.92828	0.07053	0.00097	0.00022	1.00000	0.00000	
22	CUSTOMER SALES EXPENSE	External		7,322	6,797	516	7	2	7,322	0	
23	RATIO TO TOTAL GAS		K408	1.00000	0.92830	0.07047	0.00096	0.00027	1.00000	0.00000	
24	METER COSTS	External		22,926,071	18,152,038	4,499,288	184,982	89,763	22,926,071.00	0	
25	RATIO TO TOTAL GAS		K413	1.00000	0.79176	0.19625	0.00807	0.00392	1.00000	0.00000	
26	CUSTOMER / DEMAND	External		100.000	62.194	25.985	9.209	2.612	100.000	0.000	
27	RATIO TO TOTAL GAS		K415	1.00000	0.62194	0.25985	0.09209	0.02612	1.00000	0.00000	
28	WEIGHTED CUST - REGULATORS	External		138,304	91,382	45,530	1,130	262	138,304	0	
29	RATIO TO TOTAL GAS		K417	1.00000	0.66074	0.32920	0.00817	0.00189	1.00000	0.00000	
30	LARGE CUSTOMERS	External		117	0	0	95	22	117	0	
31	RATIO TO TOTAL GAS		K431	1.00000	0.00000	0.00000	0.81197	0.18803	1.00000	0.00000	
32	GS INDUST, FT & IT TRANSP	External		3,688,683	0	0	2,143,372	1,545,311	3,688,683	0	
33	RATIO TO TOTAL GAS		K595	1.00000	0.00000	0.00000	0.58107	0.41893	1.00000	0.00000	
34	ASSIGN 100% TO GS OTHER	External		1	0	1	0	0	1	0	
35	RATIO TO TOTAL GAS		K597	1.00000	0.00000	1.00000	0.00000	0.00000	1.00000	0.00000	
36	ASSIGN 100% TO RS/RFT			1	1	0	0	0	1	0	
37	RATIO TO TOTAL GAS		K903	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	
38											
39	PRESENT REVENUES	K901	R600	30,193,663	20,762,035	7,350,779	1,597,864	482,985	30,193,663	0	
40	PROPOSED REVENUES	K902	R602	30,193,663	20,762,035	7,350,779	1,597,864	482,985	30,193,663	0	

DUKE ENERGY KENTUCKY, INC.
 DISTRIBUTION DEMAND ALLOCATED - GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-5
 WITNESS RESPONSIBLE:
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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL DISTRIBUTION		RS	GS	GS/FT LARGE	INTERUPT	TOTAL	ALL
				DEMAND	RESIDENTIAL	GEN SERV	GEN SERV	TRANS	AT ISSUE	OTHER	
			Schedule 12.1	1	2	3	4	5	6		
1	COMBINATION MAINS & SERVICES	Internal		148,411,114	83,803,304	43,815,413	16,196,105	4,596,292	148,411,114	0	
2	RATIO TO TOTAL GAS		K667	1.00000	0.56467	0.29523	0.10913	0.03097	1.00000	0.00000	
3	COMBINATION METERS & HOUSE REGULATORS	Internal		0	0	0	0	0	0	0	
4	RATIO TO TOTAL GAS		K697	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
5	PRESENT REVENUES	Internal		95,287,873	65,522,695	23,198,247	5,042,683	1,524,248	95,287,873	0	
6	RATIO TO TOTAL GAS		K901	1.00000	0.68763	0.24345	0.05292	0.01600	1.00000	0.00000	
7	PROPOSED REVENUES	Internal		95,287,873	65,522,695	23,198,247	5,042,683	1,524,248	95,287,873	0	
8	RATIO TO TOTAL GAS		K902	1.00000	0.68763	0.24345	0.05292	0.01600	1.00000	0.00000	
9											
10	<u>SPECIAL ALLOCATOR INFO FOR K667</u>										
11	MAINS - (2761, 2762, 2763, 2765) - Gross Plant			238,095,190	134,445,211	70,292,843	25,983,328	7,373,808	238,095,190	0	
12	SERVICES - (2801, 2802, 2803) - Gross Plant			0	0	0	0	0	0	0	
13	MAINS - (2761, 2762, 2763, 2765) - Accum Reserve			(89,684,076)	(50,641,907)	(26,477,430)	(9,787,223)	(2,777,516)	(89,684,076)	0	
14	SERVICES - (2801, 2802, 2803) - Accum Reserve			0	0	0	0	0	0	0	
15	TOTAL K667			148,411,114	83,803,304	43,815,413	16,196,105	4,596,292	148,411,114	0	
16											
17	<u>SPECIAL ALLOCATOR INFO FOR K697</u>										
18	MTRS & MTR INST (2810, 2811, 2820, 2821) - Gross Plant			0	0	0	0	0	0	0	
19	HOUSE REG & INSTALL (2830, 2840) - Gross Plant			0	0	0	0	0	0	0	
20	MTRS & MTR INST (2810, 2811, 2820, 2821) - Accum Reserve			0	0	0	0	0	0	0	
21	HOUSE REG & INSTALL (2830, 2840) - Accum Reserve			0	0	0	0	0	0	0	
22	TOTAL K697			0	0	0	0	0	0	0	
23											
24	WEIGHTED RATIOS										
25	GROSS GAS PLANT IN SERVICE										
26	WTD GROSS PROD PLANT RATIOS	Internal	P129	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
27	WTD GROSS DIST PLANT RATIOS	Internal	D149	1.00000	0.56361	0.29484	0.10992	0.03163	1.00000	0.00000	
28	WTD GROSS PTD PLT RATIOS	Internal	PD29	1.00000	0.56361	0.29484	0.10992	0.03163	1.00000	0.00000	
29	WTD GROSS G & I PLT RATIOS	Internal	G129	1.00000	0.61039	0.27577	0.09138	0.02246	1.00000	0.00000	
30	WTD GROSS C & O PLANT RATIOS	Internal	C129	1.00000	0.61039	0.27577	0.09138	0.02246	1.00000	0.00000	
31	WTD GROSS PLANT RATIOS	Internal	GP19	1.00000	0.56558	0.29404	0.10914	0.03124	1.00000	0.00000	
32	WTD DISTR ACCUM RESERVE	Internal	D199	1.00000	0.57463	0.27742	0.11418	0.03377	1.00000	0.00000	
33	WTD TOTAL DEPRC RES RATIOS	Internal	DR19	1.00000	0.57722	0.27730	0.11253	0.03295	1.00000	0.00000	
34											
35	NET GAS PLANT										
36	WTD NET PROD PLANT RATIOS	Internal	P229	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
37	WTD NET DIST PLANT RATIOS	Internal	D249	1.00000	0.55878	0.30248	0.10805	0.03069	1.00000	0.00000	
38	WTD NET G & I PLT RATIOS	Internal	G229	1.00000	0.61039	0.27577	0.09138	0.02246	1.00000	0.00000	
39	WTD NET C & O PLANT RATIOS	Internal	C229	1.00000	0.61039	0.27577	0.09138	0.02246	1.00000	0.00000	
40	WTD NET PLANT RATIOS	Internal	NP29	1.00000	0.56024	0.30172	0.10758	0.03046	1.00000	0.00000	
41											
42	WORKING CAPITAL										
43	WTD MATERIAL & SUPPLY RATIOS	Internal	W669	1.00000	0.56024	0.30172	0.10758	0.03046	1.00000	0.00000	
44	WTD PREPAYMENTS RATIOS	Internal	W689	1.00000	0.61035	0.27580	0.09140	0.02245	1.00000	0.00000	
45	WTD TOTAL WORKING CASH RATIOS	Internal	W729	1.00000	0.61039	0.27577	0.09138	0.02246	1.00000	0.00000	
46	WTD TOTAL MISC WRKNG CAP RATIO	Internal	W749	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	
47	WTD TOTAL WRKNG CAP RATIOS	Internal	WC79	1.00000	0.59389	0.28431	0.09671	0.02509	1.00000	0.00000	

DUKE ENERGY KENTUCKY, INC.
 DISTRIBUTION DEMAND ALLOCATED - GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-5
 WITNESS RESPONSIBLE:
 JAMES E. ZIOLKOWSKI
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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL DISTRIBUTION			FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				DEMAND	RS RESIDENTIAL	GS GEN SERV				
				2	3	4	5	6		
1	RATE BASE									
2	WTD NET OCRB RATIOS	Internal	RB29	1.00000	0.55926	0.30224	0.10789	0.03061	1.00000	0.00000
3	WTD TOTAL RATE BASE RATIOS	Internal	RB99	1.00000	0.55964	0.30204	0.10777	0.03055	1.00000	0.00000
4	WTD CWIP RATIO	Internal	CW29	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
5										
6	WEIGHTED O & M EXPENSE RATIOS									
7	WTD PROD COMMODITY EXP RATIOS	Internal	P349	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
8	WTD PROD O&M EXP RATIOS	Internal	P459	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
9	WTD DIST O&M EXP RATIOS	Internal	D349	1.00000	0.61039	0.27577	0.09138	0.02246	1.00000	0.00000
10	WTD CUST ACCT EXP RATIOS	Internal	CA19	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000
11	WTD CUST SERV & INFO EXP RATIOS	Internal	CS19	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000
12	WTD SALES EXP RATIOS	Internal	SE19	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000
13	WTD A&G EXP RATIOS	Internal	AG39	1.00000	0.61039	0.27577	0.09138	0.02246	1.00000	0.00000
14	WTD O&M EXP RATIOS	Internal	OM39	1.00000	0.61039	0.27577	0.09138	0.02246	1.00000	0.00000
15										
16	DEPRECIATION EXPENSES									
17	WTD PRODUCTION DEPREC RATIOS	Internal	P489	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
18	WTD DIST DEPREC RATIOS	Internal	D489	1.00000	0.55878	0.30248	0.10805	0.03069	1.00000	0.00000
19	WTD GENERAL DEPREC EXP RATIOS	Internal	G489	1.00000	0.61039	0.27577	0.09138	0.02246	1.00000	0.00000
20	WTD COM & OTHER DEP EXP RATIOS	Internal	C489	1.00000	0.61039	0.27577	0.09138	0.02246	1.00000	0.00000
21	WTD TOT DEPREC EXP RATIOS	Internal	DE49	1.00000	0.56451	0.29951	0.10620	0.02978	1.00000	0.00000
22										
23	OTHER TAXES & MISC EXPENSES									
24	WTD R. E. & PROP TAX RATIOS	Internal	L529	1.00000	0.56024	0.30172	0.10758	0.03046	1.00000	0.00000
25	WTD MISC TAX RATIOS	Internal	L589	1.00000	0.61039	0.27577	0.09138	0.02246	1.00000	0.00000
26	WTD OTHER TAX RATIOS	Internal	L599	1.00000	0.56650	0.29848	0.10556	0.02946	1.00000	0.00000
27	WTD OP EXP EX IT & REV RATIOS	Internal	OP69	1.00000	0.58819	0.28726	0.09855	0.02600	1.00000	0.00000
28										
29	TOTAL COST OF SERVICE									
30	WTD TOTAL COST OF SERVICE	Internal	CS09	1.00000	0.57640	0.29336	0.10236	0.02788	1.00000	0.00000

DUKE ENERGY KENTUCKY, INC.
 DISTRIBUTION CUSTOMER ALLOCATED - GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-6
 WITNESS RESPONSIBLE:
 JAMES E. ZIOLKOWSKI
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LINE NO.	SUMMARY OF RESULTS	ALLO	TOTAL DISTRIBUTION					TOTAL AT ISSUE	ALL OTHER
			CUSTOMER	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS		
		Schedule 1		3	4	5	6		
1	NET INCOME COMPUTATION								
2	GROSS GAS PLANT IN SERVICE		264,204,135	228,289,943	33,995,073	944,092	975,027	264,204,135	0
3	TOTAL DEPRECIATION RESERVE		(83,844,548)	(73,113,898)	(10,152,552)	(279,925)	(298,173)	(83,844,548)	0
4	TOTAL RATE BASE ADJUSTMENTS		(43,528,560)	(37,398,314)	(5,784,619)	(185,742)	(159,885)	(43,528,560)	0
5	TOTAL RATE BASE		136,831,027	117,777,731	18,057,902	478,425	516,969	136,831,027	0
6									
7	OPERATING EXPENSES								
8	TOTAL O&M EXPENSE		12,407,094	10,441,650	1,753,357	155,689	56,398	12,407,094	0
9	TOTAL DEPRECIATION EXPENSE		6,646,591	5,715,185	875,457	30,987	24,962	6,646,591	0
10	TOTAL OTHER TAX & MISC EXPENSE		1,916,180	1,647,265	251,986	9,732	7,197	1,916,180	0
11	TOTAL OP EXP EXCLUDING INC & REV TAX		20,969,865	17,804,100	2,880,800	196,408	88,557	20,969,865	0
12	NET FED INCOME TAX EXP ALLOWABLE		981,475	840,659	134,043	2,797	3,977	981,476	(1)
13	NET STATE INCOME TAX EXP ALLOWABLE		334,133	287,492	44,381	983	1,276	334,133	0
14	TOTAL OPERATING EXPENSE		22,285,473	18,932,251	3,059,224	200,188	93,810	22,285,474	(1)
15									
16	RETURN ON RATE BASE		9,825,836	8,457,618	1,296,738	34,356	37,124	9,825,836	0
17	TOTAL OTHER OPERATING REVENUES		(73,399)	(66,630)	(6,449)	(229)	(91)	(73,399)	0
18	TOTAL GAS COST OF SERVICE		32,037,910	27,323,239	4,349,513	234,315	130,843	32,037,911	(1)

DUKE ENERGY KENTUCKY, INC.
 DISTRIBUTION CUSTOMER ALLOCATED - GAS COST OF SERVICE
 CASE NO: 2018-00261
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 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-6
 WITNESS RESPONSIBLE:
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LINE NO.	GROSS GAS PLANT IN SERVICE	ALLO	TOTAL DISTRIBUTION					TOTAL AT ISSUE	ALL OTHER
			CUSTOMER	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS		
	Schedule 2			3	4	5	6		
1	PRODUCTION PLANT								
2	PRODUCTION PLANT	K205	0	0	0	0	0	0	0
3	GAS PRODUCTION - CPML NOT CLASS	K205	0	0	0	0	0	0	0
4	PRODUCTION PLANT IN SERVICE		0	0	0	0	0	0	0
5									
6	TRANSMISSION PLANT								
7	TRANSMISSION PLANT								
8	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0	0
9									
10	TOTAL PROD & TRANS PLANT		0	0	0	0	0	0	0
11									
12	DISTRIBUTION PLANT								
13	SYSTEM M&R - (2780, 2781)	K203	0	0	0	0	0	0	0
14	DIST REG EQUIP & CITY GATE M&R - (2782, 2790)	K203	0	0	0	0	0	0	0
15	LARGE IND M&R - (2850, 2851)	K595	0	0	0	0	0	0	0
16	MAINS - (2761, 2762, 2763, 2765)	K401	45,351,465	42,098,858	3,198,639	43,991	9,977	45,351,465	0
17	SERVICES - (2801, 2802, 2803)	K403	163,028,490	142,322,242	19,532,443	399,420	774,385	163,028,490	0
18	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	23,257,250	18,414,161	4,564,235	187,686	91,168	23,257,250	0
19	LAND, R OF W, STRUCT & IMPROV	K203	0	0	0	0	0	0	0
20	HOUSE REG & INSTALL (2830, 2840)	K417	12,497,082	8,257,323	4,114,039	102,101	23,619	12,497,082	0
21	STREET LIGHTING EQUIPMENT & OTH	K597	0	0	0	0	0	0	0
22	ASSET RETIREMENT COST FOR DISTRIBUTION PLANT	K203	0	0	0	0	0	0	0
23	DISTRIBUTION PLANT IN SERVICE		244,134,287	211,092,584	31,409,356	733,198	899,149	244,134,287	0
24									
25	TOTAL TRANS & DIST PLANT		244,134,287	211,092,584	31,409,356	733,198	899,149	244,134,287	0
26	TOTAL GROSS PTD PLANT		244,134,287	211,092,584	31,409,356	733,198	899,149	244,134,287	0
27									
28	GENERAL & INTANGIBLE PLANT								
29	PRODUCTION PLANT	K201	0	0	0	0	0	0	0
30	PRODUCTION PLANT COMMODITY	P349	0	0	0	0	0	0	0
31	DISTRIBUTION PLANT	D349	6,242,610	4,856,002	1,206,946	131,469	48,193	6,242,610	0
32	CUSTOMER ACCOUNTING	CA19	6,350,501	5,895,043	447,901	6,160	1,397	6,350,501	0
33	CUSTOMER SERVICE & INFORMATION	CS19	555,712	515,857	39,194	539	122	555,712	0
34	SALES	SE19	0	0	0	0	0	0	0
35	GEN & INTANG PLANT IN SERVICE		13,148,823	11,266,902	1,694,041	138,168	49,712	13,148,823	0
36									
37	COMMON & OTHER PLANT								
38	PRODUCTION PLANT	K201	0	0	0	0	0	0	0
39	PRODUCTION PLANT COMMODITY	P349	0	0	0	0	0	0	0
40	DISTRIBUTION PLANT	D349	3,285,865	2,556,009	635,289	69,200	25,367	3,285,865	0
41	CUSTOMER ACCOUNTING	CA19	3,342,655	3,102,921	235,757	3,242	735	3,342,655	0
42	CUSTOMER SERVICE & INFORMATION	CS19	292,505	271,527	20,630	284	64	292,505	0
43	SALES	SE19	0	0	0	0	0	0	0
44	COMMON & OTHER PLANT IN SERVICE		6,921,025	5,930,457	891,676	72,726	26,166	6,921,025	0
45									
46	GROSS GAS PLANT IN SERVICE		264,204,135	228,289,943	33,995,073	944,092	975,027	264,204,135	0

DUKE ENERGY KENTUCKY, INC.
 DISTRIBUTION CUSTOMER ALLOCATED - GAS COST OF SERVICE
 CASE NO: 2018-00261
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LINE NO.	DEPRECIATION RESERVE	ALLO	TOTAL DISTRIBUTION CUSTOMER	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
		Schedule 3							
1	PRODUCTION PLANT								
2	PRODUCTION PLANT	K205	0	0	0	0	0	0	0
3	TOTAL PROD DEPREC RESERVE		0	0	0	0	0	0	0
4									
5	TRANSMISSION PLANT								
6	TRANSMISSION PLANT								
7	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0	0
8									
9	DISTRIBUTION PLANT								
10	SYSTEM M&R - (2780, 2781)	K203	0	0	0	0	0	0	0
11	DIST REG EQUIP & CITY GATE M&R - (2782, 2790)	K203	0	0	0	0	0	0	0
12	LARGE IND M&R - (2850, 2851)	K595	0	0	0	0	0	0	0
13	MAINS - (2761, 2762, 2763, 2765)	K401	17,082,681	15,857,512	1,204,841	16,570	3,758	17,082,681	0
14	SERVICES - (2801, 2802, 2803)	K403	53,771,817	46,942,259	6,442,401	131,741	255,416	53,771,817	0
15	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	(2,918,585)	(2,310,819)	(572,772)	(23,553)	(11,441)	(2,918,585)	0
16	LAND, R OF W, STRUCT & IMPROV & OTH	K203	0	0	0	0	0	0	0
17	HOUSE REG & INSTALL (2830, 2840)	K417	5,133,050	3,391,612	1,689,800	41,937	9,701	5,133,050	0
18	STREET LIGHTING EQUIPMENT & OTH	K597	0	0	0	0	0	0	0
19	TOTAL DIST DEPREC RESERVE		73,068,963	63,880,564	8,764,270	166,695	257,434	73,068,963	0
20									
21	GENERAL & INTANGIBLE PLANT								
22	PRODUCTION PLANT	K201	0	0	0	0	0	0	0
23	PRODUCTION PLANT COMMODITY	P349	0	0	0	0	0	0	0
24	DISTRIBUTION PLANT	D349	2,406,043	1,871,613	465,184	50,671	18,575	2,406,043	0
25	CUSTOMER ACCOUNTING	CA19	2,447,627	2,272,084	172,631	2,374	538	2,447,627	0
26	CUSTOMER SERVICE & INFORMATION	CS19	214,184	198,823	15,106	208	47	214,184	0
27	SALES	SE19	0	0	0	0	0	0	0
28	TOTAL GEN DEPREC RESERVE		5,067,854	4,342,520	652,921	53,253	19,160	5,067,854	0
29									
30	COMMON & OTHER PLANT								
31	PRODUCTION PLANT	K201	0	0	0	0	0	0	0
32	PRODUCTION PLANT COMMODITY	P349	0	0	0	0	0	0	0
33	DISTRIBUTION PLANT	D349	2,709,835	2,107,927	523,919	57,069	20,920	2,709,835	0
34	CUSTOMER ACCOUNTING	CA19	2,756,669	2,558,961	194,428	2,674	606	2,756,669	0
35	CUSTOMER SERVICE & INFORMATION	CS19	241,227	223,926	17,014	234	53	241,227	0
36	SALES	SE19	0	0	0	0	0	0	0
37	TOTAL COM & OTHER PLT RESERVE		5,707,731	4,890,814	735,361	59,977	21,579	5,707,731	0
38									
39	TOTAL DEPRECIATION RESERVE		83,844,548	73,113,898	10,152,552	279,925	298,173	83,844,548	0

DUKE ENERGY KENTUCKY, INC.
 DISTRIBUTION CUSTOMER ALLOCATED - GAS COST OF SERVICE
 CASE NO: 2018-00261
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LINE NO.	NET GAS PLANT	ALLO	TOTAL DISTRIBUTION					TOTAL AT ISSUE	ALL OTHER
			CUSTOMER	RS RESIDENTIAL 3	GS GEN SERV 4	FT-L FIRM TRANS 5	INTERUPT TRANS 6		
1	PRODUCTION PLANT	Schedule 4							
2	PRODUCTION PLANT IN SERVICE		0	0	0	0	0	0	0
3	TOTAL PROD DEPRC RESERVE		0	0	0	0	0	0	0
4	NET PRODUCTION PLANT		0	0	0	0	0	0	0
5									
6	TRANSMISSION PLANT								
7	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0	0
8	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0	0
9	NET TRANSMISSION PLANT		0	0	0	0	0	0	0
10									
11	DISTRIBUTION PLANT								
12	DISTRIBUTION PLANT IN SERVICE		244,134,287	211,092,584	31,409,356	733,198	899,149	244,134,287	0
13	TOTAL DIST DEPREC RESERVE		(73,068,963)	(63,880,564)	(8,764,270)	(166,695)	(257,434)	(73,068,963)	0
14	NET DISTRIBUTION PLANT		171,065,324	147,212,020	22,645,086	566,503	641,715	171,065,324	0
15									
16	NET PTD PLANT		171,065,324	147,212,020	22,645,086	566,503	641,715	171,065,324	0
17	NET TRANS & DIST PLANT		171,065,324	147,212,020	22,645,086	566,503	641,715	171,065,324	0
18									
19	GENERAL & INTANGIBLE PLANT								
20	GEN & INTANG PLANT IN SERVICE		13,148,823	11,266,902	1,694,041	138,168	49,712	13,148,823	0
21	TOTAL GEN & INTG DEPREC RESERVE		(5,067,854)	(4,342,520)	(652,921)	(53,253)	(19,160)	(5,067,854)	0
22	NET GENERAL & INTANG PLANT		8,080,969	6,924,382	1,041,120	84,915	30,552	8,080,969	0
23									
24	COMMON & OTHER PLANT								
25	COMMON & OTH PLT IN SERVICE		6,921,025	5,930,457	891,676	72,726	26,166	6,921,025	0
26	TOTAL COM & OTH DEPREC RESERVE		(5,707,731)	(4,890,814)	(735,361)	(59,977)	(21,579)	(5,707,731)	0
27	NET COMMON & OTHER PLANT		1,213,294	1,039,643	156,315	12,749	4,587	1,213,294	0
28									
29	NET GAS PLANT IN SERVICE		180,359,587	155,176,045	23,842,521	664,167	676,854	180,359,587	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	SUBTRACTIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL DISTRIBUTION CUSTOMER	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	RATE BASE ADJUSTMENTS								
2	ACCUMULATED DEFERRED INCOME TAXES								
3	ACCUM DEF INC TAXES (282)	Schedule 5							
4	LIBERALIZED DEPRECIATION	NP29	23,750,073	20,434,088	3,139,522	87,400	89,063	23,750,073	0
5	LEASED METERS	K413	1,689,651	1,337,799	331,594	13,635	6,623	1,689,651	0
6	CONTRIB AID CONSTR	D249	(82,752)	(71,213)	(10,955)	(274)	(310)	(82,752)	0
7	CAPITALIZED INTEREST	NP29	(422,295)	(363,334)	(55,823)	(1,554)	(1,584)	(422,295)	0
8	AFUDC IN DEBT	NP29	113,859	97,962	15,051	419	427	113,859	0
9	CWIP DIFFERENCES	NP29	0	0	0	0	0	0	0
10	NON-CASH OVERHEADS	AG39	(288,593)	(247,287)	(37,182)	(3,033)	(1,091)	(288,593)	0
11	PLANT FAS 109	NP29	0	0	0	0	0	0	0
12	MISCELLANEOUS	AG39	5,081,507	4,354,191	654,701	53,407	19,208	5,081,507	0
13	TOTAL ACCOUNT 282		29,841,450	25,542,206	4,036,908	150,000	112,336	29,841,450	0
14									
15	ACCUM DEF INC TAXES (283)								
16	BLANK	K413	0	0	0	0	0	0	0
17	BLANK	K413	0	0	0	0	0	0	0
18	UNRECOVERED PURCHASED GAS COST	AG39	10,764	9,223	1,387	113	41	10,764	0
19	ENVIRONMENTAL RESERVE	NP29	0	0	0	0	0	0	0
20	POST IN-SERVICE CARRYING COSTS	K667	0	0	0	0	0	0	0
21	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0	0
22	LOSS ON REACQUIRED DEBT	NP29	7,687	6,614	1,016	28	29	7,687	0
23	VACATION PAY ACCRUAL	AG39	49,321	42,262	6,355	518	186	49,321	0
24	RATE CASE EXPENSE AMORT	AG39	(13,483)	(11,553)	(1,737)	(142)	(51)	(13,483)	0
25	PENSION	AG39	861,689	738,356	111,020	9,056	3,257	861,689	0
26	MISCELLANEOUS	K406	722,522	670,703	50,959	701	159	722,522	0
27	TOTAL ACCOUNT 283		1,638,500	1,455,605	169,000	10,274	3,621	1,638,500	0
28									
29	OTHER ACCUMULATED DEFERRED INCOME TAXES								
30	CUSTOMER ADVANCES FOR CONSTRUCTION	D249	706,086	607,629	93,472	2,337	2,648	706,086	0
31	CUSTOMER SERVICE DEPOSITS	D249	0	0	0	0	0	0	0
32	POST RETIREMENT BENEFITS	AG39	0	0	0	0	0	0	0
33	EDIT	NP29	14,083,944	12,117,543	1,861,757	51,829	52,815	14,083,944	0
34	TOTAL OTHER SUBTRACTIVE ADJS		14,790,030	12,725,172	1,955,229	54,166	55,463	14,790,030	0
35									
36	SUBTOTAL ACCUMULATED DEFERRED INC TAXES		46,269,980	39,722,983	6,161,137	214,440	171,420	46,269,980	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	ADDITIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL DISTRIBUTION CUSTOMER	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
			3	4	5	6			
1	OTHER ACCUMULATED DEFERRED INCOME TAXES								
2	ACCUM DEF INC TAXES (190)								
3	UNCOLLECTIBLE ACCTS	K406	3,828	3,553	270	4	1	3,828	0
4	GAS SUPPLIER REFUND	K300	0	0	0	0	0	0	0
5	UNBILLED REVENUE - FUEL & RATE REFUNDS	K300	0	0	0	0	0	0	0
6	OFFSITE GAS STORAGE	K300	0	0	0	0	0	0	0
7	GAS METERS	K413	37,579	29,754	7,375	303	147	37,579	0
8	UNAMORTIZED DEBT PREMIUM	NP29	(824)	(709)	(109)	(3)	(3)	(824)	0
9	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0	0
10	PENSION EXPENSE	AG39	99,110	84,924	12,769	1,042	375	99,110	0
11	POST RETIREMENT BENEFITS - LIFE INS	AG39	0	0	0	0	0	0	0
12	POST RETIREMENT BENEFITS - HEALTH CARE	AG39	0	0	0	0	0	0	0
13	POST EMPLOYMENT BENEFITS - SFAS 112	AG39	23,638	20,255	3,046	248	89	23,638	0
14	OPEB EXPENSE ACCRUAL	AG39	162,664	139,381	20,958	1,710	615	162,664	0
15	INCENTIVE PLAN	AG39	0	0	0	0	0	0	0
16	FEDERAL DEFERRED TAX RECEIVABLE	AG39	0	0	0	0	0	0	0
17	DSM DEFERRAL	AG39	100,734	86,315	12,979	1,059	381	100,734	0
18	PROPERTY TAX	P229	0	0	0	0	0	0	0
19	PROPERTY TAX ON PROPANE	P229	0	0	0	0	0	0	0
20	401K INCENTIVE PLAN	AG39	0	0	0	0	0	0	0
21	ENVIRONMENTAL RESERVE	NP29	71,602	61,605	9,465	263	269	71,602	0
22	VACATION PAY ACCRUALS	G129	88,088	75,480	11,349	926	333	88,088	0
23	SMART GRID	K413	0	0	0	0	0	0	0
24	METERS & TRANSFORMERS	D249	0	0	0	0	0	0	0
25	OTHER	AG39	203,910	174,724	26,272	2,143	771	203,910	0
26	TOTAL ACCOUNT 190		790,329	675,282	104,374	7,695	2,978	790,329	0
27									
28	OTHER								
29	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0	0
30	ANNUALIZE DEPRECIATION	NP29	(121,547)	(104,577)	(16,067)	(447)	(456)	(121,547)	0
31	ELIMINATE UNBILLED REVENUE AND GAS COSTS	K300	0	0	0	0	0	0	0
32	OTHER		(121,547)	(104,577)	(16,067)	(447)	(456)	(121,547)	0
33									
34	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		668,782	570,705	88,307	7,248	2,522	668,782	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	WORKING CAPITAL	ALLO	TOTAL DISTRIBUTION					TOTAL AT ISSUE	ALL OTHER
			CUSTOMER	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS		
Schedule 5.2			3	4	5	6			
1	NET ORIGINAL COST RATE BASE		134,758,389	116,023,767	17,769,691	456,975	507,956	134,758,389	0
2									
3	WORKING CAPITAL								
4									
5	PLANT MATERIALS & SUPPLIES								
6	GAS ENRICHER LIQUID	K301	0	0	0	0	0	0	0
7	OTHER SUPPLIES	NP29	514,012	442,245	67,947	1,892	1,928	514,012	0
8	TOTAL PLANT MATS. & SUPPLIES		514,012	442,245	67,947	1,892	1,928	514,012	0
9	TOTAL MATERIALS & SUPPLIES		514,012	442,245	67,947	1,892	1,928	514,012	0
10									
11	PREPAYMENTS								
12	INSURANCE GENERAL	OM39	7,739	6,513	1,094	97	35	7,739	0
13	EXCISE TAX	OM39	0	0	0	0	0	0	0
14	GAS PURCHASE	K301	0	0	0	0	0	0	0
15	TOTAL PREPAYMENTS		7,739	6,513	1,094	97	35	7,739	0
16									
17	AUTO CALC (O&M-GAS COST)/8		1,550,887	1,305,206	219,170	19,461	7,050	1,550,887	0
18	TOTAL WORKING CASH		1,550,887	1,305,206	219,170	19,461	7,050	1,550,887	0
19									
20	MISCELLANEOUS WORKING CAPITAL								
21	GAS STORED UNDERGROUND	K301	0	0	0	0	0	0	0
22	PIPP UNCOLLECTIBLES	K406	0	0	0	0	0	0	0
23	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0	0
24	TOTAL MISC WORK CAPITAL		0	0	0	0	0	0	0
25									
26	TOTAL WORKING CAPITAL		2,072,638	1,753,964	288,211	21,450	9,013	2,072,638	0
27	PRELIMINARY SUMMARY								
28	TOTAL ACCUMULATED DEFERRED INCOME TAXES		(46,269,980)	(39,722,983)	(6,161,137)	(214,440)	(171,420)	(46,269,980)	0
29	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		668,782	570,705	88,307	7,248	2,522	668,782	0
30	TOTAL WORKING CAPITAL		2,072,638	1,753,964	288,211	21,450	9,013	2,072,638	0
31	TOTAL RATE BASE ADJUSTMENTS		(43,528,560)	(37,398,314)	(5,784,619)	(185,742)	(159,885)	(43,528,560)	0
32									
33	RATE BASE CALCULATION								
34	NET GAS PLANT IN SERVICE		180,359,587	155,176,045	23,842,521	664,167	676,854	180,359,587	0
35	TOTAL RATE BASE ADJUSTMENTS		(43,528,560)	(37,398,314)	(5,784,619)	(185,742)	(159,885)	(43,528,560)	0
36	TOTAL RATE BASE		136,831,027	117,777,731	18,057,902	478,425	516,969	136,831,027	0
37									
38	TOTAL RATE OF RETURN ALLOWABLE		0.07181	0.07181	0.07181	0.07181	0.07181	0.07181	0.07181
39	RETURN ON RATE BASE		9,825,836	8,457,618	1,296,738	34,356	37,124	9,825,836	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	O&M EXPENSES	ALLO	TOTAL DISTRIBUTION					TOTAL AT ISSUE	ALL OTHER
			CUSTOMER	RS RESIDENTIAL 3	GS GEN SERV 4	FT-L FIRM TRANS 5	INTERUPT TRANS 6		
1	PRODUCTION O&M								
2	COMMODITY RELATED O&M								
3	ANNUALIZED GAS COST	K301	0	0	0	0	0	0	
4	OTHER ASSOCIATED COST	K300	0	0	0	0	0	0	
5	TOTAL COMMODITY RELATED		0	0	0	0	0	0	
6									
7	DEMAND RELATED PROD O&M								
8	ANNUALIZED GAS COST - DEMAND	K301	0	0	0	0	0	0	
9	TOTAL DEMAND RELATED		0	0	0	0	0	0	
10									
11	DEMAND RELATED & OTHER PROD O&M								
12	PRODUCTION EXPENSES	K201	0	0	0	0	0	0	
13	TOTAL DEM REL & OTH PROD O&M		0	0	0	0	0	0	
14									
15	TOTAL PRODUCTION O&M		0	0	0	0	0	0	
16									
17	TRANSMISSION O & M								
18	TRANSMISSION O & M								
19	TOTAL TRANSMISSION O & M		0	0	0	0	0	0	
20									
21	DISTRIBUTION O & M								
22	LOAD DISPATCHING	K203	0	0	0	0	0	0	
23	MAINS & SERVICES OPER	K667	1,225,576	1,083,838	134,421	2,635	4,682	1,225,576	
24	M & R STATION GENERAL	K203	0	0	0	0	0	0	
25	CUSTOMER INST & OTHER	K415	216,481	134,638	56,253	19,936	5,654	216,481	
26	METERS & HOUSE REG	K697	2,583,784	1,971,427	582,488	20,903	8,966	2,583,784	
27	MAINS	K415	345,336	214,778	89,736	31,802	9,020	345,336	
28	SERVICES	K403	596,174	520,453	71,428	1,461	2,832	596,174	
29	SUPV & ENG	D249	0	0	0	0	0	0	
30	ELIMINATE NON-KY CUSTOMER	K595	0	0	0	0	0	0	
31	INTEGRITY MANAGEMENT EXPENSES	K203	0	0	0	0	0	0	
32	OTHER DISTRIBUTION EXPENSES	K415	392,233	243,945	101,922	36,121	10,245	392,233	
33	TOTAL DISTRIBUTION O & M		5,359,584	4,169,079	1,036,248	112,858	41,399	5,359,584	
34									
35	CUSTOMER ACCOUNTING								
36	SUPERVISION & ENGINEERING	K405	185,894	172,562	13,111	180	41	185,894	
37	METER READING	K405	15,923	14,781	1,123	15	4	15,923	
38	CUSTOMER BILLING & COLLECTIONS	K405	2,595,599	2,409,442	183,068	2,518	571	2,595,599	
39	UNCOLLECTIBLE EXP	K406	(229,924)	(213,433)	(16,217)	(223)	(51)	(229,924)	
40	ELIMINATE MISC EXPENSES	K406	0	0	0	0	0	0	
41	SALE OF A/R	K406	105,421	97,861	7,435	102	23	105,421	
42	INTEREST ON CUSTOMER SERVICE DEPOSITS	K405	0	0	0	0	0	0	
43	ANNUALIZED UNCOLL EXP ON INCR	K406	0	0	0	0	0	0	
44	TOTAL CUSTOMER ACCT EXPENSE		2,672,913	2,481,213	188,520	2,592	588	2,672,913	

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 DISTRIBUTION CUSTOMER ALLOCATED - GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

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LINE NO.	O&M EXPENSES	ALLO	TOTAL					TOTAL AT ISSUE	ALL OTHER
			DISTRIBUTION CUSTOMER	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS		
		Schedule 6.1		3	4	5	6		
1	CUSTOMER SERVICE & INFORMATION								
2	TOTAL CUST SERVICE & INFO	K407	406,241	377,106	28,652	394	89	406,241	0
3	TOTAL CUSTOMER SERV. & INFO.		406,241	377,106	28,652	394	89	406,241	0
4									
5	SALES								
6	SALES EXPENSE	K408	194,128	180,210	13,680	186	52	194,128	0
7	TOTAL SALES EXPENSE		194,128	180,210	13,680	186	52	194,128	0
8									
9	ADMINISTRATIVE & GENERAL								
10	PRODUCTION PLANT DEMAND	P349	0	0	0	0	0	0	0
11	PRODUCTION PLANT COMMODITY	K301	0	0	0	0	0	0	0
12	DISTRIBUTION PLANT	D349	1,776,871	1,382,193	343,540	37,421	13,717	1,776,871	0
13	CUSTOMER ACCOUNTING	CA19	1,807,581	1,677,941	127,489	1,753	398	1,807,581	0
14	CUSTOMER SERVICE & INFORMATION	CS19	158,176	146,832	11,156	153	35	158,176	0
15	SALES	SE19	0	0	0	0	0	0	0
16	TOT ADMIN & GEN LESS REG EXP		3,742,628	3,206,966	482,185	39,327	14,150	3,742,628	0
17	AMORTIZATION RATE CASE EXPENSE	AG39	61,858	53,004	7,970	650	234	61,858	0
18	INCENTIVE COMPENSATION	AG39	(149,014)	(127,686)	(19,199)	(1,566)	(563)	(149,014)	0
19	ELIMINATE MISCELLANEOUS EXPENSES	AG39	(173,094)	(148,320)	(22,301)	(1,819)	(654)	(173,094)	0
20	ELIMINATE NON-JURISDICTIONAL EXPENSES	NP29	0	0	0	0	0	0	0
21	AMORTIZATION OF DEFERRED EXP	AG39	291,850	250,078	37,602	3,067	1,103	291,850	0
22	STATE REG COMMISSION EXPENSES	AG39	0	0	0	0	0	0	0
23	STATE REG COM EXP ANN ADJ.	AG39	0	0	0	0	0	0	0
24	AMORTIZE CAMERA WORK	AG39	0	0	0	0	0	0	0
25	ELIMINATE MERGER EXPENSE	AG39	0	0	0	0	0	0	0
26	SMART GRID AMORTIZATION ADJUSTMENT	K413	0	0	0	0	0	0	0
27	AMORTIZE 2011 SMART GRID DEFERRED O&M	K413	0	0	0	0	0	0	0
28	INCREASED MEDICAL COSTS	AG39	0	0	0	0	0	0	0
29	AMORTIZE GAS FURNACE PROGRAM	NP29	0	0	0	0	0	0	0
30	AMORTIZATION OF MGP DEFERRED EXP	NP29	0	0	0	0	0	0	0
31	TOTAL ADMIN. & GENERAL		3,774,228	3,234,042	486,257	39,659	14,270	3,774,228	0
32									
33	TOTAL O & M EXPENSE		12,407,094	10,441,650	1,753,357	155,689	56,398	12,407,094	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	DEPRECIATION EXPENSE	ALLO	TOTAL DISTRIBUTION CUSTOMER	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
		Schedule 7		3	4	5	6		
1	PRODUCTION DEPRECIATION								
2	PRODUCTION DEPRECIATION	P229	0	0	0	0	0	0	0
3	TOTAL PRODUCTION DEPREC EXP.		0	0	0	0	0	0	0
4									
5	TRANSMISSION DEPRECIATION								
6	TOTAL TRANSMISSION DEP. EXP.		0	0	0	0	0	0	0
7									
8	DISTRIBUTION DEPRECIATION								
9	DISTRIBUTION DEPRECIATION	D249	5,398,436	4,645,678	714,645	17,869	20,244	5,398,436	0
10	TOTAL DIST. DEPREC EXP.		5,398,436	4,645,678	714,645	17,869	20,244	5,398,436	0
11									
12	GENERAL DEPRECIATION								
13	GENERAL DEPRECIATION	G229	1,179,672	1,010,826	151,989	12,398	4,459	1,179,672	0
14	TOTAL GENERAL DEPREC EXP.		1,179,672	1,010,826	151,989	12,398	4,459	1,179,672	0
15									
16	COMMON AND OTHER DEPRECIATION								
17	COMMON DEPRECIATION	C229	68,483	58,681	8,823	720	259	68,483	0
18	TOTAL COM & OTHER DEPREC EXP.		68,483	58,681	8,823	720	259	68,483	0
19									
20									
21	TOTAL DEPRECIATION EXPENSE		6,646,591	5,715,185	875,457	30,987	24,962	6,646,591	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	OTHER TAXES & MISC EXPENSES	ALLO	TOTAL DISTRIBUTION					TOTAL AT ISSUE	ALL OTHER
			CUSTOMER	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS		
				3	4	5	6		
1	TAXES OTHER THAN INC & REV								
2	REAL ESTATE & PROPERTY TAX								
3	REAL ESTATE & PROPERTY TAX	NP29	1,523,827	1,311,070	201,435	5,608	5,714	1,523,827	0
4	ANNUALIZE PROPERTY TAX	NP29	0	0	0	0	0	0	0
5	TOTAL REAL ESTATE & PROPERTY TAX		1,523,827	1,311,070	201,435	5,608	5,714	1,523,827	0
6									
7	MISCELLANEOUS TAXES								
8	PAYROLL & HIGHWAY	AG39	381,022	326,486	49,091	4,005	1,440	381,022	0
9	UNEMPLOYMENT COMPENSATION	AG39	0	0	0	0	0	0	0
10	OHIO EXCISE TAX	OM39	0	0	0	0	0	0	0
11	STATE TAX RIDER	OM39	0	0	0	0	0	0	0
12	TOTAL MISCELLANEOUS TAXES		381,022	326,486	49,091	4,005	1,440	381,022	0
13									
14	MISCELLANEOUS EXPENSES								
15	PSC MAINT. EXP ON INCREASE	AG39	11,331	9,709	1,460	119	43	11,331	0
16	RESERVED FOR FUTURE USE	AG39	0	0	0	0	0	0	0
17	TOTAL MISCELLANEOUS EXPENSES		11,331	9,709	1,460	119	43	11,331	0
18									
19	TOTAL OTHER TAX & MISC EXPENSE		1,916,180	1,647,265	251,986	9,732	7,197	1,916,180	0
20									
21	PRELIMINARY SUMMARY								
22	TOTAL O&M EXPENSE		12,407,094	10,441,650	1,753,357	155,689	56,398	12,407,094	0
23	TOTAL DEPRECIATION EXPENSE		6,646,591	5,715,185	875,457	30,987	24,962	6,646,591	0
24	TOTAL OTHER TAX & MISC EXPENSE		1,916,180	1,647,265	251,986	9,732	7,197	1,916,180	0
25	TOTAL OPER EXP EXCL INCOME & REV TAX		20,969,865	17,804,100	2,880,800	196,408	88,557	20,969,865	0

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LINE NO.	FEDERAL INCOME TAX BASED ON RETURN	ALLO	TOTAL DISTRIBUTION CUSTOMER	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER	
			Schedule 9							
				3	4	5	6			
1	FEDERAL INCOME TAX DEDUCTIONS									
2	AUTOMATIC INTEREST CALCULATION									
3	AUTO PROC INTEREST DED	RB99	2,949,490	2,538,774	389,244	10,323	11,149	2,949,490	0	
4	TOTAL INTEREST EXPENSE		2,949,490	2,538,774	389,244	10,323	11,149	2,949,490	0	
5										
6	OTHER DEDUCTIONS									
7	DEPREC EXCESS TAX-BOOK	DE49	2,940,610	2,528,513	387,337	13,703	11,057	2,940,610	0	
8	PERMANENT DIFFERENCES	AG39	(53,556)	(45,891)	(6,900)	(563)	(202)	(53,556)	0	
9	TEMPORARY DIFFERENCES	DE49	106,666	91,718	14,050	497	401	106,666	0	
10	TOTAL OTHER DEDUCTIONS		2,993,720	2,574,340	394,487	13,637	11,256	2,993,720	0	
11										
12	NET DEDUCTIONS AND ADDITIONS		5,943,210	5,113,114	783,731	23,960	22,405	5,943,210	0	
13										
14	FED DEFERRED INCOME TAX (410 & 411)									
15	DEFERRED INCOME TAXES - NET	OM39	262,043	220,530	37,032	3,289	1,192	262,043	0	
16	AMORT OF DEFERRED MERGER COST	AG39	0	0	0	0	0	0	0	
17	DIT ADJUSTMENT - S/L DEPRECIATION	DE49	0	0	0	0	0	0	0	
18	DIT ADJUSTMENT - ARAM	K201	0	0	0	0	0	0	0	
19	DIT ADJUSTMENT - AMORT OF EXCESS DEF TAXES	AG39	(314,911)	(269,838)	(40,573)	(3,310)	(1,190)	(314,911)	0	
20	TOTAL FED DEF IT (410 & 411)		(52,868)	(49,308)	(3,541)	(21)	2	(52,868)	0	
21										
22	AMORT INV TAX CREDIT									
23	AMORTIZE ITC	NP29	29,703	25,557	3,926	109	111	29,703	0	
24	TOTAL AMORTIZED ITC		29,703	25,557	3,926	109	111	29,703	0	
25										
26	TEST YEAR INV TAX CREDIT									
27	PROV INVEST TAX CREDIT	NP29	0	0	0	0	0	0	0	
28	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0	
29										
30	PRELIMINARY SUMMARY									
31	TOTAL FED DEF IT (410 & 411)		(52,868)	(49,308)	(3,541)	(21)	2	(52,868)	0	
32	TOTAL AMORTIZED ITC		(29,703)	(25,557)	(3,926)	(109)	(111)	(29,703)	0	
33	TOTAL FEDERAL TAX ADJUSTMENTS		(82,571)	(74,865)	(7,467)	(130)	(109)	(82,571)	0	
34										
35	FEDERAL INCOME TAX COMPUTATION									
36	RETURN ON RATE BASE		9,825,836	8,457,618	1,296,738	34,356	37,124	9,825,836	0	
37	NET DEDUCTIONS AND ADDITIONS		(5,943,210)	(5,113,114)	(783,731)	(23,960)	(22,405)	(5,943,210)	0	
38	TOTAL STATE PROV DEF IT (410 & 411)		202,786	174,474	26,806	746	760	202,786	0	
39	TOTAL FEDERAL TAX ADJUSTMENTS		(82,571)	(74,865)	(7,467)	(130)	(109)	(82,571)	0	
40	BASE FOR FIT COMPUTATION		4,002,841	3,444,113	532,346	11,012	15,370	4,002,841	0	
41										
42	FIT FACTOR K190/(1-K190)		0.26582	0.26582	0.26582	0.26582	0.26582		0.26582	
43	PRELIM FED INCOME TAX		1,064,046	915,524	141,510	2,927	4,086	1,064,047	0	
44	TOTAL FEDERAL TAX ADJUSTMENTS		(82,571)	(74,865)	(7,467)	(130)	(109)	(82,571)	0	
45	NET FED INCOME TAX ALLOWABLE		981,475	840,659	134,043	2,797	3,977	981,476	0	
46										
47	INCOME TAX BASED ON RETURN									
48	FEDERAL INCOME TAX PAYABLE									
49	PRELIM FEDERAL INCOME TAX		1,064,046	915,524	141,510	2,927	4,086	1,064,047	0	
50	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0	
51	NET FED INCOME TAX PAYABLE		1,064,046	915,524	141,510	2,927	4,086	1,064,047	0	
52										
53	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.2492512	0.24925		0.24925	

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LINE NO.	COST OF SERVICE COMPUTATION	ALLO	TOTAL DISTRIBUTION					TOTAL AT ISSUE	ALL OTHER
			CUSTOMER	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS		
		Schedule 10		3	4	5	6		
1	OTHER OPERATING REVENUES								
2	MISC SERVICE REVENUE	K401	50,100	46,506	3,534	49	11	50,100	0
3	INTERDEPARTMENTAL	AG39	14,922	12,786	1,923	157	56	14,922	0
4	OTH MISC REVENUE	K401	1,896	1,760	134	2	0	1,896	0
5	RENTS	D249	6,481	5,578	858	21	24	6,481	0
6	IT TRANSPORT SPECIAL CONTRACTS	AG39	0	0	0	0	0	0	0
7	TOTAL OTHER OPERATING REVS		73,399	66,630	6,449	229	91	73,399	0
8									
9	COST OF SERVICE COMPUTATION								
10	TOTAL OP EXP EXC INC & REV TAX		20,969,865	17,804,100	2,880,800	196,408	88,557	20,969,865	0
11	RETURN ON RATE BASE		9,825,836	8,457,618	1,296,738	34,356	37,124	9,825,836	0
12	NET FED INCOME TAX ALLOWABLE		981,475	840,659	134,043	2,797	3,977	981,476	0
13	TOTAL OTHER OPERATING REVENUES		(73,399)	(66,630)	(6,449)	(229)	(91)	(73,399)	0
14	SUBTOTAL B		31,703,777	27,035,747	4,305,132	233,332	129,567	31,703,778	1
15									
16	TOTAL OTHER OPERATING REVENUES		73,399	66,630	6,449	229	91	73,399	0
17	LESS: REVS EXCL FROM REV TAX CALC		0	0	0	0	0	0	0
18	OTHER OPERATING REVS TO BE TAXED		73,399	66,630	6,449	229	91	73,399	0
19									
20	REVENUE TAX FACTOR		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	REVENUE TAX ON OTHER OPER. REVS		0	0	0	0	0	0	0
22	REVENUE TAX ON COST OF SERVICE		0	0	0	0	0	0	0
23	TOTAL REVENUE TAX		0	0	0	0	0	0	0
24	TOTAL GAS COST OF SERVICE		31,703,777	27,035,747	4,305,132	233,332	129,567	31,703,778	1
25									
26	PROPOSED REVENUES		28,771,426	19,784,063	7,004,529	1,522,599	460,235	28,771,426	0
27	TOTAL GAS COST OF SERVICE		(31,703,777)	(27,035,747)	(4,305,132)	(233,332)	(129,567)	(31,703,778)	(1)
28	EXCESS REVENUES		(2,932,351)	(7,251,684)	2,699,397	1,289,267	330,668	(2,932,352)	(1)
29	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925	0.24925	0.24925	0.24925
30	EXCESS TAX		(730,888)	(1,807,482)	672,825	321,351	82,419	(730,887)	0
31	EXCESS RETURN		(2,201,463)	(5,444,202)	2,026,572	967,916	248,249	(2,201,465)	(1)

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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL DISTRIBUTION						TOTAL AT ISSUE	ALL OTHER
				CUSTOMER	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS			
		Schedule 12	1	2	3	4	5	6			
1	DEMAND ENERGY & SPEC. ASSIGN										
2	FIRM MCF SALES	External		10,485,450	5,314,682	3,027,396	2,143,372	0	10,485,450	0	
3	RATIO TO TOTAL GAS		K201	1.00000	0.50687	0.28872	0.20441	0.00000	1.00000	0.00000	
4	AVERAGE & EXCESS INCL IT (PK & AVG)	External		100.00000	56.46700	29.52300	10.91300	3.09700	100.00000	0.00000	
5	RATIO TO TOTAL GAS		K203	1.00000	0.56467	0.29523	0.10913	0.03097	1.00000	0.00000	
6	AVERAGE & EXCESS EXCL IT (PK & AVG)	External		100.00000	58.33700	30.48000	11.18300	0.00000	100.00000	0.00000	
7	RATIO TO TOTAL GAS		K205	1.00000	0.58337	0.30480	0.11183	0.00000	1.00000	0.00000	
8	TOTAL ANNUAL MCF THROUGHPUT	External		12,030,761	5,314,682	3,027,396	2,143,372	1,545,311	12,030,761	0	
9	RATIO TO TOTAL GAS		K300	1.00000	0.44175	0.25164	0.17816	0.12845	1.00000	0.00000	
10	PURCHASED MCF SALES	External		10,485,450	5,314,682	3,027,396	2,143,372	0	10,485,450	0	
11	RATIO TO TOTAL GAS		K301	1.00000	0.50687	0.28872	0.20441	0.00000	1.00000	0.00000	
12	TOTAL CUSTOMERS	External		98,442	91,382	6,943	95	22	98,442	0	
13	RATIO TO TOTAL GAS		K401	1.00000	0.92828	0.07053	0.00097	0.00022	1.00000	0.00000	
14	WTD CUSTOMERS - SERVICES	External		104,676	91,382	12,541	256	497	104,676	0	
15	RATIO TO TOTAL GAS		K403	1.00000	0.87299	0.11981	0.00245	0.00475	1.00000	0.00000	
16	CUST ACCTG EXPENSE	External		3,624,077	3,364,168	255,602	3,497	810	3,624,077	0	
17	RATIO TO TOTAL GAS		K405	1.00000	0.92828	0.07053	0.00097	0.00022	1.00000	0.00000	
18	UNCOLLECTIBLE EXP	External		3,920	3,639	276	4	1	3,920	0	
19	RATIO TO TOTAL GAS		K406	1.00000	0.92828	0.07053	0.00097	0.00022	1.00000	0.00000	
20	CUST SERVICE & INFORMATION EXP	External		140,653	130,566	9,920	136	31	140,653	0	
21	RATIO TO TOTAL GAS		K407	1.00000	0.92828	0.07053	0.00097	0.00022	1.00000	0.00000	
22	CUSTOMER SALES EXPENSE	External		7,322	6,797	516	7	2	7,322	0	
23	RATIO TO TOTAL GAS		K408	1.00000	0.92830	0.07047	0.00096	0.00027	1.00000	0.00000	
24	METER COSTS	External		22,926,071	18,152,038	4,499,288	184,982	89,763	22,926,071.00	0	
25	RATIO TO TOTAL GAS		K413	1.00000	0.79176	0.19625	0.00807	0.00392	1.00000	0.00000	
26	CUSTOMER / DEMAND	External		100.000	62.194	25.985	9.209	2.612	100.000	0.000	
27	RATIO TO TOTAL GAS		K415	1.00000	0.62194	0.25985	0.09209	0.02612	1.00000	0.00000	
28	WEIGHTED CUST - REGULATORS	External		138,304	91,382	45,530	1,130	262	138,304	0	
29	RATIO TO TOTAL GAS		K417	1.00000	0.66074	0.32920	0.00817	0.00189	1.00000	0.00000	
30	LARGE CUSTOMERS	External		117	0	0	95	22	117	0	
31	RATIO TO TOTAL GAS		K431	1.00000	0.00000	0.00000	0.81197	0.18803	1.00000	0.00000	
32	GS INDUST, FT & IT TRANSP	External		3,688,683	0	0	2,143,372	1,545,311	3,688,683	0	
33	RATIO TO TOTAL GAS		K595	1.00000	0.00000	0.00000	0.58107	0.41893	1.00000	0.00000	
34	ASSIGN 100% TO GS OTHER	External		1	0	1	0	0	1	0	
35	RATIO TO TOTAL GAS		K597	1.00000	0.00000	1.00000	0.00000	0.00000	1.00000	0.00000	
36	ASSIGN 100% TO RS/RFT			1	1	0	0	0	1	0	
37	RATIO TO TOTAL GAS		K903	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	
38											
39	PRESENT REVENUES	K901	R600	28,771,426	19,784,063	7,004,529	1,522,599	460,235	28,771,426	0	
40	PROPOSED REVENUES	K902	R602	28,771,426	19,784,063	7,004,529	1,522,599	460,235	28,771,426	0	

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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL DISTRIBUTION						TOTAL AT ISSUE	ALL OTHER
				CUSTOMER	RESIDENTIAL	GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS			
		Schedule 12.1	1	2	3	4	5	6			
1	COMBINATION MAINS & SERVICES	Internal		137,525,457	121,621,329	15,083,840	295,100	525,188	137,525,457	0	
2	RATIO TO TOTAL GAS		K667	1.00000	0.88435	0.10968	0.00215	0.00382	1.00000	0.00000	
3	COMBINATION METERS & HOUSE REGULATORS	Internal		33,539,867	25,590,691	7,561,246	271,403	116,527	33,539,867	0	
4	RATIO TO TOTAL GAS		K697	1.00000	0.76300	0.22544	0.00809	0.00347	1.00000	0.00000	
5	PRESENT REVENUES	Internal		95,287,873	65,522,695	23,198,247	5,042,683	1,524,248	95,287,873	0	
6	RATIO TO TOTAL GAS		K901	1.00000	0.68763	0.24345	0.05292	0.01600	1.00000	0.00000	
7	PROPOSED REVENUES	Internal		95,287,873	65,522,695	23,198,247	5,042,683	1,524,248	95,287,873	0	
8	RATIO TO TOTAL GAS		K902	1.00000	0.68763	0.24345	0.05292	0.01600	1.00000	0.00000	
9											
10	<u>SPECIAL ALLOCATOR INFO FOR K667</u>										
11	MAINS - (2761, 2762, 2763, 2765) - Gross Plant			45,351,465	42,098,858	3,198,639	43,991	9,977	45,351,465	0	
12	SERVICES - (2801, 2802, 2803) - Gross Plant			163,028,490	142,322,242	19,532,443	399,420	774,385	163,028,490	0	
13	MAINS - (2761, 2762, 2763, 2765) - Accum Reserve			(17,082,681)	(15,857,512)	(1,204,841)	(16,570)	(3,758)	(17,082,681)	0	
14	SERVICES - (2801, 2802, 2803) - Accum Reserve			(53,771,817)	(46,942,259)	(6,442,401)	(131,741)	(255,416)	(53,771,817)	0	
15	TOTAL K667			137,525,457	121,621,329	15,083,840	295,100	525,188	137,525,457	0	
16											
17	<u>SPECIAL ALLOCATOR INFO FOR K697</u>										
18	MTRS & MTR INST (2810, 2811, 2820, 2821) - Gross Plant			23,257,250	18,414,161	4,564,235	187,686	91,168	23,257,250	0	
19	HOUSE REG & INSTALL (2830, 2840) - Gross Plant			12,497,082	8,257,323	4,114,039	102,101	23,619	12,497,082	0	
20	MTRS & MTR INST (2810, 2811, 2820, 2821) - Accum Reserve			2,918,585	2,310,819	572,772	23,553	11,441	2,918,585	0	
21	HOUSE REG & INSTALL (2830, 2840) - Accum Reserve			(5,133,050)	(3,391,612)	(1,689,800)	(41,937)	(9,701)	(5,133,050)	0	
22	TOTAL K697			33,539,867	25,590,691	7,561,246	271,403	116,527	33,539,867	0	
23											
24	WEIGHTED RATIOS										
25	GROSS GAS PLANT IN SERVICE										
26	WTD GROSS PROD PLANT RATIOS	Internal	P129	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
27	WTD GROSS DIST PLANT RATIOS	Internal	D149	1.00000	0.86466	0.12866	0.00300	0.00368	1.00000	0.00000	
28	WTD GROSS PTD PLT RATIOS	Internal	PD29	1.00000	0.86466	0.12866	0.00300	0.00368	1.00000	0.00000	
29	WTD GROSS G & I PLT RATIOS	Internal	G129	1.00000	0.85687	0.12884	0.01051	0.00378	1.00000	0.00000	
30	WTD GROSS C & O PLANT RATIOS	Internal	C129	1.00000	0.85687	0.12884	0.01051	0.00378	1.00000	0.00000	
31	WTD GROSS PLANT RATIOS	Internal	GP19	1.00000	0.86407	0.12867	0.00357	0.00369	1.00000	0.00000	
32	WTD DISTR ACCUM RESERVE	Internal	D199	1.00000	0.87425	0.11995	0.00228	0.00352	1.00000	0.00000	
33	WTD TOTAL DEPRC RES RATIOS	Internal	DR19	1.00000	0.87201	0.12109	0.00334	0.00356	1.00000	0.00000	
34											
35	NET GAS PLANT										
36	WTD NET PROD PLANT RATIOS	Internal	P229	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
37	WTD NET DIST PLANT RATIOS	Internal	D249	1.00000	0.86056	0.13238	0.00331	0.00375	1.00000	0.00000	
38	WTD NET G & I PLT RATIOS	Internal	G229	1.00000	0.85687	0.12884	0.01051	0.00378	1.00000	0.00000	
39	WTD NET C & O PLANT RATIOS	Internal	C229	1.00000	0.85687	0.12884	0.01051	0.00378	1.00000	0.00000	
40	WTD NET PLANT RATIOS	Internal	NP29	1.00000	0.86038	0.13219	0.00368	0.00375	1.00000	0.00000	
41											
42	WORKING CAPITAL										
43	WTD MATERIAL & SUPPLY RATIOS	Internal	W669	1.00000	0.86038	0.13219	0.00368	0.00375	1.00000	0.00000	
44	WTD PREPAYMENTS RATIOS	Internal	W689	1.00000	0.84159	0.14136	0.01253	0.00452	1.00000	0.00000	
45	WTD TOTAL WORKING CASH RATIOS	Internal	W729	1.00000	0.84158	0.14132	0.01255	0.00455	1.00000	0.00000	
46	WTD TOTAL MISC WRKNG CAP RATIO	Internal	W749	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000	
47	WTD TOTAL WRKNG CAP RATIOS	Internal	WC79	1.00000	0.84624	0.13906	0.01035	0.00435	1.00000	0.00000	

DUKE ENERGY KENTUCKY, INC.
 DISTRIBUTION CUSTOMER ALLOCATED - GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-6
 WITNESS RESPONSIBLE:
 JAMES E. ZIOLKOWSKI
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LINE NO.	ALLOCATORS	SOURCE	ALLO	TOTAL DISTRIBUTION						TOTAL AT ISSUE	ALL OTHER
				CUSTOMER	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS			
				2	3	4	5	6			
1	RATE BASE										
2	WTD NET OCRB RATIOS	Internal	RB29	1.00000	0.86098	0.13186	0.00339	0.00377	1.00000	0.00000	
3	WTD TOTAL RATE BASE RATIOS	Internal	RB99	1.00000	0.86075	0.13197	0.00350	0.00378	1.00000	0.00000	
4	WTD CWIP RATIO	Internal	CW29	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
5											
6	WEIGHTED O & M EXPENSE RATIOS										
7	WTD PROD COMMODITY EXP RATIOS	Internal	P349	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
8	WTD PROD O&M EXP RATIOS	Internal	P459	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
9	WTD DIST O&M EXP RATIOS	Internal	D349	1.00000	0.77788	0.19334	0.02106	0.00772	1.00000	0.00000	
10	WTD CUST ACCT EXP RATIOS	Internal	CA19	1.00000	0.92828	0.07053	0.00097	0.00022	1.00000	0.00000	
11	WTD CUST SERV & INFO EXP RATIOS	Internal	CS19	1.00000	0.92828	0.07053	0.00097	0.00022	1.00000	0.00000	
12	WTD SALES EXP RATIOS	Internal	SE19	1.00000	0.92830	0.07047	0.00096	0.00027	1.00000	0.00000	
13	WTD A&G EXP RATIOS	Internal	AG39	1.00000	0.85687	0.12884	0.01051	0.00378	1.00000	0.00000	
14	WTD O&M EXP RATIOS	Internal	OM39	1.00000	0.84158	0.14132	0.01255	0.00455	1.00000	0.00000	
15											
16	DEPRECIATION EXPENSES										
17	WTD PRODUCTION DEPREC RATIOS	Internal	P489	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
18	WTD DIST DEPREC RATIOS	Internal	D489	1.00000	0.86056	0.13238	0.00331	0.00375	1.00000	0.00000	
19	WTD GENERAL DEPREC EXP RATIOS	Internal	G489	1.00000	0.85687	0.12884	0.01051	0.00378	1.00000	0.00000	
20	WTD COM & OTHER DEP EXP RATIOS	Internal	C489	1.00000	0.85688	0.12883	0.01051	0.00378	1.00000	0.00000	
21	WTD TOT DEPREC EXP RATIOS	Internal	DE49	1.00000	0.85986	0.13172	0.00466	0.00376	1.00000	0.00000	
22											
23	OTHER TAXES & MISC EXPENSES										
24	WTD R. E. & PROP TAX RATIOS	Internal	L529	1.00000	0.86038	0.13219	0.00368	0.00375	1.00000	0.00000	
25	WTD MISC TAX RATIOS	Internal	L589	1.00000	0.85687	0.12884	0.01051	0.00378	1.00000	0.00000	
26	WTD OTHER TAX RATIOS	Internal	L599	1.00000	0.85966	0.13150	0.00508	0.00376	1.00000	0.00000	
27	WTD OP EXP EX IT & REV RATIOS	Internal	OP69	1.00000	0.84903	0.13738	0.00937	0.00422	1.00000	0.00000	
28											
29	TOTAL COST OF SERVICE										
30	WTD TOTAL COST OF SERVICE	Internal	CS09	1.00000	0.85276	0.13579	0.00736	0.00409	1.00000	0.00000	

DUKE ENERGY KENTUCKY, INC.
TOTAL CLASS ALLOCATED - GAS COST OF SERVICE
CASE NO: 2018-00261
DATA: 12 MONTH FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-8
WITNESS RESPONSIBLE:
JAMES E. ZIOLKOWSKI
PAGE 2 OF 15

LINE NO.	GROSS GAS PLANT IN SERVICE	ALLO	TOTAL CLASS ALLOCATED	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	PRODUCTION PLANT								
2	PRODUCTION PLANT	K205	2,799,608	1,633,207	853,321	313,080	0	2,799,608	0
3	GAS PRODUCTION -CPMPL NOT CLASS	K205	0	0	0	0	0	0	0
4	PRODUCTION PLANT IN SERVICE		2,799,608	1,633,207	853,321	313,080	0	2,799,608	0
5									
6	TRANSMISSION PLANT								
7	TRANSMISSION PLANT								
8	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0	0
9									
10	TOTAL PROD & TRANS PLANT		2,799,608	1,633,207	853,321	313,080	0	2,799,608	0
11									
12	DISTRIBUTION PLANT								
13	SYSTEM M&R - (2780, 2781)	K203	8,194,914	4,627,423	2,419,384	894,311	253,796	8,194,914	0
14	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	2,419,176	1,366,036	714,213	264,005	74,922	2,419,176	0
15	LARGE IND M&R - (2850, 2851)	K595	519,875	0	0	302,084	217,791	519,875	0
16	MAINS - (2761, 2762, 2763, 2765)	K415	283,446,655	176,544,069	73,491,482	26,027,319	7,383,785	283,446,655	0
17	SERVICES - (2801, 2802, 2803)	K403	163,028,490	142,322,242	19,532,443	399,420	774,385	163,028,490	0
18	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	23,257,250	18,414,161	4,564,235	187,686	91,168	23,257,250	0
19	LAND, R OF W, STRUCT & IMPROV	K203	1,460,393	824,640	431,152	159,373	45,228	1,460,393	0
20	HOUSE REG & INSTALL (2830, 2840)	K417	12,497,082	8,257,323	4,114,039	102,101	23,619	12,497,082	0
21	STREET LIGHTING EQUIPMENT & OTH	K597	49,737	0	49,737	0	0	49,737	0
22	ASSET RETIREMENT COST FOR DISTRIBUTION PLANT	K203	53,610,236	30,272,092	15,827,350	5,850,485	1,660,309	53,610,236	0
23	DISTRIBUTION PLANT IN SERVICE		548,483,808	382,627,986	121,144,035	34,186,784	10,525,003	548,483,808	0
24									
25	TOTAL TRANS & DIST PLANT		548,483,808	382,627,986	121,144,035	34,186,784	10,525,003	548,483,808	0
26	TOTAL GROSS PTD PLANT		551,283,416	384,261,193	121,997,356	34,499,864	10,525,003	551,283,416	0
27									
28	GENERAL & INTANGIBLE PLANT								
29	PRODUCTION PLANT	K201	1,418,707	719,100	409,609	289,998	0	1,418,707	0
30	PRODUCTION PLANT COMMODITY	P349	1,109,764	560,619	319,335	226,092	3,718	1,109,764	0
31	DISTRIBUTION PLANT	D349	15,031,206	10,220,473	3,630,577	934,571	245,585	15,031,206	0
32	CUSTOMER ACCOUNTING	CA19	6,350,501	5,895,043	447,901	6,160	1,397	6,350,501	0
33	CUSTOMER SERVICE & INFORMATION	CS19	555,712	515,857	39,194	539	122	555,712	0
34	SALES	SE19	0	0	0	0	0	0	0
35	GEN & INTANG PLANT IN SERVICE		24,465,890	17,911,092	4,846,616	1,457,360	250,822	24,465,890	0
36									
37	COMMON & OTHER PLANT								
38	PRODUCTION PLANT	K201	746,752	378,506	215,602	152,644	0	746,752	0
39	PRODUCTION PLANT COMMODITY	P349	584,136	295,088	168,085	119,006	1,957	584,136	0
40	DISTRIBUTION PLANT	D349	7,911,837	5,379,657	1,910,993	491,921	129,266	7,911,837	0
41	CUSTOMER ACCOUNTING	CA19	3,342,655	3,102,921	235,757	3,242	735	3,342,655	0
42	CUSTOMER SERVICE & INFORMATION	CS19	292,505	271,527	20,630	284	64	292,505	0
43	SALES	SE19	0	0	0	0	0	0	0
44	COMMON & OTHER PLANT IN SERVICE		12,877,885	9,427,699	2,551,067	767,097	132,022	12,877,885	0
45									
46	GROSS GAS PLANT IN SERVICE		588,627,191	411,599,984	129,395,039	36,724,321	10,907,847	588,627,191	0

DUKE ENERGY KENTUCKY, INC.
TOTAL CLASS ALLOCATED - GAS COST OF SERVICE
CASE NO: 2018-00261
DATA: 12 MONTH FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-8
WITNESS RESPONSIBLE:
JAMES E. ZIOLKOWSKI
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LINE NO.	DEPRECIATION RESERVE	ALLO	TOTAL CLASS ALLOCATED	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER	
				3	4	5	6			
				Schedule 3						
1	PRODUCTION PLANT									
2	PRODUCTION PLANT	K205	1,634,598	953,576	498,225	182,797	0	1,634,598	0	
3	TOTAL PROD DEPREC RESERVE		1,634,598	953,576	498,225	182,797	0	1,634,598	0	
4										
5	TRANSMISSION PLANT									
6	TRANSMISSION PLANT									
7	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0	0	
8										
9	DISTRIBUTION PLANT									
10	SYSTEM M&R - (2780, 2781)	K203	2,957,792	1,670,176	873,229	322,784	91,603	2,957,792	0	
11	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	1,110,309	626,958	327,797	121,168	34,386	1,110,309	0	
12	LARGE IND M&R - (2850, 2851)	K595	498,099	0	0	289,430	208,669	498,099	0	
13	MAINS - (2761, 2762, 2763, 2765)	K415	106,766,757	66,499,419	27,682,271	9,803,793	2,781,274	106,766,757	0	
14	SERVICES - (2801, 2802, 2803)	K403	53,771,817	46,942,259	6,442,401	131,741	255,416	53,771,817	0	
15	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	(2,918,585)	(2,310,819)	(572,772)	(23,553)	(11,441)	(2,918,585)	0	
16	LAND, R OF W, STRUCT & IMPROV & OTH	K203	674,357	380,789	199,090	73,593	20,885	674,357	0	
17	HOUSE REG & INSTALL (2830, 2840)	K417	5,133,050	3,391,612	1,689,800	41,937	9,701	5,133,050	0	
18	STREET LIGHTING EQUIPMENT & OTH	K597	(2,136,531)	0	(2,136,531)	0	0	(2,136,531)	0	
19	TOTAL DIST DEPREC RESERVE		165,857,065	117,200,394	34,505,285	10,760,893	3,390,493	165,857,065	0	
20										
21	GENERAL & INTANGIBLE PLANT									
22	PRODUCTION PLANT	K201	546,802	277,157	157,873	111,772	0	546,802	0	
23	PRODUCTION PLANT COMMODITY	P349	427,728	216,075	123,079	87,141	1,433	427,728	0	
24	DISTRIBUTION PLANT	D349	5,793,367	3,939,202	1,399,306	360,205	94,654	5,793,367	0	
25	CUSTOMER ACCOUNTING	CA19	2,447,627	2,272,084	172,631	2,374	538	2,447,627	0	
26	CUSTOMER SERVICE & INFORMATION	CS19	214,184	198,823	15,106	208	47	214,184	0	
27	SALES	SE19	0	0	0	0	0	0	0	
28	TOTAL GEN DEPREC RESERVE		9,429,708	6,903,341	1,867,995	561,700	96,672	9,429,708	0	
29										
30	COMMON & OTHER PLANT									
31	PRODUCTION PLANT	K201	615,843	312,153	177,806	125,884	0	615,843	0	
32	PRODUCTION PLANT COMMODITY	P349	481,734	243,357	138,619	98,144	1,614	481,734	0	
33	DISTRIBUTION PLANT	D349	6,524,849	4,436,574	1,575,985	405,685	106,605	6,524,849	0	
34	CUSTOMER ACCOUNTING	CA19	2,756,669	2,558,961	194,428	2,674	606	2,756,669	0	
35	CUSTOMER SERVICE & INFORMATION	CS19	241,227	223,926	17,014	234	53	241,227	0	
36	SALES	SE19	0	0	0	0	0	0	0	
37	TOTAL COM & OTHER PLT RESERVE		10,620,322	7,774,971	2,103,852	632,621	108,878	10,620,322	0	
38										
39	TOTAL DEPRECIATION RESERVE		187,541,693	132,832,282	38,975,357	12,138,011	3,596,043	187,541,693	0	

DUKE ENERGY KENTUCKY, INC.
TOTAL CLASS ALLOCATED - GAS COST OF SERVICE
CASE NO: 2018-00261
DATA: 12 MONTH FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

FR-16(7)(v)-8
WITNESS RESPONSIBLE:
JAMES E. ZIOLKOWSKI
PAGE 4 OF 15

LINE NO.	NET GAS PLANT	ALLO	TOTAL CLASS ALLOCATED	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	PRODUCTION PLANT	Schedule 4							
2	PRODUCTION PLANT IN SERVICE		2,799,608	1,633,207	853,321	313,080	0	2,799,608	0
3	TOTAL PROD DEPRC RESERVE		(1,634,598)	(953,576)	(498,225)	(182,797)	0	(1,634,598)	0
4	NET PRODUCTION PLANT		1,165,010	679,631	355,096	130,283	0	1,165,010	0
5									
6	TRANSMISSION PLANT								
7	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0	0
8	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0	0
9	NET TRANSMISSION PLANT		0	0	0	0	0	0	0
10									
11	DISTRIBUTION PLANT								
12	DISTRIBUTION PLANT IN SERVICE		548,483,808	382,627,986	121,144,035	34,186,784	10,525,003	548,483,808	0
13	TOTAL DIST DEPREC RESERVE		(165,857,065)	(117,200,394)	(34,505,285)	(10,760,893)	(3,390,493)	(165,857,065)	0
14	NET DISTRIBUTION PLANT		382,626,743	265,427,592	86,638,750	23,425,891	7,134,510	382,626,743	0
15									
16	NET PTD PLANT		383,791,753	266,107,223	86,993,846	23,556,174	7,134,510	383,791,753	0
17	NET TRANS & DIST PLANT		382,626,743	265,427,592	86,638,750	23,425,891	7,134,510	382,626,743	0
18									
19	GENERAL & INTANGIBLE PLANT								
20	GEN & INTANG PLANT IN SERVICE		24,465,890	17,911,092	4,846,616	1,457,360	250,822	24,465,890	0
21	TOTAL GEN & INTG DEPREC RESERVE		(9,429,708)	(6,903,341)	(1,867,995)	(561,700)	(96,672)	(9,429,708)	0
22	NET GENERAL & INTANG PLANT		15,036,182	11,007,751	2,978,621	895,660	154,150	15,036,182	0
23									
24	COMMON & OTHER PLANT								
25	COMMON & OTH PLT IN SERVICE		12,877,885	9,427,699	2,551,067	767,097	132,022	12,877,885	0
26	TOTAL COM & OTH DEPREC RESERVE		(10,620,322)	(7,774,971)	(2,103,852)	(632,621)	(108,878)	(10,620,322)	0
27	NET COMMON & OTHER PLANT		2,257,563	1,652,728	447,215	134,476	23,144	2,257,563	0
28									
29	NET GAS PLANT IN SERVICE		401,085,498	278,767,702	90,419,682	24,586,310	7,311,804	401,085,498	0

DUKE ENERGY KENTUCKY, INC.
TOTAL CLASS ALLOCATED - GAS COST OF SERVICE
CASE NO: 2018-00261
DATA: 12 MONTH FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

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WITNESS RESPONSIBLE:
JAMES E. ZIOLKOWSKI
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LINE NO.	SUBTRACTIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL CLASS ALLOCATED	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	RATE BASE ADJUSTMENTS								
2	ACCUMULATED DEFERRED INCOME TAXES								
3	ACCUM DEF INC TAXES (282)	Schedule 5							
4	LIBERALIZED DEPRECIATION	NP29	52,815,985	36,708,785	11,906,603	3,237,681	962,916	52,815,985	0
5	LEASED METERS	K413	1,689,651	1,337,799	331,594	13,635	6,623	1,689,651	0
6	CONTRIB AID CONSTR	D249	(185,094)	(128,400)	(41,911)	(11,332)	(3,451)	(185,094)	0
7	CAPITALIZED INTEREST	NP29	(939,111)	(652,712)	(211,709)	(57,568)	(17,122)	(939,111)	0
8	AFUDC IN DEBT	NP29	253,203	175,983	57,081	15,522	4,617	253,203	0
9	CWIP DIFFERENCES	NP29	0	0	0	0	0	0	0
10	NON-CASH OVERHEADS	AG39	(536,983)	(393,104)	(106,369)	(31,983)	(5,527)	(536,983)	0
11	PLANT FAS 109	NP29	0	0	0	0	0	0	0
12	MISCELLANEOUS	AG39	9,455,127	6,921,708	1,872,941	563,149	97,329	9,455,127	(0)
13	TOTAL ACCOUNT 282		62,552,778	43,970,059	13,808,230	3,729,104	1,045,385	62,552,778	(0)
14									
15	ACCUM DEF INC TAXES (283)								
16	BLANK	K413	0	0	0	0	0	0	0
17	BLANK	K413	0	0	0	0	0	0	0
18	UNRECOVERED PURCHASED GAS COST	AG39	20,028	14,661	3,968	1,192	207	20,028	0
19	ENVIRONMENTAL RESERVE	NP29	0	0	0	0	0	0	0
20	POST IN-SERVICE CARRYING COSTS	K667	0	0	0	0	0	0	0
21	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0	0
22	LOSS ON REACQUIRED DEBT	NP29	17,095	11,881	3,854	1,048	312	17,095	0
23	VACATION PAY ACCRUAL	AG39	91,771	67,183	18,179	5,465	944	91,771	0
24	RATE CASE EXPENSE AMORT	AG39	(25,088)	(18,366)	(4,969)	(1,495)	(258)	(25,088)	0
25	PENSION	AG39	1,603,339	1,173,738	317,601	95,495	16,505	1,603,339	0
26	MISCELLANEOUS	K406	722,522	670,703	50,959	701	159	722,522	0
27	TOTAL ACCOUNT 283		2,429,667	1,919,800	389,592	102,406	17,869	2,429,667	0
28									
29	OTHER ACCUMULATED DEFERRED INCOME TAXES								
30	CUSTOMER ADVANCES FOR CONSTRUCTION	D249	1,579,329	1,095,579	357,611	96,691	29,448	1,579,329	0
31	CUSTOMER SERVICE DEPOSITS	D249	0	0	0	0	0	0	0
32	POST RETIREMENT BENEFITS	AG39	0	0	0	0	0	0	0
33	EDIT	NP29	31,320,215	21,768,542	7,060,692	1,919,966	571,015	31,320,215	0
34	TOTAL OTHER SUBTRACTIVE ADJS		32,899,544	22,864,121	7,418,303	2,016,657	600,463	32,899,544	0
35									
36	SUBTOTAL ACCUMULATED DEFERRED INC TAXES		97,881,989	68,753,980	21,616,125	5,848,167	1,663,717	97,881,989	(0)

DUKE ENERGY KENTUCKY, INC.
TOTAL CLASS ALLOCATED - GAS COST OF SERVICE
CASE NO: 2018-00261
DATA: 12 MONTH FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

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WITNESS RESPONSIBLE:
JAMES E. ZIOLKOWSKI
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LINE NO.	ADDITIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL CLASS ALLOCATED	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	OTHER ACCUMULATED DEFERRED INCOME TAXES								
2	ACCUM DEF INC TAXES (190)								
3	UNCOLLECTIBLE ACCTS	K406	3,828	3,553	270	4	1	3,828	0
4	GAS SUPPLIER REFUND	K300	40,128	17,727	10,098	7,149	5,154	40,128	0
5	UNBILLED REVENUE - FUEL & RATE REFUNDS	K300	727,162	321,224	182,983	129,551	93,404	727,162	0
6	OFFSITE GAS STORAGE	K300	88,650	39,161	22,308	15,794	11,387	88,650	0
7	GAS METERS	K413	37,579	29,754	7,375	303	147	37,579	0
8	UNAMORTIZED DEBT PREMIUM	NP29	(1,833)	(1,274)	(414)	(112)	(33)	(1,833)	0
9	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0	0
10	PENSION EXPENSE	AG39	184,414	135,002	36,529	10,984	1,899	184,414	0
11	POST RETIREMENT BENEFITS - LIFE INS	AG39	0	0	0	0	0	0	0
12	POST RETIREMENT BENEFITS - HEALTH CARE	AG39	0	0	0	0	0	0	0
13	POST EMPLOYMENT BENEFITS - SFAS 112	AG39	43,984	32,198	8,713	2,620	453	43,984	0
14	OPEB EXPENSE ACCRUAL	AG39	302,668	221,569	59,956	18,027	3,116	302,668	0
15	INCENTIVE PLAN	AG39	0	0	0	0	0	0	0
16	FEDERAL DEFERRED TAX RECEIVABLE	AG39	0	0	0	0	0	0	0
17	DSM DEFERRAL	AG39	187,434	137,213	37,128	11,164	1,929	187,434	0
18	PROPERTY TAX	P229	0	0	0	0	0	0	0
19	PROPERTY TAX ON PROPANE	P229	0	0	0	0	0	0	0
20	401K INCENTIVE PLAN	AG39	0	0	0	0	0	0	0
21	ENVIRONMENTAL RESERVE	NP29	159,230	110,669	35,897	9,761	2,903	159,230	0
22	VACATION PAY ACCRUALS	G129	163,904	119,992	32,469	9,763	1,680	163,904	0
23	SMART GRID	K413	0	0	0	0	0	0	0
24	METERS & TRANSFORMERS	D249	0	0	0	0	0	0	0
25	OTHER	AG39	379,414	277,754	75,157	22,597	3,906	379,414	0
26	TOTAL ACCOUNT 190		2,316,562	1,444,542	508,469	237,605	125,946	2,316,562	0
27									
28	OTHER								
29	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0	0
30	ANNUALIZE DEPRECIATION	NP29	(270,298)	(187,866)	(60,934)	(16,570)	(4,928)	(270,298)	0
31	ELIMINATE UNBILLED REVENUE AND GAS COSTS	K300	(20,077)	(8,869)	(5,052)	(3,577)	(2,579)	(20,077)	0
32	OTHER		(290,375)	(196,735)	(65,986)	(20,147)	(7,507)	(290,375)	0
33									
34	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		2,026,187	1,247,807	442,483	217,458	118,439	2,026,187	0

DUKE ENERGY KENTUCKY, INC.
TOTAL CLASS ALLOCATED - GAS COST OF SERVICE
CASE NO: 2018-00261
DATA: 12 MONTH FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

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WITNESS RESPONSIBLE:
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LINE NO.	WORKING CAPITAL	ALLO	TOTAL CLASS ALLOCATED	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
		Schedule 5.2							
1	NET ORIGINAL COST RATE BASE		305,229,696	211,261,529	69,246,040	18,955,601	5,766,526	305,229,696	0
2									
3	WORKING CAPITAL								
4									
5	PLANT MATERIALS & SUPPLIES								
6	GAS ENRICHER LIQUID	K301	1,284,114	650,879	370,749	262,486	0	1,284,114	0
7	OTHER SUPPLIES	NP29	1,143,072	794,471	257,689	70,072	20,840	1,143,072	0
8	TOTAL PLANT MATS. & SUPPLIES		2,427,186	1,445,350	628,438	332,558	20,840	2,427,186	0
9	TOTAL MATERIALS & SUPPLIES		2,427,186	1,445,350	628,438	332,558	20,840	2,427,186	0
10									
11	PREPAYMENTS								
12	INSURANCE GENERAL	OM39	37,742	22,330	9,653	5,504	255	37,742	0
13	EXCISE TAX	OM39	0	0	0	0	0	0	0
14	GAS PURCHASE	K301	0	0	0	0	0	0	0
15	TOTAL PREPAYMENTS		37,742	22,330	9,653	5,504	255	37,742	0
16									
17	AUTO CALC (O&M-GAS COST)/8		3,021,735	2,173,007	622,976	174,644	51,108	3,021,735	0
18	TOTAL WORKING CASH		3,021,735	2,173,007	622,976	174,644	51,108	3,021,735	0
19									
20	MISCELLANEOUS WORKING CAPITAL								
21	GAS STORED UNDERGROUND	K301	2,958,880	1,499,767	854,288	604,825	0	2,958,880	0
22	PIPP UNCOLLECTIBLES	K406	0	0	0	0	0	0	0
23	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0	0
24	TOTAL MISC WORK CAPITAL		2,958,880	1,499,767	854,288	604,825	0	2,958,880	0
25									
26	TOTAL WORKING CAPITAL		8,445,543	5,140,454	2,115,355	1,117,531	72,203	8,445,543	0
27	PRELIMINARY SUMMARY								
28	TOTAL ACCUMULATED DEFERRED INCOME TAXES		(97,881,989)	(68,753,980)	(21,616,125)	(5,848,167)	(1,663,717)	(97,881,989)	0
29	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		2,026,187	1,247,807	442,483	217,458	118,439	2,026,187	0
30	TOTAL WORKING CAPITAL		8,445,543	5,140,454	2,115,355	1,117,531	72,203	8,445,543	0
31	TOTAL RATE BASE ADJUSTMENTS		(87,410,259)	(62,365,719)	(19,058,287)	(4,513,178)	(1,473,075)	(87,410,259)	0
32									
33	RATE BASE CALCULATION								
34	NET GAS PLANT IN SERVICE		401,085,498	278,767,702	90,419,682	24,586,310	7,311,804	401,085,498	0
35	TOTAL RATE BASE ADJUSTMENTS		(87,410,259)	(62,365,719)	(19,058,287)	(4,513,178)	(1,473,075)	(87,410,259)	0
36	TOTAL RATE BASE		313,675,239	216,401,983	71,361,395	20,073,132	5,838,729	313,675,239	0
37									
38	TOTAL RATE OF RETURN ALLOWABLE		0.07181	0.07181	0.07181	0.07181	0.07181	0.07181	0.07181
39	RETURN ON RATE BASE		22,525,019	15,539,826	5,124,462	1,441,452	419,279	22,525,019	0

DUKE ENERGY KENTUCKY, INC.
TOTAL CLASS ALLOCATED - GAS COST OF SERVICE
CASE NO: 2018-00261
DATA: 12 MONTH FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

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WITNESS RESPONSIBLE:
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LINE NO.	O&M EXPENSES	ALLO	TOTAL CLASS ALLOCATED	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	PRODUCTION O&M								
2	COMMODITY RELATED O&M								
3	ANNUALIZED GAS COST	K301	36,334,092	18,416,661	10,490,379	7,427,052	0	36,334,092	0
4	OTHER ASSOCIATED COST	K300	972,828	429,747	244,802	173,319	124,960	972,828	0
5	TOTAL COMMODITY RELATED		37,306,920	18,846,408	10,735,181	7,600,371	124,960	37,306,920	0
6									
7	DEMAND RELATED PROD O&M								
8	ANNUALIZED GAS COST - DEMAND	K301	0	0	0	0	0	0	0
9	TOTAL DEMAND RELATED		0	0	0	0	0	0	0
10									
11	DEMAND RELATED & OTHER PROD O&M								
12	PRODUCTION EXPENSES	K201	0	0	0	0	0	0	0
13	TOTAL DEM REL & OTH PROD O&M		0	0	0	0	0	0	0
14									
15	TOTAL PRODUCTION O&M		37,306,920	18,846,408	10,735,181	7,600,371	124,960	37,306,920	0
16									
17	TRANSMISSION O & M								
18	TRANSMISSION O & M								
19	TOTAL TRANSMISSION O & M		0	0	0	0	0	0	0
20									
21	DISTRIBUTION O & M								
22	LOAD DISPATCHING	K203	185,332	104,651	54,716	20,225	5,740	185,332	0
23	MAINS & SERVICES OPER	K667	2,548,186	1,830,677	524,895	146,971	45,643	2,548,186	0
24	M & R STATION GENERAL	K203	66,190	37,376	19,541	7,223	2,050	66,190	0
25	CUSTOMER INST & OTHER	K415	1,353,005	841,488	351,579	124,598	35,340	1,353,005	0
26	METERS & HOUSE REG	K697	2,583,784	1,971,427	582,488	20,903	8,966	2,583,784	0
27	MAINS	K415	2,158,350	1,342,364	560,848	198,762	56,376	2,158,350	0
28	SERVICES	K403	596,174	520,453	71,428	1,461	2,832	596,174	0
29	SUPV & ENG	D249	0	0	0	0	0	0	0
30	ELIMINATE NON-KY CUSTOMER	K595	(102,870)	0	0	(59,775)	(43,095)	(102,870)	0
31	INTEGRITY MANAGEMENT EXPENSES	K203	1,065,488	601,649	314,564	116,277	32,998	1,065,488	0
32	OTHER DISTRIBUTION EXPENSES	K415	2,451,456	1,524,658	637,011	225,755	64,032	2,451,456	0
33	TOTAL DISTRIBUTION O & M		12,905,095	8,774,743	3,117,070	802,400	210,882	12,905,095	0
34									
35	CUSTOMER ACCOUNTING								
36	SUPERVISION & ENGINEERING	K405	185,894	172,562	13,111	180	41	185,894	0
37	METER READING	K405	15,923	14,781	1,123	15	4	15,923	0
38	CUSTOMER BILLING & COLLECTIONS	K405	2,595,599	2,409,442	183,068	2,518	571	2,595,599	0
39	UNCOLLECTIBLE EXP	K406	(229,924)	(213,433)	(16,217)	(223)	(51)	(229,924)	0
40	ELIMINATE MISC EXPENSES	K406	0	0	0	0	0	0	0
41	SALE OF A/R	K406	105,421	97,861	7,435	102	23	105,421	0
42	INTEREST ON CUSTOMER SERVICE DEPOSITS	K405	0	0	0	0	0	0	0
43	ANNUALIZED UNCOLL EXP ON INCR	K406	0	0	0	0	0	0	0
44	TOTAL CUSTOMER ACCT EXPENSE		2,672,913	2,481,213	188,520	2,592	588	2,672,913	0

DUKE ENERGY KENTUCKY, INC.
TOTAL CLASS ALLOCATED - GAS COST OF SERVICE
CASE NO: 2018-00261
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WITNESS RESPONSIBLE:
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LINE NO.	O&M EXPENSES	ALLO	TOTAL CLASS ALLOCATED	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
		Schedule 6.1							
1	CUSTOMER SERVICE & INFORMATION								
2	TOTAL CUST SERVICE & INFO	K407	406,241	377,106	28,652	394	89	406,241	0
3	TOTAL CUSTOMER SERV. & INFO.		406,241	377,106	28,652	394	89	406,241	0
4									
5	SALES								
6	SALES EXPENSE	K408	194,128	180,210	13,680	186	52	194,128	0
7	TOTAL SALES EXPENSE		194,128	180,210	13,680	186	52	194,128	0
8									
9	ADMINISTRATIVE & GENERAL								
10	PRODUCTION PLANT DEMAND	P349	403,815	203,995	116,198	82,269	1,353	403,815	0
11	PRODUCTION PLANT COMMODITY	K301	315,879	160,109	91,201	64,569	0	315,879	0
12	DISTRIBUTION PLANT	D349	4,278,422	2,909,114	1,033,393	266,013	69,902	4,278,422	0
13	CUSTOMER ACCOUNTING	CA19	1,807,581	1,677,941	127,489	1,753	398	1,807,581	0
14	CUSTOMER SERVICE & INFORMATION	CS19	158,176	146,832	11,156	153	35	158,176	0
15	SALES	SE19	0	0	0	0	0	0	0
16	TOT ADMIN & GEN LESS REG EXP		6,963,873	5,097,991	1,379,437	414,757	71,688	6,963,873	0
17	AMORTIZATION RATE CASE EXPENSE	AG39	115,100	84,260	22,800	6,855	1,185	115,100	0
18	INCENTIVE COMPENSATION	AG39	(277,270)	(202,978)	(54,924)	(16,514)	(2,854)	(277,270)	0
19	ELIMINATE MISCELLANEOUS EXPENSES	AG39	(322,075)	(235,779)	(63,798)	(19,182)	(3,316)	(322,075)	0
20	ELIMINATE NON-JURISDICTIONAL EXPENSES	NP29	0	0	0	0	0	0	0
21	AMORTIZATION OF DEFERRED EXP	AG39	543,043	397,540	107,570	32,343	5,590	543,043	0
22	STATE REG COMMISSION EXPENSES	AG39	0	0	0	0	0	0	0
23	STATE REG COM EXP ANN ADJ.	AG39	0	0	0	0	0	0	0
24	AMORTIZE CAMERA WORK	AG39	0	0	0	0	0	0	0
25	ELIMINATE MERGER EXPENSE	AG39	0	0	0	0	0	0	0
26	SMART GRID AMORTIZATION ADJUSTMENT	K413	0	0	0	0	0	0	0
27	AMORTIZE 2011 SMART GRID DEFERRED O&M	K413	0	0	0	0	0	0	0
28	INCREASED MEDICAL COSTS	AG39	0	0	0	0	0	0	0
29	AMORTIZE GAS FURNACE PROGRAM	NP29	0	0	0	0	0	0	0
30	AMORTIZATION OF MGP DEFERRED EXP	NP29	0	0	0	0	0	0	0
31	TOTAL ADMIN. & GENERAL		7,022,671	5,141,034	1,391,085	418,259	72,293	7,022,671	0
32									
33	TOTAL O & M EXPENSE		60,507,968	35,800,714	15,474,188	8,824,202	408,864	60,507,968	0

DUKE ENERGY KENTUCKY, INC.
TOTAL CLASS ALLOCATED - GAS COST OF SERVICE
CASE NO: 2018-00261
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LINE NO.	DEPRECIATION EXPENSE	ALLO	TOTAL CLASS ALLOCATED	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	PRODUCTION DEPRECIATION								
2	PRODUCTION DEPRECIATION	P229	217,881	127,105	66,410	24,366	0	217,881	0
3	TOTAL PRODUCTION DEPREC EXP.		217,881	127,105	66,410	24,366	0	217,881	0
4									
5	TRANSMISSION DEPRECIATION								
6	TOTAL TRANSMISSION DEP. EXP.		0	0	0	0	0	0	0
7									
8	DISTRIBUTION DEPRECIATION								
9	DISTRIBUTION DEPRECIATION	D249	12,074,876	8,376,339	2,734,135	739,258	225,144	12,074,876	0
10	TOTAL DIST. DEPREC EXP.		12,074,876	8,376,339	2,734,135	739,258	225,144	12,074,876	0
11									
12	GENERAL DEPRECIATION								
13	GENERAL DEPRECIATION	G229	2,195,008	1,606,926	434,829	130,752	22,501	2,195,008	0
14	TOTAL GENERAL DEPREC EXP.		2,195,008	1,606,926	434,829	130,752	22,501	2,195,008	0
15									
16	COMMON AND OTHER DEPRECIATION								
17	COMMON DEPRECIATION	C229	127,427	93,287	25,243	7,591	1,306	127,427	0
18	TOTAL COM & OTHER DEPREC EXP.		127,427	93,287	25,243	7,591	1,306	127,427	0
19									
20									
21	TOTAL DEPRECIATION EXPENSE		14,615,192	10,203,657	3,260,617	901,967	248,951	14,615,192	0

DUKE ENERGY KENTUCKY, INC.
TOTAL CLASS ALLOCATED - GAS COST OF SERVICE
CASE NO: 2018-00261
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LINE NO.	OTHER TAXES & MISC EXPENSES	ALLO	TOTAL CLASS ALLOCATED	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	TAXES OTHER THAN INC & REV								
2	REAL ESTATE & PROPERTY TAX								
3	REAL ESTATE & PROPERTY TAX	NP29	3,388,723	2,355,270	763,939	207,733	61,781	3,388,723	0
4	ANNUALIZE PROPERTY TAX	NP29	0	0	0	0	0	0	0
5	TOTAL REAL ESTATE & PROPERTY TAX		3,388,723	2,355,270	763,939	207,733	61,781	3,388,723	0
6									
7	MISCELLANEOUS TAXES								
8	PAYROLL & HIGHWAY	AG39	708,964	519,003	140,437	42,226	7,298	708,964	0
9	UNEMPLOYMENT COMPENSATION	AG39	0	0	0	0	0	0	0
10	OHIO EXCISE TAX	OM39	0	0	0	0	0	0	0
11	STATE TAX RIDER	OM39	0	0	0	0	0	0	0
12	TOTAL MISCELLANEOUS TAXES		708,964	519,003	140,437	42,226	7,298	708,964	0
13									
14	MISCELLANEOUS EXPENSES								
15	PSC MAINT. EXP ON INCREASE	AG39	21,084	15,434	4,177	1,256	217	21,084	0
16	RESERVED FOR FUTURE USE	AG39	0	0	0	0	0	0	0
17	TOTAL MISCELLANEOUS EXPENSES		21,084	15,434	4,177	1,256	217	21,084	0
18									
19	TOTAL OTHER TAX & MISC EXPENSE		4,118,771	2,889,707	908,553	251,215	69,296	4,118,771	0
20									
21	PRELIMINARY SUMMARY								
22	TOTAL O&M EXPENSE		60,507,968	35,800,714	15,474,188	8,824,202	408,864	60,507,968	0
23	TOTAL DEPRECIATION EXPENSE		14,615,192	10,203,657	3,260,617	901,967	248,951	14,615,192	0
24	TOTAL OTHER TAX & MISC EXPENSE		4,118,771	2,889,707	908,553	251,215	69,296	4,118,771	0
25	TOTAL OPER EXP EXCL INCOME & REV TAX		79,241,931	48,894,078	19,643,358	9,977,384	727,111	79,241,931	0

DUKE ENERGY KENTUCKY, INC.
TOTAL CLASS ALLOCATED - GAS COST OF SERVICE
CASE NO: 2018-00261
DATA: 12 MONTH FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

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WITNESS RESPONSIBLE:
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LINE NO.	FEDERAL INCOME TAX BASED ON RETURN	ALLO	TOTAL CLASS ALLOCATED	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
			Schedule 9						
			3			4			5
			6			7			8
1	FEDERAL INCOME TAX DEDUCTIONS								
2	AUTOMATIC INTEREST CALCULATION								
3	AUTO PROC INTEREST DED	RB99	6,761,503	4,664,691	1,538,255	432,697	125,860	6,761,503	0
4	TOTAL INTEREST EXPENSE		6,761,503	4,664,691	1,538,255	432,697	125,860	6,761,503	0
5									
6	OTHER DEDUCTIONS								
7	DEPREC EXCESS TAX-BOOK	DE49	6,466,130	4,514,322	1,442,585	399,053	110,170	6,466,130	0
8	PERMANENT DIFFERENCES	AG39	(99,651)	(72,952)	(19,739)	(5,935)	(1,025)	(99,651)	0
9	TEMPORARY DIFFERENCES	DE49	234,549	163,750	52,327	14,475	3,997	234,549	0
10	TOTAL OTHER DEDUCTIONS		6,601,028	4,605,120	1,475,173	407,593	113,142	6,601,028	0
11									
12	NET DEDUCTIONS AND ADDITIONS		13,362,531	9,269,811	3,013,428	840,290	239,002	13,362,531	0
13									
14	FED DEFERRED INCOME TAX (410 & 411)								
15	DEFERRED INCOME TAXES - NET	OM39	1,277,969	756,136	326,825	186,373	8,635	1,277,969	0
16	AMORT OF DEFERRED MERGER COST	AG39	0	0	0	0	0	0	0
17	DIT ADJUSTMENT - S/L DEPRECIATION	DE49	0	0	0	0	0	0	0
18	DIT ADJUSTMENT - ARAM	K201	(16,534)	(8,380)	(4,774)	(3,380)	0	(16,534)	0
19	DIT ADJUSTMENT - AMORT OF EXCESS DEF TAXES	AG39	(585,952)	(428,951)	(116,070)	(34,900)	(6,031)	(585,952)	0
20	TOTAL FED DEF IT (410 & 411)		675,483	318,805	205,981	148,093	2,604	675,483	0
21									
22	AMORT INV TAX CREDIT								
23	AMORTIZE ITC	NP29	66,055	45,912	14,890	4,049	1,203	66,054	1
24	TOTAL AMORTIZED ITC		66,055	45,912	14,890	4,049	1,203	66,054	1
25									
26	TEST YEAR INV TAX CREDIT								
27	PROV INVEST TAX CREDIT	NP29	0	0	0	0	0	0	0
28	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0
29									
30	PRELIMINARY SUMMARY								
31	TOTAL FED DEF IT (410 & 411)		675,483	318,805	205,981	148,093	2,604	675,483	0
32	TOTAL AMORTIZED ITC		(66,055)	(45,912)	(14,890)	(4,049)	(1,203)	(66,054)	(1)
33	TOTAL FEDERAL TAX ADJUSTMENTS		609,428	272,893	191,091	144,044	1,401	609,429	(1)
34									
35	FEDERAL INCOME TAX COMPUTATION								
36	RETURN ON RATE BASE		22,525,019	15,539,826	5,124,462	1,441,452	419,279	22,525,019	0
37	NET DEDUCTIONS AND ADDITIONS		(13,362,531)	(9,269,811)	(3,013,428)	(840,290)	(239,002)	(13,362,531)	0
38	TOTAL STATE PROV DEF IT (410 & 411)		450,960	313,237	101,662	27,556	8,506	450,961	(1)
39	TOTAL FEDERAL TAX ADJUSTMENTS		609,428	272,893	191,091	144,044	1,401	609,429	(1)
40	BASE FOR FIT COMPUTATION		10,222,876	6,856,145	2,403,787	772,762	190,184	10,222,878	(2)
41									
42	FIT FACTOR K190/(1-K190)		0.26582	0.26582	0.26582	0.26582	0.26582		0.26582
43	PRELIM FED INCOME TAX		2,717,473	1,822,520	638,981	205,418	50,555	2,717,474	(1)
44	TOTAL FEDERAL TAX ADJUSTMENTS		609,428	272,893	191,091	144,044	1,401	609,429	(1)
45	NET FED INCOME TAX ALLOWABLE		3,326,901	2,095,413	830,072	349,462	51,956	3,326,903	(2)
46									
47	INCOME TAX BASED ON RETURN								
48	FEDERAL INCOME TAX PAYABLE								
49	PRELIM FEDERAL INCOME TAX		2,717,473	1,822,520	638,981	205,418	50,555	2,717,474	(1)
50	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0
51	NET FED INCOME TAX PAYABLE		2,717,473	1,822,520	638,981	205,418	50,555	2,717,474	(1)
52									
53	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.2492512	0.24925		0.24925

DUKE ENERGY KENTUCKY, INC.
TOTAL CLASS ALLOCATED - GAS COST OF SERVICE
CASE NO: 2018-00261
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LINE NO.	COST OF SERVICE COMPUTATION	ALLO	TOTAL CLASS ALLOCATED	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	INTERUPT TRANS	TOTAL AT ISSUE	ALL OTHER
				3	4	5	6		
1	OTHER OPERATING REVENUES								
2	MISC SERVICE REVENUE	K401	50,100	46,506	3,534	49	11	50,100	0
3	INTERDEPARTMENTAL	AG39	27,765	20,326	5,500	1,654	285	27,765	0
4	OTH MISC REVENUE	K401	1,896	1,760	134	2	0	1,896	0
5	RENTS	D249	14,496	10,057	3,282	887	270	14,496	0
6	IT TRANSPORT SPECIAL CONTRACTS	AG39	0	0	0	0	0	0	0
7	TOTAL OTHER OPERATING REVS		94,257	78,649	12,450	2,592	566	94,257	0
8									
9	COST OF SERVICE COMPUTATION								
10	TOTAL OP EXP EXC INC & REV TAX		79,241,931	48,894,078	19,643,358	9,977,384	727,111	79,241,931	0
11	RETURN ON RATE BASE		22,525,019	15,539,826	5,124,462	1,441,452	419,279	22,525,019	0
12	NET FED INCOME TAX ALLOWABLE		3,326,901	2,095,413	830,072	349,462	51,956	3,326,903	(2)
13	TOTAL OTHER OPERATING REVENUES		(94,257)	(78,649)	(12,450)	(2,592)	(566)	(94,257)	0
14	SUBTOTAL B		104,999,594	66,450,668	25,585,442	11,765,706	1,197,780	104,999,596	2
15									
16	TOTAL OTHER OPERATING REVENUES		94,257	78,649	12,450	2,592	566	94,257	0
17	LESS: REVS EXCL FROM REV TAX CALC		0	0	0	0	0	0	0
18	OTHER OPERATING REVS TO BE TAXED		94,257	78,649	12,450	2,592	566	94,257	0
19									
20	REVENUE TAX FACTOR		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	REVENUE TAX ON OTHER OPER. REVS		0	0	0	0	0	0	0
22	REVENUE TAX ON COST OF SERVICE		0	0	0	0	0	0	0
23	TOTAL REVENUE TAX		0	0	0	0	0	0	0
24	TOTAL GAS COST OF SERVICE		104,999,594	66,450,668	25,585,442	11,765,706	1,197,780	104,999,596	2
25									
26	PROPOSED REVENUES		95,287,873	65,522,694	23,198,248	5,042,683	1,524,248	95,287,873	0
27	TOTAL GAS COST OF SERVICE		(104,999,594)	(66,450,668)	(25,585,442)	(11,765,706)	(1,197,780)	(104,999,596)	(2)
28	EXCESS REVENUES		(9,711,721)	(927,974)	(2,387,194)	(6,723,023)	326,468	(9,711,723)	(2)
29	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925	0.24925	0.24925	0.24925
30	EXCESS TAX		(2,420,646)	(231,289)	(595,008)	(1,675,722)	81,372	(2,420,647)	1
31	EXCESS RETURN		(7,291,075)	(696,685)	(1,792,186)	(5,047,301)	245,096	(7,291,076)	1

DUKE ENERGY KENTUCKY, INC.
 RESIDENTIAL CLASSIFIED - GAS COST OF SERVICE
 CASE NO: 2018-00261
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LINE NO.	SUMMARY OF RESULTS	ALLO	TOTAL RESIDENTIAL	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	NET INCOME COMPUTATION	Schedule 1						
2	GROSS GAS PLANT IN SERVICE		411,599,984	179,723,521	3,586,520	228,289,943	411,599,984	0
3	TOTAL DEPRECIATION RESERVE		(132,832,282)	(57,716,066)	(2,002,318)	(73,113,898)	(132,832,282)	0
4	TOTAL RATE BASE ADJUSTMENTS		(62,365,719)	(26,784,641)	1,817,236	(37,398,314)	(62,365,719)	0
5	TOTAL RATE BASE		216,401,983	95,222,814	3,401,438	117,777,731	216,401,983	0
6								
7	OPERATING EXPENSES							
8	TOTAL O&M EXPENSE		35,800,714	6,145,478	19,213,586	10,441,650	35,800,714	0
9	TOTAL DEPRECIATION EXPENSE		10,203,657	4,239,883	248,589	5,715,185	10,203,657	0
10	TOTAL OTHER TAX & MISC EXPENSE		2,889,707	1,190,888	51,554	1,647,265	2,889,707	0
11	TOTAL OP EXP EXCLUDING INC & REV TAX		48,894,078	11,576,249	19,513,729	17,804,100	48,894,078	0
12	NET FED INCOME TAX EXP ALLOWABLE		2,095,412	737,984	480,495	876,932	2,095,411	1
13	NET STATE INCOME TAX EXP ALLOWABLE		560,670	189,194	28,373	343,104	560,671	(1)
14	TOTAL OPERATING EXPENSE		51,550,160	12,503,427	20,022,597	19,024,136	51,550,160	0
15								
16	RETURN ON RATE BASE		15,539,826	6,837,950	244,257	8,457,619	15,539,826	0
17	TOTAL OTHER OPERATING REVENUES		(78,649)	(10,567)	(1,452)	(66,630)	(78,649)	0
18	TOTAL GAS COST OF SERVICE		67,011,337	19,330,810	20,265,402	27,415,125	67,011,337	0

DUKE ENERGY KENTUCKY, INC.
 RESIDENTIAL CLASSIFIED - GAS COST OF SERVICE
 CASE NO: 2018-00261
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 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

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LINE NO.	GROSS GAS PLANT IN SERVICE	ALLO	TOTAL RESIDENTIAL	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
	Schedule 2			3	4	5		
1	PRODUCTION PLANT							
2	PRODUCTION PLANT	K205	1,633,207	0	1,633,207	0	1,633,207	0
3	GAS PRODUCTION -CPMPL NOT CLASS	K205	0	0	0	0	0	0
4	PRODUCTION PLANT IN SERVICE		1,633,207	0	1,633,207	0	1,633,207	0
5								
6	TRANSMISSION PLANT							
7	TRANSMISSION PLANT							
8	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0
9								
10	TOTAL PROD & TRANS PLANT		1,633,207	0	1,633,207	0	1,633,207	0
11								
12	DISTRIBUTION PLANT							
13	SYSTEM M&R - (2780, 2781)	K203	4,627,423	4,627,423	0	0	4,627,423	0
14	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	1,366,036	1,366,036	0	0	1,366,036	0
15	LARGE IND M&R - (2850, 2851)	K595	0	0	0	0	0	0
16	MAINS - (2761, 2762, 2763, 2765)	K415	176,544,069	134,445,211	0	42,098,858	176,544,069	0
17	SERVICES - (2801, 2802, 2803)	K403	142,322,242	0	0	142,322,242	142,322,242	0
18	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	18,414,161	0	0	18,414,161	18,414,161	0
19	LAND, R OF W, STRUCT & IMPROV	K203	824,640	824,640	0	0	824,640	0
20	HOUSE REG & INSTALL (2830, 2840)	K417	8,257,323	0	0	8,257,323	8,257,323	0
21	STREET LIGHTING EQUIPMENT & OTH	K597	0	0	0	0	0	0
22	ASSET RETIREMENT COST FOR DISTRIBUTION PLANT	K203	30,272,092	30,272,092	0	0	30,272,092	0
23	DISTRIBUTION PLANT IN SERVICE		382,627,986	171,535,402	0	211,092,584	382,627,986	0
24								
25	TOTAL TRANS & DIST PLANT		382,627,986	171,535,402	0	211,092,584	382,627,986	0
26	TOTAL GROSS PTD PLANT		384,261,193	171,535,402	1,633,207	211,092,584	384,261,193	0
27								
28	GENERAL & INTANGIBLE PLANT							
29	PRODUCTION PLANT	K201	719,100	0	719,100	0	719,100	0
30	PRODUCTION PLANT COMMODITY	P349	560,619	0	560,619	0	560,619	0
31	DISTRIBUTION PLANT	D349	10,220,473	5,364,471	0	4,856,002	10,220,473	0
32	CUSTOMER ACCOUNTING	CA19	5,895,043	0	0	5,895,043	5,895,043	0
33	CUSTOMER SERVICE & INFORMATION	CS19	515,857	0	0	515,857	515,857	0
34	SALES	SE19	0	0	0	0	0	0
35	GEN & INTANG PLANT IN SERVICE		17,911,092	5,364,471	1,279,719	11,266,902	17,911,092	0
36								
37	COMMON & OTHER PLANT							
38	PRODUCTION PLANT	K201	378,506	0	378,506	0	378,506	0
39	PRODUCTION PLANT COMMODITY	P349	295,088	0	295,088	0	295,088	0
40	DISTRIBUTION PLANT	D349	5,379,657	2,823,648	0	2,556,009	5,379,657	0
41	CUSTOMER ACCOUNTING	CA19	3,102,921	0	0	3,102,921	3,102,921	0
42	CUSTOMER SERVICE & INFORMATION	CS19	271,527	0	0	271,527	271,527	0
43	SALES	SE19	0	0	0	0	0	0
44	COMMON & OTHER PLANT IN SERVICE		9,427,699	2,823,648	673,594	5,930,457	9,427,699	0
45								
46	GROSS GAS PLANT IN SERVICE		411,599,984	179,723,521	3,586,520	228,289,943	411,599,984	0

DUKE ENERGY KENTUCKY, INC.
 RESIDENTIAL CLASSIFIED - GAS COST OF SERVICE
 CASE NO: 2018-00261
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LINE NO.	DEPRECIATION RESERVE	ALLO	TOTAL RESIDENTIAL	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	PRODUCTION PLANT							
2	PRODUCTION PLANT	K205	953,576	0	953,576	0	953,576	0
3	TOTAL PROD DEPREC RESERVE		953,576	0	953,576	0	953,576	0
4								
5	TRANSMISSION PLANT							
6	TRANSMISSION PLANT							
7	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0
8								
9	DISTRIBUTION PLANT							
10	SYSTEM M&R - (2780, 2781)	K203	1,670,176	1,670,176	0	0	1,670,176	0
11	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	626,958	626,958	0	0	626,958	0
12	LARGE IND M&R - (2850, 2851)	K595	0	0	0	0	0	0
13	MAINS - (2761, 2762, 2763, 2765)	K415	66,499,419	50,641,907	0	15,857,512	66,499,419	0
14	SERVICES - (2801, 2802, 2803)	K403	46,942,259	0	0	46,942,259	46,942,259	0
15	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	(2,310,819)	0	0	(2,310,819)	(2,310,819)	0
16	LAND, R OF W, STRUCT & IMPROV & OTH	K203	380,789	380,789	0	0	380,789	0
17	HOUSE REG & INSTALL (2830, 2840)	K417	3,391,612	0	0	3,391,612	3,391,612	0
18	STREET LIGHTING EQUIPMENT & OTH	K597	0	0	0	0	0	0
19	TOTAL DIST DEPREC RESERVE		117,200,394	53,319,830	0	63,880,564	117,200,394	0
20								
21	GENERAL & INTANGIBLE PLANT							
22	PRODUCTION PLANT	K201	277,157	0	277,157	0	277,157	0
23	PRODUCTION PLANT COMMODITY	P349	216,075	0	216,075	0	216,075	0
24	DISTRIBUTION PLANT	D349	3,939,202	2,067,589	0	1,871,613	3,939,202	0
25	CUSTOMER ACCOUNTING	CA19	2,272,084	0	0	2,272,084	2,272,084	0
26	CUSTOMER SERVICE & INFORMATION	CS19	198,823	0	0	198,823	198,823	0
27	SALES	SE19	0	0	0	0	0	0
28	TOTAL GEN DEPREC RESERVE		6,903,341	2,067,589	493,232	4,342,520	6,903,341	0
29								
30	COMMON & OTHER PLANT							
31	PRODUCTION PLANT	K201	312,153	0	312,153	0	312,153	0
32	PRODUCTION PLANT COMMODITY	P349	243,357	0	243,357	0	243,357	0
33	DISTRIBUTION PLANT	D349	4,436,574	2,328,647	0	2,107,927	4,436,574	0
34	CUSTOMER ACCOUNTING	CA19	2,558,961	0	0	2,558,961	2,558,961	0
35	CUSTOMER SERVICE & INFORMATION	CS19	223,926	0	0	223,926	223,926	0
36	SALES	SE19	0	0	0	0	0	0
37	TOTAL COM & OTHER PLT RESERVE		7,774,971	2,328,647	555,510	4,890,814	7,774,971	0
38								
39	TOTAL DEPRECIATION RESERVE		132,832,282	57,716,066	2,002,318	73,113,898	132,832,282	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	NET GAS PLANT	ALLO	TOTAL RESIDENTIAL	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
1	PRODUCTION PLANT	Schedule 4						
2	PRODUCTION PLANT IN SERVICE		1,633,207	0	1,633,207	0	1,633,207	0
3	TOTAL PROD DEPRC RESERVE		(953,576)	0	(953,576)	0	(953,576)	0
4	NET PRODUCTION PLANT		679,631	0	679,631	0	679,631	0
5								
6	TRANSMISSION PLANT							
7	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0
8	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0
9	NET TRANSMISSION PLANT		0	0	0	0	0	0
10								
11	DISTRIBUTION PLANT							
12	DISTRIBUTION PLANT IN SERVICE		382,627,986	171,535,402	0	211,092,584	382,627,986	0
13	TOTAL DIST DEPREC RESERVE		(117,200,394)	(53,319,830)	0	(63,880,564)	(117,200,394)	0
14	NET DISTRIBUTION PLANT		265,427,592	118,215,572	0	147,212,020	265,427,592	0
15								
16	NET PTD PLANT		266,107,223	118,215,572	679,631	147,212,020	266,107,223	0
17	NET TRANS & DIST PLANT		265,427,592	118,215,572	0	147,212,020	265,427,592	0
18								
19	GENERAL & INTANGIBLE PLANT							
20	GEN & INTANG PLANT IN SERVICE		17,911,092	5,364,471	1,279,719	11,266,902	17,911,092	0
21	TOTAL GEN & INTG DEPREC RESERVE		(6,903,341)	(2,067,589)	(493,232)	(4,342,520)	(6,903,341)	0
22	NET GENERAL & INTANG PLANT		11,007,751	3,296,882	786,487	6,924,382	11,007,751	0
23								
24	COMMON & OTHER PLANT							
25	COMMON & OTH PLT IN SERVICE		9,427,699	2,823,648	673,594	5,930,457	9,427,699	0
26	TOTAL COM & OTH DEPREC RESERVE		(7,774,971)	(2,328,647)	(555,510)	(4,890,814)	(7,774,971)	0
27	NET COMMON & OTHER PLANT		1,652,728	495,001	118,084	1,039,643	1,652,728	0
28								
29	NET GAS PLANT IN SERVICE		278,767,702	122,007,455	1,584,202	155,176,045	278,767,702	0

DUKE ENERGY KENTUCKY, INC.
 RESIDENTIAL CLASSIFIED - GAS COST OF SERVICE
 CASE NO: 2018-00261
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LINE NO.	SUBTRACTIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL RESIDENTIAL	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	RATE BASE ADJUSTMENTS	Schedule 5						
2	ACCUMULATED DEFERRED INCOME TAXES							
3	ACCUM DEF INC TAXES (282)							
4	LIBERALIZED DEPRECIATION	NP29	36,708,785	16,066,106	208,591	20,434,088	36,708,785	0
5	LEASED METERS	K413	1,337,799	0	0	1,337,799	1,337,799	0
6	CONTRIB AID CONSTR	D249	(128,400)	(57,187)	0	(71,213)	(128,400)	0
7	CAPITALIZED INTEREST	NP29	(652,712)	(285,669)	(3,709)	(363,334)	(652,712)	0
8	AFUDC IN DEBT	NP29	175,983	77,022	999	97,962	175,983	0
9	CWIP DIFFERENCES	NP29	0	0	0	0	0	0
10	NON-CASH OVERHEADS	AG39	(393,104)	(117,740)	(28,077)	(247,287)	(393,104)	0
11	PLANT FAS 109	NP29	0	0	0	0	0	0
12	MISCELLANEOUS	AG39	6,921,708	2,073,148	494,369	4,354,191	6,921,708	0
13	TOTAL ACCOUNT 282		43,970,059	17,755,680	672,173	25,542,206	43,970,059	0
14								
15	ACCUM DEF INC TAXES (283)							
16	BLANK	K413	0	0	0	0	0	0
17	BLANK	K413	0	0	0	0	0	0
18	UNRECOVERED PURCHASED GAS COST	AG39	14,661	4,391	1,047	9,223	14,661	0
19	ENVIRONMENTAL RESERVE	NP29	0	0	0	0	0	0
20	POST IN-SERVICE CARRYING COSTS	K667	0	0	0	0	0	0
21	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0
22	LOSS ON REACQUIRED DEBT	NP29	11,881	5,199	68	6,614	11,881	0
23	VACATION PAY ACCRUAL	AG39	67,183	20,122	4,799	42,262	67,183	0
24	RATE CASE EXPENSE AMORT	AG39	(18,366)	(5,501)	(1,312)	(11,553)	(18,366)	0
25	PENSION	AG39	1,173,738	351,551	83,831	738,356	1,173,738	0
26	MISCELLANEOUS	K406	670,703	0	0	670,703	670,703	0
27	TOTAL ACCOUNT 283		1,919,800	375,762	88,433	1,455,605	1,919,800	0
28								
29	OTHER ACCUMULATED DEFERRED INCOME TAXES							
30	CUSTOMER ADVANCES FOR CONSTRUCTION	D249	1,095,579	487,950	0	607,629	1,095,579	0
31	CUSTOMER SERVICE DEPOSITS	D249	0	0	0	0	0	0
32	POST RETIREMENT BENEFITS	AG39	0	0	0	0	0	0
33	EDIT	NP29	21,768,542	9,527,304	123,695	12,117,543	21,768,542	0
34	TOTAL OTHER SUBTRACTIVE ADJS		22,864,121	10,015,254	123,695	12,725,172	22,864,121	0
35								
36	SUBTOTAL ACCUMULATED DEFERRED INC TAXES		68,753,980	28,146,696	884,301	39,722,983	68,753,980	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	ADDITIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL RESIDENTIAL	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
			Schedule 5.1					
			3	4	5			
1	OTHER ACCUMULATED DEFERRED INCOME TAXES							
2	ACCUM DEF INC TAXES (190)							
3	UNCOLLECTIBLE ACCTS	K406	3,553	0	0	3,553	3,553	0
4	GAS SUPPLIER REFUND	K300	17,727	0	17,727	0	17,727	0
5	UNBILLED REVENUE - FUEL & RATE REFUNDS	K300	321,224	0	321,224	0	321,224	0
6	OFFSITE GAS STORAGE	K300	39,161	0	39,161	0	39,161	0
7	GAS METERS	K413	29,754	0	0	29,754	29,754	0
8	UNAMORTIZED DEBT PREMIUM	NP29	(1,274)	(558)	(7)	(709)	(1,274)	0
9	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0
10	PENSION EXPENSE	AG39	135,002	40,436	9,642	84,924	135,002	0
11	POST RETIREMENT BENEFITS - LIFE INS	AG39	0	0	0	0	0	0
12	POST RETIREMENT BENEFITS - HEALTH CARE	AG39	0	0	0	0	0	0
13	POST EMPLOYMENT BENEFITS - SFAS 112	AG39	32,198	9,644	2,299	20,255	32,198	0
14	OPEB EXPENSE ACCRUAL	AG39	221,569	66,363	15,825	139,381	221,569	0
15	INCENTIVE PLAN	AG39	0	0	0	0	0	0
16	FEDERAL DEFERRED TAX RECEIVABLE	AG39	0	0	0	0	0	0
17	DSM DEFERRAL	AG39	137,213	41,097	9,801	86,315	137,213	0
18	PROPERTY TAX	P229	0	0	0	0	0	0
19	PROPERTY TAX ON PROPANE	P229	0	0	0	0	0	0
20	401K INCENTIVE PLAN	AG39	0	0	0	0	0	0
21	ENVIRONMENTAL RESERVE	NP29	110,669	48,436	628	61,605	110,669	0
22	VACATION PAY ACCRUALS	G129	119,992	35,938	8,574	75,480	119,992	0
23	SMART GRID	K413	0	0	0	0	0	0
24	METERS & TRANSFORMERS	D249	0	0	0	0	0	0
25	OTHER	AG39	277,754	83,192	19,838	174,724	277,754	0
26	TOTAL ACCOUNT 190		1,444,542	324,548	444,712	675,282	1,444,542	0
27								
28	OTHER							
29	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0
30	ANNUALIZE DEPRECIATION	NP29	(187,866)	(82,222)	(1,067)	(104,577)	(187,866)	0
31	ELIMINATE UNBILLED REVENUE AND GAS COSTS	K300	(8,869)	0	(8,869)	0	(8,869)	0
32	OTHER		(196,735)	(82,222)	(9,936)	(104,577)	(196,735)	0
33								
34	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		1,247,807	242,326	434,776	570,705	1,247,807	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	WORKING CAPITAL	ALLO	TOTAL RESIDENTIAL	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	NET ORIGINAL COST RATE BASE		211,261,529	94,103,085	1,134,677	116,023,767	211,261,529	0
2								
3	WORKING CAPITAL							
4								
5	PLANT MATERIALS & SUPPLIES							
6	GAS ENRICHER LIQUID	K301	650,879	0	650,879	0	650,879	0
7	OTHER SUPPLIES	NP29	794,471	347,711	4,515	442,245	794,471	0
8	TOTAL PLANT MATS. & SUPPLIES		1,445,350	347,711	655,394	442,245	1,445,350	0
9	TOTAL MATERIALS & SUPPLIES		1,445,350	347,711	655,394	442,245	1,445,350	0
10								
11	PREPAYMENTS							
12	INSURANCE GENERAL	OM39	22,330	3,833	11,984	6,513	22,330	0
13	EXCISE TAX	OM39	0	0	0	0	0	0
14	GAS PURCHASE	K301	0	0	0	0	0	0
15	TOTAL PREPAYMENTS		22,330	3,833	11,984	6,513	22,330	0
16								
17	AUTO CALC (O&M-GAS COST)/8		2,173,007	768,185	99,616	1,305,206	2,173,007	0
18	TOTAL WORKING CASH		2,173,007	768,185	99,616	1,305,206	2,173,007	0
19								
20	MISCELLANEOUS WORKING CAPITAL							
21	GAS STORED UNDERGROUND	K301	1,499,767	0	1,499,767	0	1,499,767	0
22	PIPP UNCOLLECTIBLES	K406	0	0	0	0	0	0
23	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0
24	TOTAL MISC WORK CAPITAL		1,499,767	0	1,499,767	0	1,499,767	0
25								
26	TOTAL WORKING CAPITAL		5,140,454	1,119,729	2,266,761	1,753,964	5,140,454	0
27	PRELIMINARY SUMMARY							
28	TOTAL ACCUMULATED DEFERRED INCOME TAXES		(68,753,980)	(28,146,696)	(884,301)	(39,722,983)	(68,753,980)	0
29	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		1,247,807	242,326	434,776	570,705	1,247,807	0
30	TOTAL WORKING CAPITAL		5,140,454	1,119,729	2,266,761	1,753,964	5,140,454	0
31	TOTAL RATE BASE ADJUSTMENTS		(62,365,719)	(26,784,641)	1,817,236	(37,398,314)	(62,365,719)	0
32								
33	RATE BASE CALCULATION							
34	NET GAS PLANT IN SERVICE		278,767,702	122,007,455	1,584,202	155,176,045	278,767,702	0
35	TOTAL RATE BASE ADJUSTMENTS		(62,365,719)	(26,784,641)	1,817,236	(37,398,314)	(62,365,719)	0
36	TOTAL RATE BASE		216,401,983	95,222,814	3,401,438	117,777,731	216,401,983	0
37								
38	TOTAL RATE OF RETURN ALLOWABLE		0.07181	0.07181	0.07181	0.07181	0.07181	0.07181
39	RETURN ON RATE BASE		15,539,826	6,837,950	244,257	8,457,619	15,539,826	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	O&M EXPENSES	ALLO	TOTAL RESIDENTIAL	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	PRODUCTION O&M							
2	COMMODITY RELATED O&M							
3	ANNUALIZED GAS COST	K301	18,416,661	0	18,416,661	0	18,416,661	0
4	OTHER ASSOCIATED COST	K300	429,747	0	429,747	0	429,747	0
5	TOTAL COMMODITY RELATED		18,846,408	0	18,846,408	0	18,846,408	0
6								
7	DEMAND RELATED PROD O&M							
8	ANNUALIZED GAS COST - DEMAND	K301	0	0	0	0	0	0
9	TOTAL DEMAND RELATED		0	0	0	0	0	0
10								
11	DEMAND RELATED & OTHER PROD O&M							
12	PRODUCTION EXPENSES	K201	0	0	0	0	0	0
13	TOTAL DEM REL & OTH PROD O&M		0	0	0	0	0	0
14								
15	TOTAL PRODUCTION O&M		18,846,408	0	18,846,408	0	18,846,408	0
16								
17	TRANSMISSION O & M							
18	TRANSMISSION O & M							
19	TOTAL TRANSMISSION O & M		0	0	0	0	0	0
20								
21	DISTRIBUTION O & M							
22	LOAD DISPATCHING	K203	104,651	104,651	0	0	104,651	0
23	MAINS & SERVICES OPER	K667	1,830,677	746,839	0	1,083,838	1,830,677	0
24	M & R STATION GENERAL	K203	37,376	37,376	0	0	37,376	0
25	CUSTOMER INST & OTHER	K415	841,488	706,850	0	134,638	841,488	0
26	METERS & HOUSE REG	K697	1,971,427	0	0	1,971,427	1,971,427	0
27	MAINS	K415	1,342,364	1,127,586	0	214,778	1,342,364	0
28	SERVICES	K403	520,453	0	0	520,453	520,453	0
29	SUPV & ENG	D249	0	0	0	0	0	0
30	ELIMINATE NON-KY CUSTOMER	K595	0	0	0	0	0	0
31	INTEGRITY MANAGEMENT EXPENSES	K203	601,649	601,649	0	0	601,649	0
32	OTHER DISTRIBUTION EXPENSES	K415	1,524,658	1,280,713	0	243,945	1,524,658	0
33	TOTAL DISTRIBUTION O & M		8,774,743	4,605,664	0	4,169,079	8,774,743	0
34								
35	CUSTOMER ACCOUNTING							
36	SUPERVISION & ENGINEERING	K405	172,562	0	0	172,562	172,562	0
37	METER READING	K405	14,781	0	0	14,781	14,781	0
38	CUSTOMER BILLING & COLLECTIONS	K405	2,409,442	0	0	2,409,442	2,409,442	0
39	UNCOLLECTIBLE EXP	K406	(213,433)	0	0	(213,433)	(213,433)	0
40	ELIMINATE MISC EXPENSES	K406	0	0	0	0	0	0
41	SALE OF A/R	K406	97,861	0	0	97,861	97,861	0
42	INTEREST ON CUSTOMER SERVICE DEPOSITS	K405	0	0	0	0	0	0
43	ANNUALIZED UNCOLL EXP ON INCR	K406	0	0	0	0	0	0
44	TOTAL CUSTOMER ACCT EXPENSE		2,481,213	0	0	2,481,213	2,481,213	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	O&M EXPENSES	ALLO	TOTAL RESIDENTIAL	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
		Schedule 6.1						
1	CUSTOMER SERVICE & INFORMATION							
2	TOTAL CUST SERVICE & INFO	K407	377,106	0	0	377,106	377,106	0
3	TOTAL CUSTOMER SERV. & INFO.		377,106	0	0	377,106	377,106	0
4								
5	SALES							
6	SALES EXPENSE	K408	180,210	0	0	180,210	180,210	0
7	TOTAL SALES EXPENSE		180,210	0	0	180,210	180,210	0
8								
9	ADMINISTRATIVE & GENERAL							
10	PRODUCTION PLANT DEMAND	P349	203,995	0	203,995	0	203,995	0
11	PRODUCTION PLANT COMMODITY	K301	160,109	0	160,109	0	160,109	0
12	DISTRIBUTION PLANT	D349	2,909,114	1,526,921	0	1,382,193	2,909,114	0
13	CUSTOMER ACCOUNTING	CA19	1,677,941	0	0	1,677,941	1,677,941	0
14	CUSTOMER SERVICE & INFORMATION	CS19	146,832	0	0	146,832	146,832	0
15	SALES	SE19	0	0	0	0	0	0
16	TOT ADMIN & GEN LESS REG EXP		5,097,991	1,526,921	364,104	3,206,966	5,097,991	0
17	AMORTIZATION RATE CASE EXPENSE	AG39	84,260	25,237	6,019	53,004	84,260	0
18	INCENTIVE COMPENSATION	AG39	(202,978)	(60,795)	(14,497)	(127,686)	(202,978)	0
19	ELIMINATE MISCELLANEOUS EXPENSES	AG39	(235,779)	(70,619)	(16,840)	(148,320)	(235,779)	0
20	ELIMINATE NON-JURISDICTIONAL EXPENSES	NP29	0	0	0	0	0	0
21	AMORTIZATION OF DEFERRED EXP	AG39	397,540	119,070	28,392	250,078	397,540	0
22	STATE REG COMMISSION EXPENSES	AG39	0	0	0	0	0	0
23	STATE REG COM EXP ANN ADJ.	AG39	0	0	0	0	0	0
24	AMORTIZE CAMERA WORK	AG39	0	0	0	0	0	0
25	ELIMINATE MERGER EXPENSE	AG39	0	0	0	0	0	0
26	SMART GRID AMORTIZATION ADJUSTMENT	K413	0	0	0	0	0	0
27	AMORTIZE 2011 SMART GRID DEFERRED O&M	K413	0	0	0	0	0	0
28	INCREASED MEDICAL COSTS	AG39	0	0	0	0	0	0
29	AMORTIZE GAS FURNACE PROGRAM	NP29	0	0	0	0	0	0
30	AMORTIZATION OF MGP DEFERRED EXP	NP29	0	0	0	0	0	0
31	TOTAL ADMIN. & GENERAL		5,141,034	1,539,814	367,178	3,234,042	5,141,034	0
32								
33	TOTAL O & M EXPENSE		35,800,714	6,145,478	19,213,586	10,441,650	35,800,714	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	DEPRECIATION EXPENSE	ALLO	TOTAL RESIDENTIAL	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	PRODUCTION DEPRECIATION							
2	PRODUCTION DEPRECIATION	P229	127,105	0	127,105	0	127,105	0
3	TOTAL PRODUCTION DEPREC EXP.		127,105	0	127,105	0	127,105	0
4								
5	TRANSMISSION DEPRECIATION							
6	TOTAL TRANSMISSION DEP. EXP.		0	0	0	0	0	0
7								
8	DISTRIBUTION DEPRECIATION							
9	DISTRIBUTION DEPRECIATION	D249	8,376,339	3,730,661	0	4,645,678	8,376,339	0
10	TOTAL DIST. DEPREC EXP.		8,376,339	3,730,661	0	4,645,678	8,376,339	0
11								
12	GENERAL DEPRECIATION							
13	GENERAL DEPRECIATION	G229	1,606,926	481,282	114,818	1,010,826	1,606,926	0
14	TOTAL GENERAL DEPREC EXP.		1,606,926	481,282	114,818	1,010,826	1,606,926	0
15								
16	COMMON AND OTHER DEPRECIATION							
17	COMMON DEPRECIATION	C229	93,287	27,940	6,666	58,681	93,287	0
18	TOTAL COM & OTHER DEPREC EXP.		93,287	27,940	6,666	58,681	93,287	0
19								
20								
21	TOTAL DEPRECIATION EXPENSE		10,203,657	4,239,883	248,589	5,715,185	10,203,657	0

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LINE NO.	OTHER TAXES & MISC EXPENSES	ALLO	TOTAL RESIDENTIAL	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	TAXES OTHER THAN INC & REV							
2	REAL ESTATE & PROPERTY TAX							
3	REAL ESTATE & PROPERTY TAX	NP29	2,355,270	1,030,817	13,383	1,311,070	2,355,270	0
4	ANNUALIZE PROPERTY TAX	NP29	0	0	0	0	0	0
5	TOTAL REAL ESTATE & PROPERTY TAX		2,355,270	1,030,817	13,383	1,311,070	2,355,270	0
6								
7	MISCELLANEOUS TAXES							
8	PAYROLL & HIGHWAY	AG39	519,003	155,448	37,069	326,486	519,003	0
9	UNEMPLOYMENT COMPENSATION	AG39	0	0	0	0	0	0
10	OHIO EXCISE TAX	OM39	0	0	0	0	0	0
11	STATE TAX RIDER	OM39	0	0	0	0	0	0
12	TOTAL MISCELLANEOUS TAXES		519,003	155,448	37,069	326,486	519,003	0
13								
14	MISCELLANEOUS EXPENSES							
15	PSC MAINT. EXP ON INCREASE	AG39	15,434	4,623	1,102	9,709	15,434	0
16	RESERVED FOR FUTURE USE	AG39	0	0	0	0	0	0
17	TOTAL MISCELLANEOUS EXPENSES		15,434	4,623	1,102	9,709	15,434	0
18								
19	TOTAL OTHER TAX & MISC EXPENSE		2,889,707	1,190,888	51,554	1,647,265	2,889,707	0
20								
21	PRELIMINARY SUMMARY							
22	TOTAL O&M EXPENSE		35,800,714	6,145,478	19,213,586	10,441,650	35,800,714	0
23	TOTAL DEPRECIATION EXPENSE		10,203,657	4,239,883	248,589	5,715,185	10,203,657	0
24	TOTAL OTHER TAX & MISC EXPENSE		2,889,707	1,190,888	51,554	1,647,265	2,889,707	0
25	TOTAL OPER EXP EXCL INCOME & REV TAX		48,894,078	11,576,249	19,513,729	17,804,100	48,894,078	0

DUKE ENERGY KENTUCKY, INC.
 RESIDENTIAL CLASSIFIED - GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
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LINE NO.	FEDERAL INCOME TAX BASED ON RETURN	ALLO	TOTAL RESIDENTIAL	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	FEDERAL INCOME TAX DEDUCTIONS							
2	AUTOMATIC INTEREST CALCULATION							
3	AUTO PROC INTEREST DED	RB99	4,664,691	2,052,604	73,313	2,538,774	4,664,691	0
4	TOTAL INTEREST EXPENSE		4,664,691	2,052,604	73,313	2,538,774	4,664,691	0
5								
6	OTHER DEDUCTIONS							
7	DEPREC EXCESS TAX-BOOK	DE49	4,514,322	1,875,830	109,979	2,528,513	4,514,322	0
8	PERMANENT DIFFERENCES	AG39	(72,952)	(21,850)	(5,211)	(45,891)	(72,952)	0
9	TEMPORARY DIFFERENCES	DE49	163,750	68,043	3,989	91,718	163,750	0
10	TOTAL OTHER DEDUCTIONS		4,605,120	1,922,023	108,757	2,574,340	4,605,120	0
11								
12	NET DEDUCTIONS AND ADDITIONS		9,269,811	3,974,627	182,070	5,113,114	9,269,811	0
13								
14	FED DEFERRED INCOME TAX (410 & 411)							
15	DEFERRED INCOME TAXES - NET	OM39	756,136	129,797	405,809	220,530	756,136	0
16	AMORT OF DEFERRED MERGER COST	AG39	0	0	0	0	0	0
17	DIT ADJUSTMENT - S/L DEPRECIATION	DE49	0	0	0	0	0	0
18	DIT ADJUSTMENT - ARAM	K201	(8,380)	0	(8,380)	0	(8,380)	0
19	DIT ADJUSTMENT - AMORT OF EXCESS DEF TAXES	AG39	(428,951)	(128,477)	(30,636)	(269,838)	(428,951)	0
20	TOTAL FED DEF IT (410 & 411)		318,805	1,320	366,793	(49,308)	318,805	0
21								
22	AMORT INV TAX CREDIT							
23	AMORTIZE ITC	NP29	45,912	20,094	261	25,557	45,912	0
24	TOTAL AMORTIZED ITC		45,912	20,094	261	25,557	45,912	0
25								
26	TEST YEAR INV TAX CREDIT							
27	PROV INVEST TAX CREDIT	NP29	0	0	0	0	0	0
28	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0
29								
30	PRELIMINARY SUMMARY							
31	TOTAL FED DEF IT (410 & 411)		318,805	1,320	366,793	(49,308)	318,805	0
32	TOTAL AMORTIZED ITC		(45,912)	(20,094)	(261)	(25,557)	(45,912)	0
33	TOTAL FEDERAL TAX ADJUSTMENTS		272,893	(18,774)	366,532	(74,865)	272,893	0
34								
35	FEDERAL INCOME TAX COMPUTATION							
36	RETURN ON RATE BASE		15,539,826	6,837,950	244,257	8,457,619	15,539,826	0
37	NET DEDUCTIONS AND ADDITIONS		(9,269,811)	(3,974,627)	(182,070)	(5,113,114)	(9,269,811)	0
38	TOTAL STATE PROV DEF IT (410 & 411)		313,237	2,306	0	310,932	313,238	(1)
39	TOTAL FEDERAL TAX ADJUSTMENTS		272,893	(18,774)	366,532	(74,865)	272,893	0
40	BASE FOR FIT COMPUTATION		6,856,145	2,846,855	428,719	3,580,572	6,856,146	(1)
41								
42	FIT FACTOR K190/(1-K190)		0.26582	0.26582	0.26582	0.26582		0.26582
43	PRELIM FED INCOME TAX		1,822,520	756,760	113,963	951,798	1,822,521	0
44	TOTAL FEDERAL TAX ADJUSTMENTS		272,893	(18,774)	366,532	(74,865)	272,893	0
45	NET FED INCOME TAX ALLOWABLE		2,095,413	737,986	480,495	876,933	2,095,414	0
46								
47	INCOME TAX BASED ON RETURN							
48	FEDERAL INCOME TAX PAYABLE							
49	PRELIM FEDERAL INCOME TAX		1,822,520	756,760	113,963	951,798	1,822,521	0
50	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0
51	NET FED INCOME TAX PAYABLE		1,822,520	756,760	113,963	951,798	1,822,521	0
52								
53	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925		0.24925

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	COST OF SERVICE COMPUTATION	ALLO	TOTAL RESIDENTIAL	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	OTHER OPERATING REVENUES							
2	MISC SERVICE REVENUE	K401	46,506	0	0	46,506	46,506	0
3	INTERDEPARTMENTAL	AG39	20,326	6,088	1,452	12,786	20,326	0
4	OTH MISC REVENUE	K401	1,760	0	0	1,760	1,760	0
5	RENTS	D249	10,057	4,479	0	5,578	10,057	0
6	IT TRANSPORT SPECIAL CONTRACTS	AG39	0	0	0	0	0	0
7	TOTAL OTHER OPERATING REVS		78,649	10,567	1,452	66,630	78,649	0
8								
9	COST OF SERVICE COMPUTATION							
10	TOTAL OP EXP EXC INC & REV TAX		48,894,078	11,576,249	19,513,729	17,804,100	48,894,078	0
11	RETURN ON RATE BASE		15,539,826	6,837,950	244,257	8,457,619	15,539,826	0
12	NET FED INCOME TAX ALLOWABLE		2,095,413	737,986	480,495	876,933	2,095,414	0
13	TOTAL OTHER OPERATING REVENUES		(78,649)	(10,567)	(1,452)	(66,630)	(78,649)	0
14	SUBTOTAL B		66,450,668	19,141,618	20,237,029	27,072,022	66,450,669	1
15								
16	TOTAL OTHER OPERATING REVENUES		78,649	10,567	1,452	66,630	78,649	0
17	LESS: REVS EXCL FROM REV TAX CALC		0	0	0	0	0	0
18	OTHER OPERATING REVS TO BE TAXED		78,649	10,567	1,452	66,630	78,649	0
19								
20	REVENUE TAX FACTOR		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	REVENUE TAX ON OTHER OPER. REVS		0	0	0	0	0	0
22	REVENUE TAX ON COST OF SERVICE		0	0	0	0	0	0
23	TOTAL REVENUE TAX		0	0	0	0	0	0
24	TOTAL GAS COST OF SERVICE		66,450,668	19,141,618	20,237,029	27,072,022	66,450,669	1
25								
26	PROPOSED REVENUES		65,522,694	20,762,035	24,976,596	19,784,063	65,522,694	0
27	TOTAL GAS COST OF SERVICE		(66,450,668)	(19,141,618)	(20,237,029)	(27,072,022)	(66,450,669)	(1)
28	EXCESS REVENUES		(927,974)	1,620,417	4,739,567	(7,287,959)	(927,975)	(1)
29	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925	0.24925	0.24925
30	EXCESS TAX		(231,298)	403,889	1,181,337	(1,816,524)	(231,298)	0
31	EXCESS RETURN		(696,676)	1,216,528	3,558,230	(5,471,435)	(696,677)	1

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	SUMMARY OF RESULTS	ALLO	TOTAL GS	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
1	NET INCOME COMPUTATION	Schedule 1						
2	GROSS GAS PLANT IN SERVICE		129,395,039	93,434,014	1,965,952	33,995,073	129,395,039	0
3	TOTAL DEPRECIATION RESERVE		(38,975,357)	(27,727,203)	(1,095,602)	(10,152,552)	(38,975,357)	0
4	TOTAL RATE BASE ADJUSTMENTS		(19,058,287)	(14,315,374)	1,041,706	(5,784,619)	(19,058,287)	0
5	TOTAL RATE BASE		71,361,395	51,391,437	1,912,056	18,057,902	71,361,395	0
6								
7	OPERATING EXPENSES							
8	TOTAL O&M EXPENSE		15,474,188	2,776,499	10,944,332	1,753,357	15,474,188	0
9	TOTAL DEPRECIATION EXPENSE		3,260,617	2,249,553	135,607	875,457	3,260,617	0
10	TOTAL OTHER TAX & MISC EXPENSE		908,553	627,471	29,096	251,986	908,553	0
11	TOTAL OP EXP EXCLUDING INC & REV TAX		19,643,358	5,653,523	11,109,035	2,880,800	19,643,358	0
12	NET FED INCOME TAX EXP ALLOWABLE		830,072	402,242	274,088	153,742	830,072	0
13	NET STATE INCOME TAX EXP ALLOWABLE		193,787	102,945	16,259	74,583	193,787	0
14	TOTAL OPERATING EXPENSE		20,667,217	6,158,710	11,399,382	3,109,125	20,667,217	0
15								
16	RETURN ON RATE BASE		5,124,462	3,690,419	137,305	1,296,738	5,124,462	0
17	TOTAL OTHER OPERATING REVENUES		(12,450)	(5,174)	(827)	(6,449)	(12,450)	0
18	TOTAL GAS COST OF SERVICE		25,779,229	9,843,955	11,535,860	4,399,414	25,779,229	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	GROSS GAS PLANT IN SERVICE	ALLO	TOTAL GS	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
		Schedule 2						
1	PRODUCTION PLANT							
2	PRODUCTION PLANT	K205	853,321	0	853,321	0	853,321	0
3	GAS PRODUCTION -CPMPL NOT CLASS	K205	0	0	0	0	0	0
4	PRODUCTION PLANT IN SERVICE		853,321	0	853,321	0	853,321	0
5								
6	TRANSMISSION PLANT							
7	TRANSMISSION PLANT							
8	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0
9								
10	TOTAL PROD & TRANS PLANT		853,321	0	853,321	0	853,321	0
11								
12	DISTRIBUTION PLANT							
13	SYSTEM M&R - (2780, 2781)	K203	2,419,384	2,419,384	0	0	2,419,384	0
14	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	714,213	714,213	0	0	714,213	0
15	LARGE IND M&R - (2850, 2851)	K595	0	0	0	0	0	0
16	MAINS - (2761, 2762, 2763, 2765)	K415	73,491,482	70,292,843	0	3,198,639	73,491,482	0
17	SERVICES - (2801, 2802, 2803)	K403	19,532,443	0	0	19,532,443	19,532,443	0
18	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	4,564,235	0	0	4,564,235	4,564,235	0
19	LAND, R OF W, STRUCT & IMPROV	K203	431,152	431,152	0	0	431,152	0
20	HOUSE REG & INSTALL (2830, 2840)	K417	4,114,039	0	0	4,114,039	4,114,039	0
21	STREET LIGHTING EQUIPMENT & OTH	K597	49,737	49,737	0	0	49,737	0
22	ASSET RETIREMENT COST FOR DISTRIBUTION PLANT	K203	15,827,350	15,827,350	0	0	15,827,350	0
23	DISTRIBUTION PLANT IN SERVICE		121,144,035	89,734,679	0	31,409,356	121,144,035	0
24								
25	TOTAL TRANS & DIST PLANT		121,144,035	89,734,679	0	31,409,356	121,144,035	0
26	TOTAL GROSS PTD PLANT		121,997,356	89,734,679	853,321	31,409,356	121,997,356	0
27								
28	GENERAL & INTANGIBLE PLANT							
29	PRODUCTION PLANT	K201	409,609	0	409,609	0	409,609	0
30	PRODUCTION PLANT COMMODITY	P349	319,335	0	319,335	0	319,335	0
31	DISTRIBUTION PLANT	D349	3,630,577	2,423,631	0	1,206,946	3,630,577	0
32	CUSTOMER ACCOUNTING	CA19	447,901	0	0	447,901	447,901	0
33	CUSTOMER SERVICE & INFORMATION	CS19	39,194	0	0	39,194	39,194	0
34	SALES	SE19	0	0	0	0	0	0
35	GEN & INTANG PLANT IN SERVICE		4,846,616	2,423,631	728,944	1,694,041	4,846,616	0
36								
37	COMMON & OTHER PLANT							
38	PRODUCTION PLANT	K201	215,602	0	215,602	0	215,602	0
39	PRODUCTION PLANT COMMODITY	P349	168,085	0	168,085	0	168,085	0
40	DISTRIBUTION PLANT	D349	1,910,993	1,275,704	0	635,289	1,910,993	0
41	CUSTOMER ACCOUNTING	CA19	235,757	0	0	235,757	235,757	0
42	CUSTOMER SERVICE & INFORMATION	CS19	20,630	0	0	20,630	20,630	0
43	SALES	SE19	0	0	0	0	0	0
44	COMMON & OTHER PLANT IN SERVICE		2,551,067	1,275,704	383,687	891,676	2,551,067	0
45								
46	GROSS GAS PLANT IN SERVICE		129,395,039	93,434,014	1,965,952	33,995,073	129,395,039	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	DEPRECIATION RESERVE	ALLO	TOTAL GS	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
	Schedule 3			3	4	5		
1	PRODUCTION PLANT							
2	PRODUCTION PLANT	K205	498,225	0	498,225	0	498,225	0
3	TOTAL PROD DEPREC RESERVE		498,225	0	498,225	0	498,225	0
4								
5	TRANSMISSION PLANT							
6	TRANSMISSION PLANT							
7	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0
8								
9	DISTRIBUTION PLANT							
10	SYSTEM M&R - (2780, 2781)	K203	873,229	873,229	0	0	873,229	0
11	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	327,797	327,797	0	0	327,797	0
12	LARGE IND M&R - (2850, 2851)	K595	0	0	0	0	0	0
13	MAINS - (2761, 2762, 2763, 2765)	K415	27,682,271	26,477,430	0	1,204,841	27,682,271	0
14	SERVICES - (2801, 2802, 2803)	K403	6,442,401	0	0	6,442,401	6,442,401	0
15	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	(572,772)	0	0	(572,772)	(572,772)	0
16	LAND, R OF W, STRUCT & IMPROV & OTH	K203	199,090	199,090	0	0	199,090	0
17	HOUSE REG & INSTALL (2830, 2840)	K417	1,689,800	0	0	1,689,800	1,689,800	0
18	STREET LIGHTING EQUIPMENT & OTH	K597	(2,136,531)	(2,136,531)	0	0	(2,136,531)	0
19	TOTAL DIST DEPREC RESERVE		34,505,285	25,741,015	0	8,764,270	34,505,285	0
20								
21	GENERAL & INTANGIBLE PLANT							
22	PRODUCTION PLANT	K201	157,873	0	157,873	0	157,873	0
23	PRODUCTION PLANT COMMODITY	P349	123,079	0	123,079	0	123,079	0
24	DISTRIBUTION PLANT	D349	1,399,306	934,122	0	465,184	1,399,306	0
25	CUSTOMER ACCOUNTING	CA19	172,631	0	0	172,631	172,631	0
26	CUSTOMER SERVICE & INFORMATION	CS19	15,106	0	0	15,106	15,106	0
27	SALES	SE19	0	0	0	0	0	0
28	TOTAL GEN DEPREC RESERVE		1,867,995	934,122	280,952	652,921	1,867,995	0
29								
30	COMMON & OTHER PLANT							
31	PRODUCTION PLANT	K201	177,806	0	177,806	0	177,806	0
32	PRODUCTION PLANT COMMODITY	P349	138,619	0	138,619	0	138,619	0
33	DISTRIBUTION PLANT	D349	1,575,985	1,052,066	0	523,919	1,575,985	0
34	CUSTOMER ACCOUNTING	CA19	194,428	0	0	194,428	194,428	0
35	CUSTOMER SERVICE & INFORMATION	CS19	17,014	0	0	17,014	17,014	0
36	SALES	SE19	0	0	0	0	0	0
37	TOTAL COM & OTHER PLT RESERVE		2,103,852	1,052,066	316,425	735,361	2,103,852	0
38								
39	TOTAL DEPRECIATION RESERVE		38,975,357	27,727,203	1,095,602	10,152,552	38,975,357	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	NET GAS PLANT	ALLO	TOTAL GS	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
		Schedule 4		3	4	5		
1	PRODUCTION PLANT							
2	PRODUCTION PLANT IN SERVICE		853,321	0	853,321	0	853,321	0
3	TOTAL PROD DEPRC RESERVE		(498,225)	0	(498,225)	0	(498,225)	0
4	NET PRODUCTION PLANT		355,096	0	355,096	0	355,096	0
5								
6	TRANSMISSION PLANT							
7	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0
8	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0
9	NET TRANSMISSION PLANT		0	0	0	0	0	0
10								
11	DISTRIBUTION PLANT							
12	DISTRIBUTION PLANT IN SERVICE		121,144,035	89,734,679	0	31,409,356	121,144,035	0
13	TOTAL DIST DEPREC RESERVE		(34,505,285)	(25,741,015)	0	(8,764,270)	(34,505,285)	0
14	NET DISTRIBUTION PLANT		86,638,750	63,993,664	0	22,645,086	86,638,750	0
15								
16	NET PTD PLANT		86,993,846	63,993,664	355,096	22,645,086	86,993,846	0
17	NET TRANS & DIST PLANT		86,638,750	63,993,664	0	22,645,086	86,638,750	0
18								
19	GENERAL & INTANGIBLE PLANT							
20	GEN & INTANG PLANT IN SERVICE		4,846,616	2,423,631	728,944	1,694,041	4,846,616	0
21	TOTAL GEN & INTG DEPREC RESERVE		(1,867,995)	(934,122)	(280,952)	(652,921)	(1,867,995)	0
22	NET GENERAL & INTANG PLANT		2,978,621	1,489,509	447,992	1,041,120	2,978,621	0
23								
24	COMMON & OTHER PLANT							
25	COMMON & OTH PLT IN SERVICE		2,551,067	1,275,704	383,687	891,676	2,551,067	0
26	TOTAL COM & OTH DEPREC RESERVE		(2,103,852)	(1,052,066)	(316,425)	(735,361)	(2,103,852)	0
27	NET COMMON & OTHER PLANT		447,215	223,638	67,262	156,315	447,215	0
28								
29	NET GAS PLANT IN SERVICE		90,419,682	65,706,811	870,350	23,842,521	90,419,682	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	SUBTRACTIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL GS	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	RATE BASE ADJUSTMENTS	Schedule 5						
2	ACCUMULATED DEFERRED INCOME TAXES							
3	ACCUM DEF INC TAXES (282)							
4	LIBERALIZED DEPRECIATION	NP29	11,906,603	8,652,481	114,600	3,139,522	11,906,603	0
5	LEASED METERS	K413	331,594	0	0	331,594	331,594	0
6	CONTRIB AID CONSTR	D249	(41,911)	(30,956)	0	(10,955)	(41,911)	0
7	CAPITALIZED INTEREST	NP29	(211,709)	(153,848)	(2,038)	(55,823)	(211,709)	0
8	AFUDC IN DEBT	NP29	57,081	41,480	550	15,051	57,081	0
9	CWIP DIFFERENCES	NP29	0	0	0	0	0	0
10	NON-CASH OVERHEADS	AG39	(106,369)	(53,194)	(15,993)	(37,182)	(106,369)	0
11	PLANT FAS 109	NP29	0	0	0	0	0	0
12	MISCELLANEOUS	AG39	1,872,941	936,634	281,606	654,701	1,872,941	0
13	TOTAL ACCOUNT 282		13,808,230	9,392,597	378,725	4,036,908	13,808,230	0
14								
15	ACCUM DEF INC TAXES (283)							
16	BLANK	K413	0	0	0	0	0	0
17	BLANK	K413	0	0	0	0	0	0
18	UNRECOVERED PURCHASED GAS COST	AG39	3,968	1,984	597	1,387	3,968	0
19	ENVIRONMENTAL RESERVE	NP29	0	0	0	0	0	0
20	POST IN-SERVICE CARRYING COSTS	K667	0	0	0	0	0	0
21	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0
22	LOSS ON REACQUIRED DEBT	NP29	3,854	2,801	37	1,016	3,854	0
23	VACATION PAY ACCRUAL	AG39	18,179	9,091	2,733	6,355	18,179	0
24	RATE CASE EXPENSE AMORT	AG39	(4,969)	(2,485)	(747)	(1,737)	(4,969)	0
25	PENSION	AG39	317,601	158,828	47,753	111,020	317,601	0
26	MISCELLANEOUS	K406	50,959	0	0	50,959	50,959	0
27	TOTAL ACCOUNT 283		389,592	170,219	50,373	169,000	389,592	0
28								
29	OTHER ACCUMULATED DEFERRED INCOME TAXES							
30	CUSTOMER ADVANCES FOR CONSTRUCTION	D249	357,611	264,139	0	93,472	357,611	0
31	CUSTOMER SERVICE DEPOSITS	D249	0	0	0	0	0	0
32	POST RETIREMENT BENEFITS	AG39	0	0	0	0	0	0
33	EDIT	NP29	7,060,692	5,130,976	67,959	1,861,757	7,060,692	0
34	TOTAL OTHER SUBTRACTIVE ADJS		7,418,303	5,395,115	67,959	1,955,229	7,418,303	0
35								
36	SUBTOTAL ACCUMULATED DEFERRED INC TAXES		21,616,125	14,957,931	497,057	6,161,137	21,616,125	0

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LINE NO.	ADDITIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL GS	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
			Schedule 5.1					
			3	4	5			
1	OTHER ACCUMULATED DEFERRED INCOME TAXES							
2	ACCUM DEF INC TAXES (190)							
3	UNCOLLECTIBLE ACCTS	K406	270	0	0	270	270	0
4	GAS SUPPLIER REFUND	K300	10,098	0	10,098	0	10,098	0
5	UNBILLED REVENUE - FUEL & RATE REFUNDS	K300	182,983	0	182,983	0	182,983	0
6	OFFSITE GAS STORAGE	K300	22,308	0	22,308	0	22,308	0
7	GAS METERS	K413	7,375	0	0	7,375	7,375	0
8	UNAMORTIZED DEBT PREMIUM	NP29	(414)	(301)	(4)	(109)	(414)	0
9	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0
10	PENSION EXPENSE	AG39	36,529	18,268	5,492	12,769	36,529	0
11	POST RETIREMENT BENEFITS - LIFE INS	AG39	0	0	0	0	0	0
12	POST RETIREMENT BENEFITS - HEALTH CARE	AG39	0	0	0	0	0	0
13	POST EMPLOYMENT BENEFITS - SFAS 112	AG39	8,713	4,357	1,310	3,046	8,713	0
14	OPEB EXPENSE ACCRUAL	AG39	59,956	29,983	9,015	20,958	59,956	0
15	INCENTIVE PLAN	AG39	0	0	0	0	0	0
16	FEDERAL DEFERRED TAX RECEIVABLE	AG39	0	0	0	0	0	0
17	DSM DEFERRAL	AG39	37,128	18,567	5,582	12,979	37,128	0
18	PROPERTY TAX	P229	0	0	0	0	0	0
19	PROPERTY TAX ON PROPANE	P229	0	0	0	0	0	0
20	401K INCENTIVE PLAN	AG39	0	0	0	0	0	0
21	ENVIRONMENTAL RESERVE	NP29	35,897	26,086	346	9,465	35,897	0
22	VACATION PAY ACCRUALS	G129	32,469	16,237	4,883	11,349	32,469	0
23	SMART GRID	K413	0	0	0	0	0	0
24	METERS & TRANSFORMERS	D249	0	0	0	0	0	0
25	OTHER	AG39	75,157	37,585	11,300	26,272	75,157	0
26	TOTAL ACCOUNT 190		508,469	150,782	253,313	104,374	508,469	0
27								
28	OTHER							
29	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0
30	ANNUALIZE DEPRECIATION	NP29	(60,934)	(44,281)	(586)	(16,067)	(60,934)	0
31	ELIMINATE UNBILLED REVENUE AND GAS COSTS	K300	(5,052)	0	(5,052)	0	(5,052)	0
32	OTHER		(65,986)	(44,281)	(5,638)	(16,067)	(65,986)	0
33								
34	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		442,483	106,501	247,675	88,307	442,483	0

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LINE NO.	WORKING CAPITAL	ALLO	TOTAL GS	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	NET ORIGINAL COST RATE BASE		69,246,040	50,855,381	620,968	17,769,691	69,246,040	0
2								
3	WORKING CAPITAL							
4								
5	PLANT MATERIALS & SUPPLIES							
6	GAS ENRICHER LIQUID	K301	370,749	0	370,749	0	370,749	0
7	OTHER SUPPLIES	NP29	257,689	187,262	2,480	67,947	257,689	0
8	TOTAL PLANT MATS. & SUPPLIES		628,438	187,262	373,229	67,947	628,438	0
9	TOTAL MATERIALS & SUPPLIES		628,438	187,262	373,229	67,947	628,438	0
10								
11	PREPAYMENTS							
12	INSURANCE GENERAL	OM39	9,653	1,732	6,827	1,094	9,653	0
13	EXCISE TAX	OM39	0	0	0	0	0	0
14	GAS PURCHASE	K301	0	0	0	0	0	0
15	TOTAL PREPAYMENTS		9,653	1,732	6,827	1,094	9,653	0
16								
17	AUTO CALC (O&M-GAS COST)/8		622,976	347,062	56,744	219,170	622,976	0
18	TOTAL WORKING CASH		622,976	347,062	56,744	219,170	622,976	0
19								
20	MISCELLANEOUS WORKING CAPITAL							
21	GAS STORED UNDERGROUND	K301	854,288	0	854,288	0	854,288	0
22	PIPP UNCOLLECTIBLES	K406	0	0	0	0	0	0
23	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0
24	TOTAL MISC WORK CAPITAL		854,288	0	854,288	0	854,288	0
25								
26	TOTAL WORKING CAPITAL		2,115,355	536,056	1,291,088	288,211	2,115,355	0
27	PRELIMINARY SUMMARY							
28	TOTAL ACCUMULATED DEFERRED INCOME TAXES		(21,616,125)	(14,957,931)	(497,057)	(6,161,137)	(21,616,125)	0
29	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		442,483	106,501	247,675	88,307	442,483	0
30	TOTAL WORKING CAPITAL		2,115,355	536,056	1,291,088	288,211	2,115,355	0
31	TOTAL RATE BASE ADJUSTMENTS		(19,058,287)	(14,315,374)	1,041,706	(5,784,619)	(19,058,287)	0
32								
33	RATE BASE CALCULATION							
34	NET GAS PLANT IN SERVICE		90,419,682	65,706,811	870,350	23,842,521	90,419,682	0
35	TOTAL RATE BASE ADJUSTMENTS		(19,058,287)	(14,315,374)	1,041,706	(5,784,619)	(19,058,287)	0
36	TOTAL RATE BASE		71,361,395	51,391,437	1,912,056	18,057,902	71,361,395	0
37								
38	TOTAL RATE OF RETURN ALLOWABLE		0.07181	0.07181	0.07181	0.07181	0.07181	0.07181
39	RETURN ON RATE BASE		5,124,462	3,690,419	137,305	1,296,738	5,124,462	0

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LINE NO.	O&M EXPENSES	ALLO	TOTAL GS	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
		Schedule 6						
1	PRODUCTION O&M							
2	COMMODITY RELATED O&M							
3	ANNUALIZED GAS COST	K301	10,490,379	0	10,490,379	0	10,490,379	0
4	OTHER ASSOCIATED COST	K300	244,802	0	244,802	0	244,802	0
5	TOTAL COMMODITY RELATED		10,735,181	0	10,735,181	0	10,735,181	0
6								
7	DEMAND RELATED PROD O&M							
8	ANNUALIZED GAS COST - DEMAND	K301	0	0	0	0	0	0
9	TOTAL DEMAND RELATED		0	0	0	0	0	0
10								
11	DEMAND RELATED & OTHER PROD O&M							
12	PRODUCTION EXPENSES	K201	0	0	0	0	0	0
13	TOTAL DEM REL & OTH PROD O&M		0	0	0	0	0	0
14								
15	TOTAL PRODUCTION O&M		10,735,181	0	10,735,181	0	10,735,181	0
16								
17	TRANSMISSION O & M							
18	TRANSMISSION O & M							
19	TOTAL TRANSMISSION O & M		0	0	0	0	0	0
20								
21	DISTRIBUTION O & M							
22	LOAD DISPATCHING	K203	54,716	54,716	0	0	54,716	0
23	MAINS & SERVICES OPER	K667	524,895	390,474	0	134,421	524,895	0
24	M & R STATION GENERAL	K203	19,541	19,541	0	0	19,541	0
25	CUSTOMER INST & OTHER	K415	351,579	295,326	0	56,253	351,579	0
26	METERS & HOUSE REG	K697	582,488	0	0	582,488	582,488	0
27	MAINS	K415	560,848	471,112	0	89,736	560,848	0
28	SERVICES	K403	71,428	0	0	71,428	71,428	0
29	SUPV & ENG	D249	0	0	0	0	0	0
30	ELIMINATE NON-KY CUSTOMER	K595	0	0	0	0	0	0
31	INTEGRITY MANAGEMENT EXPENSES	K203	314,564	314,564	0	0	314,564	0
32	OTHER DISTRIBUTION EXPENSES	K415	637,011	535,089	0	101,922	637,011	0
33	TOTAL DISTRIBUTION O & M		3,117,070	2,080,822	0	1,036,248	3,117,070	0
34								
35	CUSTOMER ACCOUNTING							
36	SUPERVISION & ENGINEERING	K405	13,111	0	0	13,111	13,111	0
37	METER READING	K405	1,123	0	0	1,123	1,123	0
38	CUSTOMER BILLING & COLLECTIONS	K405	183,068	0	0	183,068	183,068	0
39	UNCOLLECTIBLE EXP	K406	(16,217)	0	0	(16,217)	(16,217)	0
40	ELIMINATE MISC EXPENSES	K406	0	0	0	0	0	0
41	SALE OF A/R	K406	7,435	0	0	7,435	7,435	0
42	INTEREST ON CUSTOMER SERVICE DEPOSITS	K405	0	0	0	0	0	0
43	ANNUALIZED UNCOLL EXP ON INCR	K406	0	0	0	0	0	0
44	TOTAL CUSTOMER ACCT EXPENSE		188,520	0	0	188,520	188,520	0

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LINE NO.	O&M EXPENSES	ALLO	TOTAL GS	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	CUSTOMER SERVICE & INFORMATION							
2	TOTAL CUST SERVICE & INFO	K407	28,652	0	0	28,652	28,652	0
3	TOTAL CUSTOMER SERV. & INFO.		28,652	0	0	28,652	28,652	0
4								
5	SALES							
6	SALES EXPENSE	K408	13,680	0	0	13,680	13,680	0
7	TOTAL SALES EXPENSE		13,680	0	0	13,680	13,680	0
8								
9	ADMINISTRATIVE & GENERAL							
10	PRODUCTION PLANT DEMAND	P349	116,198	0	116,198	0	116,198	0
11	PRODUCTION PLANT COMMODITY	K301	91,201	0	91,201	0	91,201	0
12	DISTRIBUTION PLANT	D349	1,033,393	689,853	0	343,540	1,033,393	0
13	CUSTOMER ACCOUNTING	CA19	127,489	0	0	127,489	127,489	0
14	CUSTOMER SERVICE & INFORMATION	CS19	11,156	0	0	11,156	11,156	0
15	SALES	SE19	0	0	0	0	0	0
16	TOT ADMIN & GEN LESS REG EXP		1,379,437	689,853	207,399	482,185	1,379,437	0
17	AMORTIZATION RATE CASE EXPENSE	AG39	22,800	11,402	3,428	7,970	22,800	0
18	INCENTIVE COMPENSATION	AG39	(54,924)	(27,467)	(8,258)	(19,199)	(54,924)	0
19	ELIMINATE MISCELLANEOUS EXPENSES	AG39	(63,798)	(31,905)	(9,592)	(22,301)	(63,798)	0
20	ELIMINATE NON-JURISDICTIONAL EXPENSES	NP29	0	0	0	0	0	0
21	AMORTIZATION OF DEFERRED EXP	AG39	107,570	53,794	16,174	37,602	107,570	0
22	STATE REG COMMISSION EXPENSES	AG39	0	0	0	0	0	0
23	STATE REG COM EXP ANN ADJ.	AG39	0	0	0	0	0	0
24	AMORTIZE CAMERA WORK	AG39	0	0	0	0	0	0
25	ELIMINATE MERGER EXPENSE	AG39	0	0	0	0	0	0
26	SMART GRID AMORTIZATION ADJUSTMENT	K413	0	0	0	0	0	0
27	AMORTIZE 2011 SMART GRID DEFERRED O&M	K413	0	0	0	0	0	0
28	INCREASED MEDICAL COSTS	AG39	0	0	0	0	0	0
29	AMORTIZE GAS FURNACE PROGRAM	NP29	0	0	0	0	0	0
30	AMORTIZATION OF MGP DEFERRED EXP	NP29	0	0	0	0	0	0
31	TOTAL ADMIN. & GENERAL		1,391,085	695,677	209,151	486,257	1,391,085	0
32								
33	TOTAL O & M EXPENSE		15,474,188	2,776,499	10,944,332	1,753,357	15,474,188	0

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LINE NO.	DEPRECIATION EXPENSE	ALLO	TOTAL GS	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
1	PRODUCTION DEPRECIATION	Schedule 7						
2	PRODUCTION DEPRECIATION	P229	66,410	0	66,410	0	66,410	0
3	TOTAL PRODUCTION DEPREC EXP.		66,410	0	66,410	0	66,410	0
4								
5	TRANSMISSION DEPRECIATION							
6	TOTAL TRANSMISSION DEP. EXP.		0	0	0	0	0	0
7								
8	DISTRIBUTION DEPRECIATION							
9	DISTRIBUTION DEPRECIATION	D249	2,734,135	2,019,490	0	714,645	2,734,135	0
10	TOTAL DIST. DEPREC EXP.		2,734,135	2,019,490	0	714,645	2,734,135	0
11								
12	GENERAL DEPRECIATION							
13	GENERAL DEPRECIATION	G229	434,829	217,440	65,400	151,989	434,829	0
14	TOTAL GENERAL DEPREC EXP.		434,829	217,440	65,400	151,989	434,829	0
15								
16	COMMON AND OTHER DEPRECIATION							
17	COMMON DEPRECIATION	C229	25,243	12,623	3,797	8,823	25,243	0
18	TOTAL COM & OTHER DEPREC EXP.		25,243	12,623	3,797	8,823	25,243	0
19								
20								
21	TOTAL DEPRECIATION EXPENSE		3,260,617	2,249,553	135,607	875,457	3,260,617	0

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LINE NO.	OTHER TAXES & MISC EXPENSES	ALLO	TOTAL GS	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
		Schedule 8						
1	TAXES OTHER THAN INC & REV							
2	REAL ESTATE & PROPERTY TAX							
3	REAL ESTATE & PROPERTY TAX	NP29	763,939	555,151	7,353	201,435	763,939	0
4	ANNUALIZE PROPERTY TAX	NP29	0	0	0	0	0	0
5	TOTAL REAL ESTATE & PROPERTY TAX		763,939	555,151	7,353	201,435	763,939	0
6								
7	MISCELLANEOUS TAXES							
8	PAYROLL & HIGHWAY	AG39	140,437	70,231	21,115	49,091	140,437	0
9	UNEMPLOYMENT COMPENSATION	AG39	0	0	0	0	0	0
10	OHIO EXCISE TAX	OM39	0	0	0	0	0	0
11	STATE TAX RIDER	OM39	0	0	0	0	0	0
12	TOTAL MISCELLANEOUS TAXES		140,437	70,231	21,115	49,091	140,437	0
13								
14	MISCELLANEOUS EXPENSES							
15	PSC MAINT. EXP ON INCREASE	AG39	4,177	2,089	628	1,460	4,177	0
16	RESERVED FOR FUTURE USE	AG39	0	0	0	0	0	0
17	TOTAL MISCELLANEOUS EXPENSES		4,177	2,089	628	1,460	4,177	0
18								
19	TOTAL OTHER TAX & MISC EXPENSE		908,553	627,471	29,096	251,986	908,553	0
20								
21	PRELIMINARY SUMMARY							
22	TOTAL O&M EXPENSE		15,474,188	2,776,499	10,944,332	1,753,357	15,474,188	0
23	TOTAL DEPRECIATION EXPENSE		3,260,617	2,249,553	135,607	875,457	3,260,617	0
24	TOTAL OTHER TAX & MISC EXPENSE		908,553	627,471	29,096	251,986	908,553	0
25	TOTAL OPER EXP EXCL INCOME & REV TAX		19,643,358	5,653,523	11,109,035	2,880,800	19,643,358	0

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LINE NO.	FEDERAL INCOME TAX BASED ON RETURN	ALLO	TOTAL GS	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
1	FEDERAL INCOME TAX DEDUCTIONS							
2	AUTOMATIC INTEREST CALCULATION							
3	AUTO PROC INTEREST DED	RB99	1,538,255	1,107,799	41,212	389,244	1,538,255	0
4	TOTAL INTEREST EXPENSE		1,538,255	1,107,799	41,212	389,244	1,538,255	0
5								
6	OTHER DEDUCTIONS							
7	DEPREC EXCESS TAX-BOOK	DE49	1,442,585	995,253	59,995	387,337	1,442,585	0
8	PERMANENT DIFFERENCES	AG39	(19,739)	(9,871)	(2,968)	(6,900)	(19,739)	0
9	TEMPORARY DIFFERENCES	DE49	52,327	36,101	2,176	14,050	52,327	0
10	TOTAL OTHER DEDUCTIONS		1,475,173	1,021,483	59,203	394,487	1,475,173	0
11								
12	NET DEDUCTIONS AND ADDITIONS		3,013,428	2,129,282	100,415	783,731	3,013,428	0
13								
14	FED DEFERRED INCOME TAX (410 & 411)							
15	DEFERRED INCOME TAXES - NET	OM39	326,825	58,641	231,152	37,032	326,825	0
16	AMORT OF DEFERRED MERGER COST	AG39	0	0	0	0	0	0
17	DIT ADJUSTMENT - S/L DEPRECIATION	DE49	0	0	0	0	0	0
18	DIT ADJUSTMENT - ARAM	K201	(4,774)	0	(4,774)	0	(4,774)	0
19	DIT ADJUSTMENT - AMORT OF EXCESS DEF TAXES	AG39	(116,070)	(58,045)	(17,452)	(40,573)	(116,070)	0
20	TOTAL FED DEF IT (410 & 411)		205,981	596	208,926	(3,541)	205,981	0
21								
22	AMORT INV TAX CREDIT							
23	AMORTIZE ITC	NP29	14,890	10,821	143	3,926	14,890	0
24	TOTAL AMORTIZED ITC		14,890	10,821	143	3,926	14,890	0
25								
26	TEST YEAR INV TAX CREDIT							
27	PROV INVEST TAX CREDIT	NP29	0	0	0	0	0	0
28	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0
29								
30	PRELIMINARY SUMMARY							
31	TOTAL FED DEF IT (410 & 411)		205,981	596	208,926	(3,541)	205,981	0
32	TOTAL AMORTIZED ITC		(14,890)	(10,821)	(143)	(3,926)	(14,890)	0
33	TOTAL FEDERAL TAX ADJUSTMENTS		191,091	(10,225)	208,783	(7,467)	191,091	0
34								
35	FEDERAL INCOME TAX COMPUTATION							
36	RETURN ON RATE BASE		5,124,462	3,690,419	137,305	1,296,738	5,124,462	0
37	NET DEDUCTIONS AND ADDITIONS		(3,013,428)	(2,129,282)	(100,415)	(783,731)	(3,013,428)	0
38	TOTAL STATE PROV DEF IT (410 & 411)		101,662	748	0	100,914	101,662	0
39	TOTAL FEDERAL TAX ADJUSTMENTS		191,091	(10,225)	208,783	(7,467)	191,091	0
40	BASE FOR FIT COMPUATION		2,403,787	1,551,660	245,673	606,454	2,403,787	0
41								
42	FIT FACTOR K190/(1-K190)		0.26582	0.26582	0.26582	0.26582		0.26582
43	PRELIM FED INCOME TAX		638,981	412,467	65,305	161,209	638,981	0
44	TOTAL FEDERAL TAX ADJUSTMENTS		191,091	(10,225)	208,783	(7,467)	191,091	0
45	NET FED INCOME TAX ALLOWABLE		830,072	402,242	274,088	153,742	830,072	0
46								
47	INCOME TAX BASED ON RETURN							
48	FEDERAL INCOME TAX PAYABLE							
49	PRELIM FEDERAL INCOME TAX		638,981	412,467	65,305	161,209	638,981	0
50	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0
51	NET FED INCOME TAX PAYABLE		638,981	412,467	65,305	161,209	638,981	0
52								
53	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925		0.24925

DUKE ENERGY KENTUCKY, INC.
 GS CLASSIFIED - GAS COST OF SERVICE
 CASE NO: 2018-00261
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LINE NO.	COST OF SERVICE COMPUTATION	ALLO	TOTAL GS	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
1	OTHER OPERATING REVENUES	Schedule 10		3	4	5		
2	MISC SERVICE REVENUE	K401	3,534	0	0	3,534	3,534	0
3	INTERDEPARTMENTAL	AG39	5,500	2,750	827	1,923	5,500	0
4	OTH MISC REVENUE	K401	134	0	0	134	134	0
5	RENTS	D249	3,282	2,424	0	858	3,282	0
6	IT TRANSPORT SPECIAL CONTRACTS	AG39	0	0	0	0	0	0
7	TOTAL OTHER OPERATING REVS		12,450	5,174	827	6,449	12,450	0
8								
9	COST OF SERVICE COMPUTATION							
10	TOTAL OP EXP EXC INC & REV TAX		19,643,358	5,653,523	11,109,035	2,880,800	19,643,358	0
11	RETURN ON RATE BASE		5,124,462	3,690,419	137,305	1,296,738	5,124,462	0
12	NET FED INCOME TAX ALLOWABLE		830,072	402,242	274,088	153,742	830,072	0
13	TOTAL OTHER OPERATING REVENUES		(12,450)	(5,174)	(827)	(6,449)	(12,450)	0
14	SUBTOTAL B		25,585,442	9,741,010	11,519,601	4,324,831	25,585,442	0
15								
16	TOTAL OTHER OPERATING REVENUES		12,450	5,174	827	6,449	12,450	0
17	LESS: REVS EXCL FROM REV TAX CALC		0	0	0	0	0	0
18	OTHER OPERATING REVS TO BE TAXED		12,450	5,174	827	6,449	12,450	0
19								
20	REVENUE TAX FACTOR		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	REVENUE TAX ON OTHER OPER. REVS		0	0	0	0	0	0
22	REVENUE TAX ON COST OF SERVICE		0	0	0	0	0	0
23	TOTAL REVENUE TAX		0	0	0	0	0	0
24	TOTAL GAS COST OF SERVICE		25,585,442	9,741,010	11,519,601	4,324,831	25,585,442	0
25								
26	PROPOSED REVENUES		23,198,248	7,350,779	8,842,940	7,004,529	23,198,248	0
27	TOTAL GAS COST OF SERVICE		(25,585,442)	(9,741,010)	(11,519,601)	(4,324,831)	(25,585,442)	0
28	EXCESS REVENUES		(2,387,194)	(2,390,231)	(2,676,661)	2,679,698	(2,387,194)	0
29	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925	0.24925	0.24925
30	EXCESS TAX		(595,008)	(595,765)	(667,158)	667,915	(595,008)	0
31	EXCESS RETURN		(1,792,186)	(1,794,466)	(2,009,503)	2,011,783	(1,792,186)	0

DUKE ENERGY KENTUCKY, INC.
 FT-L CLASSIFIED - GAS COST OF SERVICE
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LINE NO.	SUMMARY OF RESULTS	ALLO	TOTAL FT-L	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
1	NET INCOME COMPUTATION	Schedule 1						
2	GROSS GAS PLANT IN SERVICE		36,724,321	34,679,409	1,100,820	944,092	36,724,321	0
3	TOTAL DEPRECIATION RESERVE		(12,138,011)	(11,252,348)	(605,738)	(279,925)	(12,138,011)	0
4	TOTAL RATE BASE ADJUSTMENTS		(4,513,178)	(5,089,840)	762,404	(185,742)	(4,513,178)	0
5	TOTAL RATE BASE		20,073,132	18,337,221	1,257,486	478,425	20,073,132	0
6								
7	OPERATING EXPENSES							
8	TOTAL O&M EXPENSE		8,824,202	920,064	7,748,449	155,689	8,824,202	0
9	TOTAL DEPRECIATION EXPENSE		901,967	797,623	73,357	30,987	901,967	0
10	TOTAL OTHER TAX & MISC EXPENSE		251,215	221,906	19,577	9,732	251,215	0
11	TOTAL OP EXP EXCLUDING INC & REV TAX		9,977,384	1,939,593	7,841,383	196,408	9,977,384	0
12	NET FED INCOME TAX EXP ALLOWABLE		349,462	144,043	195,549	9,870	349,462	0
13	NET STATE INCOME TAX EXP ALLOWABLE		60,548	36,841	11,879	11,826	60,546	2
14	TOTAL OPERATING EXPENSE		10,387,394	2,120,477	8,048,811	218,104	10,387,392	2
15								
16	RETURN ON RATE BASE		1,441,452	1,316,796	90,300	34,356	1,441,452	0
17	TOTAL OTHER OPERATING REVENUES		(2,592)	(1,777)	(586)	(229)	(2,592)	0
18	TOTAL GAS COST OF SERVICE		11,826,254	3,435,496	8,138,525	252,231	11,826,252	2

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	GROSS GAS PLANT IN SERVICE	ALLO	TOTAL FT-L	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
		Schedule 2						
1	PRODUCTION PLANT							
2	PRODUCTION PLANT	K205	313,080	0	313,080	0	313,080	0
3	GAS PRODUCTION -CPMPL NOT CLASS	K205	0	0	0	0	0	0
4	PRODUCTION PLANT IN SERVICE		313,080	0	313,080	0	313,080	0
5								
6	TRANSMISSION PLANT							
7	TRANSMISSION PLANT							
8	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0
9								
10	TOTAL PROD & TRANS PLANT		313,080	0	313,080	0	313,080	0
11								
12	DISTRIBUTION PLANT							
13	SYSTEM M&R - (2780, 2781)	K203	894,311	894,311	0	0	894,311	0
14	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	264,005	264,005	0	0	264,005	0
15	LARGE IND M&R - (2850, 2851)	K595	302,084	302,084	0	0	302,084	0
16	MAINS - (2761, 2762, 2763, 2765)	K415	26,027,319	25,983,328	0	43,991	26,027,319	0
17	SERVICES - (2801, 2802, 2803)	K403	399,420	0	0	399,420	399,420	0
18	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	187,686	0	0	187,686	187,686	0
19	LAND, R OF W, STRUCT & IMPROV	K203	159,373	159,373	0	0	159,373	0
20	HOUSE REG & INSTALL (2830, 2840)	K417	102,101	0	0	102,101	102,101	0
21	STREET LIGHTING EQUIPMENT & OTH	K597	0	0	0	0	0	0
22	ASSET RETIREMENT COST FOR DISTRIBUTION PLANT	K203	5,850,485	5,850,485	0	0	5,850,485	0
23	DISTRIBUTION PLANT IN SERVICE		34,186,784	33,453,586	0	733,198	34,186,784	0
24								
25	TOTAL TRANS & DIST PLANT		34,186,784	33,453,586	0	733,198	34,186,784	0
26	TOTAL GROSS PTD PLANT		34,499,864	33,453,586	313,080	733,198	34,499,864	0
27								
28	GENERAL & INTANGIBLE PLANT							
29	PRODUCTION PLANT	K201	289,998	0	289,998	0	289,998	0
30	PRODUCTION PLANT COMMODITY	P349	226,092	0	226,092	0	226,092	0
31	DISTRIBUTION PLANT	D349	934,571	803,102	0	131,469	934,571	0
32	CUSTOMER ACCOUNTING	CA19	6,160	0	0	6,160	6,160	0
33	CUSTOMER SERVICE & INFORMATION	CS19	539	0	0	539	539	0
34	SALES	SE19	0	0	0	0	0	0
35	GEN & INTANG PLANT IN SERVICE		1,457,360	803,102	516,090	138,168	1,457,360	0
36								
37	COMMON & OTHER PLANT							
38	PRODUCTION PLANT	K201	152,644	0	152,644	0	152,644	0
39	PRODUCTION PLANT COMMODITY	P349	119,006	0	119,006	0	119,006	0
40	DISTRIBUTION PLANT	D349	491,921	422,721	0	69,200	491,921	0
41	CUSTOMER ACCOUNTING	CA19	3,242	0	0	3,242	3,242	0
42	CUSTOMER SERVICE & INFORMATION	CS19	284	0	0	284	284	0
43	SALES	SE19	0	0	0	0	0	0
44	COMMON & OTHER PLANT IN SERVICE		767,097	422,721	271,650	72,726	767,097	0
45								
46	GROSS GAS PLANT IN SERVICE		36,724,321	34,679,409	1,100,820	944,092	36,724,321	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	DEPRECIATION RESERVE	ALLO	TOTAL FT-L	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	PRODUCTION PLANT	Schedule 3						
2	PRODUCTION PLANT	K205	182,797	0	182,797	0	182,797	0
3	TOTAL PROD DEPREC RESERVE		182,797	0	182,797	0	182,797	0
4								
5	TRANSMISSION PLANT							
6	TRANSMISSION PLANT							
7	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0
8								
9	DISTRIBUTION PLANT							
10	SYSTEM M&R - (2780, 2781)	K203	322,784	322,784	0	0	322,784	0
11	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	121,168	121,168	0	0	121,168	0
12	LARGE IND M&R - (2850, 2851)	K595	289,430	289,430	0	0	289,430	0
13	MAINS - (2761, 2762, 2763, 2765)	K415	9,803,793	9,787,223	0	16,570	9,803,793	0
14	SERVICES - (2801, 2802, 2803)	K403	131,741	0	0	131,741	131,741	0
15	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	(23,553)	0	0	(23,553)	(23,553)	0
16	LAND, R OF W, STRUCT & IMPROV & OTH	K203	73,593	73,593	0	0	73,593	0
17	HOUSE REG & INSTALL (2830, 2840)	K417	41,937	0	0	41,937	41,937	0
18	STREET LIGHTING EQUIPMENT & OTH	K597	0	0	0	0	0	0
19	TOTAL DIST DEPREC RESERVE		10,760,893	10,594,198	0	166,695	10,760,893	0
20								
21	GENERAL & INTANGIBLE PLANT							
22	PRODUCTION PLANT	K201	111,772	0	111,772	0	111,772	0
23	PRODUCTION PLANT COMMODITY	P349	87,141	0	87,141	0	87,141	0
24	DISTRIBUTION PLANT	D349	360,205	309,534	0	50,671	360,205	0
25	CUSTOMER ACCOUNTING	CA19	2,374	0	0	2,374	2,374	0
26	CUSTOMER SERVICE & INFORMATION	CS19	208	0	0	208	208	0
27	SALES	SE19	0	0	0	0	0	0
28	TOTAL GEN DEPREC RESERVE		561,700	309,534	198,913	53,253	561,700	0
29								
30	COMMON & OTHER PLANT							
31	PRODUCTION PLANT	K201	125,884	0	125,884	0	125,884	0
32	PRODUCTION PLANT COMMODITY	P349	98,144	0	98,144	0	98,144	0
33	DISTRIBUTION PLANT	D349	405,685	348,616	0	57,069	405,685	0
34	CUSTOMER ACCOUNTING	CA19	2,674	0	0	2,674	2,674	0
35	CUSTOMER SERVICE & INFORMATION	CS19	234	0	0	234	234	0
36	SALES	SE19	0	0	0	0	0	0
37	TOTAL COM & OTHER PLT RESERVE		632,621	348,616	224,028	59,977	632,621	0
38								
39	TOTAL DEPRECIATION RESERVE		12,138,011	11,252,348	605,738	279,925	12,138,011	0

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LINE NO.	NET GAS PLANT	ALLO	TOTAL FT-L	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
		Schedule 4		3	4	5		
1	PRODUCTION PLANT							
2	PRODUCTION PLANT IN SERVICE		313,080	0	313,080	0	313,080	0
3	TOTAL PROD DEPRC RESERVE		(182,797)	0	(182,797)	0	(182,797)	0
4	NET PRODUCTION PLANT		130,283	0	130,283	0	130,283	0
5								
6	TRANSMISSION PLANT							
7	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0
8	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0
9	NET TRANSMISSION PLANT		0	0	0	0	0	0
10								
11	DISTRIBUTION PLANT							
12	DISTRIBUTION PLANT IN SERVICE		34,186,784	33,453,586	0	733,198	34,186,784	0
13	TOTAL DIST DEPREC RESERVE		(10,760,893)	(10,594,198)	0	(166,695)	(10,760,893)	0
14	NET DISTRIBUTION PLANT		23,425,891	22,859,388	0	566,503	23,425,891	0
15								
16	NET PTD PLANT		23,556,174	22,859,388	130,283	566,503	23,556,174	0
17	NET TRANS & DIST PLANT		23,425,891	22,859,388	0	566,503	23,425,891	0
18								
19	GENERAL & INTANGIBLE PLANT							
20	GEN & INTANG PLANT IN SERVICE		1,457,360	803,102	516,090	138,168	1,457,360	0
21	TOTAL GEN & INTG DEPREC RESERVE		(561,700)	(309,534)	(198,913)	(53,253)	(561,700)	0
22	NET GENERAL & INTANG PLANT		895,660	493,568	317,177	84,915	895,660	0
23								
24	COMMON & OTHER PLANT							
25	COMMON & OTH PLT IN SERVICE		767,097	422,721	271,650	72,726	767,097	0
26	TOTAL COM & OTH DEPREC RESERVE		(632,621)	(348,616)	(224,028)	(59,977)	(632,621)	0
27	NET COMMON & OTHER PLANT		134,476	74,105	47,622	12,749	134,476	0
28								
29	NET GAS PLANT IN SERVICE		24,586,310	23,427,061	495,082	664,167	24,586,310	0

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LINE NO.	SUBTRACTIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL FT-L	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
		Schedule 5		3	4	5		
1	RATE BASE ADJUSTMENTS							
2	ACCUMULATED DEFERRED INCOME TAXES							
3	ACCUM DEF INC TAXES (282)							
4	LIBERALIZED DEPRECIATION	NP29	3,237,681	3,085,092	65,189	87,400	3,237,681	0
5	LEASED METERS	K413	13,635	0	0	13,635	13,635	0
6	CONTRIB AID CONSTR	D249	(11,332)	(11,058)	0	(274)	(11,332)	0
7	CAPITALIZED INTEREST	NP29	(57,568)	(54,855)	(1,159)	(1,554)	(57,568)	0
8	AFUDC IN DEBT	NP29	15,522	14,790	313	419	15,522	0
9	CWIP DIFFERENCES	NP29	0	0	0	0	0	0
10	NON-CASH OVERHEADS	AG39	(31,983)	(17,627)	(11,323)	(3,033)	(31,983)	0
11	PLANT FAS 109	NP29	0	0	0	0	0	0
12	MISCELLANEOUS	AG39	563,149	310,366	199,376	53,407	563,149	0
13	TOTAL ACCOUNT 282		3,729,104	3,326,708	252,396	150,000	3,729,104	0
14								
15	ACCUM DEF INC TAXES (283)							
16	BLANK	K413	0	0	0	0	0	0
17	BLANK	K413	0	0	0	0	0	0
18	UNRECOVERED PURCHASED GAS COST	AG39	1,192	657	422	113	1,192	0
19	ENVIRONMENTAL RESERVE	NP29	0	0	0	0	0	0
20	POST IN-SERVICE CARRYING COSTS	K667	0	0	0	0	0	0
21	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0
22	LOSS ON REACQUIRED DEBT	NP29	1,048	999	21	28	1,048	0
23	VACATION PAY ACCRUAL	AG39	5,465	3,012	1,935	518	5,465	0
24	RATE CASE EXPENSE AMORT	AG39	(1,495)	(824)	(529)	(142)	(1,495)	0
25	PENSION	AG39	95,495	52,630	33,809	9,056	95,495	0
26	MISCELLANEOUS	K406	701	0	0	701	701	0
27	TOTAL ACCOUNT 283		102,406	56,474	35,658	10,274	102,406	0
28								
29	OTHER ACCUMULATED DEFERRED INCOME TAXES							
30	CUSTOMER ADVANCES FOR CONSTRUCTION	D249	96,691	94,354	0	2,337	96,691	0
31	CUSTOMER SERVICE DEPOSITS	D249	0	0	0	0	0	0
32	POST RETIREMENT BENEFITS	AG39	0	0	0	0	0	0
33	EDIT	NP29	1,919,966	1,829,479	38,658	51,829	1,919,966	0
34	TOTAL OTHER SUBTRACTIVE ADJS		2,016,657	1,923,833	38,658	54,166	2,016,657	0
35								
36	SUBTOTAL ACCUMULATED DEFERRED INC TAXES		5,848,167	5,307,015	326,712	214,440	5,848,167	0

LINE NO.	ADDITIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL FT-L	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
			Schedule 5.1					
			3	4	5			
1	OTHER ACCUMULATED DEFERRED INCOME TAXES							
2	ACCUM DEF INC TAXES (190)							
3	UNCOLLECTIBLE ACCTS	K406	4	0	0	4	4	0
4	GAS SUPPLIER REFUND	K300	7,149	0	7,149	0	7,149	0
5	UNBILLED REVENUE - FUEL & RATE REFUNDS	K300	129,551	0	129,551	0	129,551	0
6	OFFSITE GAS STORAGE	K300	15,794	0	15,794	0	15,794	0
7	GAS METERS	K413	303	0	0	303	303	0
8	UNAMORTIZED DEBT PREMIUM	NP29	(112)	(107)	(2)	(3)	(112)	0
9	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0
10	PENSION EXPENSE	AG39	10,984	6,053	3,889	1,042	10,984	0
11	POST RETIREMENT BENEFITS - LIFE INS	AG39	0	0	0	0	0	0
12	POST RETIREMENT BENEFITS - HEALTH CARE	AG39	0	0	0	0	0	0
13	POST EMPLOYMENT BENEFITS - SFAS 112	AG39	2,620	1,444	928	248	2,620	0
14	OPEB EXPENSE ACCRUAL	AG39	18,027	9,935	6,382	1,710	18,027	0
15	INCENTIVE PLAN	AG39	0	0	0	0	0	0
16	FEDERAL DEFERRED TAX RECEIVABLE	AG39	0	0	0	0	0	0
17	DSM DEFERRAL	AG39	11,164	6,153	3,952	1,059	11,164	0
18	PROPERTY TAX	P229	0	0	0	0	0	0
19	PROPERTY TAX ON PROPANE	P229	0	0	0	0	0	0
20	401K INCENTIVE PLAN	AG39	0	0	0	0	0	0
21	ENVIRONMENTAL RESERVE	NP29	9,761	9,301	197	263	9,761	0
22	VACATION PAY ACCRUALS	G129	9,763	5,380	3,457	926	9,763	0
23	SMART GRID	K413	0	0	0	0	0	0
24	METERS & TRANSFORMERS	D249	0	0	0	0	0	0
25	OTHER	AG39	22,597	12,454	8,000	2,143	22,597	0
26	TOTAL ACCOUNT 190		237,605	50,613	179,297	7,695	237,605	0
27								
28	OTHER							
29	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0
30	ANNUALIZE DEPRECIATION	NP29	(16,570)	(15,789)	(334)	(447)	(16,570)	0
31	ELIMINATE UNBILLED REVENUE AND GAS COSTS	K300	(3,577)	0	(3,577)	0	(3,577)	0
32	OTHER		(20,147)	(15,789)	(3,911)	(447)	(20,147)	0
33								
34	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		217,458	34,824	175,386	7,248	217,458	0

LINE NO.	WORKING CAPITAL	ALLO	TOTAL FT-L	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
		Schedule 5.2		3	4	5		
1	NET ORIGINAL COST RATE BASE		18,955,601	18,154,870	343,756	456,975	18,955,601	0
2								
3	WORKING CAPITAL							
4								
5	PLANT MATERIALS & SUPPLIES							
6	GAS ENRICHER LIQUID	K301	262,486	0	262,486	0	262,486	0
7	OTHER SUPPLIES	NP29	70,072	66,769	1,411	1,892	70,072	0
8	TOTAL PLANT MATS. & SUPPLIES		332,558	66,769	263,897	1,892	332,558	0
9	TOTAL MATERIALS & SUPPLIES		332,558	66,769	263,897	1,892	332,558	0
10								
11	PREPAYMENTS							
12	INSURANCE GENERAL	OM39	5,504	574	4,833	97	5,504	0
13	EXCISE TAX	OM39	0	0	0	0	0	0
14	GAS PURCHASE	K301	0	0	0	0	0	0
15	TOTAL PREPAYMENTS		5,504	574	4,833	97	5,504	0
16								
17	AUTO CALC (O&M-GAS COST)/8		174,644	115,008	40,175	19,461	174,644	0
18	TOTAL WORKING CASH		174,644	115,008	40,175	19,461	174,644	0
19								
20	MISCELLANEOUS WORKING CAPITAL							
21	GAS STORED UNDERGROUND	K301	604,825	0	604,825	0	604,825	0
22	PIPP UNCOLLECTIBLES	K406	0	0	0	0	0	0
23	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0
24	TOTAL MISC WORK CAPITAL		604,825	0	604,825	0	604,825	0
25								
26	TOTAL WORKING CAPITAL		1,117,531	182,351	913,730	21,450	1,117,531	0
27	PRELIMINARY SUMMARY							
28	TOTAL ACCUMULATED DEFERRED INCOME TAXES		(5,848,167)	(5,307,015)	(326,712)	(214,440)	(5,848,167)	0
29	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		217,458	34,824	175,386	7,248	217,458	0
30	TOTAL WORKING CAPITAL		1,117,531	182,351	913,730	21,450	1,117,531	0
31	TOTAL RATE BASE ADJUSTMENTS		(4,513,178)	(5,089,840)	762,404	(185,742)	(4,513,178)	0
32								
33	RATE BASE CALCULATION							
34	NET GAS PLANT IN SERVICE		24,586,310	23,427,061	495,082	664,167	24,586,310	0
35	TOTAL RATE BASE ADJUSTMENTS		(4,513,178)	(5,089,840)	762,404	(185,742)	(4,513,178)	0
36	TOTAL RATE BASE		20,073,132	18,337,221	1,257,486	478,425	20,073,132	0
37								
38	TOTAL RATE OF RETURN ALLOWABLE		0.07181	0.07181	0.07181	0.07181	0.07181	0.07181
39	RETURN ON RATE BASE		1,441,452	1,316,796	90,300	34,356	1,441,452	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	O&M EXPENSES	ALLO	TOTAL FT-L	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	PRODUCTION O&M							
2	COMMODITY RELATED O&M							
3	ANNUALIZED GAS COST	K301	7,427,052	0	7,427,052	0	7,427,052	0
4	OTHER ASSOCIATED COST	K300	173,319	0	173,319	0	173,319	0
5	TOTAL COMMODITY RELATED		7,600,371	0	7,600,371	0	7,600,371	0
6								
7	DEMAND RELATED PROD O&M							
8	ANNUALIZED GAS COST - DEMAND	K301	0	0	0	0	0	0
9	TOTAL DEMAND RELATED		0	0	0	0	0	0
10								
11	DEMAND RELATED & OTHER PROD O&M							
12	PRODUCTION EXPENSES	K201	0	0	0	0	0	0
13	TOTAL DEM REL & OTH PROD O&M		0	0	0	0	0	0
14								
15	TOTAL PRODUCTION O&M		7,600,371	0	7,600,371	0	7,600,371	0
16								
17	TRANSMISSION O & M							
18	TRANSMISSION O & M							
19	TOTAL TRANSMISSION O & M		0	0	0	0	0	0
20								
21	DISTRIBUTION O & M							
22	LOAD DISPATCHING	K203	20,225	20,225	0	0	20,225	0
23	MAINS & SERVICES OPER	K667	146,971	144,336	0	2,635	146,971	0
24	M & R STATION GENERAL	K203	7,223	7,223	0	0	7,223	0
25	CUSTOMER INST & OTHER	K415	124,598	104,662	0	19,936	124,598	0
26	METERS & HOUSE REG	K697	20,903	0	0	20,903	20,903	0
27	MAINS	K415	198,762	166,960	0	31,802	198,762	0
28	SERVICES	K403	1,461	0	0	1,461	1,461	0
29	SUPV & ENG	D249	0	0	0	0	0	0
30	ELIMINATE NON-KY CUSTOMER	K595	(59,775)	(59,775)	0	0	(59,775)	0
31	INTEGRITY MANAGEMENT EXPENSES	K203	116,277	116,277	0	0	116,277	0
32	OTHER DISTRIBUTION EXPENSES	K415	225,755	189,634	0	36,121	225,755	0
33	TOTAL DISTRIBUTION O & M		802,400	689,542	0	112,858	802,400	0
34								
35	CUSTOMER ACCOUNTING							
36	SUPERVISION & ENGINEERING	K405	180	0	0	180	180	0
37	METER READING	K405	15	0	0	15	15	0
38	CUSTOMER BILLING & COLLECTIONS	K405	2,518	0	0	2,518	2,518	0
39	UNCOLLECTIBLE EXP	K406	(223)	0	0	(223)	(223)	0
40	ELIMINATE MISC EXPENSES	K406	0	0	0	0	0	0
41	SALE OF A/R	K406	102	0	0	102	102	0
42	INTEREST ON CUSTOMER SERVICE DEPOSITS	K405	0	0	0	0	0	0
43	ANNUALIZED UNCOLL EXP ON INCR	K406	0	0	0	0	0	0
44	TOTAL CUSTOMER ACCT EXPENSE		2,592	0	0	2,592	2,592	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	O&M EXPENSES	ALLO	TOTAL FT-L	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	CUSTOMER SERVICE & INFORMATION							
2	TOTAL CUST SERVICE & INFO	K407	394	0	0	394	394	0
3	TOTAL CUSTOMER SERV. & INFO.		394	0	0	394	394	0
4								
5	SALES							
6	SALES EXPENSE	K408	186	0	0	186	186	0
7	TOTAL SALES EXPENSE		186	0	0	186	186	0
8								
9	ADMINISTRATIVE & GENERAL							
10	PRODUCTION PLANT DEMAND	P349	82,269	0	82,269	0	82,269	0
11	PRODUCTION PLANT COMMODITY	K301	64,569	0	64,569	0	64,569	0
12	DISTRIBUTION PLANT	D349	266,013	228,592	0	37,421	266,013	0
13	CUSTOMER ACCOUNTING	CA19	1,753	0	0	1,753	1,753	0
14	CUSTOMER SERVICE & INFORMATION	CS19	153	0	0	153	153	0
15	SALES	SE19	0	0	0	0	0	0
16	TOT ADMIN & GEN LESS REG EXP		414,757	228,592	146,838	39,327	414,757	0
17	AMORTIZATION RATE CASE EXPENSE	AG39	6,855	3,778	2,427	650	6,855	0
18	INCENTIVE COMPENSATION	AG39	(16,514)	(9,101)	(5,847)	(1,566)	(16,514)	0
19	ELIMINATE MISCELLANEOUS EXPENSES	AG39	(19,182)	(10,572)	(6,791)	(1,819)	(19,182)	0
20	ELIMINATE NON-JURISDICTIONAL EXPENSES	NP29	0	0	0	0	0	0
21	AMORTIZATION OF DEFERRED EXP	AG39	32,343	17,825	11,451	3,067	32,343	0
22	STATE REG COMMISSION EXPENSES	AG39	0	0	0	0	0	0
23	STATE REG COM EXP ANN ADJ.	AG39	0	0	0	0	0	0
24	AMORTIZE CAMERA WORK	AG39	0	0	0	0	0	0
25	ELIMINATE MERGER EXPENSE	AG39	0	0	0	0	0	0
26	SMART GRID AMORTIZATION ADJUSTMENT	K413	0	0	0	0	0	0
27	AMORTIZE 2011 SMART GRID DEFERRED O&M	K413	0	0	0	0	0	0
28	INCREASED MEDICAL COSTS	AG39	0	0	0	0	0	0
29	AMORTIZE GAS FURNACE PROGRAM	NP29	0	0	0	0	0	0
30	AMORTIZATION OF MGP DEFERRED EXP	NP29	0	0	0	0	0	0
31	TOTAL ADMIN. & GENERAL		418,259	230,522	148,078	39,659	418,259	0
32								
33	TOTAL O & M EXPENSE		8,824,202	920,064	7,748,449	155,689	8,824,202	0

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LINE NO.	DEPRECIATION EXPENSE	ALLO	TOTAL FT-L	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
1	PRODUCTION DEPRECIATION	Schedule 7		3	4	5		
2	PRODUCTION DEPRECIATION	P229	24,366	0	24,366	0	24,366	0
3	TOTAL PRODUCTION DEPREC EXP.		24,366	0	24,366	0	24,366	0
4								
5	TRANSMISSION DEPRECIATION							
6	TOTAL TRANSMISSION DEP. EXP.		0	0	0	0	0	0
7								
8	DISTRIBUTION DEPRECIATION							
9	DISTRIBUTION DEPRECIATION	D249	739,258	721,389	0	17,869	739,258	0
10	TOTAL DIST. DEPREC EXP.		739,258	721,389	0	17,869	739,258	0
11								
12	GENERAL DEPRECIATION							
13	GENERAL DEPRECIATION	G229	130,752	72,051	46,303	12,398	130,752	0
14	TOTAL GENERAL DEPREC EXP.		130,752	72,051	46,303	12,398	130,752	0
15								
16	COMMON AND OTHER DEPRECIATION							
17	COMMON DEPRECIATION	C229	7,591	4,183	2,688	720	7,591	0
18	TOTAL COM & OTHER DEPREC EXP.		7,591	4,183	2,688	720	7,591	0
19								
20								
21	TOTAL DEPRECIATION EXPENSE		901,967	797,623	73,357	30,987	901,967	0

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LINE NO.	OTHER TAXES & MISC EXPENSES	ALLO	TOTAL FT-L	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	TAXES OTHER THAN INC & REV	Schedule 8						
2	REAL ESTATE & PROPERTY TAX							
3	REAL ESTATE & PROPERTY TAX	NP29	207,733	197,942	4,183	5,608	207,733	0
4	ANNUALIZE PROPERTY TAX	NP29	0	0	0	0	0	0
5	TOTAL REAL ESTATE & PROPERTY TAX		207,733	197,942	4,183	5,608	207,733	0
6								
7	MISCELLANEOUS TAXES							
8	PAYROLL & HIGHWAY	AG39	42,226	23,272	14,949	4,005	42,226	0
9	UNEMPLOYMENT COMPENSATION	AG39	0	0	0	0	0	0
10	OHIO EXCISE TAX	OM39	0	0	0	0	0	0
11	STATE TAX RIDER	OM39	0	0	0	0	0	0
12	TOTAL MISCELLANEOUS TAXES		42,226	23,272	14,949	4,005	42,226	0
13								
14	MISCELLANEOUS EXPENSES							
15	PSC MAINT. EXP ON INCREASE	AG39	1,256	692	445	119	1,256	0
16	RESERVED FOR FUTURE USE	AG39	0	0	0	0	0	0
17	TOTAL MISCELLANEOUS EXPENSES		1,256	692	445	119	1,256	0
18								
19	TOTAL OTHER TAX & MISC EXPENSE		251,215	221,906	19,577	9,732	251,215	0
20								
21	PRELIMINARY SUMMARY							
22	TOTAL O&M EXPENSE		8,824,202	920,064	7,748,449	155,689	8,824,202	0
23	TOTAL DEPRECIATION EXPENSE		901,967	797,623	73,357	30,987	901,967	0
24	TOTAL OTHER TAX & MISC EXPENSE		251,215	221,906	19,577	9,732	251,215	0
25	TOTAL OPER EXP EXCL INCOME & REV TAX		9,977,384	1,939,593	7,841,383	196,408	9,977,384	0

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LINE NO.	FEDERAL INCOME TAX BASED ON RETURN	ALLO	TOTAL FT-L	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
		Schedule 9						
1	FEDERAL INCOME TAX DEDUCTIONS							
2	AUTOMATIC INTEREST CALCULATION							
3	AUTO PROC INTEREST DED	RB99	432,697	395,271	27,103	10,323	432,697	0
4	TOTAL INTEREST EXPENSE		432,697	395,271	27,103	10,323	432,697	0
5								
6	OTHER DEDUCTIONS							
7	DEPREC EXCESS TAX-BOOK	DE49	399,053	352,896	32,454	13,703	399,053	0
8	PERMANENT DIFFERENCES	AG39	(5,935)	(3,271)	(2,101)	(563)	(5,935)	0
9	TEMPORARY DIFFERENCES	DE49	14,475	12,801	1,177	497	14,475	0
10	TOTAL OTHER DEDUCTIONS		407,593	362,426	31,530	13,637	407,593	0
11								
12	NET DEDUCTIONS AND ADDITIONS		840,290	757,697	58,633	23,960	840,290	0
13								
14	FED DEFERRED INCOME TAX (410 & 411)							
15	DEFERRED INCOME TAXES - NET	OM39	186,373	19,432	163,652	3,289	186,373	0
16	AMORT OF DEFERRED MERGER COST	AG39	0	0	0	0	0	0
17	DIT ADJUSTMENT - S/L DEPRECIATION	DE49	0	0	0	0	0	0
18	DIT ADJUSTMENT - ARAM	K201	(3,380)	0	(3,380)	0	(3,380)	0
19	DIT ADJUSTMENT - AMORT OF EXCESS DEF TAXES	AG39	(34,900)	(19,234)	(12,356)	(3,310)	(34,900)	0
20	TOTAL FED DEF IT (410 & 411)		148,093	198	147,916	(21)	148,093	0
21								
22	AMORT INV TAX CREDIT							
23	AMORTIZE ITC	NP29	4,049	3,858	82	109	4,049	0
24	TOTAL AMORTIZED ITC		4,049	3,858	82	109	4,049	0
25								
26	TEST YEAR INV TAX CREDIT							
27	PROV INVEST TAX CREDIT	NP29	0	0	0	0	0	0
28	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0
29								
30	PRELIMINARY SUMMARY							
31	TOTAL FED DEF IT (410 & 411)		148,093	198	147,916	(21)	148,093	0
32	TOTAL AMORTIZED ITC		(4,049)	(3,858)	(82)	(109)	(4,049)	0
33	TOTAL FEDERAL TAX ADJUSTMENTS		144,044	(3,660)	147,834	(130)	144,044	0
34								
35	FEDERAL INCOME TAX COMPUTATION							
36	RETURN ON RATE BASE		1,441,452	1,316,796	90,300	34,356	1,441,452	0
37	NET DEDUCTIONS AND ADDITIONS		(840,290)	(757,697)	(58,633)	(23,960)	(840,290)	0
38	TOTAL STATE PROV DEF IT (410 & 411)		27,555	202	0	27,352	27,554	1
39	TOTAL FEDERAL TAX ADJUSTMENTS		144,044	(3,660)	147,834	(130)	144,044	0
40	BASE FOR FIT COMPUTATION		772,761	565,641	179,501	37,618	772,760	1
41								
42	FIT FACTOR K190/(1-K190)		0.26582	0.26582	0.26582	0.26582		0.26582
43	PRELIM FED INCOME TAX		205,417	147,702	47,715	10,000	205,417	0
44	TOTAL FEDERAL TAX ADJUSTMENTS		144,044	(3,660)	147,834	(130)	144,044	0
45	NET FED INCOME TAX ALLOWABLE		349,461	144,042	195,549	9,870	349,461	0
46								
47	INCOME TAX BASED ON RETURN							
48	FEDERAL INCOME TAX PAYABLE							
49	PRELIM FEDERAL INCOME TAX		205,417	147,702	47,715	10,000	205,417	0
50	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0
51	NET FED INCOME TAX PAYABLE		205,417	147,702	47,715	10,000	205,417	0
52								
53	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925		0.24925

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	COST OF SERVICE COMPUTATION	ALLO	TOTAL FT-L	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	OTHER OPERATING REVENUES							
2	MISC SERVICE REVENUE	K401	49	0	0	49	49	0
3	INTERDEPARTMENTAL	AG39	1,654	911	586	157	1,654	0
4	OTH MISC REVENUE	K401	2	0	0	2	2	0
5	RENTS	D249	887	866	0	21	887	0
6	IT TRANSPORT SPECIAL CONTRACTS	AG39	0	0	0	0	0	0
7	TOTAL OTHER OPERATING REVS		2,592	1,777	586	229	2,592	0
8								
9	COST OF SERVICE COMPUTATION							
10	TOTAL OP EXP EXC INC & REV TAX		9,977,384	1,939,593	7,841,383	196,408	9,977,384	0
11	RETURN ON RATE BASE		1,441,452	1,316,796	90,300	34,356	1,441,452	0
12	NET FED INCOME TAX ALLOWABLE		349,461	144,042	195,549	9,870	349,461	0
13	TOTAL OTHER OPERATING REVENUES		(2,592)	(1,777)	(586)	(229)	(2,592)	0
14	SUBTOTAL B		11,765,705	3,398,654	8,126,646	240,405	11,765,705	0
15								
16	TOTAL OTHER OPERATING REVENUES		2,592	1,777	586	229	2,592	0
17	LESS: REVS EXCL FROM REV TAX CALC		0	0	0	0	0	0
18	OTHER OPERATING REVS TO BE TAXED		2,592	1,777	586	229	2,592	0
19								
20	REVENUE TAX FACTOR		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	REVENUE TAX ON OTHER OPER. REVS		0	0	0	0	0	0
22	REVENUE TAX ON COST OF SERVICE		0	0	0	0	0	0
23	TOTAL REVENUE TAX		0	0	0	0	0	0
24	TOTAL GAS COST OF SERVICE		11,765,705	3,398,654	8,126,646	240,405	11,765,705	0
25								
26	PROPOSED REVENUES		5,042,683	1,597,864	1,922,220	1,522,599	5,042,683	0
27	TOTAL GAS COST OF SERVICE		(11,765,705)	(3,398,654)	(8,126,646)	(240,405)	(11,765,705)	0
28	EXCESS REVENUES		(6,723,022)	(1,800,790)	(6,204,426)	1,282,194	(6,723,022)	0
29	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925	0.24925	0.24925
30	EXCESS TAX		(1,675,713)	(448,847)	(1,546,453)	319,587	(1,675,713)	0
31	EXCESS RETURN		(5,047,309)	(1,351,943)	(4,657,973)	962,607	(5,047,309)	0

DUKE ENERGY KENTUCKY, INC.
 INTERRUPTIBLE TRANSPORTATION CLASSIFIED - GAS COST OF SERVICE
 CASE NO: 2018-00261
 DATA: 12 MONTH FORECASTED PERIOD
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

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LINE NO.	SUMMARY OF RESULTS	ALLO	TOTAL INTERRUPTIBLE	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				3 DEMAND	4 COMMODITY	5 CUSTOMER		
		Schedule 1						
1	NET INCOME COMPUTATION							
2	GROSS GAS PLANT IN SERVICE		10,907,847	9,927,145	5,675	975,027	10,907,847	0
3	TOTAL DEPRECIATION RESERVE		(3,596,043)	(3,294,823)	(3,047)	(298,173)	(3,596,043)	0
4	TOTAL RATE BASE ADJUSTMENTS		(1,473,075)	(1,434,061)	120,872	(159,885)	(1,473,074)	(1)
5	TOTAL RATE BASE		5,838,729	5,198,261	123,500	516,969	5,838,730	(1)
6								
7	OPERATING EXPENSES							
8	TOTAL O&M EXPENSE		408,864	226,142	126,324	56,398	408,864	0
9	TOTAL DEPRECIATION EXPENSE		248,951	223,637	352	24,962	248,951	0
10	TOTAL OTHER TAX & MISC EXPENSE		69,296	61,935	164	7,197	69,296	0
11	TOTAL OP EXP EXCLUDING INC & REV TAX		727,111	511,714	126,840	88,557	727,111	0
12	NET FED INCOME TAX EXP ALLOWABLE		51,956	41,093	4,844	6,019	51,956	0
13	NET STATE INCOME TAX EXP ALLOWABLE		15,489	10,512	570	4,407	15,489	0
14	TOTAL OPERATING EXPENSE		794,556	563,319	132,254	98,983	794,556	0
15								
16	RETURN ON RATE BASE		419,279	373,287	8,869	37,124	419,280	(1)
17	TOTAL OTHER OPERATING REVENUES		(566)	(470)	(5)	(91)	(566)	0
18	TOTAL GAS COST OF SERVICE		1,213,269	936,136	141,118	136,016	1,213,270	(1)

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LINE NO.	GROSS GAS PLANT IN SERVICE	ALLO	TOTAL INTERRUPTIBLE	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
	Schedule 2			3	4	5		
1	PRODUCTION PLANT							
2	PRODUCTION PLANT	K205	0	0	0	0	0	0
3	GAS PRODUCTION -CPMPL NOT CLASS	K205	0	0	0	0	0	0
4	PRODUCTION PLANT IN SERVICE		0	0	0	0	0	0
5								
6	TRANSMISSION PLANT							
7	TRANSMISSION PLANT							
8	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0
9								
10	TOTAL PROD & TRANS PLANT		0	0	0	0	0	0
11								
12	DISTRIBUTION PLANT							
13	SYSTEM M&R - (2780, 2781)	K203	253,796	253,796	0	0	253,796	0
14	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	74,922	74,922	0	0	74,922	0
15	LARGE IND M&R - (2850, 2851)	K595	217,791	217,791	0	0	217,791	0
16	MAINS - (2761, 2762, 2763, 2765)	K415	7,383,785	7,373,808	0	9,977	7,383,785	0
17	SERVICES - (2801, 2802, 2803)	K403	774,385	0	0	774,385	774,385	0
18	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	91,168	0	0	91,168	91,168	0
19	LAND, R OF W, STRUCT & IMPROV	K203	45,228	45,228	0	0	45,228	0
20	HOUSE REG & INSTALL (2830, 2840)	K417	23,619	0	0	23,619	23,619	0
21	STREET LIGHTING EQUIPMENT & OTH	K597	0	0	0	0	0	0
22	ASSET RETIREMENT COST FOR DISTRIBUTION PLANT	K203	1,660,309	1,660,309	0	0	1,660,309	0
23	DISTRIBUTION PLANT IN SERVICE		10,525,003	9,625,854	0	899,149	10,525,003	0
24								
25	TOTAL TRANS & DIST PLANT		10,525,003	9,625,854	0	899,149	10,525,003	0
26	TOTAL GROSS PTD PLANT		10,525,003	9,625,854	0	899,149	10,525,003	0
27								
28	GENERAL & INTANGIBLE PLANT							
29	PRODUCTION PLANT	K201	0	0	0	0	0	0
30	PRODUCTION PLANT COMMODITY	P349	3,718	0	3,718	0	3,718	0
31	DISTRIBUTION PLANT	D349	245,585	197,392	0	48,193	245,585	0
32	CUSTOMER ACCOUNTING	CA19	1,397	0	0	1,397	1,397	0
33	CUSTOMER SERVICE & INFORMATION	CS19	122	0	0	122	122	0
34	SALES	SE19	0	0	0	0	0	0
35	GEN & INTANG PLANT IN SERVICE		250,822	197,392	3,718	49,712	250,822	0
36								
37	COMMON & OTHER PLANT							
38	PRODUCTION PLANT	K201	0	0	0	0	0	0
39	PRODUCTION PLANT COMMODITY	P349	1,957	0	1,957	0	1,957	0
40	DISTRIBUTION PLANT	D349	129,266	103,899	0	25,367	129,266	0
41	CUSTOMER ACCOUNTING	CA19	735	0	0	735	735	0
42	CUSTOMER SERVICE & INFORMATION	CS19	64	0	0	64	64	0
43	SALES	SE19	0	0	0	0	0	0
44	COMMON & OTHER PLANT IN SERVICE		132,022	103,899	1,957	26,166	132,022	0
45								
46	GROSS GAS PLANT IN SERVICE		10,907,847	9,927,145	5,675	975,027	10,907,847	0

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LINE NO.	DEPRECIATION RESERVE	ALLO	TOTAL INTERRUPTIBLE	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	PRODUCTION PLANT	Schedule 3						
2	PRODUCTION PLANT	K205	0	0	0	0	0	0
3	TOTAL PROD DEPREC RESERVE		0	0	0	0	0	0
4								
5	TRANSMISSION PLANT							
6	TRANSMISSION PLANT							
7	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0
8								
9	DISTRIBUTION PLANT							
10	SYSTEM M&R - (2780, 2781)	K203	91,603	91,603	0	0	91,603	0
11	DIST REG EQUIP & CITY GATE M&R- (2782, 2790)	K203	34,386	34,386	0	0	34,386	0
12	LARGE IND M&R - (2850, 2851)	K595	208,669	208,669	0	0	208,669	0
13	MAINS - (2761, 2762, 2763, 2765)	K415	2,781,274	2,777,516	0	3,758	2,781,274	0
14	SERVICES - (2801, 2802, 2803)	K403	255,416	0	0	255,416	255,416	0
15	MTRS & MTR INST (2810, 2811, 2820, 2821)	K413	(11,441)	0	0	(11,441)	(11,441)	0
16	LAND, R OF W, STRUCT & IMPROV & OTH	K203	20,885	20,885	0	0	20,885	0
17	HOUSE REG & INSTALL (2830, 2840)	K417	9,701	0	0	9,701	9,701	0
18	STREET LIGHTING EQUIPMENT & OTH	K597	0	0	0	0	0	0
19	TOTAL DIST DEPREC RESERVE		3,390,493	3,133,059	0	257,434	3,390,493	0
20								
21	GENERAL & INTANGIBLE PLANT							
22	PRODUCTION PLANT	K201	0	0	0	0	0	0
23	PRODUCTION PLANT COMMODITY	P349	1,433	0	1,433	0	1,433	0
24	DISTRIBUTION PLANT	D349	94,654	76,079	0	18,575	94,654	0
25	CUSTOMER ACCOUNTING	CA19	538	0	0	538	538	0
26	CUSTOMER SERVICE & INFORMATION	CS19	47	0	0	47	47	0
27	SALES	SE19	0	0	0	0	0	0
28	TOTAL GEN DEPREC RESERVE		96,672	76,079	1,433	19,160	96,672	0
29								
30	COMMON & OTHER PLANT							
31	PRODUCTION PLANT	K201	0	0	0	0	0	0
32	PRODUCTION PLANT COMMODITY	P349	1,614	0	1,614	0	1,614	0
33	DISTRIBUTION PLANT	D349	106,605	85,685	0	20,920	106,605	0
34	CUSTOMER ACCOUNTING	CA19	606	0	0	606	606	0
35	CUSTOMER SERVICE & INFORMATION	CS19	53	0	0	53	53	0
36	SALES	SE19	0	0	0	0	0	0
37	TOTAL COM & OTHER PLT RESERVE		108,878	85,685	1,614	21,579	108,878	0
38								
39	TOTAL DEPRECIATION RESERVE		3,596,043	3,294,823	3,047	298,173	3,596,043	0

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LINE NO.	NET GAS PLANT	ALLO	TOTAL INTERRUPTIBLE	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
		Schedule 4		3	4	5		
1	PRODUCTION PLANT							
2	PRODUCTION PLANT IN SERVICE		0	0	0	0	0	0
3	TOTAL PROD DEPRC RESERVE		0	0	0	0	0	0
4	NET PRODUCTION PLANT		0	0	0	0	0	0
5								
6	TRANSMISSION PLANT							
7	TRANSMISSION PLANT IN SERVICE		0	0	0	0	0	0
8	TOTAL TRANS DEPREC RESERVE		0	0	0	0	0	0
9	NET TRANSMISSION PLANT		0	0	0	0	0	0
10								
11	DISTRIBUTION PLANT							
12	DISTRIBUTION PLANT IN SERVICE		10,525,003	9,625,854	0	899,149	10,525,003	0
13	TOTAL DIST DEPREC RESERVE		(3,390,493)	(3,133,059)	0	(257,434)	(3,390,493)	0
14	NET DISTRIBUTION PLANT		7,134,510	6,492,795	0	641,715	7,134,510	0
15								
16	NET PTD PLANT		7,134,510	6,492,795	0	641,715	7,134,510	0
17	NET TRANS & DIST PLANT		7,134,510	6,492,795	0	641,715	7,134,510	0
18								
19	GENERAL & INTANGIBLE PLANT							
20	GEN & INTANG PLANT IN SERVICE		250,822	197,392	3,718	49,712	250,822	0
21	TOTAL GEN & INTG DEPREC RESERVE		(96,672)	(76,079)	(1,433)	(19,160)	(96,672)	0
22	NET GENERAL & INTANG PLANT		154,150	121,313	2,285	30,552	154,150	0
23								
24	COMMON & OTHER PLANT							
25	COMMON & OTH PLT IN SERVICE		132,022	103,899	1,957	26,166	132,022	0
26	TOTAL COM & OTH DEPREC RESERVE		(108,878)	(85,685)	(1,614)	(21,579)	(108,878)	0
27	NET COMMON & OTHER PLANT		23,144	18,214	343	4,587	23,144	0
28								
29	NET GAS PLANT IN SERVICE		7,311,804	6,632,322	2,628	676,854	7,311,804	0

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LINE NO.	SUBTRACTIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL INTERRUPTIBLE	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
		Schedule 5		3	4	5		
1	RATE BASE ADJUSTMENTS							
2	ACCUMULATED DEFERRED INCOME TAXES							
3	ACCUM DEF INC TAXES (282)							
4	LIBERALIZED DEPRECIATION	NP29	962,916	873,507	346	89,063	962,916	0
5	LEASED METERS	K413	6,623	0	0	6,623	6,623	0
6	CONTRIB AID CONSTR	D249	(3,451)	(3,141)	0	(310)	(3,451)	0
7	CAPITALIZED INTEREST	NP29	(17,122)	(15,532)	(6)	(1,584)	(17,122)	0
8	AFUDC IN DEBT	NP29	4,617	4,188	2	427	4,617	0
9	CWIP DIFFERENCES	NP29	0	0	0	0	0	0
10	NON-CASH OVERHEADS	AG39	(5,527)	(4,332)	(104)	(1,091)	(5,527)	0
11	PLANT FAS 109	NP29	0	0	0	0	0	0
12	MISCELLANEOUS	AG39	97,329	76,284	1,837	19,208	97,329	0
13	TOTAL ACCOUNT 282		1,045,385	930,974	2,075	112,336	1,045,385	0
14								
15	ACCUM DEF INC TAXES (283)							
16	BLANK	K413	0	0	0	0	0	0
17	BLANK	K413	0	0	0	0	0	0
18	UNRECOVERED PURCHASED GAS COST	AG39	207	162	4	41	207	0
19	ENVIRONMENTAL RESERVE	NP29	0	0	0	0	0	0
20	POST IN-SERVICE CARRYING COSTS	K667	0	0	0	0	0	0
21	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0
22	LOSS ON REACQUIRED DEBT	NP29	312	283	0	29	312	0
23	VACATION PAY ACCRUAL	AG39	944	740	18	186	944	0
24	RATE CASE EXPENSE AMORT	AG39	(258)	(202)	(5)	(51)	(258)	0
25	PENSION	AG39	16,505	12,936	312	3,257	16,505	0
26	MISCELLANEOUS	K406	159	0	0	159	159	0
27	TOTAL ACCOUNT 283		17,869	13,919	329	3,621	17,869	0
28								
29	OTHER ACCUMULATED DEFERRED INCOME TAXES							
30	CUSTOMER ADVANCES FOR CONSTRUCTION	D249	29,448	26,800	0	2,648	29,448	0
31	CUSTOMER SERVICE DEPOSITS	D249	0	0	0	0	0	0
32	POST RETIREMENT BENEFITS	AG39	0	0	0	0	0	0
33	EDIT	NP29	571,015	517,995	205	52,815	571,015	0
34	TOTAL OTHER SUBTRACTIVE ADJS		600,463	544,795	205	55,463	600,463	0
35								
36	SUBTOTAL ACCUMULATED DEFERRED INC TAXES		1,663,717	1,489,688	2,609	171,420	1,663,717	0

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LINE NO.	ADDITIVE RATE BASE ADJUSTMENTS	ALLO	TOTAL INTERRUPTIBLE	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
			Schedule 5.1					
			3	4	5			
1	OTHER ACCUMULATED DEFERRED INCOME TAXES							
2	ACCUM DEF INC TAXES (190)							
3	UNCOLLECTIBLE ACCTS	K406	1	0	0	1	1	0
4	GAS SUPPLIER REFUND	K300	5,154	0	5,154	0	5,154	0
5	UNBILLED REVENUE - FUEL & RATE REFUNDS	K300	93,404	0	93,404	0	93,404	0
6	OFFSITE GAS STORAGE	K300	11,387	0	11,387	0	11,387	0
7	GAS METERS	K413	147	0	0	147	147	0
8	UNAMORTIZED DEBT PREMIUM	NP29	(33)	(30)	0	(3)	(33)	0
9	ARO CUMULATIVE EFFECT	NP29	0	0	0	0	0	0
10	PENSION EXPENSE	AG39	1,899	1,488	36	375	1,899	0
11	POST RETIREMENT BENEFITS - LIFE INS	AG39	0	0	0	0	0	0
12	POST RETIREMENT BENEFITS - HEALTH CARE	AG39	0	0	0	0	0	0
13	POST EMPLOYMENT BENEFITS - SFAS 112	AG39	453	355	9	89	453	0
14	OPEB EXPENSE ACCRUAL	AG39	3,116	2,442	59	615	3,116	0
15	INCENTIVE PLAN	AG39	0	0	0	0	0	0
16	FEDERAL DEFERRED TAX RECEIVABLE	AG39	0	0	0	0	0	0
17	DSM DEFERRAL	AG39	1,929	1,512	36	381	1,929	0
18	PROPERTY TAX	P229	0	0	0	0	0	0
19	PROPERTY TAX ON PROPANE	P229	0	0	0	0	0	0
20	401K INCENTIVE PLAN	AG39	0	0	0	0	0	0
21	ENVIRONMENTAL RESERVE	NP29	2,903	2,633	1	269	2,903	0
22	VACATION PAY ACCRUALS	G129	1,680	1,322	25	333	1,680	0
23	SMART GRID	K413	0	0	0	0	0	0
24	METERS & TRANSFORMERS	D249	0	0	0	0	0	0
25	OTHER	AG39	3,906	3,061	74	771	3,906	0
26	TOTAL ACCOUNT 190		125,946	12,783	110,185	2,978	125,946	0
27								
28	OTHER							
29	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0
30	ANNUALIZE DEPRECIATION	NP29	(4,928)	(4,470)	(2)	(456)	(4,928)	0
31	ELIMINATE UNBILLED REVENUE AND GAS COSTS	K300	(2,579)	0	(2,579)	0	(2,579)	0
32	OTHER		(7,507)	(4,470)	(2,581)	(456)	(7,507)	0
33								
34	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		118,439	8,313	107,604	2,522	118,439	0

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LINE NO.	WORKING CAPITAL	ALLO	TOTAL INTERRUPTIBLE	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
		Schedule 5.2		3	4	5		
1	NET ORIGINAL COST RATE BASE		5,766,526	5,150,947	107,623	507,956	5,766,526	0
2								
3	WORKING CAPITAL							
4								
5	PLANT MATERIALS & SUPPLIES							
6	GAS ENRICHER LIQUID	K301	0	0	0	0	0	0
7	OTHER SUPPLIES	NP29	20,840	18,905	7	1,928	20,840	0
8	TOTAL PLANT MATS. & SUPPLIES		20,840	18,905	7	1,928	20,840	0
9	TOTAL MATERIALS & SUPPLIES		20,840	18,905	7	1,928	20,840	0
10								
11	PREPAYMENTS							
12	INSURANCE GENERAL	OM39	255	141	79	35	255	0
13	EXCISE TAX	OM39	0	0	0	0	0	0
14	GAS PURCHASE	K301	0	0	0	0	0	0
15	TOTAL PREPAYMENTS		255	141	79	35	255	0
16								
17	AUTO CALC (O&M-GAS COST)/8		51,108	28,268	15,791	7,050	51,109	(1)
18	TOTAL WORKING CASH		51,108	28,268	15,791	7,050	51,109	(1)
19								
20	MISCELLANEOUS WORKING CAPITAL							
21	GAS STORED UNDERGROUND	K301	0	0	0	0	0	0
22	PIPP UNCOLLECTIBLES	K406	0	0	0	0	0	0
23	RESERVED FOR FUTURE USE	D249	0	0	0	0	0	0
24	TOTAL MISC WORK CAPITAL		0	0	0	0	0	0
25								
26	TOTAL WORKING CAPITAL		72,203	47,314	15,877	9,013	72,204	(1)
27	PRELIMINARY SUMMARY							
28	TOTAL ACCUMULATED DEFERRED INCOME TAXES		(1,663,717)	(1,489,688)	(2,609)	(171,420)	(1,663,717)	0
29	TOTAL OTHER ACCUMULATED DEFERRED INCOME TAXES		118,439	8,313	107,604	2,522	118,439	0
30	TOTAL WORKING CAPITAL		72,203	47,314	15,877	9,013	72,204	(1)
31	TOTAL RATE BASE ADJUSTMENTS		(1,473,075)	(1,434,061)	120,872	(159,885)	(1,473,074)	(1)
32								
33	RATE BASE CALCULATION							
34	NET GAS PLANT IN SERVICE		7,311,804	6,632,322	2,628	676,854	7,311,804	0
35	TOTAL RATE BASE ADJUSTMENTS		(1,473,075)	(1,434,061)	120,872	(159,885)	(1,473,074)	(1)
36	TOTAL RATE BASE		5,838,729	5,198,261	123,500	516,969	5,838,730	(1)
37								
38	TOTAL RATE OF RETURN ALLOWABLE		0.07181	0.07181	0.07181	0.07181	0.07181	0.07181
39	RETURN ON RATE BASE		419,279	373,287	8,869	37,124	419,280	0

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LINE NO.	O&M EXPENSES	ALLO	TOTAL INTERRUPTIBLE	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	PRODUCTION O&M	Schedule 6						
2	COMMODITY RELATED O&M							
3	ANNUALIZED GAS COST	K301	0	0	0	0	0	0
4	OTHER ASSOCIATED COST	K300	124,960	0	124,960	0	124,960	0
5	TOTAL COMMODITY RELATED		124,960	0	124,960	0	124,960	0
6								
7	DEMAND RELATED PROD O&M							
8	ANNUALIZED GAS COST - DEMAND	K301	0	0	0	0	0	0
9	TOTAL DEMAND RELATED		0	0	0	0	0	0
10								
11	DEMAND RELATED & OTHER PROD O&M							
12	PRODUCTION EXPENSES	K201	0	0	0	0	0	0
13	TOTAL DEM REL & OTH PROD O&M		0	0	0	0	0	0
14								
15	TOTAL PRODUCTION O&M		124,960	0	124,960	0	124,960	0
16								
17	TRANSMISSION O & M							
18	TRANSMISSION O & M							
19	TOTAL TRANSMISSION O & M		0	0	0	0	0	0
20								
21	DISTRIBUTION O & M							
22	LOAD DISPATCHING	K203	5,740	5,740	0	0	5,740	0
23	MAINS & SERVICES OPER	K667	45,643	40,961	0	4,682	45,643	0
24	M & R STATION GENERAL	K203	2,050	2,050	0	0	2,050	0
25	CUSTOMER INST & OTHER	K415	35,340	29,686	0	5,654	35,340	0
26	METERS & HOUSE REG	K697	8,966	0	0	8,966	8,966	0
27	MAINS	K415	56,376	47,356	0	9,020	56,376	0
28	SERVICES	K403	2,832	0	0	2,832	2,832	0
29	SUPV & ENG	D249	0	0	0	0	0	0
30	ELIMINATE NON-KY CUSTOMER	K595	(43,095)	(43,095)	0	0	(43,095)	0
31	INTEGRITY MANAGEMENT EXPENSES	K203	32,998	32,998	0	0	32,998	0
32	OTHER DISTRIBUTION EXPENSES	K415	64,032	53,787	0	10,245	64,032	0
33	TOTAL DISTRIBUTION O & M		210,882	169,483	0	41,399	210,882	0
34								
35	CUSTOMER ACCOUNTING							
36	SUPERVISION & ENGINEERING	K405	41	0	0	41	41	0
37	METER READING	K405	4	0	0	4	4	0
38	CUSTOMER BILLING & COLLECTIONS	K405	571	0	0	571	571	0
39	UNCOLLECTIBLE EXP	K406	(51)	0	0	(51)	(51)	0
40	ELIMINATE MISC EXPENSES	K406	0	0	0	0	0	0
41	SALE OF A/R	K406	23	0	0	23	23	0
42	INTEREST ON CUSTOMER SERVICE DEPOSITS	K405	0	0	0	0	0	0
43	ANNUALIZED UNCOLL EXP ON INCR	K406	0	0	0	0	0	0
44	TOTAL CUSTOMER ACCT EXPENSE		588	0	0	588	588	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	O&M EXPENSES	ALLO	TOTAL INTERRUPTIBLE	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	CUSTOMER SERVICE & INFORMATION							
2	TOTAL CUST SERVICE & INFO	K407	89	0	0	89	89	0
3	TOTAL CUSTOMER SERV. & INFO.		89	0	0	89	89	0
4								
5	SALES							
6	SALES EXPENSE	K408	52	0	0	52	52	0
7	TOTAL SALES EXPENSE		52	0	0	52	52	0
8								
9	ADMINISTRATIVE & GENERAL							
10	PRODUCTION PLANT DEMAND	P349	1,353	0	1,353	0	1,353	0
11	PRODUCTION PLANT COMMODITY	K301	0	0	0	0	0	0
12	DISTRIBUTION PLANT	D349	69,902	56,185	0	13,717	69,902	0
13	CUSTOMER ACCOUNTING	CA19	398	0	0	398	398	0
14	CUSTOMER SERVICE & INFORMATION	CS19	35	0	0	35	35	0
15	SALES	SE19	0	0	0	0	0	0
16	TOT ADMIN & GEN LESS REG EXP		71,688	56,185	1,353	14,150	71,688	0
17	AMORTIZATION RATE CASE EXPENSE	AG39	1,185	929	22	234	1,185	0
18	INCENTIVE COMPENSATION	AG39	(2,854)	(2,237)	(54)	(563)	(2,854)	0
19	ELIMINATE MISCELLANEOUS EXPENSES	AG39	(3,316)	(2,599)	(63)	(654)	(3,316)	0
20	ELIMINATE NON-JURISDICTIONAL EXPENSES	NP29	0	0	0	0	0	0
21	AMORTIZATION OF DEFERRED EXP	AG39	5,590	4,381	106	1,103	5,590	0
22	STATE REG COMMISSION EXPENSES	AG39	0	0	0	0	0	0
23	STATE REG COM EXP ANN ADJ.	AG39	0	0	0	0	0	0
24	AMORTIZE CAMERA WORK	AG39	0	0	0	0	0	0
25	ELIMINATE MERGER EXPENSE	AG39	0	0	0	0	0	0
26	SMART GRID AMORTIZATION ADJUSTMENT	K413	0	0	0	0	0	0
27	AMORTIZE 2011 SMART GRID DEFERRED O&M	K413	0	0	0	0	0	0
28	INCREASED MEDICAL COSTS	AG39	0	0	0	0	0	0
29	AMORTIZE GAS FURNACE PROGRAM	NP29	0	0	0	0	0	0
30	AMORTIZATION OF MGP DEFERRED EXP	NP29	0	0	0	0	0	0
31	TOTAL ADMIN. & GENERAL		72,293	56,659	1,364	14,270	72,293	0
32								
33	TOTAL O & M EXPENSE		408,864	226,142	126,324	56,398	408,864	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	DEPRECIATION EXPENSE	ALLO	TOTAL INTERRUPTIBLE	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
1	PRODUCTION DEPRECIATION	Schedule 7		3	4	5		
2	PRODUCTION DEPRECIATION	P229	0	0	0	0	0	0
3	TOTAL PRODUCTION DEPREC EXP.		0	0	0	0	0	0
4								
5	TRANSMISSION DEPRECIATION							
6	TOTAL TRANSMISSION DEP. EXP.		0	0	0	0	0	0
7								
8	DISTRIBUTION DEPRECIATION							
9	DISTRIBUTION DEPRECIATION	D249	225,144	204,900	0	20,244	225,144	0
10	TOTAL DIST. DEPREC EXP.		225,144	204,900	0	20,244	225,144	0
11								
12	GENERAL DEPRECIATION							
13	GENERAL DEPRECIATION	G229	22,501	17,709	333	4,459	22,501	0
14	TOTAL GENERAL DEPREC EXP.		22,501	17,709	333	4,459	22,501	0
15								
16	COMMON AND OTHER DEPRECIATION							
17	COMMON DEPRECIATION	C229	1,306	1,028	19	259	1,306	0
18	TOTAL COM & OTHER DEPREC EXP.		1,306	1,028	19	259	1,306	0
19								
20								
21	TOTAL DEPRECIATION EXPENSE		248,951	223,637	352	24,962	248,951	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	OTHER TAXES & MISC EXPENSES	ALLO	TOTAL INTERRUPTIBLE	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
		Schedule 8		3	4	5		
1	TAXES OTHER THAN INC & REV							
2	REAL ESTATE & PROPERTY TAX							
3	REAL ESTATE & PROPERTY TAX	NP29	61,781	56,045	22	5,714	61,781	0
4	ANNUALIZE PROPERTY TAX	NP29	0	0	0	0	0	0
5	TOTAL REAL ESTATE & PROPERTY TAX		61,781	56,045	22	5,714	61,781	0
6								
7	MISCELLANEOUS TAXES							
8	PAYROLL & HIGHWAY	AG39	7,298	5,720	138	1,440	7,298	0
9	UNEMPLOYMENT COMPENSATION	AG39	0	0	0	0	0	0
10	OHIO EXCISE TAX	OM39	0	0	0	0	0	0
11	STATE TAX RIDER	OM39	0	0	0	0	0	0
12	TOTAL MISCELLANEOUS TAXES		7,298	5,720	138	1,440	7,298	0
13								
14	MISCELLANEOUS EXPENSES							
15	PSC MAINT. EXP ON INCREASE	AG39	217	170	4	43	217	0
16	RESERVED FOR FUTURE USE	AG39	0	0	0	0	0	0
17	TOTAL MISCELLANEOUS EXPENSES		217	170	4	43	217	0
18								
19	TOTAL OTHER TAX & MISC EXPENSE		69,296	61,935	164	7,197	69,296	0
20								
21	PRELIMINARY SUMMARY							
22	TOTAL O&M EXPENSE		408,864	226,142	126,324	56,398	408,864	0
23	TOTAL DEPRECIATION EXPENSE		248,951	223,637	352	24,962	248,951	0
24	TOTAL OTHER TAX & MISC EXPENSE		69,296	61,935	164	7,197	69,296	0
25	TOTAL OPER EXP EXCL INCOME & REV TAX		727,111	511,714	126,840	88,557	727,111	0

DUKE ENERGY KENTUCKY, INC.
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LINE NO.	FEDERAL INCOME TAX BASED ON RETURN	ALLO	TOTAL INTERRUPTIBLE	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND	COMMODITY	CUSTOMER		
				3	4	5		
1	FEDERAL INCOME TAX DEDUCTIONS							
2	AUTOMATIC INTEREST CALCULATION							
3	AUTO PROC INTEREST DED	RB99	125,860	112,049	2,662	11,149	125,860	0
4	TOTAL INTEREST EXPENSE		125,860	112,049	2,662	11,149	125,860	0
5								
6	OTHER DEDUCTIONS							
7	DEPREC EXCESS TAX-BOOK	DE49	110,170	98,957	156	11,057	110,170	0
8	PERMANENT DIFFERENCES	AG39	(1,025)	(804)	(19)	(202)	(1,025)	0
9	TEMPORARY DIFFERENCES	DE49	3,997	3,590	6	401	3,997	0
10	TOTAL OTHER DEDUCTIONS		113,142	101,743	143	11,256	113,142	0
11								
12	NET DEDUCTIONS AND ADDITIONS		239,002	213,792	2,805	22,405	239,002	0
13								
14	FED DEFERRED INCOME TAX (410 & 411)							
15	DEFERRED INCOME TAXES - NET	OM39	8,635	4,776	2,667	1,192	8,635	0
16	AMORT OF DEFERRED MERGER COST	AG39	0	0	0	0	0	0
17	DIT ADJUSTMENT - S/L DEPRECIATION	DE49	0	0	0	0	0	0
18	DIT ADJUSTMENT - ARAM	K201	0	0	0	0	0	0
19	DIT ADJUSTMENT - AMORT OF EXCESS DEF TAXES	AG39	(6,031)	(4,727)	(114)	(1,190)	(6,031)	0
20	TOTAL FED DEF IT (410 & 411)		2,604	49	2,553	2	2,604	0
21								
22	AMORT INV TAX CREDIT							
23	AMORTIZE ITC	NP29	1,203	1,092	0	111	1,203	0
24	TOTAL AMORTIZED ITC		1,203	1,092	0	111	1,203	0
25								
26	TEST YEAR INV TAX CREDIT							
27	PROV INVEST TAX CREDIT	NP29	0	0	0	0	0	0
28	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0
29								
30	PRELIMINARY SUMMARY							
31	TOTAL FED DEF IT (410 & 411)		2,604	49	2,553	2	2,604	0
32	TOTAL AMORTIZED ITC		(1,203)	(1,092)	0	(111)	(1,203)	0
33	TOTAL FEDERAL TAX ADJUSTMENTS		1,401	(1,043)	2,553	(109)	1,401	0
34								
35	FEDERAL INCOME TAX COMPUTATION							
36	RETURN ON RATE BASE		419,279	373,287	8,869	37,124	419,280	0
37	NET DEDUCTIONS AND ADDITIONS		(239,002)	(213,792)	(2,805)	(22,405)	(239,002)	0
38	TOTAL STATE PROV DEF IT (410 & 411)		8,506	63	0	8,443	8,506	0
39	TOTAL FEDERAL TAX ADJUSTMENTS		1,401	(1,043)	2,553	(109)	1,401	0
40	BASE FOR FIT COMPUTATION		190,184	158,515	8,617	23,053	190,185	0
41								
42	FIT FACTOR K190/(1-K190)		0.26582	0.26582	0.26582	0.26582		0.26582
43	PRELIM FED INCOME TAX		50,555	42,136	2,291	6,128	50,555	0
44	TOTAL FEDERAL TAX ADJUSTMENTS		1,401	(1,043)	2,553	(109)	1,401	0
45	NET FED INCOME TAX ALLOWABLE		51,956	41,093	4,844	6,019	51,956	0
46								
47	INCOME TAX BASED ON RETURN							
48	FEDERAL INCOME TAX PAYABLE							
49	PRELIM FEDERAL INCOME TAX		50,555	42,136	2,291	6,128	50,555	0
50	TEST YEAR INV TAX CREDIT		0	0	0	0	0	0
51	NET FED INCOME TAX PAYABLE		50,555	42,136	2,291	6,128	50,555	0
52								
53	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925		0.24925

DUKE ENERGY KENTUCKY, INC.
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 CASE NO: 2018-00261
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LINE NO.	COST OF SERVICE COMPUTATION	ALLO	TOTAL INTERRUPTIBLE	CLASSIFIED			TOTAL AT ISSUE	ALL OTHER
				DEMAND 3	COMMODITY 4	CUSTOMER 5		
1	OTHER OPERATING REVENUES			3	4	5		
2	MISC SERVICE REVENUE	K401	11	0	0	11	11	0
3	INTERDEPARTMENTAL	AG39	285	224	5	56	285	0
4	OTH MISC REVENUE	K401	0	0	0	0	0	0
5	RENTS	D249	270	246	0	24	270	0
6	IT TRANSPORT SPECIAL CONTRACTS	AG39	0	0	0	0	0	0
7	TOTAL OTHER OPERATING REVS		566	470	5	91	566	0
8								
9	COST OF SERVICE COMPUTATION							
10	TOTAL OP EXP EXC INC & REV TAX		727,111	511,714	126,840	88,557	727,111	0
11	RETURN ON RATE BASE		419,279	373,287	8,869	37,124	419,280	(1)
12	NET FED INCOME TAX ALLOWABLE		51,956	41,093	4,844	6,019	51,956	0
13	TOTAL OTHER OPERATING REVENUES		(566)	(470)	(5)	(91)	(566)	0
14	SUBTOTAL B		1,197,780	925,624	140,548	131,609	1,197,781	1
15								
16	TOTAL OTHER OPERATING REVENUES		566	470	5	91	566	0
17	LESS: REVS EXCL FROM REV TAX CALC		0	0	0	0	0	0
18	OTHER OPERATING REVS TO BE TAXED		566	470	5	91	566	0
19								
20	REVENUE TAX FACTOR		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	REVENUE TAX ON OTHER OPER. REVS		0	0	0	0	0	0
22	REVENUE TAX ON COST OF SERVICE		0	0	0	0	0	0
23	TOTAL REVENUE TAX		0	0	0	0	0	0
24	TOTAL GAS COST OF SERVICE		1,197,780	925,624	140,548	131,609	1,197,781	1
25								
26	PROPOSED REVENUES		1,524,248	482,985	581,028	460,235	1,524,248	0
27	TOTAL GAS COST OF SERVICE		(1,197,780)	(925,624)	(140,548)	(131,609)	(1,197,781)	(1)
28	EXCESS REVENUES		326,468	(442,639)	440,480	328,626	326,467	(1)
29	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925	0.24925	0.24925
30	EXCESS TAX		81,372	(110,328)	109,790	81,910	81,372	0
31	EXCESS RETURN		245,096	(332,311)	330,690	246,716	245,095	1

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 ALLOCATION FACTORS FOR COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2017
 ALLOCATION FACTORS SUMMARY

Allocation Factors Summary
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<u>Total Annual Firm MCF Sales (a)</u>	<u>FIRM</u>	<u>Ratio</u>
<u>Rate Class</u>	<u>MCF</u>	<u>(K201)</u>
Res - RS	5,314,682	50.687%
GS	3,027,396	28.872%
FT-L	2,143,372	20.441%
IT - Inter. Transportation	-	0.000%
Total	10,485,450	100.000%

<u>Average & Excess (b)</u>	<u>Ratio</u>	<u>Ratio</u>
<u>Rate Class</u>	<u>(K203)</u>	<u>(K205)</u>
Res - RS	56.467%	58.337%
GS	29.523%	30.480%
FT-L	10.913%	11.183%
IT - Inter. Transportation	3.097%	0.000%
Total	100.000%	100.000%

<u>Total Annual MCF Throughput (a)</u>	<u>Total Annual</u>	<u>Ratio</u>
<u>Rate Class</u>	<u>MCF</u>	<u>(K300)</u>
Res - RS	5,314,682	44.175%
GS	3,027,396	25.164%
FT-L	2,143,372	17.816%
IT - Inter. Transportation	1,545,311	12.845%
Total	12,030,761	100.000%

<u>Total Jurisdictional MCF Sales (a)</u>	<u>Jurisdictional</u>	<u>Ratio</u>
<u>Rate Class</u>	<u>MCF</u>	<u>(K301)</u>
Res - RS	5,314,682	50.686%
GS	3,027,396	28.872%
FT-L	2,143,372	20.441%
IT - Inter. Transportation	-	0.000%
Total	10,485,450	99.999%

Notes:

- (a) Company revenue reports
- (b) WP FR-16(7)(v)-Peak & Avg

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 ALLOCATION FACTORS FOR COST OF SERVICE STUDY
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Total Customers (a)

Rate Class	Customers	Ratio (K401)	
Res - RS	91,382	92.828%	
GS	6,943	7.053%	98.650%
FT-L	95	0.097%	1.350%
IT - Inter. Transportation	22	0.022%	
Total	98,442	100.000%	

Weighted Customers - Services (b)

Rate Class	Customers	Weighting Factor	Weighted Customers	Ratio (K403)
Res - RS	91,382	1.0000	91,382	87.299%
GS	6,943	1.8062	12,541	11.981%
FT-L	95	2.6955	256	0.245%
IT - Inter. Transportation	22	22.6002	497	0.475%
Total	98,442		104,676	100.000%

Customer Accounting Expense Allocation Factor (c)

	Acct 901	Acct 902	Acct 903	Total	Ratio (K405)
Res - RS	545,470	434,408	2,384,289	3,364,168	92.828%
GS	41,444	33,005	181,153	255,602	7.053%
FT-L	567	452	2,479	3,497	0.097%
IT - Inter. Transportation	131	105	574	810	0.022%
Total	587,612	467,970	2,568,495	3,624,077	100.000%

Uncollectible Expense Allocation Factor (c)

	Acct 904	Ratio (K406)
Res - RS	3,639	92.828%
GS	276	7.053%
FT-L	4	0.097%
IT - Inter. Transportation	1	0.022%
Total	3,920	100.000%

Customer Service and Information Factor (c)

	Acct 907	Acct 908	Acct 909	Total	Ratio (K407)
Res - RS	0	129,350	1,216	130,566	92.828%
GS	0	9,828	92	9,920	7.053%
FT-L	0	134	1	136	0.097%
IT - Inter. Transportation	0	31	0	31	0.022%
Total	0	139,343	1,310	140,653	100.000%

Sales Expense Allocation Factor (c)

	Acct 911	Acct 913	Total	Ratio (K408)
Res - RS	18	6,779	6,797	92.830%
GS	1	515	516	7.047%
FT-L	0	7	7	0.096%
IT - Inter. Transportation	0	2	2	0.027%
Total	19	7,303	7,322	100.000%

Source: (a) Company revenue reports
 (b) WP FR-16(7)(v)-Services
 (c) WP FR-16(7)(v)-CustAcctg

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
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Meter Cost Allocator (a)

<u>Rate Class</u>	<u>Meter Cost Per Study</u>	<u>Ratio (K413)</u>
Res - RS	18,152,038	79.176%
GS	4,499,288	19.625%
FT-L	184,982	0.807%
IT - Inter. Transportation	89,763	0.392%
Total	22,926,071	100.000%

House Regulators & Installations (b)

<u>Rate Class</u>	<u>Wgt. Cust</u>	<u>Ratio (K417)</u>
Res - RS	91,382	66.074%
GS	45,530	32.920%
FT-L	1,130	0.817%
IT - Inter. Transportation	262	0.189%
Total	138,304	100.000%

Large Industrial Measuring & Regulating Stations (c)

<u>Rate Class</u>	<u>MCF</u>	<u>Ratio (K595)</u>
FT-L	2,143,372	58.107%
IT - Inter. Transportation	1,545,311	41.893%
Total	3,688,683	100.000%

Combination of Weighted Customer & Demand Allocation Factor (d)

<u>Rate Class</u>	<u>Customer Ratio (K401)</u>	<u>Customer Ratio 15.748%</u>	<u>Peak & Avg. (Peak Day) Ratio (K203)</u>	<u>Demand Ratio 84.252%</u>	<u>Customer / Demand Ratio (K415)</u>
Res - RS	92.828%	14.619%	56.467%	47.574%	62.194%
GS	7.053%	1.111%	29.523%	24.874%	25.985%
FT-L	0.097%	0.015%	10.913%	9.194%	9.209%
IT - Inter. Transportation	0.022%	0.003%	3.097%	2.609%	2.612%
Total	100.000%		100.000%		100.000%

Source: (a) WP FR-16(7)(v)-METERS 2018
 (b) WP FR-16(7)(v)-House Reg DEK
 (c) WP FR-16(7)(v)-IndustrialM&R
 (d) Allocation Factors Summary page

**COST OF SERVICE
WORKPAPERS**

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 ALLOCATION FACTORS FOR COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2017
 AVERAGE & EXCESS

WP FR-16(7)(v)
 Witness Responsible:
 James E. Ziolkowski
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Average & Excess (K203)

Total Annual Usage (Mcf) 12,030,761
 (Peak Day Mcf * 365) 136,722* 365 = 49,903,530
 Load Factor (Annual Usage Mcf / Peak Day Mcf) 24.108%

Class of Service	Annual Usage (Mcf) (1)	Average Demand (Mcf / Day) (2) (1) / 365	Average Demand (Ratio) (3)	Non-Coin System Peak Day (Mcf / Day) (4)	Excess Demand (Mcf / Day) (6) (4) - (2)	Excess Demand (Ratio) (7)	Weighted Avg. Demand (Ratio) (8) 24.108%	Weighted Excess Demand (Ratio) (9) 75.892%	Peak & Avg. Demand (Ratio) (10)
Res - RS	5,314,682	14,561	44.176%	79,760	65,199	60.372%	10.650%	45.817%	56.467%
GS	3,027,396	8,294	25.163%	41,673	33,379	30.908%	6.066%	23.457%	29.523%
FT-L	2,143,372	5,872	17.815%	15,289	9,417	8.720%	4.295%	6.618%	10.913%
IT - Inter. Transportation	1,545,311	4,234	12.845%	-	-	0.000%	3.097%	0.000%	3.097%
Total	<u>12,030,761</u>	<u>32,961</u>	<u>99.999%</u>	<u>136,722</u>	<u>107,995</u>	<u>100.000%</u>	<u>24.108%</u>	<u>75.892%</u>	<u>100.000%</u>

Average & Excess (Excluding Interruptible) (K205)

Total Annual Usage (Mcf) 10,485,450
 (Peak Day Mcf * 365) 136,722* 365 = 49,903,530
 Load Factor (Annual Usage Mcf / Peak Day Mcf) 21.011%

Class of Service	Annual Usage (Mcf) (1)	Average Demand (Mcf / Day) (2) (1) / 365	Average Demand (Ratio) (3)	Non-Coin System Peak Day (Mcf / Day) (4)	Excess Demand (Mcf / Day) (6) (4) - (2)	Excess Demand (Ratio) (7)	Weighted Avg. Demand (Ratio) (8) 21.011%	Weighted Excess Demand (Ratio) (9) 78.989%	Peak & Avg. Demand (Ratio) (10)
Res - RS	5,314,682	14,561	50.687%	79,760	65,199	60.372%	10.650%	47.687%	58.337%
GS	3,027,396	8,294	28.872%	41,673	33,379	30.908%	6.066%	24.414%	30.480%
FT-L	2,143,372	5,872	20.441%	15,289	9,417	8.720%	4.295%	6.888%	11.183%
IT - Inter. Transportation	-	-	0.000%	-	-	0.000%	0.000%	0.000%	0.000%
Total	<u>10,485,450</u>	<u>28,727</u>	<u>100.000%</u>	<u>136,722</u>	<u>107,995</u>	<u>100.000%</u>	<u>21.011%</u>	<u>78.989%</u>	<u>100.000%</u>

Note: Interruptible customers excluded from the system peak since theoretically they are off the system at the time of the peak.

DUKE ENERGY KENTUCKY, INC.
GAS COST OF SERVICE STUDY
CASE NO: 2018-00261
ALLOCATION FACTORS FOR COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2017
DAILY DEMAND ANALYSIS

WP FR-16(7)(v)
Witness Responsible:
James E. Ziolkowski
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Rate RS - Residential			Non-weather normal	Average	DEK Coin	Coin Peak	DEK	Class Max.	DEK	DEK
Month	Days	DEK System Peak Day	Calendar Month Mcf	Daily Usage	Peak Day L. F.	Day Demand	Diversified Class Peak Day L. F.	Non-Coin Peak Day Dem	Non-Coin Class Peak Day L. F.	Non-Coin Class Peak Day Dem
					(a)		(b)		(c)	
Jan 2017	31	01/06/17	1,183,299	38,171	48.9236	78,022	48.9236	78,022	47.8573	79,760
Feb	28	02/09/17	873,880	31,210	48.0586	64,942	48.0586	64,942	46.1224	67,668
Mar	31	03/14/17	729,831	23,543	48.1326	48,913	48.1326	48,913	46.5118	50,617
Apr	30	04/06/17	441,301	14,710	26.6119	55,276	26.6119	55,276	25.5368	57,603
May	31	05/05/17	223,509	7,210	28.9908	24,870	28.9908	24,870	27.1029	26,602
Jun	30	06/07/17	127,454	4,248	92.6635	4,584	84.3841	5,034	52.5976	8,076
Jul	31	07/25/17	103,943	3,353	105.2237	3,187	87.7983	3,819	52.9660	6,330
Aug	31	08/02/17	92,361	2,979	103.1759	2,887	88.3479	3,372	55.5547	5,362
Sept	30	09/06/17	108,749	3,625	101.6065	3,568	75.7246	4,787	47.1439	7,689
Oct	31	10/30/17	112,188	3,619	30.7617	11,765	27.5638	13,130	27.0708	13,369
Nov	30	11/10/17	431,523	14,384	60.6257	23,726	59.8966	24,015	56.1038	25,638
Dec 2017	31	12/27/17	<u>886,644</u>	28,601	61.7084	<u>46,349</u>	58.2022	<u>49,141</u>	55.9204	<u>51,146</u>
			5,314,682			78,022		78,022		79,760

Rate GS			Non-weather normal	Average	DEK Coin	Coin Peak	DEK	Class Max.	DEK	DEK
Month	Days	DEK System Peak Day	Calendar Month Mcf	Daily Usage	Peak Day L. F.	Day Demand	Diversified Class Peak Day L. F.	Non-Coin Peak Day Dem	Non-Coin Class Peak Day L. F.	Non-Coin Class Peak Day Dem
					(a)		(b)		(c)	
Jan 2017	31	01/06/17	644,311	20,784	54.1751	38,364	54.1751	38,364	49.8738	41,673
Feb	28	02/09/17	468,296	16,725	49.2875	33,934	49.2875	33,934	46.9834	35,598
Mar	31	03/14/17	388,223	12,523	49.5740	25,261	49.5740	25,261	47.3186	26,465
Apr	30	04/06/17	257,576	8,586	36.3795	23,601	36.3795	23,601	33.2421	25,829
May	31	05/05/17	131,171	4,231	52.4322	8,069	52.4322	8,069	40.3672	10,481
Jun	30	06/07/17	90,230	3,008	74.9841	4,012	74.9841	4,012	63.8134	4,714
Jul	31	07/25/17	75,456	2,434	86.9421	2,800	81.1360	3,000	60.4231	4,028
Aug	31	08/02/17	73,087	2,358	94.9834	2,483	79.3851	2,970	60.5423	3,895
Sept	30	09/06/17	85,010	2,834	82.6750	3,428	78.9287	3,591	55.5757	5,099
Oct	31	10/30/17	83,070	2,680	34.2242	7,831	34.2242	7,831	28.7426	9,324
Nov	30	11/10/17	248,923	8,297	70.4378	11,779	64.4748	12,869	55.9518	14,829
Dec 2017	31	12/27/17	<u>482,043</u>	15,550	62.9898	<u>24,687</u>	61.4626	<u>25,300</u>	56.8580	<u>27,349</u>
			3,027,396			38,364		38,364		41,673

- (a) Coincident Peak is the peak at the time of the system peak.
- (b) Diversified Class Peak is the sum of the individual customer demands at the time of the rate class peak.
- (c) Non-coincident peak is the sum of the individual customer maximum demands regardless of when it occurs during the month.

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 ALLOCATION FACTORS FOR COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2017
 DAILY DEMAND ANALYSIS

WP FR-16(7)(v)
 Witness Responsible:
 James E. Ziolkowski
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Rate FT-L		DEK System Peak Day	Non-weather normal Calendar Month Mcf	Average Daily Usage	DEK Coin		DEK		Class Max. Non-Coin Peak Day Dem	DEK		DEK Non-Coin Class Peak Day Dem
Month	Days				Peak Day L. F.	Day Demand	Peak Day L. F.	Peak Day L. F.		Peak Day L. F.	Peak Day L. F.	
				(a)			(b)		(c)			
Jan 2017	31	01/06/17	273,436	8,821	72.3042	12,200	72.3042	12,200	64.4221	13,693		
Feb	28	02/09/17	265,314	9,476	65.9931	14,359	65.9931	14,359	61.9793	15,289		
Mar	31	03/14/17	213,598	6,890	66.7875	10,316	66.7875	10,316	62.3213	11,056		
Apr	30	04/06/17	232,508	7,750	61.5998	12,581	61.5998	12,581	56.0175	13,835		
May	31	05/05/17	150,114	4,842	81.2543	5,959	76.4307	6,335	63.5477	7,619		
Jun	30	06/07/17	144,525	4,818	78.3212	6,152	78.3212	6,152	72.4326	6,652		
Jul	31	07/25/17	128,123	4,133	77.4571	5,336	76.2279	5,422	65.8084	6,280		
Aug	31	08/02/17	113,137	3,650	90.5892	4,029	83.6446	4,364	73.4603	4,969		
Sept	30	09/06/17	132,424	4,414	79.7994	5,531	79.2959	5,566	65.6118	6,727		
Oct	31	10/30/17	126,307	4,074	60.9812	6,681	60.9812	6,681	54.7226	7,445		
Nov	30	11/10/17	154,220	5,141	79.6807	6,452	78.5545	6,545	66.6130	7,718		
Dec 2017	31	12/27/17	<u>209,666</u>	6,763	74.6398	<u>9,061</u>	74.6398	<u>9,061</u>	63.9805	<u>10,570</u>		
			2,143,372			14,359		14,359		15,289		

Rate IT - Interruptible Transportation

Rate IT - Interruptible Transportation		DEK System Peak Day	Non-weather normal Calendar Month Mcf	Average Daily Usage	DEK Coin		DEK		Class Max. Non-Coin Peak Day Dem	DEK		DEK Non-Coin Class Peak Day Dem
Month	Days				Peak Day L. F.	Day Demand	Peak Day L. F.	Peak Day L. F.		Peak Day L. F.		
				(a)			(b)		(c)			
Jan 2017	31	01/06/17	139,431	4,498	76.7148	5,863	75.3685	5,968	66.5146	6,762		
Feb	28	02/09/17	134,661	4,809	75.5381	6,366	75.5381	6,366	72.4070	6,642		
Mar	31	03/14/17	120,079	3,874	75.9647	5,100	74.8197	5,178	69.7484	5,554		
Apr	30	04/06/17	125,241	4,175	84.1132	4,964	71.7895	5,816	52.6722	7,926		
May	31	05/05/17	115,293	3,719	90.8535	4,093	75.7843	4,907	57.8215	6,432		
Jun	30	06/07/17	126,560	4,219	75.2573	5,606	75.2573	5,606	60.6562	6,956		
Jul	31	07/25/17	130,626	4,214	68.6546	6,138	67.8877	6,207	59.0079	7,141		
Aug	31	08/02/17	124,678	4,022	75.9408	5,296	75.9408	5,296	62.7502	6,410		
Sept	30	09/06/17	133,264	4,442	76.2023	5,829	75.5193	5,882	59.6151	7,451		
Oct	31	10/30/17	112,002	3,613	74.3356	4,860	74.3356	4,860	57.5643	6,276		
Nov	30	11/10/17	142,680	4,756	86.1415	5,521	73.0753	6,508	58.2946	8,159		
Dec 2017	31	12/27/17	<u>140,796</u>	4,542	92.5109	<u>4,910</u>	75.3161	<u>6,031</u>	54.2686	<u>8,369</u>		
			1,545,311			6,366		6,508		8,369		

- (a) Coincident Peak is the peak at the time of the system peak.
- (b) Diversified Class Peak is the sum of the individual customer demands at the time of the rate class peak.
- (c) Non-coincident peak is the sum of the individual customer maximum demands regardless of when it occurs during the month.

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 ALLOCATION FACTORS FOR COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2017
 DAILY DEMAND ANALYSIS

WP FR-16(7)(v)
 Witness Responsible:
 James E. Ziolkowski
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Total Month	Days	DEK System Peak Day	Non-weather normal Calendar Month Mcf	Average Daily Usage	(a)		(b)		(c)	
					DEK Coin Peak Day L. F.	Coin Peak Day Demand	DEK Diversified Class Peak Day L. F.	Class Max. Non-Coin Peak Day Dem	DEK Non-Coin Class Peak Day L. F.	DEK Non-Coin Class Peak Day Dem
Jan 2017	31	01/06/17	2,240,477	72,274		134,449		134,554		141,888
Feb	28	02/09/17	1,742,151	62,220		119,601		119,601		125,197
Mar	31	03/14/17	1,451,731	46,830		89,590		89,668		93,692
Apr	30	04/06/17	1,056,626	35,221		96,422		97,274		105,193
May	31	05/05/17	620,087	20,002		42,991		44,181		51,134
Jun	30	06/07/17	488,769	16,293		20,354		20,804		26,398
Jul	31	07/25/17	438,148	14,134		17,461		18,448		23,779
Aug	31	08/02/17	403,263	13,009		14,695		14,602		20,636
Sept	30	09/06/17	459,447	15,315		18,356		19,826		26,966
Oct	31	10/30/17	433,567	13,986		31,137		32,502		36,414
Nov	30	11/10/17	977,346	32,578		47,478		49,937		56,344
Dec 2017	31	12/27/17	<u>1,719,149</u>	55,456		<u>85,007</u>		<u>89,533</u>		<u>97,434</u>
			12,030,761			134,449		134,554		141,888

- (a) Coincident Peak is the peak at the time of the system peak.
- (b) Diversified Class Peak is the sum of the individual customer demands at the time of the rate class peak.
- (c) Non-coincident peak is the sum of the individual customer maximum demands regardless of when it occurs during the month.

Year: 2017
 Gas Statistics: DAILY

Rate Group: RESIDENTIAL

STAT 1	STAT 2	STAT 3	STAT 4	STAT 5	STAT 6	STAT 7	STAT 8	STAT 9	STAT 10	STAT 11	STAT 12	STAT 13	STAT 14	STAT 15	STAT 16	STAT 17
KYRS -- Sampled group		Sample Size (sample)	Population # of customers	Monthly Average Usage (per customer) MCF / month	Noncoincident Demand MCF / day	Coincident Demand @ Rate Class Peak MCF / day	Rate Class Peak Date	Coincident Demand @ System Peak MCF / day	System Peak Date	Load Factor NCD	Load Factor CD @ Rate Class Peak	Load Factor CD @ System Peak	Coincidence Factor @ Rate Class Peak	Coincidence Factor @ System Peak	Diversity Factor @ Rate Class Peak	Diversity Factor @ System Peak
Month/Year	Group															
JAN_17	KYRS	70	91,542	11.244	0.758	0.741	01/06/17	0.741	01/06/17	47.86	48.92	48.92	97.82	97.82	102.23	102.23
FEB_17	KYRS	69	91,550	8.759	0.678	0.651	02/09/17	0.651	02/09/17	46.12	48.06	48.06	95.97	95.97	104.20	104.20
MAR_17	KYRS	66	91,540	6.397	0.444	0.429	03/14/17	0.429	03/14/17	46.51	48.13	48.13	96.63	96.63	103.48	103.48
APR_17	KYRS	68	91,289	3.643	0.475	0.456	04/06/17	0.456	04/06/17	25.54	26.61	26.61	95.96	95.96	104.21	104.21
MAY_17	KYRS	68	91,396	1.920	0.228	0.214	05/05/17	0.214	05/05/17	27.10	28.99	28.99	93.49	93.49	106.97	106.97
JUN_17	KYRS	66	91,158	1.269	0.080	0.050	06/11/17	0.046	06/07/17	52.60	84.38	92.66	62.33	56.76	160.43	176.17
JUL_17	KYRS	67	90,916	1.080	0.066	0.040	07/04/17	0.033	07/25/17	52.97	87.80	105.22	60.33	50.34	165.76	198.66
AUG_17	KYRS	68	90,790	1.108	0.064	0.040	08/07/17	0.035	08/02/17	55.55	88.35	103.18	62.88	53.84	159.03	185.72
SEP_17	KYRS	70	90,919	1.215	0.086	0.053	09/30/17	0.040	09/06/17	47.14	75.72	101.61	62.26	46.40	160.62	215.52
OCT_17	KYRS	67	91,384	2.981	0.355	0.349	10/29/17	0.313	10/30/17	27.07	27.56	30.76	98.21	88.00	101.82	113.63
NOV_17	KYRS	67	91,981	7.166	0.426	0.399	11/19/17	0.394	11/10/17	56.10	59.90	60.63	93.67	92.54	106.76	108.06
DEC_17	KYRS	66	92,468	13.106	0.756	0.726	12/31/17	0.685	12/27/17	55.92	58.20	61.71	96.08	90.62	104.08	110.35

Definition: Gas Day = 10:01 to 10:00 (HourEnding11am to HourEnding10am)
 System Peak = State Peak
 Census groups (100% analysis used; Entire population)
 Sampled groups (Ratio analysis used; Stratified sample of population)
 Report date: 7-1-18

Year: 2017
 Gas Statistics: DAILY

Rate Group: GENERAL SERVICE

STAT 1	STAT 2	STAT 3	STAT 4	STAT 5	STAT 6	STAT 7	STAT 8	STAT 9	STAT 10	STAT 11	STAT 12	STAT 13	STAT 14	STAT 15	STAT 16	STAT 17
KYGS -- Sampled group	Sample Size (sample)	Population # of customers	Monthly Average Usage (per customer)	MCF / month	Noncoincident Demand	Coincident Demand @ Rate Class Peak	Rate Class Peak Date	Coincident Demand @ System Peak	System Peak Date	Load Factor NCD	Load Factor CD @ Rate Class Peak	Load Factor CD @ System Peak	Coincidence Factor @ Rate Class Peak	Coincidence Factor @ System Peak	Diversity Factor @ Rate Class Peak	Diversity Factor @ System Peak
Month/Year Group					MCF / day	MCF / day	MCF / day	MCF / day								
JAN_17	KYGS	107	7,141	77.903	5.037	4.638	01/06/17	4.638	01/06/17	49.87	54.18	54.18	92.06	92.06	108.62	108.62
FEB_17	KYGS	111	7,136	60.014	4.561	4.348	02/09/17	4.348	02/09/17	46.98	49.29	49.29	95.33	95.33	104.90	104.90
MAR_17	KYGS	105	7,077	45.627	3.110	2.968	03/14/17	2.968	03/14/17	47.32	49.57	49.57	95.45	95.45	104.77	104.77
APR_17	KYGS	108	6,970	27.887	2.796	2.555	04/06/17	2.555	04/06/17	33.24	36.38	36.38	91.38	91.38	109.44	109.44
MAY_17	KYGS	107	6,885	16.079	1.285	0.989	05/05/17	0.989	05/05/17	40.37	52.43	52.43	76.99	76.99	129.89	129.89
JUN_17	KYGS	109	6,806	12.172	0.636	0.541	06/07/17	0.541	06/07/17	63.81	74.98	74.98	85.10	85.10	117.51	117.51
JUL_17	KYGS	106	6,761	10.986	0.586	0.437	07/24/17	0.408	07/25/17	60.42	81.14	86.94	74.47	69.50	134.28	143.89
AUG_17	KYGS	106	6,738	11.733	0.625	0.477	08/29/17	0.398	08/02/17	60.54	79.39	94.98	76.26	63.74	131.12	156.89
SEP_17	KYGS	104	6,748	12.454	0.747	0.526	09/14/17	0.502	09/06/17	55.58	78.93	82.68	70.41	67.22	142.02	148.76
OCT_17	KYGS	106	6,877	24.141	2.709	2.275	10/30/17	2.275	10/30/17	28.74	34.22	34.22	83.98	83.98	119.07	119.07
NOV_17	KYGS	106	7,049	51.849	3.088	2.680	11/22/17	2.453	11/10/17	55.95	64.47	70.44	86.78	79.43	115.23	125.89
DEC_17	KYGS	104	7,143	93.039	5.277	4.882	12/31/17	4.764	12/27/17	56.86	61.46	62.99	92.51	90.27	108.10	110.78

Definition: Gas Day = 10:01 to 10:00 (HourEnding11am to HourEnding10am)
 System Peak = State Peak
 Census groups (100% analysis used; Entire population)
 Sampled groups (Ratio analysis used; Stratified sample of population)
 Report date: 7-1-18

Year: 2017
 Gas Statistics: DAILY

Rate Group: FIRM TRANSPORTATION SERVICE

STAT 1	STAT 2	STAT 3	STAT 4	STAT 5	STAT 6	STAT 7	STAT 8	STAT 9	STAT 10	STAT 11	STAT 12	STAT 13	STAT 14	STAT 15	STAT 16	STAT 17
KYFT -- Census group		Sample Size (sample)	Population # of customers	Monthly Average Usage (per customer)	Noncoincident Demand	Coincident Demand @ Rate Class Peak	Rate Class Peak Date	Coincident Demand @ System Peak	System Peak Date	Load Factor NCD	Load Factor CD @ Rate Class Peak	Load Factor CD @ System Peak	Coincidence Factor @ Rate Class Peak	Coincidence Factor @ System Peak	Diversity Factor @ Rate Class Peak	Diversity Factor @ System Peak
Month/Year	Group	N / A	MCF / month	MCF / day	MCF / day	MCF / day	MCF / day	MCF / day	MCF / day							
JAN_17	KYFT		89	3,014.365	150.901	134.451	01/06/17	134.451	01/06/17	64.42	72.30	72.30	89.10	89.10	112.24	112.24
FEB_17	KYFT		89	2,404.377	138.513	130.089	02/09/17	130.089	02/09/17	61.98	65.99	65.99	93.92	93.92	106.48	106.48
MAR_17	KYFT		89	2,620.035	135.582	126.516	03/14/17	126.516	03/14/17	62.32	66.79	66.79	93.31	93.31	107.17	107.17
APR_17	KYFT		89	1,692.090	100.664	91.541	04/06/17	91.541	04/06/17	56.02	61.60	61.60	90.94	90.94	109.97	109.97
MAY_17	KYFT		90	1,608.221	81.617	67.859	05/03/17	63.831	05/05/17	63.55	76.43	81.25	83.14	78.21	120.27	127.86
JUN_17	KYFT		90	1,429.685	65.778	60.832	06/07/17	60.832	06/07/17	72.43	78.32	78.32	92.48	92.48	108.13	108.13
JUL_17	KYFT		90	1,258.652	61.682	53.251	07/11/17	52.405	07/25/17	65.81	76.23	77.46	86.33	84.96	115.83	117.70
AUG_17	KYFT		90	1,486.272	65.250	57.305	08/28/17	52.912	08/02/17	73.46	83.64	90.59	87.82	81.09	113.86	123.32
SEP_17	KYFT		90	1,409.799	71.606	59.249	09/13/17	58.875	09/06/17	65.61	79.30	79.80	82.74	82.22	120.86	121.62
OCT_17	KYFT		90	1,721.655	101.464	91.051	10/30/17	91.051	10/30/17	54.72	60.98	60.98	89.74	89.74	111.44	111.44
NOV_17	KYFT		89	2,363.663	118.250	100.274	11/16/17	98.856	11/10/17	66.61	78.55	79.68	84.80	83.60	117.93	119.62
DEC_17	KYFT		89	3,070.482	154.771	132.669	12/27/17	132.669	12/27/17	63.98	74.64	74.64	85.72	85.72	116.66	116.66

Definition: Gas Day = 10:01 to 10:00 (HourEnding11am to HourEnding10am)
 System Peak = State Peak
 Census groups (100% analysis used; Entire population)
 Sampled groups (Ratio analysis used; Stratified sample of population)
 Report date: 7-1-18

Year: 2017
 Gas Statistics: DAILY

Rate Group: INTERRUPTIBLE TRANSPORTATION SERVICE

STAT 1	STAT 2	STAT 3	STAT 4	STAT 5	STAT 6	STAT 7	STAT 8	STAT 9	STAT 10	STAT 11	STAT 12	STAT 13	STAT 14	STAT 15	STAT 16	STAT 17	
KYIT -- Census group		Sample Size (sample)	Population # of customers	Monthly Average Usage (per customer)	Noncoincident Demand	Coincident Demand	Rate Class Peak Date	Coincident Demand	System Peak Date	Load Factor NCD	Load Factor CD	Load Factor CD	Coincidence Factor	Coincidence Factor	Diversity Factor	Diversity Factor	
Month/Year	Group	N / A	MCF / month	MCF / day	MCF / day	@ Rate Class Peak	@ System Peak	MCF / day	MCF / day	@ Rate Class Peak	@ System Peak	@ Rate Class Peak	@ System Peak	@ Rate Class Peak	@ System Peak	@ Rate Class Peak	@ System Peak
JAN_17	KYIT		22	6,414.545	311.015	274.478	01/05/17	269.661	01/06/17	66.51	75.37	76.71	88.25	86.70	113.31	115.34	
FEB_17	KYIT		22	5,691.455	280.659	269.025	02/09/17	269.025	02/09/17	72.41	75.54	75.54	95.85	95.85	104.32	104.32	
MAR_17	KYIT		22	5,945.068	274.887	256.256	03/15/17	252.393	03/14/17	69.75	74.82	75.96	93.22	91.82	107.27	108.91	
APR_17	KYIT		22	5,432.182	343.689	252.166	04/12/17	215.220	04/06/17	52.67	71.79	84.11	73.37	62.62	136.29	159.69	
MAY_17	KYIT		22	5,981.136	333.600	254.529	05/02/17	212.312	05/05/17	57.82	75.78	90.85	76.30	63.64	131.07	157.13	
JUN_17	KYIT		22	6,109.182	335.645	270.525	06/07/17	270.525	06/07/17	60.66	75.26	75.26	80.60	80.60	124.07	124.07	
JUL_17	KYIT		22	5,822.818	318.240	276.614	07/24/17	273.524	07/25/17	59.01	67.89	68.65	86.92	85.95	115.05	116.35	
AUG_17	KYIT		22	6,205.364	318.922	263.527	08/02/17	263.527	08/02/17	62.75	75.94	75.94	82.63	82.63	121.02	121.02	
SEP_17	KYIT		22	5,400.318	301.881	238.305	09/05/17	236.170	09/06/17	59.62	75.52	76.20	78.94	78.23	126.68	127.82	
OCT_17	KYIT		22	6,611.545	370.410	286.839	10/30/17	286.839	10/30/17	57.56	74.34	74.34	77.44	77.44	129.14	129.14	
NOV_17	KYIT		22	6,661.477	380.816	303.789	11/16/17	257.710	11/10/17	58.29	73.08	86.14	79.77	67.67	125.36	147.77	
DEC_17	KYIT		22	6,788.955	403.447	290.702	12/06/17	236.669	12/27/17	54.27	75.32	92.51	72.05	58.66	138.78	170.47	

Definition: Gas Day = 10:01 to 10:00 (HourEnding11am to HourEnding10am)
 System Peak = State Peak
 Census groups (100% analysis used; Entire population)
 Sampled groups (Ratio analysis used; Stratified sample of population)
 Report date: 7-1-18

DUKE ENERGY KENTUCKY, INC.
GAS COST OF SERVICE STUDY
CASE NO: 2018-00261
ALLOCATION FACTORS FOR COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2017
ALLOCATION OF LARGE INDUSTRIAL MEASURING
AND REGULATING STATIONS (ACCTS 2580 & 2581)

WP FR-16(7)(v)
Witness Responsible:
James E. Ziolkowski
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<u>Rate Class</u>	<u>MCF</u>	<u>Ratio</u> <u>(K595)</u>
FT-L	2,143,372	58.107%
IT - Inter. Transportation	1,545,311	41.893%
Total Mcf	<u>3,688,683</u>	<u>100.000%</u>

Source: Allocation Factors Summary

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 ALLOCATION FACTORS FOR COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2017
 MINIMUM INTERCEPT STUDY - PLASTIC MAINS

WP FR-16(7)(v)
 Witness Responsible:
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SIZE	FEET	COST	AVG COST/FT
3/4"	0	0	0.00
1"	338,615	1,129,887	3.34
1 1/4"	21,065	194,597	9.24
2"	1,721,095	19,306,140	11.22
2 1/2"	0	0	0.00
3"	61,031	432,010	7.08
4"	1,377,789	36,200,977	26.27
6"	495,076	18,212,023	36.79
8"	163,414	12,029,479	73.61
10"	0	0	0.00
12"	6,736	1,249,029	185.43
16"	0	0	0.00
18"	0	0	0.00
20"	0	0	0.00
24"	0	0	0.00
30"	0	0	0.00
<hr/>			
	4,184,821	88,754,142.91	
<hr/>			
	-	-	
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	4,184,821	88,754,142.91	
<hr/>			

CUSTOMER COMPONENT FROM CURVE= \$3.340 /FEET

TOTAL CUSTOMER COMPONENT= 3.34 x 4,184,821 = 13,977,302.14

TOTAL COST OF PLASTIC PIPE = 88,754,143

CUSTOMER COMPONENT RATIO= 13,977,302 / 88,754,143 = 15.7483%

DEMAND COMPONENT = 100% - 15.7483% = 84.252%

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 ALLOCATION FACTORS FOR COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2017
 MINIMUM SYSTEM STUDY - PLASTIC MAINS

WP FR-16(7)(v)
 Witness Responsible:
 James E. Ziolkowski
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size	accum_quantity	accum_cost	cost / foot
1 1/4"	21,065	\$ 194,597.14	\$9.24
1"	338,615	1,129,887	\$3.34
12"	6,736	1,249,029	\$185.43
2"	1,721,095	19,306,140	\$11.22
3"	61,031	432,010	\$7.08
4"	1,377,789	36,200,977	\$26.27
6"	495,076	18,212,023	\$36.79
8"	163,414	12,029,479	\$73.61
Grand Total	4,184,821	\$ 88,754,142.91	

Minimum System Cost per Foot		\$3.34
Total Feet	X	4,184,821
Total Minimum System Cost		<u>\$13,977,302</u>
Total Cost	÷	\$88,754,143
Customer Component Percentage		<u><u>15.75%</u></u>

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 ALLOCATION FACTORS FOR COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2017
 MINIMUM SYSTEM STUDY - BACKUP DATA PLASTIC MAINS

WP FR-16(7)(v)
 Witness Responsible:
 James E. Ziolkowski
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size	Quantity	Cost
1 1/4"	21,065	\$194,597.14
1"	338,615	\$1,129,886.99
12"	6,736	\$1,249,028.78
2"	1,721,095	\$19,306,140.32
3"	61,031	\$432,010.36
3/4"	135	\$15.13
4"	1,377,789	\$36,200,977.35
6"	495,076	\$18,212,022.94
8"	163,414	\$12,029,479.03
Total	4,184,956	\$88,754,158.04

Row Labels	Sum of Quantity	Sum of Net Book Value
Mains: Plastic, 1 1/4"	21,065	\$194,597
Mains: Plastic, 1"	315,975	\$955,437
Mains: Plastic, 12"	578	\$102,144
Mains: Plastic, 2"	1,560,571	\$12,878,821
Mains: Plastic, 3"	60,919	\$423,380
Mains: Plastic, 3/4"	135	\$15
Mains: Plastic, 4"	1,163,597	\$21,858,791
Mains: Plastic, 6"	417,216	\$10,451,069
Mains: Plastic, 8"	111,121	\$6,113,498
Mains: Plastic, 1"	22,640	\$174,450
Mains: Plastic, 12"	6,158	\$1,146,885
Mains: Plastic, 2"	160,524	\$6,427,319
Mains: Plastic, 3"	112	\$8,630
Mains: Plastic, 4"	214,192	\$14,342,186
Mains: Plastic, 6"	77,860	\$7,760,954
Mains: Plastic, 8"	52,293	\$5,915,981
Grand Total	4,184,956	\$88,754,158

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 ALLOCATION FACTORS FOR COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2017
 DERIVATION OF GAS SERVICES ALLOCATION FACTOR

WP FR-16(7)(v)
 Witness Responsible:
 James E. Zioolkowski
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SIZE	KIND	NUMBER OF SERVICES	TOTAL COST	RESIDENTIAL		GS		FT-L		INDUSTRIAL TRANSP / OFF PEAK	
				SERVICES	COST	SERVICES	COST	SERVICES	COST	SERVICES	COST
100% RESIDENTIAL											
3/4"	CU	2,615	\$ 311,326.00	2,615	311,326.00						
3/8"	CU	0	0.00	0	0.00						
1/2"	P	1,120	751,603.69	1,120	751,603.69						
3/4"	P	1,738	30,686.68	1,738	30,686.68						
3/8"	P	1	397.99	1	397.99						
5/8"	P	31	11,367.82	31	11,367.82						
1/4"	S	0	0.00	0	0.00						
3/4"	S	245	11,793.52	245	11,793.52						
1"	CU	171	19,119.00	171	19,119.00						
1"	P	83,416	35,177,422.23	83,416	35,177,422.23						
TOTAL		89,337	\$ 36,313,716.93								
75% RESIDENTIAL & 12.5% GS & 12.5% FT-L											
1"	S	1,224	\$ 1,324,916.34	918	993,687.26	153	165,614.54	153	165,614.54		
80% RESIDENTIAL & 10% GS & 10% FT-L											
1 1/4"	CU	1	\$ 310.00	1	248.00	0	31.00	0	31.00		
1 1/2"	CU	0	0.00	0	0.00	0	0.00	0	0.00		
1 1/4"	P	5,399	2,186,834.00	4,319	1,749,467.20	540	218,683.40	540	218,683.40		
1 1/2"	S	166	(76.68)	133	(61.34)	17	(7.67)	17	(7.67)		
1 1/4"	S	2	4,913.42	2	3,930.74	0	491.34	0	491.34		
TOTAL		5,568	\$ 2,191,980.74								
50% GS & 50% FT-L											
2"	CU	54	\$ 20,036.00			27	10,018.00	27	10,018.00		
2"	P	665	598,679.86			333	299,339.93	332	299,339.93		
2"	S	259	254,828.04			130	127,414.02	129	127,414.02		
2 1/2"	S	0	0.00			0	0.00	0	0.00		

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 ALLOCATION FACTORS FOR COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2017
 DERIVATION OF GAS SERVICES ALLOCATION FACTOR

WP FR-16(7)(v)
 Witness Responsible:
 James E. Ziolkowski
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SIZE	KIND	NUMBER OF SERVICES	TOTAL COST	RESIDENTIAL		GS		FT-L		INDUSTRIAL TRANSP / OFF PEAK	
				SERVICES	COST	SERVICES	COST	SERVICES	COST	SERVICES	COST
10% GS & 90% FT-L											
3"	C	0	\$ -			0	0.00	0	0.00		
3"	CU	0	0			0	0.00	0	0.00		
4"	C	0	0			0	0.00	0	0.00		
4"	CU	0	0			0	0.00	0	0.00		
6"	C	0	0			0	0.00	0	0.00		
6"	CU	0	0			0	0.00	0	0.00		
8"	C	0	0							0	0.00
3"	P	131	338,773			13	33,877.26	118	304,895.36		
4"	P	110	249,637			11	24,963.73	99	224,673.61		
6"	P	24	85,755			2	8,575.55	22	77,179.90		
8"	P	6	34,815			1	3,481.55	5	31,333.94		
3"	S	88	164,809			9	16,480.89	79	148,328.02		
4"	S	52	95,080			5	9,508.04	47	85,572.39		
6"	S	25	82,290			3	8,229.03	22	74,061.27		
8"	S	6	55,926							6	55,925.83
10"	S	0	0							0	0.00
12"	S	0	0							0	0.00
16"	S	0	0							0	0.00
TOTAL		1,420	\$ 1,980,630.27	94,710	39,060,988.79	1,244	926,700.61	1,590	1,767,629.05	6	55,925.83
AVG COST / SERV.		97,549	\$ 41,811,244.28		412.43		744.94		1,111.72		9,320.97
WEIGHTING FACTOR					1.00		1.81		2.70		22.60

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 ALLOCATION FACTORS FOR COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2017
 DERIVATION OF GAS SERVICES ALLOCATION FACTOR

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Rate Class	Customers	Weighting Factors	Weighted Customers	Ratio
Residential	91,382	1.00	91,382	87.299%
GS	6,943	1.81	12,541	11.981%
FT-L	95	2.70	256	0.245%
Interruptible Transportation	22	22.60	497	0.475%
Total	<u>98,442</u>		<u>104,676</u>	<u>100.000%</u>

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 ALLOCATION FACTORS FOR COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2017
 DERIVATION OF GAS SERVICES ALLOCATION FACTOR

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kind	size	accum_quantity	accum_cost	Type
C				
C	3"			10% GS & 90% FT-L
C	4"			10% GS & 90% FT-L
C	6"			10% GS & 90% FT-L
C	8"			10% GS & 90% FT-L
C Total		0	\$0.00	
CU				
CU	1 1/4"	1	\$310.00	80% RESIDENTIAL & 10% GS & 10% FT-L
CU	1"	171	\$19,119.00	100% Residential
CU	2"	54	\$20,036.00	50% GS & 50% FT-L
CU	3"			10% GS & 90% FT-L
CU	3/4"	2,615	\$311,326.00	100% Residential
CU	3/8"			100% Residential
CU	4"			10% GS & 90% FT-L
CU	6"			10% GS & 90% FT-L
CU Total		2,841	\$350,791.00	
P				
P	1 1/4"	5,399	\$2,186,834.00	80% RESIDENTIAL & 10% GS & 10% FT-L
P	1"	83,416	\$35,177,422.23	100% Residential
P	1/2"	1,120	\$751,603.69	100% Residential
P	2"	665	\$598,679.86	50% GS & 50% FT-L
P	3"	131	\$338,772.62	10% GS & 90% FT-L
P	3/4"	1,738	\$30,686.68	100% Residential
P	3/8"	1	\$397.99	100% Residential
P	4"	110	\$249,637.34	10% GS & 90% FT-L
P	5/8"	31	\$11,367.82	100% Residential
P	6"	24	\$85,755.45	10% GS & 90% FT-L
P	8"	6	\$34,815.49	10% GS & 90% FT-L
P Total		92,641	\$39,465,973.17	
S				
S	1 1/2"	166	-\$76.68	80% RESIDENTIAL & 10% GS & 10% FT-L
S	1 1/4"	2	\$4,913.42	80% RESIDENTIAL & 10% GS & 10% FT-L
S	1"	1,224	\$1,324,916.34	75% RESIDENTIAL & 12.5% GS & 12.5% FT-L
S	1/4"			100% Residential
S	10"			10% GS & 90% FT-L
S	12"			10% GS & 90% FT-L
S	16"			10% GS & 90% FT-L
S	2 1/2"			50% GS & 50% FT-L
S	2"	259	\$254,828.04	50% GS & 50% FT-L
S	3"	88	\$164,808.91	10% GS & 90% FT-L
S	3/4"	245	\$11,793.52	100% Residential
S	4"	52	\$95,080.43	10% GS & 90% FT-L
S	6"	25	\$82,290.30	10% GS & 90% FT-L
S	8"	6	\$55,925.83	10% GS & 90% FT-L
S Total		2,067	\$1,994,480.11	
Grand Total		97,549	\$41,311,244.28	

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 ALLOCATION FACTORS FOR COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2017
 GAS METERS AT DECEMBER 31, 2017

WP FR-16(7)(v)
 Witness Responsible:
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Row Labels	Sum of COST	Count of I_ACCT_CA	ORIGINAL COST		Quantity	Original Cost	Average Cost	Ratio
GS	\$4,499,288.09	19,944	\$225.60					
1000 2.4 AMI	\$564,657.24	938	\$601.98					
1000 40G/100G AMR	\$77,405.00	113	\$685.00	RS	241,894	\$ 18,152,038		79.18%
1000 Badger AMI	\$609,404.32	1,154	\$528.08	GS	19,944	\$ 4,499,288		19.63%
1000 P&T 2#	\$30,375.00	45	\$675.00	FT-L	47	\$ 184,982		0.81%
1000 TC	\$780,975.00	1,157	\$675.00	IT - Inter. Transportation	11	\$ 89,763		0.39%
11M	\$103,986.00	53	\$1,962.00	TOTAL	261,896	\$ 22,926,071		100.00%
15C	\$100,800.00	90	\$1,120.00					
16M	\$43,408.00	16	\$2,713.00					
23M	\$27,616.00	4	\$6,904.00					
250 2.4 AMI	\$423,696.24	4,026	\$105.24					
250 40G/100G AMR	\$32,110.67	313	\$102.59					
250 Badger AMI	\$231,539.52	4,128	\$56.09					
250 P & T 2#	\$5,131.46	94	\$54.59					
250 TC	\$220,507.56	4,134	\$53.34					
38M	\$23,623.50	3	\$7,874.50					
3M	\$402,080.00	359	\$1,120.00					
4" 23M	\$4,079.00	1	\$4,079.00					
400/425 2.4 AMI	\$161,054.79	949	\$169.71					
400/425 40G/100G AMR	\$22,100.00	130	\$170.00					
400/425 Badger AMI	\$115,028.29	949	\$121.21					
400/425 P&T 2#	\$3,135.00	19	\$165.00					
400/425 TC	\$170,775.00	1,035	\$165.00					
56M	\$9,844.50	1	\$9,844.50					
5M	\$191,114.00	146	\$1,309.00					
7M	\$142,464.00	84	\$1,696.00					
8C	\$2,378.00	2	\$1,189.00					
FM2-2IN	\$0.00	1	\$0.00					
IFT	\$183,020.06	46	\$3,978.70					
1000 2.4 AMI	\$601.98	1	\$601.98					
1000 Badger AMI	\$528.08	1	\$528.08					
1000 TC	\$675.00	1	\$675.00					
11M	\$11,772.00	6	\$1,962.00					
16M	\$24,417.00	9	\$2,713.00					
23M	\$34,520.00	5	\$6,904.00					
38M	\$55,121.50	7	\$7,874.50					
3M	\$1,120.00	1	\$1,120.00					
4" 23M	\$8,158.00	2	\$4,079.00					
56M	\$29,533.50	3	\$9,844.50					
5M	\$1,309.00	1	\$1,309.00					
7M	\$15,264.00	9	\$1,696.00					
IFT3	\$1,962.00	1	\$1,962.00					
11M	\$1,962.00	1	\$1,962.00					
IT01	\$89,762.50	11	\$8,160.23					
23M	\$20,712.00	3	\$6,904.00					
38M	\$15,749.00	2	\$7,874.50					
4" 23M	\$4,079.00	1	\$4,079.00					
56M	\$49,222.50	5	\$9,844.50					
RS	\$18,152,038.14	241,894	\$75.04					
1000 2.4 AMI	\$81,267.30	135	\$601.98					
1000 40G/100G AMR	\$10,960.00	16	\$685.00					
1000 Badger AMI	\$81,852.40	155	\$528.08					
1000 P&T 2#	\$2,025.00	3	\$675.00					
1000 TC	\$105,300.00	156	\$675.00					
15C	\$3,360.00	3	\$1,120.00					
250 2.4 AMI	\$7,460,358.36	70,889	\$105.24					
250 40G/100G AMR	\$1,909,918.03	18,617	\$102.59					
250 Badger AMI	\$4,138,825.01	73,789	\$56.09					
250 P & T 2#	\$135,601.56	2,484	\$54.59					
250 TC	\$3,941,719.32	73,898	\$53.34					
3M	\$14,560.00	13	\$1,120.00					
400/425 2.4 AMI	\$88,758.33	523	\$169.71					
400/425 40G/100G AMR	\$9,860.00	58	\$170.00					
400/425 Badger AMI	\$63,392.83	523	\$121.21					
400/425 P&T 2#	\$990.00	6	\$165.00					
400/425 TC	\$103,290.00	626	\$165.00					
(blank)								
(blank)								
Grand Total	\$22,926,070.79	261,896						

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 ALLOCATION FACTORS FOR COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2017
 GAS CUSTOMER ACCOUNTING EXPENSES BY ACCOUNT

WP FR-16(7)(v)
 Witness Responsible:
 James E. Ziolkowski
 Page 1 of 1
 8/8/2018

Account	Total (a)	Residential RS	GS	FT-L	IT	Total
901	\$ 587,612	\$ 545,470	\$ 41,444	\$ 567	\$ 131	\$ 587,612
902	467,970	434,408	33,005	452	105	467,970
903	2,568,495	2,384,289	181,153	2,479	574	2,568,495
904	3,920	3,639	276	4	1	3,920
907	0	0	0	0	0	0
908	139,343	129,350	9,828	134	31	139,343
909	1,310	1,216	92	1	0	1,310
910	310,786	288,497	21,919	300	69	310,786
911	19	18	1	0	0	19
912	99,009	91,908	6,983	96	22	99,009
913	7,303	6,779	515	7	2	7,303
		\$ 3,885,575	\$ 295,217	\$ 4,039	\$ 935	\$ 4,185,767
Avg Customers (b)		91,382	6,943	95	22	98,442
		0.928283	0.070529	0.000965	0.000223	1.000000

(a) Source: FERC Form 2 - p. 324-325.
 (b) Source: Allocation Factors Summary

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 ALLOCATION FACTORS FOR COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2017
 GENERAL & COMMON PLANT, ACCUMULATED DEPRECIATION, A & G EXPENSES

WP FR-16(7)(v)
 Witness Responsible:
 James E. Ziolkowski
 Page 1 of 1
 8/8/2018

Functionalized based on Functional Payroll Costs for the Twelve Months ended December 2017

Function	Labor Dollars (a)	Functional Labor Ratio	Original Cost General Plant (b)	Accumulated Depreciation General Plant (b)	Original Cost Common Plant (b)	Accumulated Depreciation Common Plant (b)	Functional A & G Expenses Less Reg Commission Exp. (c)
Prod Plant	408,401	5.799%	1,418,707	546,802	746,752	615,843	403,815
Prod Plant Com Related	319,466	4.536%	1,109,764	427,728	584,136	481,734	315,879
Trans Plant	-	0.000%	-	-	-	-	-
Dist Plant	4,327,010	61.437%	15,031,206	5,793,367	7,911,837	6,524,849	4,278,422
Customer Acctg	1,828,109	25.957%	6,350,501	2,447,627	3,342,655	2,756,669	1,807,581
Cust Service & Info	159,972	2.271%	555,712	214,184	292,505	241,227	158,176
Sales	-	0.000%	-	-	-	-	-
Total O&M excl A&G	7,042,958	100.000%	24,465,890	9,429,708	12,877,885	10,620,322	6,963,873
A&G	1,414,111		24,465,890	9,429,708	12,877,885	10,620,322	6,963,873
Total O&M	8,457,069						

(a) Source: FERC Form 2 - p. 354-355.

(b) Source: Schedule B-3.2

(c) Source: Schedule C-2.1

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 COMPUTATION OF PRESENT RETURN EARNED (PRESENT NOI)
 TWELVE MONTHS ENDING MARCH 31, 2020
 CASE NO: 2018-00281
 DATA: 12 MONTH FORECASTED PERIOD

WP FR-16(7)(v)
 WITNESS RESPONSIBLE:
 JAMES E. ZIOLKOWSKI
 PAGE 1 OF 1
 8/8/2018

Line No.	SUMMARY OF RESULTS	SCHEDULE REFERENCE	TOTAL GAS	RS RESIDENTIAL	GS GEN SERV	FT-L FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE	ALL OTHER
		Schedule 1							
1	NET INCOME COMPUTATION								
2	GROSS GAS PLANT IN SERVICE	E-3.2f, P. 2	588,627,191	411,599,984	129,395,039	36,724,321	10,907,847	588,627,191	0
3	TOTAL DEPRECIATION RESERVE	E-3.2f, P. 3	(187,541,693)	(132,832,282)	(38,975,357)	(12,138,011)	(3,596,043)	(187,541,693)	0
4	TOTAL RATE BASE ADJUSTMENTS	E-3.2f, P. 7	(87,410,259)	(62,365,719)	(19,058,287)	(4,513,178)	(1,473,075)	(87,410,259)	0
5	TOTAL RATE BASE		313,675,239	216,401,983	71,361,395	20,073,132	5,838,729	313,675,239	0
6									
7	OPERATING EXPENSES								
8	TOTAL O&M EXPENSE	E-3.2f, P. 9	60,507,968	35,800,714	15,474,188	8,824,202	408,864	60,507,968	0
9	TOTAL DEPRECIATION EXPENSE	E-3.2f, P. 10	14,615,192	10,203,657	3,260,617	901,967	248,951	14,615,192	0
10	TOTAL OTHER TAX & MISC EXPENSE	E-3.2f, P. 11	4,118,771	2,889,707	908,553	251,215	69,296	4,118,771	0
11	TOTAL OP EXP EXCL INC & REV TAX		79,241,931	48,894,078	19,643,358	9,977,384	727,111	79,241,931	0
12	NET FED INCOME TAX EXP ALLOWABLE	E-3.2f, P. 12	3,326,901	2,095,412	830,072	349,461	51,956	3,326,901	0
13	REVENUE TAX	E-3.2f, P. 13	830,493	560,670	193,787	60,549	15,489	830,495	(2)
14	TOTAL OPERATING EXPENSE		83,399,325	51,550,160	20,667,217	10,387,394	794,556	83,399,327	(2)
15									
16	RETURN ON RATE BASE	E-3.2f, P. 7	22,525,019	15,539,826	5,124,462	1,441,452	419,279	22,525,019	0
17	TOTAL OTHER OPERATING REVENUES	E-3.2f, P. 13	(94,257)	(78,649)	(12,450)	(2,592)	(566)	(94,257)	0
18	TOTAL GAS COST OF SERVICE		105,830,087	67,011,337	25,779,229	11,826,254	1,213,269	105,830,089	(2)
19									
20	PROPOSED REVENUES - ELIM 15.00% OF SUBSIDY		95,287,873	65,522,694	23,198,248	5,042,683	1,524,248	95,287,873	0
21	EXCESS REVENUES		(10,542,214)	(1,488,643)	(2,580,981)	(6,783,571)	310,979	(10,542,216)	2
22									
23	TOTAL RETURN EARNED (TO WPE-3.2k)	Line 16 + Line 41	14,610,451	14,422,228	3,186,790	(3,651,314)	652,746	14,610,450	1
24	RATE OF RETURN EARNED		0.04658	0.06665	0.04466	(0.18190)	0.11180	0.04658	6.54473
25	TOTAL RATE OF RETURN ALLOWABLE		0.071810	0.071810	0.071810	0.071810	0.071810		0.071810
26	RETURN EARNED ON COMMON EQUITY		0.04930	0.08884	0.04551	(0.40087)	0.17780	0.04930	12.85230
27	ALLOWED RETURN ON COMMON EQUITY		0.09901	0.09901	0.09901	0.09901	0.09901		0.09901
28									
29	PRESENT REVENUES		95,287,873	65,522,695	23,198,247	5,042,683	1,524,248	95,287,873	0
30	REVENUE INCREASE JUSTIFIED		10,542,214	1,488,642	2,580,982	6,783,571	(310,979)	10,542,216	(2)
31	PER UNIT PRES REV		0.11064	0.02272	0.11126	1.34523	(0.20402)	0.11064	0
32	REVENUE INCREASE REQUESTED		0	(1)	1	0	0	0	0
33	PER UNIT PRES REV		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0
34									
35	PROPOSED REVENUES = CURRENT REVENUES								
36	PROPOSED REVENUES		95,287,873	65,522,695	23,198,247	5,042,683	1,524,248	95,287,873	0
37	TOTAL GAS COST OF SERVICE		(105,830,087)	(67,011,337)	(25,779,229)	(11,826,254)	(1,213,269)	(105,830,088)	1
38	EXCESS REVENUES		(10,542,214)	(1,488,642)	(2,580,982)	(6,783,571)	310,979	(10,542,216)	1
39	COMPOSITE TAX RATE		0.24925	0.24925	0.24925	0.24925	0.24925	0.24925	0.24925
40	EXCESS TAX		(2,627,647)	(371,044)	(643,310)	(1,690,805)	77,512	(2,627,647)	0
41	EXCESS RETURN		(7,914,568)	(1,117,598)	(1,937,672)	(5,092,766)	233,467	(7,914,569)	1

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO: 2018-00261
 CALCULATION PROPOSED REVENUE DISTRIBUTION
 REFLECTING A PROPOSED REVENUE SUBSIDY/EXCESS ELIMINATION COMPONENT

WORK PAPER REFERENCE:
 WP FR-16(7)(v)-8
 WITNESS RESPONSIBLE:
 JAMES E. ZIOLKOWSKI
 PAGE 1

Line No.	Rate Class	Rate Base (A)	Present Revenues (B)	Net Operating Income (C)	Present ROR (D)	Present Revenues At Average ROR (E)	Inter Class Subsidization Overcollected (Undercollected) (F)	Inter Class Subsidization times 15.00% (G)	Rate Increase (allocated to class based on Rate Base) (H)	Proposed Revenues 85.00% Interclass Subsidization (I)	Proposed Percent Increase (J)	ROR At Proposed Rates (K)	Proposed Increase Less (Subsidy) Excess (L)
		FR-16(7)(v)-8	FR-16(7)(v)-8	WP - Pres NOI	(C) / (A)	(B) + (((D) Line 5 * (C))/(1-FIT))	(B) - (E)	(F) * 15.00%	(H) Line 5 * ((A) / (A) Line 5)	(B) - (G) + (H)	((H) - (G)) / (B)	(((H) - (G)) * (1-FIT) + (C)) / (A)	(H) - (G)
1	Rate RS	\$ 216,401,983	\$ 65,522,695	\$ 14,422,228	6.6646%	\$ 60,025,735	\$ 5,496,960	\$ 824,544	\$ 7,272,993	\$ 71,971,144	9.842%	9.018634%	\$ 6,448,449
2	Rate GS	71,361,395	23,198,247	3,186,790	4.4657%	23,371,792	(173,545)	(26,032)	2,398,365	25,622,644	10.451%	7.149613%	2,424,397
3	Rate FT-L	20,073,132	5,042,683	(3,651,314)	-18.1901%	10,848,108	(5,805,425)	(870,814)	674,628	6,588,125	30.647%	-12.107800%	1,545,442
4	Rate IT	5,838,729	1,524,248	652,746	11.1796%	1,042,238	482,010	72,302	196,233	1,648,179	8.131%	12.856418%	123,931
5	Total	\$ 313,675,239	\$ 95,287,873	\$ 14,610,450	4.6578%	\$ 95,287,873	\$ -	\$ -	\$ 10,542,219	\$ 105,830,092	11.064%	7.312915%	\$ 10,542,219

MISCELLANEOUS REVENUES:

6	Interdepartmental		27,765							27,765			
7	Bad Check Charges		28,032							28,032			
8	Reconnection Charges		22,068							22,068			
9	Rents		14,496							14,496			
10	Special Contracts		0							0			
11	Other Misc		1,896							1,896			
12	Revenue Transp of Gas - Interco		0							0			
13	Total Misc		94,257							94,257			
14	Total Company		95,382,130							105,924,349	11.053%		

DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(w)

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

Description of Filing Requirement:

Local exchange carriers with more than 50,000 access lines shall file:

- (1) a jurisdictional separations study consistent with 47 C.F.R. Part 36; and,
- (2) service specific cost studies to support the pricing of all services that generate annual revenue greater than \$1,000,000 except local exchange access:
 - (a) based on current and reliable data from a single time period; and,
 - (b) using generally recognized fully allocated, embedded, or incremental cost principles.

Response:

Not applicable.

Witness Responsible: N/A

DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(8)(a)

807 KAR 5:001, SECTION 16(8)(a)

Description of Filing Requirement:

Jurisdictional financial summary for both base and forecasted period that details how the utility derived the amount of the requested revenue increase.

Response:

See Schedule A of Schedule Book.

Witness Responsible: Sarah E. Lawler

**DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(8)(b)**

807 KAR 5:001, SECTION 16(8)(b)

Description of Filing Requirement:

A jurisdictional rate base summary for both the base and forecasted period with supporting schedules, which include detailed analyses of each component of the rate base.

Response:

See Schedule B-1 through B-8 of Schedule Book.

Witness Responsible:

Sarah E. Lawler – Schedule B-1

Cynthia S. Lee/Robert H. “Beau” Pratt – Schedules B-2 thru B-2.7, B-3 thru B-3.2, B-4

Robert H. “Beau” Pratt – Schedules B-5, B-5.1

John R. Panizza – Schedule B-6

James E. Ziolkowski – Schedules B-7 thru B-7.2

Michael Covington/Robert H. “Beau” Pratt – Schedule B-8

**DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(8)(c)**

807 KAR 5:001, SECTION 16(8)(c)

Description of Filing Requirement:

A jurisdictional operating income summary for both the base and forecasted period with supporting schedules, which provide breakdowns by major account group and by individual account.

Response:

See Schedules C-1 through C-2.1 of Schedule Book.

Witness Responsible: Sarah E. Lawler

**DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(8)(d)**

807 KAR 5:001, SECTION 16(8)(d)

Description of Filing Requirement:

A summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors.

Response:

See Schedules D-1 through D-5 of Schedule Book.

Witness Responsible:

Sarah E. Lawler – Schedules D-1, D-2.15 thru D-2.22, D-2.24 and D-2.26

Cynthia S. Lee – Schedule D-2.23

Robert H. “Beau” Pratt – Schedules D-2.1 thru D-2.14 and D-2.25

James E. Ziolkowski – Schedules D-3, D-4, and D-5

DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(8)(e)

807 KAR 5:001, SECTION 16(8)(e)

Description of Filing Requirement:

A jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes.

Response:

See Schedules E-1 and E-2 of Schedule Book.

Witness Responsible: John R. Panizza

**DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(8)(f)**

807 KAR 5:001, SECTION 16(8)(f)

Description of Filing Requirement:

Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditure at country clubs; charitable contributions; marketing, sales, and advertising expenditures; professional service expenses; civic and political activity expenses; expenditures for employee parties and outings; employee gift expenses; and rate case expenses.

Response:

See Schedules F-1 through F-7 of Schedule Book.

Witness Responsible: Sarah E. Lawler

**DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(8)(g)**

807 KAR 5:001, SECTION 16(8)(g)

Description of Filing Requirement:

Analyses of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight time and overtime hours, and executive compensation by title.

Response:

See Schedules G-1 through G-3 of Schedule Book for non-confidential information responsive to this request. All confidential information is being provided under seal pursuant to a Petition for Confidential Treatment that is being filed simultaneously with this Application.

Witness Responsible:

Sarah E. Lawler – Schedule G-1
Renee H. Metzler – Schedules G-2, G-3

**DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(8)(h)**

807 KAR 5:001, SECTION 16(8)(h)

Description of Filing Requirement:

A computation of the gross revenue conversion factor for the forecasted period.

Response:

See Schedule H of Schedule Book.

Witness Responsible: Sarah E. Lawler

**DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(8)(i)**

807 KAR 5:001, SECTION 16(8)(i)

Description of Filing Requirement:

Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for five (5) calendar years prior to application filing date, the base period, forecasted period, and two (2) calendar years beyond forecast period.

Response:

See Schedule I-1 through I-5 of Schedule Book.

Witness Responsible:

Michael Covington
Robert H. "Beau" Pratt

DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(8)(j)

807 KAR 5:001, SECTION 16(8)(j)

Description of Filing Requirement:

A cost of capital summary for both the base and forecasted period with supporting schedules, which provide details on each component of the capital structure.

Response:

See Schedules J-1 through J-4 of Schedule Book.

Witness Responsible: Robert H. "Beau" Pratt

DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(8)(k)

807 KAR 5:001, SECTION 16(8)(k)

Description of Filing Requirement:

Comparative financial data and earnings measures for the ten (10) most recent calendar years, the base period, and the forecast period.

Response:

See Schedule K of Schedule Book.

Sponsoring Witness:

Robert H. "Beau" Pratt – Pages 1 through 5
Cynthia S. Lee – Page 1
Michael Covington – Pages 2, 4, and 5

**DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(8)(I)**

807 KAR 5:001, SECTION 16(8)(I)

Description of Filing Requirement:

A narrative description and explanation of all proposed tariff changes.

Response:

See Schedules L through L-2.2 of Schedule Book.

Sponsoring Witness: Bruce L. Sailors

DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(8)(m)

807 KAR 5:001, SECTION 16(8)(m)

Description of Filing Requirement:

A revenue summary for both the base and forecasted period with supporting schedules, which provide detailed billing analyses for all customer classes.

Response:

See Schedules M through M-2.3 of Schedule Book.

Sponsoring Witness: Bruce L. Sailors

DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(8)(n)

807 KAR 5:001, SECTION 16(8)(n)

Description of Filing Requirement:

A typical bill comparison under present and proposed rates for all customer classes.

Response:

See Schedule N of Schedule Book.

Sponsoring Witness: Bruce L. Sailors

**DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(9)**

807 KAR 5:001, SECTION 16(9)

Description of Filing Requirement:

The commission shall notify the applicant of any deficiencies in the application within thirty (30) days of the application's submission. An application shall not be accepted for filing until the utility has cured all noted deficiencies.

Response:

Duke Energy Kentucky acknowledges this requirement.

Sponsoring Witness: William Don Wathen, Jr.

DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 17(1)

807 KAR 5:001, SECTION 17(1)

Description of Filing Requirement:

Public postings.

- (a) a utility shall post at its place of business a copy of the notice no later than the date the application is submitted to the commission;
- (b) a utility that maintains a Web site shall, within five (5) business days of the date the application is submitted to the commission, post on its Web sites:
 - 1. a copy of the public notice; and
 - 2. a hyperlink to the location on the commission's Web site where the case documents are available.
- (c) the information required in paragraphs (a) and (b) of this subsection shall not be removed until the commission issues a final decision on the application.

Response:

A copy of the notice and application will be posted at 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Duke Energy Kentucky will also make available on the Company website a copy of the public notice and a hyperlink to the Kentucky Public Service Commission's website where the case documents will be available. See also Duke Energy Kentucky's response to Filing Requirement 807 KAR 5:001, Section 16(1)(b)(5) [Tab 12].

Witness Responsible: Amy B. Spiller

DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 17(2)

807 KAR 5:001, SECTION 17(2)

Description of Filing Requirement:

Customer Notice.

- (a) If a utility has twenty (20) or fewer customers, the utility shall mail a written notice to each customer no later than the date on which the application is submitted to the commission.
- (b) If a utility has more than twenty (20) customers, it shall provide notice by:
 - 1. including notice with customer bills mailed no later than the date the application is submitted to the commission;
 - 2. mailing a written notice to each customer no later than the date the application is submitted to the commission;
 - 3. publishing notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made no later than the date the application is submitted to the commission; or
 - 4. publishing notice in a trade publication or newsletter delivered to all customers no later than the date the application is submitted to the commission.
- (c) A utility that provides service in more than one (1) county may use a combination of the notice methods listed in paragraph (b) of this subsection.

Response:

Duke Energy Kentucky will publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made no later than the date the application is submitted to the Commission. See

also Duke Energy Kentucky's response to Filing Requirement 807 KAR 5:001, Section 16(1)(b)(5) [Tab 12].

Witness Responsible: Amy B. Spiller

**DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 17(3)**

807 KAR 5:001, SECTION 17(3)

Description of Filing Requirement:

Proof of Notice.

A utility shall file with the commission no later than forty-five (45) days from the date the application was initially submitted to the commission:

- (a) if notice is mailed to its customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, that notice was mailed to all customers, and the date of the mailing;
- (b) if notice is published in a newspaper of general circulation in the utility's service area, an affidavit from the publisher verifying the contents of the notice, that the notice was published, and the dates of the notice's publication; or
- (c) if notice is published in a trade publication or newsletter delivered to all customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, the mailing of the trade publication or newsletter, that notice was included in the publication or newsletter, and the date of mailing.

Response:

Duke Energy Kentucky will comply with 807 KAR 5:001, Section 17(3)(b) by providing the affidavits within forty-five (45) days of the date on which Duke Energy Kentucky filed its Application. See also Duke Energy Kentucky's response to Filing Requirement 807 KAR 5:001, Section 16(1)(b)(5) [Tab 12].

Witness Responsible: Amy B. Spiller

DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 17(4)

807 KAR 5:001, SECTION 17(4)

Description of Filing Requirement:

Notice Content.

Each notice issued in accordance with this section shall contain:

- (a) the proposed effective date and the date the proposed rates are expected to be filed with the commission;
- (b) the present rates and proposed rates for each customer classification to which the proposed rates will apply;
- (c) the amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply;
- (d) the amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply, except for local exchange companies, which shall include the effect upon the average bill for each customer classification for the proposed rate change in basic local service;
- (e) a statement that a person may examine this application at the offices of (utility name) located at (utility address);
- (f) a statement that a person may examine this application at the commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at <http://psc.ky.gov>;
- (g) a statement that comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602;
- (h) a statement that the rates contained in this notice are the rates proposed by (utility name) but that the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;
- (i) a statement that a person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602,

establishing the grounds for the request including the status and interest of the party; and

- (j) a statement that if the commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the commission may take final action on the application.

Response:

A copy of the customer notice, which contains all required statements per 807 KAR 5:001, Section 17(4), is attached in response to Filing Requirement 16(1)(b)(5) [Tab 12].

Witness Responsible: Bruce L. Sailors

**DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 17(5)**

807 KAR 5:001, SECTION 17(5)

Description of Filing Requirement:

Abbreviated Form of Notice.

Upon written request, the commission may grant a utility permission to use an abbreviated form of published notice of the proposed rates, provided the notice includes a coupon that may be used to obtain all of the required information.

Response:

Not applicable.

Witness Responsible: N/A