

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

**IN THE MATTER OF THE ADJUSTMENT  
OF NATURAL GAS RATES OF DUKE ENERGY KENTUCKY, INC.**

**CASE NO. 2018-00261**

**FILING REQUIREMENTS**

**VOLUME 12**

**Duke Energy Kentucky, Inc.**  
**Case No. 2018-00261**  
**Forecasted Test Period Filing Requirements**  
**Table of Contents**

<b>Vol. #</b>	<b>Tab #</b>	<b>Filing Requirement</b>	<b>Description</b>	<b>Sponsoring Witness</b>
1	1	KRS 278.180	30 days' notice of rates to PSC.	Amy B. Spiller
1	2	807 KAR 5:001 Section 7(1)	The original and 10 copies of application plus copy for anyone named as interested party.	Amy B. Spiller
1	3	807 KAR 5:001 Section 12(2)	<p>(a) Amount and kinds of stock authorized.</p> <p>(b) Amount and kinds of stock issued and outstanding.</p> <p>(c) Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.</p> <p>(d) Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking fund provisions.</p> <p>(e) Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year.</p> <p>(f) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.</p> <p>(g) Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.</p> <p>(h) Rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year.</p> <p>(i) Detailed income statement and balance sheet.</p>	Robert H. "Beau" Pratt Michael Covington
1	4	807 KAR 5:001 Section 14(1)	Full name, mailing address, and electronic mail address of applicant and reference to the particular provision of law requiring PSC approval.	Amy B. Spiller
1	5	807 KAR 5:001 Section 14(2)	If a corporation, the applicant shall identify in the application the state in which it is incorporated and the date of its incorporation, attest that it is currently in good standing in the state in which it is incorporated, and, if it is not a Kentucky corporation, state if it is authorized to transact business in Kentucky.	Amy B. Spiller

1	6	807 KAR 5:001 Section 14(3)	If a limited liability company, the applicant shall identify in the application the state in which it is organized and the date on which it was organized, attest that it is in good standing in the state in which it is organized, and, if it is not a Kentucky limited liability company, state if it is authorized to transact business in Kentucky.	Amy B. Spiller
1	7	807 KAR 5:001 Section 14(4)	If the applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, if any, shall be annexed to the application, or a written statement attesting that its partnership agreement and all amendments have been filed with the commission in a prior proceeding and referencing the case number of the prior proceeding.	Amy B. Spiller
1	8	807 KAR 5:001 Section 16 (1)(b)(1)	Reason adjustment is required.	Amy B. Spiller William Don Wathen, Jr.
1	9	807 KAR 5:001 Section 16 (1)(b)(2)	Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary.	Amy B. Spiller
1	10	807 KAR 5:001 Section 16 (1)(b)(3)	New or revised tariff sheets, if applicable in a format that complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed	Bruce L. Sailors
1	11	807 KAR 5:001 Section 16 (1)(b)(4)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff.	Bruce L. Sailors
1	12	807 KAR 5:001 Section 16 (1)(b)(5)	A statement that notice has been given in compliance with Section 17 of this administrative regulation with a copy of the notice.	Amy B. Spiller
1	13	807 KAR 5:001 Section 16(2)	If gross annual revenues exceed \$5,000,000, written notice of intent filed at least 30 days, but not more than 60 days prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period.	Amy B. Spiller
1	14	807 KAR 5:001 Section 16(3)	Notice given pursuant to Section 17 of this administrative regulation shall satisfy the requirements of 807 KAR 5:051, Section 2.	Amy B. Spiller
1	15	807 KAR 5:001 Section 16(6)(a)	The financial data for the forecasted period shall be presented in the form of pro forma adjustments to the base period.	Robert H. "Beau" Pratt
1	16	807 KAR 5:001 Section 16(6)(b)	Forecasted adjustments shall be limited to the twelve (12) months immediately following the suspension period.	Sarah E. Lawler Cynthia S. Lee Robert H. "Beau" Pratt
1	17	807 KAR 5:001 Section 16(6)(c)	Capitalization and net investment rate base shall be based on a thirteen (13) month average for the forecasted period.	Sarah E. Lawler
1	18	807 KAR 5:001 Section 16(6)(d)	After an application based on a forecasted test period is filed, there shall be no revisions to the forecast, except for the correction of mathematical errors, unless the revisions reflect statutory or regulatory enactments that could not, with reasonable diligence, have been included in the forecast on the date it was filed. There shall be no revisions filed within thirty (30) days of a scheduled hearing on the rate application.	Robert H. "Beau" Pratt

1	19	807 KAR 5:001 Section 16(6)(e)	The commission may require the utility to prepare an alternative forecast based on a reasonable number of changes in the variables, assumptions, and other factors used as the basis for the utility's forecast.	Robert H. "Beau" Pratt
1	20	807 KAR 5:001 Section 16(6)(f)	The utility shall provide a reconciliation of the rate base and capital used to determine its revenue requirements.	Sarah E. Lawler
1	21	807 KAR 5:001 Section 16(7)(a)	Prepared testimony of each witness supporting its application including testimony from chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program.	All Witnesses
1	22	807 KAR 5:001 Section 16(7)(b)	Most recent capital construction budget containing at minimum 3 year forecast of construction expenditures.	Robert H. "Beau" Pratt Gary J. Hebbeler
1	23	807 KAR 5:001 Section 16(7)(c)	Complete description, which may be in prefiled testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.	Robert H. "Beau" Pratt
1	24	807 KAR 5:001 Section 16(7)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period.	Robert H. "Beau" Pratt
1	25	807 KAR 5:001 Section 16(7)(e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing: 1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and 2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and 3. That productivity and efficiency gains are included in the forecast.	Amy B. Spiller
1	26	807 KAR 5:001 Section 16(7)(f)	For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed: 1. Date project began or estimated starting date; 2. Estimated completion date; 3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During construction ("AFUDC") or Interest During construction Credit; and 4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit.	Robert H. "Beau" Pratt Gary J. Hebbeler
1	27	807 KAR 5:001 Section 16(7)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection.	Robert H. "Beau" Pratt Gary J. Hebbeler

1	28	807 KAR 5:001 Section 16(7)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information: 1. Operating income statement (exclusive of dividends per share or earnings per share); 2. Balance sheet; 3. Statement of cash flows; 4. Revenue requirements necessary to support the forecasted rate of return; 5. Load forecast including energy and demand (electric); 6. Access line forecast (telephone); 7. Mix of generation (electric); 8. Mix of gas supply (gas); 9. Employee level; 10. Labor cost changes; 11. Capital structure requirements; 12. Rate base; 13. Gallons of water projected to be sold (water); 14. Customer forecast (gas, water); 15. MCF sales forecasts (gas); 16. Toll and access forecast of number of calls and number of minutes (telephone); and 17. A detailed explanation of any other information provided.	Robert H. "Beau" Pratt Gary J. Hebbeler Benjamin Passty
1	29	807 KAR 5:001 Section 16(7)(i)	Most recent FERC or FCC audit reports.	Michael Covington
1	30	807 KAR 5:001 Section 16(7)(j)	Prospectuses of most recent stock or bond offerings.	Robert H. "Beau" Pratt
1	31	807 KAR 5:001 Section 16(7)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or PSC Form T (telephone).	Michael Covington
2	32	807 KAR 5:001 Section 16(7)(l)	Annual report to shareholders or members and statistical supplements for the most recent 2 years prior to application filing date.	Robert H. "Beau" Pratt
3	33	807 KAR 5:001 Section 16(7)(m)	Current chart of accounts if more detailed than Uniform System of Accounts charts.	Michael Covington
3	34	807 KAR 5:001 Section 16(7)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast.	Michael Covington
3	35	807 KAR 5:001 Section 16(7)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available.	Michael Covington Robert H. "Beau" Pratt
3-11	36	807 KAR 5:001 Section 16(7)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters.	Michael Covington
11	37	807 KAR 5:001 Section 16(7)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls.	Michael Covington
11	38	807 KAR 5:001 Section 16(7)(r)	Quarterly reports to the stockholders for the most recent 5 quarters.	Robert H. "Beau" Pratt

11	39	807 KAR 5:001 Section 16(7)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style.	John J. Spanos
11	40	807 KAR 5:001 Section 16(7)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program	Sarah E. Lawler
11	41	807 KAR 5:001 Section 16(7)(u)	If utility had any amounts charged or allocated to it by affiliate or general or home office or paid any monies to affiliate or general or home office during the base period or during previous 3 calendar years, file: 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment; 2. method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period; 3. Explain how allocator for both base and forecasted test period was determined; and 4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable.	Jeffrey R. Setser
11	42	807 KAR 5:001 Section 16(7)(v)	If gas, electric or water utility with annual gross revenues greater than \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from single time period.	James E. Ziolkowski
11	43	807 KAR 5:001 Section 16(7)(w)	Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file: 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies supporting pricing of services generating annual revenue greater than \$1,000,000 except local exchange access: a. Based on current and reliable data from single time period; and b. Using generally recognized fully allocated, embedded, or incremental cost principles.	N/A
11	44	807 KAR 5:001 Section 16(8)(a)	Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase.	Sarah E. Lawler

11	45	807 KAR 5:001 Section 16(8)(b)	Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base.	Sarah E. Lawler Cynthia S. Lee Robert H. "Beau" Pratt John R. Panizza James E. Ziolkowski Michael Covington
11	46	807 KAR 5:001 Section 16(8)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account.	Sarah E. Lawler
11	47	807 KAR 5:001 Section 16(8)(d)	Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors.	Sarah E. Lawler Cynthia S. Lee Robert H. "Beau" Pratt James E. Ziolkowski
11	48	807 KAR 5:001 Section 16(8)(e)	Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes.	John R. Panizza
11	49	807 KAR 5:001 Section 16(8)(f)	Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases.	Sarah E. Lawler
11	50	807 KAR 5:001 Section 16(8)(g)	Analyses of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight time and overtime hours, and executive compensation by title.	Sarah E. Lawler Renee H. Metzler
11	51	807 KAR 5:001 Section 16(8)(h)	Computation of gross revenue conversion factor for forecasted period.	Sarah E. Lawler
11	52	807 KAR 5:001 Section 16(8)(i)	Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period.	Michael Covington Robert H. "Beau" Pratt
11	53	807 KAR 5:001 Section 16(8)(j)	Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure.	Robert H. "Beau" Pratt
11	54	807 KAR 5:001 Section 16(8)(k)	Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period.	Cynthia S. Lee Robert H. "Beau" Pratt Michael Covington
11	55	807 KAR 5:001 Section 16(8)(l)	Narrative description and explanation of all proposed tariff changes.	Bruce L. Sailors
11	56	807 KAR 5:001 Section 16(8)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes.	Bruce L. Sailors
11	57	807 KAR 5:001 Section 16(8)(n)	Typical bill comparison under present and proposed rates for all customer classes.	Bruce L. Sailors
11	58	807 KAR 5:001 Section 16(9)	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.	William Don Wathen, Jr.

11	59	807 KAR 5:001 Section (17)(1)	<p>(1) Public postings.</p> <p>(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.</p> <p>(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:</p> <ol style="list-style-type: none"> <li>1. A copy of the public notice; and</li> <li>2. A hyperlink to the location on the commission's Web site where the case documents are available.</li> </ol> <p>(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.</p>	Amy B. Spiller
11	60	807 KAR 5:001 Section 17(2)	<p>(2) Customer Notice.</p> <p>(a) If a utility has twenty (20) or fewer customers, the utility shall mail a written notice to each customer no later than the date on which the application is submitted to the commission.</p> <p>(b) If a utility has more than twenty (20) customers, it shall provide notice by:</p> <ol style="list-style-type: none"> <li>1. Including notice with customer bills mailed no later than the date the application is submitted to the commission;</li> <li>2. Mailing a written notice to each customer no later than the date the application is submitted to the commission;</li> <li>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</li> <li>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.</li> </ol> <p>(c) A utility that provides service in more than one (1) county may use a combination of the notice methods listed in paragraph (b) of this subsection.</p>	Amy B. Spiller

11	61	807 KAR 5:001 Section 17(3)	<p>(3) Proof of Notice. A utility shall file with the commission no later than forty-five (45) days from the date the application was initially submitted to the commission:</p> <p>(a) If notice is mailed to its customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, that notice was mailed to all customers, and the date of the mailing;</p> <p>(b) If notice is published in a newspaper of general circulation in the utility's service area, an affidavit from the publisher verifying the contents of the notice, that the notice was published, and the dates of the notice's publication; or</p> <p>(c) If notice is published in a trade publication or newsletter delivered to all customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, the mailing of the trade publication or newsletter, that notice was included in the publication or newsletter, and the date of mailing.</p>	Amy B. Spiller
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11	62	807 KAR 5:001 Section 17(4)	<p>(4) Notice Content. Each notice issued in accordance with this section shall contain:</p> <p>(a) The proposed effective date and the date the proposed rates are expected to be filed with the commission;</p> <p>(b) The present rates and proposed rates for each customer classification to which the proposed rates will apply;</p> <p>(c) The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply;</p> <p>(d) The amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply, except for local exchange companies, which shall include the effect upon the average bill for each customer classification for the proposed rate change in basic local service;</p> <p>(e) A statement that a person may examine this application at the offices of (utility name) located at (utility address);</p> <p>(f) A statement that a person may examine this application at the commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at <a href="http://psc.ky.gov">http://psc.ky.gov</a>;</p> <p>(g) A statement that comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602;</p> <p>(h) A statement that the rates contained in this notice are the rates proposed by (utility name) but that the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;</p> <p>(i) A statement that a person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party; and</p> <p>(j) A statement that if the commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the commission may take final action on the application.</p>	Bruce L. Sailors
11	63	807 KAR 5:001 Section 17(5)	(5) Abbreviated form of notice. Upon written request, the commission may grant a utility permission to use an abbreviated form of published notice of the proposed rates, provided the notice includes a coupon that may be used to obtain all the required information.	N/A

12	-	807 KAR 5:001 Section 16(8)(a) through (n)	Schedule Book, including Work Papers (Schedules A-N)	Various
13	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 1 of 3)	Various
14	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 2 of 3)	Various
15	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 3 of 3)	Various
16-17	-	KRS 278.2205(6)	Cost Allocation Manual	Legal

Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

# SCHEDULES A - N

Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

SECTION A

SECTION A

REVENUE REQUIREMENTS

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended November 30, 2018

Forecasted Period: Twelve Months Ended March 31, 2020

Schedule

A Overall Financial Summary

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OVERALL FINANCIAL SUMMARY  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):: SEE BELOW

SCHEDULE A  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	DESCRIPTION	SUPPORTING SCHEDULE REFERENCE	JURISDICTIONAL REVENUE REQUIREMENTS	
			BASE PERIOD	FORECASTED PERIOD
1	Rate Base	B-1	301,171,564	313,675,239
2	Operating Income	C-2	13,438,840	14,626,290
3	Earned Rate of Return (Line 2 / Line 1)		4.460%	4.660%
4	Required Rate of Return	J-1	7.113%	7.181%
5	Required Operating Income (Line 1 x Line 4)		21,422,333	22,525,019
6	Operating Income Deficiency (Line 5 - Line 2)		7,983,493	7,898,729
7	Gross Revenue Conversion Factor	H	1.3346730	1.3346730
8	Revenue Deficiency (Line 6 x Line 7)		10,655,353	10,542,220
9	Revenue Increase Requested	C-1	N/A	10,542,199
10	Adjusted Operating Revenues	C-1	N/A	95,382,130
11	Revenue Requirements (Line 9 + Line 10)		N/A	105,924,329

Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

SECTION B

SECTION B

RATE BASE

DUKE ENERGY KENTUCKY

Base Period: As of November 30, 2018

Forecasted Period: Thirteen Month Average Ended March 31, 2020

Schedules

- B-1 Jurisdictional Rate Base Summary
- B-2 Plant in Service by Major Property Groups or Major Account (Original Cost)
- B-2.1 Plant in Service by Accounts and Sub-accounts
- B-2.2 Adjustments to Plant in Service
- B-2.3 Gross Additions, Retirements and Transfer (Original Cost)
- B-2.4 Property Merged or Acquired from Other Utilities (Other than Affiliates)
- B-2.5 Leased Property
- B-2.6 Property Held for Future Use Included in Rate Base
- B-2.7 Property Excluded from Rate Base
- B-3 Accumulated Depreciation and Amortization
- B-3.1 Adjustments to Accumulated Depreciation and Amortization
- B-3.2 Depreciation and Amortization Accrual Rates and Jurisdictional Accumulated  
Balance by Accounts, Functional Class or Major Property Group
- B-4 Construction Work in Progress
- B-5 Allowance for Working Capital
- B-5.1 Working Capital Components
- B-6 Certain Deferred Credits and Accumulated Deferred Income Taxes
- B-7 Jurisdictional Percentage
- B-7.1 Jurisdictional Statistics - Rate Base
- B-7.2 Explanation of Changes in Jurisdictional Procedures - Rate Base
- B-8 Comparative Balance Sheets (Total Company)

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
JURISDICTIONAL RATE BASE SUMMARY  
AS OF NOVEMBER 30, 2018  
AS OF MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE B-1  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	RATE BASE COMPONENT	SUPPORTING SCHEDULE REFERENCE	BASE PERIOD	13 MONTH AVG. FORECASTED PERIOD
1	Adjusted Jurisdictional Plant in Service	B-2	\$566,008,168	\$588,627,191
2	Accumulated Depreciation and Amortization	B-3 / B-3.2	<u>(179,547,144)</u>	<u>(187,541,693)</u> (1)
3	Net Plant in Service (Line 1 + Line 2)		386,461,024	401,085,498
4	Construction Work in Progress	(2)	0	0
5	Cash Working Capital Allowance	B-5	2,978,574	3,021,735
6	Other Working Capital Allowances	B-5	5,423,808	5,423,808
7	Other Items:			
8	Customers' Advances for Construction	B-6	(1,579,329)	(1,579,329)
9	Investment Tax Credits	B-6	0	0
10	Deferred Income Taxes	B-6	(60,138,891)	(62,956,258) (1)
11	Excess Deferred Income Taxes	B-6	(31,973,622)	(31,320,215)
12	Other Rate Base Adjustments	B-6	<u>0</u>	<u>0</u>
13	Jurisdictional Rate Base (Line 3 through Line 12)		<u>\$301,171,564</u>	<u>\$313,675,239</u>

(1) Includes adjustments for annualized depreciation, Schedule D-2.23, and unbilled gas costs, Schedule D-2.24.  
(2) The Company is not requesting to include recovery of CWIP in base rates.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PLANT IN SERVICE BY MAJOR PROPERTY GROUPING  
AS OF NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1

SCHEDULE B-2  
PAGE 1 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	Major Property Groupings	Base Period	Jurisdictional %	Jurisdictional Total	Adjustments	Adjusted Jurisdiction
		\$		\$	\$	\$
1	Production	7,820,132	100.00	7,820,132	(5,020,524)	2,799,608
2	Distribution	533,421,273	100.00	533,421,273	(7,196,711)	526,224,562
3	General	24,107,404	100.00	24,107,404	(113,955)	23,993,449
4	Common (Allocated to Gas)	12,990,549	100.00	12,990,549	0	12,990,549
5	Completed Construction Not Classified (1)					
6	Other (specify)					
7	<b>TOTAL</b>	<b>578,339,358</b>		<b>578,339,358</b>	<b>(12,331,190)</b>	<b>566,008,168</b>

(1) Included in each function on Schedule B-2.1

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PLANT IN SERVICE BY MAJOR PROPERTY GROUPING  
AS OF MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1

SCHEDULE B-2  
PAGE 2 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	Major Property Groupings	13 Month Average Forecasted Period	Jurisdictional %	Jurisdictional Total	13 Month Average Adjustments	13 Month Average Adjusted Jurisdiction
		\$		\$	\$	\$
1	Production	7,820,132	100.00	7,820,132	(5,020,524)	2,799,608
2	Distribution	555,680,519	100.00	555,680,519	(7,196,711)	548,483,808
3	General	24,579,845	100.00	24,579,845	(113,955)	24,465,890
4	Common (Allocated to Gas)	12,877,885	100.00	12,877,885	0	12,877,885
5	Completed Construction Not Classified (1)					
6	Other (specify)					
7	<b>TOTAL</b>	<b>600,958,381</b>		<b>600,958,381</b>	<b>(12,331,190)</b>	<b>588,627,191</b>

(1) Included in each function on Schedule B-2.1

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF NOVEMBER 30, 2018

MANUFACTURED GAS PRODUCTION PLANT

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1  
PAGE 1 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period	Jurisdictional %	Jurisdictional Total	Adjustments	Adjusted Jurisdiction
				\$		\$	\$	\$
1	304	20400	Land and Land Rights	117,711	100.00%	117,711	(75,570)	42,141
2	304	20401	Rights of Way	24,459	100.00%	24,459	(15,703)	8,756
3	305	20500	Structures & Improvements	1,722,764	100.00%	1,722,764	(1,106,014)	616,750
4	311	21100	Liquefied Petroleum Gas Equipment	5,955,198	100.00%	5,955,198	(3,823,237)	2,131,961
5			Total Manufactured Gas Production Plant	7,820,132		7,820,132	(5,020,524)	2,799,608

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF NOVEMBER 30, 2018

DISTRIBUTION PLANT

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1  
PAGE 2 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period \$	Jurisdictional %	Jurisdictional Total \$	Adjustments \$	Adjusted Jurisdiction \$
1	374	27400	Land and Land Rights	43,358	100.00%	43,358	(2,326)	41,032
2	374	27401	Rights of Way	1,095,119	100.00%	1,095,119	(228,817)	866,302
3	375	27500	Structures & Improvements	577,522	100.00%	577,522	(24,463)	553,059
4	376	27601	Mains - Cast Iron & Copper	982,749	100.00%	982,749		982,749
5	376	27602,27607	Mains - Steel	105,732,522	100.00%	105,732,522	(300,942)	105,431,580
6	376	27603,27608	Mains - Plastic	149,814,027	100.00%	149,814,027		149,814,027
7	376	27605	Mains - Feeder	33,716,001	100.00%	33,716,001	(6,192,503)	27,523,498
8	378	27800	System Meas. & Reg. Station Equipment	7,349,417	100.00%	7,349,417	(186,887)	7,162,530
9	378	27801	System Meas. & Reg. Station Equipment - Electric	1,293,157	100.00%	1,293,157	(260,773)	1,032,384
10	378	27802	District Regulating Equipment	2,419,176	100.00%	2,419,176		2,419,176
11	380	28001	Services- Cast Iron & Copper	3,330,809	100.00%	3,330,809		3,330,809
12	380	28002,28004	Services-Steel	8,853,422	100.00%	8,853,422		8,853,422
13	380	28003,28005-28007	Services-Plastic	151,350,663	100.00%	151,350,663		151,350,663
14	381	28100,28101	Meters	14,276,092	100.00%	14,276,092		14,276,092
15	382	28200,28201	Meter Installations	10,424,840	100.00%	10,424,840		10,424,840
16	383	28300,283001	House Regulators	6,674,788	100.00%	6,674,788		6,674,788
17	384	28400,28401	House Regulator Installations	5,939,235	100.00%	5,939,235		5,939,235
18	385	28500	Large Industrial Meas. & Reg. Equipment	455,084	100.00%	455,084		455,084
19	385	28501	Large Industrial Meas. & Reg. Equipment - Comm	64,791	100.00%	64,791		64,791
20	387	28700	Other Equipment - Other	21,447	100.00%	21,447		21,447
21	387	28701	Street Lighting Equipment	28,290	100.00%	28,290		28,290
22			Asset Retirement Cost Obligation	3,583,546	100.00%	3,583,546		3,583,546
23			Completed Construction Not Classified	25,395,218	100.00%	25,395,218		25,395,218
24			Total Distribution Plant	533,421,273		533,421,273	(7,196,711)	526,224,562

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF NOVEMBER 30, 2018

GENERAL PLANT

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1  
PAGE 3 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period \$	Jurisdictional %	Jurisdictional Total \$	Adjustments \$	Adjusted Jurisdiction \$
1	303	20300	Miscellaneous Intangible Plant	8,757,245	100.00%	8,757,245		8,757,245
2	303	20310	Misc Intangible Plt - 10 Yr	2,670,960	100.00%	2,670,960		2,670,960
3	391	29100	Office Furniture & Equipment	13,496	100.00%	13,496	(8,899)	4,597
4	391	29101	Electronic Data Processing	318,574	100.00%	318,574		318,574
5	392	29200	Transportation Equipment	0	100.00%	0		0
6	392	29201	Trailers	63,448	100.00%	63,448		63,448
7	394	29400	Tools, Shop & Garage Equipment	1,238,849	100.00%	1,238,849	(21,227)	1,217,622
8	396	29600	Power Operated Equipment	168,272	100.00%	168,272		168,272
9	397	29700	Communication Equipment	10,522,272	100.00%	10,522,272	(238)	10,522,034
10	398	29800	Miscellaneous Equipment	83,591	100.00%	83,591	(83,591)	0
11			Completed Construction Not Classified	270,697	100.00%	270,697		270,697
12			Total General Plant	24,107,404		24,107,404	(113,955)	23,993,449
13			Total Gas Plant	565,348,809		565,348,809	(12,331,190)	553,017,619

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF NOVEMBER 30, 2018

COMMON PLANT

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1  
PAGE 4 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period \$	Jurisdictional %	Jurisdictional Total \$	Adjustments \$	Adjusted Jurisdiction \$
1		10300	Miscellaneous Intangible Plant	22,332,072	100.00%	22,332,072		22,332,072
2		18900	Land and Land Rights	154,248	100.00%	154,248		154,248
3		19000	Structures & Improvements	14,804,597	100.00%	14,804,597		14,804,597
4		19100	Office Furniture & Equipment	755,564	100.00%	755,564		755,564
5		19101	Electronic Data Processing	807,217	100.00%	807,217		807,217
6		19300	Stores Equipment	0	100.00%	0		0
7		19400	Tools, Shop & Garage Equipment	121,888	100.00%	121,888		121,888
8		19700	Communication Equipment	8,114,194	100.00%	8,114,194		8,114,194
9		19800	Miscellaneous Equipment	41,504	100.00%	41,504		41,504
10			Asset Retirement Cost Obligation	314,111	100.00%	314,111		314,111
11			Total Common Plant	47,445,395		47,445,395	0	47,445,395
12			27.38% Common Plant Allocated to Gas	12,990,549		12,990,549	0	12,990,549
13			Total Gas Plant Including Allocated Common	578,339,358		578,339,358	(12,331,190)	566,008,168

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF MARCH 31, 2020

MANUFACTURED GAS PRODUCTION PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1  
PAGE 5 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period	Jurisdictional %	Jurisdictional Total	13 Month Average Adjustments	13 Month Average Adjusted Jurisdiction
				\$		\$	\$	\$
1	304	20400	Land and Land Rights	117,711	100.00%	117,711	(75,570)	42,141
2	304	20401	Rights of Way	24,459	100.00%	24,459	(15,703)	8,756
3	305	20500	Structures & Improvements	1,722,764	100.00%	1,722,764	(1,106,014)	616,750
4	311	21100	Liquefied Petroleum Gas Equipment	5,955,198	100.00%	5,955,198	(3,823,237)	2,131,961
5			Total Manufactured Gas Production Plant	7,820,132		7,820,132	(5,020,524)	2,799,608

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF MARCH 31, 2020

DISTRIBUTION PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1  
PAGE 6 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period \$	Jurisdictional %	Jurisdictional Total \$	13 Month Average Adjustments \$	13 Month Average Adjusted Jurisdiction \$
1	374	27400	Land and Land Rights	43,358	100.00%	43,358	(2,326)	41,032
2	374	27401	Rights of Way	1,095,119	100.00%	1,095,119	(228,817)	866,302
3	375	27500	Structures & Improvements	577,522	100.00%	577,522	(24,463)	553,059
4	376	27601	Mains - Cast Iron & Copper	982,749	100.00%	982,749		982,749
5	376	27602,27607	Mains - Steel	105,664,083	100.00%	105,664,083	(300,942)	105,363,141
6	376	27603,27608	Mains - Plastic	149,762,955	100.00%	149,762,955		149,762,955
7	376	27605	Mains - Feeder	33,530,313	100.00%	33,530,313	(6,192,503)	27,337,810
8	378	27800	System Meas. & Reg. Station Equipment	7,349,417	100.00%	7,349,417	(186,887)	7,162,530
9	378	27801	System Meas. & Reg. Station Equipment - Electric	1,293,157	100.00%	1,293,157	(260,773)	1,032,384
10	378	27802	District Regulating Equipment	2,419,176	100.00%	2,419,176		2,419,176
11	380	28001	Services- Cast Iron & Copper	3,116,451	100.00%	3,116,451		3,116,451
12	380	28002,28004	Services-Steel	8,817,969	100.00%	8,817,969		8,817,969
13	380	28003,28005-28007	Services-Plastic	151,094,070	100.00%	151,094,070		151,094,070
14	381	28100,28101	Meters	12,832,410	100.00%	12,832,410		12,832,410
15	382	28200,28201	Meter Installations	10,424,840	100.00%	10,424,840		10,424,840
16	383	28300,283001	House Regulators	6,557,950	100.00%	6,557,950		6,557,950
17	384	28400,28401	House Regulator Installations	5,939,132	100.00%	5,939,132		5,939,132
18	385	28500	Large Industrial Meas. & Reg. Equipment	455,084	100.00%	455,084		455,084
19	385	28501	Large Industrial Meas. & Reg. Equipment - Comm	64,791	100.00%	64,791		64,791
20	387	28700	Other Equipment - Other	21,447	100.00%	21,447		21,447
21	387	28701	Street Lighting Equipment	28,290	100.00%	28,290		28,290
22			Asset Retirement Cost Obligation	3,583,546	100.00%	3,583,546		3,583,546
23			Completed Construction Not Classified	50,026,690	100.00%	50,026,690		50,026,690
24			Total Distribution Plant	555,680,519		555,680,519	(7,196,711)	548,483,808

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF MARCH 31, 2020

GENERAL PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1  
PAGE 7 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period \$	Jurisdictional %	Jurisdictional Total \$	13 Month Average Adjustments \$	13 Month Average Adjusted Jurisdiction \$
1	303	20300	Miscellaneous Intangible Plant	8,757,245	100.00%	8,757,245		8,757,245
2	303	20310	Misc Intangible Plt - 10 Yr	2,670,960	100.00%	2,670,960		2,670,960
3	391	29100	Office Furniture & Equipment	12,880	100.00%	12,880	(8,899)	3,981
4	391	29101	Electronic Data Processing	212,320	100.00%	212,320		212,320
5	392	29200	Transportation Equipment	0	100.00%	0		0
6	392	29201	Trailers	63,448	100.00%	63,448		63,448
7	394	29400	Tools, Shop & Garage Equipment	1,120,469	100.00%	1,120,469	(21,227)	1,099,242
8	396	29600	Power Operated Equipment	168,272	100.00%	168,272		168,272
9	397	29700	Communication Equipment	10,766,945	100.00%	10,766,945	(238)	10,766,707
10	398	29800	Miscellaneous Equipment	83,591	100.00%	83,591	(83,591)	0
11			Completed Construction Not Classified	723,715	100.00%	723,715		723,715
12			Total General Plant	24,579,845		24,579,845	(113,955)	24,465,890
13			Total Gas Plant	588,080,496		588,080,496	(12,331,190)	575,749,306

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF MARCH 31, 2020

COMMON PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):: SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1  
PAGE 8 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period \$	Jurisdictional %	Jurisdictional Total \$	13 Month Average Adjustments \$	13 Month Average Adjusted Jurisdiction \$
1		10300	Miscellaneous Intangible Plant	22,332,072	100.00%	22,332,072		22,332,072
2		18900	Land and Land Rights	154,248	100.00%	154,248		154,248
3		19000	Structures & Improvements	14,645,832	100.00%	14,645,832		14,645,832
4		19100	Office Furniture & Equipment	502,844	100.00%	502,844		502,844
5		19101	Electronic Data Processing	807,217	100.00%	807,217		807,217
6		19300	Stores Equipment	0	100.00%	0		0
7		19400	Tools, Shop & Garage Equipment	121,888	100.00%	121,888		121,888
8		19700	Communication Equipment	8,114,194	100.00%	8,114,194		8,114,194
9		19800	Miscellaneous Equipment	41,504	100.00%	41,504		41,504
10			Asset Retirement Cost Obligation	314,111	100.00%	314,111		314,111
11			Total Common Plant	47,033,910		47,033,910	0	47,033,910
12			27.38% Common Plant Allocated to Gas	12,877,885		12,877,885	0	12,877,885
13			Total Gas Plant Including Allocated Common	600,958,381		600,958,381	(12,331,190)	588,627,191

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUSTMENTS TO PLANT IN SERVICE  
AS OF NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPB-2.2a through WPB-2.2f

SCHEDULE B-2.2  
PAGE 1 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period	Jurisdictional %	Jurisdictional Adjustment	Workpaper Reference No.	Description and Purpose of Adjustment
				\$		\$		
			<u>Manufactured Gas Production Plant</u>					
1	304	20400	Land and Land Rights	75,570	100.00	75,570	WPB-2.2f	Exclusion of gas facilities devoted to other than DE-Ky customers.
2	304	20401	Rights of Way	15,703	100.00	15,703	WPB-2.2f	
3	305	20500	Structures & Improvements	1,106,014	100.00	1,106,014	WPB-2.2f	
4	311	21100	Liquefied Petroleum Gas Equipment	3,823,237	100.00	3,823,237	WPB-2.2f	
5			Completed Construction Not Classified					
6			Total Manufactured Gas Production Plant	<u>5,020,524</u>		<u>5,020,524</u>		
			<u>Distribution Plant</u>					
7	374	27400	Land	2,326	100.00	2,326	WPB-2.2f	
8	374	27401	Rights of Way	228,817	100.00	228,817	WPB-2.2f	
9	375	27500	Structures & Improvements	24,463	100.00	24,463	WPB-2.2f	
10	376	27602	Gas Mains - Dist Lines/Steel	300,942	100.00	300,942	WPB-2.2f	
11	376	27605	Mains-Steel Feeder Lines	6,192,503	100.00	6,192,503	WPB-2.2f	
12	378	27800	System M & R Station Equip. - General	186,887	100.00	186,887	WPB-2.2f	
13	378	27801	System M & R Station Equip.	260,773	100.00	260,773	WPB-2.2f	
14			Total Distribution Plant	<u>7,196,711</u>		<u>7,196,711</u>		
			<u>General Plant</u>					
15	391	29100	Office Furniture & Equipment	8,899	100.00	8,899	WPB-2.2f	
16	394	29400	Tools, Shop & Garage Equipment	21,227	100.00	21,227	WPB-2.2f	
17	397	29700	Communications Equipment	238	100.00	238	WPB-2.2f	
18	398	29800	Miscellaneous Equipment	83,591	100.00	83,591	WPB-2.2f	
19			Total General Plant	<u>113,955</u>		<u>113,955</u>		
20			Total Gas Plant	<u><u>12,331,190</u></u>		<u><u>12,331,190</u></u>		

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUSTMENTS TO PLANT IN SERVICE  
AS OF MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPB-2.2g

SCHEDULE B-2.2  
PAGE 2 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period	Jurisdictional %	Jurisdictional Adjustment	Workpaper Reference No.	Description and Purpose of Adjustment
				\$		\$		
<u>Manufactured Gas Production Plant</u>								
1	304	20400	Land and Land Rights	75,570	100.00	75,570	WPB-2.2g	Exclusion of gas facilities devoted to other DE-Ky customers.
2	304	20401	Rights of Way	15,703	100.00	15,703	WPB-2.2g	
3	305	20500	Structures & Improvements	1,106,014	100.00	1,106,014	WPB-2.2g	
4	311	21100	Liquefied Petroleum Gas Equipment	3,823,237	100.00	3,823,237		
5			Completed Construction Not Classified					
6	Total Manufactured Gas Production Plant			<u>5,020,524</u>		<u>5,020,524</u>		
<u>Distribution Plant</u>								
7	374	27400	Land	2,326	100.00	2,326	WPB-2.2g	
8	374	27401	Rights of Way	228,817	100.00	228,817	WPB-2.2g	
9	375	27500	Structures & Improvements	24,463	100.00	24,463	WPB-2.2g	
10	376	27602	Mains-Steel	300,942	100.00	300,942	WPB-2.2g	
11	376	27605	Mains-Steel Feeder Lines	6,192,503	100.00	6,192,503	WPB-2.2g	
12	378	27800	System M & R Station Equip. - General	186,887	100.00	186,887	WPB-2.2g	
13	378	27801	System M & R Station Equip.	260,773	100.00	260,773	WPB-2.2g	
14	Total Distribution Plant			<u>7,196,711</u>		<u>7,196,711</u>		
<u>General Plant</u>								
15	391	29100	Office Furniture & Equipment	8,899	100.00	8,899	WPB-2.2g	
16	394	29400	Tools, Shop & Garage Equipment	21,227	100.00	21,227	WPB-2.2g	
17	397	29700	Communications Equipment	238	100.00	238	WPB-2.2g	
18	398	29800	Miscellaneous Equipment	83,591	100.00	83,591	WPB-2.2g	
19	Total General Plant			<u>113,955</u>		<u>113,955</u>		
20	Total Gas Plant			<u>12,331,190</u>		<u>12,331,190</u>		

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS  
FROM DECEMBER 1, 2017 TO NOVEMBER 30, 2018  
  
MANUFACTURED GAS PRODUCTION PLANT

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.3  
PAGE 1 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Ending Balance	
							Amount	Explanation of Transfer		Other Accts. Involved
				\$	\$	\$	\$		\$	
1	304	20400	Land and Land Rights	117,711						117,711
2	304	20401	Rights of Way	24,459						24,459
3	305	20500	Structures & Improvements	1,722,764						1,722,764
4	311	21100	Liquefied Petroleum Gas Equipment	5,955,198						5,955,198
5										
6			Total Manufactured Gas Production Plant	7,820,132	0	0	0			7,820,132

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS  
FROM DECEMBER 1, 2017 TO NOVEMBER 30, 2018

DISTRIBUTION PLANT

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.3  
PAGE 2 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Ending Balance
							Amount	Explanation of Transfer	
				\$	\$	\$	\$		\$
1	374	27400	Land and Land Rights	43,358	0	0			43,358
2	374	27401	Rights of Way	1,095,119	0	0			1,095,119
3	375	27500	Structures & Improvements	555,988	21,534	0			577,522
4	376	27601	Mains - Cast Iron & Copper	982,749	0	0			982,749
5	376	27602,27607	Mains - Steel	83,504,430	22,276,655	48,563			105,732,522
6	376	27603,27608	Mains - Plastic	149,291,614	580,646	58,233			149,814,027
7	376	27605	Mains - Feeder	33,744,569	(441,107)	(412,539)			33,716,001
8	378	27800	System Meas. & Reg. Station Equipment	6,554,634	794,783	0			7,349,417
9	378	27801	System Meas. & Reg. Station Equipment - Electric	1,136,973	156,184	0			1,293,157
10	378	27802	District Regulating Equipment	2,302,853	116,323	0			2,419,176
11	380	28001	Services- Cast Iron & Copper	3,546,047	0	215,238			3,330,809
12	380	28002,28004	Services-Steel	8,827,968	70,473	45,019			8,853,422
13	380	28003,28005-28007	Services-Plastic	146,581,307	5,154,752	385,396			151,350,663
14	381	28100,28101	Meters	14,160,850	1,216,584	1,101,342			14,276,092
15	382	28200,28201	Meter Installations	10,424,840	0	0			10,424,840
16	383	28300,283001	House Regulators	6,751,002	0	76,214			6,674,788
17	384	28400,28401	House Regulator Installations	5,939,296	0	61			5,939,235
18	385	28500	Large Industrial Meas. & Reg. Equipment	455,084	0	0			455,084
19	385	28501	Large Industrial Meas. & Reg. Equipment - Comm	64,791	0	0			64,791
20	387	28700	Other Equipment - Other	21,447	0	0			21,447
21	387	28701	Street Lighting Equipment	28,290	0	0			28,290
22			Asset Retirement Cost Obligation	2,242,134	1,207,326	(134,086)			3,583,546
23			Completed Construction Not Classified		25,395,218	0			25,395,218
24			Total Distribution Plant	478,255,343	56,549,371	1,383,441	0		533,421,273

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS  
FROM DECEMBER 1, 2017 TO NOVEMBER 30, 2018

GENERAL PLANT

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.3  
PAGE 3 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Ending Balance
							Amount	Explanation of Transfer	
				\$	\$	\$	\$		\$
1	303	20300	Miscellaneous Intangible Plant	8,728,214	29,031	0			8,757,245
2	303	20310	Misc Intangible Plt - 10 Yr	2,551,238	119,722	0			2,670,960
3	391	29100	Office Furniture & Equipment	13,861	0	365			13,496
4	391	29101	Electronic Data Processing	310,655	70,799	62,880			318,574
5	392	29200	Transportation Equipment	0	0	0			0
6	392	29201	Trailers	65,845	20,774	23,171			63,448
7	394	29400	Tools, Shop & Garage Equipment	1,278,772	30,133	70,056			1,238,849
8	396	29600	Power Operated Equipment	0	168,272	0			168,272
9	397	29700	Communication Equipment	2,830,460	7,691,812	0			10,522,272
10	398	29800	Miscellaneous Equipment	83,591	0	0			83,591
11			Completed Construction Not Classified		270,697	0			270,697
12			Total General Plant	15,862,636	8,401,240	156,472	0		24,107,404
13			Total Gas Plant	501,938,111	64,950,611	1,539,913	0		565,348,809

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS  
FROM DECEMBER 1, 2017 TO NOVEMBER 30, 2018

COMMON PLANT

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.3  
PAGE 4 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Ending Balance
							Amount	Explanation of Transfer	
				\$	\$	\$	\$		\$
1		10300	Miscellaneous Intangible Plant	22,332,072	0	0			22,332,072
2		18900	Land and Land Rights	154,248	0	0			154,248
3		19000	Structures & Improvements	11,408,937	3,573,380	177,720			14,804,597
4		19100	Office Furniture & Equipment	755,564	0	0			755,564
5		19101	Electronic Data Processing	807,217	0	0			807,217
6		19300	Stores Equipment	0	0	0			0
7		19400	Tools, Shop & Garage Equipment	121,888	0	0			121,888
8		19700	Communication Equipment	7,828,641	285,553	0			8,114,194
9		19800	Miscellaneous Equipment	41,504	0	0			41,504
10			Asset Retirement Cost Obligation	0	314,111	0			314,111
11			Total Common Plant	43,450,071	4,173,044	177,720	0		47,445,395
12			27.38% Common Plant Allocated to Gas	11,896,629	1,142,580	48,660	0		12,990,549
13			Total Gas Plant Including Allocated Common	513,834,740	66,093,191	1,588,573	0		578,339,358

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS  
FROM APRIL 1, 2019 TO MARCH 31, 2020  
MANUFACTURED GAS PRODUCTION PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.3  
PAGE 5 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Ending Balance	13 Month Average
							Amount	Explanation of Transfer		
				\$	\$	\$	\$		\$	\$
1	304	20400	Land and Land Rights	117,711					117,711	117,711
2	304	20401	Rights of Way	24,459					24,459	24,459
3	305	20500	Structures & Improvements	1,722,764					1,722,764	1,722,764
4	311	21100	Liquefied Petroleum Gas Equipment	5,955,198					5,955,198	5,955,198
5										
6			Total Manufactured Gas Production Plant	7,820,132	0	0	0		7,820,132	7,820,132

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS  
FROM APRIL 1, 2019 TO MARCH 31, 2020

DISTRIBUTION PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.3  
PAGE 6 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Ending Balance	13 Month Average
							Amount	Explanation of Transfer		
				\$	\$	\$	\$		\$	\$
1	374	27400	Land and Land Rights	43,358		0			43,358	43,358
2	374	27401	Rights of Way	1,095,119		0			1,095,119	1,095,119
3	375	27500	Structures & Improvements	577,522		0			577,522	577,522
4	376	27601	Mains - Cast Iron & Copper	982,749		0			982,749	982,749
5	376	27602,27607	Mains - Steel	105,705,307		82,686			105,622,621	105,664,083
6	376	27603,27608	Mains - Plastic	149,793,718		61,704			149,732,014	149,762,955
7	376	27605	Mains - Feeder	33,642,160		224,346			33,417,814	33,530,313
8	378	27800	System Meas. & Reg. Station Equipment	7,349,417		0			7,349,417	7,349,417
9	378	27801	System Meas. & Reg. Station Equipment - Electric	1,293,157		0			1,293,157	1,293,157
10	378	27802	District Regulating Equipment	2,419,176		0			2,419,176	2,419,176
11	380	28001	Services- Cast Iron & Copper	3,245,568		258,985			2,986,583	3,116,451
12	380	28002,28004	Services-Steel	8,839,324		42,833			8,796,491	8,817,969
13	380	28003,28005-28007	Services-Plastic	151,248,627		310,012			150,938,615	151,094,070
14	381	28100,28101	Meters	13,701,999		1,744,237			11,957,762	12,832,410
15	382	28200,28201	Meter Installations	10,424,840		0			10,424,840	10,424,840
16	383	28300,283001	House Regulators	6,628,326		141,163			6,487,163	6,557,950
17	384	28400,28401	House Regulator Installations	5,939,194		124			5,939,070	5,939,132
18	385	28500	Large Industrial Meas. & Reg. Equipment	455,084		0			455,084	455,084
19	385	28501	Large Industrial Meas. & Reg. Equipment - Comm	64,791		0			64,791	64,791
20	387	28700	Other Equipment - Other	21,447		0			21,447	21,447
21	387	28701	Street Lighting Equipment	28,290		0			28,290	28,290
22			Asset Retirement Cost Obligation	3,583,546		0			3,583,546	3,583,546
23			Completed Construction Not Classified	38,229,494	26,213,664	0			64,443,158	50,026,690
24			Total Distribution Plant	545,312,213	26,213,664	2,866,090	0		568,659,787	555,680,519

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS  
FROM APRIL 1, 2019 TO MARCH 31, 2020

GENERAL PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.3  
PAGE 7 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Ending Balance	13 Month Average
							Amount	Explanation of Transfer Other Accts. Involved		
				\$	\$	\$	\$		\$	\$
1	303	20300	Miscellaneous Intangible Plant	8,757,245		0			8,757,245	8,757,245
2	303	20310	Misc Intangible Plt - 10 Yr	2,670,960		0			2,670,960	2,670,960
3	391	29100	Office Furniture & Equipment	13,251		745			12,506	12,880
4	391	29101	Electronic Data Processing	276,321		128,375			147,946	212,320
5	392	29200	Transportation Equipment	0		0			0	0
6	392	29201	Trailers	63,448		0			63,448	63,448
7	394	29400	Tools, Shop & Garage Equipment	1,191,774		143,025			1,048,749	1,120,469
8	396	29600	Power Operated Equipment	168,272		0			168,272	168,272
9	397	29700	Communication Equipment	10,766,945		0			10,766,945	10,766,945
10	398	29800	Miscellaneous Equipment	83,591		0			83,591	83,591
11			Completed Construction Not Classified	521,420	386,338	0			907,758	723,715
12			<b>Total General Plant</b>	<b>24,513,227</b>	<b>386,338</b>	<b>272,145</b>	<b>0</b>		<b>24,627,420</b>	<b>24,579,845</b>
13			<b>Total Gas Plant</b>	<b>577,645,572</b>	<b>26,600,002</b>	<b>3,138,235</b>	<b>0</b>		<b>601,107,339</b>	<b>588,080,496</b>

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS  
FROM APRIL 1, 2019 TO MARCH 31, 2020

COMMON PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.3  
PAGE 8 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Ending Balance	13 Month Average
							Amount	Explanation of Transfer		
				\$	\$	\$	\$	\$	\$	
1		10300	Miscellaneous Intangible Plant	22,332,072					22,332,072	22,332,072
2		18900	Land and Land Rights	154,248					154,248	154,248
3		19000	Structures & Improvements	14,741,462		191,818			14,549,644	14,645,832
4		19100	Office Furniture & Equipment	598,474					598,474	502,844
5		19101	Electronic Data Processing	807,217					807,217	807,217
6		19300	Stores Equipment	0					0	0
7		19400	Tools, Shop & Garage Equipment	121,888					121,888	121,888
8		19700	Communication Equipment	8,114,194					8,114,194	8,114,194
9		19800	Miscellaneous Equipment	41,504					41,504	41,504
10			Asset Retirement Cost Obligation	314,111					314,111	314,111
11			Total Common Plant	47,225,170	0	191,818	0		47,033,352	47,033,910
12		27.38%	Common Plant Allocated to Gas	12,930,252	0	52,521	0		12,877,731	12,877,885
13			Total Gas Plant Including Allocated Common	590,575,824	26,600,002	3,190,756	0		613,985,070	600,958,381

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PROPERTY MERGED OR ACQUIRED  
FROM DECEMBER 1, 2017 TO NOVEMBER 30, 2018

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.4  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

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Line No.	FERC Acct. No.	Company Acct. No.	Description of Property	Acquisition Cost	Cost Basis	Acquisition Adjustment	Commission Approval Date (Docket No.)	Date of Acquisition	Explanation of Treatment
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The company has not merged or acquired property from other than affiliated companies.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
LEASED PROPERTY  
ELECTRIC AND COMMON  
AS OF NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.5  
PAGE 1 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Identification or Reference Number	Description of Type and Use of Property	Name of Lessee	Frequency of Payment	Amount of Lease Payment	Dollar Value of Property Involved	Explain Method of Capitalization
	Gas Meters	Bank of America	Monthly	1,515	155,032	Per Regulatory and GAAP Guidelines
	Gas Regulators	Bank of America	Monthly	7,817	800,028	Per Regulatory and GAAP Guidelines
	Erlanger Cox Rd. Facility	Edward Gary Leasing	Monthly	<u>21,188</u>	<u>2,100,000</u>	Per Regulatory and GAAP Guidelines
	Total Capital Leases			<u>30,520</u>	<u>3,055,060</u>	

Note: Gas meter and gas regulator leases end in June 2019.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
LEASED PROPERTY  
ELECTRIC AND COMMON  
AS OF MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.5  
PAGE 2 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Identification or Reference Number	Description of Type and Use of Property	Name of Lessee	Frequency of Payment	Amount of Lease Payment	Dollar Value of Property Involved	Explain Method of Capitalization
	Erlanger Cox Rd. Facility	Edward Gary Leasing	Monthly	<u>21,188</u>	<u>2,100,000</u>	Per Regulatory and GAAP Guidelines
	Total Capital Leases			<u>21,188</u>	<u>2,100,000</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE  
AS OF NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.6  
PAGE 1 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	Description and Location of Property	Acquisition Date	Original Cost	Accumulated Depreciation	Net Original Cost	Revenue Realized			Expenses Incurred		
						Amount	Acct. No.	Description	Amount	Acct. No.	Description

The company has no plant held for future use included in rate base.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE  
AS OF MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S).:

SCHEDULE B-2.6  
PAGE 2 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	Description and Location of Property	Acquisition Date	Original Cost	Accumulated Depreciation	Net Original Cost	Revenue Realized			Expenses Incurred		
						Amount	Acct. No.	Description	Amount	Acct. No.	Description

The company has no plant held for future use included in rate base.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PROPERTY EXCLUDED FROM RATE BASE  
(FOR REASONS OTHER THAN JURISDICTIONAL ALLOCATION)  
AS OF NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.7  
PAGE 1 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	Company Acct. No.	Description of Excluded Property	In-Service Date	Original Cost	Accum. Depre. and Amort.	Net Original Cost	Base Period Revenue and Expense			Reasons for Exclusion
							Amount	Acct. No.	Description	

No property is excluded from rate base for reasons other than jurisdictional allocation.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PROPERTY EXCLUDED FROM RATE BASE  
(FOR REASONS OTHER THAN JURISDICTIONAL ALLOCATION)  
AS OF MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.7  
PAGE 2 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	Company Acct. No.	Description of Excluded Property	In-Service Date	Original Cost	Accum. Depre. and Amort.	Net Original Cost	Forecasted Period Revenue and Expense			Reasons for Exclusion
							Amount	Acct. No.	Description	

No property is excluded from rate base for reasons other than jurisdictional allocation.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF NOVEMBER 30, 2018

MANUFACTURED GAS PRODUCTION PLANT

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

SCHEDULE B-3  
PAGE 1 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period Total (1) \$	Base Period Accumulated Balances				
					Total \$	Jurisdictional %	Jurisdictional Total \$	Adjustments \$	Adjusted Jurisdiction \$
1	304	20400	Land and Land Rights	117,711	0	100.00%	0	0	0
2	304	20401	Rights of Way	24,459	24,439	100.00%	24,439	(15,885)	8,554
3	305	20500	Structures & Improvements	1,722,764	1,424,710	100.00%	1,424,710	(926,314)	498,396
4	311	21100	Liquefied Petroleum Gas Equipment	5,955,198	3,103,143	100.00%	3,103,143	(2,006,962)	1,096,181
5		108	Retirement Work in Progress		0	100.00%	0	0	0
6			Total Manufactured Gas Production Plant	7,820,132	4,552,292		4,552,292	(2,949,161)	1,603,131

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF NOVEMBER 30, 2018

DISTRIBUTION PLANT

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

SCHEDULE B-3  
PAGE 2 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period Total (1)	Base Period Accumulated Balances				
					Total	Allocation %	Allocated Total	Adjusted Jurisdiction	
					\$	%	\$	\$	\$
1	374	27400	Land and Land Rights	43,358	4	100.00%	4		4
2	374	27401	Rights of Way	1,095,119	656,185	100.00%	656,185	(126,271)	529,914
3	375	27500	Structures & Improvements	577,522	151,052	100.00%	151,052	(20,543)	130,509
4	376	27601	Mains - Cast Iron & Copper	982,749	(121,221)	100.00%	(121,221)		(121,221)
5	376	27602,27607	Mains - Steel	105,732,522	40,829,607	100.00%	40,829,607	(18,814)	40,810,793
6	376	27603,27608	Mains - Plastic	149,814,027	50,827,437	100.00%	50,827,437		50,827,437
7	376	27605	Mains - Feeder	33,716,001	16,353,009	100.00%	16,353,009	(4,315,452)	12,037,557
8	378	27800	System Meas. & Reg. Station Equipment	7,349,417	2,608,472	100.00%	2,608,472	(151,658)	2,456,814
9	378	27801	System Meas. & Reg. Station Equipment - Electric	1,293,157	509,365	100.00%	509,365	(113,836)	395,529
10	378	27802	District Regulating Equipment	2,419,176	1,072,504	100.00%	1,072,504		1,072,504
11	380	28001	Services- Cast Iron & Copper	3,330,809	316,886	100.00%	316,886		316,886
12	380	28002,28004	Services-Steel	8,853,422	2,327,893	100.00%	2,327,893		2,327,893
13	380	28003,28005-28007	Services-Plastic	151,350,663	48,489,920	100.00%	48,489,920		48,489,920
14	381	28100,28101	Meters	14,276,092	(4,698,431)	100.00%	(4,698,431)		(4,698,431)
15	382	28200,28201	Meter Installations	10,424,840	2,618,446	100.00%	2,618,446		2,618,446
16	383	28300,283001	House Regulators	6,674,788	2,305,259	100.00%	2,305,259		2,305,259
17	384	28400,28401	House Regulator Installations	5,939,235	2,638,285	100.00%	2,638,285		2,638,285
18	385	28500	Large Industrial Meas. & Reg. Equipment	455,084	438,048	100.00%	438,048		438,048
19	385	28501	Large Industrial Meas. & Reg. Equipment - Comm	64,791	48,488	100.00%	48,488		48,488
20	387	28700	Other Equipment - Other	21,447	22,692	100.00%	22,692		22,692
21	387	28701	Street Lighting Equipment	28,290	21,383	100.00%	21,383		21,383
22			Asset Retirement Cost Obligation	3,583,546	1,213,033	100.00%	1,213,033		1,213,033
23		108	Retirement Work in Progress		(4,652,670)	100.00%	(4,652,670)		(4,652,670)
24			Completed Construction not Classified	25,395,218	406,380	100.00%	406,380		406,380
25			Total Distribution Plant	533,421,273	164,382,026		164,382,026	(4,746,574)	159,635,452

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF NOVEMBER 30, 2018

GENERAL PLANT

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

SCHEDULE B-3  
PAGE 3 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period Total (1)	Base Period Accumulated Balances				
					Total	Allocation %	Allocated Total	Adjusted Jurisdiction	
					\$		\$	\$	\$
1	303	20300	Miscellaneous Intangible Plant	8,757,245	5,682,130	100.00%	5,682,130		5,682,130
2	303	20310	Misc Intangible Plt - 10 Yr	2,670,960	330,869	100.00%	330,869		330,869
3	391	29100	Office Furniture & Equipment	13,496	13,556	100.00%	13,556	(9,292)	4,264
4	391	29101	Electronic Data Processing	318,574	63,750	100.00%	63,750		63,750
5	392	29200	Transportation Equipment	0	0	100.00%	0		0
6	392	29201	Trailers	63,448	42,743	100.00%	42,743		42,743
7	394	29400	Tools, Shop & Garage Equipment	1,238,849	978,513	100.00%	978,513	(19,020)	959,493
8	396	29600	Power Operated Equipment	168,272	1,275	100.00%	1,275		1,275
9	397	29700	Communication Equipment	10,522,272	353,477	100.00%	353,477	(20)	353,457
10	398	29800	Miscellaneous Equipment	83,591	22,886	100.00%	22,886	(23,207)	(321)
11		108	Retirement Work in Progress		12,218	100.00%	12,218		12,218
12			Completed Construction Not Classified	270,697	211,988	100.00%	211,988		211,988
13 Total General Plant				24,107,404	7,713,405		7,713,405	(51,539)	7,661,866
14 Total Gas Plant				565,348,809	176,647,723		176,647,723	(7,747,274)	168,900,449

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF NOVEMBER 30, 2018

COMMON PLANT

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

SCHEDULE B-3  
PAGE 4 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period Total (1)	Base Period Accumulated Balances				
					Total	Allocation %	Allocated Total	Adjusted Jurisdiction	
					\$		\$	\$	\$
1		10300	Miscellaneous Intangible Plant	22,332,072	22,328,399	100.00%	22,328,399		22,328,399
2		18900	Land and Land Rights	154,248	0	100.00%	0		0
3		19000	Structures & Improvements	14,804,597	7,348,108	100.00%	7,348,108		7,348,108
4		19100	Office Furniture & Equipment	755,564	153,302	100.00%	153,302		153,302
5		19100-URR	Office Furniture & Equipment	0 (2)	486	100.00%	486		486
6		19101	Electronic Data Processing	807,217	848,959	100.00%	848,959		848,959
7		19101-URR	Electronic Data Processing	0 (2)	(50,880)	100.00%	(50,880)		(50,880)
8		19300	Stores Equipment	0	0	100.00%	0		0
9		19400	Tools, Shop & Garage Equipment	121,888	54,234	100.00%	54,234		54,234
10		19400-URR	Tools, Shop & Garage Equipment	0 (2)	15,900	100.00%	15,900		15,900
11		19700	Communication Equipment	8,114,194	4,803,012	100.00%	4,803,012		4,803,012
12		19700-URR	Communication Equipment	0 (2)	3,326,633	100.00%	3,326,633		3,326,633
13		19800	Miscellaneous Equipment	41,504	21,247	100.00%	21,247		21,247
14		19800-URR	Miscellaneous Equipment	0 (2)	(3,798)	100.00%	(3,798)		(3,798)
15			Asset Retirement Cost Obligation	314,111	120,812	100.00%	120,812		120,812
16		108	Retirement Work in Progress	0	(5,510)	100.00%	(5,510)		(5,510)
17			Completed Construction not Classified	0	(75,969)	100.00%	(75,969)		(75,969)
18			Total Common Plant	47,445,395	38,884,935		38,884,935	0	38,884,935
19			Common Plant Allocated to Gas						
20			27.38% Original Cost	12,990,549					
			27.38% Reserve for Depreciation		10,646,695		10,646,695	0	10,646,695
21			Total Gas Plant Including Allocated Common	578,339,358	187,294,418		187,294,418	(7,747,274)	179,547,144

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)  
(2) 5 year life for Unrecovered Reserve for Amortization

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF MARCH 31, 2020

MANUFACTURED GAS PRODUCTION PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

SCHEDULE B-3  
PAGE 5 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period (1) \$	13 Month Average Forecasted Period Accumulated Balances				
					Total \$	Jurisdictional %	Jurisdictional Total \$	Adjustments \$	Adjusted Jurisdiction \$
1	304	20400	Land and Land Rights	117,711	0	100.00%	0	0	0
2	304	20401	Rights of Way	24,459	24,439	100.00%	24,439	(15,885)	8,554
3	305	20500	Structures & Improvements	1,722,764	1,429,735	100.00%	1,429,735	(930,001)	499,734
4	311	21100	Liquefied Petroleum Gas Equipment	5,955,198	3,211,329	100.00%	3,211,329	(2,085,019)	1,126,310
5		108	Retirement Work in Progress		0	100.00%	0		0
6			Total Manufactured Gas Production Plant	7,820,132	4,665,503		4,665,503	(3,030,905)	1,634,598

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF MARCH 31, 2020

DISTRIBUTION PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISIED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

SCHEDULE B-3  
PAGE 6 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period (1)	13 Month Average Forecasted Period Accumulated Balances				
					Total \$	Allocation %	Allocated Total \$	Adjustments \$	Adjusted Jurisdiction \$
1	374	27400	Land and Land Rights	43,358	4	100.00%	4		4
2	374	27401	Rights of Way	1,095,119	668,870	100.00%	668,870	(128,922)	539,948
3	375	27500	Structures & Improvements	577,522	155,176	100.00%	155,176	(20,771)	134,405
4	376	27601	Mains - Cast Iron & Copper	982,749	(118,273)	100.00%	(118,273)		(118,273)
5	376	27602,27607	Mains - Steel	105,664,083	42,019,042	100.00%	42,019,042	(23,930)	41,995,112
6	376	27603,27608	Mains - Plastic	149,762,955	53,723,261	100.00%	53,723,261		53,723,261
7	376	27605	Mains - Feeder	33,530,313	16,671,822	100.00%	16,671,822	(4,420,725)	12,251,097
8	378	27800	System Meas. & Reg. Station Equipment	7,349,417	2,708,430	100.00%	2,708,430	(154,897)	2,553,533
9	378	27801	System Meas. & Reg. Station Equipment - Electric	1,293,157	521,114	100.00%	521,114	(116,855)	404,259
10	378	27802	District Regulating Equipment	2,419,176	1,110,309	100.00%	1,110,309		1,110,309
11	380	28001	Services- Cast Iron & Copper	3,116,451	102,528	100.00%	102,528		102,528
12	380	28002,28004	Services-Steel	8,817,969	2,370,014	100.00%	2,370,014		2,370,014
13	380	28003,28005-28007	Services-Plastic	151,094,070	51,299,275	100.00%	51,299,275		51,299,275
14	381	28100,28101	Meters	12,832,410	(5,811,552)	100.00%	(5,811,552)		(5,811,552)
15	382	28200,28201	Meter Installations	10,424,840	2,892,967	100.00%	2,892,967		2,892,967
16	383	28300,283001	House Regulators	6,557,950	2,345,399	100.00%	2,345,399		2,345,399
17	384	28400,28401	House Regulator Installations	5,939,132	2,787,651	100.00%	2,787,651		2,787,651
18	385	28500	Large Industrial Meas. & Reg. Equipment	455,084	448,439	100.00%	448,439		448,439
19	385	28501	Large Industrial Meas. & Reg. Equipment - Comm	64,791	49,660	100.00%	49,660		49,660
20	387	28700	Other Equipment - Other	21,447	22,692	100.00%	22,692		22,692
21	387	28701	Street Lighting Equipment	28,290	22,262	100.00%	22,262		22,262
22			Asset Retirement Obligation	3,583,546	1,213,033	100.00%	1,213,033		1,213,033
23		108	Retirement Work in Progress		(4,652,670)	100.00%	(4,652,670)		(4,652,670)
24			Completed Construction not Classified	50,026,690	1,258,152	100.00%	1,258,152		1,258,152
25			Total Distribution Plant	555,680,519	171,807,605		171,807,605	(4,866,100)	166,941,505

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF MARCH 31, 2020

GENERAL PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

SCHEDULE B-3  
PAGE 7 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period (1)	13 Month Average Forecasted Period Accumulated Balances				
					Total	Allocation %	Allocated Total	Adjustments	Adjusted Jurisdiction
					\$		\$	\$	\$
1	303	20300	Miscellaneous Intangible Plant	8,757,245	6,554,122	100.00%	6,554,122		6,554,122
2	303	20310	Misc Intangible Plt - 10 Yr	2,670,960	553,734	100.00%	553,734		553,734
3	391	29100	Office Furniture & Equipment	12,880	12,940	100.00%	12,940	(9,695)	3,245
4	391	29101	Electronic Data Processing	212,320	(10,605)	100.00%	(10,605)		(10,605)
5	392	29200	Transportation Equipment	0	0	100.00%	0		0
6	392	29201	Trailers	63,448	42,743	100.00%	42,743		42,743
7	394	29400	Tools, Shop & Garage Equipment	1,120,469	892,858	100.00%	892,858	(19,729)	873,129
8	396	29600	Power Operated Equipment	168,272	1,275	100.00%	1,275		1,275
9	397	29700	Communication Equipment	10,766,945	732,486	100.00%	732,486	(33)	732,453
10	398	29800	Miscellaneous Equipment	83,591	22,886	100.00%	22,886	(23,207)	(321)
11		108	Retirement Work in Progress	0	12,218	100.00%	12,218		12,218
12			Completed Construction not Classified	723,715	667,715	100.00%	667,715		667,715
13			Total General Plant	24,579,845	9,482,372		9,482,372	(52,664)	9,429,708
14			Total Gas Plant	588,080,496	185,955,480		185,955,480	(7,949,669)	178,005,811

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF MARCH 31, 2020

COMMON PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

SCHEDULE B-3  
PAGE 8 OF 8  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period (1)	13 Month Average Forecasted Period Accumulated Balances				
					Total	Allocation %	Allocated Total	Adjusted Jurisdiction	
					\$		\$	\$	\$
1		10300	Miscellaneous Intangible Plant	22,332,072	22,332,072	100.00%	22,332,072		22,332,072
2		18900	Land and Land Rights	154,248	0	100.00%	0		0
3		19000	Structures & Improvements	14,645,832	7,720,162	100.00%	7,720,162		7,720,162
4		19100	Office Furniture & Equipment	502,844	223,342	100.00%	223,342		223,342
5		19100-URR	Office Furniture & Equipment	0 (2)	394	100.00%	394		394
6		19101	Electronic Data Processing	807,217	851,335	100.00%	851,335		851,335
7		19101-URR	Electronic Data Processing	0 (2)	(41,280)	100.00%	(41,280)		(41,280)
8		19300	Stores Equipment	0	0	100.00%	0		0
9		19400	Tools, Shop & Garage Equipment	121,888	52,170	100.00%	52,170		52,170
10		19400-URR	Tools, Shop & Garage Equipment	0 (2)	12,900	100.00%	12,900		12,900
11		19700	Communication Equipment	8,114,194	4,803,012	100.00%	4,803,012		4,803,012
12		19700-URR	Communication Equipment	0 (2)	2,698,966	100.00%	2,698,966		2,698,966
13		19800	Miscellaneous Equipment	41,504	23,317	100.00%	23,317		23,317
14		19800-URR	Miscellaneous Equipment	0 (2)	(3,081)	100.00%	(3,081)		(3,081)
15			Asset Retirement Cost Obligation	314,111	120,812	100.00%	120,812		120,812
16		108	Retirement Work in Progress	0	(5,510)	100.00%	(5,510)		(5,510)
<b>Total Common Plant</b>				<b>47,033,910</b>	<b>38,788,611</b>		<b>38,788,611</b>	<b>0</b>	<b>38,788,611</b>
<b>Common Plant Allocated to Gas</b>									
18		27.38%	Original Cost	12,877,885					
19		27.38%	Reserve for Depreciation		10,620,322		10,620,322	0	10,620,322
<b>Total Gas Plant Including Allocated Common</b>				<b>600,958,381</b>	<b>196,575,802</b>		<b>196,575,802</b>	<b>(7,949,669)</b>	<b>188,626,133</b>

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)  
(2) 5 year life for Unrecovered Reserve for Amortization

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NOS.: WPB-2.2g

SCHEDULE B-3.1  
PAGE 1 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period	Jurisdictional %	Jurisdictional Adjustment	Workpaper Reference No.	Description and Purpose of Adjustment
<u>Manufactured Gas Production Plant</u>								
1	304	20401	Rights of Way	15,885	100.00	15,885	WPB-2.2g	Exclusion of gas facilities devoted to other than DE-Ky customers.
2	305	20500	Structures & Improvements	926,314	100.00	926,314	WPB-2.2g	
3	311	21100	Liquefied Petroleum Gas Equipment	2,006,962	100.00	2,006,962	WPB-2.2g	
4		108	Retirement Work in Progress	<u>0</u>	100.00	<u>0</u>		
5	Total Manufactured Gas Production Plant			<u>2,949,161</u>		<u>2,949,161</u>		
<u>Distribution Plant</u>								
6	374	27401	Rights of Way	126,271	100.00	126,271	WPB-2.2g	
7	375	27500	Structures & Improvements	20,543	100.00	20,543	WPB-2.2g	
8	376	27602	Gas Mains - Dist Lines/Steel	18,814	100.00	18,814	WPB-2.2g	
9	376	27605	Mains-Steel Feeder Lines	4,315,452	100.00	4,315,452	WPB-2.2g	
10	378	27800	System M & R Station Equip. - General	151,658	100.00	151,658	WPB-2.2g	
11	378	27801	System M & R Station Equip.	<u>113,836</u>	100.00	<u>113,836</u>	WPB-2.2g	
12	Total Distribution Plant			<u>4,746,574</u>		<u>4,746,574</u>		
<u>General Plant</u>								
13	391	29100	Office Furniture & Equipment	9,292	100.00	9,292	WPB-2.2g	
14	394	29400	Tools, Shop & Garage Equipment	19,020	100.00	19,020	WPB-2.2g	
15	397	29700	Communication Equipment	20	100.00	20	WPB-2.2g	
16	398	29800	Miscellaneous Equipment	<u>23,207</u>	100.00	<u>23,207</u>	WPB-2.2g	
17	Total General Plant			<u>51,539</u>		<u>51,539</u>		
18	Total Gas Plant			<u><u>7,747,274</u></u>		<u><u>7,747,274</u></u>		

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NOS.: WPB-3.1a

SCHEDULE B-3.1  
PAGE 2 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period	Jurisdictional %	Jurisdictional Adjustment	Workpaper Reference No.	Description and Purpose of Adjustment
<u>Manufactured Gas Production Plant</u>								
1	304	20401	Rights of Way	15,885	100.00	15,885	WPB-2.2g	Exclusion of gas facilities devoted to other than DE-Ky customers.
2	305	20500	Structures & Improvements	930,001	100.00	930,001	WPB-2.2g	
3	311	21100	Liquefied Petroleum Gas Equipment	2,085,019	100.00	2,085,019	WPB-2.2g	
4		108	Retirement Work in Progress	<u>0</u>	100.00	<u>0</u>		
5	Total Manufactured Gas Production Plant			<u>3,030,905</u>		<u>3,030,905</u>		
<u>Distribution Plant</u>								
6	374	27401	Rights of Way	128,922	100.00	128,922	WPB-2.2g	
7	375	27500	Structures & Improvements	20,771	100.00	20,771	WPB-2.2g	
8	376	27602	Gas Mains - Dist Lines/Steel	23,930	100.00	23,930	WPB-2.2g	
9	376	27605	Mains-Steel Feeder Lines	4,420,725	100.00	4,420,725	WPB-2.2g	
10	378	27800	System M & R Station Equip. - General	154,897	100.00	154,897	WPB-2.2g	
11	378	27801	System M & R Station Equip.	<u>116,855</u>	100.00	<u>116,855</u>	WPB-2.2g	
12	Total Distribution Plant			<u>4,866,100</u>		<u>4,866,100</u>		
<u>General Plant</u>								
13	391	29100	Office Furniture & Equipment	9,695	100.00	9,695	WPB-2.2g	
14	394	29400	Tools, Shop & Garage Equipment	19,729	100.00	19,729	WPB-2.2g	
15	397	29700	Communication Equipment	33	100.00	33	WPB-2.2g	
16	398	29800	Miscellaneous Equipment	<u>23,207</u>	100.00	<u>23,207</u>	WPB-2.2g	
17	Total General Plant			<u>52,664</u>		<u>52,664</u>		
18	Total Gas Plant			<u>7,949,669</u>		<u>7,949,669</u>		

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND  
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,  
FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP  
THIRTEEN MONTH AVERAGE AS OF MARCH 31, 2020

MANUFACTURED GAS PRODUCTION PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NOS.: SCHEDULE B-2.1, SCHEDULE B-3

SCHEDULE B-3.2  
PAGE 1 OF 4  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No. (A)	FERC Acct. No. (B-1)	Company Acct. No. (B-2)	Account Title or Major Property Grouping (C)	Adjusted Jurisdiction 13-Month Average		Proposed Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxF)	% Net Salvage (H)	Average Service Life (I)	Curve Form (J)
				Plant Investment (1) (D)	Accumulated Balance (E)					
				\$	\$		\$			
1	304	20400	Land and Land Rights	42,141	0	0.00%	0	Perpetual Life		
2	304	20401	Rights of Way	8,756	8,554	0.02%	2	0.00%	50	SQ
3	305	20500	Structures & Improvements	616,750	499,734	4.70%	28,987	-10.00%	55	R4
4	311	21100	Liquefied Petroleum Gas Equipment	2,131,961	1,126,310	8.86%	188,892	-10.00%	55	R2.5
5										
6			Total Manufactured Gas Production Plant	2,799,608	1,634,598		217,881			

(1) Plant Investment includes Completed Construction Not Classified (Account 106).

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND  
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,  
FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP  
THIRTEEN MONTH AVERAGE AS OF MARCH 31, 2020

DISTRIBUTION PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NOS.: SCHEDULE B-2.1, SCHEDULE B-3

SCHEDULE B-3.2  
PAGE 2 OF 4  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No. (A)	FERC Acct. No. (B-1)	Company Acct. No. (B-2)	Account Title or Major Property Grouping (C)	Adjusted Jurisdiction 13-Month Average		Proposed Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxF)	% Net Salvage (H)	Average Service Life (I)	Curve Form (J)
				Plant Investment (1) (D)	Accumulated Balance (E)					
				\$	\$		\$			
1	374	27400	Land and Land Rights	41,032	4	0	0	Perpetual Life		
2	374	27401	Rights of Way	866,302	539,948	1.04%	9,010	0.00%	70	R4
3	375	27500	Structures & Improvements	553,059	134,405	1.44%	7,964	-5.00%	60	R2
4	376	27601	Mains - Cast Iron & Copper	982,749	(118,273)	8.70%	85,499	-20.00%	47	R2.5
5	376	27602,27607	Mains - Steel	105,363,141	41,995,112	1.64%	1,727,956	-20.00%	65	R2.5
6	376	27603,27608	Mains - Plastic	149,762,955	53,723,261	1.53%	2,291,373	-20.00%	70	R3
7	376	27605	Mains - Feeder	27,337,810	12,251,097	1.49%	407,333	-20.00%	65	R2.5
8	378	27800	System Meas. & Reg. Station Equipment	7,162,530	2,553,533	2.04%	146,116	-25.00%	52	R1.5
9	378	27801	System Meas. & Reg. Station Equipment - Electric	1,032,384	404,259	6.37%	65,763	-25.00%	25	S2
10	378	27802	District Regulating Equipment	2,419,176	1,110,309	1.65%	39,916	-25.00%	55	R2
11	380	28001	Services- Cast Iron & Copper	3,116,451	102,528	5.27%	164,237	-25.00%	40	R2
12	380	28002,28004	Services-Steel	8,817,969	2,370,014	3.34%	294,520	-25.00%	42	R2
13	380	28003,28005-28007	Services-Plastic	151,094,070	51,299,275	2.39%	3,611,148	-25.00%	48	S0.5
14	381	28100,28101	Meters	12,832,410	(5,811,552)	10.77%	1,382,051	0.00%	17	L0
15	382	28200,28201	Meter Installations	10,424,840	2,892,967	3.82%	398,229	0.00%	30	S0
16	383	28300,283001	House Regulators	6,557,950	2,345,399	2.15%	140,996	0.00%	42	R1.5
17	384	28400,28401	House Regulator Installations	5,939,132	2,787,651	1.59%	94,432	0.00%	50	R3
18	385	28500	Large Industrial Meas. & Reg. Equipment	455,084	448,439	0.60%	2,731	-10.00%	42	R2
19	385	28501	Large Industrial Meas. & Reg. Equipment - Comm	64,791	49,660	3.64%	2,358	-10.00%	25	R2.5
20	387	28700	Other Equipment - Other	21,447	22,692	0.00% (2)	0	0.00%	17	R3
21	387	28701	Street Lighting Equipment	28,290	22,262	1.76%	498	0.00%	35	S2.5
22			Asset Retirement Obligation	3,583,546	1,213,033		82,148			
23		108	Retirement Work in Progress		(4,652,670)					
24			Completed Construction not Classified	50,026,690	1,258,152	2.24%	1,120,598			
25			Total Distribution Plant	548,483,808	166,941,505		12,074,876			

(1) Plant Investment includes Completed Construction Not Classified (Account 106).  
(2) This account is fully depreciated.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND  
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,  
FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP  
THIRTEEN MONTH AVERAGE AS OF MARCH 31, 2020

GENERAL PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NOS.: SCHEDULE B-2.1, SCHEDULE B-3

SCHEDULE B-3.2  
PAGE 3 OF 4  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title or Major Property Grouping	Adjusted Jurisdiction		Proposed Accrual Rate	Calculated Depr/Amort Expense	% Net Salvage	Average Service Life	Curve Form
				13-Month Average						
				Plant Investment (1)	Accumulated Balance					
(A)	(B-1)	(B-2)	(C)	(D)	(E)	(F)	(G=DxF)	(H)	(I)	(J)
				\$	\$		\$			
1	303	20300	Miscellaneous Intangible Plant	8,757,245	6,554,122	Various	1,046,391			
2	303	20310	Misc Intangible Plt - 10 Yr	2,670,960	553,734	10.00%	267,439		Amortizes over 120 months	
3	391	29100	Office Furniture & Equipment	3,981	3,245	5.00%	199	0	20	SQ
4	391	29101	Electronic Data Processing	212,320	(10,605)	22.95%	48,727	0	5	SQ
5	392	29200	Transportation Equipment	0	0	0.00%	0	0	Depr. Charged to Transp. Expense	
6	392	29201	Trailers	63,448	42,743	0.00%	0	0	Depr. Charged to Transp. Expense	
7	394	29400	Tools, Shop & Garage Equipment	1,099,242	873,129	4.70%	51,664	0.00%	25	SQ
8	396	29600	Power Operated Equipment	168,272	1,275	0.00%	0	0	Depr. Charged to Transp. Expense	
9	397	29700	Communication Equipment	10,766,707	732,453	6.76%	727,829	0.00%	15	SQ
10	398	29800	Miscellaneous Equipment	0	(321)	13.20%	0	0.00%	20	SQ
11		108	Retirement Work in Progress		12,218					
12			Completed Construction not Classified	723,715	667,715	7.29%	52,759			
13			Total General Plant	24,465,890	9,429,708		2,195,008			
14			Total Gas Plant	575,749,306	178,005,811		14,487,765			

(1) Plant Investment includes Completed Construction Not Classified (Account 106).

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND  
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,  
FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP  
THIRTEEN MONTH AVERAGE AS OF MARCH 31, 2020

COMMON PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NOS.: SCHEDULE B-2.1, SCHEDULE B-3

SCHEDULE B-3.2  
PAGE 4 OF 4  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No. (A)	FERC Acct. No. (B-1)	Company Acct. No. (B-2)	Account Title or Major Property Grouping (C)	Adjusted Jurisdiction 13-Month Average		Proposed Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxF)	% Net Salvage (H)	Average Service Life (I)	Curve Form (J)
				Plant Investment (1) (D)	Accumulated Balance (E)					
				\$	\$		\$			
1		10300	Miscellaneous Intangible Plant	22,332,072	22,332,072	0.00% (3)	0		Amortized over 60 months	
2		18900	Land and Land Rights	154,248	0	0.00%	0		Perpetual Life	
3		19000	Structures & Improvements	14,645,832	7,720,162	1.26%	184,537	0.00%	90	R1
4		19100	Office Furniture & Equipment	502,844	223,342	5.00%	25,142	0.00%	20	SQ
5		19100-URR	Office Furniture & Equipment	0	394	NA (2)	(110)	NA	NA	NA
6		19101	Electronic Data Processing	807,217	851,335	20.00%	161,443	0.00%	5	SQ
7		19101-URR	Electronic Data Processing	0	(41,280)	NA (2)	11,520	NA	NA	NA
8		19300	Stores Equipment	0	0					
9		19400	Tools, Shop & Garage Equipment	121,888	52,170	4.00%	4,876	0.00%	25	SQ
10		19400-URR	Tools, Shop & Garage Equipment	0	12,900	NA (2)	(3,600)	NA	NA	NA
11		19700	Communication Equipment	8,114,194	4,803,012	6.67%	541,217	0.00%	15	SQ
12		19700-URR	Communication Equipment	0	2,698,966	NA (2)	(753,200)	NA	NA	NA
13		19800	Miscellaneous Equipment	41,504	23,317	6.67%	2,768	0.00%	15	SQ
14		19800-URR	Miscellaneous Equipment	0	(3,081)	NA (2)	860	NA	NA	NA
15			Asset Retirement Cost Obligation	314,111	120,812		289,949			
16		108	Retirement Work in Progress		(5,510)					
17			Completed Construction not Classified	0	0					
18			Total Common Plant	47,033,910	38,788,611		465,402			
19		27.38%	Common Plant Allocated to Gas Original Cost	12,877,885						
20		27.38%	Reserve		10,620,322					
21		27.38%	Annual Provision				127,427			
22			Total Gas Plant Including Allocated Common	588,627,191	188,626,133		14,615,192			

(1) Plant Investment includes Completed Construction Not Classified (Account 106).

(2) 5 year life for Unrecovered Reserve for Amortization.

(3) This account is fully depreciated.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
CONSTRUCTION WORK IN PROGRESS  
AS OF NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-4  
PAGE 1 OF 2  
WITNESS RESPONSIBLE  
R. H. PRATT / C. S. LEE

Line No.	Major Property Groupings	Jurisdictional % %	Total	
			Gross \$	Jurisdictional \$
1	Manufactured Gas Production	100.00%	0	0
2	Less: Gas Facilities Devoted to Other Than Kentucky Customers	100.00%	0	0
3	Net Manufactured Gas Production	100.00%	0	0
4	Distribution	100.00%	28,716,199	28,716,199
5	Less: Gas Facilities Devoted to Other Than Kentucky Customers	100.00%	0	0
6	Net Distribution	100.00%	28,716,199	28,716,199
7	General & Intangible	100.00%	1,181,350	1,181,350
8	Total Common	100.00%	2,198,598	2,198,598
9	27.38% Common Allocated to Gas	100.00%	601,976	601,976
10	Total Gas Including Common Allocated		30,499,525	30,499,525

Note: The Company is not requesting to include recovery of CWIP in base rates.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
CONSTRUCTION WORK IN PROGRESS  
THIRTEEN MONTH AVERAGE AS OF MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-4  
PAGE 2 OF 2  
WITNESS RESPONSIBLE  
R. H. PRATT / C. S. LEE

Line No.	Major Property Groupings	Jurisdictional %	Total	
			Gross	Jurisdictional
		%	\$	\$
1	Manufactured Gas Production	100.00%	0	0
2	Less: Gas Facilities Devoted to Other Than Kentucky Customers	100.00%	0	0
3	Net Manufactured Gas Production	100.00%	0	0
4	Distribution	100.00%	28,715,308	28,715,308
5	Less: Gas Facilities Devoted to Other Than Kentucky Customers	100.00%	0	0
6	Net Distribution	100.00%	28,715,308	28,715,308
7	General & Intangible	100.00%	1,182,402	1,182,402
8	Total Common	100.00%	2,199,047	2,199,047
9	27.38% Common Allocated to Gas	100.00%	602,099	602,099
10	Total Gas Including Common Allocated		30,499,809	30,499,809

Note: The Company is not requesting to include recovery of CWIP in base rates.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ALLOWANCE FOR WORKING CAPITAL  
AS OF NOVEMBER 30, 2018  
AS OF MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):. SEE BELOW

SCHEDULE B-5  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

LINE NO.	WORKING CAPITAL COMPONENT	DESCRIPTION of METHODOLOGY USED to DETERMINE JURISDICTIONAL REQUIREMENT	WORK PAPER REFERENCE NUMBER	TOTAL COMPANY		JURISDICTIONAL	
				BASE PERIOD	FORECASTED PERIOD	BASE PERIOD	FORECASTED PERIOD
				\$	\$	\$	\$
1	Cash Element of	Based on 1/8 Oper. & Maint. Expense less purchased gas costs or fuel and purchased power expenses.	WPB-5.1a	18,843,852	17,915,083	2,978,574	3,021,735
2	Working Capital						
3							
4							
5	Other Working Capital:						
6	Fuel Inventory						
7	Coal	(1)	WPB-5.1i	17,354,274	17,354,274	0	0
8	Oil	(1)	WPB-5.1i	592,942	592,942	0	0
9	Natural Gas	(1)	WPB-5.1i	0	0	0	0
10	Propane - Woodsdale	(1)	WPB-5.1i	717,397	717,397	0	0
11	Total Fuel Inventory			18,664,613	18,664,613	0	0
12							
13	Gas Enricher Liquids	(1)	WPB-5.1b	3,586,912	3,586,912	1,284,114	1,284,114
14							
15	Gas Stored Underground	(1)	WPB-5.1g	2,958,880	2,958,880	2,958,880	2,958,880
16							
17	Emission Allowances	(1)	WPB-5.1j	0	0	0	0
18							
19	Materials and Supplies	(1)	WPB-5.1c	18,481,347	18,481,347	1,143,072	1,143,072
20							
21	Prepayments	(1)	WPB-5.1e	1,862,533	2,148,487	37,742	37,742
22							
23	Total Other Working Capital			45,554,285	45,840,239	5,423,808	5,423,808
24							
25	Total Working Capital			64,398,137	63,755,322	8,402,382	8,445,543

N.C - Not calculated

(1) The Base Period is the ending period balance. The Forecasted Period is a 13 month average balance.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
WORKING CAPITAL COMPONENTS  
AS OF NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPB-5.1a through WPB-5.1j

SCHEDULE B-5.1  
PAGE 1 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT

LINE NO.	DESCRIPTION	END OF BASE PERIOD BALANCE		
		TOTAL COMPANY (1)	JURISDICTIONAL % (2)	JURISDICTIONAL AMOUNT (3)
1	Cash Working Capital:			
2	1/8 Oper. and Maint. Expense	18,843,852	Computed	<u>2,978,574</u>
3				
4				
5	Other Working Capital:			
6	Fuel Inventory			
7	Coal	17,354,274	0.000	0
8	Oil	592,942	0.000	0
9	Natural Gas	0	0.000	0
10	Propane - Woodsdale	<u>717,397</u>	0.000	<u>0</u>
11	Total Fuel Inventory	18,664,613		0
12				
13	Gas Enricher Liquids	3,586,912	35.800	1,284,114
14				
15	Gas Stored Underground	2,958,880	100.000	2,958,880
16				
17	Emission Allowances	0	0.000	0
18				
19	Materials and Supplies	18,481,347	Computed	1,143,072
20				
21	Prepayments	<u>1,862,533</u>	Computed	<u>37,742</u>
22				
23	Total Other Working Capital	<u>45,554,285</u>		<u>5,423,808</u>
24				
25	Total Working Capital	<u>64,398,137</u>		<u>8,402,382</u>

N.C. - Not Calculated

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
WORKING CAPITAL COMPONENTS  
AS OF MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPB-5.1a through WPB-5.1j

SCHEDULE B-5.1  
PAGE 2 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT

LINE NO.	DESCRIPTION	13 MONTH AVERAGE FOR PERIOD		
		TOTAL COMPANY (1)	JURISDICTIONAL % (2)	JURISDICTIONAL AMOUNT (3)
1	Cash Working Capital:			
2	1/8 Oper. and Maint. Expense	17,915,083	Computed	<u>3,021,735</u>
3				
4				
5	Other Working Capital:			
6	Fuel Inventory			
7	Coal	17,354,274	0.000	0
8	Oil	592,942	0.000	0
9	Natural Gas	0	0.000	0
10	Propane - Woodsdale	<u>717,397</u>	0.000	<u>0</u>
11	Total Fuel Inventory	18,664,613		0
12				
13	Gas Enricher Liquids	3,586,912	35.800	1,284,114
14				
15	Gas Stored Underground	2,958,880	100.000	2,958,880
16				
17	Emission Allowances	0	0.000	0
18				
19	Materials and Supplies	18,481,347	Computed	1,143,072
20				
21	Prepayments	<u>2,148,487</u>	Computed	<u>37,742</u>
22				
23	Total Other Working Capital	<u>45,840,239</u>		<u>5,423,808</u>
24				
25	Total Working Capital	<u>63,755,322</u>		<u>8,445,543</u>

N.C. - Not Calculated

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
CERTAIN DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES  
AS OF NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPB-6a, WPB-6c

SCHEDULE B-6  
PAGE 1 OF 2  
WITNESS RESPONSIBLE:  
J. R. PANIZZA

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	TOTAL COMPANY	JURISDICTIONAL CODE	%	JURIS. AMOUNT	ADJUSTMENT	ADJUSTED JURIS. AMOUNT
			(1)	(2)		(3)	(4)	(5)
1	252	Customers' Advances for Construction	<u>(1,579,329)</u>	DALL	100.000	<u>(1,579,329)</u>		<u>(1,579,329)</u> (A)
2								
3	255	Investment Tax Credits: (B)						
4		3% Credit	0	DALL	100.000	0	0 (F)	0
5		4% Credit	(6,874)	DALL	100.000	(6,874)	6,874 (G)	0
6		10% Credit	(502,329)	DALL	100.000	(502,329)	502,329 (G)	0
7		30% Credit	0	DALL	100.000	0	0 (G)	0
8		Total Investment Tax Credits	<u>(509,203)</u>			<u>(509,203)</u>	<u>509,203</u>	<u>0</u> (C)
9								
10	190,281,	Deferred Income Taxes:						
11	282,283	Total Deferred Income Taxes	<u>(60,715,102)</u>	DALL	100.000	<u>(60,715,102)</u>	<u>576,211</u> (H)	<u>(60,138,891)</u> (D)
12								
13	254	Total Regulatory Liability - Excess Deferred Taxes	<u>(32,322,707)</u>	DALL	100.000	<u>(32,322,707)</u>	<u>349,085</u> (H)	<u>(31,973,622)</u> (E)

Sources:

- (A) Included on Schedule B-1 as Customers' Advances for Construction, Line 8.
- (B) The company elected the ratable flow through option in 1971 as provided under Section 46(f)(2).
- (C) Included on Schedule B-1 as Investment Tax Credits, Line 9.
- (D) Included on Schedule B-1 as Deferred Income Taxes, Line 10.
- (E) Included on Schedule B-1 as Excess Deferred Income Taxes, Line 11.
- (F) Elimination of Deferred Tax Balances Related to Facilities Devoted to Other Than DE-Ky Customers. (WPB-6c)
- (G) Excluded from Rate Base.
- (H) Includes elimination of unrecovered purchased gas costs and liberalized depreciation related to facilities devoted to non DE-Kentucky customers.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
CERTAIN DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES  
AS OF MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):: WPB-6b, WPB-6d

SCHEDULE B-6  
PAGE 2 OF 2  
WITNESS RESPONSIBLE:  
J. R. PANIZZA

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	PRORATED	JURISDICTIONAL	JURIS.	ADJUSTMENT	ADJUSTED
			ACCUMULATED DEFERRED TAXES				
			(1)	(2)	(3)	(4)	(5)
1	252	Customers' Advances for Construction	<u>(1,579,329)</u>	DALL	100.000	<u>(1,579,329)</u>	<u>(1,579,329)</u> (A)
2							
3	255	Investment Tax Credits: (B)					
4		3% Credit	0	DALL	100.000	0 (F)	0
5		4% Credit	(5,020)	DALL	100.000	5,020 (G)	0
6		10% Credit	(449,038)	DALL	100.000	449,038 (G)	0
7		30% Credit	0	DALL	100.000	0 (G)	0
8		Total Investment Tax Credits	<u>(454,058)</u>			<u>454,058</u>	<u>0</u> (C)
9							
10	190,	Deferred Income Taxes:					
11	282,283	Total Deferred Income Taxes	<u>(63,262,770)</u>	DALL	100.000	<u>(63,262,770)</u>	<u>596,887</u> (H) <u>(62,665,883)</u> (D)
12							
13	254	Total Regulatory Liability - Excess Deferred Taxes	<u>(31,662,166)</u>	DALL	100.000	<u>(31,662,166)</u>	<u>341,951</u> (H) <u>(31,320,215)</u> (E)

Sources:

- (A) Included on Schedule B-1 as Customers' Advances for Construction, Line 8.
- (B) The company elected the ratable flow through option in 1971 as provided under Section 46(f)(2).
- (C) Included on Schedule B-1 as Investment Tax Credits, Line 9.
- (D) Included on Schedule B-1 as Deferred Income Taxes, Line 10.
- (E) Included on Schedule B-1 as Excess Deferred Income Taxes, Line 11.
- (F) Excluded from Rate Base.
- (G) Elimination of Deferred Tax Balances Related to Facilities Devoted to Other Than DE-Kentucky Customers. (WPB-6d)
- (H) Includes elimination of unrecovered purchased gas costs and liberalized depreciation related to facilities devoted to non DE-Kentucky customers.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
JURISDICTIONAL PERCENTAGE  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-7  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
J. E. ZIOLKOWSKI

LINE NO.	ACCOUNT NUMBER	ACCOUNT TITLE	JURISDICTIONAL CODE	%	DESCRIPTION OF FACTORS AND/OR METHOD OF ALLOCATION
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Not Applicable - 100% Jurisdictional

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
JURISDICTIONAL STATISTICS - RATE BASE  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):.

SCHEDULE B-7.1  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
J. E. ZIOLKOWSKI

LINE NO.	DESCRIPTION BY MAJOR GROUPINGS OR ACCOUNT	STATISTIC TOTAL COMPANY	ADJUSTMENT TO TOTAL COMPANY STATISTIC	ADJUSTED STATISTIC FOR TOTAL COMPANY	STATISTIC FOR RATE AREA	ALLOCATION FACTOR %
(A)	(B)	(C)	(D)	(E = C+D)	(F)	(G = F / E)

Not Applicable - 100% Jurisdictional

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
EXPLANATION OF CHANGES IN JURISDICTIONAL PROCEDURES  
RATE BASE  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-7.2  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
J. E. ZIOLKOWSKI

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LINE NO.	ACCOUNT NUMBER	DESCRIPTION	PROCEDURES APPROVED IN PRIOR CASE	RATIONALE FOR CHANGE
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Not Applicable - 100% Jurisdictional

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00281  
COMPARATIVE BALANCE SHEETS  
AS OF DECEMBER 31, 2013-2017 AND BASE AND FORECASTED PERIODS

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-8  
PAGE 1 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT / S. M. COVINGTON

LINE NO.	DESCRIPTION	13 MONTH AVG FORECASTED PERIOD		BASE PERIOD		MOST RECENT FIVE CALENDAR YEARS									
		Change	%	Change	%	2017	Change	2016	Change	2015	Change	2014	Change	2013	Change
1	<b>ASSETS</b>														
2	<b>UTILITY PLANT</b>														
3	UTILITY PLANT IN SERVICE	2,464,838,661	5.10%	2,345,287,758	7.05%	2,190,743,460	6.74%	2,052,384,114	0.79%	2,036,397,765	14.68%	1,775,690,380	3.58%	1,714,335,197	1.84%
4	CONSTRUCTION WORK IN PROGRESS	87,725,028	(49.52)%	173,785,965	58.67%	109,390,337	71.37%	63,832,972	47.21%	43,961,285	191.06%	14,897,654	(44.76)%	26,970,335	29.28%
5	TOTAL UTILITY PLANT	2,552,563,689	1.33%	2,519,073,723	9.52%	2,300,133,797	8.69%	2,116,217,086	1.75%	2,079,759,050	18.15%	1,790,588,034	2.83%	1,741,305,532	2.18%
6	LESS: ACCUMULATED PROVISION FOR DEPRECIATION	1,060,126,703	4.06%	1,018,837,208	(1.28)%	1,032,028,167	3.10%	1,001,008,038	2.33%	978,183,739	19.96%	815,420,481	2.06%	798,974,860	4.90%
7	NET UTILITY PLANT	1,492,436,986	(0.52)%	1,500,236,515	18.31%	1,268,105,630	13.71%	1,115,209,048	1.24%	1,101,565,311	12.96%	975,167,553	3.48%	942,330,652	(0.03)%
8	<b>OTHER PROPERTY AND INVESTMENTS</b>														
9	NONUTILITY PROPERTY - NET	2,206	-	2,206	(99.16)%	264,016	11868.09%	2,206	-	2,206	-	2,206	-	2,206	(99.99)%
10	LESS: ACCUM. PROVISION FOR DEPR. & AMORT.	-	-	-	-	-	-	-	-	-	-	-	-	-	(100.00)%
11	NONCURRENT PORTION OF ALLOWANCES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	OTHER INVESTMENTS	1,500	-	1,500	-	1,500	-	1,500	-	1,500	-	1,500	-	1,500	-
13	SPECIAL FUNDS	1,184,266	(84.94)%	7,865,918	564.20%	1,184,266	(30.97)%	1,715,645	53.02%	1,121,197	134.86%	477,394	(69.32)%	1,556,265	-
14	LONG TERM PORTION OF DERIVATIVE INSTRUMENT ASSETS	318,333	-	318,333	-	318,333	(66.64)%	954,187	-	-	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	1,506,305	(61.60)%	8,187,947	363.09%	1,768,115	(33.87)%	2,673,538	137.67%	1,124,903	133.82%	481,100	(69.16)%	1,559,971	(71.52)%
16	<b>CURRENT AND ACCRUED ASSETS</b>														
17	CASH	17,930,128	(4.85)%	18,843,852	1016.91%	1,687,146	(74.18)%	6,533,836	(28.52)%	9,140,810	(19.16)%	11,306,908	(13.28)%	13,037,744	21.93%
18	SPECIAL DEPOSITS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	WORKING FUNDS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	TEMPORARY CASH INVESTMENTS	-	-	-	(100.00)%	2,918,345	214.10%	929,120	(81.47)%	5,013,100	188.90%	1,735,297	21.36%	1,429,790	(13.78)%
21	CUSTOMER ACCOUNTS RECEIVABLE	21,294,692	(14.46)%	24,894,185	2934.65%	820,344	(6.22)%	874,735	(81.42)%	4,706,764	(19.27)%	5,830,602	(22.13)%	7,487,942	82.12%
22	(LESS) ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS - CREDIT	(233,542)	(2.14)%	(228,650)	2.09%	(233,542)	(65.87)%	(148,789)	27.81%	(195,051)	(4.55)%	(186,563)	18.48%	(228,855)	(39.50)%
23	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	-	-	-	(100.00)%	34,407,460	87.10%	18,389,762	81.41%	10,137,088	(52.98)%	21,560,229	(16.44)%	25,800,643	9.10%
24	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	(100.00)%	3,811,739	(13.01)%	4,382,007	221.68%	1,362,224	(66.08)%	4,016,223	174.02%	1,465,683	132.71%
25	MATERIALS, SUPPLIES AND FUEL	40,732,872	-	40,732,872	(0.25)%	40,833,674	(10.50)%	45,624,298	3.36%	44,141,069	(16.56)%	52,899,948	39.52%	37,916,408	(1.80)%
27	EMISSION ALLOWANCES	-	-	-	(100.00)%	31,208	(38.59)%	50,852	(30.83)%	73,231	204.33%	24,063	(62.48)%	94,128	(49.64)%
28	GAS STORED - CURRENT	2,958,880	-	2,958,880	-	2,958,880	(13.29)%	3,412,415	-	-	-	-	-	-	-
29	PREPAYMENTS	2,148,487	15.35%	1,862,533	278.72%	491,801	0.13%	491,138	(42.69)%	856,973	(47.22)%	1,623,581	(3.11)%	1,675,712	45.15%
30	INTEREST AND DIVIDENDS RECEIVABLE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	2,887,316	(61.51)%	7,500,616	199.14%	2,507,391	(82.11)%	14,017,712	(30.50)%	20,285,345	(7.45)%	21,918,755	194.22%	7,449,715	(40.59)%
32	DERIVATIVE INSTRUMENT ASSETS	1,125,387	(85.81)%	7,929,395	604.56%	1,125,387	(71.60)%	3,962,367	96.03%	2,912,924	181.97%	1,033,047	195.19%	349,957	(19.12)%
33	(LESS) LONG-TERM PORTION OF DERIVATIVE INSTRUMENT ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	DERIVATIVE INSTRUMENT ASSETS - HEDGES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	(LESS) LONG-TERM PORTION OF DERIVATIVE INSTRUMENT ASSETS - HEDGES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	RENTS RECEIVABLE	2,430	-	-	(100.00)%	2,500	-	2,500	-	2,500	-	-	-	-	-
37	TOTAL CURRENT AND ACCRUED ASSETS	88,846,650	(14.97)%	104,493,683	14.37%	91,362,333	(7.27)%	98,529,744	0.09%	98,436,977	(19.16)%	121,762,050	21.52%	100,199,246	13.44%
38	<b>DEFERRED DEBITS</b>														
39	UNAMORTIZED DEBT EXPENSE	383,025	(12.78)%	416,234	(79.97)%	2,078,548	19.89%	1,736,629	32.96%	1,306,096	(32.26)%	1,928,034	(9.84)%	2,138,571	(14.74)%
40	OTHER REGULATORY ASSETS	65,805,428	(2.59)%	67,553,704	(47.06)%	127,608,194	79.88%	71,018,702	47.47%	48,159,201	76.34%	27,310,676	36.46%	20,014,015	13.86%
41	PRELIM. SURVEY AND INVESTIGATION CHARGES (ELECTRIC)	-	-	290,107	(100.00)%	290,107	102.34%	143,374	(88.43)%	1,355,886	(36.33)%	2,129,393	0.21%	2,124,893	(18.80)%
42	CLEARING ACCOUNTS	-	-	-	100.00%	(86)	(437.50)%	(16)	(166.67)%	24	(99.55)%	5,364	(90.67)%	57,469	30.79%
43	TEMPORARY FACILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	MISCELLANEOUS DEFERRED DEBITS	70,370,454	21.61%	57,864,851	2310.06%	2,400,973	(91.95)%	29,840,493	1.02%	29,538,033	15.38%	25,601,304	3.69%	24,689,259	(39.19)%
45	UNAMORTIZED LOSS ON REACQUIRED DEBT	475,063	(29.90)%	677,721	(42.97)%	1,188,432	(18.32)%	1,454,906	(15.48)%	1,721,380	(13.41)%	1,987,854	(11.82)%	2,254,328	(10.81)%
46	ACCUMULATED DEFERRED INCOME TAXES	10,261,917	(13.07)%	11,805,439	(79.77)%	58,361,447	82.36%	32,002,628	(20.58)%	40,297,586	879.30%	(5,170,968)	(147.89)%	(2,086,005)	(126.62)%
47	UNRECOVERED PURCHASED GAS COSTS	-	-	-	100.00%	(219,763)	(113.50)%	1,627,916	181.22%	578,873	(69.87)%	1,921,356	111.33%	909,195	168.11%
48	TOTAL DEFERRED DEBITS	147,275,887	6.48%	138,317,949	(27.85)%	191,707,852	39.10%	137,824,632	12.09%	122,957,058	120.70%	55,713,035	11.20%	50,101,716	(30.78)%
49															
50															
51	<b>TOTAL ASSETS</b>	1,730,065,828	(1.21)%	1,751,236,094	12.77%	1,562,943,930	14.67%	1,354,236,062	2.28%	1,324,084,250	14.83%	1,153,123,738	5.39%	1,094,191,585	(1.32)%

Note: The Company does not forecast the balance sheet to the same level of detail as actuals are recorded.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
COMPARATIVE BALANCE SHEETS  
AS OF DECEMBER 31, 2013-2017 AND BASE AND FORECASTED PERIODS

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-8  
PAGE 2 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT / S. M. COVINGTON

LINE NO	DESCRIPTION	13 MONTH AVG. FORECASTED PERIOD		BASE PERIOD		MOST RECENT FIVE CALENDAR YEARS									
		Change	%	Change	%	2017	Change	2016	Change	2015	Change	2014	Change	2013	Change
1	<b>LIABILITIES AND NET WORTH</b>														
2	PROPRIETARY CAPITAL														
3	COMMON STOCK ISSUED	8,779,995	-	8,779,995	-	8,779,995	-	8,779,995	-	8,779,995	-	8,779,995	-	8,779,995	-
4	PREMIUM ON CAPITAL STOCK	18,838,946	-	18,838,946	-	18,838,946	-	18,838,946	-	18,838,946	-	18,838,946	-	18,838,946	-
5	OTHER PAID-IN CAPITAL	163,655,188	-	163,655,188	-	163,655,189	10.09%	148,655,189	-	148,655,189	-	148,655,189	-	148,655,189	-
6	RETAINED EARNINGS	429,838,925	11.81%	384,433,187	20.08%	320,140,297	22.78%	260,741,367	14.28%	228,157,429	(3.72)%	236,981,799	17.50%	201,679,964	2.58%
7	ACCUMULATED OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	TOTAL PROPRIETARY CAPITAL	621,113,054	7.89%	575,707,316	12.57%	511,414,427	17.02%	437,015,497	8.06%	404,431,559	(2.14)%	413,255,929	9.34%	377,954,114	1.36%
9	LONG TERM DEBT														
10	ADVANCES FROM ASSOCIATED COMPANIES	25,000,000	-	25,000,000	-	25,000,000	-	25,000,000	-	25,000,000	-	25,000,000	-	25,000,000	-
11	OTHER LONG TERM DEBT	493,367,703	16.44%	423,897,107	(0.71)%	426,720,000	26.73%	336,720,000	15.43%	291,720,000	(0.29)%	292,571,494	(12.03)%	332,571,494	-
12	UNAMORTIZED PREMIUM ON LONG TERM DEBT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	UNAMORTIZED DISCOUNT ON LONG TERM DEBT - DEBIT	238,940	(4.10)%	249,157	(13.60)%	268,378	(14.67)%	337,948	(12.92)%	388,093	(11.93)%	440,663	(16.76)%	529,408	(14.59)%
14	LESS: CURRENT PORTION OF LONG TERM DEBT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	TOTAL LONG TERM DEBT	518,128,763	15.54%	448,447,950	(0.66)%	451,431,622	24.92%	361,382,052	14.24%	316,331,907	(0.25)%	317,130,831	(4.49)%	332,042,086	0.03%
16	OTHER NONCURRENT LIABILITIES														
17	OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	580,230	31.62%	440,839	(24.02)%	580,230	(60.41)%	1,485,571	(31.89)%	2,151,880	(41.39)%	3,671,631	(30.55)%	5,287,092	(24.47)%
18	ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	-	-	-	100.00%	(68,721)	(19.16)%	(57,669)	(42.23)%	(40,546)	72.05%	(145,076)	(156.99)%	930	-
19	ACCUMULATED PROVISION FOR PENSIONS & BENEFITS	17,417,765	(26.51)%	23,701,671	36.08%	17,417,765	16.31%	14,974,925	28.55%	11,648,063	22.82%	9,484,261	27.82%	7,419,884	(59.78)%
20	ACCUMULATED PROVISION FOR OPERATING PROVISIONS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	ACCUMULATED PROVISION FOR RATE REFUNDS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	LONG-TERM PORTION OF DERIVATIVE INSTRUMENT LIABILITIES	-	-	-	(100.00)%	4,647,739	(9.06)%	5,110,694	(10.90)%	5,735,787	0.80%	5,690,225	52.16%	3,739,894	(49.62)%
23	ASSET RETIREMENT OBLIGATIONS	51,203,876	2.87%	49,776,802	(8.80)%	54,581,508	3.33%	52,822,086	(48.96)%	103,500,128	1174.27%	8,122,285	29.90%	6,252,729	2.87%
24	TOTAL OTHER NONCURRENT LIABILITIES	69,201,871	(6.38)%	73,919,312	(4.20)%	77,158,621	3.83%	74,315,577	(39.58)%	122,995,912	353.41%	27,126,582	16.97%	23,190,329	(41.32)%
25	CURRENT AND ACCRUED LIABILITIES														
26	NOTES PAYABLE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	CURRENT PORTION OF LONG TERM DEBT	53,846,154	(46.15)%	100,000,000	-	-	-	-	-	-	-	-	-	-	-
28	ACCOUNTS PAYABLE	44,784,046	9.77%	40,778,596	(16.17)%	48,646,825	53.60%	31,671,028	23.32%	25,682,371	4.89%	24,484,622	(4.27)%	25,577,884	3.86%
29	NOTES PAYABLE TO ASSOCIATED COMPANIES	491,087	(97.38)%	18,721,785	-	-	(100.00)%	19,656,000	(64.74)%	55,743,000	48.22%	37,609,000	-	-	-
30	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	15,515,849	9.20%	14,208,700	(9.89)%	15,768,299	25.39%	12,575,250	(12.78)%	14,418,085	8.71%	13,262,877	(27.14)%	18,203,886	(9.13)%
31	CUSTOMER DEPOSITS	-	-	-	(100.00)%	9,859,988	(3.99)%	10,269,585	1.37%	10,130,787	2.52%	9,882,144	7.10%	9,226,882	3.41%
32	TAXES ACCRUED	15,434,559	(2.86)%	15,889,018	(1.02)%	18,063,519	44.59%	11,102,968	370.84%	(4,089,457)	(175.01)%	5,465,247	(37.24)%	8,707,706	15.96%
33	INTEREST ACCRUED	3,728,540	-	4,088,409	(24.06)%	5,383,681	27.35%	4,227,363	26.53%	3,340,930	(0.16)%	3,346,215	(5.70)%	3,548,333	(10.50)%
34	TAX COLLECTIONS PAYABLE	-	-	-	(100.00)%	1,691,919	(4.40)%	1,769,826	11.54%	1,586,741	(43.08)%	2,787,669	13.62%	2,463,529	47.13%
35	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	23,986,120	(17.75)%	29,161,176	249.48%	8,344,201	(50.72)%	16,932,837	63.05%	10,385,150	38.86%	7,478,936	(12.83)%	8,588,504	7.53%
36	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	239,035	(40.86)%	404,193	(54.35)%	865,342	29.00%	686,310	(54.84)%	1,519,753	(5.92)%	1,615,463	(6.30)%	1,724,080	(8.73)%
37	DERIVATIVE INSTRUMENT LIABILITIES	-	-	-	(100.00)%	5,367,483	(9.69)%	5,943,438	(10.63)%	6,850,693	(0.40)%	6,677,507	41.14%	4,731,216	(43.78)%
38	(LESS) LONG-TERM PORTION OF DERIVATIVE INSTRUMENT LIABILITIES	-	-	-	100.00%	(4,647,739)	9.06%	(5,110,694)	10.90%	(5,735,787)	(0.80)%	(5,690,225)	(52.16)%	(3,739,894)	49.62%
39	TOTAL CURRENT AND ACCRUED LIABILITIES	158,005,390	(29.23)%	223,251,657	107.96%	107,352,488	(2.16)%	109,723,941	(8.27)%	119,622,266	11.88%	106,919,455	35.30%	79,023,341	1.84%
40	DEFERRED CREDITS														
41	CUSTOMER ADVANCES FOR CONSTRUCTION	1,579,329	-	1,579,329	1.05%	1,562,943	8.96%	1,434,379	46.15%	981,414	30.06%	754,559	0.22%	752,906	6.25%
42	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	3,708,551	13.67%	3,262,624	(14.97)%	3,836,961	459.86%	665,347	(22.70)%	886,573	(19.02)%	1,094,869	(16.05)%	1,304,230	29.32%
43	OTHER DEFERRED CREDITS	15,990,512	(62.35)%	90,600,285	466.59%	15,990,512	(20.23)%	20,046,049	(20.12)%	25,093,034	9.37%	22,943,763	(12.27)%	26,152,141	(7.29)%
44	OTHER REGULATORY LIABILITIES	6,891,560	260.02%	1,911,950	(68.73)%	6,110,148	2.07%	5,966,078	57.87%	3,791,681	579.53%	557,968	(9.62)%	619,446	(85.86)%
45	EXCESS DEFERRED INCOME TAXES	92,201,753	(6.89)%	99,026,155	(25.70)%	133,277,803	-	-	-	-	-	-	-	-	-
46	ACCUMULATED DEFERRED INCOME TAXES	243,246,045	4.16%	233,530,216	(4.61)%	244,808,495	(28.76)%	343,648,042	4.15%	329,949,304	25.29%	263,339,762	4.02%	253,152,692	0.27%
47	TOTAL DEFERRED CREDITS	363,616,750	(15.42)%	429,909,659	6.00%	405,586,862	9.09%	371,799,895	3.08%	360,702,606	24.94%	288,690,941	2.38%	281,981,715	(1.69)%
48															
49	TOTAL LIABILITIES	1,730,065,828	(1.21)%	1,751,236,094	12.77%	1,552,943,930	14.67%	1,354,236,562	2.28%	1,324,084,250	14.83%	1,153,123,738	5.39%	1,094,191,585	(1.32)%

Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

SECTION C

SECTION C

OPERATING INCOME

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended November 30, 2018

Forecasted Period: Twelve Months Ended March 31, 2020

Schedules

- C-1 Jurisdictional Operating Income Summary
- C-2 Jurisdictional Adjusted Operating Income Statement
- C-2.1 Jurisdictional Operating Revenue and Expenses by Accounts

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
JURISDICTIONAL OPERATING INCOME SUMMARY  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):: SCHEDULE C-2, WPC-1a

SCHEDULE C-1  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	DESCRIPTION	FORECASTED RETURN AT CURRENT RATES	PROPOSED INCREASE	FORECASTED RETURN AT PROPOSED RATES
		(\$)	(\$)	(\$)
1	Operating Revenues	<u>95,382,130</u>	<u>10,542,199</u> (1)	<u>105,924,329</u>
2				
3	Operating Expenses			
4	Operation & Maintenance	60,507,968	0	60,507,968
5	Depreciation	14,615,192	0	14,615,192
6	Taxes - Other	<u>4,097,687</u>	<u>21,084</u>	<u>4,118,771</u>
7	Operating Expenses before Income Taxes	79,220,847	21,084	79,241,931
8				
9	State Income Taxes	307,751	522,742	830,493
10	Federal Income Taxes	<u>1,227,242</u>	<u>2,099,658</u>	<u>3,326,900</u>
11				
12	Total Operating Expenses	<u>80,755,840</u>	<u>2,643,484</u>	<u>83,399,324</u>
13				
14	Income Available for Fixed Charges	<u>14,626,290</u>	<u>7,898,715</u>	<u>22,525,005</u>
15				
16	Jurisdictional Rate Base	313,675,239		313,675,239
17	Rate of Return on Rate Base	4.66%		7.18%

(1) Source: Schedule M.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
JURISDICTIONAL ADJUSTED OPERATING INCOME STATEMENT  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE C-2.1, SCHEDULE D-1, WPC-2a through WPC-2e

SCHEDULE C-2  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	MAJOR ACCOUNT OR GROUP CLASSIFICATION	BASE PERIOD	ADJUSTMENTS TO BASE PERIOD		FORECASTED PERIOD	PRO FORMA ADJUSTMENTS TO FORECASTED PERIOD		PRO FORMA FORECASTED PERIOD
			AMOUNT	SCHEDULE REFERENCE		AMOUNT	SCHEDULE REFERENCE	
1	OPERATING REVENUE							
2	Base	59,528,844	(2,003,777)	D-2.1	57,525,067	1,456,479	WPC-2e	58,981,546
3	Gas Cost	45,483,162	(9,068,523)	D-2.1	36,414,639	(80,547)	WPC-2e	36,334,092
4	Other Revenue	(2,575,187)	3,155,771	D-2.1	580,584	(514,092)	WPC-2e	66,492
5	Total Revenue	102,436,819	(7,916,529)		94,520,290	861,840		95,382,130
6								
7	OPERATING EXPENSES							
8	Operation and Maintenance Expenses							
9	Production Expenses							
10	Liquefied Petroleum Gas	1,677,312	(1,531,695)	D-2.2	145,617	0		145,617
11	Other	370,537	839,469	D-2.3	1,210,006	(382,795)	WPC-2e	827,211
12	Total Production Expense	2,047,849	(692,226)		1,355,623	(382,795)		972,828
13								
14	Other Gas Supply Expenses							
15	Purchased Gas	43,784,843	(7,370,202)	D-2.2	36,414,641	(80,549)	WPC-2e	36,334,092
16	Other	671,111	(671,111)	D-2.4	0			0
17	Total Other Gas Supply Expenses	44,455,954	(8,041,313)		36,414,641	(80,549)		36,334,092
18	Transmission Expense	0	0	D-2.5	0	0		0
19	Distribution Expense	9,971,602	1,970,875	D-2.6	11,942,477	962,618	WPC-2e	12,905,095
20	Customer Accounts Expense	3,779,036	(497,608)	D-2.7	3,281,428	(608,515)	WPC-2e	2,672,913
21	Customer Service & Information Expense	434,799	(7,963)	D-2.8	426,836	(20,595)	WPC-2e	406,241
22	Sales Expense	168,230	32,237	D-2.9	200,467	(6,339)	WPC-2e	194,128
23	Administrative & General Expense	7,557,603	(593,730)	D-2.10	6,963,873	(484,245)	WPC-2e	6,479,628
24	Other	(801,635)	801,635	D-2.11	0	543,043		543,043
25	Total Operation and Maintenance Expense	67,613,438	(7,028,093)		60,585,345	(77,377)		60,507,968
26								
27	Depreciation Expense	14,395,647	1,303,985	D-2.12	15,699,632	(1,084,440)	WPC-2e	14,615,192
28								
29	Taxes Other Than Income Taxes							
30	Other Federal Taxes	206,000	(206,000)	D-2.13	0	0	WPC-2e	0
31	State and Other Taxes	3,400,329	742,096	D-2.13	4,142,425	(44,738)	WPC-2e	4,097,687
32	Total Taxes Other Than Income Taxes	3,606,329	536,096		4,142,425	(44,738)		4,097,687
33								
34	State Income Taxes							
35	State Income Tax - Current	347,419	(562,994)	D-1, E-1	(215,575)	72,366	D-1, E-1	(143,209)
36	Provision for Deferred Income Taxes - Net	399,273	5,117	D-1, E-1	404,390	46,570	D-1, E-1	450,960
37	Total State Income Tax Expense	746,692	(557,877)		188,815	118,936		307,751
38								
39	Federal Income Taxes							
40	Federal Income Tax - Current	3,692,225	(3,365,082)	D-1, E-1	327,143	290,671	D-1, E-1	617,814
41	Provision for Deferred Income Taxes - Net	(989,111)	1,477,523	D-1, E-1	488,412	187,071	D-1, E-1	675,483
42	Amortization of Investment Tax Credit	(67,241)	1,186	D-1, E-1	(66,055)	0	D-1, E-1	(66,055)
43	Total Federal Income Tax Expense	2,635,873	(1,886,373)		749,500	477,742		1,227,242
44								
45	Total Operating Expenses and Taxes	88,997,979	(7,632,262)		81,365,717	(609,877)		80,755,840
46								
47	Net Operating Income	13,438,840	(284,267)		13,154,573	1,471,717		14,626,290

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE C-2.1  
PAGE 1 OF 16  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>REVENUE</b>				
2						
3		<b>Retail Revenue</b>				
4	480000	Residential Sales Gas	67,338,429	100.000	67,338,429	DALL
5	480990	Residential Unbilled Gas	1,346,262	100.000	1,346,262	DALL
6	481200	Commercial Sales Gas	25,288,754	100.000	25,288,754	DALL
7	481290	Commercial Unbilled Gas	457,261	100.000	457,261	DALL
8	481000	Industrial Sales Gas	1,653,956	100.000	1,653,956	DALL
9	481090	Industrial Unbilled Gas	361	100.000	361	DALL
10	482200	Public Str/Hgwy Lighting Gas	736	100.000	736	DALL
11	482000	Other Sales To Pub Authority Gas	2,431,917	100.000	2,431,917	DALL
12	482090	Other Sales To Pub Auth Unbill	64,744	100.000	64,744	DALL
13	484000	Interdepartmental Sales	33,586	100.000	33,586	DALL
14		Total Retail Revenue	<u>98,616,006</u>		<u>98,616,006</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE C-2.1  
PAGE 2 OF 16  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>Other Revenues</b>				
2	487001	Late Payment Charges	0	100.000	0	DALL
3	488000	Miscellaneous Service Revenue	38,782	100.000	38,782	DALL
4	488100	Miscellaneous Service Rev - I/C	472,796	100.000	472,796	DALL
5	489000	Rev Transp Gas of Others	1,500,679	100.000	1,500,679	DALL
6	489010	Rev Transp Gas of Others - Inter Co.	261,036	100.000	261,036	DALL
7	489020	Com Gas Transp Only	1,310,216	100.000	1,310,216	DALL
8	489025	Com Gas Transp Unbilled	15,994	100.000	15,994	DALL
9	489030	Ind Gas Transp Only	2,961,469	100.000	2,961,469	DALL
10	489035	Ind Gas Transp Unbilled	(19,962)	100.000	(19,962)	DALL
11	489040	OPA Gas Transp Only	360,956	100.000	360,956	DALL
12	489045	OPA Gas Transp Unbilled	5,612	100.000	5,612	DALL
13	489200	Transportation Fees	0	100.000	0	DALL
14	493010	Rent from Gas Properties - I/C	7,248	100.000	7,248	DALL
15	495031	Gas Losses Damaged Lines	15,019	100.000	15,019	DALL
16	496020	Provision for Rate Refunds	(3,109,032)	100.000	(3,109,032)	DALL
17		Total Other Revenues	<u>3,820,813</u>		<u>3,820,813</u>	
18		Total Revenue	<u>102,436,819</u>		<u>102,436,819</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
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SCHEDULE C-2.1  
PAGE 3 OF 16  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>OPERATING EXPENSES</b>				
2		<b>Production Expense</b>				
3		<b>Manufactured Gas Expense</b>				
4		<b>Operation</b>				
5	711000	Steam Expenses	8,534	100.000	8,534	DALL
6	712000	Other Power Expenses	13,405	100.000	13,405	DALL
7	717000	Liquefied Petroleum Expense	116,764	100.000	116,764	DALL
8	728000	Liquefied Petroleum Gas	1,677,312	100.000	1,677,312	DALL
9	735000	Miscellaneous Production Expense	120,585	100.000	120,585	DALL
10		Total Operation	<u>1,936,600</u>		<u>1,936,600</u>	
11						
12		<b>Maintenance</b>				
13	742000	Maintenance of Production Expense	111,249	100.000	111,249	DALL
14		Total Maintenance	<u>111,249</u>		<u>111,249</u>	
15		Total Production Expense	<u>2,047,849</u>		<u>2,047,849</u>	
16						
17		<b>Other Gas Supply Expense</b>				
18		<b>Purchased Gas Expense</b>				
19	801	Purchases Gas & NGL	39,410,142	100.000	39,410,142	DALL
20	805000	Unrecovered Purchase Gas Cost Adj.	2,279,145	100.000	2,279,145	DALL
21	805200	Purchased Gas Costs - Unbilled	2,095,556	100.000	2,095,556	DALL
22	807	Gas Purchased Expense	507,218	100.000	507,218	DALL
23	813000	Other Gas Supply Expense	163,893	100.000	163,893	DALL
24		Total Other Gas Supply Expense	<u>44,455,954</u>		<u>44,455,954</u>	
25						
26		<b>Transmission Expense</b>				
27		<b>Operation</b>				
28	850001	Supervision and Engineering	0	100.000	0	DALL
29		Total Operation	<u>0</u>		<u>0</u>	
30						
31		<b>Maintenance</b>				
32	863000	Supervision and Engineering	0	100.000	0	DALL
33		Total Maintenance	<u>0</u>		<u>0</u>	
34		Total Transmission Expense	<u>0</u>		<u>0</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE C-2.1  
PAGE 4 OF 16  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>Distribution Expenses</b>				
2						
3		<b>Operation</b>				
4	871000	Load Dispatching	168,926	100.000	168,926	DALL
5	874000	Mains and Services	2,353,623	100.000	2,353,623	DALL
6	875000	Measuring and Reg. Stations - General	6,382	100.000	6,382	DALL
7	876000	Measuring and Reg. Stations - Industrial	4,540	100.000	4,540	DALL
8	878000	Meters and House Regulators	1,681,076	100.000	1,681,076	DALL
9	879000	Customer Installations	1,210,113	100.000	1,210,113	DALL
10	880000	Other Expenses	1,987,140	100.000	1,987,140	DALL
11		Total Operation	<u>7,411,800</u>		<u>7,411,800</u>	
12						
13						
14		<b>Maintenance</b>				
15	887000	Mains	1,679,396	100.000	1,679,396	DALL
16	889000	Measuring and Regulating Stations - General	46,829	100.000	46,829	DALL
17	892000	Services	542,588	100.000	542,588	DALL
18	893000	Meters	341,546	100.000	341,546	DALL
19	894000	Other	(50,557)	100.000	(50,557)	DALL
20		Total Maintenance	<u>2,559,802</u>		<u>2,559,802</u>	
21		Total Distribution Expenses	<u>9,971,602</u>		<u>9,971,602</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
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SCHEDULE C-2.1  
PAGE 5 OF 16  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>Customer Accounts Expense</b>				
2						
3		<b>Operation</b>				
4	901	Supervision & Engineering	367,778	100.000	367,778	DALL
5	902	Meter Reading Expense	206,301	100.000	206,301	DALL
6	903	Customer Records & Collections	2,803,936	100.000	2,803,936	DALL
7	904	Uncollectible Accounts	289,362	100.000	289,362	DALL
8	426	Sale of A/R	111,507	100.000	111,507	DALL
9	905000	Cust Relations Billg & Coll-Gas	152	100.000	152	DALL
10		Total Customer Accounts Expense	<u>3,779,036</u>		<u>3,779,036</u>	
11						
12		<b>Customer Services &amp; Information Expense</b>				
13						
14		<b>Operation</b>				
15	908	Customer Assistance	132,042	Alloc Sch F-3	132,042	DALL
16	909650	Information and Instructional Advertising	575	Alloc Sch F-3	575	DALL
17	910	Misc Cust Serv and Info - Gas	302,182	Alloc Sch F-3	302,182	DALL
18		Total Customer Services & Information Expense	<u>434,799</u>		<u>434,799</u>	
19						
20						
21		<b>Sales Expense</b>				
22						
23		<b>Operation</b>				
24	911000	Supervision	10,459	Alloc Sch F-3	10,459	DALL
25	912000	Demonstrating & Selling	152,353	Alloc Sch F-3	152,353	DALL
26	913001	Advertising Expense	5,418	Alloc Sch F-3	5,418	DALL
27		Total Sales Expense	<u>168,230</u>		<u>168,230</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE C-2.1  
PAGE 6 OF 16  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>Administrative &amp; General Expense</b>				
2						
3		<b>Operation</b>				
4	920000	Administrative & General Salaries	2,105,665	100.000	2,105,665	DALL
5	921	Office Supplies & Expenses	1,082,826	100.000	1,082,826	DALL
6	922000	Adm. Expenses Transferred - Credit	287	100.000	287	DALL
7	923	Outside Services Employed	921,498	100.000	921,498	DALL
8	924	Property Insurance	65,063	100.000	65,063	DALL
9	925	Injuries & Damages	121,890	100.000	121,890	DALL
10	926	Employee Pension & Benefits	2,609,947	100.000	2,609,947	DALL
11	928	State Reg. Commission Expense	194,196	100.000	194,196	DALL
12	929	Duplicate Charges-Credit	(148,071)	100.000	(148,071)	DALL
13	930150	Miscellaneous Advertising Exp	34,145	100.000	34,145	DALL
14	930200	Misc General Expenses	169,088	100.000	169,088	DALL
15	930210	Industry Association Dues	19,329	100.000	19,329	DALL
16	930220	Exp Of Servicing Securities	158	100.000	158	DALL
17	930230	Dues To Various Organizations	23,628	100.000	23,628	DALL
18	930240	Director's Expenses	13,572	100.000	13,572	DALL
19	930250	Buy\Sell Transf Employee Homes	1,924	100.000	1,924	DALL
20	930700	Research & Development	367	100.000	367	DALL
21	930940	General Expenses	401	100.000	401	DALL
22	931	Rents	331,598	100.000	331,598	DALL
23		Total Operation	<u>7,547,511</u>		<u>7,547,511</u>	
24						
25		<b>Maintenance</b>				
26	935000	Maintenance of General Plant	10,092	100.000	10,092	DALL
27		Total Administrative & General	<u>7,557,603</u>		<u>7,557,603</u>	
28		Total Operating Expense	<u>68,415,073</u>		<u>68,415,073</u>	
29						
30		<b>Other Expense</b>				
31		<b>Operation</b>				
32	407355	DSM Amortization	(801,635)	100.000	(801,635)	DALL
33						
34		<b>Depreciation Expense</b>				
35	403	Depreciation Expense	12,841,958	100.000	12,841,958	DALL
36	404	Amortization Expense	1,553,689	100.000	1,553,689	DALL
37		Total Depreciation Expense	<u>14,395,647</u>		<u>14,395,647</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

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PAGE 7 OF 16  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>TAXES OTHER THAN INCOME TAXES</b>				
2						
3		<b>Other Federal Taxes</b>				
4	408152	Insurance Contribution	203,569	100.000	203,569	DALL
5	408151	Unemployment Compensation	2,430	100.000	2,430	DALL
6	408800	Federal Highway Use	1	100.000	1	DALL
7		Total Other Federal	<u>206,000</u>		<u>206,000</u>	
8						
9		<b>State and Other Taxes</b>				
10	408040	Taxes Property-Allocated	0	100.000	0	DALL
11	408150	Unemployment Compensation	2,450	100.000	2,450	DALL
12	408121	Property Tax	2,921,892	100.000	2,921,892	DALL
13	408550	Kentucky Highway Use	0	100.000	0	DALL
14	408205	Highway Use	240	100.000	240	DALL
15	408470	Franchise Tax	2,197	100.000	2,197	DALL
16	408851	Sales and Use Tax	(239)	100.000	(239)	DALL
17	48960	Allocated Payroll Taxes	473,789	100.000	473,789	DALL
18		Total State & Other	<u>3,400,329</u>		<u>3,400,329</u>	
19						
20		Total Taxes Other Than				
21		Income Taxes	<u>3,606,329</u>		<u>3,606,329</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
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WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>State Income Tax Expense</b>				
2	409160	Normal and Surtax	89,034	COMPUTED	89,034	
3	409104	State Income Tax - Pr. Yr. Adj.	258,385	100.000	258,385	DALL
4		State Income Tax - Current	<u>347,419</u>		<u>347,419</u>	
5						
6	Various	Deferred State Income Taxes - Net	399,273	100.000	399,273	DALL
7						
8		Total State Income Taxes	<u>746,692</u>		<u>746,692</u>	
9						
10						
11		<b>Federal Income Tax Expense</b>				
12	409060	Normal and Surtax	3,692,225	COMPUTED	3,692,225	
13	409193	Federal Income Tax - Pr. Yr. Adj.	0	100.000	0	DALL
14	409980	Allocated from the Service Company	0	100.000	0	DALL
15		Federal Income Tax - Current	<u>3,692,225</u>		<u>3,692,225</u>	
16						
17	Various	Deferred Federal Income Taxes - Net	(989,111)	100.000	(989,111)	DALL
18	411065	Amortization of Investment Tax Credit	(67,241)	100.000	(67,241)	DALL
19						
20		Total Federal Income Taxes	<u>2,635,873</u>		<u>2,635,873</u>	
21		Total Operating Expenses & Taxes	<u>88,997,979</u>		<u>88,997,979</u>	
22		Net Operating Income	<u>13,438,840</u>		<u>13,438,840</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
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WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>REVENUE</b>				
2						
3		<b>Retail Revenue</b>				
4	480000	Residential Sales Gas	62,113,657	100.000	62,113,657	DALL
5	480990	Residential Unbilled Gas	290,323	100.000	290,323	DALL
6	481200	Commercial Sales Gas	21,456,292	100.000	21,456,292	DALL
7	481290	Commercial Unbilled Gas	75,382	100.000	75,382	DALL
8	481000	Industrial Sales Gas	1,155,283	100.000	1,155,283	DALL
9	481090	Industrial Unbilled Gas	(27,452)	100.000	(27,452)	DALL
10	482200	Public Str/Hgwy Lighting Gas	5,789	100.000	5,789	DALL
11	482000	Other Sales To Pub Authority Gas	2,202,694	100.000	2,202,694	DALL
12	482090	Other Sales To Pub Auth Unbill	(9,243)	100.000	(9,243)	DALL
13	484000	Interdepartmental Sales	27,765	100.000	27,765	DALL
14		Total Retail Revenue	<u>87,290,490</u>		<u>87,290,490</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
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WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDIC- TIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>Other Revenues</b>				
2	487001	Late Payment Charges	0	100.000	0	DALL
3	488000	Miscellaneous Service Revenue	51,996	100.000	51,996	DALL
4	488100	Miscellaneous Service Rev - I/C	514,092	100.000	514,092	DALL
5	489000	Rev Transp Gas of Others	1,404,958	100.000	1,404,958	DALL
6	489010	Rev Transp Gas of Others - Inter Co.	0	100.000	0	DALL
7	489020	Com Gas Transp Only	1,558,548	100.000	1,558,548	DALL
8	489025	Com Gas Transp Unbilled	37,583	100.000	37,583	DALL
9	489030	Ind Gas Transp Only	3,238,910	100.000	3,238,910	DALL
10	489035	Ind Gas Transp Unbilled	11,691	100.000	11,691	DALL
11	489040	OPA Gas Transp Only	385,736	100.000	385,736	DALL
12	489045	OPA Gas Transp Unbilled	11,790	100.000	11,790	DALL
13	489200	Transportation Fees	0	100.000	0	DALL
14	493010	Rent from Gas Properties - I/C	14,496	100.000	14,496	DALL
15	495031	Gas Losses Damaged Lines	0	100.000	0	DALL
16	496020	Provision for Rate Refunds	0	100.000	0	DALL
17		Total Other Revenues	<u>7,229,800</u>		<u>7,229,800</u>	
18		Total Revenue	<u>94,520,290</u>		<u>94,520,290</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
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SCHEDULE C-2.1  
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WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>OPERATING EXPENSES</b>				
2		<b>Production Expense</b>				
3		<b>Manufactured Gas Expense</b>				
4		<b>Operation</b>				
5	711000	Steam Expenses	0	100.000	0	DALL
6	712000	Other Power Expenses	0	100.000	0	DALL
7	717000	Liquefied Petroleum Expense	145,617	100.000	145,617	DALL
8	728000	Liquefied Petroleum Gas	541,028	100.000	541,028	DALL
9	735000	Miscellaneous Production Expense	132,380	100.000	132,380	DALL
10		Total Operation	<u>819,025</u>		<u>819,025</u>	
11						
12		<b>Maintenance</b>				
13	742000	Maintenance of Production Expense	92,578	100.000	92,578	DALL
14		Total Maintenance	<u>92,578</u>		<u>92,578</u>	
15		Total Production Expense	<u>911,603</u>		<u>911,603</u>	
16						
17		<b>Other Gas Supply Expense</b>				
18		<b>Purchased Gas Expense</b>				
19	801	Purchases Gas & NGL	36,334,092	100.000	36,334,092	DALL
20	805002	Unrecovered Purchase Gas Cost Adj.	0	100.000	0	DALL
21	805003	Purchased Gas Costs - Unbilled	80,549	100.000	80,549	DALL
22	807	Gas Purchased Expense	444,020	100.000	444,020	DALL
23	813001	Other Gas Supply Expense	0	100.000	0	DALL
24		Total Other Gas Supply Expense	<u>36,858,661</u>		<u>36,858,661</u>	
25						
26		<b>Transmission Expense</b>				
27		<b>Operation</b>				
28	850001	Supervision and Engineering	0	100.000	0	DALL
29		Total Operation	<u>0</u>		<u>0</u>	
30						
31		<b>Maintenance</b>				
32	863000	Supervision and Engineering	0	100.000	0	DALL
33		Total Maintenance	<u>0</u>		<u>0</u>	
34		Total Transmission Expense	<u>0</u>		<u>0</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPC-2.1a

SCHEDULE C-2.1  
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WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>Distribution Expenses</b>				
2						
3		<b>Operation</b>				
5	871000	Load Dispatching	185,332	100.000	185,332	DALL
6	874000	Mains and Services	2,548,186	100.000	2,548,186	DALL
7	875000	Measuring and Reg. Stations - General	0	100.000	0	DALL
8	876000	Measuring and Reg. Stations - Industrial	0	100.000	0	DALL
9	878000	Meters and House Regulators	2,305,785	100.000	2,305,785	DALL
10	879000	Customer Installations	1,353,005	100.000	1,353,005	DALL
11	880000	Other Expenses	2,398,505	100.000	2,398,505	DALL
12		Total Operation	<u>8,790,813</u>		<u>8,790,813</u>	
13						
14						
15		<b>Maintenance</b>				
16	887000	Mains	2,158,350	100.000	2,158,350	DALL
17	889000	Measuring and Regulating Stations - General	66,190	100.000	66,190	DALL
18	892000	Services	596,174	100.000	596,174	DALL
19	893000	Meters	277,999	100.000	277,999	DALL
20	894000	Other	52,951	100.000	52,951	DALL
21		Total Maintenance	<u>3,151,664</u>		<u>3,151,664</u>	
22		Total Distribution Expenses	<u>11,942,477</u>		<u>11,942,477</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
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WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>Customer Accounts Expense</b>				
2						
3		<b>Operation</b>				
4	901000	Supervision & Engineering	185,894	100.000	185,894	DALL
5	902000	Meter Reading Expense	15,923	100.000	15,923	DALL
6	903	Customer Records & Collections	2,595,599	100.000	2,595,599	DALL
7	904	Uncollectible Accounts	378,591	100.000	378,591	DALL
8	426	Sale of A/R	105,421	100.000	105,421	DALL
9	905000	Cust Relations Billg & Coll-Gas	0	100.000	0	DALL
10		Total Customer Accounts Expense	<u>3,281,428</u>		<u>3,281,428</u>	
11						
12		<b>Customer Services &amp; Information Expense</b>				
13						
14		<b>Operation</b>				
15	908	Customer Assistance	105,903	Alloc Sch F-3	105,903	DALL
16	909	Information and Instructional Advertising	0	Alloc Sch F-3	0	DALL
17	910	Misc Cust Serv and Info - Gas	320,933	Alloc Sch F-3	320,933	DALL
18		Total Customer Services & Information Expense	<u>426,836</u>		<u>426,836</u>	
19						
20		<b>Sales Expense</b>				
21						
22						
23		<b>Operation</b>				
24	911000	Supervision	20,643	Alloc Sch F-3	20,643	DALL
25	912000	Demonstrating & Selling	173,485	Alloc Sch F-3	173,485	DALL
26	913001	Advertising Expense	6,339	Alloc Sch F-3	6,339	DALL
27		Total Sales Expense	<u>200,467</u>		<u>200,467</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

SCHEDULE C-2.1  
PAGE 14 OF 16  
WITNESS RESPONSIBLE:  
S. E. LAWLER

DATA: BASE PERIOD "X" FORECASTED PERIOD  
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WORK PAPER REFERENCE NO(S):: WPC-2.1a

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>Administrative &amp; General Expense</b>				
2						
3		<b>Operation</b>				
4	920000	Administrative & General Salaries	2,190,228	100.000	2,190,228	DALL
5	921	Office Supplies & Expenses	999,204	100.000	999,204	DALL
6	922000	Adm. Expenses Transferred - Credit	0	100.000	0	DALL
7	923	Outside Services Employed	461,280	100.000	461,280	DALL
8	924	Property Insurance	61,536	100.000	61,536	DALL
9	925	Injuries & Damages	90,396	100.000	90,396	DALL
10	926	Employee Pension & Benefits	2,381,447	100.000	2,381,447	DALL
11	928	State Reg. Commission Expense	203,247	100.000	203,247	DALL
12	929	Duplicate Charges-Credit	(11,725)	100.000	(11,725)	DALL
13	930150	Miscellaneous Advertising Exp	38,844	100.000	38,844	DALL
14	930200	Misc General Expenses	489,723	100.000	489,723	DALL
15	930210	Industry Association Dues	0	100.000	0	DALL
16	930220	Exp Of Servicing Securities	0	100.000	0	DALL
17	930230	Dues To Various Organizations	13,419	100.000	13,419	DALL
18	930240	Director's Expenses	8,400	100.000	8,400	DALL
19	930250	Buy/Sell Transf Employee Homes	555	100.000	555	DALL
20	930700	Research & Development	0	100.000	0	DALL
21	930940	General Expenses	0	100.000	0	DALL
14	931	Rents	37,222	100.000	37,222	DALL
15		Total Operation	<u>6,963,776</u>		<u>6,963,776</u>	
16						
17		<b>Maintenance</b>				
18	935000	Maintenance of General Plant	97	100.000	97	DALL
19		Total Administrative & General	<u>6,963,873</u>		<u>6,963,873</u>	
20		Total Operating Expense	<u>60,585,345</u>		<u>60,585,345</u>	
21						
22		<b>Other Expense</b>				
23		<b>Operation</b>				
24	407355	DSM Amortization	0	100.000	0	DALL
25						
26		<b>Depreciation Expense</b>				
27	403	Depreciation Expense	14,349,517	100.000	14,349,517	DALL
28	404	Amortization Expense	1,350,115	100.000	1,350,115	DALL
29		Total Depreciation Expense	<u>15,699,632</u>		<u>15,699,632</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL  
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WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>TAXES OTHER THAN INCOME TAXES</b>				
2						
3		<b>Other Federal Taxes</b>				
4	408152	Insurance Contribution	0	100.000	0	DALL
5	408151	Unemployment Compensation	0	100.000	0	DALL
6	408800	Federal Highway Use	0	100.000	0	DALL
7		Total Other Federal	<u>0</u>		<u>0</u>	
8						
9		<b>State and Other Taxes</b>				
10	408040	Taxes Property-Allocated	33,045	100.000	33,045	DALL
11	408150	Unemployment Compensation	0	100.000	0	DALL
12	408121	Property Tax	3,400,416	100.000	3,400,416	DALL
13	408550	Kentucky Highway Use	0	100.000	0	DALL
14	408205	Highway Use	0	100.000	0	DALL
15	408470	Franchise Tax	0	100.000	0	DALL
16	408851	Sales and Use Tax	0	100.000	0	DALL
17	408960	Allocated Payroll Taxes	708,964	100.000	708,964	DALL
18		Total State & Other	<u>4,142,425</u>		<u>4,142,425</u>	
19						
20		Total Taxes Other Than				
21		Income Taxes	<u>4,142,425</u>		<u>4,142,425</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):: WPC-2.1a

SCHEDULE C-2.1  
PAGE 16 OF 16  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		<b>State Income Taxes</b>				
2	409160	Normal and Surtax	(215,575)	COMPUTED	(215,575)	
3	409104	State Income Tax - Pr. Yr. Adj.	0	100.000	0	DALL
4		State Income Tax - Current	<u>(215,575)</u>		<u>(215,575)</u>	
5						
6	410160, 411107	Deferred State Income Taxes - Net	404,390	100.000	404,390	DALL
7						
8		Total State Income Taxes	<u>188,815</u>		<u>188,815</u>	
9						
10						
11		<b>Federal Income Tax Expense</b>				
12	409060	Normal and Surtax	327,143	COMPUTED	327,143	
13	409193	Federal Income Tax - Pr. Yr. Adj.	0	100.000	0	DALL
14	409980	Allocated from the Service Company	0	100.000	0	DALL
15		Federal Income Tax - Current	<u>327,143</u>		<u>327,143</u>	
16						
17	410060	Deferred Federal Income Taxes - Net	488,412	100.000	488,412	DALL
18	411065	Amortization of Investment Tax Credit	(66,055)	100.000	(66,055)	DALL
19						
20		Total Federal Income Taxes	<u>749,500</u>		<u>749,500</u>	
21		Total Operating Expenses & Taxes	<u>81,365,717</u>		<u>81,365,717</u>	
22		Net Operating Income	<u>13,154,573</u>		<u>13,154,573</u>	

Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

SECTION D

SECTION D  
OPERATING INCOME ADJUSTMENTS  
DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended November 30, 2018

Forecasted Period: Twelve Months Ended March 31, 2020

Schedules

D-1	Summary of Utility Jurisdictional Adjustments
D-2.1	Adjust Revenue
D-2.2	Adjust Purchased Gas Cost
D-2.3	Adjust Other Production Expense
D-2.4	Adjust Other Gas Supply Expense
D-2.5	Adjust Transmission Expense
D-2.6	Adjust Distribution Expense
D-2.7	Adjust Customer Account Expense
D-2.8	Adjust Customer Service and Information Expense
D-2.9	Adjust Sales Expense
D-2.10	Adjust A&G Expense
D-2.11	Adjust Other Operating Expense
D-2.12	Adjust Depreciation Expense
D-2.13	Adjust Other Tax Expense
D-2.14	Adjust Income Tax Expense
D-2.15	Adjust Uncollectible Expense
D-2.16	Rate Case Expense
D-2.17	Amortization of Deferred Expense
D-2.18	Interest Expense Adjustment
D-2.19	Eliminate Non-Kentucky Customer
D-2.20	Integrity Management Expenses
D-2.21	Amortization of ASRP 2018 FIT Changes
D-2.22	Eliminate Miscellaneous Expenses
D-2.23	Annualize Depreciation Expense
D-2.24	Eliminate Unbilled Revenue & Gas Costs
D-2.25	Adjust Revenue
D-2.26	Incentive Compensation
D-3	Summary of Jurisdictional Factors
D-4	Jurisdictional Statistics
D-5	Explanation of Changes in Jurisdictional Procedures

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO  
OPERATING INCOME BY MAJOR ACCOUNTS  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE D-1  
PAGE 1 OF 7  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ELEMENT of OPERATING INCOME SCHEDULE REFERENCE	TOTAL SCHEDULE D-1	TOTAL ADJ. TO BASE PERIOD SCH D-1, PG. 2	TOTAL PRO FORMA ADJ. TO FORECASTED PERIOD SCH D-1, PG. 5
1	<b>Operating Revenue</b>			
2	Base	(547,298)	(2,003,777)	1,456,479
3	Gas Cost	(9,149,070)	(9,068,523)	(80,547)
4	Other Revenue	2,641,679	3,155,771	(514,092)
5	Total Revenue	<u>(7,054,689)</u>	<u>(7,916,529)</u>	<u>861,840</u>
6				
7	<b>Operating Expenses</b>			
8	Operation and Maint. Expenses			
9	Production Expenses			
10	Liquefied Petroleum Gas	(1,531,695)	(1,531,695)	0
11	Other	456,674	839,469	(382,795)
12	Total Production Expense	<u>(1,075,021)</u>	<u>(692,226)</u>	<u>(382,795)</u>
13				
14	Other Gas Supply Expenses			
15	Purchased Gas	(7,450,751)	(7,370,202)	(80,549)
16	Other	(671,111)	(671,111)	0
17	Total Other Gas Supply Expenses	<u>(8,121,862)</u>	<u>(8,041,313)</u>	<u>(80,549)</u>
18	Transmission Expense	0	0	0
19	Distribution Expense	2,933,493	1,970,875	962,618
20	Customer Accounts Expense	(1,106,123)	(497,608)	(608,515)
21	Customer Serv & Info Expense	(28,558)	(7,963)	(20,595)
22	Sales Expense	25,898	32,237	(6,339)
23	Admin & General Expense	(1,077,975)	(593,730)	(484,245)
24	Other	1,344,678	801,635	543,043
25	Total Oper and Maint Expenses	<u>(7,105,470)</u>	<u>(7,028,093)</u>	<u>(77,377)</u>
26				
27	Depreciation Expense	219,545	1,303,985	(1,084,440)
28				
29	Taxes Other Than Income Taxes			
30	Other Federal Taxes	(206,000)	(206,000)	0
31	State and Other Taxes	697,358	742,096	(44,738)
32	Total Taxes Other Than Income Tax	<u>491,358</u>	<u>536,096</u>	<u>(44,738)</u>
33				
34	State Income Taxes			
35	Normal and Surtax	(490,628)	(562,994)	72,366
36	Deferred Inc Tax - Net	51,687	5,117	46,570
37	Total State Income Tax Expense	<u>(438,941)</u>	<u>(557,877)</u>	<u>118,936</u>
38				
39	Federal Income Taxes			
40	Normal and Surtax	(3,074,411)	(3,365,082)	290,671
41	Deferred Inc Tax - Net	1,664,594	1,477,523	187,071
42	Amortization of Investment Tax Credit	1,186	1,186	0
43	Total Federal Income Tax Expense	<u>(1,408,631)</u>	<u>(1,886,373)</u>	<u>477,742</u>
44				
45	Total Oper. Expenses and Tax	<u>(8,242,139)</u>	<u>(7,632,262)</u>	<u>(609,877)</u>
46				
47	Net Operating Income	<u>1,187,450</u>	<u>(284,267)</u>	<u>1,471,717</u>

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO  
OPERATING INCOME BY MAJOR ACCOUNTS  
**ADJUSTMENTS TO THE BASE PERIOD**  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE D-1  
PAGE 2 OF 7  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ELEMENT of OPERATING INCOME	SCHEDULE REFERENCE	TOTAL	ADJUST	ADJUST	ADJUST	ADJUST	ADJUST
			ADJ. TO BASE PERIOD	REVENUE	PURCHASED GAS COST	OTHER PROD. EXP.	OTHER GAS SUPPLY EXP.	TRANSMISSION EXPENSE
			D-2.1 thru D-2.14	D-2.1	D-2.2	D-2.3	D-2.4	D-2.5
1	<b>Operating Revenue</b>							
2	Base		(2,003,777)	(2,003,777)				
3	Gas Cost		(9,068,523)	(9,068,523)				
4	Other Revenue		3,155,771	3,155,771				
5	Total Revenue		<u>(7,916,529)</u>	<u>(7,916,529)</u>	0	0	0	0
6								
7	<b>Operating Expenses</b>							
8	Operation and Maint. Expenses							
9	Production Expenses							
10	Liquefied Petroleum Gas		(1,531,695)		(1,531,695)			
11	Other		839,469			839,469		
12	Total Production Expense		<u>(692,226)</u>	0	<u>(1,531,695)</u>	<u>839,469</u>	0	0
13								
14	Other Gas Supply Expenses							
15	Purchased Gas		(7,370,202)		(7,370,202)			
16	Other		(671,111)				(671,111)	
17	Total Other Gas Supply Expenses		<u>(8,041,313)</u>	0	<u>(7,370,202)</u>	0	<u>(671,111)</u>	0
18	Transmission Expense		0					0
19	Distribution Expense		1,970,875					
20	Customer Accounts Expense		(497,608)					
21	Customer Serv & Info Expense		(7,963)					
22	Sales Expense		32,237					
23	Admin. & General Expense		(593,730)					
24	Other		801,635					
25	Total Oper and Maint Expenses		<u>(7,028,093)</u>	0	<u>(8,901,897)</u>	<u>839,469</u>	<u>(671,111)</u>	0
26								
27	Depreciation Expense		1,303,985	0	0	0	0	0
28								
29	Taxes Other Than Income Taxes							
30	Other Federal Taxes		(206,000)					
31	State and Other Taxes		742,096					
32	Total Taxes Other Than Income Tax		<u>536,096</u>	0	0	0	0	0
33								
34	State Income Taxes							
35	Normal and Surtax		(562,994)	(393,333)	442,291	(41,709)	33,344	0
36	Deferred Inc Tax - Net		5,117					
37	Total State Income Tax Expense		<u>(557,877)</u>	<u>(393,333)</u>	<u>442,291</u>	<u>(41,709)</u>	<u>33,344</u>	0
38								
39	Federal Income Taxes							
40	Normal and Surtax		(3,365,082)	(1,579,871)	1,776,517	(167,530)	133,931	0
41	Deferred Inc Tax - Net		1,477,523					
42	Amortization of Investment Tax Credit		1,186					
43	Total Federal Income Tax Expense		<u>(1,886,373)</u>	<u>(1,579,871)</u>	<u>1,776,517</u>	<u>(167,530)</u>	<u>133,931</u>	0
44								
45	Total Oper. Expenses and Tax		<u>(7,632,262)</u>	<u>(1,973,204)</u>	<u>(6,683,089)</u>	<u>630,230</u>	<u>(503,836)</u>	0
46								
47	Net Operating Income		<u>(284,267)</u>	<u>(5,943,325)</u>	<u>6,683,089</u>	<u>(630,230)</u>	<u>503,836</u>	0

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO  
OPERATING INCOME BY MAJOR ACCOUNTS  
**ADJUSTMENTS TO THE BASE PERIOD**  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SEE BELOW.

SCHEDULE D-1  
PAGE 3 OF 7  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ELEMENT of OPERATING INCOME	ADJUST DISTRIBUTION EXPENSE	ADJUST CUSTOMER ACCOUNTS EXP.	ADJUST CUST. SERV. & INFO. EXP.	ADJUST SALES EXPENSE	ADJUST A&G EXPENSE	ADJUST OTHER OPER. EXPENSE
	SCHEDULE REFERENCE	D-2.6	D-2.7	D-2.8	D-2.9	D-2.10	D-2.11
1	<b>Operating Revenue</b>						
2	Base						
3	Gas Cost						
4	Other Revenue						
5	Total Revenue	0	0	0	0	0	0
6							
7	<b>Operating Expenses</b>						
8	Operation and Maint. Expenses						
9	Production Expenses						
10	Liquefied Petroleum Gas						
11	Other						
12	Total Production Expense	0	0	0	0	0	0
13							
14	Other Gas Supply Expenses						
15	Purchased Gas						
16	Other						
17	Total Other Gas Supply Expenses	0	0	0	0	0	0
18	Transmission Expense						
19	Distribution Expense	1,970,875					
20	Customer Accounts Expense		(497,608)				
21	Customer Serv & Info Expense			(7,963)			
22	Sales Expense				32,237		
23	Admin & General Expense					(593,730)	
24	Other						801,635
25	Total Oper and Maint Expenses	1,970,875	(497,608)	(7,963)	32,237	(593,730)	801,635
26							
27	Depreciation Expense						
28							
29	Taxes Other Than Income Taxes						
30	Other Federal Taxes						
31	State and Other Taxes						
32	Total Taxes Other Than Income Tax	0	0	0	0	0	0
33							
34	State Income Taxes						
35	Normal and Surtax	(97,923)	24,724	396	(1,602)	29,499	(39,829)
36	Deferred Inc Tax - Net						
37	Total State Income Tax Expense	(97,923)	24,724	396	(1,602)	29,499	(39,829)
38							
39	Federal Income Taxes						
40	Normal and Surtax	(393,320)	99,306	1,589	(6,433)	118,489	(159,979)
41	Deferred Inc Tax - Net						
42	Amortization of Investment Tax Credit						
43	Total Federal Income Tax Expense	(393,320)	99,306	1,589	(6,433)	118,489	(159,979)
44							
45	Total Oper. Expenses and Tax	1,479,632	(373,578)	(5,978)	24,202	(445,742)	601,827
46							
47	Net Operating Income	(1,479,632)	373,578	5,978	(24,202)	445,742	(601,827)

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO  
OPERATING INCOME BY MAJOR ACCOUNTS  
**ADJUSTMENTS TO THE BASE PERIOD**  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
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SCHEDULE D-1  
PAGE 4 OF 7  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ELEMENT of OPERATING INCOME SCHEDULE REFERENCE	ADJUST DEPRECIATION EXPENSE D-2.12	ADJUST OTHER TAX EXP. D-2.13	ADJUST INCOME TAXES D-2.14
1	<b>Operating Revenue</b>			
2	Base			
3	Gas Cost			
4	Other Revenue			
5	Total Revenue	0	0	0
6				
7	<b>Operating Expenses</b>			
8	Operation and Maint. Expenses			
9	Production Expenses			
10	Liquefied Petroleum Gas			
11	Other			
12	Total Production Expense	0	0	0
13				
14	Other Gas Supply Expenses			
15	Purchased Gas			
16	Other			
17	Total Other Gas Supply Expenses	0	0	0
18	Transmission Expense			
19	Distribution Expense			
20	Customer Accounts Expense			
21	Customer Serv & Info Expense			
22	Sales Expense			
23	Admin & General Expense			
24	Other			
25	Total Oper and Maint Expenses	0	0	0
26				
27	Depreciation Expense	1,303,985	0	0
28				
29	Taxes Other Than Income Taxes			
30	Other Federal Taxes		(206,000)	
31	State and Other Taxes		742,096	
32	Total Taxes Other Than Income Tax	0	536,096	0
33				
34	State Income Taxes			
35	Normal and Surtax	(64,788)	(26,636)	(427,428)
36	Deferred Inc Tax - Net			5,117
37	Total State income Tax Expense	(64,788)	(26,636)	(422,311)
38				
39	Federal Income Taxes			
40	Normal and Surtax	(260,231)	(106,987)	(2,820,563)
41	Deferred Inc Tax - Net			1,477,523
42	Amortization of Investment Tax Credit			1,186
43	Total Federal Income Tax Expense	(260,231)	(106,987)	(1,341,854)
44				
45	Total Oper. Expenses and Tax	978,966	402,473	(1,764,165)
46				
47	Net Operating Income	(978,966)	(402,473)	1,764,165

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO  
OPERATING INCOME BY MAJOR ACCOUNTS  
**PRO FORMA ADJUSTMENTS TO THE FORECASTED PERIOD**  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
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SCHEDULE D-1  
PAGE 5 OF 7  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ELEMENT of OPERATING INCOME SCHEDULE REFERENCE	TOTAL PRO FORMA ADJUSTMENTS D-2.15 thru D-2.26	ADJUST UNCOLLECTIBLE EXPENSE D-2.15	RATE CASE EXPENSE D-2.16	AMORTIZATION OF DEFERRED EXPENSE D-2.17	INTEREST EXPENSE D-2.18	ELIM NON-KY CUST PORTION D-2.19
1	<b>Operating Revenue</b>						
2	Base	1,456,479					
3	Gas Cost	(80,547)					
4	Other Revenue	(514,092)					(514,092)
5	Total Revenue	861,840	0	0	0	0	(514,092)
6							
7	<b>Operating Expenses</b>						
8	Operation and Maint. Expenses						
9	Production Expenses						
10	Liquefied Petroleum Gas	0					
11	Other	(382,795)					(382,795)
12	Total Production Expense	(382,795)	0	0	0	0	(382,795)
13							
14	Other Gas Supply Expenses						
15	Purchased Gas	(80,549)					
16	Other	0					
17	Total Other Gas Supply Expenses	(80,549)	0	0	0	0	0
18	Transmission Expense	0					
19	Distribution Expense	962,618					(102,870)
20	Customer Accounts Expense	(608,515)	(588,781)				
21	Customer Serv & Info Expense	(20,595)					
22	Sales Expense	(6,339)					
23	Admin. & General Expense	(484,245)		115,100			
24	Other	543,043			577,423		
25	Total Oper and Maint Expenses	(77,377)	(588,781)	115,100	577,423	0	(485,665)
26							
27	Depreciation Expense	(1,084,440)	0	0	0	0	0
28							
29	Taxes Other Than Income Taxes						
30	Other Federal Taxes	0					
31	State and Other Taxes	(44,738)					(44,738)
32	Total Taxes Other Than income Tax	(44,738)	0	0	0	0	(44,738)
33							
34	State Income Taxes						
35	Normal and Surtax	72,366	29,254	(5,719)	(28,689)	16,168	12,123
36	Deferred Inc Tax - Net	46,570					(11,312)
37	Total State Income Tax Expense	118,936	29,254	(5,719)	(28,689)	16,168	811
38							
39	Federal Income Taxes						
40	Normal and Surtax	290,671	117,501	(22,970)	(115,234)	64,943	48,692
41	Deferred Inc Tax - Net	187,071					(45,422)
42	Amortization of Investment Tax Credit	0					
43	Total Federal Income Tax Expense	477,742	117,501	(22,970)	(115,234)	64,943	3,270
44							
45	Total Oper. Expenses and Tax	(609,877)	(442,026)	86,411	433,500	81,111	(526,322)
46							
47	Net Operating Income	1,471,717	442,026	(86,411)	(433,500)	(81,111)	12,230

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO  
OPERATING INCOME BY MAJOR ACCOUNTS  
**PRO FORMA ADJUSTMENTS TO THE FORECASTED PERIOD**  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):: SEE BELOW

SCHEDULE D-1  
PAGE 6 OF 7  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ELEMENT of OPERATING INCOME SCHEDULE REFERENCE	INTEGRITY MANAGEMENT EXPENSES D-2.20	AMORTIZATION OF ASRP 2018 FIT CHANGES D-2.21	ELIMINATE MISCELLANEOUS EXPENSES D-2.22	ANNUALIZE DEPRECIATION D-2.23	ELIMINATE UNBILLED REVENUE & GAS COSTS D-2.24	ADJUST REVENUE D-2.25
1	<b>Operating Revenue</b>						
2	Base					(309,531)	1,766,010
3	Gas Cost					(80,547)	
4	Other Revenue						
5	Total Revenue	0	0	0	0	(390,078)	1,766,010
6							
7	<b>Operating Expenses</b>						
8	Operation and Maint. Expenses						
9	Production Expenses						
10	Liquefied Petroleum Gas						
11	Other						
12	Total Production Expense	0	0	0	0	0	0
13							
14	Other Gas Supply Expenses						
15	Purchased Gas					(80,549)	
16	Other						
17	Total Other Gas Supply Expenses	0	0	0	0	(80,549)	0
18	Transmission Expense						
19	Distribution Expense	1,065,488					
20	Customer Accounts Expense			(19,734)			
21	Customer Serv & Info Expense			(20,595)			
22	Sales Expense			(6,339)			
23	Admin & General Expense			(322,075)			
24	Other		(34,380)				
25	Total Oper and Maint Expenses	1,065,488	(34,380)	(368,743)	0	(80,549)	0
26							
27	Depreciation Expense				(1,084,440)		
28							
29	Taxes Other Than Income Taxes						
30	Other Federal Taxes						
31	State and Other Taxes						
32	Total Taxes Other Than Income Tax	0	0	0	0	0	0
33							
34	State Income Taxes						
35	Normal and Surtax	(52,939)	1,708	18,321	0	(19,381)	87,744
36	Deferred Inc Tax - Net				53,880	4,002	
37	Total State Income Tax Expense	(52,939)	1,708	18,321	53,880	(15,379)	87,744
38							
39	Federal Income Taxes						
40	Normal and Surtax	(212,635)	6,861	73,589	0	(77,846)	352,436
41	Deferred Inc Tax - Net				216,418	16,075	
42	Amortization of Investment Tax Credit						
43	Total Federal Income Tax Expense	(212,635)	6,861	73,589	216,418	(61,771)	352,436
44							
45	Total Oper. Expenses and Tax	799,914	(25,811)	(276,833)	(814,142)	(157,699)	440,180
46							
47	Net Operating Income	(799,914)	25,811	276,833	814,142	(232,379)	1,325,830

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO  
OPERATING INCOME BY MAJOR ACCOUNTS  
**PRO FORMA ADJUSTMENTS TO THE FORECASTED PERIOD**  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):: SEE BELOW

SCHEDULE D-1  
PAGE 7 OF 7  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ELEMENT of OPERATING INCOME	INCENTIVE COMPENSATION	RESERVED	RESERVED	RESERVED	RESERVED	RESERVED
	SCHEDULE REFERENCE	D-2.26	D-2.27	D-2.28	D-2.29	D-2.30	D-2.31
1	<b>Operating Revenue</b>						
2	Base						
3	Gas Cost						
4	Other Revenue						
5	Total Revenue	0	0	0	0	0	0
6							
7	<b>Operating Expenses</b>						
8	Operation and Maint. Expenses						
9	Production Expenses						
10	Liquefied Petroleum Gas						
11	Other						
12	Total Production Expense	0	0	0	0	0	0
13							
14	Other Gas Supply Expenses						
15	Purchased Gas						
16	Other						
17	Total Other Gas Supply Expenses	0	0	0	0	0	0
18	Transmission Expense						
19	Distribution Expense						
20	Customer Accounts Expense						
21	Customer Serv & Info Expense						
22	Sales Expense						
23	Admin & General Expense	(277,270)					0
24	Other						
25	Total Oper and Maint Expenses	(277,270)	0	0	0	0	0
26							
27	Depreciation Expense	0	0	0	0	0	0
28							
29	Taxes Other Than Income Taxes						
30	Other Federal Taxes						
31	State and Other Taxes	0					
32	Total Taxes Other Than Income Tax	0	0	0	0	0	0
33							
34	State Income Taxes						
35	Normal and Surtax	13,776	0	0	0	0	0
36	Deferred Inc Tax - Net						
37	Total State Income Tax Expense	13,776	0	0	0	0	0
38							
39	Federal Income Taxes						
40	Normal and Surtax	55,334	0	0	0	0	0
41	Deferred Inc Tax - Net						
42	Amortization of Investment Tax Credit						
43	Total Federal Income Tax Expense	55,334	0	0	0	0	0
44							
45	Total Oper. Expenses and Tax	(208,160)	0	0	0	0	0
46							
47	Net Operating Income	208,160	0	0	0	0	0

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST BASE PERIOD REVENUE TO FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.1a

SCHEDULE D-2.1  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust base period revenue to the level of revenue in the forecasted period.	
Base Revenue	To Sch D-1 Summary <-- \$ (2,003,777)
Gas Cost Revenue	To Sch D-1 Summary <-- (9,068,523)
Other Revenue	To Sch D-1 Summary <-- <u>3,155,771</u>
Total Revenue Adjustment	\$ (7,916,529)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	<u>\$ (7,916,529)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST BASE PERIOD PURCHASED GAS COST TO FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.2a

SCHEDULE D-2.2  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust base period purchase gas costs to the level of costs in the forecasted period.	
Liquefied Petroleum Gas	\$ (1,531,695)
Purchased Gas	<u>(7,370,202)</u>
Total Purchased Gas Cost Expenses	\$ (8,901,897)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (8,901,897)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST BASE PERIOD OTHER PRODUCTION EXPENSES TO FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.3a

SCHEDULE D-2.3  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

PURPOSE AND DESCRIPTION	AMOUNT
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PURPOSE AND DESCRIPTION: To adjust base period other production expenses to the level of expenses in the forecasted period.

Other Production Expenses	\$	839,469
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	<u>\$ 839,469</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST BASE PERIOD OTHER GAS SUPPLY EXPENSES TO FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.4a

SCHEDULE D-2.4  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

---

PURPOSE AND DESCRIPTION

AMOUNT

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PURPOSE AND DESCRIPTION: To adjust base period other gas supply expenses to the level of expenses in the forecasted period.

Other Gas Supply Expenses		\$ (671,111)
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	<u>\$ (671,111)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST BASE PERIOD TRANSMISSION EXPENSES TO FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.5a

SCHEDULE D-2.5  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

---

PURPOSE AND DESCRIPTION

AMOUNT

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PURPOSE AND DESCRIPTION: To adjust base period transmission expenses to the level of expenses in the forecasted period.

Transmission Expenses

\$ -

Jurisdictional allocation percentage (A)

100.000%

Jurisdictional amount

To Sch D-1 Summary <---

\$ 0

(A) Allocation Code -

DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST BASE PERIOD DISTRIBUTION EXPENSES TO FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.6a

SCHEDULE D-2.6  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

---

PURPOSE AND DESCRIPTION

AMOUNT

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PURPOSE AND DESCRIPTION: To adjust base period distribution expenses to the level of expenses in the forecasted period.

Distribution Expenses		\$ 1,970,875
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	<u>\$ 1,970,875</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST BASE PERIOD CUSTOMER ACCOUNTS EXPENSES TO FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.7a

SCHEDULE D-2.7  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

---

PURPOSE AND DESCRIPTION

AMOUNT

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PURPOSE AND DESCRIPTION: To adjust base period customer accounts expenses to the level of expenses in the forecasted period.

Customer Accounts Expenses		\$ (497,608)
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	<u>\$ (497,608)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST BASE PERIOD CUSTOMER SERVICE & INFORMATION EXPENSES TO FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.8a

SCHEDULE D-2.8  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

---

PURPOSE AND DESCRIPTION

AMOUNT

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PURPOSE AND DESCRIPTION: To adjust base period customer service & information expense to the level of expenses in the forecasted period.

Customer Service & Information Expenses	\$	(7,963)
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	\$ <u>(7,963)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST BASE PERIOD SALES EXPENSES TO FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.9a

SCHEDULE D-2.9  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

---

PURPOSE AND DESCRIPTION

AMOUNT

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PURPOSE AND DESCRIPTION: To adjust base period sales expense to the level of expenses in the forecasted period.

Sales Expenses		\$ 32,237
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	\$ <u>32,237</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST BASE PERIOD A&G EXPENSES TO FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.10a

SCHEDULE D-2.10  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

---

PURPOSE AND DESCRIPTION

AMOUNT

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PURPOSE AND DESCRIPTION: To adjust base period A&G expense to the level of expenses in the forecasted period.

A&G Expenses		\$ (593,730)
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	<u>\$ (593,730)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST OTHER OPERATING EXPENSE TO FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.11a

SCHEDULE D-2.11  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

---

PURPOSE AND DESCRIPTION

AMOUNT

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PURPOSE AND DESCRIPTION: To adjust base period other operating expense to the level in the forecasted period.

Other Operating Expense	\$ 801,635
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 801,635</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST BASE PERIOD DEPRECIATION EXPENSE TO FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.12a

SCHEDULE D-2.12  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

---

PURPOSE AND DESCRIPTION

AMOUNT

---

PURPOSE AND DESCRIPTION: To adjust base period depreciation expense to the level of expenses in the forecasted period.

Depreciation Expense		\$	1,303,985
Jurisdictional allocation percentage (A)			<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	\$	<u>1,303,985</u>

(A) Allocation Code -

DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST BASE PERIOD OTHER TAX EXPENSE TO FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.13a

SCHEDULE D-2.13  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust base period other tax expense to the level of the forecasted period.	
Other Federal Taxes	\$ (206,000)
State and Other Taxes	<u>742,096</u>
Total Taxes Other than Income Taxes	\$ 536,096
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 536,096</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST BASE PERIOD INCOME TAX EXPENSE TO FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.14a

SCHEDULE D-2.14  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust base period income tax expense to the level of the forecasted period.	
State Income Taxes	
Current	\$ (427,428)
Deferrals	5,117
Federal Income Taxes	
Current	\$ (2,820,563)
Deferrals	1,477,523
Amortization of ITC	<u>1,186</u>
Total Income Taxes	\$ (1,764,165)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (1,764,165)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST UNCOLLECTIBLE EXPENSE  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.15a

SCHEDULE D-2.15  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the reclassification of the "time value of money" portion of the total discount expense from uncollectible expense to interest expense.	
Time Value of Money Reclassification	\$ (619,051)
Uncollectible Expense Annualization	<u>30,270</u>
Total Uncollectible Expense Adjustment	\$ (588,781)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>(588,781)</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
RATE CASE EXPENSE  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE F-6, WPD-2.16a.

SCHEDULE D-2.16  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the estimated cost of presenting this case as reflected on Schedule F-6, amortized over a five year period.	
Total	\$ 115,100
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 115,100</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
AMORTIZATION OF DEFERRED EXPENSE  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):: WPD-2.17a

SCHEDULE D-2.17  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

---

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE AND DESCRIPTION: To include in operating expense the amortization of deferred expenses.	
Total	\$ 577,423
Jurisdictional allocation percentage (A)	100.000%
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>577,423</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
INTEREST EXPENSE DEDUCTIBLE  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.18a, WPD-2.18b

SCHEDULE D-2.18  
PAGE 1 OF 2  
WITNESS RESPONSIBLE:  
S. E. LAWLER

---

PURPOSE AND DESCRIPTION

AMOUNT

---

PURPOSE AND DESCRIPTION: To reflect federal income taxes at 21% due to interest deductible for tax purposes being based on allocated interest costs based on Proforma interest charges as contained on Schedule J-1.

Total	\$ 64,943
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>64,943</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
INTEREST EXPENSE DEDUCTIBLE  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.18a, WPD-2.18b

SCHEDULE D-2.18  
PAGE 2 OF 2  
WITNESS RESPONSIBLE:  
S. E. LAWLER

---

PURPOSE AND DESCRIPTION

AMOUNT

---

PURPOSE AND DESCRIPTION: To reflect state income taxes at 5.00% due to interest deductible for tax purposes being based on allocated interest costs based on Proforma interest charges as contained on Schedule J-1.

Total		\$	16,168
Jurisdictional allocation percentage (A)			<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	\$	<u>16,168</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ELIMINATE REVENUES RELATED TO FACILITIES DEVOTED  
TO OTHER THAN DUKE ENERGY KENTUCKY CUSTOMERS  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.19a through WPD-2.19f

SCHEDULE D-2.19  
PAGE 1 OF 4  
WITNESS RESPONSIBLE:  
S. E. LAWLER

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the elimination of revenues related to facilities devoted to other than Duke Energy Kentucky customers.	
Other Revenue	\$ (514,092)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---- <u>\$ (514,092)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ELIMINATE O&M RELATED TO FACILITIES DEVOTED  
TO OTHER THAN DUKE ENERGY KENTUCKY CUSTOMERS  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.19a through WPD-2.19f

SCHEDULE D-2.19  
PAGE 2 OF 4  
WITNESS RESPONSIBLE:  
S. E. LAWLER

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the elimination of O&M expenses and associated payroll overheads related to facilities devoted to other than Duke Energy Kentucky customers.	
Production Expenses	To Sch D-1 Summary <---- \$ (382,795)
Distribution Expenses	To Sch D-1 Summary <---- (102,870)
Total	<u>\$ (485,665)</u>
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	<u>\$ (485,665)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ELIMINATE PROPERTY TAX RELATED TO FACILITIES DEVOTED  
TO OTHER THAN DUKE ENERGY KENTUCKY CUSTOMERS  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.19a through WPD-2.19f

SCHEDULE D-2.19  
PAGE 3 OF 4  
WITNESS RESPONSIBLE:  
S. E. LAWLER

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the elimination of Property Tax related to facilities devoted to other than Duke Energy Kentucky customers.	
State and Other Taxes	\$ (44,738)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---- <u>\$ (44,738)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ELIMINATE DEFERRED TAXES RELATED TO FACILITIES DEVOTED  
TO OTHER THAN DUKE ENERGY KENTUCKY CUSTOMERS  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.19a through WPD-2.19f

SCHEDULE D-2.19  
PAGE 4 OF 4  
WITNESS RESPONSIBLE:  
S. E. LAWLER

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the elimination of state and federal deferred taxes which are related to facilities devoted to other than Duke Energy Kentucky customers.	
<b>State</b>	
Deferrals:	
Liberalized Depreciation	11,312
To Sch D-1 Summary <----	11,312
<b>Federal</b>	
Deferrals:	
Liberalized Depreciation	45,422
To Sch D-1 Summary <----	45,422
Total Deferred Taxes	56,734
Jurisdictional allocation percentage (A)	100.000%
Jurisdictional amount	56,734

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
INTEGRITY MANAGEMENT  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.20a

SCHEDULE D-2.20  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

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PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE and DESCRIPTION: To reflect expenses related to integrity management not already reflected in the budget.	
Total	\$ 1,065,488
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>1,065,488</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
AMORTIZATION OF ASRP 2018 FIT CHANGE  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE D-2.21  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE and DESCRIPTION: To include as a reduction to operating expenses the amortization of 2018 ASRP FIT change arising from the Tax Cuts and Jobs Act of 2017.	
Total	\$ (34,380)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>(34,380)</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ELIMINATE MISCELLANEOUS EXPENSES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.22a

SCHEDULE D-2.22  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To eliminate miscellaneous expenses from the forecasted test period based on past Commission precedent.	
Customer Accounts Expense	\$ (19,734)
Customer Service & Information Expense	(20,595)
Sales Expense	(6,339)
A&G Expense	<u>(322,075)</u>
Total Miscellaneous Expense Adjustment	To Sch D-1 Summary <-- \$ (368,743)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	<u>\$ (368,743)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ANNUALIZE DEPRECIATION EXPENSE  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.23a

SCHEDULE D-2.23  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
C. S. LEE

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the adjustment to annualized depreciation expense as calculated on Schedule B-3.2 based on 13 month average plant at March 31, 2020.	
Total	\$ (1,084,440)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	<div style="display: flex; justify-content: space-between; align-items: center;"> <span>To Sch D-1 Summary ←</span> <span>\$ <u>(1,084,440)</u></span> </div>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ELIMINATE UNBILLED REVENUE AND GAS COSTS  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPC-2b, WPD-2.24a

SCHEDULE D-2.24  
PAGE 1 OF 3  
WITNESS RESPONSIBLE:  
S. E. LAWLER

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To eliminate unbilled revenue and gas costs.	
Unbilled Base Revenue	\$ (309,531)
Unbilled GCA Revenue	(80,547)
Total Unbilled Revenue	\$ (390,078)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (390,078)</u>
Unbilled Gas Costs	\$ (80,549)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (80,549)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ELIMINATE UNBILLED REVENUE AND GAS COSTS  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.24b

SCHEDULE D-2.24  
PAGE 2 OF 3  
WITNESS RESPONSIBLE:  
S. E. LAWLER

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the adjustment to state deferred taxes as a result of the elimination of unbilled gas costs.	
Deferred State Income Tax	\$ 4,002
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 4,002</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ELIMINATE UNBILLED REVENUE AND GAS COSTS  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.24b

SCHEDULE D-2.24  
PAGE 3 OF 3  
WITNESS RESPONSIBLE:  
S. E. LAWLER

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PURPOSE AND DESCRIPTION

AMOUNT

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PURPOSE AND DESCRIPTION: To reflect the adjustment to federal deferred taxes as a result of the elimination of unbilled gas costs.

Deferred Federal Income Tax	\$ 16,075
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 16,075</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUST REVENUE  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): Schedule M

SCHEDULE D-2.25  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

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PURPOSE AND DESCRIPTION

AMOUNT

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PURPOSE and DESCRIPTION: To reconcile retail revenue calculated on Schedule M with revenue included in the budget.

Total		\$ 1,766,010
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	<u>\$ 1,766,010</u>

(A) Allocation Code -

DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
INCENTIVE COMPENSATION  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPD-2.26a, WPD-2.26b

SCHEDULE D-2.26  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To eliminate incentive compensation related to achievement of financial goals.	
Total	\$ (277,270)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary ← \$ <u>(277,270)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
SUMMARY OF JURISDICTIONAL FACTORS  
OPERATING INCOME  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE D-3  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
J. E. ZIOLKOWSKI

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LINE NO.	ACCOUNT NUMBER	ACCOUNT TITLE	ALLOCATION CODE	JURISDICTIONAL FACTOR %	DESCRIPTION OF FACTORS AND/OR METHOD OF ALLOCATION
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Not Applicable - 100% Jurisdictional

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
JURISDICTIONAL STATISTICS  
OPERATING INCOME  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE D-4  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
J. E. ZIOLKOWSKI

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LINE NO.	ALLOCATION FACTOR	STATISTIC TOTAL COMPANY	STATISTIC FOR RATE AREA	ALLOCATION FACTOR %	WORK PAPER REFERENCE
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Not Applicable - 100% Jurisdictional

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
EXPLANATION OF CHANGES IN JURISDICTIONAL PROCEDURES  
OPERATING INCOME  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE D-5  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
J. E. ZIOLKOWSKI

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LINE NO.	ACCOUNT NUMBER	DESCRIPTION	PROCEDURE APPROVED IN PRIOR CASE	RATIONALE FOR CHANGE
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The procedures used are the same as those used in the Company's prior proceeding, Case No. 2009-00202.

Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

SECTION E

SECTION E  
INCOME TAXES  
DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended November 30, 2018

Forecasted Period: Twelve Months Ended March 31, 2020

Schedules

- E-1 Adjusted Jurisdictional Federal and State Income Taxes
- E-2 Development of Jurisdictional Federal and State Income Taxes

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUSTED JURISDICTIONAL FEDERAL AND STATE INCOME TAXES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPE-1a, WPE-1b

SCHEDULE E-1  
PAGE 1 OF 3  
WITNESS RESPONSIBLE:  
J. R. PANIZZA

LINE NO.	DESCRIPTION	AT CURRENT RATES				AT PROPOSED RATES		
		BASE PERIOD (1) (\$)	ADJUSTMENTS (2) (\$)	FORECASTED PERIOD (3) (\$)	PRO FORMA ADJ. TO FORECASTED (\$)	PRO FORMA FORECASTED PERIOD (\$)	ADJUSTMENTS (4) (\$)	ADJUSTED (5) (\$)
1	Operating Income before Federal							
2	and State Income Taxes	16,821,405	(2,728,517)	14,092,888	2,068,395	16,161,283	10,521,115	26,682,398
3								
4	Reconciling Items:							
5	Interest Charges	(5,484,283)	(1,602,639)	(7,086,922)	325,419	(6,761,503)	0	(6,761,503)
6	Net Interest Charges	(5,484,283)	(1,602,639)	(7,086,922)	325,419	(6,761,503)	0	(6,761,503)
7								
8	Permanent Differences	100,868	(1,217)	99,651		99,651		99,651
9								
10	Tax Depreciation	(14,429,319)	(6,879,681)	(21,309,000)	227,678	(21,081,322)	0	(21,081,322)
11	Book Depreciation	14,395,737	1,303,895	15,699,632	(1,084,440)	14,615,192	0	14,615,192
12	Excess of Tax over Book Depreciation	(33,582)	(5,575,786)	(5,609,368)	(856,762)	(6,466,130)	0	(6,466,130)
13								
14	Other Reconciling Items:							
15	Unbilled Revenue - Fuel	21,927	58,622	80,549	(80,549)	0	0	0
16	Other	46,169	(280,718)	(234,549)	0	(234,549)	0	(234,549)
17	Total Other Reconciling Items	68,096	(222,096)	(154,000)	(80,549)	(234,549)	0	(234,549)
18	Total Reconciling Items	(5,348,901)	(7,401,738)	(12,750,639)	(611,892)	(13,362,531)	0	(13,362,531)

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUSTED JURISDICTIONAL FEDERAL AND STATE INCOME TAXES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPE-1a, WPE-1b

SCHEDULE E-1  
PAGE 2 OF 3  
WITNESS RESPONSIBLE:  
J. R. PANIZZA

LINE NO.	DESCRIPTION	AT CURRENT RATES				AT PROPOSED RATES		
		BASE PERIOD	ADJUSTMENTS	FORECASTED PERIOD	PRO FORMA ADJ. TO FORECASTED	PRO FORMA FORECASTED PERIOD	ADJUSTMENTS	ADJUSTED
		(1) (\$)	(2) (\$)	(3) (\$)			(4) (\$)	(5) (\$)
1	Operating Income before Federal							
2	and State Income Tax from Page 1	16,821,405	(2,728,517)	14,092,888	2,068,395	16,161,283	10,521,115	26,682,398
3								
4	Total Reconciling Items from Page 1	(5,348,901)	(7,401,738)	(12,750,639)	(611,892)	(13,362,531)	0	(13,362,531)
5								
6	Federal Taxable Income							
7	before State Income Tax to Page 3	11,472,504	(10,130,255)	1,342,249	1,456,503	2,798,752	10,521,115	13,319,867
8								
9	Kentucky Income Tax Adjustments:							
10	Kentucky Tax Inc. Adjustment - Misc	(9,908,033)	4,226,944	(5,681,089)	0	(5,681,089)	0	(5,681,089)
11	Total Kentucky Income Tax Adjustments	(9,908,033)	4,226,944	(5,681,089)	0	(5,681,089)	0	(5,681,089)
12								
13	Kentucky Taxable Income - Gas	1,564,471	(5,903,311)	(4,338,840)	1,456,503	(2,882,337)	10,521,115	7,638,778
14								
15	Percent of Business Taxable in State	79.6464%	94.1429%	99.3700%	99.3700%	99.3700%	99.3700%	99.3700%
16								
17	Kentucky Taxable Income - Other	0	0	0	0	0	0	0
18	Total Kentucky Taxable Income	1,246,045	(5,557,550)	(4,311,505)	1,447,327	(2,864,178)	10,454,832	7,590,654
19								
20	Kentucky Income Tax @ 5.000% (A)	89,034	(304,609)	(215,575)	72,366	(143,209)	522,742	379,533
21	Prior Year Adjustments	258,385	(258,385)	0	0	0	0	0
22	State Income Tax - Current to Page 3	347,419	(562,994)	(215,575)	72,366	(143,209)	522,742	379,533

(A) Calculation may be different due to rounding.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADJUSTED JURISDICTIONAL FEDERAL AND STATE INCOME TAXES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPE-1a, WPE-1b

SCHEDULE E-1  
PAGE 3 OF 3  
WITNESS RESPONSIBLE:  
J. R. PANIZZA

LINE NO.	DESCRIPTION	AT CURRENT RATES				AT PROPOSED RATES		
		BASE PERIOD	ADJUSTMENTS	FORECASTED PERIOD	PRO FORMA ADJ. TO FORECASTED	PRO FORMA FORECASTED PERIOD	ADJUSTMENTS	ADJUSTED
		(1) (\$)	(2) (\$)	(3) (\$)			(4) (\$)	(5) (\$)
1	State Income Tax - Current from Page 2	347,419	(562,994)	(215,575)	72,366	(143,209)	522,742	379,533
2								
3	Deferred State Income Taxes	491,775	76,843	568,618	46,570	615,188	0	615,188
4	Deferred State Income Tax Adjustment - ARAM	(92,502)	2,863	(89,639)		(89,639)		(89,639)
5	Deferred State Income Taxes - Amort. of Excess Def. Taxes	0	(74,589)	(74,589)		(74,589)		(74,589)
6	Deferred State Income Taxes - Prior Year	0	0	0		0		0
7	Deferred State Income Taxes - Net	399,273	5,117	404,390	46,570	450,960	0	450,960
8								
9	Total State Income Tax Expense	746,692	(557,877)	188,815	118,936	307,751	522,742	830,493
10								
11								
12	Federal Taxable Income							
13	before State Income Tax from Page 2	11,472,504	(10,130,255)	1,342,249	1,456,503	2,798,752	10,521,115	13,319,867
14								
15	State Income Tax Deductible from Page 2	89,034	(304,609)	(215,575)	72,366	(143,209)	522,742	379,533
16	Federal Taxable Income	11,383,470	(9,825,646)	1,557,824	1,384,137	2,941,961	9,998,373	12,940,334
17								
18	Federal Income Tax @ 21% (A)	3,692,225	(3,365,082)	327,143	290,671	617,814	2,099,658	2,717,472
19	Prior Year Adjustments	0	0	0		0		0
20	Federal Income Tax - Current	3,692,225	(3,365,082)	327,143	290,671	617,814	2,099,658	2,717,472
21								
22	Deferred Federal Income Taxes	(972,049)	2,062,947	1,090,898	187,071	1,277,969	0	1,277,969
23	Deferred Federal Income Tax - ARAM	(17,062)	528	(16,534)		(16,534)		(16,534)
24	Deferred Federal Income Tax - Amort. Of Excess Def. Taxes	0	(585,952)	(585,952)		(585,952)		(585,952)
25	Deferred Federal Income Tax - Prior Year	0	0	0		0		0
26	Deferred Federal Income Tax - Net	(989,111)	1,477,523	488,412	187,071	675,483	0	675,483
27								
28	Amortization of Investment Tax Credit	(67,241)	1,186	(66,055)	0	(66,055)	0	(66,055)
29								
30	Total Federal Income Tax Expense	2,635,873	(1,886,373)	749,500	477,742	1,227,242	2,099,658	3,326,900

(A) Calculation may be different due to rounding.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAXES  
BEFORE ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISIONS  
WORK PAPER REFERENCE NO(S):

SCHEDULE E-2  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
J. R. PANIZZA

LINE NO.	ACCOUNT TITLE	TOTAL UTILITY (1)	JURISDICTIONAL % (2)	JURISDICTION (3)	JURISDICTIONAL CODE/EXPLANATION (4)
		(\$)		(\$)	

Not Applicable - 100% Jurisdictional

Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

SECTION F

SECTION F

OTHER EXPENSES

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended November 30, 2018

Forecasted Period: Twelve Months Ended March 31, 2020

Schedules

- F-1 Social and Service Club Dues
- F-2.1 Charitable Contributions
- F-2.2 Initiation Fees/Country Club Expense
- F-2.3 Employee Party, Outing, and Gift Expense
- F-3 Customer Service and Informational Sales and General Advertising Expense
- F-4 Advertising
- F-5 Professional Services Expenses
- F-6 Rate Case Expense
- F-7 Civic, Political and Related Expenses

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
SOCIAL AND SERVICE CLUB DUES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):.

SCHEDULE F-1  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	SOCIAL ORGANIZATION/ SERVICE CLUB	BASE PERIOD			FORECASTED PERIOD		
			TOTAL UTILITY	JURISDICTIONAL		TOTAL UTILITY	JURISDICTIONAL	
				PERCENT	AMOUNT		PERCENT	AMOUNT
			(\$)	%	(\$)	(\$)	%	(\$)
1	863000	Various Budgeted Items	0	100.00	0	143	100.00	143
2	874000	Various Budgeted Items	0	100.00	0	626	100.00	626
3	878000	Various Budgeted Items	0	100.00	0	16	100.00	16
4	879000	Various Budgeted Items	0	100.00	0	1,617	100.00	1,617
5	880000	Various Budgeted Items	0	100.00	0	3,041	100.00	3,041
6	903000	Various Budgeted Items	0	100.00	0	15	100.00	15
7	903100	Various Budgeted Items	0	100.00	0	7	100.00	7
8	903200	Various Budgeted Items	0	100.00	0	6	100.00	6
9	903300	Various Budgeted Items	0	100.00	0	5	100.00	5
10	921100	Various Budgeted Items	0	100.00	0	11,839	100.00	11,839
11	930200	Various Budgeted Items	0	100.00	0	949	100.00	949
12	930200	Alliance for Transportation	500	100.00	500	0	100.00	0
13	930230	Cincinnati Regional Business Committee	1,657	100.00	1,657	0	100.00	0
14	930230	Kentucky Association of Manufacturers	982	100.00	982	0	100.00	0
15	930230	Kentucky Coal Association	720	100.00	720	0	100.00	0
16	930230	Northern Kentucky Regional Alliance	8,200	100.00	8,200	0	100.00	0
17	930230	Northern Kentucky Chamber of Commerce	2,516	100.00	2,516	0	100.00	0
18	930230	Miscellaneous	320	100.00	320	0	100.00	0
19	930230	Various Budgeted Items	8,732	100.00	8,732	13,419	100.00	13,419
20			<u>23,627</u>		<u>23,627</u>	<u>31,683</u>		<u>31,683</u>

(A) Allocation Code DALL

(B) No Initiation Fees/Country Club Expenses are included in the forecasted period operating expenses.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
CHARITABLE CONTRIBUTIONS  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE F-2.1  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	CHARITABLE ORGANIZATION	BASE PERIOD			FORECASTED PERIOD		
			TOTAL UTILITY	JURISDICTIONAL PERCENT	JURISDICTIONAL AMOUNT	TOTAL UTILITY	JURISDICTIONAL PERCENT	JURISDICTIONAL AMOUNT
			(\$)	(A) %	(\$)	(\$)	(A) %	(\$)
1	426100	AMERICAN HEART ASSOCIATION	1,230	100.00	1,230	0	100.00	0
2	426100	AMERICAN SIGN MUSEUM	103	100.00	103	0	100.00	0
3	426100	AVONDALE COMMUNITY COUNCIL INC	103	100.00	103	0	100.00	0
4	426100	AVONDALE COMPREHENSIVE DEVELOPMENT CORP	103	100.00	103	0	100.00	0
5	426100	BOONE COUNTY BUSINESSMEN ASSOCIATION INC	205	100.00	205	0	100.00	0
6	426100	BOY SCOUTS OF AMERICA	2,050	100.00	2,050	0	100.00	0
7	426100	BRIGHTON CENTER INC	1,128	100.00	1,128	0	100.00	0
8	426100	CATALYTIC DEVELOPMENT FUNDING CORP	238	100.00	238	0	100.00	0
9	426100	CENTER FOR GREAT NEIGHBORHOODS OF	103	100.00	103	0	100.00	0
10	426100	CINCINNATI BENGALS INC	6,615	100.00	6,615	0	100.00	0
11	426100	CINCINNATI BLACK THEAT	115	100.00	115	0	100.00	0
12	426100	CINCINNATI INSTITUTE OF FINE ARTS	3,629	100.00	3,629	0	100.00	0
13	426100	COVINGTON BUSINESS COUNCIL	1,886	100.00	1,886	0	100.00	0
14	426100	COVINGTON CATHOLIC HIGH SCHOOL	513	100.00	513	0	100.00	0
15	426100	DINSMORE HOMESTEAD FOUNDATION	2,050	100.00	2,050	0	100.00	0
16	426100	FORT THOMAS EDUCATION FOUNDATION	103	100.00	103	0	100.00	0
17	426100	HORIZON COMMUNITY FUNDS OF NORTHERN	1,025	100.00	1,025	0	100.00	0
18	426100	KENTON COUNTY	410	100.00	410	0	100.00	0
19	426100	KENTUCKY GAS ASSOC	10,000	100.00	10,000	0	100.00	0
20	426100	KET	308	100.00	308	0	100.00	0
21	426100	LIFE LEARNING CENTER	103	100.00	103	0	100.00	0
22	426100	LOCAL INITIATIVES SUPPORT CORPORATION	103	100.00	103	0	100.00	0
23	426100	NATIONAL ASSOCIATION FOR THE ADVANCEMENT	410	100.00	410	0	100.00	0
24	426100	NATIONAL UNDERGROUND RAILROAD FREEDOM	615	100.00	615	0	100.00	0
25	426100	NORTHERN KENTUCKY COMMUNITY ACTION	410	100.00	410	0	100.00	0
26	426512	NORTHERN KENTUCKY COMMUNITY ACTION	19,470	100.00	19,470	0	100.00	0
27	426100	NORTHERN KENTUCKY EDUCATION COUNCIL	1,435	100.00	1,435	0	100.00	0
28	426100	NORTHERN KENTUCKY MUNICIPAL CLERS	492	100.00	492	0	100.00	0
29	426100	NORTHERN KENTUCKY UNIVERSITY	615	100.00	615	0	100.00	0
30	426100	NORTHERN KENTUCKY UNIVERSITY FOUNDATION	1,025	100.00	1,025	0	100.00	0
31	426100	PRINCETON CITY SCHOOLS	103	100.00	103	0	100.00	0
32	426100	THE LEAGUE FOR ANIMAL WELFARE	103	100.00	103	0	100.00	0
33	426100	THEARTSWAVE.ORG	49	100.00	49	0	100.00	0
34	426100	TM BUNBURY MUSIC FEST	161	100.00	161	0	100.00	0
35	426100	TM CIRQUE DU SOLEIL	117	100.00	117	0	100.00	0
36	426100	UNITED WAY OF GREATER CINCINNATI	1,025	100.00	1,025	0	100.00	0
37	426100	YWCA OF GREATER CINCINNATI INC	1,230	100.00	1,230	0	100.00	0
38	426100	MISCELLANEOUS	11,518	100.00	11,518	0	100.00	0
39	426100	Various Budgeted Items	49,907	100.00	49,907	120,342	100.00	120,342
40								
41		Total Charitable Contributions	120,808		120,808	120,342		120,342

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
INITIATION FEES/COUNTRY CLUB EXP.  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE F-2.2  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	PAYEE ORGANIZATION	BASE PERIOD			FORECASTED PERIOD		
			TOTAL UTILITY	JURISDICTIONAL		TOTAL UTILITY	JURISDICTIONAL	
				PERCENT (A)	AMOUNT (\$)		PERCENT (A)	AMOUNT (\$)
			(\$)	%	(\$)	(\$)	%	(\$)

Initiation Fees/Country Club Expenses are included on Schedule F-1.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
EMPLOYEE PARTY, OUTING, & GIFT EXPENSE  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE F-2.3  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	EMPLOYEE EXPENDITURES	BASE PERIOD			FORECASTED PERIOD		
			TOTAL UTILITY	JURISDICTIONAL PERCENT (A)	AMOUNT	TOTAL UTILITY	JURISDICTIONAL PERCENT (A)	AMOUNT
			(\$)	%	(\$)	(\$)	%	(\$)
1	880000	ECOMPANY STORE.COM	40	100.00	40	0	100.00	0
2	926000	Miscellaneous	(1,836)	100.00	(1,836)	0	100.00	0
3	926000	Safety and Service Awards	5,595	100.00	5,595	17,140	100.00	17,140
4								
5		Total Employee Party & Gift Expense	<u>3,799</u>		<u>3,799</u>	<u>17,140</u>		<u>17,140</u>

(A) Alloc Code DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
CUSTOMER SERVICE AND INFORMATIONAL EXPENSE, SALES EXPENSE AND GENERAL ADVERTISING EXPENSE  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SCHEDULE C-2.1

SCHEDULE F-3  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	DESCRIPTION OF EXPENSES	BASE PERIOD			FORECASTED PERIOD		
			TOTAL	JURISDICTIONAL		TOTAL	JURISDICTIONAL	
			GAS	PERCENT	AMOUNT	GAS	PERCENT	AMOUNT
			(A)				(A)	
			(\$)	%	(\$)	(\$)	%	(\$)
1		<b>Customer Service And Informational Expenses</b>						
2	908	Customer Assistance	132,042	100.000	132,042	105,903	100.000	105,903
3	909	Information and Instructional Advertising	575	100.000	575	0	100.000	0
4	910	Misc Cust Serv and Info - Gas	302,182	100.000	302,182	320,933	100.000	320,933
5		Total Customer Service and Informational Expenses	<u>434,799</u>		<u>434,799</u>	<u>426,836</u>		<u>426,836</u>
6								
7		<b>Sales Expense</b>						
8	911	Supervision	10,459	100.000	10,459	20,643	100.000	20,643
9	912	Demonstrating & Selling	152,353	100.000	152,353	173,485	100.000	173,485
10	913	Advertising Expense	5,418	100.000	5,418	6,339	100.000	6,339
11		Total Sales Expense	<u>168,230</u>		<u>168,230</u>	<u>200,467</u>		<u>200,467</u>
12								
13		<b>General Advertising Expense</b>						
14	930150	Miscellaneous Advertising Exp	34,145	100.000	34,145	38,844	100.000	38,844
15		Total General Advertising Expense	<u>34,145</u>		<u>34,145</u>	<u>38,844</u>		<u>38,844</u>

(A) Alloc Code DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADVERTISING  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPF-4a, WPF-4b

SCHEDULE F-4  
PAGE 1 OF 2  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ITEM (A)	SALES OR PROMOTIONAL ADVERTISING (B)	INSTITUTIONAL ADVERTISING (C)	CONSERVATION ADVERTISING (D)	SAFETY (E)	RATE CASE (F)	OTHER (G)	TOTAL (H)
1	<u>Newspaper</u>						0	0
2								
3	<u>Magazines and Other</u>						0	0
4								
5	<u>Television</u>						0	0
6								
7	<u>Radio</u>						0	0
8								
9	<u>Direct Mail</u>			0	575			575
10								
11	<u>Sales Aids</u>						3,032	3,032
12								
13	<u>Undetermined</u>						36,530	36,530
14								
15	Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>575</u>	<u>0</u>	<u>39,562</u>	<u>40,137</u>
16								
17	Amount Assigned to							
18	KY Retail	<u>0</u>	<u>0</u>	<u>0</u>	<u>575</u>	<u>0</u>	<u>39,562</u>	<u>40,137</u>

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
ADVERTISING  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPF-4a, WPF-4b

SCHEDULE F-4  
PAGE 2 OF 2  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ITEM (A)	SALES OR PROMOTIONAL ADVERTISING (B)	INSTITUTIONAL ADVERTISING (C)	CONSERVATION ADVERTISING (D)	SAFETY (E)	RATE CASE (F)	OTHER (G)	TOTAL <sup>(1)</sup> (H)
1	<b>Newspaper</b>						0	0
2								
3	<b>Magazines and Other</b>						0	0
4								
5	<b>Television</b>						0	0
6								
7	<b>Radio - Safety Advertising</b>						0	0
8								
9	<b>Direct Mail</b>						0	0
10								
11	<b>Sales Aids</b>						0	0
12								
13	<b>Undetermined</b>						45,186	45,186
14								
15	Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>45,186</u>	<u>45,186</u>
16								
17	Amount Assigned to							
18	KY Retail	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>45,186</u>	<u>45,186</u>

Notes:

<sup>(1)</sup> Eliminated on Schedule D-2.22

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PROFESSIONAL SERVICES EXPENSES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPF-5a, WPF-5b

SCHEDULE F-5  
PAGE 1 OF 2  
WITNESS RESPONSIBLE:  
S. E. LAWLER

Line No.	Description	Expense Breakdown			Total Gas Unadjusted	Juris. Allocation %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted	Allocation Code
		Rate Case	Annual Audit	Other						
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
1										
2	Legal	0	0	0	0	100.000	0	0	0	DALL
3										
4	Engineering	0	0	0	0	100.000	0	0	0	DALL
5										
6	Accounting	0	0	0	0	100.000	0	0	0	DALL
7										
8	Other	<u>0</u>	<u>0</u>	<u>921,498</u>	<u>921,498</u>	100.000	<u>921,498</u>	<u>0</u>	<u>921,498</u>	DALL
9										
10	Total	<u>0</u>	<u>0</u>	<u>921,498</u>	<u>921,498</u>		<u>921,498</u>	<u>0</u>	<u>921,498</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PROFESSIONAL SERVICES EXPENSES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): WPF-5a, WPF-5b

SCHEDULE F-5  
PAGE 2 OF 2  
WITNESS RESPONSIBLE:  
S. E. LAWLER

Line No.	Description	Expense Breakdown			Total Gas Unadjusted	Juris. Allocation %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted	Allocation Code
		Rate Case	Annual Audit	Other						
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
1										
2	Legal	0	0	0	0	100.000	0	0	0	DALL
3										
4	Engineering	0	0	0	0	100.000	0	0	0	DALL
5										
6	Accounting	0	0	0	0	100.000	0	0	0	DALL
7										
8	Other	<u>0</u>	<u>0</u>	<u>461,280</u>	<u>461,280</u>	100.000	<u>461,280</u>	<u>0</u>	<u>461,280</u>	DALL
9										
10	Total	<u>0</u>	<u>0</u>	<u>461,280</u>	<u>461,280</u>		<u>461,280</u>	<u>0</u>	<u>461,280</u>	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
RATE CASE EXPENSE  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE F-6  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

COMPARISON OF PROJECTED EXPENSES ASSOCIATED WITH THE CURRENT CASE TO PRIOR RATE CASES							
LINE NO.	ITEM OF EXPENSE	CASE NO.	CASE NO.		CASE NO.		JUSTIFICATION OF SIGNIFICANT CHANGE
		2018-00261	2017-00321 (ELEC)	2017-00321 (ELEC)	2009-00202 (GAS)	2009-00202 (GAS)	
		ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	
1	Legal	266,000	232,206	186,690	7,324	15,000	
2	Depreciation Study	75,000	56,066	75,000	35,146	50,000	
3	Demolition Study	9,500	86,653	80,000			
4	Consultants	0	0	0	19,442	25,000	
5	Rate of Return Studies	80,000	66,572	80,000	54,717	60,000	
6	Cost of Service Studies	0	0	0	0	0	
7	Publish Legal Notice	100,000	211,937	81,000	22,315	80,000	
8	Transportation, Lodging, Meals	35,000	39,357	80,000	0	20,000	
9	Miscellaneous	10,000	6,548	20,000	17,580	10,000	
10	Total	<u>575,500</u>	<u>699,339</u>	<u>602,690</u>	<u>156,524</u>	<u>260,000</u>	

SCHEDULE OF RATE CASE EXPENSE AMORTIZATION					
RATE CASE	TOTAL TO BE AMORTIZED	OPINION / ORDER DATE	AMORTIZATION PERIOD	AMOUNT AMORTIZED TO DATE	AMORT. DURING FORECASTED PERIOD
CURRENT CASE	575,500	-	5 YEAR	0	115,100
CASE NO. 2009-00202	260,000	12/29/2009	3 YEAR	260,000	0
State Fuel Hearings and Other					0
Total Rate Case Expense Amortization			To WPD-2.16a <-----		<u>115,100</u> (A)

(A) Represents rate case expense included on Schedule C-2, as adjusted.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
CIVIC, POLITICAL AND RELATED ACTIVITIES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S)::

SCHEDULE F-7  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	ACCOUNT NO.	ORGANIZATION	BASE PERIOD			FORECASTED PERIOD		
			TOTAL UTILITY	JURISDICTIONAL		TOTAL UTILITY	JURISDICTIONAL	
			(\$)	(A) %	(\$)	(\$)	(A) %	(\$)
1	426400	Cincinnati Business Committee	551	100.00	551	0	100.00	0
2	426400	Cincinnati Regional Business Committee	293	100.00	293	0	100.00	0
3	426400	Kentucky Association of Electric	858	100.00	858	0	100.00	0
4	426400	Kentucky Retail Federation	103	100.00	103	0	100.00	0
5	426400	LG&E and KU Services Company	1,272	100.00	1,272	0	100.00	0
6	426400	McBrayer McGinnis Leslie &	5,687	100.00	5,687	0	100.00	0
7	426400	Northern Kentucky Chamber Of Commerce	444	100.00	444	0	100.00	0
8	426400	Other Items	89,454	100.00	89,454	0	100.00	0
9	426400	Various Budgeted Items	100,470	100.00	100,470	227,404	100.00	227,404
10								
11		Total Civic, Political & Related Activities	199,132		98,662	227,404		0

(A) Allocation Code DALL

Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

SECTION G

SECTION G  
PAYROLL COSTS AND ANALYSIS  
DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended November 30, 2018

Forecasted Period: Twelve Months Ended March 31, 2020

Schedules

- G-1 Payroll Costs
- G-2 Payroll Analysis
- G-3 Executive Compensation

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PAYROLL COSTS  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE G-1  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	PAYROLL COSTS	OPERATION AND MAINTENANCE EXPENSES				
		TOTAL GAS UNADJUSTED	JURISDICTIONAL % (A)	JURISDICTIONAL UNADJUSTED	ADJUSTMENTS	JURISDICTIONAL ADJUSTED
1	<b>Base Period:</b>					
2	Labor	7,354,341	100.000	7,354,341	0	7,354,341
3	Incentives	1,067,176	100.000	1,067,176	0	1,067,176
4	Employee Benefits	2,609,947	100.000	2,609,947	0	2,609,947
5	Payroll Taxes	473,789	100.000	473,789	0	473,789
6	Total Payroll Costs	<u>11,505,253</u>		<u>11,505,253</u>	<u>0</u>	<u>11,505,253</u>
7						
8	<b>Forecasted Period:</b>					
9	Labor	8,436,572	100.000	8,436,572	0	8,436,572
10	Incentives	1,421,761	100.000	1,421,761	0	1,421,761
11	Employee Benefits	2,381,447	100.000	2,381,447	0	2,381,447
12	Payroll Taxes	708,964	100.000	708,964	0	708,964
13	Total Payroll Costs	<u>12,948,744</u>		<u>12,948,744</u>	<u>0</u>	<u>12,948,744</u>

(A) Allocation Code: DALL

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
PAYROLL ANALYSIS  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE G-2  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. METZLER

LINE NO.	DESCRIPTION	BASE PERIOD	% CHANGE	FORECASTED PERIOD
1	<b>MANHOURS</b>			
2	STRAIGHT TIME HOURS	326,328	-	326,328
3	OVERTIME HOURS	31,110	-	31,110
4	TOTAL MANHOURS	<u>357,438</u>	-	<u>357,438</u>
5				
6	RATIO OF OVERTIME HOURS TO			
7	STRAIGHT TIME HOURS	9.53		9.53

Note: The regular and straight time hours shown are 2017 labor hours. The Company does not budget or forecast labor hours but does not expect to deviate materially from 2017

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
EXECUTIVE COMPENSATION  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISD  
WORK PAPER REFERENCE NO(S).

SCHEDULE G-3  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. METZLER

LINE NO.	DESCRIPTION	BASE PERIOD	DIFFERENCE	FORECASTED PERIOD
1	<u>Includes 11 Officers</u>			
2				
3	<u>Gross Payroll</u>			
4	Salary	\$ 6,820,083	\$ 281,759	\$ 7,101,843
5	Other Compensation	\$ 26,786,419	\$ 1,660,978	\$ 28,447,396
6	Total Salary and Compensation	\$ 33,606,502	\$ 1,942,737	\$ 35,549,239

NOTE: This schedule contains confidential information, detail of these numbers are available upon request.

- (1) *The Company's forecast assumes an annual salary adjustment of 3.5%.*
- (2) *Other compensation includes cash based short-term incentives and stock based long term incentives at target.*

Positions included on this schedule are:

Chairman, President and Chief Executive Officer  
EVP, Administration and Chief Human Resources Officer  
EVP Energy Solutions and President, Midwest and Florida Regions  
EVP and Chief Operating Officer  
EVP, External Affairs, Chief Legal Officer & Corporate Secretary  
EVP Customer & Delivery Operations and President, Carolinas Region  
EVP & President, Natural Gas Business  
EVP and Chief Financial Officer  
SVP, Chief Accounting Officer & Controller  
SVP, Tax & Treasurer  
State President - OH/KY

These costs are total costs for Duke Energy Corporation, a portion of which are allocated to Kentucky.

Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

SECTION H

Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

SECTION H

SECTION H

GROSS REVENUE CONVERSION FACTOR

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended November 30, 2018

Forecasted Period: Twelve Months Ended March 31, 2020

Schedules

H Computation of Gross Revenue Conversion Factor

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
COMPUTATION OF GROSS REVENUE CONVERSION FACTOR  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):: WPH-a

SCHEDULE H  
PAGE 1 OF 2  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	DESCRIPTION	PERCENT OF INCREMENTAL GROSS REVENUE
1	Operating Revenues	100.0000%
2		
3		
4	Less: KPSC Maintenance Tax	0.2000%
5	Subtotal	<u>0.2000%</u>
6		
7	Income before Income Tax (Line 1 - Line 5)	99.8000%
8		
9	Income Taxes - State of Kentucky	
10	(5.000% * 99.8% * 99.37%)	<u>4.9586%</u>
11		
12	Income before Federal Income Tax (Line 7 - Line 10)	94.8414%
13		
14	Federal Income Tax (21% x 94.8414%)	<u>19.9167%</u>
15		
16	Operating Income Percentage (Line 12 - Line 14)	<u>74.9247%</u>
17		
18	Gross Revenue Conversion Factor (100% / 74.9247%)	<u>1.3346730</u>

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
COMPUTATION OF GROSS REVENUE CONVERSION FACTOR  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISIED  
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SCHEDULE H  
PAGE 2 OF 2  
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Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

SECTION I

SECTION I

STATISTICAL DATA

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended November 30, 2018

Forecasted Period: Twelve Months Ended March 31, 2020

Schedules

I-1	Total Company Comparative Income Statements
I-1	Electric Income Statements
I-2.1	Revenue Statistics - Total Company
I-3	Revenue Statistics - Jurisdictional
I-4	Sales Statistics - Total Company
I-5	Sales Statistics - Jurisdictional

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
TOTAL COMPANY  
COMPARATIVE INCOME STATEMENTS  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

SCHEDULE I-1  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL "X" UPDATED "X" REVISED  
WORK PAPER REFERENCE NO(S):

LINE NO.	DESCRIPTION			FORECASTED PERIOD		MOST RECENT FIVE CALENDAR YEARS											
		2021	2020	% CHANGE	BASE PERIOD	% CHANGE	2017	% CHANGE	2016	% CHANGE	2015	% CHANGE	2014	% CHANGE	2013	% CHANGE	
1	UTILITY OPERATING INCOME																
2	OPERATING REVENUES	507,281,360	489,134,603	468,960,272	(0.76)%	471,937,718	9.99%	429,072,243	(2.66)%	440,779,989	(5.59)%	466,754,287	(4.50)%	488,724,225	10.12%	443,803,692	3.78%
3	OPERATING EXPENSES																
4	OPERATION EXPENSES	275,071,462	270,954,061	265,325,104	(9.47)%	293,060,519	12.01%	261,647,225	(3.15)%	270,158,902	(5.97)%	287,322,431	(12.01)%	326,535,049	15.18%	283,496,847	3.17%
5	MAINTENANCE EXPENSES	22,419,702	28,322,385	24,650,205	(11.45)%	27,838,590	(20.15)%	34,894,014	4.13%	33,479,950	4.18%	32,137,254	(15.38)%	37,947,378	41.33%	26,872,031	(22.97)%
6	DEPRECIATION EXPENSE	73,964,064	70,580,499	69,302,574	-14.98%	63,333,888	37.59%	43,842,205	6.73%	41,052,844	0.14%	40,995,981	(0.11)%	41,040,255	0.48%	40,842,298	2.35%
7	AMORT. & DEPL. OF UTILITY PLANT	0	0	0	(100.00)%	2,045,817	(46.51)%	3,824,519	46.23%	2,615,436	(7.14)%	2,816,564	(13.49)%	3,225,908	(3.91)%	3,368,297	(14.87)%
8	REGULATORY DEBITS	10,639,017	10,639,017	10,639,017	100.00%	5,319,508	876.10%	544,974	(69.14)%	5,017,219	117.17%	2,310,291	141.50%	(5,687,558)	22.05%	(7,142,504)	(208.36)%
9	REGULATORY CREDITS	0	0	0	-	0	100.00%	(2,772,810)	(180.43)%	(1,064,723)	(166.48)%	(399,545)	(631.19)%	634	-	0	-
10	TAXES OTHER THAN INCOME TAXES	20,989,663	19,047,984	18,247,893	19.81%	15,230,617	7.09%	14,222,244	(2.16)%	14,536,730	12.14%	12,963,093	(3.21)%	13,393,124	2.76%	13,033,671	(12.23)%
11	INCOME TAXES - FEDERAL	9,508,840	9,176,500	6,646,641	311.25%	1,016,208	119.87%	(15,290,192)	(309.64)%	(3,732,667)	(339.90)%	1,555,907	409.40%	(502,877)	(103.33)%	15,119,669	976.92%
12	INCOME TAXES - OTHER	1,688,999	1,562,478	970,678	731.29%	116,768	131.04%	(378,169)	58.89%	(872,454)	(9.78)%	(794,708)	(143.79)%	1,814,756	66.48%	1,000,005	(66.89)%
13	PROVISION FOR DEFERRED INCOME TAXES	3,946,377	1,048,454	1,901,644	116.81%	(11,316,730)	(112.21)%	92,675,520	2.12%	90,755,536	(37.05)%	144,189,278	153.65%	56,838,365	55.08%	36,651,638	(33.38)%
14	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	0	0	0	-	0	100.00%	(56,685,655)	18.00%	(69,127,951)	40.95%	(117,601,600)	(217.60)%	(36,858,043)	(30.94)%	(28,148,659)	34.21%
15	INVESTMENT TAX CREDIT ADJ - NET	0	0	0	100.00%	(40,012)	48.95%	(78,441)	12.98%	(90,146)	7.27%	(97,216)	1.08%	(96,281)	9.06%	(108,070)	18.22%
16	GAINS FROM DISP OF ALLOW - CREDIT	0	0	0	-	0	100.00%	(23)	-	0	100.00%	(8,051)	(5,692,091)	(139)	(51,091)	59.29%	
17	ACCRETION EXPENSE	0	0	0	-	0	-	0	-	0	-	0	-	0	-	0	-
18	TOTAL UTILITY OPERATING EXPENSES	417,540,124	411,332,378	397,743,756	0.90%	394,215,173	4.73%	376,417,501	(1.65)%	382,728,816	(5.71)%	405,908,679	(7.29)%	437,628,613	13.69%	385,094,903	0.64%
19	NET UTILITY OPERATING INCOME	89,733,236	77,802,225	70,616,516	(9.14)%	77,722,545	47.61%	52,654,742	(9.30)%	58,051,173	(4.59)%	60,845,608	19.55%	50,895,612	(13.31)%	58,708,779	30.48%
20	OTHER INCOME AND DEDUCTIONS																
21	OTHER INCOME																
22	NONUTILITY OPERATING INCOME	220,000	230,000	220,000	99.76%	110,130	(84.37)%	704,469	81.75%	387,576	18.78%	326,352	753.20%	(49,962)	(122.00)%	227,147	(27.24)%
23	INTEREST AND DIVIDEND INCOME	1,903,898	1,706,518	1,769,129	22.42%	1,445,170	16.95%	1,235,748	24.60%	990,145	(2.98)%	1,019,460	(12.71)%	1,167,836	7.86%	1,082,777	(12.93)%
24	ALLOWANCE FOR FUNDS USED DURING CONST	2,731,462	2,964,593	2,367,463	(44.24)%	4,245,572	26.42%	3,358,208	152.08%	1,332,221	115.06%	619,464	24.49%	497,621	3.59%	480,390	86.11%
25	MISCELLANEOUS NONOPERATING INCOME	1,718,583	1,170,216	895,880	(65.48)%	2,596,178	6,2670.26%	4,136	394.38%	(1,405)	(2701.85)%	54	(99.98)%	230,387	289,903.90%	(77)	(108.09)%
26	GAIN ON DISPOSITION OF PROPERTY	0	0	0	-	0	100.00%	17,045	85.78%	39,549	(63.97)%	240,478	-	0	(100.00)%	3,439,636	634.73%
27	TOTAL OTHER INCOME	6,573,943	6,061,327	5,252,472	(37.45)%	8,397,059	97.95%	5,319,606	93.60%	2,747,085	24.54%	2,205,806	19.50%	1,845,892	(64.71)%	5,229,873	129.05%
28	OTHER INCOME DEDUCTIONS																
29	LOSS ON DISPOSITION OF PROPERTY	0	0	0	(100.00)%	1,187	(98.97)%	115,629	965.41%	10,853	324.61%	(4,832)	-	0	-	0	(100.00)%
30	MISCELLANEOUS INCOME DEDUCTIONS	0	0	0	-	0	(100.00)%	4,024,010	97.62%	2,038,243	7.65%	1,891,569	80.65%	1,047,098	(1.54)%	1,063,486	(41.48)%
31	TOTAL OTHER INCOME DEDUCTIONS	0	0	0	(100.00)%	1,187	(99.97)%	4,139,639	102.22%	2,047,096	8.55%	1,886,737	80.19%	1,047,098	(1.54)%	1,063,486	(42.14)%
32	TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS																
33	TAXES OTHER THAN INCOME TAXES	0	0	0	-	0	(100.00)%	117,175	17.09%	100,069	(20.74)%	126,257	2.47%	123,213	(17.72)%	149,754	8.63%
34	INCOME TAXES - FEDERAL	0	0	0	-	0	(100.00)%	1,848,320	(41.36)%	3,152,242	(4.15)%	3,288,690	(32.53)%	4,874,288	1803.97%	256,006	(90.69)%
35	- OTHER	0	0	0	-	0	(100.00)%	289,505	(43.42)%	511,744	(6.84)%	549,325	(31.64)%	803,577	314.30%	(374,970)	(201.28)%
36	PROVISION FOR DEFERRED INCOME TAXES	0	0	0	-	0	(100.00)%	1,456,786	540.68%	227,382	(96.86)%	6,808,421	(23.66)%	8,918,546	49.91%	5,949,385	2189.84%
37	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	0	0	0	-	0	100.00%	(24,991,931)	(569.21)%	(3,754,599)	63.67%	(10,280,872)	29.57%	(14,596,954)	(217.11)%	(4,603,167)	(35.87)%
38	INVESTMENT TAX CREDIT ADJ - NET	0	0	0	-	0	100.00%	(8,911)	78.81%	(42,057)	44.18%	(75,342)	-	(75,342)	(117.13)%	(339,883)	202.01%
39	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	0	0	0	-	0	100.00%	(21,288,996)	(10010.57)%	214,811	(48.42)%	416,481	779.95%	47,330	(97.40)%	1,816,891	704.07%
40	NET OTHER INCOME AND DEDUCTIONS	6,573,943	6,061,327	5,252,472	(37.44)%	8,396,872	(62.63)%	22,468,963	4531.07%	485,179	598.08%	(97,416)	(12.96)%	751,466	(68.02)%	2,349,496	214.86%
41	INTEREST CHARGES																
42	INTEREST ON LONG TERM DEBT	26,329,783	24,286,331	23,882,304	32.79%	17,984,655	23.03%	14,618,543	6.24%	13,789,989	13.08%	12,168,565	(13.53)%	14,072,706	(0.69)%	14,170,932	(0.16)%
43	AMORTIZATION OF DEBT DISCOUNT AND EXPENSE	249,934	289,061	393,169	(27.17)%	526,117	74.36%	301,742	(59.68)%	746,311	79.14%	430,274	(2.82)%	417,713	(12.11)%	489,576	(5.15)%
44	AMORTIZATION OF LOSS ON REACQUIRED DEBT				-		(100.00)%	266,474	-	266,474	-	266,474	-	266,474	(3.52)%	276,185	(2.46)%
45	AMORTIZATION OF PREMIUM ON DEBT - CREDIT				-		-	0	-	0	-	0	-	0	-	0	-
46	INTEREST ON DEBT TO ASSOC. COMPANIES	762,500	750,000	754,177	(48.80)%	1,473,129	224.71%	453,674	96.02%	229,106	21.01%	189,334	1063.63%	16,271	1860.36%	830	(52.65)%
47	OTHER INTEREST EXPENSE	1,275,287	1,180,423	1,046,701	4.14%	1,005,128	(27.39)%	1,384,300	(6.84)%	1,485,968	(15.33)%	1,755,051	(2.08)%	1,792,932	41.27%	1,268,769	(53.64)%
48	ALLOW FOR BRND FUNDS USED DUR CONST - CREDIT	(852,834)	(1,030,368)	(830,749)	50.27%	(1,658,980)	(28.36)%	(1,299,658)	(141.98)%	(537,430)	(130.32)%	(224,569)	3.53%	(232,777)	(7.03)%	(217,495)	(2.77)%
49	NET INTEREST CHARGES	27,664,670	25,465,447	25,235,602	30.62%	19,320,949	22.87%	15,724,775	(1.43)%	15,952,414	9.47%	14,572,568	(10.85)%	16,345,283	2.23%	15,886,796	(8.74)%
50	NET INCOME	68,642,609	58,378,105	50,633,388	(24.20)%	66,796,068	12.46%	59,368,930	39.49%	42,583,938	(7.78)%	46,175,630	30.80%	35,301,815	(21.67)%	45,069,479	59.70%

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
GAS NET INCOME  
COMPARATIVE INCOME STATEMENTS  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

SCHEDULE 1-1  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL, UPDATED, REVISED  
WORK PAPER REFERENCE NO(S):

LINE NO	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS															
		2021	2020	FORECASTED PERIOD	% CHANGE	BASE PERIOD	% CHANGE	2017	% CHANGE	2016	% CHANGE	2015	% CHANGE	2014	% CHANGE	2013	% CHANGE
1	<b>Operating Income</b>																
2	Operating Revenues	108,914,639	109,209,539	94,520,290	(7.73)%	102,436,819	8.79%	94,164,214	1.24%	93,009,868	(10.96)%	104,452,723	(14.66)%	122,400,659	19.53%	102,404,440	13.94%
3	<b>Operating Income Deductions</b>																
4	<b>Operating and Maintenance Expenses:</b>																
5	Gas Production Expenses	0	0	1,355,623	(33.60)%	2,047,849	157.98%	793,792	(25.43)%	1,064,480	10.50%	963,293	33.67%	719,564	108.65%	344,868	65.78%
6	Purchased Gas Expenses	36,566,075	37,129,021	36,414,641	(16.83)%	43,784,843	16.20%	37,679,060	14.21%	32,950,045	(21.52)%	42,038,602	(30.41)%	60,405,546	30.19%	46,397,538	22.21%
7	Other Gas Supply Expenses	0	0	0	(100.00)%	671,111	28.32%	523,005	(40.28)%	875,719	(9.23)%	964,793	(7.50)%	1,043,049	(20.37)%	1,306,849	-
8	Transmission Expenses	0	0	0	-	0	(100.00)%	2,716	(60.55)%	6,885	6.09%	6,490	3315.79%	190	-	0	-
9	Distribution Expenses	19,456,627	19,391,753	11,942,477	19.76%	9,971,602	(10.21)%	11,105,384	13.55%	9,780,129	13.98%	8,580,421	(15.17)%	10,114,332	36.91%	7,387,642	(0.46)%
10	Customer Accounts Expenses	0	0	3,281,428	(13.17)%	3,779,036	4.15%	3,628,311	(9.46)%	4,007,280	11.73%	3,666,726	1.85%	3,521,723	(1.97)%	3,592,467	(11.19)%
11	Customer Service and Informational Expenses	0	0	426,836	(1.83)%	434,799	(3.69)%	451,439	(10.74)%	505,759	(20.03)%	632,454	(19.76)%	768,222	(28.51)%	1,072,597	(20.76)%
12	Sales Expenses	0	0	200,467	19.16%	168,230	58.21%	106,331	13.13%	93,991	(18.16)%	114,847	(48.01)%	208,865	1174.11%	16,393	(40.06)%
13	Administrative and General Expenses	5,537,922	5,085,958	6,963,873	(7.86)%	7,557,603	10.84%	6,818,494	4.92%	6,488,866	(16.53)%	7,786,095	18.26%	6,583,812	(19.60)%	8,186,586	(14.36)%
14	Other	0	0	0	100.00%	(601,635)	(247.10)%	544,974	(80.49)%	2,793,990	33.11%	2,098,950	1148.33%	(200,219)	95.65%	(4,800,714)	(688.18)%
15	Total (Line 5 through Line 14)	61,560,625	61,606,732	60,585,345	(10.39)%	67,613,438	9.67%	61,653,526	5.18%	56,817,164	(12.21)%	66,772,671	(19.73)%	83,185,084	30.57%	63,709,226	5.99%
16	Depreciation Expense	16,773,493	16,010,525	14,349,517	11.74%	12,841,958	10.79%	11,591,542	6.04%	10,931,716	2.16%	10,701,058	2.72%	10,570,327	2.72%	10,290,738	3.07%
17	Amort. & Depl. of Utility Plant	0	0	1,350,115	(13.10)%	1,553,689	9.22%	1,422,574	71.12%	831,341	2.12%	814,067	(18.98)%	1,004,742	(22.61)%	1,298,304	(6.45)%
18	Taxes Other Than Income Taxes	4,435,167	4,230,891	4,142,425	14.87%	3,606,329	7.16%	3,364,668	(30.75)%	4,858,897	19.16%	4,077,676	(6.98)%	4,382,582	6.56%	4,112,119	1.32%
19	Income Taxes - Federal	3,469,390	3,512,157	327,143	(91.14)%	3,692,225	148.23%	(7,656,112)	(210.83)%	6,908,014	(13.00)%	7,940,333	2187.05%	347,187	(91.17)%	3,633,536	374.03%
20	Income Taxes - Other	552,568	552,557	(215,575)	(162.05)%	347,419	138.74%	(896,836)	(181.11)%	1,105,745	18.09%	936,373	24.50%	752,093	267.32%	204,753	(69.76)%
21	Provision for Deferred Income Taxes - Net	280,592	670,599	892,802	251.36%	(688,838)	(104.64)%	12,717,213	464.20%	(3,590,386)	(194.48)%	(1,219,192)	(117.39)%	7,011,309	123.57%	3,136,016	(79.96)%
22	Investment Tax Credit Adj - Net	0	0	(66,055)	1.76%	(67,241)	0.16%	(67,351)	1.98%	(68,708)	0.65%	(69,155)	1.52%	(70,220)	1.67%	(71,412)	(0.08)%
23	Gains From Disp of Allow - Credit	0	0	0	-	0	-	0	-	0	-	0	-	0	-	0	-
24	Accretion Expense	0	0	0	-	0	-	0	-	0	-	0	-	0	-	0	-
25	Total Utility Operating Expenses	87,071,835	86,583,401	81,965,717	(8.58)%	88,997,979	8.36%	82,129,444	3.19%	79,583,780	(11.52)%	89,953,831	(16.07)%	107,183,084	23.75%	86,613,890	(4.15)%
26	Net Utility Operating Income	21,842,804	22,626,138	13,154,573	(2.12)%	13,438,840	11.67%	12,034,770	(10.30)%	13,416,088	(7.47)%	14,498,682	(4.72)%	15,217,575	(3.63)%	15,790,760	3373.96%
27	<b>Other Income And Deductions</b>																
28	<b>Other Income:</b>																
29	Nonutility Operating Income	0	0	0	-	0	-	0	-	0	-	0	-	0	-	0	-
30	Equity in Earnings of Subsidiary Companies	0	0	0	-	0	-	0	-	0	-	0	-	0	-	0	-
31	Interest and Dividend Income	641,765	809,782	851,666	442.01%	157,130	-	0	-	0	-	0	-	0	-	0	-
32	Allowance for Funds Used During Const	1,315,954	1,509,652	1,035,574	5.43%	982,198	63.59%	600,369	104.34%	293,820	460.02%	52,466	45.03%	36,176	50.85%	23,961	115.10%
33	Miscellaneous Nonoperating Income	522,484	357,974	248,134	750.56%	23,173	-	0	-	0	-	0	-	0	-	0	-
34	Gain on Disposition of Property	0	0	0	-	0	-	0	-	0	-	0	-	0	-	0	-
35	Total Other Income	2,480,203	2,677,408	2,135,374	82.74%	1,168,501	94.62%	800,369	104.34%	293,820	460.02%	52,466	45.03%	36,176	50.85%	23,961	115.10%
36	<b>Other Income Deductions:</b>																
37	Loss on Disposition of Property	0	0	0	-	0	-	0	-	0	-	0	-	0	-	0	-
38	Miscellaneous Income Deductions	0	0	0	-	0	-	0	-	0	-	0	-	0	-	0	-
39	Total Other Income Deductions	0	0	0	-	0	-	0	-	0	-	0	-	0	-	0	-
40	<b>Taxes Applicable to Other Income and Deductions</b>																
41	Income Taxes and Investment Tax Credits	0	0	0	-	0	-	0	-	0	-	0	-	0	-	0	-
42	Taxes Other Than Income Taxes	0	0	0	-	0	-	0	-	0	-	0	-	0	-	0	-
43	Total Taxes on Other Income and Deductions	0	0	0	-	0	-	0	-	0	-	0	-	0	-	0	-
44	Net Other Income and Deductions	2,480,203	2,677,408	2,135,374	82.74%	1,168,501	94.62%	800,369	104.34%	293,820	460.02%	52,466	45.03%	36,176	50.85%	23,961	115.10%
45	<b>Interest Charges</b>																
46	Interest on Long Term Debt	7,898,935	7,285,899	7,164,661	24.90%	5,736,149	27.66%	4,493,448	6.24%	4,229,545	13.08%	3,740,374	(13.53)%	4,325,668	(0.69)%	4,355,861	(0.16)%
47	Amortization of Debt Discount and Expense	74,981	89,719	114,981	(3.42)%	119,047	28.35%	92,749	(59.68)%	230,016	79.14%	128,387	(2.92)%	132,258	(12.11)%	150,486	(5.15)%
48	Amortization of Loss on Recquired Debt	0	0	0	(100.00)%	40,954	(50.00)%	81,909	-	81,909	-	81,909	-	81,909	(3.52)%	94,894	(2.46)%
49	Amortization of Premium on Debt - Credit	0	0	0	-	0	-	0	-	0	-	0	-	0	-	0	-
50	Interest on Debt to Assoc. Companies	0	0	0	(100.00)%	0	-	0	-	0	-	0	-	0	-	0	-
51	Other Interest Expense	143,502	143,502	0	(100.00)%	151,321	8.51%	139,450	98.02%	70,423	21.01%	58,197	1063.71%	5,001	1861.18%	255	(52.69)%
52	Allow For Brwd Funds Used Dur Const - Credit	(427,291)	(490,185)	(336,252)	2.67%	(345,469)	(68.03)%	(205,612)	(104.75)%	(100,423)	(401.09)%	(20,041)	(43.32)%	(13,963)	(49.07)%	(9,380)	(119.46)%
53	Net Interest Charges	7,690,127	7,026,935	6,943,420	16.40%	5,965,059	18.65%	5,027,450	1.19%	4,968,227	9.71%	4,526,304	(10.89)%	5,081,781	2.21%	4,972,110	(9.58)%
54	Net Income	16,632,880	18,274,611	8,346,527	(3.42)%	8,642,282	13.60%	7,607,709	(12.97)%	8,741,681	(12.78)%	10,023,054	(1.46)%	10,171,970	(6.19)%	10,842,631	276.60%
55	1,000 MCF Sold	13,222,403	13,139,411	13,148,361		13,892,110		12,037,889		11,941,728		13,203,617		14,855,099		13,722,019	
56	Net Income per MCF Sold	\$ 1.26	\$ 1.39	\$ 0.63		\$ 0.62		\$ 0.63		\$ 0.73		\$ 0.76		\$ 0.68		\$ 0.79	

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
REVENUE STATISTICS-TOTAL COMPANY  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

SCHEDULE I-2.1  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S).

LINE NO.	DESCRIPTION	TWO PROJECTED CALENDAR YEARS		FORECASTED PERIOD	BASE PERIOD	MOST RECENT FIVE CALENDAR YEARS				
		2021	2020			2017	2016	2015	2014	2013
1	REVENUE BY CUSTOMER									
2	CLASS-\$ (A)									
3	RETAIL -									
4	RESIDENTIAL	63,308,148	63,250,929	62,113,657	67,338,429	61,825,680	62,214,654	69,532,324	79,784,994	66,991,067
5	COMMERCIAL	21,161,070	21,593,121	21,456,292	25,288,754	21,472,263	20,343,213	23,562,493	30,142,293	24,283,557
6	INDUSTRIAL	982,110	1,057,077	1,155,283	1,653,956	1,584,623	1,346,659	1,943,337	2,317,118	1,954,729
7	OTHER	2,233,921	2,241,050	2,236,248	2,466,239	2,326,378	2,145,080	2,564,071	3,348,679	2,581,829
8	TOTAL RETAIL	87,685,249	88,142,177	86,961,480	96,747,378	87,210,944	86,049,606	97,602,225	115,593,084	95,911,182
9	TRANSPORTATION -									
10	COMMERCIAL	1,708,020	1,644,770	1,558,548	1,310,216	1,029,849	1,083,520	840,391	912,251	819,197
11	INDUSTRIAL	3,399,193	3,314,915	3,238,910	2,961,469	2,871,199	2,920,394	3,042,762	2,926,678	2,567,632
12	OTHER	414,309	408,237	385,736	360,956	880,183	903,685	938,838	1,056,469	1,011,707
13	OTHER END USERS	1,405,449	1,405,022	1,404,958	1,761,715	1,570,337	1,499,024	1,383,058	1,355,837	1,540,464
14	TOTAL TRANSPORTATION	6,926,971	6,772,944	6,588,152	6,394,356	6,351,568	6,406,623	6,205,049	6,251,235	5,939,000
15	TOTAL REVENUES	94,612,220	94,915,121	93,549,632	103,141,734	93,562,512	92,456,229	103,807,274	121,844,319	101,850,182
16										
17	NO. OF CUSTOMERS BY									
18	CLASS (YEAR END)									
19	RETAIL -									
20	RESIDENTIAL	93,852	93,292	93,187	91,432	91,702	90,896	90,056	89,668	89,174
21	COMMERCIAL	7,285	7,242	7,234	7,097	7,154	7,294	7,281	7,284	7,196
22	INDUSTRIAL	214	213	212	208	208	210	217	206	209
23	OTHER	382	379	379	372	363	372	367	365	357
24	TOTAL RETAIL	101,733	101,126	101,012	99,109	99,427	98,772	97,921	97,523	96,936
25	TRANSPORTATION -									
26	COMMERCIAL	44	44	44	44	44	44	41	38	39
27	INDUSTRIAL	37	37	37	37	37	38	39	38	36
28	OTHER	13	13	13	11	13	13	16	16	19
29	OTHER END USERS	22	22	22	22	22	22	21	21	22
30	TOTAL TRANSPORTATION	116	116	116	114	116	117	117	113	116
31	TOTAL CUSTOMERS	101,849	101,242	101,128	99,223	99,543	98,889	98,038	97,636	97,052
32										
33	NO. OF CUSTOMERS BY									
34	CLASS (AVERAGE)									
35	RETAIL -									
36	RESIDENTIAL	92,874	92,320	91,964	91,232	90,736	89,990	89,195	88,731	88,282
37	COMMERCIAL	7,209	7,166	7,139	7,100	7,022	7,131	7,100	7,087	6,990
38	INDUSTRIAL	212	210	210	207	207	205	209	208	211
39	OTHER	378	375	374	367	366	367	367	361	353
40	TOTAL RETAIL	100,673	100,071	99,686	98,906	98,331	97,693	96,871	96,387	95,836
41	TRANSPORTATION -									
42	COMMERCIAL	44	44	44	44	44	44	40	38	37
43	INDUSTRIAL	37	37	37	37	38	39	38	38	34
44	OTHER	13	13	13	12	13	14	16	18	19
45	OTHER END USERS	22	22	22	22	22	22	20	21	23
46	TOTAL TRANSPORTATION	116	116	116	115	117	119	114	115	113
47	TOTAL CUSTOMERS	100,789	100,187	99,802	99,021	98,448	97,812	96,985	96,502	95,949
48										
49	AVERAGE REVENUE PER									
50	CUSTOMER									
51	RETAIL -									
52	RESIDENTIAL	682	685	675	738	681	691	780	899	759
53	COMMERCIAL	2,935	3,013	3,006	3,562	3,058	2,853	3,319	4,253	3,474
54	INDUSTRIAL	4,633	5,034	5,513	7,990	7,655	6,569	9,298	11,140	9,264
55	TRANSPORTATION -									
56	COMMERCIAL	38,819	37,381	35,422	29,778	23,406	24,625	21,010	24,007	22,140
57	INDUSTRIAL	91,870	89,592	87,538	80,040	75,558	74,882	80,073	77,018	75,519
58	OTHER END USERS	63,884	63,865	63,862	80,078	71,379	68,137	69,153	64,564	66,977

(A) Contains Billed Sales.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
REVENUE STATISTICS-JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

SCHEDULE I-3  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

LINE NO.	DESCRIPTION	TWO PROJECTED CALENDAR YEARS		FORECASTED PERIOD	BASE PERIOD	MOST RECENT FIVE CALENDAR YEARS				
		2021	2020			2017	2016	2015	2014	2013
1	REVENUE BY CUSTOMER									
2	CLASS-\$ (A)									
3	RETAIL -									
4	RESIDENTIAL									
5	COMMERCIAL									
6	INDUSTRIAL									
7	OTHER									
8	TOTAL RETAIL									
9	TRANSPORTATION -									
10	COMMERCIAL									
11	INDUSTRIAL									
12	OTHER									
13	OTHER END USERS									
14	TOTAL TRANSPORTATION									
15	TOTAL REVENUES									
16										
17	NO. OF CUSTOMERS BY									
18	CLASS (YEAR END)									
19	RETAIL -									
20	RESIDENTIAL									
21	COMMERCIAL									
22	INDUSTRIAL									
23	OTHER									
24	TOTAL RETAIL									
25	TRANSPORTATION -									
26	COMMERCIAL									
27	INDUSTRIAL									
28	OTHER									
29	OTHER END USERS									
30	TOTAL TRANSPORTATION									
31	TOTAL CUSTOMERS									
32										
33	NO. OF CUSTOMERS BY									
34	CLASS (AVERAGE)									
35	RETAIL -									
36	RESIDENTIAL									
37	COMMERCIAL									
38	INDUSTRIAL									
39	OTHER									
40	TOTAL RETAIL									
41	TRANSPORTATION -									
42	COMMERCIAL									
43	INDUSTRIAL									
44	OTHER									
45	OTHER END USERS									
46	TOTAL TRANSPORTATION									
47	TOTAL CUSTOMERS									
48										
49	AVERAGE REVENUE PER									
50	CUSTOMER									
51	RETAIL -									
52	RESIDENTIAL									
53	COMMERCIAL									
54	INDUSTRIAL									
55	TRANSPORTATION -									
56	COMMERCIAL									
57	INDUSTRIAL									
58	OTHER END USERS									

SAME AS SCHEDULE I-2.1 - 100% OF TOTAL COMPANY OPERATIONS ARE JURISDICTIONAL

(A) Contains Billed and Unbilled Sales.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
SALES STATISTICS-TOTAL COMPANY  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

SCHEDULE I-4  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

LINE NO.	DESCRIPTION	TWO PROJECTED CALENDAR YEARS		FORECASTED PERIOD	BASE PERIOD	MOST RECENT FIVE CALENDAR YEARS				
		2021	2020			2017	2016	2015	2014	2013
1	SALES BY CUSTOMER									
2	CLASS-MCF (A)									
3	RETAIL -									
4	RESIDENTIAL	5,845,686	5,777,074	5,792,062	6,142,632	5,168,611	5,120,342	5,989,448	7,036,088	6,483,794
5	COMMERCIAL	2,663,199	2,721,112	2,753,793	3,265,272	2,645,907	2,590,807	3,073,842	3,469,605	3,091,079
6	INDUSTRIAL	147,800	160,188	171,718	238,549	214,272	205,333	264,218	299,373	273,963
7	OTHER	330,609	331,106	333,564	352,939	311,516	317,877	368,469	423,752	376,749
8	TOTAL RETAIL	8,987,294	8,989,480	9,051,137	9,997,392	8,340,306	8,234,359	9,695,977	11,228,618	10,225,585
9	TRANSPORTATION -									
10	COMMERCIAL	737,183	705,441	683,226	587,895	467,414	463,688	385,850	421,372	377,914
11	INDUSTRIAL	1,824,907	1,774,778	1,745,249	1,592,225	1,520,851	1,558,044	1,585,371	1,630,363	1,383,560
12	OTHER	192,508	189,651	187,756	171,199	160,350	171,904	197,596	239,769	225,852
13	OTHER END USERS	1,480,511	1,480,061	1,479,993	1,543,399	1,548,968	1,513,733	1,338,823	1,334,777	1,509,106
14	TOTAL TRANSPORTATION	4,235,109	4,149,931	4,097,224	3,894,718	3,697,583	3,707,369	3,507,640	3,626,281	3,496,434
15	TOTAL SALES	13,222,403	13,139,411	13,148,361	13,892,110	12,037,889	11,941,728	13,203,617	14,855,099	13,722,019
16										
17	NO. OF CUSTOMERS BY									
18	CLASS (YEAR END)									
19	RETAIL -									
20	RESIDENTIAL	93,852	93,292	93,187	91,432	91,702	90,896	90,056	89,668	89,174
21	COMMERCIAL	7,285	7,242	7,234	7,097	7,154	7,294	7,281	7,284	7,196
22	INDUSTRIAL	214	213	212	208	208	210	217	206	209
23	OTHER	382	379	379	372	363	372	367	365	357
24	TOTAL RETAIL	101,733	101,126	101,012	99,109	99,427	98,772	97,921	97,523	96,936
25	TRANSPORTATION -									
26	COMMERCIAL	44	44	44	44	44	44	41	38	39
27	INDUSTRIAL	37	37	37	37	37	38	39	38	36
28	OTHER	13	13	13	11	13	13	16	16	19
29	OTHER END USERS	22	22	22	22	22	22	21	21	22
30	TOTAL TRANSPORTATION	116	116	116	114	116	117	117	113	116
31	TOTAL CUSTOMERS	101,849	101,242	101,128	99,223	99,543	98,889	98,038	97,636	97,052
32										
33	NO. OF CUSTOMERS BY									
34	CLASS (AVERAGE)									
35	RETAIL -									
36	RESIDENTIAL	92,874	92,320	91,964	91,232	90,736	89,990	89,195	88,731	88,282
37	COMMERCIAL	7,209	7,166	7,139	7,100	7,022	7,131	7,100	7,087	6,990
38	INDUSTRIAL	212	210	210	207	207	205	209	208	211
39	OTHER	378	375	374	367	366	367	367	361	353
40	TOTAL RETAIL	100,673	100,071	99,686	98,906	98,331	97,693	96,871	96,387	95,836
41	TRANSPORTATION -									
42	COMMERCIAL	44	44	44	44	44	44	40	38	37
43	INDUSTRIAL	37	37	37	37	38	39	38	38	34
44	OTHER	13	13	13	12	13	14	16	18	19
45	OTHER END USERS	22	22	22	22	22	22	20	21	23
46	TOTAL TRANSPORTATION	116	116	116	115	117	119	114	115	113
47	TOTAL CUSTOMERS	100,789	100,187	99,802	99,021	98,448	97,812	96,985	96,502	95,949
48										
49	AVERAGE SALES PER									
50	CUSTOMER-MCF									
51	RETAIL -									
52	RESIDENTIAL	63	63	63	67	57	57	67	79	73
53	COMMERCIAL	369	380	386	460	377	363	433	490	442
54	INDUSTRIAL	697	763	819	1,152	1,035	1,002	1,264	1,439	1,298
55	TRANSPORTATION -									
56	COMMERCIAL	16,754	16,033	15,528	13,361	10,623	10,538	9,646	11,089	10,214
57	INDUSTRIAL	49,322	47,967	47,196	43,033	40,022	39,950	41,720	42,904	40,693
58	OTHER END USERS	67,296	67,276	67,272	70,155	70,408	68,806	66,941	63,561	65,613

(A) Contains Billed Sales.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
SALES STATISTICS-JURISDICTIONAL  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

SCHEDULE I-5  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
R. H. PRATT

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S).

LINE NO.	DESCRIPTION	TWO PROJECTED CALENDAR YEARS		FORECASTED PERIOD	BASE PERIOD	MOST RECENT FIVE CALENDAR YEARS				
		2021	2020			2017	2016	2015	2014	2013
1	SALES BY CUSTOMER									
2	CLASS-MCF (A)									
3	RETAIL -									
4	RESIDENTIAL									
5	COMMERCIAL									
6	INDUSTRIAL									
7	OTHER									
8	TOTAL RETAIL									
9	TRANSPORTATION -									
10	COMMERCIAL									
11	INDUSTRIAL									
12	OTHER									
13	OTHER END USERS									
14	TOTAL TRANSPORTATION									
15	TOTAL SALES									
16										
17	NO. OF CUSTOMERS BY									
18	CLASS (YEAR END)									
19	RETAIL -									
20	RESIDENTIAL									
21	COMMERCIAL									
22	INDUSTRIAL									
23	OTHER									
24	TOTAL RETAIL									
25	TRANSPORTATION -									
26	COMMERCIAL									
27	INDUSTRIAL									
28	OTHER									
29	OTHER END USERS									
30	TOTAL TRANSPORTATION									
31	TOTAL CUSTOMERS									
32										
33	NO. OF CUSTOMERS BY									
34	CLASS (AVERAGE)									
35	RETAIL -									
36	RESIDENTIAL									
37	COMMERCIAL									
38	INDUSTRIAL									
39	OTHER									
40	TOTAL RETAIL									
41	TRANSPORTATION -									
42	COMMERCIAL									
43	INDUSTRIAL									
44	OTHER									
45	OTHER END USERS									
46	TOTAL TRANSPORTATION									
47	TOTAL CUSTOMERS									
48										
49	AVERAGE SALES PER									
50	CUSTOMER-MCF									
51	RETAIL -									
52	RESIDENTIAL									
53	COMMERCIAL									
54	INDUSTRIAL									
55	TRANSPORTATION -									
56	COMMERCIAL									
57	INDUSTRIAL									
58	OTHER END USERS									

SAME AS SCHEDULE I-4 - 100% OF TOTAL COMPANY OPERATIONS ARE JURISDICTIONAL

(A) Contains Billed and Unbilled Sales.

Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

SECTION J

SECTION J

RATE OF RETURN

DUKE ENERGY KENTUCKY

Base Period: As of November 30, 2018

Forecasted Period: Thirteen Month Average Ended March 31, 2020

Schedules

- J-1 Cost of Capital Summary
- J-2 Embedded Cost of Short-Term Debt
- J-3 Embedded Cost of Long-Term Debt
- J-4 Embedded Cost of Preferred Stock  
(Not Included per KyPSC Standard Filing Requirements)

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
COST OF CAPITAL SUMMARY  
AS OF NOVEMBER 30, 2018

DATA: "X" BASE PERIOD FORECASTED PERIOD  
DATE OF CAPITAL STRUCTURE: END OF BASE PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): See Below

SCHEDULE J-1  
PAGE 1 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT

LINE NO.	CLASS OF CAPITAL	REFERENCE	AMOUNT (\$)	% OF TOTAL	% COST	WEIGHTED COST %
1	Common Equity		575,707,316	49.866%	9.900%	4.937%
2	Long-Term Debt	J-3	448,447,950	38.844%	4.331%	1.682%
3	Short-Term Debt	J-2	<u>130,336,352</u>	<u>11.290%</u>	4.375%	<u>0.494%</u>
4						
5	Total Capital		<u>1,154,491,618</u>	<u>100.000%</u>		<u>7.113%</u>
6						
7						
8	Accumulated Deferred Investment Tax Credit					
9	Account 255	WPB-6	<u>3,764,953</u>			
10						
11						
12	<u>Investment Tax Credit Included in Total Capital</u>					
13						
14	Common Equity		577,584,747	49.866%	9.900%	4.937%
15	Long-Term Debt		449,910,408	38.844%	4.331%	1.682%
16	Short-Term Debt		<u>130,761,415</u>	<u>11.290%</u>	4.375%	<u>0.494%</u>
17						
18	Total Capital Including Investment Tax Credit		<u>1,158,256,570</u>	<u>100.000%</u>		<u>7.113%</u>

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
COST OF CAPITAL SUMMARY  
THIRTEEN MONTH AVERAGE BALANCE ENDING MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD  
DATE OF CAPITAL STRUCTURE: END OF FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): See Below

SCHEDULE J-1  
PAGE 2 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT

LINE NO.	CLASS OF CAPITAL	REFERENCE	13 MONTH AVG. BALANCE (\$)	% OF TOTAL	% COST	WEIGHTED COST %
1	Common Equity		621,113,054	50.755%	9.900%	5.025%
2	Long-Term Debt	J-3	518,128,763	42.339%	4.398%	1.862%
3	Short-Term Debt	J-2	<u>84,508,435</u>	<u>6.906%</u>	4.250%	<u>0.294%</u>
4						
5	Total Capital		<u>1,223,750,252</u>	<u>100.000%</u>		<u>7.18100%</u>
6						
7						
8	Accumulated Deferred Investment Tax Credit					
9	Account 255	WPB-6	<u>3,708,551</u>			
10						
11						
12	<u>Investment Tax Credit Included in Total Capital</u>					
13						
14	Common Equity		622,995,329	50.755%	9.900%	5.025%
15	Long-Term Debt		519,698,926	42.339%	4.398%	1.862%
16	Short-Term Debt		<u>84,764,548</u>	<u>6.906%</u>	4.250%	<u>0.294%</u>
17						
18	Total Capital Including Investment Tax Credit		<u>1,227,458,803</u>	<u>100.000%</u>		<u>7.181%</u>





DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
EMBEDDED COST OF LONG-TERM DEBT  
AS OF NOVEMBER 30, 2018  
(CORPORATE)

DATA: "X" BASE PERIOD FORECASTED PERIOD  
DATE OF CAPITAL STRUCTURE: END OF BASE PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE J-3  
PAGE 1 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT

LINE NO.	DEBT ISSUE TYPE, COUPON RATE		DATE ISSUED (DAY/MO/YR) (A)	MATURITY DATE (DAY/MO/YR) (B)	PRINCIPAL AMOUNT (C)	FACE AMOUNT OUTSTANDING (D)	UNAMORT. (DISCOUNT) OR PREMIUM (E)	UNAMORT. DEBT EXPENSE (F)	UNAMORT. LOSS ON REACQUIRED DEBT (G)	CARRYING VALUE (H=D+E-F-G)	ANNUAL INTEREST COST(*) (I)	
1	<u>Non Current Capital Leases</u>											
2	Capital Lease - Erlanger Facility	8.634%	30-Dec-06	30-Sep-20	2,100,000	202,975	-	-	-	202,975.00	17,524	
3												
4	<u>Unamortized Loss on Reacquired Debt</u>											
5	10.25% due 6/1/2020								58,914	(58,914)	39,276	
6	10.25% due 11/15/2020								73,293	(73,293)	37,479	
7	7.65% due 7/15/2025								423,409	(423,409)	63,938	
8	5.5% due 1/1/2024								196,490	(196,490)	38,654	
9	6.5% due 1/15/2022								18,049	(18,049)	4,563	
10	Variable rate PCB, due 8/1/2027								134,929	(134,929)	15,569	
11												
12	<u>Other Long Term Debt</u>											
13												
14	LT Commercial Paper	2.565%	Series	16-Mar-23	25,000,000	25,000,000	-	-	-	25,000,000	641,150	
15	Debentures	3.860%	Series	26-Jul-06	26,720,000	26,720,000	-	172,632	-	26,547,368	1,051,311	
16	Debentures	1.669%	Series	03-Dec-08	50,000,000	50,000,000	-	203,822	-	49,796,178	1,226,859	
17	Debentures	6.200%	Series	10-Mar-06	65,000,000	65,000,000	(211,849)	376,342	-	64,411,809	4,064,049	
18	Debentures	4.650%	Series	22-Sep-09	100,000,000	100,000,000	(31,090)	35,120	-	99,933,790	4,716,210	
19	Debentures	3.420%	Series	05-Jan-16	45,000,000	45,000,000	-	169,588	-	44,830,412	1,562,811	
20	Debentures	4.450%	Series	05-Jan-16	50,000,000	50,000,000	-	240,463	-	49,759,537	2,233,866	
21	Debentures	3.350%	Series	07-Sep-17	30,000,000	30,000,000	-	111,705	-	29,888,295	1,015,354	
22	Debentures	4.110%	Series	07-Sep-17	30,000,000	30,000,000	-	119,361	-	29,880,639	1,237,146	
23	Debentures	4.260%	Series	07-Sep-17	30,000,000	30,000,000	-	120,639	-	29,879,361	1,281,110	
24	Future Debentures	4.350%	Series	15-Sep-18	50,000,000	50,000,000	-	209,625	-	49,790,375	2,196,500	
25	Future Debentures	4.660%	Series	15-Sep-18	50,000,000	50,000,000	-	213,208	-	49,786,792	2,337,167	
26												
27	MCF Fees			16-Mar-23	-	-	-	372,801	-	(372,801)	86,866	
28	LQC Fees			14-Feb-23	-	-	-	47,906	-	(47,906)	11,498	
29	Other fees (\$26.720M - remarketing, insurance, Bilateral LC)											
30												
31	<u>Current Maturities</u>											
32	Debentures	4.650%	Series	22-Sep-09		(100,000,000)	31,090	(35,120)		(99,933,790)	(4,716,210)	
33												
34	Totals					553,820,000	551,922,975	(242,939)	2,393,212	905,084	448,447,950	19,420,190
35												
36												
37	Embedded Cost of Long-Term Debt (I / H)										4.331%	

(\*) Annualized interest cost plus (or minus) amortization of discount or premium plus amortization of issue costs minus (or plus) amortization of gain (or loss) on reacquired debt.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
EMBEDDED COST OF LONG-TERM DEBT  
THIRTEEN MONTH AVERAGE BALANCE  
(CORPORATE)

DATA: BASE PERIOD "X" FORECASTED PERIOD  
DATE OF CAPITAL STRUCTURE: END OF FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE J-3  
PAGE 2 OF 2  
WITNESS RESPONSIBLE:  
R. H. PRATT

LINE NO.	DEBT ISSUE TYPE, COUPON RATE		DATE ISSUED (DAY/MO/YR) (A)	MATURITY DATE (DAY/MO/YR) (B)	PRINCIPAL AMOUNT (C)	FACE AMOUNT OUTSTANDING (D)	UNAMORT. (DISCOUNT) OR PREMIUM (E)	UNAMORT. DEBT EXPENSE (F)	UNAMORT. LOSS ON REACQUIRED DEBT (G)	CARRYING VALUE (H=D+E-F-G)	ANNUAL INTEREST COST(*) (I)	
1	<u>Non-Current Capital Leases</u>											
2												
3	Capital Lease - Erlanger Facility	8.634%	30-Dec-06	30-Sep-20	2,100,000	33,445	-	-	-	33,445	2,888	
4												
5	<u>Unamortized Loss on Reacquired Debt</u>											
6												
7	10.25% due 6/1/2020								9,819	(9,819)	9,064	
8	10.25% due 11/15/2020								30,688	(30,688)	23,064	
9	7.65% due 7/15/2025								370,128	(370,128)	63,938	
10	5.5% due 1/1/2024								164,278	(164,278)	38,654	
11	6.5% due 1/15/2022								15,270	(15,270)	4,563	
12	Variable rate PCB, due 8/1/2027								125,448	(125,448)	15,569	
13												
14	<u>Other Long Term Debt</u>											
15	LT Commercial Paper	2.883%	Series	16-Mar-22	25,000,000	25,000,000	-	-	-	25,000,000	720,867	
16	Debentures	3.860%	Series	26-Jul-06	26,720,000	26,720,000	-	156,033	-	26,563,967	1,051,311	
17	Debentures	Variable	Series	03-Dec-08	50,000,000	50,000,000	-	184,656	-	49,815,344	1,338,463	
18	Debentures	6.200%	Series	10-Mar-06	65,000,000	65,000,000	(201,629)	358,188	-	64,440,183	4,064,049	
19	Debentures	4.650%	Series	22-Sep-09	100,000,000	53,846,154	(5,023)	5,673	-	53,835,458	2,514,542	
20	Debentures	3.420%	Series	05-Jan-16	45,000,000	45,000,000	-	149,745	-	44,850,255	1,562,811	
21	Debentures	4.450%	Series	05-Jan-16	50,000,000	50,000,000	-	233,075	-	49,766,925	2,233,866	
22	Debentures	3.350%	Series	07-Sep-17	30,000,000	30,000,000	-	103,077	-	29,896,923	1,015,354	
23	Debentures	4.110%	Series	07-Sep-17	30,000,000	30,000,000	-	115,906	-	29,884,094	1,237,146	
24	Debentures	4.260%	Series	07-Sep-17	30,000,000	30,000,000	-	118,047	-	29,881,953	1,281,110	
25	Future Debentures	4.350%	Series	15-Sep-18	50,000,000	50,000,000	-	191,708	-	49,808,292	2,196,500	
26	Future Debentures	4.660%	Series	15-Sep-18	50,000,000	50,000,000	-	207,236	-	49,792,764	2,337,167	
27	Future Debentures	4.600%	Series	15-Sep-19	130,000,000	70,000,000	-	551,014	-	69,448,986	3,232,900	
28												
29	MCF Fees			16-Mar-23	-	-	-	300,412	-	(300,412)	86,866	
30	LOC Fees			14-Feb-23	-	-	-	38,325	-	(38,325)	11,498	
31	Other fees (\$26.720M - remarketing, insurance, Bilateral LC)											
32											257,500	
33	<u>Current Maturities</u>											
34	Debentures	4.650%	Series	22-Sep-09		(53,846,154)	5,023	(5,673)		(53,835,458)	(2,514,542)	
35												
36			Totals		683,820,000	521,753,445	(201,629)	2,707,422	715,631	518,128,763	22,785,148	
37												
38												
39			Embedded Cost of Long-Term Debt (I / H)									4.398%

(\*) Annualized interest cost plus (or minus) amortization of discount or premium plus amortization of issue costs minus (or plus) amortization of gain (or loss) on reacquired debt.

Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

SECTION K

SECTION K  
FINANCIAL DATA

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended November 30, 2018

Forecasted Period: Twelve Months Ended March 31, 2020

K Schedules

Page 1

Plant Data

Composite Depreciation Rates

Page 2

Capital Structure

Condensed Income Statement

Income Available for Fixed Charges

Cost of Capital

Page 3

Stock and Bond Ratings

Fixed Charge Coverage

Percentage of Construction Expenditures Financed Internally

Page 4

Common Stock Related Data

Rate of Return Measures - Return on Equity

Rate of Return Measures - Return on Total Capital

Rate of Return Measures - Return on Net Plant

Page 5

Other Financial and Operating Data - Mix of Sales

Other Financial and Operating Data - Mix of Fuel

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
COMPARATIVE FINANCIAL DATA

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE K  
PAGE 1 OF 5  
WITNESS RESPONSIBLE:  
R. H. PRATT / C. S. LEE

Line No.	Description	FORECASTED PERIOD	BASE PERIOD	MOST RECENT CALENDAR YEARS										
				2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
1	<b>PLANT DATA (\$000 omitted): (a)</b>													
2	<u>Gas Plant</u>													
3	Intangible	11,428	11,428	11,279	6,221	3,970	3,915	3,529	3,473	2,744	2,054	464	464	
4	Production-Mfg. Gas	7,820	7,820	7,820	7,820	7,569	7,793	7,809	7,136	6,229	6,072	6,028	5,883	
5	Underground Storage	-	-	-	-	-	-	-	-	-	-	-	-	
6	Storage-Local	-	-	-	-	-	-	-	-	-	-	-	-	
7	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	
8	Distribution	555,681	533,421	482,331	452,451	431,131	421,026	414,138	406,367	393,816	384,146	368,642	336,617	
9	General	13,152	12,679	1,798	1,683	3,207	3,159	3,048	3,286	3,203	3,158	3,000	2,100	
10	Total Gas Plant-Gross	588,081	565,348	503,228	468,175	445,877	435,893	428,524	420,262	405,992	395,430	378,134	345,064	
11	Less: Accum. Provision for Depr. and Amort.	185,955	176,648	165,758	156,558	152,368	142,929	134,248	125,356	118,161	109,623	103,506	97,882	
12	Gas Plant in Service-Net	402,126	388,700	337,470	311,617	293,509	292,964	294,276	294,906	287,831	285,807	274,628	247,182	
13														
14	<u>Electric Plant</u>													
15	Intangible	17,810	17,810	17,750	12,343	9,915	9,098	6,000	5,324	5,785	3,223	2,845	2,200	
16	Production Plant-Steam	789,406	793,434	797,504	748,258	771,471	550,669	522,424	520,107	509,889	508,496	505,467	494,387	
17	Production Plant-Hydro	-	-	-	-	-	-	-	-	-	-	-	-	
18	Production Plant-Other	502,891	413,586	308,242	290,913	290,067	287,989	284,817	281,758	277,770	268,704	263,293	259,706	
19	Transmission	80,468	74,497	57,966	55,492	55,729	51,015	44,032	39,301	29,694	29,258	28,998	28,185	
20	Distribution	502,891	476,637	453,684	426,636	414,569	392,222	382,031	369,753	353,975	343,335	328,839	316,556	
21	General	38,706	29,222	8,445	7,872	5,953	5,610	5,250	5,139	5,414	3,912	1,920	1,384	
22	Total Electric Plant-Gross	1,932,172	1,805,186	1,643,591	1,541,514	1,547,704	1,296,603	1,244,554	1,221,382	1,182,527	1,156,928	1,131,362	1,102,418	
23	Less: Accum. Provision for Depr. and Amort.	866,355	839,893	828,066	807,691	790,467	638,666	633,187	607,591	597,583	574,916	551,023	535,776	
24	Electric Plant in Service-Net	1,065,817	965,293	815,525	733,823	757,237	657,937	611,367	613,791	584,944	582,012	580,339	566,642	
25														
26	<u>Common Plant</u>													
27	Common Plant	47,034	47,445	43,854	42,694	42,816	42,789	41,257	41,731	41,143	41,119	32,317	28,711	
28	Less: Accum. Provision for Depr. and Amort.	38,789	38,885	38,204	36,759	35,358	33,825	31,539	28,705	28,537	24,213	19,236	16,443	
29	Common Plant in Service-Net	8,245	8,560	5,650	5,935	7,458	8,964	9,718	13,026	12,606	16,906	13,081	12,268	
30														
31	Plant Held for Future Use	-	-	-	-	-	-	-	-	-	-	-	-	
32														
33	Construction Work in Progress	87,725	173,786	109,390	63,833	43,361	15,303	26,970	20,861	27,612	14,510	18,215	36,504	
34														
35	Net Utility Plant	1,563,913	1,536,339	1,288,035	1,115,208	1,101,565	975,168	942,331	942,584	912,993	899,235	886,263	862,596	
36														
37	Composite depreciation rates:													
38	Gas (%)	N/A	N/A	2.27%	2.41%	2.43%	2.42%	2.42%	2.45%	2.39%	2.36%	2.73%	2.28%	
39	Electric (%)	N/A	N/A	2.05%	2.22%	2.38%	2.39%	2.48%	2.42%	2.46%	2.50%	2.49%	2.50%	
40	Common (%)	N/A	N/A	9.50%	10.55%	5.43%	9.48%	9.14%	9.52%	9.40%	9.24%	19.87%	8.98%	

(a) Completed Construction Not Classified is included with Plant in Service by function.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
COMPARATIVE FINANCIAL DATA

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE K  
PAGE 2 OF 5  
WITNESS RESPONSIBLE:  
R. H. PRATT / S. M. COVINGTON

Line No.	Description	FORECASTED PERIOD	BASE PERIOD	MOST RECENT CALENDAR YEARS									
				2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
1	<b>CAPITAL STRUCTURE:</b>												
2	Long-term debt (\$000)	518,129	448,448	451,432	361,382	316,332	317,131	332,042	331,952	331,861	331,771	331,680	325,503
3	Preferred stock (\$000)	-	-	-	-	-	-	-	-	-	-	-	-
4	Common equity (\$000)	621,113	575,707	511,414	437,015	404,432	413,256	377,954	372,885	354,664	465,354	422,093	394,025
5	<b>CONDENSED INCOME STATEMENT DATA:</b>												
6	Operating revenues (\$000,000)	468.4	471.9	429.1	440.8	466.8	488.7	443.8	427.6	458.7	486.7	460.5	500.1
7	Operating expenses (excluding FIT and SIT) (\$000,000)	388.2	403.8	356.2	365.8	378.1	416.6	360.5	365.8	396.3	406.7	397.8	427.9
9	Operating income (\$000,000)	80.2	68.1	72.9	75.0	88.7	72.1	83.3	61.8	62.4	80.0	62.7	72.2
10	Federal income taxes (current) (\$000,000)	6.6	1.6	(15.3)	(3.7)	1.6	(0.5)	15.1	1.4	3.7	1.2	(12.1)	7.2
11	State income taxes (current) (\$000,000)	1.0	0.1	(0.4)	(0.9)	(0.8)	1.8	1.1	3.3	1.4	1.5	(2.2)	1.5
12	Total income taxes (current) (\$000,000)	7.6	1.7	(15.7)	(4.6)	0.8	1.3	16.2	4.7	5.1	2.7	(14.3)	8.7
13	Investment tax credits - net (\$000,000)	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
14	AFUDC - Debt and Equity (\$000,000)	3.2	5.9	4.7	1.9	0.8	0.7	0.7	0.5	0.8	0.5	0.3	1.3
15	Other income - net (\$000,000) (a)	(23.2)	(16.8)	2.1	(17.3)	(15.5)	(16.3)	(14.3)	(17.2)	(12.9)	(15.2)	(11.9)	(15.7)
16	Extraordinary item (\$000,000)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Net income (\$000,000)	50.6	66.8	59.4	42.6	46.2	35.3	45.1	28.2	24.3	43.3	28.1	37.5
18	Net income applicable to Common Stock (\$000,000)	50.6	66.8	59.4	42.6	46.2	35.3	45.1	28.2	24.3	43.3	28.1	37.5
19	<b>INCOME AVAILABLE FOR FIXED CHARGES:</b>												
20	Interest charges (\$000)	25,236	19,320	15,725	15,952	14,573	16,345	15,989	17,520	17,492	16,182	16,448	17,669
21	Net income before preferred dividend requirements of subsidiaries (\$000)	50,633	66,798	59,399	42,584	46,176	35,302	45,069	28,221	24,310	43,261	28,068	37,481
23	Preferred dividend requirements of subsidiaries (\$000)	-	-	-	-	-	-	-	-	-	-	-	-
24	Cost of reacquisition of Preferred Stock (\$000)	-	-	-	-	-	-	-	-	-	-	-	-
25	Earnings available for common equity (\$000)	50,633	66,798	59,399	42,584	46,176	35,302	45,069	28,221	24,310	43,261	28,068	37,481
26	AFUDC - % of net income before preferred dividend requirements of subsidiaries	0.06	0.09	0.08	0.04	0.02	0.02	0.02	0.02	0.03	0.01	0.01	0.03
28	AFUDC - % of earnings available for common equity	0.06	0.09	0.08	0.04	0.02	0.02	0.02	0.02	0.03	0.01	0.01	0.03
29	<b>COST OF CAPITAL:</b>												
30	Embedded cost of long-term debt (%)	4.40	4.33	3.46	4.15	4.12	4.66	4.49	4.51	4.33	4.38	3.75	4.76
31	Embedded cost of preferred stock (%)	-	-	-	-	-	-	-	-	-	-	-	-

(a) Includes Interest Charges and income tax on Other Income & Deductions.

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
COMPARATIVE FINANCIAL DATA

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE K  
PAGE 3 OF 5  
WITNESS RESPONSIBLE:  
R. H. PRATT

Line No.	Description	FORECASTED PERIOD	BASE PERIOD	MOST RECENT CALENDAR YEARS									
				2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
1	<b>STOCK AND BOND RATINGS:</b>												
2	<b>ULH&amp;P</b>												
3	Moody's Unsecured Debt	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1
4	S&P's Unsecured Debt	A-	A-	A-	A-	A-	BBB+	BBB+	BBB+	A-	A-	A-	A-
5													
6	<b>FIXED CHARGE COVERAGE:</b>												
7	Pre-tax interest coverage	3.38	3.93	4.28	4.45	5.81	4.26	5.23	3.42	3.48	4.81	3.72	3.94
8	Pre-tax interest coverage (excluding AFUDC)	3.25	3.63	4.02	4.34	5.75	4.22	5.19	3.40	3.44	4.78	3.71	3.87
9	After tax interest coverage	3.00	4.42	4.35	3.47	3.99	3.04	3.67	2.53	2.30	3.51	2.61	2.91
10	Indenture provision coverage (a)	-	-	-	-	-	-	-	-	-	-	-	-
11	Fixed charge coverage	3.38	3.93	4.28	4.45	5.81	4.26	5.23	3.42	3.48	4.81	3.72	3.94
12													
13	Percentage of Construction Expenditures												
14	Financed Internally	100	24	60	90	73	76	81	98	-44	100	100	60

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
COMPARATIVE FINANCIAL DATA

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE K  
PAGE 4 OF 5  
WITNESS RESPONSIBLE:  
R. H. PRATT / S. M. COVINGTON

Line No.	Description	FORECASTED PERIOD	BASE PERIOD	MOST RECENT CALENDAR YEARS										
				2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
1	<b>COMMON STOCK RELATED DATA:</b>													
2	Shares outstanding - year end (000)	585	585	585	585	585	585	585	585	585	585	585	585	585
3	Shares outstanding - weighted average (monthly) (000)	585	585	585	585	585	585	585	585	585	585	585	585	585
5	Dividends Paid (\$000,000)	-	-	-	10	55	-	40	10	135	-	-	-	30
6	Earnings per share - weighted average (\$)	86.55	114.18	101.54	72.79	78.93	60.35	77.04	48.24	41.56	73.95	47.98	64.07	
7	Earnings per share - weighted average - assuming dilution (\$)	86.55	114.18	101.54	72.79	78.93	60.35	77.04	48.24	41.56	73.95	47.98	64.07	
9	Dividends paid per share (\$)	N/A	N/A	0.00	17.09	94.02	0.00	68.38	17.09	230.77	0.00	0.00	0.00	51.28
10	Dividends declared per share (\$)	N/A	N/A	0.00	17.09	94.02	0.00	68.38	17.09	230.77	0.00	0.00	0.00	51.28
11	Dividend pay out ratio (declared basis) (%)	N/A	N/A	0%	23%	119%	0%	89%	35%	555%	0%	0%	0%	80%
12	Market price - High-Low (\$)													
13	1st quarter - High	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14	- Low	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
15	2nd quarter - High	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
16	- Low	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
17	3rd quarter - High	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
18	- Low	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
19	4th quarter - High	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
20	- Low	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
21	Book value per share (year-end) (\$)	1,061.73	984.12	874.21	747.04	691.34	706.42	646.08	637.41	606.26	795.48	721.53	673.55	
22														
23	<b>RATE OF RETURN MEASURES:</b>													
24	Return on common equity (average) (%)	8.46	12.29	12.53	10.13	11.30	8.92	12.01	7.75	5.93	9.76	6.89	19.03	
25	Return on total capital (average) (%)	4.68	6.72	6.75	5.61	6.37	4.90	6.38	4.05	3.28	5.58	3.81	10.42	
26	Return on net plant in service (average) - Total Company %	4.20	6.35	4.76	5.50	6.03	5.43	6.39	4.98	4.16	6.65	4.70	6.47	
27	" " " - Gas %	3.32	4.64	3.69	4.41	4.90	5.74	5.29	(0.16)	2.13	7.44	2.61	3.22	
28	" " " - Electric %	4.55	7.24	5.22	5.95	6.50	5.28	6.92	7.48	5.16	6.27	5.65	7.82	



Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

SECTION L

SECTION L

RATES AND TARIFFS

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended November 30, 2018

Forecasted Period: Twelve Months Ended March 31, 2020

Schedules

- L Narrative Rationale for Tariff Changes
- L-1 Clean Copy of Proposed Rate Schedules
- L-2.1 Copy of Present Rate Schedules
- L-2.2 Scored Copy of Proposed Rate Schedules

DUKE ENERGY KENTUCKY  
GAS CASE NO. 2018-00261  
NARRATIVE RATIONALE FOR TARIFF CHANGES  
GAS SERVICE

SCHEDULE L  
PAGE 1 OF 8  
WITNESS RESPONSIBLE: B. SAILERS

RATE IDENTIFIER: Index to Applicable Gas Tariff Schedules and Communities Served, Sheet No. 10

TYPE: Index

Change Type(s): T

Explanation of Proposal:

Proposed revisions to the list of applicable tariff sheets and their effective dates.

Rationale:

See Explanation of Proposal.

RATE IDENTIFIER: Index to Communities Served, Sheet No. 11 TYPE: Index

Change Type(s): T

Explanation of Proposal:

Proposed revision to include Bracken county.

Rationale:

See Explanation of Proposal.

RATE IDENTIFIER: Service Regulations, Section II – Supplying and Taking of Service, Sheet No. 21

TYPE: Service Regulations

Change Type(s): T

Explanation of Proposal:

Company clarifies language related to Customer allocation of a Company bill in situations such as where an apartment or condominium building has one meter but the Customer desires to allocate the gas bill among individual units in the building. Company permits this allocation by the Customer where the sum of the allocated amounts do not exceed the Company's bill.

Rationale:

Customer inquiries prompted Company to clarify language in this service regulation sheet.

DUKE ENERGY KENTUCKY  
GAS CASE NO. 2018-00261  
NARRATIVE RATIONALE FOR TARIFF CHANGES  
GAS SERVICE

SCHEDULE L  
PAGE 2 OF 8  
WITNESS RESPONSIBLE: B. SAILERS

RATE IDENTIFIER: Service Regulations, Section IV – Company’s Installation, Sheet No. 23

TYPE: Service Regulations

Change Type(s): T

Explanation of Proposal:

Minor text or grammatical change.

Rationale:

See Explanation of Proposal.

RATE IDENTIFIER: Service Regulations, Section V – Metering, Sheet No. 24

TYPE: Service Regulations

Change Type(s): D, T

Explanation of Proposal:

The description of the “hi-lo” review process is revised to match the description provided in the recently approved electric service regulations.

Rationale:

The slightly more generic language allows Company to improve the “hi-lo” review process as additional relevant data becomes available.

RATE IDENTIFIER: Service Regulations, Section VI – Billing and Payment, Sheet No. 25

TYPE: Service Regulations

Change Type(s): D, T

Explanation of Proposal:

Company removes a dated sentence related to electronic billing of the Customer. In addition, Company adds language describe the Company’s budget billing service.

Rationale:

Adding language to be consistent with a recently approved revision to the electric service regulations describing the budget billing service.

DUKE ENERGY KENTUCKY  
GAS CASE NO. 2018-00261  
NARRATIVE RATIONALE FOR TARIFF CHANGES  
GAS SERVICE

SCHEDULE L

PAGE 3 OF 8

WITNESS RESPONSIBLE: B. SAILERS

RATE IDENTIFIER: Rate RS, Residential Service (Sheet No. 30) TYPE: Flat  
Change Type(s): D, I, N, T

Explanation of Proposal:

Revised tariff schedule applicable to residential gas service. Proposed rates reflect a \$17.50 per month customer charge, a \$1.50 / month increase, and a flat delivery rate of \$0.48677 per hundred cubic feet (CCF) of gas consumed. The proposed rate schedule specifies that, in addition to the above charges, customer will pay the prevailing gas cost adjustment (GCA) rate for commodity gas supplies provided. Rate RS is subject to proposed Rider WNA, "Weather Normalization Adjustment," as set forth on Sheet No. 65 and existing Rider DSMR, Demand Side Management Rate, Sheet No. 62. Presentation of the Applicable Riders section is revised to increase readability.

Rationale:

The customer charge is increased approximately the same percentage increase as the delivery charge. The overall structure of the base components of the rate is unchanged as Company introduces the new Rider WNA.

RATE IDENTIFIER: Rate GS, General Service (Sheet No. 31) TYPE: Flat  
Change Type(s): D, I, N, T

Explanation of Proposal:

Revised tariff schedule applicable to non-residential firm gas service. Proposed rates reflect a \$50.00 per month customer charge, a \$2.50 / month increase, and a flat delivery rate of \$0.28077 per hundred cubic feet (CCF) of gas consumed. The proposed rate schedule specifies that, in addition to the above charges, customer will pay the prevailing gas cost adjustment (GCA) rate for commodity gas supplies provided. Rate GS is subject to proposed Rider WNA, "Weather Normalization Adjustment," as set forth on Sheet No. 65 and existing Rider DSMR, Demand Side Management Rate, Sheet No. 62. Presentation of the Applicable Riders section is revised to increase readability.

Rationale:

The customer charge is increased by 5.3%; less than the overall revenue requirement increase for this rate schedule. The overall structure of the base components of the rate is unchanged as Company introduces the new Rider WNA.

DUKE ENERGY KENTUCKY  
GAS CASE NO. 2018-00261  
NARRATIVE RATIONALE FOR TARIFF CHANGES  
GAS SERVICE

SCHEDULE L

PAGE 4 OF 8

WITNESS RESPONSIBLE: B. SAILERS

RATE IDENTIFIER: Rate FRAS, Full Requirements Aggregation Service (Sheet No. 44)

TYPE: Aggregation Service

Change Type(s): D, T

Explanation of Proposal:

The proposed rate schedule removes a seasonal restriction on Company's ability to proportionally direct supplier's deliveries to specified interstate pipeline interconnects. In addition, language is added to clarify that unauthorized over-deliveries will be cashed out rather than confiscated, similar to Rate IT. Additional text is revised to clarify participation in this service.

Rationale:

Duke Energy Kentucky requests suppliers to deliver at specified interconnects for operational reasons only and operational issues can arise throughout the year. Also, Company does not confiscate Suppliers' delivered gas. These unauthorized over-deliveries are cashed out similar to unauthorized over-deliveries under Rate IT.

RATE IDENTIFIER: Rate IT, Interruptible Transportation (Sheet No. 50) TYPE: Flat Rate

Change Type(s): D, I, T

Explanation of Proposal:

Revised tariff schedule applicable to interruptible transportation gas service. Proposed rates reflect a \$430.00 per month administrative charge, which is unchanged, and a flat commodity delivery charge of \$0.10369 per hundred cubic feet (CCF) of gas consumed. Charges under this rate will also include the applicable charges under Sheet No. 58, Rate IMBS, Interruptible Monthly Balancing Service, and Sheet No. 77. Also, the Customer obligation to provide telephone service is replaced by the obligation to provide a dedicated 110v electrical service to Company's telemetering equipment. Additional clarifying language is added to the tariff.

Rationale:

New telemetering equipment increases the reliability of data flow and eliminates issues with telephone line obsolescence. In addition, tariff language is revised to clarify the applicability of riders under Rate GS when Minimum Bill provisions are applied and to clarify the charges for unauthorized deliveries.

DUKE ENERGY KENTUCKY  
GAS CASE NO. 2018-00261  
NARRATIVE RATIONALE FOR TARIFF CHANGES  
GAS SERVICE

SCHEDULE L

PAGE 5 OF 8

WITNESS RESPONSIBLE: B. SAILERS

RATE IDENTIFIER: Rate FT-L, Firm Transportation Service (Sheet No. 51)      TYPE: Flat Rate  
Change Type(s): D, I, T

Explanation of Proposal:

Proposed Rate FT-L includes a Monthly Administrative Charge of \$430.00, unchanged, and a commodity delivery charge of \$0.23319 per hundred cubic feet (CCF) of gas delivered. Charges under this rate will also include the applicable charges under Sheet No. 58, Rate IMBS, Interruptible Monthly Balancing Service and Sheet No. 77, Rider GCAT, Gas Cost Adjustment Transition Rider. Similar to Rate IT, the Customer obligation to provide telephone service is replaced by the obligation to provide a dedicated 110v electrical service to Company's telemetering equipment. Finally, Late Payment Charge text is updated to match text under Rates RS, GS, and IT.

Rationale:

New telemetering equipment increases the reliability of data flow and eliminates issues with telephone line obsolescence.

RATE IDENTIFIER: Rate SSIT, Spark Spread Interruptible Transportation Rate (Sheet No. 53)

TYPE: Variable

Change Type(s): D, T

Explanation of Proposal:

This rate sheet is cancelled and withdrawn.

Rationale:

There has been no prior or anticipated customer participation in this rate.

RATE IDENTIFIER: Rate AS, Aggregation Service for Interruptible Transportation (Sheet No. 55)

TYPE: Aggregation Service

Change Type(s): T

Explanation of Proposal:

The name of this service is changed from Pooling Service for Interruptible Transportation to Aggregation Service for Interruptible Transportation.

Rationale:

See Explanation of Proposal.

DUKE ENERGY KENTUCKY  
GAS CASE NO. 2018-00261  
NARRATIVE RATIONALE FOR TARIFF CHANGES  
GAS SERVICE

SCHEDULE L  
PAGE 6 OF 8  
WITNESS RESPONSIBLE: B. SAILERS

RATE IDENTIFIER: Rate GTS, Gas Trading Service (Sheet No. 57)      TYPE: Trading Service  
Change Type(s): D, T

Explanation of Proposal:

Revised schedule incorporates a shortened time period to complete trades from four days to two days. This shortened period allows for efficiency gains in the monthly closing process as well as consistency with other Duke Energy service areas. In addition, the schedule is simplified by removing text on system data inputs which is not needed in the schedule.

Rationale:

See Explanation of Proposal.

RATE IDENTIFIER: Rate IMBS, Interruptible Monthly Balancing Service (Sheet No. 58)  
TYPE: Balancing Service  
Change Type(s): D, I, T

Explanation of Proposal:

Proposed Rate IMBS includes a monthly imbalance carry-over tolerance level throughput charge of \$0.1097 per thousand cubic feet (MCF) of gas throughput. This single tolerance level is a consolidation of three tolerance level options due to the convergence of cost among the three prior levels. In addition, language is added or revised to clarify unauthorized overrun/underrun charges, a shortened time period to complete imbalance trades for efficiency and consistency, and a change in how the monthly imbalance percentage is calculated to make the calculation more accurate.

Rationale:

See Explanation of Proposal.

DUKE ENERGY KENTUCKY  
GAS CASE NO. 2018-00261  
NARRATIVE RATIONALE FOR TARIFF CHANGES  
GAS SERVICE

SCHEDULE L

PAGE 7 OF 8

WITNESS RESPONSIBLE: B. SAILERS

RATE IDENTIFIER: Rider ASRP, Accelerated Service Replacement Program (Sheet No. 63)

TYPE: Rider

Change Type(s): D, T

Explanation of Proposal:

This rate sheet is cancelled and withdrawn.

Rationale:

The revenue recovery associated with this rider is moved into base rates.

RATE IDENTIFIER: Rider WNA, Weather Normalization Adjustment Rider (Sheet No. 65)

TYPE: Rider

Change Type(s): N

Explanation of Proposal:

Under the proposed, new Rider WNA, the volumetric component of base delivery charges for Rate RS and Rate GS customers will be adjusted to reflect normal weather conditions.

Rationale:

Company proposes in this case a normalized level of revenues and expenses for a test year, which is designed to be the most reasonable estimate of the Company's operations during the time the rates are to be in effect. These normalized revenues and expenses include the assumption of normal weather conditions to eliminate unusual weather related fluctuations in the test period that may otherwise cause rates to be set too high or too low. Specifically, test year weather related sales volumes reflect normal levels of heating degree days. However, normal weather rarely occurs which can cause customer's bills to fluctuate significantly from month to month and can result in Company earning more or less than the authorized rate of return. In an effort to help reduce these fluctuations in customer bills and Company earnings, Company proposes a WNA mechanism which adjusts the volumetric component of base delivery charges on customer bills to reflect normal weather conditions. The result is that customers' bills during winter months should not fluctuate as significantly as they would without a WNA mechanism and the Company should receive more stable base revenues.

DUKE ENERGY KENTUCKY  
GAS CASE NO. 2018-00261  
NARRATIVE RATIONALE FOR TARIFF CHANGES  
GAS SERVICE

SCHEDULE L

PAGE 8 OF 8

WITNESS RESPONSIBLE: B. SAILERS

RATE IDENTIFIER: Charge For Reconnection of Service (Sheet No. 81) TYPE: Service  
Change Type(s): I, T

Explanation of Proposal:

This charge recovers the cost to reconnect gas service following disconnection and is being modified to reflect Company's cost of providing this service. The charge is increased from \$25 to \$75. For customers where reconnection is required for both gas and electric service at the same time at the premise, the customer is directed to the electric service sheet Charge for Reconnection of Service, Electric Sheet No. 91. This will eliminate the need to revise this multi-fuel reconnection charge in multiple sheets in the future.

Rationale:

See Explanation of Proposal.

RATE IDENTIFIER: Curtailment Plan for Management of Available Gas Supplies (Sheet No. 83)  
TYPE: Service

Change Type(s): T

Explanation of Proposal:

Minor text, formatting, and grammatical revisions.

Rationale:

See Explanation of Proposal.

RATE IDENTIFIER: Rate MPS, Meter Pulse Service (Sheet No. 84) TYPE: Service  
Change Type(s): I

Explanation of Proposal:

Proposed rate MPS increases the charge for Meter Pulse equipment and Meter Index equipment to \$550.00 and \$560.00 respectively to recover the cost to provide this service.

Rationale:

See Explanation of Proposal.

Witness Responsible: Bruce Sailors

KY.P.S.C. Gas No. 2  
 First Revised Sheet No. 01  
 Cancelling and Superseding  
 Original Sheet No. 01  
 Page 1 of 1

Duke Energy Kentucky, Inc.  
 4580 Olympic Blvd.  
 Erlanger, Kentucky 41018

## TABLE OF CONTENTS

<u>Tariff Sheet Series No.</u>	<u>Description</u>	<u>Summary of Applicability*</u>
-	Title Page	
01	Table of Contents	
10	Index to Tariff Schedules and Communities Served	Complete list of available tariffs by Sheet No. and municipalities and counties served.
20	Service Regulations	Set of rules and regulations of the Company for providing gas service as approved by the Kentucky Public Service Commission.
30 & 40	Firm Gas Service	Tariffs available to customers requiring firm gas service. (T)
50	Transportation Service	Tariffs available to customers who require only delivery service. (T)
60	Riders	Riders necessary to determine total amount of monthly bill to customers under special circumstances. (T)
70	Gas Cost Recovery Riders	Riders necessary to determine total amount of monthly bill to all customers receiving gas service. (T)
80	Miscellaneous	Miscellaneous periodic charges not reflected in standard service tariffs.

\* To determine applicability, available tariff and Company's Service Regulations and other rules and regulations should be reviewed and discussed with the Company.

Issued by Authority of the Kentucky Public Service  
 Commission dated \_\_\_\_\_, 201\_ in Case No. 2018-00261.

Issued: August 31, 2018

Effective: October 1, 2018

Issued by Amy B. Spiller, President

Witness Responsible: Bruce Sailors  
 KY.P.S.C. Gas No. 2  
 One-Hundred-Ninety-Fourth  
 Revised Sheet No.10  
 Cancelling and Superseding  
 One-Hundred-Ninety-Third  
 Revised Sheet No. 10  
 Page 1 of 3

Duke Energy Kentucky, Inc.  
 4580 Olympic Blvd.  
 Erlanger, Kentucky 41018

**INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED**

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<b><u>SERVICE REGULATIONS</u></b>				
Service Agreements.....	20	10/01/18	10/01/18	(T)
Supplying and Taking of Service.....	21	10/01/18	10/01/18	(T)
Customer's Installation.....	22	10/01/18	10/01/18	(T)
Company's Installation.....	23	10/01/18	10/01/18	(T)
Metering.....	24	10/01/18	10/01/18	(T)
Billing and Payment.....	25	10/01/18	10/01/18	(T)
Deposits.....	26	10/01/18	10/01/18	(T)
Application.....	27	10/01/18	10/01/18	(T)
Gas Space Heating Regulations.....	28	10/01/18	10/01/18	(T)
Availability of Gas Service.....	29	10/01/18	10/01/18	(T)
<b><u>FIRM SERVICE TARIFF SCHEDULES</u></b>				
Rate RS, Residential Service.....	30	10/01/18	10/01/18	(T)
Rate GS, General Service.....	31	10/01/18	10/01/18	(T)
Reserved for Future Use.....	32			
Reserved for Future Use.....	33			
Reserved for Future Use.....	34			
Reserved for Future Use.....	35			
Reserved for Future Use.....	36			
Reserved for Future Use.....	37			
Reserved for Future Use.....	38			
Reserved for Future Use.....	39			
Reserved for Future Use.....	40			
Reserved for Future Use.....	41			
Reserved for Future Use.....	42			
Reserved for Future Use.....	43			
Rate FRAS, Full Requirements Aggregation Service.....	44	10/01/18	10/01/18	(T)
Reserved for Future Use.....	45			
Reserved for Future Use.....	46			
Reserved for Future Use.....	47			
Reserved for Future Use.....	48			
Reserved for Future use.....	49			

Issued by authority of an Order of the Kentucky Public Service  
 Commission dated \_\_\_\_\_, 201\_ in Case No. 2018-00261.

Issued: August 31, 2018  
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KY.P.S.C. Gas No. 2  
 One-Hundred-Ninety-Fourth  
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 Cancelling and Superseding  
 One-Hundred-Ninety-Third  
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 Page 2 of 3

Duke Energy Kentucky, Inc.  
 4580 Olympic Blvd.  
 Erlanger, Kentucky 41018

Witness Responsible: Bruce Sailors

**INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED (Contd.)**

**TRANSPORTATION TARIFF SCHEDULE**

Rate IT, Interruptible Transportation Service.....	50	10/01/18	10/01/18	(T)
Rate FT-L, Firm Transportation Service.....	51	10/01/18	10/01/18	(T)
Reserved for Future Use.....	52			
Rate SSIT, Spark Spread Interruptible Transportation Rate.....	53	10/01/18	10/01/18	(T)
Reserved for Future Use.....	54			
Rate AS, Aggregation Service for Interruptible Transportation.....	55	10/01/18	10/01/18	(T)
Reserved for Future Use.....	56			
Rate GTS, Gas Trading Service.....	57	10/01/18	10/01/18	(T)
Rate IMBS, Interruptible Monthly Balancing Service.....	58	10/01/18	10/01/18	(T)
Rate DGS, Distributed Generation Service.....	59	10/01/18	10/01/18	(T)

Issued by authority of an Order of the Kentucky Public Service  
 Commission dated \_\_\_\_\_, 201\_\_ in Case No. 2018-00261.

Issued: August 31, 2018

Effective: October 1, 2018

Issued by Amy B. Spiller, President

Witness Responsible: Bruce Sailors  
 KY.P.S.C. Gas No. 2  
 One-Hundred-Ninety-Fourth  
 Revised Sheet No.10  
 Cancelling and Superseding  
 One-Hundred-Ninety-Third  
 Revised Sheet No. 10  
 Page 3 of 3

Duke Energy Kentucky, Inc.  
 4580 Olympic Blvd.  
 Erlanger, Kentucky 41018

**INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED (Contd.)**

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<b><u>RIDERS</u></b>				
Rider X, Main Extension Policy.....	60	10/01/18	10/01/18	(T)
Rider DSM, Demand Side Management Cost Recovery Program	61	09/30/10	09/30/10	
Rider DSMR, Demand Side Management Rate.....	62	02/14/18	02/14/18	
Accelerated Service Replacement Program Rider.....	63	10/01/18	10/01/18	(T)
Reserved for Future Use.....	64			
Weather Normalization Adjustment Rider.....	65	10/01/18	10/01/18	(T)
Reserved for Future Use.....	66			
Reserved for Future Use.....	67			
Reserved for Future Use.....	68			
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<b><u>GAS COST RECOVERY RIDERS</u></b>				
Gas Cost Adjustment Clause.....	70	10/01/18	10/01/18	(T)
Reserved for Future Use.....	71			
Reserved for Future Use.....	72			
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Rider GCAT, Gas Cost Adjustment Transition Rider.....	77	10/01/18	10/01/18	(T)
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Erlanger, Kentucky 41018

KY. P.S.C. Gas No. 2  
Third Revised Sheet No. 11  
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Gas Service

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Gas Service

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## SERVICE REGULATIONS

### SECTION I - SERVICE AGREEMENTS

#### 1. Application for Service.

When a prospective customer desires gas service, an oral application may be accepted by the Company. However, a written application may be required in special circumstances (e.g., the necessity of using special apparatus in providing the requested service).

#### 2. Customers' Right to Cancel Service Agreement or to Suspend Service.

Except as otherwise provided in the Service Agreement, Rate Schedules or elsewhere in these Service Regulations, Customer may give Company ten days notice of desire to cancel the Service Agreement whenever he no longer requires any gas service for the purposes mentioned in said Agreement. Company will accept such notice as a cancellation of the Service Agreement upon being satisfied that Customer no longer requires any such service.

#### 3. Company's Right to Cancel Service Agreement or to Suspend Service.

Company, in addition to all other legal remedies, shall terminate the Service Agreement, refuse or discontinue service to an applicant or customer, after proper notice for any of the following reasons:

- (a) Default or breach of these Service Regulations, after having made a reasonable effort to obtain customer compliance.
- (b) Non-payment of bills when due.
- (c) Theft, fraudulent representation or concealment in relation to the use of gas.
- (d) Use of gas, by the customer, in a manner detrimental to the service rendered others.
- (e) Upon the basis of a lawful order of the Kentucky Public Service Commission, the State of Kentucky or any governmental subdivision thereof having jurisdiction over the premise.
- (f) When a customer or applicant refuses or neglects to provide reasonable access to the premise.

When a dangerous condition is found to exist on the customer's or applicant's premises, the gas service shall be disconnected without notice, or application for service refused. The Company shall notify the customer or applicant within 24 hours of such action, in writing, of the reasons for the discontinuance or refusal of service and the corrective action to be taken by the applicant or customer before service can be restored.

If discontinuance is for non-payment of bills, the customer shall be given at least ten (10) days written notice, separate from the original bill, and cut-off shall be effected not less than twenty-seven (27) days after the mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the utility a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the termination date, in writing, of state and federal programs which

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### SECTION I - SERVICE AGREEMENTS (Contd.)

may be available to aid in payment of bills and the office to contact for such possible assistance.

Whenever a residential customer receiving both gas and electric service has received a termination of service notice, the customer shall be given the option to pay for and continue receipt of one utility service only. The Company shall offer extended payment arrangements for the service designated by the customer. If both the gas and electric service of a residential customer have been previously discontinued for non-payment, the Company shall reconnect either service upon payment by the customer of the total amount owed on the service designated by the customer to be reconnected, except as provided in 807 KAR 5:006, section 15, winter hardship reconnection.

#### 4. Connection of Service.

Except as provided in Section 15 of the Kentucky Public Service Commission's regulations, the Company shall reconnect existing service within twenty-four (24) hours, and shall install and connect new service within seventy-two (72) hours, when the cause for discontinuance or refusal of service has been corrected and the Company's tariffed rules and Commission's regulations have been met.

#### 5. Change of Address of Customer.

When Customer changes his address he should give notice thereof to Company prior to the date of change. Customer is responsible for all service supplied to the vacated premises until such notice has been received and Company has had a reasonable time, but not less than three (3) days, to discontinue service.

If Customer moves to an address at which he requires gas service for any purposes specified in his Service Agreement, and at which address Company has such service available under the same Rate Schedule, the notice is considered as Customer's request that Company transfer such service to the new address, but if Company does not have such service available at the new address the old Service Agreement is considered cancelled. If Company does have service available at the new address to which a different Rate Schedule applies, a new Service Agreement including the applicable Rate Schedule is offered to Customer. Company makes transfer of service as promptly as reasonably possible after receipt of notice.

#### 6. Successors and Assigns.

The benefits and obligations of the Service Agreement shall inure to and be binding upon the successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof; provided that no assignment hereof shall be made by Customer without first obtaining Company's written consent.

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## SECTION II - SUPPLYING AND TAKING OF SERVICE

### 1. Character of Service.

The Company by its present franchise requirements has agreed to furnish natural gas of the kind and quality produced in the natural gas fields from which its supply is procured (subject, however, to the removal of oil and gasoline vapors); except as said natural gas may be supplemented with manufactured gas, provided, however, that the heat unit quality of the gas supplied by the Company will, at no time, be less than 800 British Thermal Units **(B.T.U.)** to the cubic foot, as furnished at the point of consumption.

At present the Company is distributing gas of approximately 1080 B.T.U. per cubic foot, at a pressure of 4 ounces, subject to tolerance allowed by the Kentucky Public Service Commission. (T)

### 2. Supplying of Service.

Service is supplied only under and pursuant to these Service Regulations and any modifications or additions hereto lawfully made, and such applicable Rate Schedules and Riders as may from time to time be lawfully fixed. Service is supplied under a given Rate Schedule only at such points of delivery as are adjacent to facilities of Company adequate and suitable, for the service desired; otherwise, special agreements between Customer and Company may be required.

Notwithstanding the provisions of 807 KAR 5:006, Section 15, Winter Hardship Reconnection to the contrary, service will not be supplied to any premises if at the time of application for service the applicant is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. Final Bills may be transferred regardless of whether they are for combination gas and electric or gas only or electric only charges. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a present or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

### 3. Information Relative to Service.

Information relative to the service that will be supplied at a given location should be obtained from Company. Company will not be responsible for mistakes of any kind resulting from information given orally or over the telephone. Such information must be confirmed in writing.

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Witness Responsible: Bruce Sailors

**SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)**

**4. Continuity of Service.**

The Company shall make reasonable provision to supply satisfactory and continuous service, but does not guarantee a constant or uninterrupted supply of gas and shall not be liable for any damage or claim of damage attributable to any interruption caused by unavoidable accident or casualty, extraordinary action of the elements, action of any governmental authority, litigation, or by any cause which the Company could not have reasonably foreseen and made provision against.

**5. Suspension of Service for Repairs and Changes.**

When necessary to make repairs to or changes in Company's plant, transmission or distribution system, or other property, Company may, without incurring any liability therefore, suspend service for such periods as may be reasonably necessary, and in such manner as not to inconvenience Customer unnecessarily.

**6. Use of Service.**

Service is supplied directly to Customer through Company's own meter and is to be used by Customer only for the purposes specified in and in accordance with the provisions of the Service Agreement and applicable Rate Schedule. Service is for Customer's use only and under no circumstances may Customer or Customer's agent or any other individual, association or corporation install meters for the purpose of reselling service supplied Customer to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

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Customer will not install pipes under a street, alley, lane, court or avenue or other public or private space in order to obtain service for adjacent property through one meter even though such adjacent property be owned by Customer. Consent may be given when such adjacent properties are operated as one integral unit under the same name and for carrying on parts of the same business.

In case of unauthorized remetering, sale, extension or other disposition of service, Company may immediately discontinue the supplying of service to Customer until such unauthorized act is discontinued and full payment is made for all service supplied or used, billed on proper classification and Rate Schedule, and reimbursement in full made to Company for all extra expenses incurred, including expenses for clerical work, testing and inspections.

**7. Customer's Responsibility.**

Customer assumes all responsibility on Customer's side of the point of delivery (outlet side of the meter) for the service supplied or taken, as well as for the installation, appliances and apparatus used in connection therewith, and will save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on Customer's side of the point of delivery.

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**SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)**

The customer's house lines, fittings, valve connections and appliance venting shall be installed with materials and workmanship which meet the reasonable requirements of the Company and shall be subject to inspection and test by the Company. The Company shall have no obligation to establish service until after such inspection and tests demonstrate compliance with such requirements of the Company with respect to the facilities as they exist at the time of the test.

**8. Right-of-Way.**

Customer is responsible for all conveyances to Company for all right-of-way satisfactory to it across the property owned or controlled by Customer for Company's mains or extensions thereof necessary or incidental to the supplying of service to Customer.

**9. Access to Premises.**

The properly authorized agents of the Company shall at all reasonable hours have free access to the premises for the purpose of inspecting the Customer's installation and of examining, repairing or removing the Company's meters, or other property, reading of meters and all other purposes incident to the supplying of service, and for such purpose the Customer authorizes and requests his landlord, if any, to permit such access to the premises.

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### SECTION III - CUSTOMER'S INSTALLATION

#### 1. Nature and Use of Installation.

All equipment in the premises or connecting the premises with Company's service, furnished by the Customer, shall be suitable for the purposes thereof, and shall be maintained by Customer at all times in conformity with the safety requirements of the accredited agency having jurisdiction and with the rules, regulations and requirements of Company in force from time to time.

#### 2. Materials - Fittings - Tests.

The piping and fittings for the distribution of gas after it has passed the meter, may be installed by any competent gas fitter employed by the customer or proprietor of the premises, subject, however, to the inspection and approval of the Company which requires an inspection and test of all such piping.

An application for inspection and test must be made to the Company when the piping work has been completed, but prior to its concealment by plastering, flooring or other materials.

#### 3. Construction.

All piping shall be installed in accordance with applicable building codes and the rules and regulations of the Company.

#### 4. Changes in Installations.

As Company's facilities used in supplying service to Customer have a limited capacity, Customer should give notice to Company, and obtain Company's consent, before making any material changes or increases in his installation. Company as promptly as possible after receipt of such notice will give its written approval to the proposed change or increase, or will advise Customer upon what conditions service can be supplied for such change or increase.

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## SECTION IV - COMPANY'S INSTALLATION

### 1. **Installation and Maintenance.**

Except as otherwise provided in these Service Regulations, in Service Agreements or Rate Schedules, Company will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines or equipment, except meters and service regulators on Customer's side of the point of delivery without cost to Customer. Only Company's agents are authorized to connect Company's service to Customer's service piping.

### 2. **Gas Service Piping.**

The gas service pipe shall be installed by the Company from the Company's main in the street to the curb line at its own expense and from the curb line to the meter, including curb box and valve, at the Company's expense, subject to the Company's rules, regulations and existing prices, upon execution of an application and provided that an adequate distribution main exists in front of the Customer's building. The service piping from the curb to the meter, including street box and valve, installed at the expense of the Customer, shall be maintained at the expense of the Company. No connections or work of any kind shall be done on a gas main or service piping up to the outlet of the meter by anyone who is not a qualified agent or employee of the Company. The Company will assume ownership of customer service lines (curb to meter) following replacement, as well as in instances of new installations.

Only one gas service will be installed in any individual dwelling or building, except in cases where the building's units are sectionalized by acceptable fire separations such as firewalls, regardless of the number of customers to be served within.

The service pipe will be laid from the point of the gas supply connection location to the meter location approved by the Company. Should the distance between the curb and the Customer's building be in excess of 150 feet or involve other special conditions, a suitable meter location, approved by the Company, will be selected.

Service pipe can be installed in the same ditch as the electric, telephone, and cable television cable, providing the electric cable is in a conduit and the gas service pipe has six inches of separation from the cables. Any other utilities will not occupy the ditch with the service pipe, and a minimum of three feet will be maintained between gas service pipe and other utilities.

Service piping will end at the inlet connection of the meter which will be set at the point and entry of the service. If it is necessary to extend the service pipe beyond the point of entry, such exposed service piping in the building under flooring, through walls, coal bins, etc., shall be properly protected and the expense thereof borne by the customer.

In case of more than one building on a lot, a separate service will be run direct from the main to each building except in cases where the building nearest the Company's main extends the full width of the lot. In such cases the meter will be placed on the service in the nearest building and the customer must make his own extension to the other building.

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The Company shall install excess flow valves (EFV) for all new and renewed service piping installations for single family homes or other Customer service classifications as part of its standard installation and at the Company's expense where such EFV installation is required in accordance with regulations of the Federal Pipeline Hazardous Materials Safety Administration (PHMSA). For all other service piping installations that are not covered by PHMSA installation requirements, the Customer may request the installation of an EFV at the Customer's sole expense. The Company and Customer shall mutually agree upon the timing of such installation with regard to any necessary permitting that may be required. The Customer requesting the installation of an excess flow valve shall be responsible for the actual total cost of such installation and the Company shall provide Customer with a written estimated cost of such installation prior to performing the installation. A deposit of fifty-percent of the estimated cost of installation shall be required prior to the commencement of the installation. The balance of the actual cost of installation shall be due upon completion.

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The Company shall not be required to install an EFV if one or more of the following conditions is present:

- a. The service line does not operate at a pressure of 10 psig or greater throughout the year;
- b. Company has prior experience with contaminants in the gas stream that could interfere with the excess flow valve's operation or cause loss of service to a customer;
- c. The excess flow valve could interfere with necessary maintenance and operation activities; or,
- d. An excess flow valve meeting applicable performance standards is not commercially available.

**3. Company's Property and Protection Thereof.**

All meters and equipment furnished by and at the expense of Company, which may at any time be in said premises, shall, unless otherwise expressly provided herein, be and remain the property of Company, and Customer shall protect such property from loss or damage, and no one who is not an agent of Company shall be permitted to remove or handle same.

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**SECTION V - METERING**

**1. Installation of Meters.**

Gas will be measured by a meter or meters to be installed by Company upon Customer's premises at a point most convenient for Company's service, and upon the registration of said meters all bills will be calculated.

**2. Meter Tests.**

All meter tests shall be made in accordance with rules issued by the Kentucky Public Service Commission.

Upon written request by customer, the Company shall perform a meter test if the request is not made more frequently than once a year.

**3. Monitoring of Customer Usage.**

Each month the Company will monitor the usage of each customer according to the following procedure:

- 1. The customer's monthly usage is monitored through a "hi-lo" review process that will incorporate customer past usage and other related information to provide an expected level of usage. (T)
- 2. If there is a substantial difference between the actual and estimated usages, the account will be reviewed manually to determine the appropriate usage level. (T)
- 3. Where the difference is not otherwise explained, the Company may obtain a special meter read to verify the accuracy of the previous usage. (T)
- 4. Where the difference is still unexplainable after taking the special meter read, the Company may test the customer's meter to determine its accuracy. (T)
- 5. The Company will notify the customer of the investigation, its findings, and any refund or back billing to be made, in accordance with 807 KAR 5:006, Section 10 (4) and (5). (T)

In addition to the monthly monitoring, the Company will immediately investigate the usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

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## SECTION VI - BILLING AND PAYMENT

### 1. Billing Periods - Time and Place for Payment of Bills.

Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Bills may be rendered by hand delivery, mail, electronically, or by any other reasonable means. Non-receipt of bills by Customer does not release or diminish the obligation of Customer with respect to payment thereof.

The word "month" as it pertains to the supply of service shall mean the period of approximately thirty days between meter readings, as fixed and made by Company. Meters are ordinarily read at monthly intervals but may be read more or less frequently at Company's option but no less than quarterly. Company shall have the right to establish billing districts for the purpose of reading meters and rendering bills to customers at various dates. A change or revision of any Rate Schedule shall be applicable to all bills on which the initial monthly meter reading is taken on or after the effective date of such change or revision, except as otherwise ordered by the Kentucky Public Service Commission.

Bills are due on the date indicated thereon as being the last date for payment of the net amount, or as otherwise agreed to, and bills are payable only at the Company's offices or authorized agencies for collection. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable. If a partial payment is made, the amount will be applied to items of indebtedness in the same order as they have accrued, except that any payment received shall first be applied to the bill for service rendered.

The Company may issue interim bills based on average normal usage instead of determining actual usage by reading the meter. Interim bills may also be used when access to Company's meter cannot be obtained or emergency conditions exist.

### 2. Information on Customer Bills.

Every bill rendered by the Company for metered service will clearly state:

- (a) The beginning and ending meter readings for the billing period and the dates thereof.
- (b) The amount of energy usage.
- (c) The amount due for the energy used, any adjustments, including assessed late payment charges, and the gross amount of the bill.
- (d) The rate code under which the customer is billed.
- (e) The date of the last day payment can be made without a late pay charge being assessed.
- (f) Any previous balance.
- (g) The address, phone number, and business hours of the Company.
- (h) The date of the next scheduled meter reading.
- (i) The date after which received payments are not reflected in the bill.
- (j) The type of service rendered (gas or electric).
- (k) The amount, and identification, of any tax or fee the Company is authorized either by state law or order of the Commission to collect.

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**SECTION VI - BILLING AND PAYMENT (Contd.)**

**3. Charge for Restoring Service for Non-Payment of Bill and Unlawful Use of Service.**

Company may charge and collect in advance the sum as specified on Tariff Sheet "Charge For Reconnection of Service" for reconnecting a customer's service after service is disconnected because of non-payment of bill when due or when service is discontinued because of fraudulent use, except as may be provided by 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

**4. Temporary Discontinuance of Service.**

If any residential customer, because of absence or otherwise, shall notify Company in writing or by telephone to discontinue service, Company will make no minimum charge for any full meter reading period during the period of discontinuance; provided however, that Company may charge and collect the sum as specified on Tariff Sheet "Charge For Reconnection of Service" prior to reconnecting a service which was discontinued at customer's request within the preceding twelve months.

**5. Availability of Budget Billing.**

Company has available to its customers a "Budget Billing Plan" which minimizes billing amount fluctuations over a twelve month period. The Company may exercise discretion as to the availability of such a plan to a customer based on reasonable criteria, including but not limited to:

- (a) Customer's recent payment history.
- (b) The amount of the delinquent account.
- (c) Customer's payment performance in respect to any prior arrangements or plans.
- (d) Any other relevant factors concerning the circumstances of the customer including health and age.

If the customer fails to pay bills as rendered under the Budget Payment Plan, the Company reserves the right to revoke the plan, restore the customer to regular billing and require immediate payment of any deficiency.

Failure to receive a bill in no way exempts customer from the provisions of these terms and conditions.

Budget Billing Plan Description:

Annual Plan:

- The Annual Plan provides 11 months of equal payments by using 12 months of customer's usage, dividing the usage by 11, and using the result to calculate the bill.
- Month 12 is a settle-up month between the billed amounts and customer bills based on actual usage.
- A bill message is sent after 6 months with a suggested new bill amount if the budget bill amounts compared to the actual bill amounts exceeds a Company set threshold; however, Customer must contact Company to change the amount.
- The budget bill amount is changed as needed after the 12 month review.

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Commission dated \_\_\_\_\_, 201\_ in Case No. 2018-00261.

Issued: August 31, 2018  
Effective: October 1, 2018  
Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

**SECTION VI - BILLING AND PAYMENT (Contd.)**

Quarterly Plan:

- The Quarterly Plan provides 3 months of equal payments starting by using 12 months of customer's usage, dividing the usage by 12, and using the result to calculate the bill. (T)
- However, to prevent a settle-up month, reviews occur after 3, 6, 9, and 12 months on the plan and continue every 3 months thereafter. (T)
- The budget bill amount is changed as needed after each review. The change is automatic and the customer does not need to contact Company. (T)
- A bill message is sent after each review with a new bill amount if the budget bill amounts compared to the actual bill amounts exceeds a Company set threshold. (T)

**6. Partial Payment Plans.**

The Company shall negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice according to the regulations governing failure to pay, except the Company shall not be required to negotiate a partial payment plan with a customer who is delinquent under a previous payment plan.

**7. Bill Format**

The Company has included as Appendix A to these Service Regulations an example of the Company's customer bill format.

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KY. P.S.C. Gas No. 2  
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## SECTION VII - DEPOSITS

### 1. Deposits.

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the customer's bill.

The deposit may be waived by the Company upon a customer's showing of satisfactory credit or payment history, and required residential service deposits will be returned after one (1) year if the customer has established a satisfactory payment record for that period; but commercial deposits will be retained during the entire time that the account remains active. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The Company may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

In determining whether a deposit will be required or waived, information such as the following may be considered:

1. Previous payment history with the Company. If the customer has no previous history with the Company, statements from other utilities, banks, etc. may be presented by the customer as evidence of good credit.
2. Whether the customer has filed bankruptcy proceedings within the last seven years.
3. Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

A security deposit will be required pursuant to 11 U.S.C. Section 366 in all bankruptcies where the Company is listed as a creditor.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

### 2. All Calculated Deposits.

Customer deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed two-twelfths (2/12) of the customer's actual or estimated annual bill.

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### SECTION VIII - APPLICATION

1. Application of Service Regulations and Rate Schedules.

All Service Agreements at present in effect or that may be entered into in the future are made expressly subject to these Service Regulations and any modifications hereof that may be lawfully made, and subject to all applicable existing Rate Schedules and any lawfully made changes therein, substitutions therefor or additions thereto.

2. Agents Cannot Modify Agreement.

No agent has the right to amend, modify or alter the application rates, terms, conditions, rules, or regulations as filed with the Kentucky Public Service Commission, or to make any promise or representation not contained in the Company's schedules, supplements thereto and revisions thereof, lawfully filed with said Commission.

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## SECTION IX - GAS SPACE HEATING REGULATIONS

### 1. Gas Space Heating Regulations.

The Company shall not be required to supply gas for new or additional space heating equipment installed from and after the effective date hereof unless the consumer present or prospective, makes written application to the Company for such supply at a specific address and receives written approval from the Company therefor. An approval for the use of gas for space heating is not transferable from one premise to another except by written approval from the Company.

If any consumer fails to install gas-fired space heating equipment pursuant to said approval within one year from the date of issuance thereof fails to demonstrate to the Company's satisfaction before the expiration of said period that he intends to avail himself of the use of such gas under such approval with due diligence, the Company may cancel, nullify and void such approval.

The Company need not issue an approval for the utilization of gas for space heating purposes in a commercial or industrial building for new or additional heating equipment having a total rated input capacity in excess of 1,000,000 Btu per hour, unless the applicant shall install standby facilities having a capacity satisfactory to the Company and shall agree in writing with the Company to use such standby facilities and discontinue the use of gas for space heating when and for such periods of time as the Company may request. In the event the use of gas for space heating by such consumer is not promptly discontinued at the request of the Company, the latter, upon discovery thereof, is authorized to discontinue all gas service to such consumer until such time as the gas space heating equipment has been disconnected. Where such action is necessary on the part of the Company it may cancel, nullify and void such approval.

Should any consumer fail to comply with these gas space heating regulations, the Company, upon discovery thereof, and after giving ten days notice to such consumer, is authorized to disconnect his gas service until such time as these regulations are complied with.

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**SECTION X - AVAILABILITY OF GAS SERVICE**

1. Gas Service to New Loads.

Mains shall be extended to customers in accordance with the currently effective tariff sheet entitled Rider X, Main Extension Policy, as contained within tariff Ky. P.S.C. Gas No. 2.

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Witness Responsible: Bruce Sailors

KY. P.S.C. Gas No. 2  
One-Hundred-Eightieth  
Revised Sheet No. 30  
Cancelling and Superseding  
One-Hundred-Seventy-Ninth  
Revised Sheet No. 30  
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Duke Energy Kentucky, Inc.  
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**RATE RS  
RESIDENTIAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
All gas is billed in units of 100 cubic feet (CCF).

1. Base Rate: (T)  
Customer Charge per month: \$17.50 (I)

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a commodity Charge for						
all CCF at	\$0.48677	plus	\$0.4170	Equals	\$0.90377	(I)

2. Applicable Riders (T)  
The following riders are applicable pursuant to the specific terms contained within each rider: (T)  
Sheet No. 62, Rider DSMR, Demand Side Management Rate (T)  
Sheet No. 65, Rider WNA, Weather Normalization Adjustment Rider (N)  
Sheet No. 70, Rider GCA, Gas Cost Adjustment Clause (T)

The "Customer Charge" shown above shall be the minimum amount billed each month.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Witness Responsible: Bruce Sailors

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**RATE GS  
GENERAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
All gas is billed in units of 100 cubic feet (CCF)

1. Base Rate: (T)  
Customer Charge per month: \$50.00 (I)

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	\$0.28077	Plus	\$0.4170	Equals	\$0.69777	(I)

2. Applicable Riders (T)  
The following riders are applicable pursuant to the specific terms contained within each rider: (T)  
Sheet No. 62, Rider DSMR, Demand Side Management Rate (T)  
Sheet No. 65, Rider WNA, Weather Normalization Adjustment Rider (N)  
Sheet No. 70, Rider GCA, Gas Cost Adjustment Clause (T)

The "Customer Charge" shown above shall be the minimum amount billed each month.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

**TERM OF SERVICE**

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

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Third Revised Sheet No. 44  
Cancelling and Superseding  
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## RATE FRAS

### FULL REQUIREMENTS AGGREGATION SERVICE

#### AVAILABILITY

This service is available to Suppliers delivering gas on a firm basis to the Company's city gate receipt points on behalf of customers receiving firm transportation service from the Company under Rate Schedule FT-L. (T)

#### DEFINITIONS

"Aggregation Service" is a service provided by the Company that allows Suppliers to deliver to the Company, on a combined basis, those natural gas supplies that are needed to satisfy the full firm requirements of the one or more firm transportation customers that comprise the membership of the Supplier's pool, as defined below, all in accordance with the rules established by the Company regarding delivery requirements, banking, billing and payments, and Supplier performance requirements. (T)

"Arrears" means an account that is at least 30 days past due and amounts to at least \$50. (T)

"Commission" means the Kentucky Public Service Commission. (T)

"Customer" means a recipient of transportation service provided by the Company under Rate FT-L that secures its gas supply from a Supplier. (T)

"Gas Supply Aggregation/Customer Pooling Agreement" is an agreement between the Company and Supplier that defines the mutual responsibilities and obligations of those parties relative to the Aggregation Service provided under Rate FRAS. (T)

"Operational Flow Order" (OFO) is a directive issued by the Company via its electronic bulletin board ("EBB") requiring Suppliers to adjust their daily deliveries into the Company's system to either (1) match, (2) match or be less than, or (3) match or be more than their pool's actual daily measured usage for those customers receiving service under Rate FT-L, Rate IT and interruptible special contracts, or deliver at specified city gate receipt points as requested by the Company. (T)

"Over-Deliveries" or "Positive Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the Pool customers during the period is less than the sum of the volumes made available by supplier for redelivery by the Company to the Pool during the same period. (T)

"Pool" is a single customer or group of customers that have been joined together for supply management purposes, and that has a combined annual throughput of at least 30,000 Mcf. Supplier will have a one year period to build their annual pool throughput volume to the indicated level, after which they may be subject to removal from the Program for not having achieved a minimum participation level. (T)

"Program" means the Company's firm transportation/supply aggregation program under Rate FT-L and Rate FRAS. (T)

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**DEFINITIONS (Contd.)**

"Supplier" is a marketer, supplier, broker, pool operator, producer, or other qualified business entity that has joined a group of the Company's firm transportation customers together for gas supply management purposes, meets the qualifications for a "Supplier" set forth in Rate FRAS, agrees to accept responsibility for the aggregate supply management requirements of the pool, and has executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company.

"Suppliers Daily Pool Delivery Obligation" is defined as the daily city gate delivery quantities determined by the actual measured usage of customers in Supplier's FT-L Pool adjusted for "unaccounted for" losses back to the Company's city gate stations, and then converted from volumetric to thermal quantities.

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"Under-Deliveries" or "Negative Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the Pool customers during the period exceeds the sum of the volumes made available by supplier for redelivery by the Company to the Pool during the same period.

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**AGGREGATION AGREEMENT**

Before commencing service hereunder, Supplier must have met the qualifications to act as a program supplier and must have executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company. Such agreement shall be for a minimum of two years and shall set forth the mutual obligations and responsibilities of both the Company and the Supplier relative to this aggregation customer pooling service.

The mutual benefits and obligations under the "Gas Supply Aggregation/Customer Pooling Agreement" and under this tariff begin when the Supplier commences to supply pool customers with gas supply service. Supplier's obligations under this tariff and referenced Agreement shall inure to, and be binding on its successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof. However, no agreement for service may be assigned or transferred without the written consent or approval of the Company, which shall not be unreasonably withheld.

**REQUIREMENTS FOR PARTICIPATION**

Each Supplier who applies to participate in the Company's Customer Aggregation/Firm Transportation Program will be evaluated to ensure that it possesses the financial resources and sufficient experience that will enable it to perform its responsibilities as a Supplier in the program. On the basis of this evaluation, a Supplier's participation may be limited to a level specified by the Company.

(T)  
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Suppliers not meeting the necessary credit level will be required to provide additional security in the form of a letter of credit, a cash deposit, and/or other appropriate guaranty in order to participate.

In order for the Company to perform its evaluation, Suppliers will be required to provide the following information:

(T)

1. Audited financial statements prepared within the last 12 months;
2. Most recent annual report, 10K or 10Q;
3. A listing of parent company and other affiliates;
4. Names, addresses, and telephone numbers of 3 trade references; and
5. Names, addresses, and telephone numbers of banking institution contacts.

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**REQUIREMENTS FOR PARTICIPATION (Contd.)**

In the event any of the above information is unavailable from a Supplier, the Company may permit the Supplier to provide other verifiable sources of financial information for that Supplier.

Financial evaluations will be based on standard credit factors such as previous customer history, financial and credit ratings, trade references, bank information, unused line of credit, and related financial information. The Company will determine Supplier's creditworthiness based on the above criteria, and it will not deny a Supplier's participation in the Program without reasonable cause. A fee of \$50.00 will be assessed to Supplier for each financial evaluation.

(T)  
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The Company may acquire information regarding Supplier's performance in other programs and other states in order to evaluate supplier's reputation and fitness for inclusion in the Company's Program.

(T)

The Company reserves the right to re-evaluate Suppliers' financial standing from time to time. Such re-evaluation may be initiated either by a request from the Supplier or by the Company, if the Company reasonably believes that the creditworthiness of a Supplier may have changed or that the Supplier's participation level has exceeded the level for which the Supplier was previously approved. Based on such re-evaluation, a Supplier's amount of required financial security or approved participation level may be increased or decreased, or the Supplier may be removed from further participation in the Program.

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**SUPPLIER CODE OF CONDUCT**

Each Supplier participating in the Company's transportation programs must:

1. communicate to participating customers in clear, understandable terms the customer's rights and responsibilities. This communication must include (a) the Supplier's customer service address and local or toll-free telephone number; and (b) a statement describing the Supplier's dispute resolution procedures;
2. provide in writing pricing and payment terms that are clearly defined and understandable and that inform consumers whether the price that the customer will pay is inclusive or exclusive of applicable taxes, and Company approved tariff riders and surcharges;
3. refrain from engaging in communications or promotional practices which are fraudulent, deceptive, or misleading;
4. deliver gas to the Company on a firm basis on behalf of the Supplier's pool members in accordance with the requirements of the "Gas Supply Aggregation/Customer Pooling Agreement";
5. establish and maintain a creditworthy financial position that enables Supplier to indemnify the Company and the customers for costs incurred as a result of any failure by Supplier to deliver gas in accordance with the requirements of the program and to assure payment of any KyPSC-approved charges for any such failure;
6. refrain from requesting customer-specific billing, payment, and usage history without first having received the customer's approval to access such information.

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**SUPPLIER CODE OF CONDUCT (Contd.)**

Failure to fulfill any of these obligations shall be considered a violation of the Supplier's Code of Conduct.

**CONSEQUENCES OF SUPPLIER'S FAILURE TO PERFORM OR COMPLY**

If Supplier fails to deliver gas in accordance with the full service requirements of its Pool customers, the Company shall supply gas temporarily to the affected Pool customers and shall bill Supplier the higher of either (1) the fair market price for that period; or (2) the highest incremental cost of gas for that period that the Company actually paid for gas supplies, including transportation and all other applicable charges. The Company shall have the right to immediately and unilaterally invoke Supplier's letter of credit, parental guarantee or any other collateral posted by the Supplier in order to enforce recovery from supplier of the cost of these replacement supplies.

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If Supplier fails to deliver gas in accordance with the requirements of the Company's "Gas Supply Aggregation/Customer Pooling Agreement," or otherwise fails to comply with the provisions of this tariff, including those specified in the "Supplier Code of Conduct" section, the Company shall have the discretion to temporarily suspend or terminate such Supplier from further participation in the Program. If Supplier is suspended or terminated from the Company's Program, customers in the Supplier's Pool shall revert to the Company's sales service until said customers join another Supplier's Pool.

(T)

If the Company seeks to suspend or terminate a Supplier from further participation in the Company's Program, it shall first notify the Supplier of the alleged violations which merit suspension or termination. Such notice must be in writing and must be communicated to the Supplier at the contact information listed in the "Gas Supply Aggregation/Customer Pooling Agreement" at least five (5) business days prior to the effective date of the suspension or termination.

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**BILLING**

Customers receiving service under Rate FT-L will receive two bills as follows:

- (a) The Company bills and collects its portion of the bill. This billing includes charges for local delivery service and all applicable surcharges. In the event that a customer remits to the Company less than the amount included on the Company's bill, the customer shall be subject to the same late charges and disconnection procedures which would be applicable if the customer were receiving service as a Company sales customer.
- (b) Supplier will be responsible for billing and collecting its portion of the bill including any arrearages that are due from Supplier's own prior billings. To facilitate Supplier's billing, the Company will provide the Supplier with a listing of the monthly meter readings and usages of all those customers within Supplier's pool that have been billed by the Company. This billing data will correspond to the consumption data on which the Company based its bill for local delivery service. Supplier is responsible for providing gas supplies to all customers within its pool until the customers are returned to system supply or move to another pool in accordance with the procedures that have been developed for adding and deleting customers from a Supplier's pool.

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### UPSTREAM CAPACITY REQUIREMENTS

Suppliers participating in the Company's firm transportation program must secure their own upstream pipeline capacity required to meet Supplier's Rate FT-L pool peak day requirements. Due to the physical configuration of the Company's system, and certain upstream interstate pipeline facilities, and to enable the Company to comply with lawful interstate pipeline tariffs and/or to maintain the Company's system integrity, the Company reserves the right to direct Supplier to proportionally deliver, with respect to the Systems' (the Duke Energy Ohio and Duke Energy Kentucky, Inc. integrated operating system) northern and southern interstate pipeline interconnects, the Supplier's daily pool requirements. In those instances where the pool operator delivers gas into the Duke Energy Ohio system and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky, Inc. for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky, Inc. for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate. (T)

The Company may make available to Suppliers, upstream interstate pipeline capacity. Suppliers accepting this capacity are subject to the terms and conditions of the tariffs of the pipeline companies on whose facilities such capacity is accepted. A Supplier who wishes to contract for released capacity must make a request for a period in excess of thirty days and agree to pay the full contract demand rate which the Company would otherwise pay for the released capacity, in order for supplier to be assured the assignment of such capacity. The Company shall not be obligated to provide requested capacity if it has no surplus capacity beyond the amount needed to supply its Gas Cost Adjustment customers. (T)

### BALANCING REQUIREMENT

Suppliers must deliver to the Company daily quantities of gas in accordance with the provisions of Rate IMBS.

Pool operators shall have access to Company offered services including balancing services and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

Suppliers are subject to OFOs issued by the Company as described below. The Company may suspend from this program any Supplier which does not comply with an Operational Flow Order.

### MEASUREMENT OF CONSUMED VOLUMES

Monthly volumes billed to participating customers shall be considered actual volumes consumed, whether the meter reading is actual or calculated.

### OPERATIONAL FLOW ORDERS

Suppliers are subject to the Company's issuance of Operational Flow Orders which will direct each Supplier to adjust scheduled daily delivery volumes to match the Customer Pool's metered FT-L usage. (T)

Failure to comply with an OFO, which is defined as the difference between the daily OFO required delivery volume and actual daily deliveries, will result in the indicated action and/or billing of the following charges:

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### OPERATIONAL FLOW ORDERS (Contd.)

#### Under-deliveries

- (1) the payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate; (T)
- (2) one month's demand charges on the OFO shortfall. This charge shall not be imposed more frequently than once in any calendar month; and (T)
- (3) the payment of all other charges incurred by Company including but not limited to pipeline penalty charges on the date of the OFO shortfall. (T)

#### Over-deliveries

- (1) Over-deliveries will be cashed out to the Supplier at the lowest cost of gas available to Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate; and (T)  
(T)  
(T)
- (2) Company shall bill and Supplier shall pay any charges incurred by Company including but not limited to pipeline penalty charges from the interstate pipelines for such excess deliveries, provided such penalties can be attributed to Supplier's over-deliveries. (T)  
(T)

### COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES

In conducting its Program, the Company will adhere to the following Standards of Conduct for Marketing Affiliates:

- (1) Company must apply any tariff provision relating to transportation services in the same manner for the same or similarly situated persons if there is discretion that may be applied in the application of the provision.
- (2) Company must strictly enforce a tariff provision for which there is no discretion allowed in the application of the provision.
- (3) Company may not, through a tariff provision or otherwise, give any Supplier including its marketing affiliate or customers of any Supplier including its affiliate, preference over any other gas Suppliers or their customers in matters, rates, information, or charges relating to transportation service including, but not limited to, scheduling, balancing, metering, storage, standby service, or curtailment policy. For purposes of the Company's Program, any ancillary service provided by Company, e.g., billing and envelope service, that is not tariffed will be priced and made equally available to all.
- (4) Company must process all similar requests for transportation in the same manner and within the same approximate period of time.
- (5) Company shall not disclose to anyone other than a Company employee any information regarding an existing or proposed gas transportation arrangement, which Company receives from (i) a customer or Supplier, (ii) a potential customer or Supplier, (iii) any agent of such customer or potential customer, or (iv) a Supplier or other entity seeking to supply gas to a customer or potential customer, unless such customer, agent, or Supplier authorizes disclosure of such information.

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**COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)**

- (6) If a customer requests information about Suppliers, the Company must provide a list of all Suppliers operating on its system, but shall not endorse any Supplier nor indicate that any Supplier will receive a preference because of a corporate relationship.
- (7) Before making customer lists available to any Supplier, including any Company marketing affiliate, Company will post on its electronic bulletin board a notice of its intent to make such customer list available. The notice will describe the date the customer list will be made available, and the method by which the customer list will be made available to all Suppliers.
- (8) The Company will, to the extent practicable, separate the activities of its operating employees from its affiliate marketing employees in all areas where their failure to maintain independent operations may have the effect of harming customers or unfairly disadvantaging unaffiliated Suppliers.
- (9) Company must not condition or tie its agreements for gas supply or for the release of interstate pipeline capacity to any agreement by a gas supplier, customer or other third party in which its marketing affiliate is involved.
- (10) Company and its marketing affiliate must keep separate books of accounts and records.
- (11) Neither the Company nor its marketing affiliate personnel shall communicate to any customer, Supplier or third party the idea that any advantage might accrue for such customer, Supplier or third party in the use of Company's service as a result of that customer's, Supplier's or other third party's dealing with any Supplier including its marketing affiliate.
- (12) The Company's complaint procedure for resolving issues concerning compliance with these standards of conduct will operate as follows. All complaints, whether written or verbal, will be referred to the Company's designated attorney. The Company's designated attorney will orally acknowledge the complaint within five (5) working days of receipt. The complainant party shall prepare a written statement of the complaint which will contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and specific claim. The Company's designated attorney must communicate the results of the preliminary investigation to the complainant in writing within thirty (30) days after the complaint was received including a description of any course of action which was taken. He or she must keep a file with all such complaint statements for a period of not less than three years.
- (13) If the Company offers any Supplier, including its affiliate or a customer of any Supplier, including its affiliate a discount, or fee waiver for transportation services, balancing, meters or meter installation, storage, standby service or any other service offered to shippers, it must prospectively offer such discounts, rebates or fee waivers to all similarly situated non-affiliated suppliers or customers under similar terms and conditions.

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Commission dated \_\_\_\_\_, 201\_\_ in Case No. 2018-00261.

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Witness Responsible: Bruce Sailors  
KY.P.S.C. Gas No. 2  
Third Revised Sheet No. 44  
Cancelling and Superseding  
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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

**COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)**

- (14) The Company will not use its name and logo in its marketing affiliate's promotional material, unless the promotional material discloses in plain, legible or audible language, on the first page or at the first point where the Company's name and logo appear, that its marketing affiliate is not the same entity as the Company. The Company is also prohibited from participating in exclusive joint activities with any Supplier, including its affiliate, such as advertising, marketing, sales calls or joint proposals to any existing or potential customers.

**OTHER RULES AND REGULATIONS**

Except to the extent superseded herein, the Company's Rules and Regulations Governing the Distribution and Sale of Gas and such other Commission rules as are applicable shall apply to all gas transportation service provided hereunder.

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

Third Revised Sheet No. 50  
Cancelling and Superseding  
Second Revised Sheet No. 50  
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## RATE IT

### INTERRUPTIBLE TRANSPORTATION SERVICE

#### APPLICABILITY

Applicable to curtailable natural gas local delivery service and available to any customer who: (1) signs a contract with the Company for service under Rate IT; (2) utilizes a minimum of 10,000 CCF per month during the seven consecutive billing periods commencing with customer's first meter reading taken on or after April 1; (3) has arranged for the delivery of gas into the Company's system for customer's sole use at one point of delivery where distribution mains are adjacent to the premises to be served, and (4) has become a member of a pool under Rate AS and elected Interruptible Monthly Balancing Service under Rate IMBS. Any service provided hereunder shall be provided by displacement and on a "reasonable efforts" basis. The Company reserves the right to decline requests to initiate or continue such service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L.

This rate schedule shall not preclude the Company from entering into alternative special arrangements with Commission approval, which are designed to meet unique circumstances.

The service provided hereunder shall be interruptible local gas delivery service provided on a "reasonable efforts" basis from the Company's city gate receipt points to the outlet side of the meter used to serve Customer. The Company, to insure its ability to reliably supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L, shall have the right for operational purposes to designate the city gate receipt points where the customer's pool operator is required to deliver its gas. (T)

#### NET MONTHLY BILL

The Net Monthly Bill is determined as follows:

All gas consumed is billed in units of 100 cubic feet (CCF)

Administrative Charge per month: \$430.00

Commodity Charge per CCF:

Company will deliver the arranged-for gas, less shrinkage which is equal to the Company's system average unaccounted for percentage, at a rate per CCF of \$0.10369 per CCF (I)  
except as specified in the "Alternate Fuels" provision;

Plus balancing related charges pursuant to Rates IMBS if customer has elected to operate as its own pool operator for supply management purposes.

Plus the throughput charge under Rate IMBS, Interruptible Monthly Balancing Service. (T)

Plus, if applicable, charges for unauthorized deliveries as described later in this tariff.

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Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

**MINIMUM BILL**

The minimum monthly bill that customer shall receive shall be the monthly Administrative Charge shown above, and, in addition thereto during the seven (7) consecutive billing periods beginning in April, the 10,000 CCF volume minimum. If customer fails to take delivery of 10,000 CCF per month during the months of April through October, customer will be billed, in addition to the Administrative Charge and charges for the delivered volumes, an amount equal to the difference between 10,000 CCF and the delivered volumes billed at Rate GS, including all applicable Riders. (T)  
(T)

**MINIMUM USAGE**

In the event that customer repeatedly and significantly fails to meet the seven (7) summer months minimum usage requirements of this tariff, Customer may, at the Company's option, be removed from this tariff and denied further service or may be switched to either Rate GS or FT-L. (T)  
(T)  
(T)

**UNAUTHORIZED DELIVERIES**

In the event customer fails to interrupt transportation deliveries at Company's request, any excess deliveries through customer's meter will be considered unauthorized deliveries that are subject to the flow-through of pipeline penalty charges to the extent they are incurred by the Company, and in addition thereto, shall be paid for as specified under the "Charges For Unauthorized Deliveries" provision of this rate. The charges for such unauthorized deliveries shall be billed directly to the customer in lieu of its "pool operator", if applicable. However, Company shall not be precluded from physically discontinuing service to the customer if the customer refuses to interrupt service when requested by the Company. (T)

**CHARGES FOR UNAUTHORIZED DELIVERIES**

Any customer taking unauthorized deliveries shall be billed: (1) an amount reflective of the general service delivery rate, Rate GS, Sheet No. 31; plus (2) the higher of (a) the expected gas cost component of the gas cost recovery rate, (b) the Company's highest cost gas plus one month's demand charges on the highest daily unauthorized volume (this charge shall not be imposed more frequently than once in any calendar month), or (c) the cost of operating the Company's propane peak shaving plant. In any event, customer shall reimburse the Company for any interstate pipeline penalty charges resulting from such unauthorized deliveries as well as the cost incurred to valve-off the customer's service if so required to effectuate compliance with the interruptible provisions of this rate. (T)  
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**ALTERNATIVE FUELS**

The Company may, without prior Commission approval, charge a rate lower than that specified in the "Net Monthly Bill" provision to meet competition from alternative fuels. The decision to charge a lower rate will be made on a case-by-case basis, supported by a statement in an affidavit from the customer that absent such lower rate, customer would utilize an alternative fuel source. The lower rate shall not be less than one-half the commodity rate specified in the "Net Monthly Bill" provision, plus all applicable riders and surcharges. (T)  
(T)

The Company may also charge customer who has requested flexible rate pricing a rate higher than that specified in the "Net Monthly Bill" provision if such rate remains competitive with the price of energy from customer's alternative fuel source. The higher rate shall not exceed 150 percent of the commodity rate specified in the "Net Monthly Bill" provision, plus applicable riders and surcharges.

Witness Responsible: Bruce Sailors  
KY.P.S.C. Gas No. 2  
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Duke Energy Kentucky, Inc.  
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**ALTERNATIVE FUELS (Contd.)**

Once a customer receives a flexible transportation rate, as described in the preceding paragraphs, the customer must continue to pay a flexible rate as determined by the Company for a period of three months. After three months, the customer may, upon written notification to the Company, apply for a flexible rate for another three months. Absent such notification, customer's rate will revert to the fixed rate established herein.

**ELECTION OF MONTHLY BALANCING OPTION**

A "pool" can be a single Rate IT customer acting on its own behalf, or a group of Rate IT customers who join, or are joined, together for purposes of gas supply management under this tariff. A "pool operator" has a contractual responsibility to manage the aggregated gas supply requirements of all of the Rate IT customers that comprise its pool. All supply management responsibilities of individual customers are transferred to the pool operator once a customer becomes a part of a pool, as the aggregated balancing requirements of all pool members are treated under this tariff as though they were a single customer with its own supply management responsibilities.

(T)

Monthly throughput charges under Rate IMBS shall be billed directly to the end-use customer. All other balancing charges and supply management charges, including "cash out" charges, penalties and other like charges billed under the provisions of Rate IMBS shall be billed directly to the pool operator, regardless of whether the pool operator is an individual customer acting as its own pool operator or an aggregated customer's pool operator. For purposes of calculating these charges, the usage of all customers within a pool will be combined into a single pool usage number that will be matched against the pool operator's total deliveries to its IT pool.

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**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5% is due and payable.

**TERMS AND CONDITIONS**

In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. As a pre-requisite for receiving service under this tariff, Customer will be responsible for installing and maintaining, at the Customer's expense, a dedicated 110v electrical service in a location suitable to provide electrical service for the Company's telemetering equipment, or such other equipment or utilities as may be necessary at customer's meter site. Customer shall also be responsible for the monthly charges for such other necessary equipment or utilities.

(T)

The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on a daily basis. Daily operational information shall include information on daily gas flows provided by Automated Meter Reading (AMR) equipment, telemetry, or any other means the Company has available to provide the customer, or its designated pool operator, with its best estimate of daily gas usage.

The customer shall enter into a written agreement with the Company. Such agreement shall set forth specific arrangements as to the transportation services provided and any other circumstances relating to the individual customer.

(T)

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**TERMS AND CONDITIONS (Contd.)**

The Company's "reasonable efforts" basis is defined as the right, at any time, to curtail or interrupt the delivery or transportation of gas under this tariff when, in the judgment of the Company, such curtailment or interruption is necessary to enable the Company to maintain deliveries to higher priority customers or to respond to any emergency.

Customer acting as its own pool operator, or customer's designated pool operator/supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable the gas to be delivered into the Company's system.

Customer's pool operator must agree, upon request by Company, to produce, in a timely manner, proof of the purchase of the natural gas to be transported, any necessary regulatory approvals, and any and all transportation arrangements with all interstate pipelines, intrastate pipelines, or others involved in transporting the pool's gas supplies. (T)

The Company will not be liable for any costs and/or penalties charged by pipelines or suppliers, because of pool operator's over- or under-deliveries into the pipeline, or pool customers' failure to take deliveries through the Company's meters that, in the aggregate, match the amount of gas transported by the pool operator to Company's city gate. (T)

In order to qualify for Rate IT service, customers who satisfy the definition of human needs and public welfare customers must purchase standby service or have alternative fuel capability, or have a combination thereof sufficient to maintain minimal operations. (T)

A human needs and public welfare customer is a customer whose facilities are used for residential dwelling on either a permanent or temporary basis; commercial customers of a residential nature; other customers whose service locations are places of the kind where the element of human welfare is the predominant factor; and civil and governmental customers whose facilities are required in the performance of protecting and preserving the public health, safety, and welfare. Such facilities shall include, but are not limited to, houses, apartment buildings, correctional institutions, hospitals, nursing homes, and charitable institutions. (T)

The primary term of contract shall be one (1) year. After completion of the primary term, such contract shall continue month to month unless cancelled by either party by giving thirty (30) days written notice. In the event customer re-applies for service under this tariff within one year from the date that this contract was terminated at customer's request, customer shall pay the minimum monthly bill charges specified in the Minimum Bill provision of this tariff for the number of months customer's service was inactive. (T)

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law. (T)

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4580 Olympic Blvd.  
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**RATE FT - L**

**FIRM TRANSPORTATION SERVICE**

**AVAILABILITY**

Service under this rate schedule is available to any customer who: (1) enters into a written agreement with the Company; and (2) has arranged for delivery of gas into the Company's system for the customer's use at one point of delivery where distribution mains are adjacent to the premise to be served. Service provided hereunder shall be by displacement. This is a firm full requirements large volume transportation service, which is provided from the Company's city gate receipt points to the outlet side of Company's meter used to serve the customer. This service is available within the Company's entire service territory to serve the firm service requirements of non-residential customers who use more than 20,000 CCF per year, and the firm service requirements of customers receiving firm service in combination with service under Rate IT, except for those customers whose utility service accounts are past due at the time customer desires to utilize this service, or whose accounts fall into arrears, as defined in Rate FRAS, after choosing this service.

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For customers whose accounts fall into arrears after choosing this service, the customer will be returned to the Company's sales service effective with the customer's next scheduled meter reading, and will be ineligible to choose this transportation service until all arrears are paid in full. For customers receiving service under this tariff, the written agreement between the Supplier and the customer may be terminated by supplier for non-payment of the customer's gas commodity portion of the bill if the account is at least 30 days past due. The Supplier shall give the Company and the customer no less than 30 days written notice that the customer will be switched from the Supplier and revert to the Company's sales service unless the past due amount is paid by the customer's next scheduled bill due date. If the past due amount is paid by the next scheduled bill due date, the customer will not revert to the Company's sales service but will remain with the Supplier. Customer must enter into a "pooling" agreement with a Supplier from a list of approved gas pool operators that have signed both a "Large Volume Customer Transportation Pooling Agreement" and a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company. Such suppliers must arrange for the delivery of gas into Company's system in accordance with Rate FRAS.

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Customers who believe that they will significantly increase throughput, from their historic firm service levels, shall so inform the Company.

**DEFINITIONS**

Terms used in this tariff are defined in the same manner as set forth in Rate FRAS, Sheet No. 44.

**CHANGES IN CUSTOMERS' SERVICE ELECTIONS**

Customers who elect service under this tariff and later return to Company's sales service may do so only in accordance with the requirements of the Company's tariffs and applicable regulations of the Kentucky Public Service Commission. If a customer voluntarily elects to return to the Company's sales service, all incremental gas procurement, upstream transportation and storage costs incurred by Company in order to return customer to sales service may, as determined by the Company, have to be borne by customer.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_, 201\_\_ in Case No. 2018-00261.

Issued: August 31, 2018  
Effective: October 1, 2018  
Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

**NET MONTHLY BILL**

The Net Monthly Bill shall be determined in accordance with the following rates and charges:

Administrative Charge per Month: \$430.00

The Administration Charge hereunder will be waived when this service is used in combination with the service provided under Sheet No. 50, Rate IT, Interruptible Transportation Service.

Plus a charge for each CCF of gas transported for customer from Company's city gate measuring stations to the outlet side of Company's meter used to measure deliveries to customer at: \$0.23319 per CCF (T)  
(T)  
(I)

Plus the throughput charge under Sheet No. 58, Rate IMBS, Interruptible Monthly Balancing Service. (D)

Plus all transported gas shall be subject to an adjustment per CCF as set forth on: (T)  
Sheet No. 77, Rider GCAT, Gas Cost Adjustment Transition Rider, except as provided thereon.

Plus, or minus, rate adjustments which may occur as a result of changes in the rates of interstate pipelines, or of rulings of the Kentucky Public Service Commission and/or the Federal Energy Regulatory Commission, and for which it is determined that all customers should be allocated some portion of the corresponding costs or refunds.

Customer and/or its Suppliers shall be responsible for the payment and collection of excise taxes, sales taxes, revenue taxes, or similar taxes on the gas supplies that customer purchases from its Supplier.

**MINIMUM BILL**

The monthly minimum bill shall be the Administrative Charge as shown above. (T)

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5% is due and payable. (T)  
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Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_, 201\_ in Case No. 2018-00261.

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4580 Olympic Blvd.  
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**GENERAL TERMS AND CONDITIONS**

1. Remote Metering

In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. As a pre-requisite for receiving service under this tariff, Customer will be responsible for installing and maintaining, at the customer's expense, a dedicated 110v electrical service in a location suitable to provide electrical service for the Company's telemetering equipment, or such other equipment or utilities as may be necessary at customer's meter site. Customer shall also be responsible for the monthly charges for such other necessary equipment or utilities.

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The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on a daily basis. Daily operational information shall include information on daily gas flows provided by Automated Meter Reading (AMR) equipment, telemetry, or any other means the Company has available to provide the customer, or its designated pool operator, with its best estimate of daily gas usage.

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2. Approved Supplier List

Company shall maintain a list of approved Suppliers from which customer can choose. Such list will include Suppliers who have signed a Gas Supply Aggregation/Customer Pooling Agreement in which Supplier has agreed to participate in and provide gas supplies to Rate FT-L pools, and abide by Company's requirements for its pooling program. This list shall be available to any customer upon request.

3. Applications and Service Date

A customer who desires service under this tariff shall apply through its chosen Supplier. Customer must also enter into a written agreement with the Company, as such agreement shall set forth specific arrangements as to the transportation services provided and any other circumstances relating to the individual customer. Unless the Company determines that the customer is not eligible to become a transportation customer of the Supplier, the Company shall exercise its reasonable efforts to transfer the customer to the Supplier's pool on the customer's next regularly scheduled meter reading date after a dedicated electrical service and automated meter reading equipment is installed and operative.

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A customer, who terminates service under this tariff and returns to sales service, or who changes Suppliers, shall through its supplier provide Company with written or electronic notice. Requests so received shall normally be honored on customer's next regularly scheduled meter reading date. In the event that a customer is returned to sales service for non-payment, the Supplier shall provide the Company with notice of termination and shall comply with any notice requirements of the Suppliers' Code of Conduct set forth in Rate FRAS, Sheet No. 44.

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Witness Responsible: Bruce Sailors  
 KY.P.S.C. Gas No. 2  
 Third Revised Sheet No. 51  
 Cancelling and Superseding  
 Second Revised Sheet No. 51  
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Duke Energy Kentucky, Inc.  
 4580 Olympic Blvd.  
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#### GENERAL TERMS AND CONDITIONS (Contd.)

##### 4. Access to Usage History and Current Billing Information

The "Customer Pooling Agreement," used to initiate requests for service under this tariff, shall authorize customer's Supplier to receive customer's usage, billing, and payment history from the Company, to act on customer's behalf in making billing/usage inquiries, and in exchanging current billing information with Company, including notices of commencement or termination of service by either party. (T)

##### 5. Service Term

Except customers returned for non-payment or for good cause shown, the primary term of contract shall be a minimum of one (1) year. Customers may not elect to move to or from the Company's sales service and transportation service, or between rate schedules during this twelve month primary term. In addition, such movements will require thirty days advance notice to the Company and the Company's specific authorization if such movements are to occur during the winter period, November through March. After completion of the primary term, such contract shall continue unless cancelled by either party upon thirty (30) days written notice. (T)

##### 6. Regulatory Approvals

Customer's Supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable gas to be delivered to the Company's system.

#### CURTAILMENT OF SERVICE

In times of system emergencies, the Company may curtail service under this rate schedule in order to maintain service to human needs customers and customers receiving service under Rates RS, GS and in accordance with curtailment procedures on file with, and approved by, the Kentucky Public Service Commission. In the event customer fails to comply with the Company's direction to curtail, the Company reserves the right to physically discontinue service to the customer. Company shall not be liable in damages or otherwise to customer for any loss of production, other claim, or any consequences occasioned by customer as a result of such curtailment or because of the lack of advance notice to customer of such curtailment.

#### SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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KY.P.S.C. Gas No. 2  
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**RATE SSIT**

**SPARK SPREAD INTERRUPTIBLE TRANSPORTATION RATE**

THIS SHEET IS CANCELLED AND WITHDRAWN

(T)

Issued by authority of an Order of the Kentucky Public Service  
Commission dated \_\_\_\_\_, 201\_ in Case No. 2018-00261.

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Issued: August 31, 2018  
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Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
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**RATE AS**

**AGGREGATION SERVICE FOR INTERRUPTIBLE GAS TRANSPORTATION**

(T)

**AVAILABILITY**

Pooling service available to (1) customers receiving interruptible gas transportation service under Rate IT and special contract interruptible customers who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT and special contract interruptible customers to manage gas supplies on their behalf and as a part of an aggregated customer pool. For purposes of administering this tariff, the usages of all customers within a pool will be combined into a single pool usage number, which will be matched against the pool operator's total deliveries to its Rate IT and special contract interruptible transportation pool.

**CHARACTER OF SERVICE**

Customers must elect whether they will operate as their own pool operator or choose a pool operator from a list of approved gas pool operators that have signed a "Large Volume Customer Transportation Pooling Agreement" with the Company. Such elections will be assumed to carryover from month to month unless the customer or pool operator notifies the Company of a change at least ten (10) days prior to the start of a new month. In such agreements, the pool operator accepts the responsibility for meeting the aggregated daily and monthly gas delivery requirements of those large volume Rate IT and special contract interruptible transportation customers that comprise their customer pool. Included among the aggregated gas supply and delivery obligations assumed by designated pool operators are requirements for responding to operational flow orders ("OFOs"), monthly balancing requirements, monthly "cash outs," Duke Energy Ohio to Duke Energy Kentucky, Inc. delivery charges, and the payment of penalty charges exclusive of those arising from customers' failure to interrupt or curtail deliveries when ordered to do so by the Company.

Pool operators shall have access to Company-offered services including balancing services and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

(T)

**POOL OPERATOR REQUIREMENTS**

Customers will not be permitted to join pools, nor shall pool operators be permitted to disband their pools, until all outstanding imbalances with the Company have been settled or eliminated.

**NET MONTHLY BILL**

The Net Monthly Bill shall be rendered to the pool operator by the tenth day of the calendar month for services rendered during the preceding month, and shall consist of the following charges, or credits, calculated on an aggregated basis for the entire customer pool:

1. In those instances where gas supplies are purchased from or sold to the Company under the monthly "cash-out" provision of Rate IMBS, the Company shall bill pool operator for the cost of such "cash-outs" based on the aggregated imbalance of the pool and the "cash-out" pricing provisions of that tariff schedule.

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Duke Energy Kentucky, Inc.  
 4580 Olympic Blvd.  
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### NET MONTHLY BILL (Contd.)

2. In those instances where the pool operator has failed to fully respond to OFOs, pool operator will be billed unauthorized overrun/underrun charges, in addition to the flow-through of penalty charges from pipelines and gas suppliers that can be attributed to pool operator's failure to fully respond. (T)
3. In those instances where the pool operator delivers gas into the Duke Energy Ohio pipeline system and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky, Inc. for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky, Inc. for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate. (T)

### LATE PAYMENT CHARGES

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable.

### TERMS AND CONDITIONS

Pool operators must enter into written service agreements with the Company. Such service agreements shall set forth specific covenants and obligations undertaken by the Company and pool operators under this tariff on behalf of the customers that they serve. (T)

### SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Third Revised Sheet No. 57  
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**RATE GTS**

**GAS TRADING SERVICE**

**AVAILABILITY**

Daily/monthly inter-pool imbalance trading services, available to (1) customers receiving interruptible gas transportation service under Rate IT or under special contract arrangements, who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT, special contract arrangements, or Rate FT-L customers to manage their gas supplies on their behalf and as a part of an aggregated customer pool.

(T)

**CHARACTER OF SERVICE**

The Company will operate an electronic bulletin board (EBB) through which eligible pool operators can notice offers of gas supplies for purchase, sale, or trade.

Daily imbalance trades or transfers must be completed within two (2) business days from the date that the trade or transfer applies. Monthly imbalance trades or transfers must be completed within two (2) business days following the end of the month.

(T)

(T)

Transactions will be completed when the pool operator(s) on both sides of a transaction key their acceptance into the EBB. When that occurs, all other would-be acceptors of the offer are locked out. The Company will adjust the daily/monthly accounts of both parties to a transaction in order to record the volume transfer embodied in the transaction. Any dollar payments, receipts, or exchanges of other consideration agreed upon between the parties to a transaction are outside the scope of this tariff and must be completed between the parties themselves.

**BILLING**

The Company will bill the receiving party to a transfer under this tariff a \$5.00 fee for each transaction. For purposes of this tariff, a transaction is each transfer of gas supplies from one pool to another on a specific gas day pursuant to an arrangement by, or between, pool operators to purchase, sell, or trade gas supplies. For purposes of this tariff, the receiving party of a transfer is the purchaser or the party to whom gas supplies are transferred on a specific gas day.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

Issued by authority of an Order of the Kentucky Public Service  
Commission dated \_\_\_\_\_, 201\_ in Case No. 2018-00261.

Issued: August 31, 2018  
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Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
 4580 Olympic Blvd.  
 Erlanger, Kentucky 41018

**RATE IMBS**

**INTERRUPTIBLE MONTHLY BALANCING SERVICE**

**AVAILABILITY**

Interruptible monthly gas balancing service available (1) to customers receiving service under Rate FT-L, Rate IT and special contract interruptible transportation agreements who are acting as their own pool operator for supply management purposes, and (2) to pool operators designated by Rate FT-L, Rate IT and special contract interruptible transportation customers to manage their gas supplies on their behalf, and as a part of an aggregated customer pool. For purposes of this tariff, a pool operator shall aggregate the requirements of all of its pools' member customers and thereafter such aggregated pool shall be treated as a single customer for supply management purposes.

**CHARACTER OF SERVICE**

The service provided under this tariff is a "reasonable efforts," interruptible gas balancing service that requires a general obligation by the pool operator to balance daily pool usage with pool deliveries into the Company's city gate stations. No daily imbalance charges or penalties will be levied on the pool operators, except when Operational Flow Orders (OFO) have been issued. However, pool operators are under an ongoing obligation to work with the Company in a good faith manner to respond to both formal and informal system management requests, to strive to maintain relatively close daily balances, and to closely track their daily loads throughout the month. For purposes of this tariff, an OFO is as defined in Rate FRAS, Sheet No. 44. OFOs will be issued on an ongoing basis for pool operators who disregard their obligation to provide gas supplies in quantities that reasonably match their daily loads. OFOs shall be issued for operational reasons only. In the event a pool operator violates this tariff or the aggregation agreement, the Company may assess such a violator for all direct incremental gas supply, capacity, storage or penalty costs incurred due to the violation. In addition, if the violations are part of a pattern of non-compliance, or of a magnitude that merits additional action be taken, the Company may take steps to suspend or permanently remove a pool operator from participation upon notice. The Company shall have the right to limit or terminate the availability of this service to pool operators guilty of excessive abuse of the system; i.e., engaging in extreme and/or continued violations of the tariff terms and conditions including this general balancing requirement. For purposes of administering this tariff, the daily and monthly usage of all customers within an individual pool will be combined into single daily/monthly pool usage number, which will be matched against the pool operator's total daily/monthly deliveries to its individual transportation pool.

**SERVICE DESCRIPTION**

Transportation customers who avail themselves of the service under this rate schedule must conform to the monthly imbalance carry over tolerance level shown below.

	Allowed Monthly Under-Run %	Allowed Seasonal Monthly Over-Run		Charge on All Throughput	
		May Through November %	December Through April %		
All Pools	0	8	10	\$0.1097 per Mcf	(I)

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### SERVICE DESCRIPTION (Contd.)

Pool operators shall be held to a monthly balancing requirement within the monthly imbalance carry over tolerance level. Pool operators shall be subject to a general obligation to balance pool requirements and deliveries on a daily basis unless an OFO has been issued. (T)

On days when OFOs have been issued, any net imbalances may result in unauthorized overrun/underrun charges or penalty charges being levied against the responsible pool operator. Such charges shall be calculated in accordance with the "Net Monthly Bill" provision of this rate. In order to minimize daily imbalance charges and penalties on OFO days, as well as end of month imbalance "cash-outs," pool operators are encouraged to participate in the Company's inter-pool imbalance trading/transfer service. Daily imbalance trades/transfers made through the Company's EBB must be completed within two (2) business days from the date that the trade or transfer applies. Monthly imbalance trades to comply with the monthly balancing requirements of Rate IMBS must be completed within two (2) business days following the end of the month. (T)

### NET MONTHLY BILL

Net monthly imbalances will be calculated for billing purposes as the net of:

- a) actual deliveries, as adjusted for unaccounted for losses, (T)
- b) plus or minus imbalance trades, (T)
- c) plus or minus unauthorized daily or monthly OFO overrun/underrun volumes, (T)
- d) plus monthly imbalance carryover, (T)
- e) minus actual metered usage on an aggregated pool basis. (T)

The Net Monthly Imbalance percentage will be determined by dividing the net monthly imbalance as measured at the burner tip by the aggregated pool usage for the month. (T)

Pool operators receiving balancing services under this rate schedule shall be subject to the following charges:

- (1) Unauthorized overrun/underrun charges as described above and resulting from pool operator's failure to comply with daily Operational Flow Orders except as provided above, as follows: (T)
  - (a) Over-deliveries (T)
    - (i) over-deliveries will be cashed out to the pool operator at the lowest cost of gas available to the Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate; and (T)
    - (ii) the payment of all other charges incurred by Company including but not limited to pipeline penalty charges on the date of the OFO shortfall. (T)
  - (b) Under-deliveries (T)
    - (i) the payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate; (T)
    - (ii) one month's demand charges on the OFO shortfall. This charge shall not be imposed more frequently than once in any calendar month; and (T)
    - (iii) the payment of all other charges incurred by Company including but not limited to pipeline penalty charges on the date of the OFO shortfall. (T)

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**NET MONTHLY BILL (Contd.)**

- (2) End of month "cash-out" charges for volumes over/under-delivered outside of pool operator's selected option tolerance levels, as follows:
  - (a) Over-deliveries are defined as monthly deliveries into the Company's city gate stations, plus the prior month's carryover volumes that exceed the pool's aggregated metered usage for the month as adjusted for shrinkage back to the city gate, and as adjusted for the pool's elected monthly carry over tolerance percentage. Over-deliveries beyond the pool's elected monthly carry over tolerance percentage shall be cashed out to the pool operator at the first of the month index published in *Inside F.E.R.C. Gas Market Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Mainline Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city gate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the volumes delivered in excess of the elected monthly carry over tolerance percentage, as measured at the burner tip. (T)
  - (b) Under-deliveries are defined as monthly deliveries into the Company's city gate stations, plus the prior month's carryover volumes, that are less than the pool's aggregated metered usage for the month, as adjusted for shrinkage back to the city gate. Under deliveries shall be cashed out at the first of the month index published in *Inside F.E.R.C. Gas Market Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Mainline Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city gate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the under-delivered volumes, as measured at the burner tip. (T)

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

Third Revised Sheet No. 59  
Cancelling and Superseding  
Second Revised Sheet No. 59  
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## RATE DGS

### DISTRIBUTED GENERATION SERVICE

#### AVAILABILITY

Available in the Company's entire service territory to customers who enter into a service agreement that identifies, among other provisions, facilities that are required to serve distributed generation installations. The facilities contemplated hereunder include, but are not limited to, the equipment necessary to accommodate non-standard system pressure. The Company reserves the right to decline requests to initiate or continue service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rates RS, GS, and FT-L.

#### CHARACTER OF SERVICE

The service provided under this tariff schedule is firm, on-demand, delivery service.

#### NET MONTHLY BILL

In addition to the provisions of the applicable firm transportation tariff, the following monthly charges shall apply for billing purposes.

##### Administrative Charge

A charge of \$25.00 per month shall be assessed for each account to which this service applies.

##### Monthly Capacity Reservation Charge

The customer shall pay, except when the installation is operating according to the service agreement, a monthly amount equal to the level of contract capacity stated in the service agreement, times the capacity reservation charge per CCF. The level of contract capacity is the customer's estimate of the maximum hourly load in CCF that the installation will require when operating as intended. The capacity reservation charge equals the delivery charge stated in the applicable firm transportation service tariff. The minimum monthly capacity reservation charge shall be \$2.00 per installation.

##### Facilities Charge

The customer shall pay the amount specified in the service agreement.

##### Delivery Charge

All deliveries, as determined by the Company, shall be billed under the provisions of the applicable firm transportation service tariff.

#### LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly bill, which is the Net Monthly Bill plus five percent (5%), is due and payable.

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Witness Responsible: Bruce Sailors  
KY.P.S.C. Gas No. 2  
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### **TERMS AND CONDITIONS**

The customer shall enter into a written service agreement with the Company which specifies the type of service(s) required, operational requirements, the facilities necessary to accommodate the type of service, and the level of capacity required by customer. The customer and the Company will mutually agree upon the level of contract capacity.

An additional meter shall be installed to separately measure the service hereunder.

The cost of facilities, as described in the service agreement, shall be paid by the customer.

The customer shall have contracted for such interstate pipeline services, including, but not limited to, firm transportation and no-notice delivery services, that are sufficient to satisfy the installation's planned operating schedule.

Changes in the level of contract capacity may be requested annually by the customer, on the anniversary date of the service agreement. Such requests shall be made at least thirty (30) days in advance of the anniversary date.

The term of contract shall be five years.

### **SERVICE REGULATIONS**

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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
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KY.P.S.C. Gas No. 2  
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## RIDER X

### MAIN EXTENSION POLICY

#### AVAILABILITY

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

#### APPLICABILITY

Applicable to gas service supplied in accordance with provisions of the appropriate rate currently in effect, from the nearest available distribution main when it is necessary to extend such main.

#### EXTENSION PLAN

1. Normal Extensions. An extension of one hundred (100) feet or less shall be made by the Company to an existing distribution main without charge for a prospective customer who shall apply for and contract to use service for one year or more.
2. Other Extensions. When an extension of the Company's main to serve an applicant amounts to more than one hundred (100) feet per customer, the Company may require the total cost of the excess footage in excess of one hundred (100) feet per customer to be deposited with the Company by the applicant based on the estimated cost per foot for main extensions.

The applicant will be reimbursed under the following plan:

- (i) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer, who paid for the excess footage, the cost of one hundred (100) feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed, but in no case shall the total amount refunded, including the amount determined under paragraph (ii), exceed the amount paid to the Company.
- (ii) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer who paid for the excess footage, an amount reflecting the positive impact of a subsequent connection or extension, by analyzing the estimated cost and corresponding revenues resulting from the subsequent connection or extension. This amount will be paid when the first customer is connected to the subsequent connection or extension.
- (iii) If a customer contribution is necessary using the Normal Extension method noted in (1) above, and the extension is between 100 and 2,000 feet in length, the Company will perform a net present value (NPV) analysis based upon the total construction costs for the entire length of the extension, and not just the costs of the extension in excess of 100 feet. The NPV analysis will take into account all volumetric base distribution revenues and fixed monthly charge revenues to be received from the customer. The NPV analysis will use the discount rate applicable per the most recent rate case and assume a term of no less than twenty (20)

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consecutive years. If the NPV calculation is positive or zero, the customer will not be charged for the construction costs. If the NPV calculation is negative, the customer must deposit with the Company an amount equal to the results of the NPV calculation, prior to construction taking place. Any such deposit shall be eligible for a refund consistent with the terms and conditions of the main extension contract entered into between the Company and the customer. Further, the customer must continue to receive gas service from the Company at the same service installation or premises in order to be eligible for a refund. Refunds shall not exceed the amount of the deposit and shall be limited to a period of ten (10) consecutive years following the effective date of the main extension contract.

For large commercial and industrial customers with process load, the Company may require a minimum customer usage commitment for a defined period or term not to exceed six (6) years.

3. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the applicant, who paid for the extension, a sum equivalent to the cost of one hundred (100) feet of the extension installed for each additional customer connected during the year, but in no case shall the total amount refunded over the ten (10) year period exceed the amount paid to the Company. There shall be no refunds after the end of the said ten (10) year period.
4. Nothing contained herein shall be construed to prohibit the Company from making extensions under different arrangements provided such arrangements have been approved by the Kentucky Public Service Commission.
5. Nothing contained herein shall be construed as to prohibit the Company from making, at its expense, greater extensions than herein prescribed, should its judgment so dictate, provided like free extensions are made to other customers under similar conditions.
6. Upon complaint to and investigation by the Kentucky Public Service Commission, the Company may be required to construct extensions greater than one hundred (100) feet upon a finding by the Commission that such extension is reasonable.

#### **SERVICE REGULATIONS**

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Duke Energy Kentucky, Inc.  
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## RIDER DSM

### DEMAND SIDE MANAGEMENT COST RECOVERY RIDER

#### APPLICABILITY

Applicable to service rendered under the provisions of Rates RS (residential class), GS, and FT (non-residential class).

#### CHARGES

The monthly amount computed under each of the rate schedules to which this rider is applicable shall be increased or decreased by the DSM Charge at a rate per hundred cubic feet (CCF) of monthly consumption in accordance with the following formula:

$$\text{DSM Charge} = \text{PC} + \text{LR} + \text{PI} + \text{BA}$$

Where: **PC = DSM PROGRAM COST RECOVERY.** For each twelve month period, the PC shall include all expected costs for demand-side management programs which have been approved by a collaborative process. Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the PC. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated avoided pipeline capacity and commodity costs resulting from each program.

The PC applicable to the residential class shall be determined by dividing the cost of approved programs allocated or assigned to the residential class by the expected CCF throughput for the upcoming twelve-month period. Similarly, the cost of approved programs assigned to the non-residential class shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PC applicable to the non-residential rate class.

**LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY.** Revenues from lost throughput due to DSM programs will be recovered through the decoupling of revenues from actual throughput of the residential class. At the end of each twelve-month period after implementation of the DSM Charge, the non-variable revenue requirement (total revenue requirement less variable costs) for the residential class for Duke Energy Kentucky, Inc.'s most recent twelve month period will be adjusted to reflect changes in the number of customers and the usage per customer as follows: (1) the non-variable revenue requirement will be multiplied by the

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## CHARGES (Cont'd)

factor obtained by dividing the twelve month average number of customers at the end of the current twelve-month period by the twelve month average number of residential customers at the end of the twelve-month period ending December 1994, and (2) the non-variable revenue requirement will be multiplied by a factor "F<sub>g</sub>" calculated by the following formula:

### LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY. (Contd.)

$$F_g = (1 + g)^{n/12}$$

Where: g = Growth factor - recalculated annually based on the most recent eleven years of actual customer data. Initially "g" shall be set at -0.0156; and  
n = the number of months from December 1994 to the end of the current twelve-month period.

At the end of each twelve-month period after implementation of the DSM Charge, the difference between the actual non-variable revenue billed during the twelve-month period and the adjusted non-variable revenue requirement, as described above, will be determined. This difference ("LR amount established for the twelve-month period") will be divided by the estimated CCF throughput for the upcoming twelve-month period to determine the LR for the residential class.

The LR applicable to the non-residential class shall be computed by 1) multiplying the amount of CCF throughput that will be lost for each twelve-month period as a result of the implementation of the approved programs times the CCF throughput charge for the applicable rate schedule, less the variable cost included in the charge; and, 2) dividing that product by the expected CCF throughput for the upcoming twelve-month period. The lost revenue attributable to decreased throughput to the non-residential class due to approved programs will be calculated through estimates agreed upon by the collaborative process, which may include engineering estimates, of the level of decreased throughput. Recovery of revenues from decreased throughput calculated for a twelve-month period for non-residential rate classes shall be included in the LR until terminated by the implementation of new rates pursuant to a general rate case. Revenues from such decreased throughput will be assigned for recovery purposes to the rate classes whose programs resulted in the decreased throughput.

**PI = DSM PROGRAM INCENTIVE RECOVERY.** The DSM Program Incentive (PI) amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent. Net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of Duke Energy Kentucky, Inc.'s avoided gas costs over the expected life of the program, and will include both capacity and

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### CHARGES (Cont'd)

commodity savings. The DSM incentive amount related to programs for the residential class shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. The PI amount related to programs for the non-residential class rates shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

**BA = DSM BALANCE ADJUSTMENT.** The BA is used to reconcile the difference between the amount of revenues actually billed through the respective DSM Charge components; namely, the PC, LR, and PI and previous BA, and the revenues which should have been billed, as follows:

- (1) For the PC, the balance adjustment amount will equal the difference between the amount billed in a twelve-month period from the application of the PC unit charge and the actual cost of the approved programs during the same twelve-month period.
- (2) For the LR applicable to the residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from the application of the LR unit charge and the LR amount established for the same twelve-month period.

For the LR applicable to the non-residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the LR unit charge and the amount of lost revenues determined for the actual DSM program, or measures implemented during the twelve-month period.

- (3) For the PI, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the PI unit charge and the incentive amount determined for the actual DSM program, or measures implemented during the twelve-month period.
- (4) For the BA, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the BA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined above shall include interest. The interest applied to the monthly amounts, shall be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of balance adjustment amounts shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the BA. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over or under-recoveries of DSM amounts were realized.

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Duke Energy Kentucky, Inc.  
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KY.P.S.C. Gas No. 2  
Second Revised Sheet No. 61  
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### **CHARGES (Cont'd)**

All costs recovered through the DSM Charge will be assigned or allocated to Duke Energy Kentucky, Inc.'s electric or gas customers on the basis of the estimated net electric or gas resource savings resulting from each program.

#### **DSM CHARGE FILINGS**

The filing of modifications to the DSM Charge shall be made at least thirty days prior to the beginning of the effective period for billing. Each filing will include the following information as needed:

- (1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.
- (2) A statement setting forth the detailed calculation of each component of the DSM Charge.

Each change in the DSM Charge shall be applied to customers' bills with the first billing cycle of the revenue month which coincides with, or is subsequent to, the effective date of such change.

### **SERVICE REGULATIONS**

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KY.P.S.C. Gas No. 2  
Twenty-Second Revised Sheet No. 62  
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**RIDER DSMR**

**DEMAND SIDE MANAGEMENT RATE**

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 61 of this Tariff.

The DSMR to be applied to residential customer bills is \$(0.039792) per hundred cubic feet. (R)

A Home Energy Assistance Program (HEA) charge of \$0.10 will be applied monthly to residential customer bills through December 2020.

The DSMR to be applied to non-residential service customer bills is \$0.00 per hundred cubic feet.

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Issued by James P. Henning, President /s/ James P. Henning

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

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**ACCELERATED SERVICE REPLACEMENT PROGRAM RIDER**

**RIDER ASRP**

**THIS SHEET IS CANCELLED AND WITHDRAWN**

(T)

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Issued by Amy B. Spiller, President /s/ Amy B. Spiller

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4580 Olympic Blvd.  
Erlanger, Kentucky 41018

Witness Responsible: Bruce Sailors  
KYPSC Gas No. 2

Original Sheet No. 65

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**RIDER WNA  
WEATHER NORMALIZATION ADJUSTMENT RIDER**

**APPLICABILITY**

Applicable to all customers receiving service under Rate RS, Residential Service, and Rate GS, General Service.

**DETERMINATION OF WNA**

The distribution charge per Ccf for gas service as set forth in Rates RS and GS shall be adjusted by an amount herein under described as the Weather Normalization Adjustment (WNA).

The WNA shall apply to all Rate RS and Rate GS bills during the November through April billing periods. The WNA shall increase or decrease accordingly by month. The WNA will not be billed during the billing periods of May through October. Customer base loads and heating sensitivity factors will be determined by rate class and adopted from the most recent order of the Kentucky Public Service Commission (KYPSC) approving such factors to be used in the application of this Rider.

The WNA shall be computed by rate class using the following formula:

$$WNA_i = R_i * \frac{(HSF_i * (NDD - ADD))}{(BL_i + (HSF_i * ADD))}$$

Where:

i	=	A rate schedule or billing classification within a rate schedule
WNA <sub>i</sub>	=	Weather Normalization Adjustment Factor for the ith rate schedule or classification expressed as a rate per Ccf.
R <sub>i</sub>	=	Weighted average rate (distribution charge) of temperature sensitive sales for the ith schedule or classification.
HSF <sub>i</sub>	=	Heat sensitivity factor for ith rate schedule or classification.
NDD	=	Normal billing cycle heating degree days (based upon Company's 30-year normal period adopted from the most recent order of the KYPSC approving such normal for use in the application of this Rider.
ADD	=	Actual billing cycle heating degree days.
BL <sub>i</sub>	=	Base load for the ith rate schedule or classification.

Issued by authority of an Order of the Kentucky Public Service  
Commission dated \_\_\_\_\_, 201 in Case No. 2018-00261.

Issued: August 31, 2018

Effective: October 1, 2018

Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
 4580 Olympic Blvd.  
 Erlanger, Kentucky 41018

## GAS COST ADJUSTMENT CLAUSE

### APPLICABILITY

The charge to each customer for the cost of gas shall be the appropriate Gas Cost Adjustment Rate applied to the customer's monthly consumption. This charge is applicable to all Company sales that are under the jurisdiction of the Kentucky Public Service Commission (Commission).

### DETERMINATION OF GCA

The Company, unless otherwise ordered by the Commission, shall file a monthly report with the Commission which shall contain an updated gas cost adjustment rate (GCA) and shall be filed at least twenty (20) days prior to the beginning of the billing period in accordance with an Order in Case No. 2006-00144.

The GCA is comprised of:

- (1) The expected gas cost component (EGC) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which represents the average cost of gas supplies including propane. Estimated monthly net charge offs on a dollar per Mcf basis, rounded to the nearest 0.1 cent, will be added to the EGC.
- (2) The supplier refund adjustment (RA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which reflects refunds received during the reporting period plus interest at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period, less 1/2 of 1 percent to cover the cost of refunding.
- (3) The actual adjustment (AA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any previous over or under collections of gas cost experienced and net charge offs by the Company through the operation of this gas cost recovery procedure.
- (4) The balance adjustment (BA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any over or under collections which have occurred as a result of prior adjustments.

### HEDGING PLAN

In accordance with the approved hedging plan, Duke Energy Kentucky, Inc., will utilize fixed price contracts without cost averaging and no-cost collars for gas purchases within the range of volumes defined in the plan for up to eighteen (18) months from the time of the transaction. On or before each May 15, the Company shall file a report of its hedging activities for the twelve (12) months ended the previous March 31 that also identifies all existing hedging arrangements for future purchases.

### BILLING

The gas cost recovery rate to be applied to the customers' bills shall equal the sum of the following components:

$$\text{GCA} = \text{EGC} + \text{RA} + \text{AA} + \text{BA}$$

Issued by authority of an Order of the Kentucky Public Service  
 Commission dated \_\_\_\_\_, 2018, in Case No. 2018-00261.

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Effective: October 1, 2018

Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

## DEFINITIONS

For purposes of this tariff:

- (A) "Average Cost" means the cost of gas supplies, including associated transportation and storage charges and propane, which results from the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the three (3) month period, on purchased volumes during the twelve month period ending with the reporting period, divided by the corresponding sales volume. This includes the cost of all gas supplies acquired through hedging instruments, including the cost of the hedging instruments themselves, acquired under a hedging plan approved by the Commission and under the terms and conditions of this tariff.
- (B) "GCA" means the sum of the expected gas cost component plus the supplier refund adjustment plus the actual adjustment plus the balancing adjustment; i.e.,  $GCA = EGC + RA + AA + BA$ .
- (C) "Billing period" means each of the four three-month periods of (1) December, January, and February; (2) March, April, and May; (3) June, July, and August; (4) September, October, and November.
- (D) "Reporting Period" means the three (3) month accounting period that ended approximately fifty-Five days prior to the filing date of the updated gas cost adjustment rates.

Issued by authority of an Order of the Kentucky Public Service  
Commission dated \_\_\_\_\_, 201\_ in Case No. 2018-00261.

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Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Sixty-Second Revised Sheet No. 77  
Cancelling and Superseding  
Sixty-First Revised Sheet No. 77  
Page 1 of 1

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**RIDER GCAT**

**GAS COST ADJUSTMENT TRANSITION RIDER**

**APPLICABILITY**

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

**GCA TRANSITION RIDER**

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be \$0.02400 per 100 cubic feet. This rate shall be in effect during the month of June 2018 through August 2018 and shall be updated quarterly, concurrent with the Company's GCA filings.

Issued by authority of an Order of the Kentucky Public Service  
Commission dated \_\_\_\_\_, 2018 in Case No. 2018-00261.

Issued: August 31, 2018

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Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Third Revised Sheet No. 80  
Cancelling and Superseding  
Second Revised Sheet No. 80  
Page 1 of 1

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**BAD CHECK CHARGE**

**APPLICABILITY**

Applicable to all customers in the Company's gas service area.

**CHARGE**

The Company may charge and collect a fee of \$11.00 to cover the cost of handling an unsecured check, where a customer tenders in payment of an account a check which upon deposit by the Company is returned as unpaid by the bank for any reason.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order by the Kentucky Public Service  
Commission dated \_\_\_\_\_, 201\_ in Case No. 2018-00261.

---

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Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Third Revised Sheet No. 81  
Cancelling and Superseding  
Second Revised Sheet No. 81  
Page 1 of 1

## CHARGE FOR RECONNECTION OF SERVICE

### APPLICABILITY

Applicable to all customers in the Company's entire service area who are in violation of Rule 3, Company's Right to Cancel Service Agreement or to Suspend Service, of the Company's Gas Service Regulations.

### CHARGE

The Company may charge and collect in advance the following:

- A. The reconnection charge for service which has been disconnected due to enforcement of Rule 3 shall be seventy-five dollars (\$75.00). (I)
- B. The reconnection charge for service which has been disconnected within the preceding twelve months at the request of the customer shall be seventy-five dollars (\$75.00). (I)
- C. If service is discontinued because of fraudulent use thereof, the Company may charge and collect in addition to the reconnection charge of seventy-five dollars (\$75.00) the expense incurred by the Company by reason of such fraudulent use, plus an estimated bill for gas used, prior to the reconnection of service. (I)
- D. If both the gas and electric services are reconnected at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service. (T)  
(T)

### SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service  
Commission dated \_\_\_\_\_, 201\_\_ in Case No. 2018-00261.

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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Third Revised Sheet No. 82  
Cancelling and Superseding  
Second Revised Sheet No. 82  
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**LOCAL FRANCHISE FEE**  
**APPLICABLE TO ALL RATE SCHEDULES**

There shall be added to the customer's bill, listed as a separate item, an amount equal to the fee now or hereafter imposed by local legislative authorities, whether by ordinance, franchise or other means, which fee is based on the gross receipts collected by the Company from the sale of gas to customers within the boundaries of the particular legislative authority. Such amount shall be added exclusively to bills of customers receiving service within the territorial limits of the authority imposing the fee.

Where the local legislative authority imposes a flat, fixed amount on the Company, the fee applied to the bills of customers receiving service within the territorial boundaries of that authority, shall be in the form of a flat dollar amount.

Where more than one such fee is imposed, each of the charges applicable to each customer shall be added to the customer's bill and listed separately.

The amount of such fee added to the customer's bill shall be determined in accordance with the terms of the ordinance, franchise or other directive agreed to be the Company.

Issued by authority of an Order of the Kentucky Public Service  
Commission dated \_\_\_\_\_, 201\_ in Case No. 2018-00261.

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Issued by Amy B. Spiller, President

Witness Responsible: Bruce Sailors

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Third Revised Sheet No. 83  
Cancelling and Superseding  
Second Revised Sheet No. 83  
Page 1 of 4

**CURTAILMENT PLAN FOR  
MANAGEMENT OF  
AVAILABLE GAS SUPPLIES**

**AVAILABILITY**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

(T)

**APPLICABILITY**

In the event of an emergency which necessitates curtailment of gas service, Duke Energy Kentucky, Inc. shall curtail gas service to its customers in the manner set forth herein, except where the Public Service Commission of Kentucky (Commission) or other authority having jurisdiction in the matter orders otherwise.

**DEFINITIONS**Special Gas Service Contract Customers:

A customer who purchases gas, off-peak and firm, under a Special Gas Service Contract. Such a customer shall not qualify as a Domestic or Non-Domestic Customer.

Domestic Customers:

Customers which use gas in private homes, boarding houses, apartment houses, hotels, motels, restaurants, food processors, hospitals and places of like kind where the element of human welfare is the predominating requirement.

Non-Domestic Customers:

All other customers not defined as Domestic Customers or Special Gas Service Contract Customers.

Winter Period:

The consecutive customer billing months of November and December, of one year and the months of January, February and March in the next year.

Summer Period:

The consecutive customer billing months of April, May, June, July, August, September and October.

Winter Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of January, February, March, November and December of 1972.

Summer Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of April, May, June, July, August, September and October of 1972.

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Effective: October 1, 2018

Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Third Revised Sheet No. 83  
Cancelling and Superseding  
Second Revised Sheet No. 83  
Page 2 of 4

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## DEFINITIONS (Contd.)

### Adjusted Winter Volumetric Limitation:

A Non-Domestic Customer's winter base volumetric limitation for the gas usage during a winter period as adjusted from time to time by Duke Energy Kentucky, Inc. to reflect pro rata curtailment.

### Adjusted Summer Volumetric Limitation:

A Non-Domestic Customer's summer base volumetric limitation for the gas usage during the summer period as adjusted from time to time by Duke Energy Kentucky, Inc. to reflect pro rata curtailment.

## ORDER OF CURTAILMENT

- (1) The Special Gas Service Contract Customer will be curtailed to the extent of its off-peak usage limitation noted in the customer's contract whenever:
  - (a) Duke Energy Kentucky, Inc. cannot supply the Special Gas Service Contract customer its full requirements in excess of such customer's Contract Demand without incurring penalties under tariffs of Duke Energy Kentucky, Inc.'s supplier, or without having to purchase additional volumes of gas at premium rates, or without Duke Energy Kentucky, Inc. operating its peak load manufacturing facilities.
  - (b) Duke Energy Kentucky, Inc.'s supplier curtails delivery and as a result Duke Energy Kentucky, Inc. determines that it cannot supply the total requirements of its customers.

The off-peak gas of the Special Gas Service Contract Customer shall be fully curtailed before curtailment is imposed upon other customers; however, since all the contracted for firm gas is considered necessary for plant protection, it will not be curtailed prior to other customer curtailment.

- (2) Where additional curtailment is necessary after full curtailment of the off-peak of the Special Gas Service Contract Customers, Duke Energy Kentucky, Inc. shall, after giving reasonable notice, curtail those Non-Domestic Customers which use 50,000 cubic feet or more of gas per day on a pro rata basis by adjusting their Winter and/or Summer Base Volumetric Limitations downward to the extent necessary to limit the total usage to the gas supply available to Duke Energy Kentucky, Inc.. The resulting volumes will be the Non-Domestic Customer's adjusted Winter and/or Summer Volumetric Limitation. For plant protection the adjusted Winter and Summer Volumetric Limitations shall not be less than 20% of the respective Winter and Summer Base Volumetric Limitation. A Non-Domestic Customer consuming over 50,000 cubic feet or more of gas per day and having more than one metering location may, upon mutual agreement with Duke Energy Kentucky, Inc., combine his adjusted Volumetric Limitation at one or more locations only for curtailment purposes. Such customer must notify Duke Energy Kentucky, Inc. in writing and receive Duke Energy Kentucky, Inc.'s written consent of the accounts to be effected and the volumes to be combined.

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Commission dated \_\_\_\_\_, 201\_ in Case No. 2018-00261.

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Effective: October 1, 2018

Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Third Revised Sheet No. 83  
Cancelling and Superseding  
Second Revised Sheet No. 83  
Page 3 of 4

### ORDER OF CURTAILMENT (Cont'd.)

- (3) Where additional curtailment of gas service is necessary, after curtailment in curtailment with paragraph (2) above, then gas service to Non-Domestic Customers using under 50,000 cubic feet of gas per day shall be curtailed on a pro rata basis in the same manner provided in the above paragraph (2).
- (4) Where additional curtailment is necessary the Domestic Customer will then be curtailed on a pro rata basis.

### CARRY-OVER AND ADJUSTMENT OF BASE VOLUMETRIC LIMITATION

No carry-over of volumes will be permitted from the Winter to Summer Period or from the Summer to Winter Period. In the establishment of the Winter and Summer Base Volumetric Limitations a customer may request an investigation as to the proper maximum volumes so determined. If such investigation discloses that the volumetric limitations do not reasonably reflect the normal usage of his equipment that was connected in 1972 or authorized by Duke Energy Kentucky, Inc. to be installed at a later date, such limitation will be adjusted accordingly. Such request must be made within 60 days of the approval of this curtailment plan and absent such a request the Base Volumetric Limitations will not be subject to any increase.

### PENALTIES

Special Gas Service Contract Customers will be subject to penalties as set forth in their contract. As to the Non-Domestic Customers, after the end of the Winter Period and Summer Period the actual gas usage of each Non-Domestic Customer for the period during which curtailment was required shall be compared respectively to the Adjusted Winter and Summer Volumetric Limitations, and in addition to the Non-Domestic Customer's regular monthly bill, a penalty shall be charged if such usage exceeds the respective Adjusted Winter or Summer Volumetric Limitation. The penalty amount will be based on the same penalty rate applicable to Duke Energy Kentucky, Inc. from its sold supplier of natural gas, the Columbia Gas Transmission Corporation. As of June 1, 1975 the penalty as stated in the Columbia Gas Transmission Corporation's FPC filed tariff is ten dollars (\$10.00) for each 1,000 cubic feet overrun.

### ACTION FOR EXCESSIVE USAGE

During periods of curtailment, where it appears to Duke Energy Kentucky, Inc. through its procedure of monitoring monthly usage of Non-Domestic Customers being curtailed, that a Non-Domestic Customer's usage will significantly exceed his adjusted Winter or Summer Volumetric Limitation, Duke Energy Kentucky, Inc. will give such customer notice to cease such excessive usage and, in the event such customer does not cease, Duke Energy Kentucky, Inc. may disconnect gas service to such customer.

### PENALTY REFUND

Penalties collected from Duke Energy Kentucky, Inc.'s customers will be added to the refunds received from Duke Energy Kentucky, Inc.'s supplier and held for redistribution and shall be refunded to all customers in accordance with Duke Energy Kentucky, Inc.'s gas cost adjustment provision. If Duke Energy Kentucky, Inc. incurred penalties from its supplier as a result of volumetric overruns, the amount of such penalties shall be subtracted from the total penalties collected by Duke Energy Kentucky, Inc. from its customers to determine the amount of penalties to be refunded.

Issued by authority of an Order of the Kentucky Public Service  
Commission dated \_\_\_\_\_, 201\_\_ in Case No. 2018-00261.

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Effective: October 1, 2018

Issued by Amy B. Spiller, President

Witness Responsible: Bruce Sailors

KY.P.S.C. Gas No. 2  
Third Revised Sheet No. 83  
Cancelling and Superseding  
Second Revised Sheet No. 83  
Page 4 of 4

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

**BILLING OF PENALTIES**

Penalties, as provided above, shall be reflected in the customers service bill for the Winter Period on the May bill and for the Summer Period on the December bill. Five percent (5%) will be added to the penalty amount if not paid on or before fourteen (14) calendar days after mailing date of the bill.

**EMERGENCIES**

In the event of a short-term emergency situation where immediate deliveries of additional gas are needed to prevent irreparable injury to life or property of an existing customer, Duke Energy Kentucky, Inc. shall, at its option, have the right to deliver additional volumes of gas to meet such emergency needs in excess of any limited volumes specified herein, without imposition of penalties where the emergency volumes are repaid by reduction of future gas purchases by the customer within ninety (90) days after termination of the emergency period. (T)

**EXEMPTION**

No exemptions from this Plan, other than emergency deliveries, as defined above, shall be granted except by Order of the Commission, directly through its duly designated Staff, or other authority having jurisdiction in this matter. (T)

**AMENDMENT, MODIFICATION OR CLARIFICATION**

Due to governmental order or rapid changes in gas supply it may be necessary to amend, modify or clarify this Curtailment Plan. This Plan may be so amended, modified or clarified by filing a Motion with the Commission. (T)

**AVAILABILITY OF THE PLAN**

Copies of this Plan, together with the address and telephone number of the Commission shall be kept at each business office of Duke Energy Kentucky, Inc. and shall be made available to any customer upon request. (T)

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_, 201\_ in Case No. 2018-00261.

Issued: August 31, 2018

Effective: October 1, 2018

Issued by Amy B. Spiller, President

Witness Responsible: Bruce Sailors

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Second Revised Sheet No. 84  
Cancelling and Superseding  
First Revised Sheet No. 84  
Page 1 of 1

**RATE MPS  
METER PULSE SERVICE**

**APPLICABILITY**

Applicable to customers that request the Company to install gas meter pulse equipment, which is a meter related service not otherwise provided by the Company.

**DESCRIPTION OF SERVICE AND SPECIFICATIONS**

The service provided is an electronic pulse output, representing a pre-determined natural gas volume. The volume will vary at different meter installations, and will thus be communicated to the customer at the time of installation. Pressure and temperature correcting factors may need to be applied by the customer.

The pulse supplied does not represent rate of flow, only total volume and should not be used for control purposes. The end-use customer is responsible for providing power and communication links to the meter pulse equipment per the Company's specifications.

Customer must provide either a regulated 24 volts DC, or 120 volts AC, an area 2' x 2', 20' away from any gas pipeline flanges or gas pressure relief devices. The Company will supply a dry contact to their energy Management software.

A failure of the pulse initiator will not be detected by Company on any routine meter reading or during other operations. Therefore, customer will be required to recognize and report any problems with the pulse system, and Company shall not be responsible for incorrect data, or subsequent customer actions based upon the data.

**TYPE OF CHARGES**

Installation of Meter Pulse Equipment: \$550.00 (l)

If replacement of Meter Index is necessary, additional charge of: \$560.00 (l)

If replacement of the Gas Meter is necessary, charges will be determined based on then current prices for purchase and installation of applicable replacement meter.

If the Company is required to make additional visits to the meter site due to the inability to gain access to the meter location or the necessary Communication Link has not been installed, or the Communication Link is not working properly, the Company may charge the customer for any additional trip to the meter site at the per visit rate of: \$60.00

In addition, the Company shall charge for the cost of any incremental equipment necessary to complete the pulser installation.

**SERVICE REGULATIONS**

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_, 201\_ in Case No. 2018-00261.

Issued: August 31, 2018  
Effective: October 1, 2018  
Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
525 W. Fifth Street, Suite 228  
Covington, Kentucky 41011

KY.P.S.C. Gas No. 2  
Original Sheet No. 01  
 Page 1 of 1

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20	Service Regulations	Set of rules and regulations of the Company for providing gas service as approved by the Kentucky Public Service Commission.
<u>30</u>	Firm Gas Service	Tariffs available to customers requiring <u>uninterrupted</u> service. (T)
<u>40</u>	<u>Off Peak Gas Service</u>	<u>Tariffs available to customers with dual fuel capabilities.</u> (D) (D) (D)
50	Transportation Service	Tariffs available to customers <u>with dual fuel capability</u> who require only delivery service. (T) (T)
60	<u>Optional Rider Designation</u>	Riders necessary to determine total amount of monthly bill to customers under special circumstances. (T)
70	Gas Cost Recovery <u>Designation</u>	Riders necessary to determine total amount of monthly bill to all customers receiving gas service. (T)
80	Miscellaneous	Miscellaneous periodic charges not reflected in standard service tariffs.

\* To determine applicability, available tariff and Company's Service Regulations and other rules and regulations should be reviewed and discussed with the Company.

Issued by authority of the Kentucky Public Service Commission in accordance with an Order in Case No. 2009-00202 dated December 29, 2009.

Issued: January 4, 2010

Effective: January 4, 2010

Issued by Julie Janson, President

Witness Responsible: Bruce Sailors

KY.P.S.C. Gas No. 2  
 One-Hundred-Ninety-Third  
 Revised Sheet No. 10  
 Cancelling and Superseding  
 One-Hundred-Ninety-Second  
 Revised Sheet No. 10  
 Page 1 of 3

Duke Energy Kentucky, Inc.  
 4580 Olympic Blvd.  
 Erlanger, Kentucky 41018

**INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED**

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Issued by authority of an Order of the  
 Kentucky Public Service Commission  
 dated July 24, 2018 in Case No. 2018-00207

Issued: August 1, 2018

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Issued by Amy B. Spiller, President

Witness Responsible: Bruce Sailors

KY.P.S.C. Gas No. 2  
 One-Hundred-Ninety-Third  
 Revised Sheet No.10  
 Cancelling and Superseding  
 One-Hundred-Niney-Second  
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Duke Energy Kentucky, Inc.  
 4580 Olympic Blvd.  
 Erlanger, Kentucky 41018

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Issued by authority of an Order of the  
 Kentucky Public Service Commission  
 dated July 24, 2018 in Case No. 2018-00207

Issued: August 1, 2018

Effective: July 31, 2018

Issued by Amy B. Spiller, President

Witness Responsible: Bruce Sailors

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
One-Hundred-Ninety-Third  
Revised Sheet No.10  
Cancelling and Superseding  
One-Hundred-Ninety-Second  
Revised Sheet No. 10  
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## SERVICE REGULATIONS

### SECTION I - SERVICE AGREEMENTS

#### 1. Application for Service.

When a prospective customer desires gas service, an oral application may be accepted by the Company. However, a written application may be required in special circumstances (e.g., the necessity of using special apparatus in providing the requested service).

#### 2. Customers' Right to Cancel Service Agreement or to Suspend Service.

Except as otherwise provided in the Service Agreement, Rate Schedules or elsewhere in these Service Regulations, Customer may give Company ten days notice of desire to cancel the Service Agreement whenever he no longer requires any gas service for the purposes mentioned in said Agreement. Company will accept such notice as a cancellation of the Service Agreement upon being satisfied that Customer no longer requires any such service.

#### 3. Company's Right to Cancel Service Agreement or to Suspend Service.

Company, in addition to all other legal remedies, shall terminate the Service Agreement, refuse or discontinue service to an applicant or customer, after proper notice for any of the following reasons:

- (a) Default or breach of these Service Regulations, after having made a reasonable effort to obtain customer compliance.
- (b) Non-payment of bills when due.
- (c) Theft, fraudulent representation or concealment in relation to the use of gas.
- (d) Use of gas, by the customer, in a manner detrimental to the service rendered others.
- (e) Upon the basis of a lawful order of the Kentucky Public Service Commission, the State of Kentucky or any governmental subdivision thereof having jurisdiction over the premise.
- (f) When a customer or applicant refuses or neglects to provide reasonable access to the premise.

When a dangerous condition is found to exist on the customer's or applicant's premises, the gas service shall be disconnected without notice, or application for service refused. The Company shall notify the customer or applicant within 24 hours of such action, in writing, of the reasons for the discontinuance or refusal of service and the corrective action to be taken by the applicant or customer before service can be restored.

If discontinuance is for non-payment of bills, the customer shall be given at least ten (10) days written notice, separate from the original bill, and cut-off shall be effected not less than twenty-seven (27) days after the mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the utility a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the termination date, in writing, of state and federal programs which

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### SECTION I - SERVICE AGREEMENTS (Contd.)

may be available to aid in payment of bills and the office to contact for such possible assistance.

Whenever a residential customer receiving both gas and electric service has received a termination of service notice, the customer shall be given the option to pay for and continue receipt of one utility service only. The Company shall offer extended payment arrangements for the service designated by the customer. If both the gas and electric service of a residential customer have been previously discontinued for non-payment, the Company shall reconnect either service upon payment by the customer of the total amount owed on the service designated by the customer to be reconnected, except as provided in 807 KAR 5:006, section 15, winter hardship reconnection.

#### 4. Connection of Service.

Except as provided in Section 15 of the Kentucky Public Service Commission's regulations, the Company shall reconnect existing service within twenty-four (24) hours, and shall install and connect new service within seventy-two (72) hours, when the cause for discontinuance or refusal of service has been corrected and the Company's tariffed rules and Commission's regulations have been met.

#### 5. Change of Address of Customer.

When Customer changes his address he should give notice thereof to Company prior to the date of change. Customer is responsible for all service supplied to the vacated premises until such notice has been received and Company has had a reasonable time, but not less than three (3) days, to discontinue service.

If Customer moves to an address at which he requires gas service for any purposes specified in his Service Agreement, and at which address Company has such service available under the same Rate Schedule, the notice is considered as Customer's request that Company transfer such service to the new address, but if Company does not have such service available at the new address the old Service Agreement is considered cancelled. If Company does have service available at the new address to which a different Rate Schedule applies, a new Service Agreement including the applicable Rate Schedule is offered to Customer. Company makes transfer of service as promptly as reasonably possible after receipt of notice.

#### 6. Successors and Assigns.

The benefits and obligations of the Service Agreement shall inure to and be binding upon the successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof; provided that no assignment hereof shall be made by Customer without first obtaining Company's written consent.

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## SECTION II - SUPPLYING AND TAKING OF SERVICE

### 1. Character of Service.

The Company by its present franchise requirements has agreed to furnish natural gas of the kind and quality produced in the natural gas fields from which its supply is procured (subject, however, to the removal of oil and gasoline vapors); except as said natural gas may be supplemented with manufactured gas, provided, however, that the heat unit quality of the gas supplied by the Company will, at no time, be less than 800 British Thermal Units (B.T.U.) to the cubic foot, as furnished at the point of consumption.

At present the Company is distributing gas of approximately 1030 B.T.U. per cubic foot, at a pressure of 4 ounces, subject to tolerance allowed by the Kentucky Public Service Commission. (T)

### 2. Supplying of Service.

Service is supplied only under and pursuant to these Service Regulations and any modifications or additions hereto lawfully made, and such applicable Rate Schedules and Riders as may from time to time be lawfully fixed. Service is supplied under a given Rate Schedule only at such points of delivery as are adjacent to facilities of Company adequate and suitable, for the service desired; otherwise, special agreements between Customer and Company may be required.

Notwithstanding the provisions of 807 KAR 5:006, Section 15, Winter Hardship Reconnection to the contrary, service will not be supplied to any premises if at the time of application for service the applicant is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. Final Bills may be transferred regardless of whether they are for combination gas and electric or gas only or electric only charges. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a present or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

### 3. Information Relative to Service.

Information relative to the service that will be supplied at a given location should be obtained from Company. Company will not be responsible for mistakes of any kind resulting from information given orally or over the telephone. Such information must be confirmed in writing.

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## SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)

### 4. Continuity of Service.

The Company shall make reasonable provision to supply satisfactory and continuous service, but does not guarantee a constant or uninterrupted supply of gas and shall not be liable for any damage or claim of damage attributable to any interruption caused by unavoidable accident or casualty, extraordinary action of the elements, action of any governmental authority, litigation, or by any cause which the Company could not have reasonably foreseen and made provision against.

### 5. Suspension of Service for Repairs and Changes.

When necessary to make repairs to or changes in Company's plant, transmission or distribution system, or other property, Company may, without incurring any liability therefore, suspend service for such periods as may be reasonably necessary, and in such manner as not to inconvenience Customer unnecessarily.

### 6. Use of Service.

Service is supplied directly to Customer through Company's own meter and is to be used by Customer only for the purposes specified in and in accordance with the provisions of the Service Agreement and applicable Rate Schedule. Service is for Customer's use only and under no circumstances may Customer or Customer's agent or any other individual, association or corporation install meters for the purpose of reselling or otherwise disposing of service supplied Customer.

(T)

Customer will not install pipes under a street, alley, lane, court or avenue or other public or private space in order to obtain service for adjacent property through one meter even though such adjacent property be owned by Customer. Consent may be given when such adjacent properties are operated as one integral unit under the same name and for carrying on parts of the same business.

In case of unauthorized remetering, sale, extension or other disposition of service, Company may immediately discontinue the supplying of service to Customer until such unauthorized act is discontinued and full payment is made for all service supplied or used, billed on proper classification and Rate Schedule, and reimbursement in full made to Company for all extra expenses incurred, including expenses for clerical work, testing and inspections.

### 7. Customer's Responsibility.

Customer assumes all responsibility on Customer's side of the point of delivery (outlet side of the meter) for the service supplied or taken, as well as for the installation, appliances and apparatus used in connection therewith, and will save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on Customer's side of the point of delivery.

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**SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)**

The customer's house lines, fittings, valve connections and appliance venting shall be installed with materials and workmanship which meet the reasonable requirements of the Company and shall be subject to inspection and test by the Company. The Company shall have no obligation to establish service until after such inspection and tests demonstrate compliance with such requirements of the Company with respect to the facilities as they exist at the time of the test.

**8. Right-of-Way.**

Customer is responsible for all conveyances to Company for all right-of-way satisfactory to it across the property owned or controlled by Customer for Company's mains or extensions thereof necessary or incidental to the supplying of service to Customer.

**9. Access to Premises.**

The properly authorized agents of the Company shall at all reasonable hours have free access to the premises for the purpose of inspecting the Customer's installation and of examining, repairing or removing the Company's meters, or other property, reading of meters and all other purposes incident to the supplying of service, and for such purpose the Customer authorizes and requests his landlord, if any, to permit such access to the premises.

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### SECTION III - CUSTOMER'S INSTALLATION

#### 1. Nature and Use of Installation.

All equipment in the premises or connecting the premises with Company's service, furnished by the Customer, shall be suitable for the purposes thereof, and shall be maintained by Customer at all times in conformity with the safety requirements of the accredited agency having jurisdiction and with the rules, regulations and requirements of Company in force from time to time.

#### 2. Materials - Fittings - Tests.

The piping and fittings for the distribution of gas after it has passed the meter, may be installed by any competent gas fitter employed by the customer or proprietor of the premises, subject, however, to the inspection and approval of the Company which requires an inspection and test of all such piping.

An application for inspection and test must be made to the Company when the piping work has been completed, but prior to its concealment by plastering, flooring or other materials.

#### 3. Construction.

All piping shall be installed in accordance with applicable building codes and the rules and regulations of the Company.

#### 4. Changes in Installations.

As Company's facilities used in supplying service to Customer have a limited capacity, Customer should give notice to Company, and obtain Company's consent, before making any material changes or increases in his installation. Company as promptly as possible after receipt of such notice will give its written approval to the proposed change or increase, or will advise Customer upon what conditions service can be supplied for such change or increase.

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#### SECTION IV - COMPANY'S INSTALLATION

##### 1. Installation and Maintenance.

Except as otherwise provided in these Service Regulations, in Service Agreements or Rate Schedules, Company will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines or equipment, except meters and service regulators on Customer's side of the point of delivery without cost to Customer. Only Company's agents are authorized to connect Company's service to Customer's service piping.

##### 2. Gas Service Piping.

The gas service pipe shall be installed by the Company from the Company's main in the street to the curb line at its own expense and from the curb line to the meter, including curb box and valve, at the Company's expense, subject to the Company's rules, regulations and existing prices, upon execution of an application and provided that an adequate distribution main exists in front of the Customer's building. The service piping from the curb to the meter, including street box and valve, installed at the expense of the Customer, shall be maintained at the expense of the Company. No connections or work of any kind shall be done on a gas main or service piping up to the outlet of the meter by anyone who is not a qualified agent or employee of the Company. The Company will assume ownership of customer service lines (curb to meter) following replacement, as well as in instances of new installations.

Only one gas service will be installed in any individual dwelling or building, except in cases where the building's units are sectionalized by acceptable fire separations such as firewalls, regardless of the number of customers to be served within.

The service pipe will be laid from the point of the gas supply connection location to the meter location approved by the Company. Should the distance between the curb and the Customer's building be in excess of 150 feet or involve other special conditions, a suitable meter location, approved by the Company, will be selected.

Service pipe can be installed in the same ditch as the electric, telephone, and cable television cable, providing the electric cable is in a conduit and the gas service pipe has six inches of separation from the cables. Any other utilities will not occupy the ditch with the service pipe, and a minimum of three feet will be maintained between gas service pipe and other utilities.

Service piping will end at the inlet connection of the meter which will be set at the point and entry of the service. If it is necessary to extend the service pipe beyond the point of entry, such exposed service piping in the building under flooring, through walls, coal bins, etc., shall be properly protected and the expense thereof borne by the customer.

In case of more than one building on a lot, a separate service will be run direct from the main to each building except in cases where the building nearest the Company's main extends the full width of the lot. In such cases the meter will be placed on the service in the nearest building and the customer must make his own extension to the other building.

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The Company shall install excess flow valves (EFV) for all new and renewed service piping installations for single family homes or other Customer service classifications as part its standard installation and at the Company's expense where such EFV installation is required in accordance with regulations of the Federal Pipeline Hazardous Materials Safety Administration (PHMSA). For all other service piping installations that are not covered by PHMSA installation requirements, the Customer may request the installation of an EFV at the Customer's sole expense. The Company and Customer shall mutually agree upon the timing of such installation with regard to any necessary permitting that may be required. The Customer requesting the installation of an excess flow valve shall be responsible for the actual total cost of such installation and the Company shall provide Customer with a written estimated cost of such installation prior to performing the installation. A deposit of fifty-percent of the estimated cost of installation shall be required prior to the commencement of the installation. The balance of the actual cost of installation shall be due upon completion.

(T)

The Company shall not be required to install an EFV if one or more of the following conditions is present:

- a. The service line does not operate at a pressure of 10 psig or greater throughout the year;
- b. Company has prior experience with contaminants in the gas stream that could interfere with the excess flow valve's operation or cause loss of service to a customer;
- c. The excess flow valve could interfere with necessary maintenance and operation activities; or,
- d. An excess flow valve meeting applicable performance standards is not commercially available.

### 3. **Company's Property and Protection Thereof.**

All meters and equipment furnished by and at the expense of Company, which may at any time be in said premises, shall, unless otherwise expressly provided herein, be and remain the property of Company, and Customer shall protect such property from loss or damage, and no one who is not an agent of Company shall be permitted to remove or handle same.

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**SECTION V - METERING**

**1. Installation of Meters.**

Gas will be measured by a meter or meters to be installed by Company upon Customer's premises at a point most convenient for Company's service, and upon the registration of said meters all bills will be calculated.

**2. Meter Tests.**

All meter tests shall be made in accordance with rules issued by the Kentucky Public Service Commission.

Upon written request by customer, the Company shall perform a meter test if the request is not made more frequently than once a year.

**3. Monitoring of Customer Usage.**

Each month the Company will monitor the usage of each customer according to the following procedure:

1. The customer's monthly usage is monitored through a "hi-lo" review process. An estimating factor is utilized to provide an expected level of usage. The estimating factor considers the customer's past usage and current variables, such as weather.
2. The actual usage is compared to an estimate based on the previous month's usage, an estimate based on the usage from the same month, one year previous, and an estimate based on the usage from the same month, two years previous.
3. If there is a substantial difference between the actual and estimated usages, the account will be reviewed manually to determine the appropriate usage level.
4. Where the difference is not otherwise explained, the Company may obtain a special meter read to verify the accuracy of the previous usage.
5. Where the difference is still unexplainable after taking the special meter read, the Company may test the customer's meter to determine its accuracy.
6. The Company will notify the customer of the investigation, its findings, and any refund or back billing to be made, in accordance with 807 KAR 5:006, Section 10 (4) and (5).

In addition to the monthly monitoring, the Company will immediately investigate the usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

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## SECTION VI - BILLING AND PAYMENT

### 1. Billing Periods - Time and Place for Payment of Bills.

Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Bills may be rendered by hand delivery, mail, electronically, or by any other reasonable means. If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed. Non-receipt of bills by Customer does not release or diminish the obligation of Customer with respect to payment thereof. (D)

The word "month" as it pertains to the supply of service shall mean the period of approximately thirty days between meter readings, as fixed and made by Company. Meters are ordinarily read at monthly intervals but may be read more or less frequently at Company's option but no less than quarterly. Company shall have the right to establish billing districts for the purpose of reading meters and rendering bills to customers at various dates. A change or revision of any Rate Schedule shall be applicable to all bills on which the initial monthly meter reading is taken on or after the effective date of such change or revision, except as otherwise ordered by the Kentucky Public Service Commission. (D)

Bills are due on the date indicated thereon as being the last date for payment of the net amount, or as otherwise agreed to, and bills are payable only at the Company's offices or authorized agencies for collection. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable. If a partial payment is made, the amount will be applied to items of indebtedness in the same order as they have accrued, except that any payment received shall first be applied to the bill for service rendered.

The Company may issue interim bills based on average normal usage instead of determining actual usage by reading the meter. Interim bills may also be used when access to Company's meter cannot be obtained or emergency conditions exist.

### 2. Information on Customer Bills.

Every bill rendered by the Company for metered service will clearly state:

- (a) The beginning and ending meter readings for the billing period and the dates thereof.
- (b) The amount of energy usage.
- (c) The amount due for the energy used, any adjustments, including assessed late payment charges, and the gross amount of the bill.
- (d) The rate code under which the customer is billed.
- (e) The date of the last day payment can be made without a late pay charge being assessed.
- (f) Any previous balance.
- (g) The address, phone number, and business hours of the Company.
- (h) The date of the next scheduled meter reading.
- (i) The date after which received payments are not reflected in the bill.
- (j) The type of service rendered (gas or electric).
- (k) The amount, and identification, of any tax or fee the Company is authorized either by state law or order of the Commission to collect.

Issued by authority of an Entry of the Kentucky Public Service Commission dated January 24, 2013 in Filing No. TFS2012-01179.

Issued: December 21, 2012

Effective: January 21, 2013

Issued by Jim Henning, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

Ky. P.S.C. Gas No. 2  
Third Revised Sheet No. 25  
Cancelling and Superseding  
Second Revised Sheet No. 25  
Page 2 of 2

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### SECTION VI - BILLING AND PAYMENT (Contd.)

#### 3. Charge for Restoring Service for Non-Payment of Bill and Unlawful Use of Service.

Company may charge and collect in advance the sum as specified on Tariff Sheet "Charge For Reconnection of Service" for reconnecting a customer's service after service is disconnected because of non-payment of bill when due or when service is discontinued because of fraudulent use, except as may be provided by 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

#### 4. Temporary Discontinuance of Service.

If any residential customer, because of absence or otherwise, shall notify Company in writing or by telephone to discontinue service, Company will make no minimum charge for any full meter reading period during the period of discontinuance; provided however, that Company may charge and collect the sum as specified on Tariff Sheet "Charge For Reconnection of Service" prior to reconnecting a service which was discontinued at customer's request within the preceding twelve months.

#### 5. Availability of Budget Billing.

Company has available to its customers a "Budget Billing Plan" which minimizes billing amount fluctuations over a twelve month period. The Company may exercise discretion as to the availability of such a plan to a customer based on reasonable criteria, including but not limited to:

- (a) Customer's recent payment history.
- (b) The amount of the delinquent account.
- (c) Customer's payment performance in respect to any prior arrangements or plans.
- (d) Any other relevant factors concerning the circumstances of the customer including health and age.

If the customer fails to pay bills as rendered under the Budget Payment Plan, the Company reserves the right to revoke the plan, restore the customer to regular billing and require immediate payment of any deficiency.

Failure to receive a bill in no way exempts customer from the provisions of these terms and conditions.

(T)

#### 6. Partial Payment Plans.

The Company shall negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice according to the regulations governing failure to pay, except the Company shall not be required to negotiate a partial payment plan with a customer who is delinquent under a previous payment plan.

#### 7. Bill Format

The Company has included as Appendix A to these Service Regulations an example of the Company's customer bill format.

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Second Revised Sheet No. 26  
Cancelling and Superseding  
First Revised Sheet No. 26  
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## SECTION VII - DEPOSITS

### 1. Deposits.

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the customer's bill.

The deposit may be waived by the Company upon a customer's showing of satisfactory credit or payment history, and required residential service deposits will be returned after one (1) year if the customer has established a satisfactory payment record for that period; but commercial deposits will be retained during the entire time that the account remains active. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The Company may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

In determining whether a deposit will be required or waived, information such as the following may be considered:

1. Previous payment history with the Company. If the customer has no previous history with the Company, statements from other utilities, banks, etc. may be presented by the customer as evidence of good credit.
2. Whether the customer has filed bankruptcy proceedings within the last seven years.
3. Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

A security deposit will be required pursuant to 11 U.S.C. Section 366 in all bankruptcies where the Company is listed as a creditor.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

### 2. All Calculated Deposits.

Customer deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed two-twelfths (2/12) of the customer's actual or estimated annual bill

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Second Revised Sheet No. 27  
Cancelling and Superseding  
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### SECTION VIII - APPLICATION

1. Application of Service Regulations and Rate Schedules.

All Service Agreements at present in effect or that may be entered into in the future are made expressly subject to these Service Regulations and any modifications hereof that may be lawfully made, and subject to all applicable existing Rate Schedules and any lawfully made changes therein, substitutions therefor or additions thereto.

2. Agents Cannot Modify Agreement.

No agent has the right to amend, modify or alter the application rates, terms, conditions, rules, or regulations as filed with the Kentucky Public Service Commission, or to make any promise or representation not contained in the Company's schedules, supplements thereto and revisions thereof, lawfully filed with said Commission.

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Second Revised Sheet No. 28  
Cancelling and Superseding  
First Revised Sheet No. 28  
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## SECTION IX - GAS SPACE HEATING REGULATIONS

### 1. Gas Space Heating Regulations.

The Company shall not be required to supply gas for new or additional space heating equipment installed from and after the effective date hereof unless the consumer present or prospective, makes written application to the Company for such supply at a specific address and receives written approval from the Company therefor. An approval for the use of gas for space heating is not transferable from one premise to another except by written approval from the Company.

If any consumer fails to install gas-fired space heating equipment pursuant to said approval within one year from the date of issuance thereof fails to demonstrate to the Company's satisfaction before the expiration of said period that he intends to avail himself of the use of such gas under such approval with due diligence, the Company may cancel, nullify and void such approval.

The Company need not issue an approval for the utilization of gas for space heating purposes in a commercial or industrial building for new or additional heating equipment having a total rated input capacity in excess of 1,000,000 Btu per hour, unless the applicant shall install standby facilities having a capacity satisfactory to the Company and shall agree in writing with the Company to use such standby facilities and discontinue the use of gas for space heating when and for such periods of time as the Company may request. In the event the use of gas for space heating by such consumer is not promptly discontinued at the request of the Company, the latter, upon discovery thereof, is authorized to discontinue all gas service to such consumer until such time as the gas space heating equipment has been disconnected. Where such action is necessary on the part of the Company it may cancel, nullify and void such approval.

Should any consumer fail to comply with these gas space heating regulations, the Company, upon discovery thereof, and after giving ten days notice to such consumer, is authorized to disconnect his gas service until such time as these regulations are complied with.

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KY.P.S.C. Gas No. 2  
Second Revised Sheet No. 29  
Cancelling and Superseding  
First Revised Sheet No. 29  
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**SECTION X - AVAILABILITY OF GAS SERVICE**

1. Gas Service to New Loads.

Mains shall be extended to customers in accordance with the currently effective tariff sheet entitled Rider X, Main Extension Policy, as contained within tariff Ky. P.S.C. Gas No. 2.

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 4580 Olympic Blvd.  
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KY. P.S.C. Gas No. 2  
 One-Hundred-Seventy-Ninth  
 Revised Sheet No. 30  
 Cancelling and Superseding  
 One-Hundred-Seventy-Eighth  
 Revised Sheet No. 30  
 Page 1 of 1

**RATE RS  
 RESIDENTIAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
 All gas is billed in units of 100 cubic feet (CCF).

Customer Charge per month: \$16.00 (T)

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a commodity Charge for						
all CCF at	\$0.37213	plus	\$0.4170	Equals	\$0.78913	(I)

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on Sheet No. 62, Rider DSMR, Demand Side Management Rate. (D)

The "Customer Charge" shown above shall be the minimum amount billed each month. (T)

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff. (D)

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval. (T)

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the  
 Kentucky Public Service Commission  
 dated July 24, 2018 in Case No. 2018-00207

Issued: August 1, 2018

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Issued by Amy B. Spiller, President

Witness Responsible: Bruce Sailors

KY.P.S.C. Gas No. 2  
 One Hundred-Seventy-Ninth  
 Revised Sheet No. 31  
 Cancelling and Superseding  
 One-Hundred-Seventy-Eighth  
 Revised Sheet No. 31  
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Duke Energy Kentucky, Inc.  
 4580 Olympic Blvd.  
 Erlanger, Kentucky 41018

**RATE GS  
 GENERAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
 All gas is billed in units of 100 cubic feet (CCF)

Customer Charge per month: \$47.50 (T)  
(I)

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	<u>\$0.20530</u>	Plus	\$0.4170	Equals	<u>\$0.6223</u>	(I)

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on: (T)  
Sheet No. 62, Rider DSMR, Demand Side Management Rate for non-residential service (T)

The "Customer Charge" shown above shall be the minimum amount billed per month. (N)  
(T)

The "Gas Cost Adjustment," as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff. (T)  
(T)

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum bills or other charges, will be billed in accordance with the number of billing months in the meter reading interval. (T)  
(T)

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

**TERM OF SERVICE**

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

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Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Second Revised Sheet No. 44  
Cancelling and Superseding  
First Revised Sheet No. 44  
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**RATE FRAS**

**FULL REQUIREMENTS AGGREGATION SERVICE**

**AVAILABILITY**

This service is available to Suppliers delivering gas on a firm basis to the Company's city-gate receipt points on behalf of customers receiving firm transportation service from the Company under Rate Schedule FT-L. (T)

**DEFINITIONS**

"Aggregation Service" is a service provided by the Company that allows Suppliers to deliver to the Company, on a combined basis, those natural gas supplies that are needed to satisfy the requirements of the two, or more, firm transportation customers that comprise the membership of the Supplier's pool, as defined below, all in accordance with the rules established by the Company regarding delivery requirements, banking, billing and payments, and Supplier performance requirements. (T)  
(T)

"Arrears" means an account that is at least 30 days past due and amounts to at least \$50.

"Commission" means the Kentucky Public Service Commission.

"Customer" means a recipient of transportation service provided by the Company under Rate FT-L, which secures its gas supply from a Supplier. (T)  
(T)

"Gas Supply Aggregation/Customer Pooling Agreement" is an agreement between the Company and Supplier that defines the mutual responsibilities and obligations of those parties relative to the Aggregation Service provided under Rate FRAS.

"Operational Flow Orders" (OFOs) are orders issued by the Company via its electronic bulletin board ("EBB") or fax transmission directing Suppliers to adjust their daily deliveries into the Company's system to either match, match or be less than, or match or be more than their actual measured pool volumes for those customers receiving service under Rate FT-L, Rate IT or interruptible special contracts. (T)  
(T)  
(T)  
(T)  
(T)

A "Pool" is a group of customers that have been joined together for supply management purposes, and having a combined annual throughput of at least 30,000 Mcf. Supplier will have a one year period to build their annual pool throughput volume to the indicated level, after which they may be subject to removal from the Program for not having achieved a minimum participation level. (T)  
(T)

"Positive Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the individual Pools' Customers during the period is less than the sum of the volumes made available by supplier for redelivery by the Company to the individual Pools during the same period.

"Program" means the Company's firm transportation/supply aggregation program under Rate FT-L and Rate FRAS.

"Small Commercial Customer" is a commercial class transportation end-use customer which consumes less than 2,000 Mcf per year. (D)  
(D)

**DEFINITIONS (Contd.)**

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KY.P.S.C. Gas No. 2  
Second Revised Sheet No. 44  
Cancelling and Superseding  
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"Supplier" is a marketer, supplier, broker, pool operator, producer, or other qualified business entity that has joined a group of the Company's firm transportation customers together for gas supply management purposes, meets the qualifications for a "Supplier" set forth in Rate FRAS, agrees to accept responsibility for the aggregate supply management requirements of the pool, and has executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company.

"Suppliers Daily Pool Delivery Obligation" is defined as the daily city-gate delivery quantities determined by the actual measured usage of customers in Supplier's FT-L pool adjusted for "unaccounted for" losses back to the Company's city-gate stations, and then converted from volumetric to thermal quantities. (T)

(T)  
(T)  
(T)  
(T)

**AGGREGATION AGREEMENT**

Before commencing service hereunder, Supplier must have met the qualifications to act as a program supplier and must have executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company. Such agreement shall be for a minimum of two years and shall set forth the mutual obligations and responsibilities of both the Company and the Supplier relative to this aggregation customer pooling service.

The mutual benefits and obligations under the "Gas Supply Aggregation/Customer Pooling Agreement" and under this tariff begin when the Supplier commences to supply pool customers with gas supply service. Supplier's obligations under this tariff and referenced Agreement shall inure to, and be binding on its successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof. However, no agreement for service may be assigned or transferred without the written consent or approval of the Company, which shall not be unreasonably withheld.

**REQUIREMENTS FOR PARTICIPATION**

Each Supplier who applies to participate in the Company's Customer Aggregation/Firm Transportation Program will be evaluated to ensure that it possesses the financial resources, experience, and reputation for satisfactory service that will enable it to perform its responsibilities as a Supplier in the program. On the basis of this evaluation, a Supplier's participation may be limited to a level specified by the Company.

(T)  
(T)

Suppliers not meeting the necessary credit level will be required to provide additional security in the form of a letter of credit, a cash deposit, and/or other appropriate guaranty in order to participate.

In order for the Company to complete the evaluation, Suppliers will be required to provide the following information: (T)

1. Audited financial statements prepared within the last 12 months;
2. Most recent annual report, 10K or 10Q;
3. A listing of parent company and other affiliates;
4. Names, addresses, and telephone numbers of 3 trade references; and
5. Names, addresses, and telephone numbers of banking institution contacts.

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**REQUIREMENTS FOR PARTICIPATION (Contd.)**

In the event any of the above information is unavailable from a Supplier, the Company may permit the Supplier to provide other verifiable sources of financial information for that Supplier.

Financial evaluations will be based on standard credit factors such as previous customer history, Dun & Bradstreet financial and credit ratings, trade references, bank information, unused line of credit, and related financial information. The Company will determine Supplier's credit worthiness based on the above criteria, and it will not deny a Supplier's participation in the Program without reasonable cause. A fee of \$50.00 will be assessed to Supplier for each financial evaluation.

(T)  
(T)

The Company may acquire information regarding supplier's performance in other programs and other states in order to evaluate supplier's reputation and fitness for inclusion in the Company's Program.

(T)

The Company reserves the right to re-evaluate Suppliers from time to time. Such re-evaluation may be initiated either by a request from the Supplier, or by the Company if it has reason to believe that the credit worthiness of a Supplier may have deteriorated or that the Supplier's participation level has exceeded the level for which the Supplier was previously approved. On the basis of this re-evaluation, a Supplier's approved participation level may be increased or decreased, or the Supplier may be removed from further participation in the Program.

(T)  
(T)  
(T)  
(T)

**SUPPLIER CODE OF CONDUCT**

Each Supplier participating in the Company's transportation programs must:

1. communicate to participating customers in clear, understandable terms the customer's rights and responsibilities. This communication must include (a) the Supplier's customer service address and local or toll-free telephone number; and (b) a statement describing the Supplier's dispute resolution procedures;
2. provide in writing pricing and payment terms that are clearly defined and understandable and that inform consumers whether the price that the customer will pay is inclusive or exclusive of applicable taxes, and Company approved tariff riders and surcharges;
3. refrain from engaging in communications or promotional practices which are fraudulent, deceptive, or misleading;
4. deliver gas to the Company on a firm basis on behalf of the Supplier's pool members in accordance with the requirements of the "Gas Supply Aggregation/Customer Pooling Agreement";
5. establish and maintain a credit-worthy financial position that enables Supplier to indemnify the Company and the customers for costs incurred as a result of any failure by Supplier to deliver gas in accordance with the requirements of the program and to assure payment of any KyPSC-approved charges for any such failure;
6. refrain from requesting customer-specific billing, payment, and usage history without first having received the customer's approval to access such information.

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**SUPPLIER CODE OF CONDUCT (Contd.)**

Failure to fulfill any of these obligations shall be considered a violation of the Supplier's Code of Conduct.

**CONSEQUENCES OF SUPPLIER'S FAILURE TO PERFORM OR COMPLY**

If Supplier fails to deliver gas in accordance with the full service requirements of its Pool customers, the Company will supply gas temporarily to the affected Pool customers and shall bill Supplier the higher of either (1) the fair market price for that period or (2) the highest incremental cost of gas for that period that the Company actually paid for gas supplies, including transportation and other applicable charges. The Company has the right to immediately and unilaterally invoke supplier's letter of credit or parental guarantee in order to enforce recovery from supplier of the cost of these replacement supplies. (T)  
(T)  
(T)  
(T)  
(T)

If Supplier fails to deliver gas in accordance with the requirements of the Company's "Gas Supply Aggregation/Customer Pooling Agreement," or otherwise fails to comply with the provisions of this tariff, including those specified in the Supplier's "Code of Conduct" section, the Company will have the discretion to temporarily suspend or terminate such Supplier from further participation in the Program. If Supplier is suspended or terminated from the Company's Program, customers in the Supplier's Pool shall revert to the Company's sales service until said customers join another Supplier's Pool. (T)

If the Company seeks to suspend or terminate a Supplier from further participation in the Company's Program, it shall first notify the Supplier of the alleged violations which merit suspension or termination. Such notice must be in writing and must be sent to the Supplier at the fax number listed in the "Gas Supply Aggregation/Customer Pooling Agreement" at least five (5) business days prior to the effective date of the suspension or termination. (T)  
(T)  
(T)

**BILLING**

Customers receiving service under Rate FT-L will receive two bills as follows:

- (a) The Company bills and collects its portion of the bill. This billing includes charges for local delivery service and all applicable surcharges. In the event, that a customer remits to the Company less than the amount included on the Company's bill, the customer shall be subject to the same late charges and disconnection procedures which would be applicable if the customer were receiving service as a Company sales customer.
- (b) Supplier will be responsible for billing and collecting its part of the bill including any arrearages that they are due from Supplier's own prior billings. To facilitate Supplier's billing, the Company will provide the Supplier with a listing of the monthly meter readings and usages of all those customers within Supplier's pool that have been billed by the Company. This billing data will correspond to the consumption data on which the Company based its bill for local delivery service. Supplier is responsible for providing gas supplies to all customers within its pool until the customers are returned to system supply or move to another pool in accordance with the procedures that have been developed for adding and deleting customers from a Supplier's pool. (T)  
(T)

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#### UPSTREAM CAPACITY REQUIREMENTS

Suppliers participating in the Company's firm transportation program must secure their own upstream pipeline capacity required to meet Supplier's Rate FT-L pool peak day requirements. Due to the physical configuration of the Company's system, and certain upstream interstate pipeline facilities, and to enable the Company to comply with lawful interstate pipeline tariffs and/or to maintain the Company's system integrity, during the months of December, January and February, (T) the Company reserves the right to direct Supplier to proportionally deliver, with respect to the Systems' (the Duke Energy Ohio and Duke Energy Kentucky, Inc. integrated operating system) northern and southern interstate pipeline interconnects, the Supplier's daily pool requirements. In those instances where the pool operator delivers gas into the Duke Energy Ohio pipeline system (T) and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky, Inc. for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky, Inc. for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate.

The Company may make available to Suppliers, upstream interstate pipeline capacity. Suppliers accepting this capacity are subject to the terms and conditions of the tariffs of the pipeline companies on whose facilities such capacity is accepted. A Supplier who wishes to contract for released capacity must make a request for a period in excess of thirty days and agree to pay the full contract demand rate which the Company would otherwise pay for the released capacity, in order for supplier to be assured the assignment of such capacity. The Company shall not be obligated to provide requested capacity if it has no surplus capacity beyond the amount needed to supply its Gas Cost Adjustment customers.

#### BALANCING REQUIREMENT

Suppliers must deliver to the Company daily quantities of gas in accordance with the provisions of Rate IMBS.

Pool operators shall have access to Company offered services including balancing services, and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

Suppliers are subject to OFO's issued by the Company as described below. The Company may suspend from this program any Supplier which does not comply with an Operational Flow Order.

#### MEASUREMENT OF CONSUMED VOLUMES

Monthly volumes billed to participating customers shall be considered actual volumes consumed, whether the meter reading is actual or calculated.

#### OPERATIONAL FLOW ORDERS

Suppliers are subject to the Company's issuance of operational flow orders which will direct each Supplier to adjust scheduled daily delivery volumes to match the Customer Pool's metered FT-L usage. (T)

Failure to comply with an OFO, which is defined as the difference between the daily OFO required delivery volume and actual daily deliveries, will result in the indicated action and/or billing of the following charges:

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#### OPERATIONAL FLOW ORDERS (Contd.)

##### Under-deliveries

- (1) the payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance; (T)
- (2) one month's demand charges on the OFO shortfall. This charge shall not be imposed more frequently than once in any thirty day period; and (T)
- (3) the payment of all other penalty charges incurred by Company including pipeline penalty charges on the date of the OFO shortfall. (T)

##### Over-deliveries

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier. (T)
- (2) Company shall bill and Supplier shall pay any penalty charges that the Company incurs from the interstate pipelines for such excess deliveries, provided such penalties can be attributed to Supplier's over-deliveries. (T)

#### COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES

In conducting its Program, the Company will adhere to the following Standards of Conduct for Marketing Affiliates:

- (1) Company must apply any tariff provision relating to transportation services in the same manner for the same or similarly situated persons if there is discretion that may be applied in the application of the provision.
- (2) Company must strictly enforce a tariff provision for which there is no discretion allowed in the application of the provision.
- (3) Company may not, through a tariff provision or otherwise, give any Supplier including its marketing affiliate or customers of any Supplier including its affiliate, preference over any other gas Suppliers or their customers in matters, rates, information, or charges relating to transportation service including, but not limited to, scheduling, balancing, metering, storage, standby service, or curtailment policy. For purposes of the Company's Program, any ancillary service provided by Company; e.g., billing and envelope service, that is not tariffed will be priced and made equally available to all.
- (4) Company must process all similar requests for transportation in the same manner and within the same approximate period of time.
- (5) Company shall not disclose to anyone other than a Company employee any information regarding an existing or proposed gas transportation arrangement, which Company receives from (i) a customer or Supplier, (ii) a potential customer or Supplier, (iii) any agent of such customer or potential customer, or (iv) a Supplier or other entity seeking to supply gas to a customer or potential customer, unless such customer, agent, or Supplier authorizes disclosure of such information.

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Issued: September 29, 2010

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Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
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**COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)**

- (6) If a customer requests information about Suppliers, the Company must provide a list of all Suppliers operating on its system, but shall not endorse any Supplier nor indicate that any Supplier will receive a preference because of a corporate relationship.
- (7) Before making customer lists available to any Supplier, including any Company marketing affiliate, Company will post on its electronic bulletin board a notice of its intent to make such customer list available. The notice will describe the date the customer list will be made available, and the method by which the customer list will be made available to all Suppliers.
- (8) The Company will, to the extent practicable, separate the activities of its operating employees from its affiliate marketing employees in all areas where their failure to maintain independent operations may have the effect of harming customers or unfairly disadvantaging unaffiliated Suppliers.
- (9) Company must not condition or tie its agreements for gas supply or for the release of interstate pipeline capacity to any agreement by a gas supplier, customer or other third party in which its marketing affiliate is involved.
- (10) Company and its marketing affiliate must keep separate books of accounts and records.
- (11) Neither the Company nor its marketing affiliate personnel shall communicate to any customer, Supplier or third party the idea that any advantage might accrue for such customer, Supplier or third party in the use of Company's service as a result of that customer's, Supplier's or other third party's dealing with any Supplier including its marketing affiliate.
- (12) The Company's complaint procedure for resolving issues concerning compliance with these standards of conduct will operate as follows. All complaints, whether written or verbal, will be referred to the Company's designated attorney. The Company's designated attorney will orally acknowledge the complaint within five (5) working days of receipt. The complainant party shall prepare a written statement of the complaint which will contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and specific claim. The Company's designated attorney must communicate the results of the preliminary investigation to the complainant in writing within thirty (30) days after the complaint was received including a description of any course of action which was taken. He or she must keep a file with all such complaint statements for a period of not less than three years.
- (13) If the Company offers any Supplier, including its affiliate or a customer of any Supplier, including its affiliate a discount, or fee waiver for transportation services, balancing, meters or meter installation, storage, standby service or any other service offered to shippers, it must prospectively offer such discounts, rebates or fee waivers to all similarly situated non-affiliated suppliers or customers under similar terms and conditions.

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**COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)**

- (14) The Company will not use its name and logo in its marketing affiliate's promotional material, unless the promotional material discloses in plain, legible or audible language, on the first page or at the first point where the Company's name and logo appear, that its marketing affiliate is not the same entity as the Company. The Company is also prohibited from participating in exclusive joint activities with any Supplier, including its affiliate, such as advertising, marketing, sales calls or joint proposals to any existing or potential customers.

**OTHER RULES AND REGULATIONS**

Except to the extent superseded herein, the Company's Rules and Regulations Governing the Distribution and Sale of Gas and such other Commission rules as are applicable shall apply to all gas transportation service provided hereunder.

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Witness Responsible: Bruce Sailors

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## RATE IT

### INTERRUPTIBLE TRANSPORTATION SERVICE

#### APPLICABILITY

Applicable to curtailable natural gas local delivery service and available to any customer who: (1) signs a contract with the Company for service under Rate IT; (2) utilizes a minimum of 10,000 CCF per month during the seven consecutive billing periods commencing with customer's first meter reading taken on or after April 1; (3) has arranged for the delivery of gas into the Company's system for customer's sole use at one point of delivery where distribution mains are adjacent to the premises to be served, and (4) has become a member of a pool under Rate AS and elected Interruptible Monthly Balancing Service under Rate IMBS. Any service provided hereunder shall be provided by displacement and on a "reasonable efforts" basis. The Company reserves the right to decline requests to initiate or continue such service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L.

This rate schedule shall not preclude the Company from entering into alternative special arrangements with Commission approval, which are designed to meet unique circumstances.

The service provided hereunder shall be interruptible local gas delivery service provided on a "reasonable efforts" basis from the Company's city-gate receipt points to the outlet side of the meter used to serve Customer. The Company, to insure its ability to reliably supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L, shall have the right for operational purposes to designate the city-gate receipt points where the customer's pool operator is required to deliver its gas. (T)

#### NET MONTHLY BILL

The Net Monthly Bill is determined as follows:

All gas consumed is billed in units of 100 cubic feet (CCF)

Administrative Charge per month: \$430.00

Commodity Charge per CCF:

Company will deliver the arranged-for gas, less shrinkage which is equal to the Company's system average unaccounted for percentage, at a rate per CCF, of \$0.09493 per CCF (I)  
except as specified in the "Alternate Fuels" provision;

Plus balancing related charges pursuant to Rates IMBS if customer has elected to operate as its own pool operator for supply management purposes.

Plus, if applicable, the throughput charge for the service level selected under Rate IMBS, Interruptible Monthly Balancing Service. (T)

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**NET MONTHLY BILL (Contd.)**

Plus, if applicable, charges for unauthorized deliveries as described later in this tariff.

The Company is required to install remote meter reading equipment on customer's meter in order to monitor customer's usage on a daily basis. Customer will be responsible for the cost of such equipment either through a monthly surcharge or an up front contribution designed to reimburse the Company for the cost of such equipment. The meter shall be owned by the Company.

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**MINIMUM BILL**

The minimum monthly bill that customer shall receive shall be the monthly Administrative Charge and monthly charge for remote metering equipment shown above, and, in addition thereto during the seven (7) consecutive billing periods beginning in April, the 10,000 CCF volume minimum. If customer fails to take delivery of 10,000 CCF per month during the months of April through October, customer will be billed, in addition to the Administrative Charge and metering charges, and charges for the delivered volumes, an amount equal to the difference between 10,000 CCF and the delivered volumes billed at Rate GS.

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**UNAUTHORIZED DELIVERIES**

In the event customer fails to interrupt transportation deliveries at Company's request, any excess deliveries through customer's meter will be considered unauthorized deliveries that are subject to the flow through of pipeline penalty charges to the extent they are paid by the Company, and in addition thereto, shall be paid for as specified under the "Charges For Unauthorized Deliveries" provision of this rate. The charges for such unauthorized deliveries shall be billed directly to the customer in lieu of its "pool operator", if applicable. However, Company shall not be precluded from physically discontinuing service to the customer, if the customer refuses to interrupt service when requested by the Company.

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**MINIMUM USAGE**

In the event that customer repeatedly and significantly fails to meet the seven (7) summer months minimum usage requirements of this tariff, Customer may at the Company's option be removed from this tariff and denied further service, or at the Company's option may be switched to either Rate GS or FT-L.

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**ALTERNATIVE FUELS**

The Company may without prior Commission approval charge a rate lower than that specified in the "Net Monthly Bill" provision, to meet competition from alternative fuels. The decision to charge a lower rate will be made on a case-by-case basis, supported by a statement in an affidavit from the customer that absent such lower rate, customer would utilize an alternative fuel source. The lower rate shall not be less than one-half the commodity rate specified in the "Net Monthly Bill" provision, plus all applicable riders and surcharges.

The Company may also charge customer who has requested flexible rate pricing a rate higher than that specified in the "Net Monthly Bill" provision if such rate remains competitive with the price of energy from customer's alternative fuel source. The higher rate shall not exceed 150 percent of the commodity rate specified in the "Net Monthly Bill" provision, plus applicable riders and surcharges.

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**ALTERNATIVE FUELS (Contd.)**

Once a customer receives a flexible transportation rate, as described in the preceding paragraphs, the customer must continue to pay a flexible rate as determined by the Company for a period of three months. After three months, the customer may, upon written notification to the Company, apply for a flexible rate for another three months. Absent such notification, customer's rate will revert to the fixed rate established herein.

**CHARGES FOR UNAUTHORIZED DELIVERIES**

Any customer taking unauthorized deliveries shall be billed an amount reflective of the general service rate, Rate GS, Sheet No. 31, including the expected gas cost component of the gas cost recovery rate or Company's highest cost gas, and one month's demand charges on the volume difference (this charge shall not be imposed more frequently than once in any 30 day period) and/or the cost of operating the Company's propane peak shaving plant, and/or, if so required to effectuate compliance with the interruptible provisions of this schedule, the cost incurred by the Company to valve-off the service. In any event, customer shall reimburse the Company for any interstate pipeline penalty charges resulting from such unauthorized deliveries.

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**ELECTION OF MONTHLY BALANCING OPTION**

A "pool" can be a single Rate IT customer acting on its own behalf, or a group of Rate IT customers who join, or are joined together for purposes of gas supply management under this tariff. A "pool operator" has a contractual responsibility to manage the aggregated gas supply requirements of all of the Rate IT customers that comprise its pool. All supply management responsibilities of individual customers are transferred to the pool operator once a customer becomes a part of a pool, as the aggregated balancing requirements of all pool members are treated under this tariff as though they were a single customer with its own supply management responsibilities.

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Monthly throughput charges under Rate IMBS, shall be billed directly to the end-use customer. All other balancing charges and supply management charges, including "cash out" charges, penalties and other like charges billed under the provisions of Rate IMBS shall be billed directly to the pool operator, regardless of whether the pool operator is an individual customer acting as its own pool operator, or an aggregated customers pool operator. For purposes of calculating these charges, the usage of all customers within a pool will be combined into a single pool usage number that will be matched against the pool operator's total deliveries to its IT pool.

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**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5% is due and payable.

**TERMS AND CONDITIONS**

The customer shall enter into a written agreement with the Company. Such agreement shall set forth specific arrangements as to the transportation services provided, as well as, any other circumstances relating to the individual customer.

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The Company's "reasonable efforts" basis is defined as the right, at any time, to curtail or interrupt the delivery or transportation of gas under this tariff when, in the judgment of the Company such curtailment or interruption is necessary to enable the Company to maintain deliveries to higher priority customers or to respond to any emergency.

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**TERMS AND CONDITIONS (Contd.)**

Customer acting as its own pool operator, or customer's designated pool operator/supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable the gas to be delivered into the Company's system.

At least one day preceding the day transportation nominations are due to the interstate pipeline(s) transporting customer's gas, customer's pool operator/supplier agrees to inform Company in writing or, at the Company's discretion, verbally, and confirm in writing within seven (7) days thereafter, the quantities of gas it desires to have transported for the upcoming month, along with all other necessary information. Customer's pool operator must agree upon request by Company to produce, in a timely manner, proof of the purchase of the natural gas transported, any necessary regulatory approvals, and any and all transportation arrangements with all interstate pipelines, intrastate pipelines, or others involved in transporting the pool's gas supplies.

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The Company will not be liable for any costs and/or penalties charged by pipelines, or suppliers, because of pool operator's over or under deliveries into the pipeline, or pool customers' failure to take deliveries through the Company's meters that in the aggregate do not match the amount of gas transported by the pool operator to Company's city-gate.

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Customers who satisfy the definition of human needs and public welfare customers must purchase standby service from a Company supplier, or have alternative fuel capability, or have a combination thereof sufficient to maintain minimal operations.

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A human needs and public welfare customer is a customer whose facilities are used for residential dwelling on either a permanent or temporary basis; commercial customers of a residential nature; other customers whose service locations are places of the kind where the element of human welfare is the predominant factor; and civil and governmental customers whose facilities are required in the performance of protecting and preserving the public health, safety, and welfare. Such facilities shall include, but are not limited to, houses, apartment buildings, correctional institutions, hospitals, nursing homes, and charitable institutions.

On a daily basis, the Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool. Daily operational information shall include information on daily gas flows provided by Automatic Meter Reading (AMR), equipment, telemetry, or any other means the Company has available. In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. Customer will be responsible for payment of the cost of such telemetric equipment. Customer will also be responsible for providing the Company with access to a telephone service, or such other equipment or utilities as may be necessary at customer's metering site. Customer shall also be responsible for the monthly charges for such telephone service or other necessary equipment or utilities.

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Witness Responsible: Bruce Sailors

Duke Energy Kentucky, Inc.  
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**TERMS AND CONDITIONS (Contd.)**

The primary term of contract shall be one (1) year. After completion of the primary term, such contract shall continue on from month to month unless cancelled by either party upon thirty (30) days written notice. In the event customer re-applies for service under this tariff within one year from the date that this contract was terminated at customer's request, customer shall pay the "minimum bill" charges specified in the Net Monthly Bill provision of this tariff for the number of months customer's service was inactive.

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**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Duke Energy Kentucky, Inc.  
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RATE FT - L

FIRM TRANSPORTATION SERVICE

AVAILABILITY

Service under this rate schedule is available to any customer who: (1) enters into a written agreement with the Company; and (2) has arranged for delivery of gas into the Company's system for the customer's use at one point of delivery where distribution mains are adjacent to the premise to be served. Service provided hereunder shall be by displacement. This is a firm full requirements large volume transportation service, which is provided from the Company's city-gate receipt points to the outlet side of Company's meter used to serve the customer. This service is available within the Company's entire service territory to serve the firm service requirements of customers receiving firm service in combination with service under Rate IT, and the firm service requirements of all non-residential customers who use more than 20,000 CCF per year, except for those customers whose utility service accounts are past due at the time customer desires to utilize this service, or whose accounts fall into arrears, as defined in Rate FRAS after choosing this service. In the latter event, the customer will be returned to the Company's sales service effective with the customer's next scheduled meter reading, and will be ineligible to choose this transportation service until all arrears are paid in full. For customers receiving service under this tariff the written agreement between the Supplier and the customer may be terminated by supplier for non-payment of the customer's gas commodity portion of the bill if the account is at least 30 days past due. The Supplier shall give the Company and the customer no less than 30 days written notice that the customer will be switched from the Supplier and revert to the Company's sales service unless the past due amount is paid by the customer's next scheduled bill due date. If the past due amount is paid by the next scheduled bill due date, the customer will not revert to the Company's sales service but will remain with the Supplier. Customer must enter into a "pooling" agreement with a Supplier from a list of approved gas pool operators that have signed "Large Volume Customer Transportation Pooling Agreement" with the Company. Such suppliers must arrange for the delivery of gas into Company's system in accordance with Rate FRAS.

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Customers who believe that they will significantly increase throughput, from their historic firm service levels, shall so inform the Company.

DEFINITIONS

Terms used in this tariff are defined in the same manner as set forth in Rate FRAS, Sheet No. 44.

CHANGES IN CUSTOMERS' SERVICE ELECTIONS

Customers, who elect service under this tariff and later return to Company's sales service may do so only in accordance with the requirements of the Company's tariffs and applicable regulations of the Kentucky Public Service Commission. If a customer voluntarily elects to return to the Company's sales service, all incremental gas procurement, upstream transportation, and storage costs incurred by Company in order to return customer to sales service may, as determined by the Company, have to be borne by customer.

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**NET MONTHLY BILL**

The Net Monthly Bill shall be determined in accordance with the following rates and charges:

Administrative Charge per Month: \$430.00

The Administration Charge hereunder will be waived when this service is used in combination with the service provided under Sheet No. 50, Rate IT, Interruptible Transportation Service.

Plus a charge per CCF for each CCF of gas transported for customer from Company's city-gate measuring stations to the outlet side of Company's meter used to measure deliveries to customer at: \$0.17369 per CCF (T)  
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Plus the throughput charge for the service level selected under Rate IMBS, Interruptible Monthly Balancing Service (D)  
(T)

Plus all transported gas shall be subject to an adjustment per CCF as set forth on: Sheet No. 77, Rider GCAT, Gas Cost Adjustment Transition Rider, except as provided thereon.

Plus the cost to install remote meter reading equipment on customer's meter in order to monitor customer's usage on a daily basis. (D)  
(D)

Plus, or minus, rate adjustments which may occur as a result of changes in the rates of interstate pipelines, or of rulings of the Kentucky Public Service Commission and/or the Federal Energy Regulatory Commission, and for which it is determined that all customers should be allocated some portion of the corresponding costs or refunds.

Customer and/or its Suppliers shall be responsible for the payment and collection of excise taxes, sales taxes, revenue taxes, or similar taxes on the gas supplies that customer purchases from its Supplier.

**MINIMUM BILL**

The monthly minimum bill shall be the Administrative Charge and charge for remote meter reading, both as shown above. (T)

**LATE PAYMENT CHARGE**

Payment of the total amount due must be received in Company's office by the due date shown on the bill. When not so paid, an additional amount equal to five percent (5%) of the unpaid balance of the bill is due and payable. (T)  
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## GENERAL TERMS AND CONDITIONS

### 1. Remote Metering

In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. Customer will be responsible for payment of the cost of such equipment, through a monthly charge designed to, among other things, reimburse the Company for the costs of such equipment. As a pre-requisite for receiving service under this tariff, Customer will also be responsible for providing the Company with access, on an ongoing basis, to a telephone service at customer's metering site, or such other equipment or utilities which may be necessary, and shall also be responsible for the monthly charges for such telephone service or other necessary equipment or utilities.

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The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on a daily basis. Daily operational information shall include information on daily gas flows provided by Automatic Meter Reading (AMR) equipment, telemetry, or any other means the Company has available to help the customer, or its designated pool operator estimate the daily gas deliveries for individual customer's receiving service under Rate FT-L and for the pool's combined accounts.

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### 2. Approved Supplier List

Company shall maintain a list of approved Suppliers from which customer can choose. Such list will include Suppliers who have signed a Gas Supply Aggregation/Customer Pooling Agreement in which Supplier has agreed to participate in and provide gas supplies to Rate FT-L pools, and abide by Company's requirements for its pooling program. This list shall be available to any customer upon request.

### 3. Applications and Service Date

A customer who desires service under this tariff shall apply through its chosen Supplier. Customer must also enter into a written agreement with the Company, such agreement shall set forth specific arrangements as to the transportation services provided, as well as, any other circumstances relating to the individual customer. Unless the Company determines that the customer is not eligible to become a transportation customer of the Supplier, the Company shall exercise its reasonable efforts to transfer the customer to the Supplier's pool on the customer's next regularly scheduled meter reading date after the telephone line and automatic meter reading equipment is installed and operative.

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A customer, who terminates service under this tariff and returns to sales service, or who changes Suppliers, shall through its supplier provide Company with written or electronic notice. Requests so received shall normally be honored on customer's next regularly scheduled meter reading date. In the event that a customer is returned to sales service for non-payment, the Supplier shall provide the Company with notice of termination and shall comply with any notice requirements of the Suppliers' Code of Conduct set forth in Rate FRAS, Sheet No. 44.

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#### GENERAL TERMS AND CONDITIONS (Contd.)

##### 4. Access to Usage History and Current Billing Information

The "Customer Consent Form," used to initiate requests for service under this tariff, shall authorize customer's Supplier to receive customer's usage, billing, and payment history from the Company, to act on customer's behalf in making billing/usage inquiries, and in exchanging current billing information with Company, including notices of commencement or termination of service by either party. (T)

##### 5. Service Term

Except customers returned for non-payment or for good cause shown the primary term of contract shall be a minimum of one (1) year. Customers may not elect to move to or from the Company's sales service and transportation service, or between rate schedules during this twelve month primary term. In addition, such movements will require thirty days advance notice to the Company and the Company's specific authorization if such movements are to occur during the winter period, November through March. After completion of the primary term, such contract shall continue unless cancelled by either party upon thirty (30) days written notice (T)

##### 6. Regulatory Approvals

Customer's Supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable gas to be delivered to the Company's system.

#### CURTAILMENT OF SERVICE

In times of system emergencies, the Company may curtail service under this rate schedule in order to maintain service to human needs customers and customers receiving service under Rates RS, GS and in accordance with curtailment procedures on file with, and approved by, the Kentucky Public Service Commission. In the event customer fails to comply with the Company's direction to curtail, the Company reserves the right to physically discontinue service to the customer. Company shall not be liable in damages or otherwise to customer for any loss of production, other claim, or any consequences occasioned by customer as a result of such curtailment or because of the lack of advance notice to customer of such curtailment.

#### SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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**RATE SSIT**

**SPARK SPREAD INTERRUPTIBLE TRANSPORTATION RATE**

**AVAILABILITY**

(D)

Interruptible local delivery service for natural gas to be used in commercial gas fired electric generators and available to any customer who: (1) is certified as an Exempt Wholesale Generator or Independent Power Producer with the Federal Energy Regulatory Commission; (2) signs a contract with the Company for service under this Rate SSIT; (3) arranges for the delivery of gas into the Company's system for customer's sole use at one point of delivery where distribution mains are adjacent to the premise to be served; and (4) utilizes natural gas transported under this tariff as its primary fuel source in a combustion gas turbine unit(s) or combined cycle unit(s) for the purpose of generating electricity for sale into the wholesale electric market. Service under this tariff will be provided by displacement and on a "reasonable efforts" basis. The Company reserves the right to decline requests to initiate or continue service hereunder whenever, in the Company's sole judgment, rendering service will be detrimental to the operation of the Company's system or impair its ability to supply gas to customers receiving service under the provisions of Rate RS, Rate GS, Rate FT-L, Rate IT, or other special contract arrangements. This tariff schedule shall not preclude the Company from entering into special arrangements with Commission approval, which are designed to meet unique circumstances.

The service provided hereunder will be interruptible local gas delivery service provided on a "reasonable efforts" basis from the Company's city gate receipt points to the outlet side of Customer's meter. The Company, to insure its ability to reliably supply gas to customers receiving service under the provisions of Rate RS, Rate GS, Rate FT-L, and Rate IT, as well as under interruptible special contract arrangements, shall have the right for operational reasons to designate the city gate receipt points where the customer is required to deliver gas into the Company's system.

In order to receive service under this tariff, Customer must have in place throughout the term of this agreement a gas storage/balancing service agreement with an upstream supplier under which that supplier will balance customer's hourly and daily usage with deliveries into the Company's system. The Company will install at Customer's expense metering equipment that will allow it to monitor customer's hourly and daily usage.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:

All gas delivered is billed in units of 1000 cubic feet (MCF).

Administrative Charge per month: \$430.00

Facilities Charge per month:

Monthly amount required to amortize over the term of the contract, the incremental costs that the Company incurs in order to construct facilities to bring service to Customer, including the costs of such facilities as mains and service installations, metering and regulating equipment, and telemetric and flow control equipment.

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Duke Energy Kentucky, Inc.  
 4580 Olympic Blvd.  
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**NET MONTHLY BILL (Contd.)**

(D)

Delivery Charge:

Company will deliver the arranged-for gas, less shrinkage,  
which is equal to the Company's system average unaccounted-for  
percentage, at a variable Spark Spread Rate determined as follows:

The transportation rate (\$ per MCF) shall be the greater of (Heat Rate / 1,000) x 0.0204  
or (Spark Spread - 10.00) x (51.4 / Heat Rate)

Where:

Spark Spread = Electric Price - (Gas Price x Heat Rate / 1,000)

Heat Rate = Average heat rate at High Heating Value (HHV), subject to annual audit.

Electric Price = Weighted Average Index in \$/MWh for "Into Cinergy" as listed in Megawatt  
Daily.

Gas Price = Columbia Gas Appalachian midpoint in \$/MMBtu as listed in Gas Daily.

**Examples (Heat Rate = 8000):**

<u>Electric</u> <u>Price</u> <u>\$/MWH</u>	<u>Gas</u> <u>Price</u> <u>\$MMBTU</u>	<u>Spark</u> <u>Spread</u> <u>\$/MWH</u>	<u>Transportation</u> <u>Rate</u> <u>\$/MCF</u>
<u>\$ 25.00</u>	<u>\$4.000</u>	<u>\$ (7.00)</u>	<u>\$0.1632</u>
<u>\$ 50.00</u>	<u>\$4.000</u>	<u>\$ 18.00</u>	<u>\$0.1632</u>
<u>\$ 75.00</u>	<u>\$4.000</u>	<u>\$ 43.00</u>	<u>\$0.2120</u>
<u>\$100.00</u>	<u>\$4.000</u>	<u>\$ 68.00</u>	<u>\$0.3727</u>
<u>\$125.00</u>	<u>\$4.000</u>	<u>\$ 93.00</u>	<u>\$0.5333</u>
<u>\$150.00</u>	<u>\$4.000</u>	<u>\$118.00</u>	<u>\$0.6939</u>
<u>\$175.00</u>	<u>\$4.000</u>	<u>\$143.00</u>	<u>\$0.8545</u>
<u>\$200.00</u>	<u>\$4.000</u>	<u>\$168.00</u>	<u>\$1.0152</u>
<u>\$225.00</u>	<u>\$4.000</u>	<u>\$193.00</u>	<u>\$1.1758</u>

**MINIMUM BILL PROVISION**

Customer will be subject to a monthly "minimum bill" equal to the Monthly Administrative Charge and  
Facilities Charge, as noted above.

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### UNAUTHORIZED DELIVERIES

In the event customer fails to interrupt transportation deliveries at Company's request, any excess deliveries through customer's meter will be considered unauthorized deliveries that are subject to the flow through of pipeline penalty charges to the extent that they are incurred by the Company, and in addition thereto, shall be paid for as specified under the "Charges For Unauthorized Deliveries" provision of this rate schedule. The charges for such unauthorized deliveries shall be billed directly to the customer. However, Company may at its sole discretion physically discontinue service to the customer if customer refuses to interrupt service when requested by Company. Further, Company may temporarily or permanently discontinue service if customer fails to operate in accordance with the Company's directives and limitations regarding service under this tariff.

(D)

### CHARGES FOR UNAUTHORIZED DELIVERIES

Any customer taking unauthorized deliveries shall be billed an amount reflective of the general service rate, Rate GS, Sheet No. 31, including the expected gas cost component of the gas cost recovery rate or Company's highest cost gas, and one month's pipeline and supplier related demand charges on the volume difference (this charge shall not be imposed more frequently than once in any 30 day period) and/or the cost of operating the Company's propane peak shaving plant, and/or, if so required to effectuate compliance with the interruptible provisions of this schedule, the cost incurred by the Company to valve-off the service. In any event, customer shall reimburse the Company for any interstate pipeline penalty charges resulting from such unauthorized deliveries.

### BALANCING

For purposes of this tariff a "pool" shall be defined as one or more customers taking service under Rate SSIT that are joined together for supply management purposes. A "pool operator" has a contractual responsibility to manage the aggregated gas supply requirements of all Rate SSIT customers that comprise its pool. All supply management responsibilities of individual customers are transferred to the pool operator once a customer becomes a part of a pool, as the aggregated balancing requirements of all pool members are treated under this tariff as though they were a single customer with its own supply management responsibilities. Because of the large hourly and daily usage likely to flow under this tariff, pool operator is required to contract with the pipelines designated by the Company for hourly and daily deliveries that correspond with their actual burn of gas delivered under this tariff.

### LATE PAYMENT CHARGE

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to five percent (5%) of the unpaid balance is due and payable.

### TERMS AND CONDITIONS

The customer shall enter into a written agreement with the Company. Such agreement shall set forth specific arrangements as to the transportation services provided as well as the level of firm gas required by customer and any other circumstances relating to the individual customer.

The Company's "reasonable efforts" is defined as the right, at any time, to curtail or interrupt the delivery or transportation of gas under this tariff when, in the judgment of the Company, such curtailment or interruption is necessary to enable the Company to maintain deliveries to higher priority customers or to respond to any emergency.

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**TERMS AND CONDITIONS (Contd.)**

Pool operator agrees upon request by Company to produce, in a timely manner, proof of the purchase of the natural gas transported, any necessary regulatory approvals, and any and all transportation arrangements with all interstate pipelines, intrastate pipelines, or others involved in transporting the pool gas' supplies.

Company will not be liable for any costs and/or penalties charged by pipelines, or suppliers, because of pool operator's over or under deliveries into the pipeline, or pool customers' failure to take deliveries through customer's meters that in the aggregate match the amount of gas transported by the pool operator to the Company's city gate.

The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on an hourly and daily basis. Hourly/daily operational information shall include information on hourly/daily gas flows provided by Automatic Meter Reading (AMR), equipment, telemetry, or any other means the Company has available to provide the customer, or its designated pool operator with its best estimate of hourly/daily gas deliveries for individual customer's and the pool's combined accounts.

In order to administer the provisions of this tariff and monitor customer's hourly/daily usage, the Company will install remote metering equipment on customer's meter site. Customer will be responsible for payment of the cost of such telemetric equipment, either through a lump sum payment, or at the Company's option, through a monthly facilities charge designed to reimburse the Company for the costs of such equipment. Customer will also be responsible for providing the Company with access to a telephone service at customer's metering site, or such other equipment or utilities which may be necessary, and shall also be responsible for the monthly charges for such telephone service or other necessary equipment or utilities.

The primary term of contract shall be a minimum of ten (10) years. After completion of the primary term, such contract shall continue unless cancelled by either party upon thirty (30) days written notice.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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## RATE AS

### POOLING SERVICE FOR INTERRUPTIBLE GAS TRANSPORTATION

(T)

#### AVAILABILITY

Pooling service available to (1) customers receiving interruptible gas transportation service under Rate IT and special contract interruptible customers who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT and special contract interruptible customers to manage gas supplies on their behalf and as a part of an aggregated customer pool. For purposes of administering this tariff, the usages of all customers within a pool will be combined into a single pool usage number, which will be matched against the pool operator's total deliveries to its Rate IT and special contract interruptible transportation pool.

#### CHARACTER OF SERVICE

Customers must elect whether they will operate as their own pool operator or choose a pool operator from a list of approved gas pool operators that have signed a "Large Volume Customer Transportation Pooling Agreement" with the Company. Such elections will be assumed to carryover from month to month unless the customer or pool operator notifies the Company of a change at least ten (10) days prior to the start of a new month. In such agreements, the pool operator accepts the responsibility for meeting the aggregated daily and monthly gas delivery requirements of those large volume Rate IT and special contract interruptible transportation customers that comprise their customer pool. Included among the aggregated gas supply and delivery obligations assumed by designated pool operators are requirements for responding to operational flow orders ("OFOs"), monthly balancing requirements, monthly "cash outs," Duke Energy Ohio to Duke Energy Kentucky, Inc. delivery charges, and the payment of penalty charges exclusive of those arising from customers' failure to interrupt or curtail deliveries when ordered to do so by the Company.

Pool operators shall have access to Company-offered services including balancing services, and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

(T)

#### POOL OPERATOR REQUIREMENTS

Customers will not be permitted to join pools, nor shall pool operators be permitted to disband their pools, until all outstanding imbalances with the Company have been settled or eliminated.

#### NET MONTHLY BILL

The Net Monthly Bill shall be rendered to the pool operator by the tenth day of the calendar month for services rendered during the preceding month, and shall consist of the following charges, or credits, calculated on an aggregated basis for the entire customer pool:

1. In those instances where gas supplies are purchased from or sold to the Company under the monthly "cash-out" provision of Rate IMBS, the Company shall bill pool operator for the cost of such "cash-outs" based on the aggregated imbalance of the pool and the "cash-out" pricing provisions of that tariff schedule.

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**NET MONTHLY BILL (Contd.)**

2. In those instances where the pool operator has failed to respond to OFOs, pool operator will be billed (T)  
 unauthorized overrun/underrun charges, in addition to the flow-through of penalty charges  
 from pipeline and gas suppliers, that can be attributed to pool operator's failure to respond. (T)
3. In those instances where the pool operator delivers gas into the Duke Energy Ohio pipeline system  
 and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky, Inc. for delivery to the pool  
 operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky, Inc.  
 for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate.

**LATE PAYMENT CHARGES**

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable.

**TERMS AND CONDITIONS**

Pool operators must enter written service agreements with the Company. Such service agreements (T)  
 shall set forth specific covenants and obligations undertaken by the Company and pool operators under  
 this tariff on behalf of the customers that they serve.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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## RATE GTS

### GAS TRADING SERVICE

#### AVAILABILITY

Daily/monthly inter-pool imbalance trading services, available to (1) customers receiving interruptible gas transportation service under Rate IT or under special contract arrangements, who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT, special contract arrangements, or under Rate FT-L customers to manage their gas supplies on their behalf and as a part of an aggregated customer pool. (T)

#### CHARACTER OF SERVICE

The Company will operate an electronic bulletin board (EBB) through which eligible pool operators can notice offers of gas supplies for purchase, sale, or trade. The pool operator offering to purchase, sell, or trade gas supplies must provide the following information for publication on the EBB: (D)

- A) the pool operator's name. (D)
- B) contact person and telephone number. (D)
- C) quantities of gas available for purchase, sale or trade. (D)
- D) other general text trade terms. (D)

Daily imbalance trades or transfers must be made within four (4) business days from the date that the trade or transfer applies. Monthly imbalance trades or transfers must be completed within four (4) business days following the end of the month. (T)

Transactions will be completed when the pool operator(s) on both sides of a transaction, key their acceptance into the EBB. When that occurs, all other would-be acceptors of the offer are locked out. The Company will adjust the daily/monthly accounts of both parties to a transaction in order to record the volume transfer embodied in the transaction. Any dollar payments, receipts, or exchanges of other consideration agreed upon between the parties to a transaction are outside the scope of this tariff and must be completed between the parties themselves. (T)

#### BILLING

The Company will bill the receiving party to a transfer under this tariff a \$5.00 fee for each transaction. For purposes of this tariff, a transaction is each transfer of gas supplies from one pool to another on a specific gas day pursuant to an arrangement by, or between, pool operators to purchase, sell, or trade gas supplies. For purposes of this tariff, the receiving party of a transfer is the purchaser or the party to whom gas supplies are transferred on a specific gas day.

#### SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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## RATE IMBS

### INTERRUPTIBLE MONTHLY BALANCING SERVICE

#### AVAILABILITY

Interruptible monthly gas balancing service available (1) to customers receiving service under Rate FT-L, Rate IT and special contract interruptible transportation agreements who are acting as their own pool operator for supply management purposes, and (2) to pool operators designated by Rate FT-L, Rate IT and special contract interruptible transportation customers to manage their gas supplies on their behalf, and as a part of an aggregated customer pool. For purposes of this tariff, a pool operator shall aggregate the requirements of all of its pools' member customers and thereafter such aggregated pool shall be treated as a single customer for supply management purposes.

#### CHARACTER OF SERVICE

The service provided under this tariff is a "reasonable efforts," interruptible, gas balancing service that requires a general obligation by the pool operator to balance daily pool usage with pool deliveries into the Company's city-gate stations. It further provides that no daily imbalance charges or penalties will be levied on the pool operators, except when operational flow orders (OFO) have been issued. However, pool operators are under an ongoing obligation to work with the Company in a good faith manner to respond to both formal and informal system management requests, and to strive to maintain relatively close daily balances and additionally closely track their daily loads throughout the month. For purposes of this tariff an OFO is as defined in Rate FRAS, Sheet No. 44. OFO's will be issued on an ongoing basis for pool operators who disregard their obligation to provide gas supplies in quantities that reasonably match their daily loads. OFO's shall be issued for operational reasons only. In the event a pool operator violates this tariff or the aggregation agreement, the Company may assess such a violator for all direct incremental gas supply, capacity, or storage or penalty costs incurred due to the violation. In addition, if the violations are part of a pattern of non compliance, or of a magnitude that merits additional action be taken, the Company may take steps to suspend or permanently remove a pool operator from participation upon notice. The Company shall have the right to limit or terminate the availability of this service to pool operators guilty of excessive abuse of the system; i.e., engaging in extreme and/or continued violations of the tariff terms and conditions including this general balancing requirement. For purposes of administering this tariff, the daily and monthly usage of all customers within an individual pool will be combined into single daily/monthly pool usage number, which will be matched against the pool operator's total daily/monthly deliveries to its individual transportation pool(s).

#### SERVICE DESCRIPTION

Transportation customers who avail themselves of the service under this rate schedule must, with the agreement of their supplier, select a monthly imbalance carry over tolerance level from the following options:

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**SERVICE DESCRIPTION (Contd.)**

	Allowed Monthly Under-Run %	Allowed Seasonal Monthly Over-Run		Charge on All Throughput	
		May Through November %	December Through April %		
Option 1	0	5	7	\$0.015 per Mcf	(D)
Option 2	0	6	8	\$0.020 per Mcf	(D)
Option 3	0	8	10	\$0.025 per Mcf	(I)

Pool operators who select one or more of the balancing services contemplated under this Rate IMBS shall be held to a monthly balancing requirement within the monthly imbalance carry over tolerance level selected. Pool operators shall be subject to a general obligation to balance pool requirements and deliveries on a daily basis unless an OFO has been issued. (T)

On days when OFO's have been issued, pool operators are required to operate on a "gas-in equals gas-out" basis. Any net imbalances on these OFO days may result in unauthorized overrun/underrun charges, or penalty charges being levied against the responsible pool operator. Such charges shall be calculated in accordance with the "Charges for Unauthorized Deliveries" provision of Rate IT, Interruptible Transportation Service. In order to minimize daily imbalance charges and penalties on OFO days, as well as end of month imbalance "cash-outs," pool operators are encouraged to participate in the Company's inter-pool imbalance trading/transfer opportunities and related electronic bulletin board (EBB) services. Daily imbalance trades/transfer made through the Company's EBB must be completed within four (4) business days from the date that the trade or transfer applies. Monthly imbalance trades to comply with the monthly balancing requirements of Rate IMBS must be made within four (4) business days after the end of the month. The pool or pool operator receiving gas that has been traded or transferred will be billed a fee in accordance with Rate GTS for each transaction. (T)

**NET MONTHLY BILL**

Net monthly imbalances will be calculated for billing purposes as the net of:

- actual deliveries, (T)
- plus or minus imbalance trades,
- plus or minus unauthorized daily or monthly OFO overrun/underrun volumes,
- plus monthly imbalance carryover,
- minus actual metered usage on an aggregated pool basis, as adjusted for unaccounted for losses. (T)

The Net Monthly Imbalance percentage will be determined by dividing the net monthly imbalance as measured at the burner tip by the burner tip equivalent total aggregated pool deliveries for the month. (T)

Pool operators receiving balancing services under this rate schedule shall be subject to the following charges:

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**NET MONTHLY BILL (Contd.)**

- (1) Unauthorized overrun/underrun charges as described above and resulting from pool operator's failure to comply with daily operational flow orders except as provided above. (T)
- (2) End of month "cash-out" charges for volumes over/under-delivered outside of pool operator's selected option tolerance levels, as follows: (T)

**DEFINITIONS**

- (a) Over-deliveries are defined as monthly deliveries into the Company's city-gate stations, plus the prior month's carryover volumes that exceed the pool's aggregated metered usage for the month as adjusted for shrinkage back to the city-gate, and as adjusted for the pool's elected monthly carry over tolerance percentage. Over-deliveries beyond the pool's elected monthly carry over tolerance percentage shall be cashed out to the pool operator at the first of the month index published in *Inside F.E.R.C. Gas Market Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Mainline Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city-gate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the volumes delivered in excess of the elected monthly carry over tolerance percentage, as measured at the burner tip. (T)
- (b) Under-deliveries are defined as monthly deliveries into the Company's city-gate stations, plus the prior month's carryover volumes, that are less than the pool's aggregated metered usage for the month, as adjusted for shrinkage back to the city-gate. Under deliveries shall be cashed out at the first of the month index published in *Inside F.E.R.C. Gas Market Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Mainline Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city-gate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the under-delivered volumes, as measured at the burner tip. (T)

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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**RATE DGS****DISTRIBUTED GENERATION SERVICE****AVAILABILITY**

Available in the Company's entire service territory to customers who enter into a service agreement that identifies, among other provisions, facilities that are required to serve distributed generation installations. The facilities contemplated hereunder include, but are not limited to, the equipment necessary to accommodate non-standard system pressure. The Company reserves the right to decline requests to initiate or continue service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rates RS, GS, and FT-L.

**CHARACTER OF SERVICE**

The service provided under this tariff schedule is firm, on-demand, delivery service.

**NET MONTHLY BILL**

In addition to the provisions of the applicable firm transportation tariff, the following monthly charges shall apply for billing purposes.

**Administrative Charge**

A charge of \$25.00 per month shall be assessed for each account to which this service applies.

**Monthly Capacity Reservation Charge**

The customer shall pay, except when the installation is operating according to the service agreement, a monthly amount equal to the level of contract capacity stated in the service agreement, times the capacity reservation charge per CCF. The level of contract capacity is the customer's estimate of the maximum hourly load in CCF that the installation will require when operating as intended. The capacity reservation charge equals the delivery charge stated in the applicable firm transportation service tariff. The minimum monthly capacity reservation charge shall be \$2.00 per installation.

**Facilities Charge**

The customer shall pay the amount specified in the service agreement.

**Delivery Charge**

All deliveries, as determined by the Company, shall be billed under the provisions of the applicable firm transportation service tariff.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly bill, which is the Net Monthly Bill plus five percent (5%), is due and payable.

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**TERMS AND CONDITIONS**

The customer shall enter into a written service agreement with the Company which specifies the type of service(s) required, operational requirements, the facilities necessary to accommodate the type of service, and the level of capacity required by customer. The customer and the Company will mutually agree upon the level of contract capacity.

An additional meter shall be installed to separately measure the service hereunder.

The cost of facilities, as described in the service agreement, shall be paid by the customer.

The customer shall have contracted for such interstate pipeline services, including, but not limited to, firm transportation and no-notice delivery services, that are sufficient to satisfy the installation's planned operating schedule.

Changes in the level of contract capacity may be requested annually by the customer, on the anniversary date of the service agreement. Such requests shall be made at least thirty (30) days in advance of the anniversary date.

The term of contract shall be five years.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated December 29, 2009 in Case No. 2009-00202.

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Issued: September 29, 2010

Effective: September 30, 2010

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Third Revised Sheet No. 60  
Cancelling and Superseding  
Second Revised Sheet No. 60  
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## RIDER X

### MAIN EXTENSION POLICY

#### AVAILABILITY

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

#### APPLICABILITY

Applicable to gas service supplied in accordance with provisions of the appropriate rate currently in effect, from the nearest available distribution main when it is necessary to extend such main.

#### EXTENSION PLAN

1. Normal Extensions. An extension of one hundred (100) feet or less shall be made by the Company to an existing distribution main without charge for a prospective customer who shall apply for and contract to use service for one year or more.
2. Other Extensions. When an extension of the Company's main to serve an applicant amounts to more than one hundred (100) feet per customer, the Company may require the total cost of the excess footage in excess of one hundred (100) feet per customer to be deposited with the Company by the applicant based on the estimated cost per foot for main extensions.

The applicant will be reimbursed under the following plan:

- (i) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer, who paid for the excess footage, the cost of one hundred (100) feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed, but in no case shall the total amount refunded, including the amount determined under paragraph (ii), exceed the amount paid to the Company.
- (ii) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer who paid for the excess footage, an amount reflecting the positive impact of a subsequent connection or extension, by analyzing the estimated cost and corresponding revenues resulting from the subsequent connection or extension. This amount will be paid when the first customer is connected to the subsequent connection or extension.
- (iii) If a customer contribution is necessary using the Normal Extension method noted in (1) above, and the extension is between 100 and 2,000 feet in length, the Company will perform a net present value (NPV) analysis based upon the total construction costs for the entire length of the extension, and not just the costs of the extension in excess of 100 feet. The NPV analysis will take into account all volumetric base distribution revenues and fixed monthly charge

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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Third Revised Sheet No. 60  
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revenues to be received from the customer. The NPV analysis will use the discount rate applicable per the most recent rate case and assume a term of no less than twenty (20) consecutive years. If the NPV calculation is positive or zero, the customer will not be charged for the construction costs. If the NPV calculation is negative, the customer must deposit with the Company an amount equal to the results of the NPV calculation, prior to construction taking place. Any such deposit shall be eligible for a refund consistent with the terms and conditions of the main extension contract entered into between the Company and the customer. Further, the customer must continue to receive gas service from the Company at the same service installation or premises in order to be eligible for a refund. Refunds shall not exceed the amount of the deposit and shall be limited to a period of ten (10) consecutive years following the effective date of the main extension contract.

For large commercial and industrial customers with process load, the Company may require a minimum customer usage commitment for a defined period or term not to exceed six (6) years.

3. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the applicant, who paid for the extension, a sum equivalent to the cost of one hundred (100) feet of the extension installed for each additional customer connected during the year, but in no case shall the total amount refunded over the ten (10) year period exceed the amount paid to the Company. There shall be no refunds after the end of the said ten (10) year period.
4. Nothing contained herein shall be construed to prohibit the Company from making extensions under different arrangements provided such arrangements have been approved by the Kentucky Public Service Commission.
5. Nothing contained herein shall be construed as to prohibit the Company from making, at its expense, greater extensions than herein prescribed, should its judgment so dictate, provided like free extensions are made to other customers under similar conditions.
6. Upon complaint to and investigation by the Kentucky Public Service Commission, the Company may be required to construct extensions greater than one hundred (100) feet upon a finding by the Commission that such extension is reasonable.

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Issued by authority of an Order of the Kentucky Public Service  
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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Second Revised Sheet No. 61  
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## RIDER DSM

### DEMAND SIDE MANAGEMENT COST RECOVERY RIDER

#### APPLICABILITY

Applicable to service rendered under the provisions of Rates RS (residential class), GS, and FT (non-residential class).

#### CHARGES

The monthly amount computed under each of the rate schedules to which this rider is applicable shall be increased or decreased by the DSM Charge at a rate per hundred cubic feet (CCF) of monthly consumption in accordance with the following formula:

$$\text{DSM Charge} = \text{PC} + \text{LR} + \text{PI} + \text{BA}$$

Where: **PC = DSM PROGRAM COST RECOVERY.** For each twelve month period, the PC shall include all expected costs for demand-side management programs which have been approved by a collaborative process. Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the PC. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated avoided pipeline capacity and commodity costs resulting from each program.

The PC applicable to the residential class shall be determined by dividing the cost of approved programs allocated or assigned to the residential class by the expected CCF throughput for the upcoming twelve-month period. Similarly, the cost of approved programs assigned to the non-residential class shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PC applicable to the non-residential rate class.

**LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY.** Revenues from lost throughput due to DSM programs will be recovered through the decoupling of revenues from actual throughput of the residential class. At the end of each twelve-month period after implementation of the DSM Charge, the non-variable revenue requirement (total revenue requirement less variable costs) for the residential class for Duke Energy Kentucky, Inc.'s most recent twelve month period will be adjusted to reflect changes in the number of customers and the usage per customer as follows: (1) the non-variable revenue requirement will be multiplied by the

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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

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## CHARGES (Cont'd)

factor obtained by dividing the twelve month average number of customers at the end of the current twelve-month period by the twelve month average number of residential customers at the end of the twelve-month period ending December 1994, and (2) the non-variable revenue requirement will be multiplied by a factor "F<sub>g</sub>" calculated by the following formula:

### LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY. (Contd.)

$$F_g = (1 + g)^{n/12}$$

Where: g = Growth factor - recalculated annually based on the most recent eleven years of actual customer data. Initially "g" shall be set at -0.0156; and  
n = the number of months from December 1994 to the end of the current twelve-month period.

At the end of each twelve-month period after implementation of the DSM Charge, the difference between the actual non-variable revenue billed during the twelve-month period and the adjusted non-variable revenue requirement, as described above, will be determined. This difference ("LR amount established for the twelve-month period") will be divided by the estimated CCF throughput for the upcoming twelve-month period to determine the LR for the residential class.

The LR applicable to the non-residential class shall be computed by 1) multiplying the amount of CCF throughput that will be lost for each twelve-month period as a result of the implementation of the approved programs times the CCF throughput charge for the applicable rate schedule, less the variable cost included in the charge; and, 2) dividing that product by the expected CCF throughput for the upcoming twelve-month period. The lost revenue attributable to decreased throughput to the non-residential class due to approved programs will be calculated through estimates agreed upon by the collaborative process, which may include engineering estimates, of the level of decreased throughput. Recovery of revenues from decreased throughput calculated for a twelve-month period for non-residential rate classes shall be included in the LR until terminated by the implementation of new rates pursuant to a general rate case. Revenues from such decreased throughput will be assigned for recovery purposes to the rate classes whose programs resulted in the decreased throughput.

**PI = DSM PROGRAM INCENTIVE RECOVERY.** The DSM Program Incentive (PI) amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent. Net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of Duke Energy Kentucky, Inc.'s avoided gas costs over the expected life of the program, and will include both capacity and

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4580 Olympic Blvd.  
Erlanger, Kentucky 41018

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**CHARGES (Cont'd)**

commodity savings. The DSM incentive amount related to programs for the residential class shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. The PI amount related to programs for the non-residential class rates shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

**BA = DSM BALANCE ADJUSTMENT.** The BA is used to reconcile the difference between the amount of revenues actually billed through the respective DSM Charge components; namely, the PC, LR, and PI and previous BA, and the revenues which should have been billed, as follows:

- (1) For the PC, the balance adjustment amount will equal the difference between the amount billed in a twelve-month period from the application of the PC unit charge and the actual cost of the approved programs during the same twelve-month period.
- (2) For the LR applicable to the residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from the application of the LR unit charge and the LR amount established for the same twelve-month period.

For the LR applicable to the non-residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the LR unit charge and the amount of lost revenues determined for the actual DSM program, or measures implemented during the twelve-month period.

- (3) For the PI, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the PI unit charge and the incentive amount determined for the actual DSM program, or measures implemented during the twelve-month period.
- (4) For the BA, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the BA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined above shall include interest. The interest applied to the monthly amounts, shall be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of balance adjustment amounts shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the BA. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over or under-recoveries of DSM amounts were realized.

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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
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### **CHARGES (Cont'd)**

All costs recovered through the DSM Charge will be assigned or allocated to Duke Energy Kentucky, Inc.'s electric or gas customers on the basis of the estimated net electric or gas resource savings resulting from each program.

#### **DSM CHARGE FILINGS**

The filing of modifications to the DSM Charge shall be made at least thirty days prior to the beginning of the effective period for billing. Each filing will include the following information as needed:

- (1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.
- (2) A statement setting forth the detailed calculation of each component of the DSM Charge.

Each change in the DSM Charge shall be applied to customers' bills with the first billing cycle of the revenue month which coincides with, or is subsequent to, the effective date of such change.

### **SERVICE REGULATIONS**

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Issued by authority of an Order of the Kentucky Public Service Commission dated December 29, 2009 in Case No. 2009-00202.

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Duke Energy Kentucky  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Twenty-Second Revised Sheet No. 62  
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**RIDER DSMR**

**DEMAND SIDE MANAGEMENT RATE**

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 61 of this Tariff.

The DSMR to be applied to residential customer bills is \$(0.039792) per hundred cubic feet. (R)

A Home Energy Assistance Program (HEA) charge of \$0.10 will be applied monthly to residential customer bills through December 2020.

The DSMR to be applied to non-residential service customer bills is \$0.00 per hundred cubic feet.

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Commission dated February 14, 2018 in Case No. 2017-00427.

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Issued: February 21, 2018

Effective: February 14, 2018

Issued by James P. Henning, President /s/ James P. Henning

Witness Responsible: Bruce Sailors

Ky. P.S.C. Gas No. 2  
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Duke Energy Kentucky, Inc.  
 4580 Olympic Blvd.  
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## RIDER ASRP

### ACCELERATED SERVICE REPLACEMENT PROGRAM RIDER

#### APPLICABILITY

Applicable to all customers receiving service under the Company's sales and transportation rate schedules.

(D)

#### CALCULATION OF ACCELERATED SERVICE REPLACEMENT RIDER REVENUE REQUIREMENT

The ASRP Rider revenue requirement includes the following:

- a. ASRP-related Plant In-Service not included in base gas rates minus the associated ASRP-related accumulated depreciation and accumulated deferred income taxes;
- b. Retirement and removal of plant related to ASRP construction;
- c. The rate of return on the net rate base is the overall rate of return on capital, using the capital structure and debt rates from the most recent base gas rate case and using a 9.7% ROE, grossed up for federal and state income taxes;
- d. Depreciation expense on the ASRP-related Plant In-Service less retirements and removals;
- e. Property taxes related to ASRP and;
- f. Operation and Maintenance Costs for reconnaissance and relocation of meters.

#### ACCELERATED SERVICE REPLACEMENT PROGRAM FACTORS

All customers receiving service under Rate RS and Rate GS shall be assessed a separate monthly charge that will enable the Company to complete the service replacement program. This monthly charge is in addition to the Customer Charge component of their applicable rate schedule, as well as any other applicable monthly charges. Customers receiving service under Rate DGS, Rate FT-L, Rate IT and Rate SSIT will be assessed a separate throughput charge in addition to their commodity delivery charge, for that purpose.

Rider ASRP will be updated annually, to reflect the anticipated impact on the Company's revenue requirements of net plant additions and projected operations and maintenance expense during the upcoming calendar year. Such adjustments to the Rider will become effective with the first billing cycle of January, and will reflect the allocation of the required revenue increase based on the revenue distribution approved by the Commission. After each year, the Company will submit a balancing adjustment to true-up the actual costs with the projected program costs for the preceding year. Any balancing adjustment will become effective with the first billing cycle on or after the effective date of the change.

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

<u>Rate RS, Residential Service</u>	<u>\$1.80/month</u>
<u>Rate GS, General Service</u>	<u>\$1.78/month</u>
<u>Rate DGS, Distributed Generation Service</u>	<u>\$0.00045/CCF</u>
<u>Rate FT-L, Firm Transportation Service – Large</u>	<u>\$0.00045/CCF</u>
<u>Rate IT, Interruptible Transportation Service</u>	<u>\$0.00039/CCF</u>
<u>Rate SSIT, Spark Spread Interruptible Transportation Rate</u>	<u>\$0.00039/CCF</u>

Issued by authority of an Order of the Kentucky Public Service  
 Commission dated August 31, 2017 in Case No. 2017-00249.

Issued: November 21, 2017

Effective: January 2, 2018

Issued by James P. Henning, President /s/ James P. Henning

	KY.P.S.C. Gas No. 2
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RIDER MSR-G

(D)

MERGER SAVINGS CREDIT RIDER - GAS

THIS TARIFF IS HEREBY CANCELLED AND WITHDRAWN

Issued by authority of an Order of the Kentucky Public Service Commission dated December 29, 2009 in Case No. 2009-00202.

Issued: January 4, 2010

Effective: January 4, 2010

Issued by Julie Janson, President

Witness Responsible: Bruce Sailors

KY.P.S.C. Gas No. 2

Second Revised Sheet No. 70

Cancelling and Superseding

First Revised Sheet No. 70

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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

## GAS COST ADJUSTMENT CLAUSE

### APPLICABILITY

The charge to each customer for the cost of gas shall be the appropriate Gas Cost Adjustment Rate applied to the customer's monthly consumption. This charge is applicable to all Company sales that are under the jurisdiction of the Kentucky Public Service Commission (Commission).

### DETERMINATION OF GCA

The Company, unless otherwise ordered by the Commission, shall file a monthly report with the Commission which shall contain an updated gas cost adjustment rate (GCA) and shall be filed at least twenty (20) days prior to the beginning of the billing period in accordance with an Order in Case No. 2006-00144.

The GCA is comprised of:

- (1) The expected gas cost component (EGC) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which represents the average cost of gas supplies including propane. Estimated monthly net charge offs on a dollar per Mcf basis, rounded to the nearest 0.1 cent, will be added to the EGC.
- (2) The supplier refund adjustment (RA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which reflects refunds received during the reporting period plus interest at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period, less 1/2 of 1 percent to cover the cost of refunding.
- (3) The actual adjustment (AA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any previous over or under collections of gas cost experienced and net charge offs by the Company through the operation of this gas cost recovery procedure.
- (4) The balance adjustment (BA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any over or under collections which have occurred as a result of prior adjustments.

### HEDGING PLAN

In accordance with the approved hedging plan, Duke Energy Kentucky, Inc., will utilize fixed price contracts without cost averaging and no-cost collars for gas purchases within the range of volumes defined in the plan for up to eighteen (18) months from the time of the transaction. On or before each May 15, the Company shall file a report of its hedging activities for the twelve (12) months ended the previous March 31 that also identifies all existing hedging arrangements for future purchases.

### BILLING

The gas cost recovery rate to be applied to the customers' bills shall equal the sum of the following components:

$$\text{GCA} = \text{EGC} + \text{RA} + \text{AA} + \text{BA}$$

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Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
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Erlanger, Kentucky 41018

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## DEFINITIONS

For purposes of this tariff:

- (A) "Average Cost" means the cost of gas supplies, including associated transportation and storage charges and propane, which results from the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the three (3) month period, on purchased volumes during the twelve month period ending with the reporting period, divided by the corresponding sales volume. This includes the cost of all gas supplies acquired through hedging instruments, including the cost of the hedging instruments themselves, acquired under a hedging plan approved by the Commission and under the terms and conditions of this tariff.
- (B) "GCA" means the sum of the expected gas cost component plus the supplier refund adjustment plus the actual adjustment plus the balancing adjustment; i.e.,  $GCA = EGC + RA + AA + BA$ .
- (C) "Billing period" means each of the four three-month periods of (1) December, January, and February; (2) March, April, and May; (3) June, July, and August; (4) September, October, and November.
- (D) "Reporting Period" means the three (3) month accounting period that ended approximately fifty-Five days prior to the filing date of the updated gas cost adjustment rates.

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KY.P.S.C. Gas No. 2  
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**RIDER GCAT**

**GAS COST ADJUSTMENT TRANSITION RIDER**

**APPLICABILITY**

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

**GCA TRANSITION RIDER**

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be \$0.02400 per 100 cubic feet. This rate shall be in effect during the month of June 2018 through August 2018 and shall be updated quarterly, concurrent with the Company's GCA filings. (I)  
(T)

Issued by authority of an Order of the Kentucky Public Service  
Commission dated May 23, 2018 in Case No. 2018-00143

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Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Second Revised Sheet No. 80  
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## **BAD CHECK CHARGE**

### **APPLICABILITY**

Applicable to all customers in the Company's gas service area.

### **CHARGE**

The Company may charge and collect a fee of \$11.00 to cover the cost of handling an unsecured check, where a customer tenders in payment of an account a check which upon deposit by the Company is returned as unpaid by the bank for any reason.

### **SERVICE REGULATIONS**

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Duke Energy Kentucky, Inc.  
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Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Second Revised Sheet No. 81  
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### CHARGE FOR RECONNECTION OF SERVICE

#### APPLICABILITY

Applicable to all customers in the Company's entire service area who are in violation of Rule 3, Company's Right to Cancel Service Agreement or to Suspend Service, of the Company's Gas Service Regulations.

#### CHARGE

The Company may charge and collect in advance the following:

- A. The reconnection charge for service which has been disconnected due to enforcement of Rule 3 shall be twenty-five dollars (\$25.00). (I)
- B. The reconnection charge for service which has been disconnected within the preceding twelve months at the request of the customer shall be twenty-five dollars (\$25.00). (I)
- C. If service is discontinued because of fraudulent use thereof, the Company may charge and collect in addition to the reconnection charge of twenty-five dollars (\$25.00) the expense incurred by the Company by reason of such fraudulent use, plus an estimated bill for gas used, prior to the reconnection of service. (I)
- D. If both the gas and electric services are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00). (T)  
(T)

#### SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Second Revised Sheet No. 82  
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**LOCAL FRANCHISE FEE**  
**APPLICABLE TO ALL RATE SCHEDULES**

There shall be added to the customer's bill, listed as a separate item, an amount equal to the fee now or hereafter imposed by local legislative authorities, whether by ordinance, franchise or other means, which fee is based on the gross receipts collected by the Company from the sale of gas to customers within the boundaries of the particular legislative authority. Such amount shall be added exclusively to bills of customers receiving service within the territorial limits of the authority imposing the fee.

Where the local legislative authority imposes a flat, fixed amount on the Company, the fee applied to the bills of customers receiving service within the territorial boundaries of that authority, shall be in the form of a flat dollar amount.

Where more than one such fee is imposed, each of the charges applicable to each customer shall be added to the customer's bill and listed separately.

The amount of such fee added to the customer's bill shall be determined in accordance with the terms of the ordinance, franchise or other directive agreed to be the Company.

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KY.P.S.C. Gas No. 2  
Second Revised Sheet No. 83  
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**CURTAILMENT PLAN FOR  
MANAGEMENT OF  
AVAILABLE GAS SUPPLIES**

**AVAILABILITY**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

(T)

**APPLICABILITY**

In the event of an emergency which necessitates curtailment of gas service, Duke Energy Kentucky, Inc. shall curtail gas service to its customers in the manner set forth herein, except where the Public Service Commission of Kentucky (Commission) or other authority having jurisdiction in the matter orders otherwise.

**DEFINITIONS**

Special Gas Service Contract Customers:

A customer who purchases gas, off-peak and firm, under a Special Gas Service Contract. Such a customer shall not qualify as a Domestic or Non-Domestic Customer.

Domestic Customers:

Customers which use gas in private homes, boarding houses, apartment houses, hotels, motels, restaurants, food processors, hospitals and places of like kind where the element of human welfare is the predominating requirement.

Non-Domestic Customers:

All other customers not defined as Domestic Customers or Special Gas Service Contract Customers.

Winter Period:

The consecutive customer billing months of November and December, of one year and the months of January, February and March in the next year.

Summer Period:

The consecutive customer billing months of April, May, June, July, August, September and October.

Winter Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of January, February, March, November and December of 1972.

Summer Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of April, May, June, July, August, September and October of 1972.

Issued by authority of an Order of the Kentucky Public Service Commission dated December 29, 2009 in Case No. 2009-00202.

Issued: September 29, 2010

Effective: September 30, 2010

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Second Revised Sheet No. 83  
Cancelling and Superseding  
First Revised Sheet No. 83  
Page 2 of 4

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## DEFINITIONS (Contd.)

### Adjusted Winter Volumetric Limitation:

A Non-Domestic Customer's winter base volumetric limitation for the gas usage during a winter period as adjusted from time to time by Duke Energy Kentucky, Inc. to reflect pro rata curtailment.

### Adjusted Summer Volumetric Limitation:

A Non-Domestic Customer's summer base volumetric limitation for the gas usage during the summer period as adjusted from time to time by Duke Energy Kentucky, Inc. to reflect pro rata curtailment.

## ORDER OF CURTAILMENT

- (1) The Special Gas Service Contract Customer will be curtailed to the extent of its off-peak usage limitation noted in the customer's contract whenever:
  - (a) Duke Energy Kentucky, Inc. cannot supply the Special Gas Service Contract customer its full requirements in excess of such customer's Contract Demand without incurring penalties under tariffs of Duke Energy Kentucky, Inc.'s supplier, or without having to purchase additional volumes of gas at premium rates, or without Duke Energy Kentucky, Inc. operating its peak load manufacturing facilities.
  - (b) Duke Energy Kentucky, Inc.'s supplier curtails delivery and as a result Duke Energy Kentucky, Inc. determines that it cannot supply the total requirements of its customers.

The off-peak gas of the Special Gas Service Contract Customer shall be fully curtailed before curtailment is imposed upon other customers; however, since all the contracted for firm gas is considered necessary for plant protection, it will not be curtailed prior to other customer curtailment.

- (2) Where additional curtailment is necessary after full curtailment of the off-peak of the Special Gas Service Contract Customers, Duke Energy Kentucky, Inc. shall, after giving reasonable notice, curtail those Non-Domestic Customers which use 50,000 cubic feet or more of gas per day on a pro rata basis by adjusting their Winter and/or Summer Base Volumetric Limitations downward to the extent necessary to limit the total usage to the gas supply available to Duke Energy Kentucky, Inc.. The resulting volumes will be the Non-Domestic Customer's adjusted Winter and/or Summer Volumetric Limitation. For plant protection the adjusted Winter and Summer Volumetric Limitations shall not be less than 20% of the respective Winter and Summer Base Volumetric Limitation. A Non-Domestic Customer consuming over 50,000 cubic feet or more of gas per day and having more than one metering location may, upon mutual agreement with Duke Energy Kentucky, Inc., combine his adjusted Volumetric Limitation at one or more locations only for curtailment purposes. Such customer must notify Duke Energy Kentucky, Inc. in writing and receive Duke Energy Kentucky, Inc.'s written consent of the accounts to be effected and the volumes to be combined.

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KY.P.S.C. Gas No. 2  
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#### **ORDER OF CURTAILMENT (Cont'd)**

- (3) Where additional curtailment of gas service is necessary, after curtailment in curtailment with paragraph (2) above, then gas service to Non-Domestic Customers using under 50,000 cubic feet of gas per day shall be curtailed on a pro rata basis in the same manner provided in the above paragraph (2).
- (4) Where additional curtailment is necessary the Domestic Customer will then be curtailed on a pro rata basis.

#### **CARRY-OVER AND ADJUSTMENT OF BASE VOLUMETRIC LIMITATION**

No carry-over of volumes will be permitted from the Winter to Summer Period or from the Summer to Winter Period. In the establishment of the Winter and Summer Base Volumetric Limitations a customer may request an investigation as to the proper maximum volumes so determined. If such investigation discloses that the volumetric limitations do not reasonably reflect the normal usage of his equipment that was connected in 1972 or authorized by Duke Energy Kentucky, Inc. to be installed at a later date, such limitation will be adjusted accordingly. Such request must be made within 60 days of the approval of this curtailment plan and absent such a request the Base Volumetric Limitations will not be subject to any increase.

#### **PENALTIES**

Special Gas Service Contract Customers will be subject to penalties as set forth in their contract. As to the Non-Domestic Customers, after the end of the Winter Period and Summer Period the actual gas usage of each Non-Domestic Customer for the period during which curtailment was required shall be compared respectively to the Adjusted Winter and Summer Volumetric Limitations, and in addition to the Non-Domestic Customer's regular monthly bill, a penalty shall be charged if such usage exceeds the respective Adjusted Winter or Summer Volumetric Limitation. The penalty amount will be based on the same penalty rate applicable to Duke Energy Kentucky, Inc. from its sold supplier of natural gas, the Columbia Gas Transmission Corporation. As of June 1, 1975 the penalty as stated in the Columbia Gas Transmission Corporation's FPC filed tariff is ten dollars (\$10.00) for each 1,000 cubic feet overrun.

#### **ACTION FOR EXCESSIVE USAGE**

During periods of curtailment, where it appears to Duke Energy Kentucky, Inc. through its procedure of monitoring monthly usage of Non-Domestic Customers being curtailed, that a Non-Domestic Customer's usage will significantly exceed his adjusted Winter or Summer Volumetric Limitation, Duke Energy Kentucky, Inc. will give such customer notice to cease such excessive usage and, in the event such customer does not cease, Duke Energy Kentucky, Inc. may disconnect gas service to such customer.

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Duke Energy Kentucky, Inc.  
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KY.P.S.C. Gas No. 2  
Second Revised Sheet No. 83  
Cancelling and Superseding  
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#### **PENALTY REFUND**

Penalties collected from Duke Energy Kentucky, Inc.'s customers will be added to the refunds received from Duke Energy Kentucky, Inc.'s supplier and held for redistribution and shall be refunded to all customers in accordance with Duke Energy Kentucky, Inc.'s gas cost adjustment provision. If Duke Energy Kentucky, Inc. incurred penalties from its supplier as a result of volumetric overruns, the amount of such penalties shall be subtracted from the total penalties collected by Duke Energy Kentucky, Inc. from its customers to determine the amount of penalties to be refunded.

#### **BILLING OF PENALTIES**

Penalties, as provided above, shall be reflected in the customers service bill for the Winter Period on the May bill and for the Summer Period on the December bill. Five percent (5%) will be added to the penalty amount if not paid on or before fourteen (14) calendar days after mailing date of the bill.

#### **EMERGENCIES**

In the event of a short-term emergency situation where immediate deliveries of additional gas are needed to prevent irreparable injury to life or property of an existing customer, Duke Energy Kentucky, Inc. shall, at its option, have the right to deliver additional volumes of gas to meet such emergency needs in excess of any limited volumes specified herein, without imposition of penalties where the emergency volumes are repaid by reduction of future gas purchases by the customer within ninety (90) days after termination of the emergency period. (T)

#### **EXEMPTION**

No exemptions from this Plan, other than emergency deliveries, as defined above, shall be granted except by Order of the Commission, directly through its duly designated Staff, or other authority having jurisdiction in this matter. (T)

#### **AMENDMENT, MODIFICATION OR CLARIFICATION**

Due to governmental order or rapid changes in gas supply it may be necessary to amend, modify or clarify this Curtailment Plan. This Plan may be so amended, modified or clarified by filing a Motion with the Commission. (T)

#### **AVAILABILITY OF THE PLAN**

Copies of this Plan, together with the address and telephone number of the Commission shall be kept at each business office of Duke Energy Kentucky, Inc. and shall be made available to any customer upon request. (T)

Issued by authority of an Order of the Kentucky Public Service Commission dated December 29, 2009 in Case No. 2009-00202.

Issued: September 29, 2010

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Issued by Julie Janson, President

Witness Responsible: Bruce Sailors

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 84  
Cancelling and Superseding  
Original Sheet No. 84  
Page 1 of 1

## RATE MPS METER PULSE SERVICE

### APPLICABILITY

Applicable to customers that request the Company to install gas meter pulse equipment, which is a meter related service not otherwise provided by the Company.

### DESCRIPTION OF SERVICE AND SPECIFICATIONS

The service provided is an electronic pulse output, representing a pre-determined natural gas volume. The volume will vary at different meter installations, and will thus be communicated to the customer at the time of installation. Pressure and temperature correcting factors may need to be applied by the customer.

The pulse supplied does not represent rate of flow, only total volume and should not be used for control purposes. The end-use customer is responsible for providing power and communication links to the meter pulse equipment per the Company's specifications.

Customer must provide either a regulated 24 volts DC, or 120 volts AC, an area 2' x 2', 20' away from any gas pipeline flanges or gas pressure relief devices. The Company will supply a dry contact to their energy Management software.

A failure of the pulse initiator will not be detected by Company on any routine meter reading or during other operations. Therefore, customer will be required to recognize and report any problems with the pulse system, and Company shall not be responsible for incorrect data, or subsequent customer actions based upon the data.

### TYPE OF CHARGES

Installation of Meter Pulse Equipment:	<u>\$500.00</u>	(I)
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If replacement of Meter Index is necessary, additional charge of:	<u>\$155.00</u>	(I)
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If replacement of the Gas Meter is necessary, charges will be determined based on then current prices for purchase and installation of applicable replacement meter.

If the Company is required to make additional visits to the meter site due to the inability to gain access to the meter location or the necessary Communication Link has not been installed, or the Communication Link is not working properly, the Company may charge the customer for any additional trip to the meter site at the per visit rate of: \$60.00

In addition, the Company shall charge for the cost of any incremental equipment necessary to complete the pulser installation.

### SERVICE REGULATIONS

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd,  
Erlanger, Kentucky 41018

First Revised Sheet No. 01  
Cancelling and Superseding

Original Sheet No. 01  
Page 1 of 1

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TABLE OF CONTENTS

Tariff Sheet Series No.	Description	Summary of Applicability*
-	Title Page	
01	Table of Contents	
10	Index to Tariff Schedules and Communities Served	Complete list of available tariffs by Sheet No. and municipalities and counties served.
20	Service Regulations	Set of rules and regulations of the Company for providing gas service as approved by the Kentucky Public Service Commission.
30 & 40	Firm Gas Service	Tariffs available to customers requiring firm gas service.
50	Transportation Service	Tariffs available to customers who require only delivery service.
60	Riders, Riders necessary to	determine total amount of monthly bill to customers under special circumstances.
70	Gas Cost Recovery Riders	Riders necessary to determine total amount of monthly bill to all customers receiving gas service.
80	Miscellaneous	Miscellaneous periodic charges not reflected in standard service tariffs.

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\* To determine applicability, available tariff and Company's Service Regulations and other rules and regulations should be reviewed and discussed with the Company.

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Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
One-Hundred-Ninety-~~Fourth~~,  
Revised Sheet No. 10  
Cancelling and Superseding  
One-Hundred-Ninety-~~Third~~,  
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4580 Olympic Blvd.  
Erlanger, Kentucky 41018

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Gas Service

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Ky. P.S.C. Gas No. 2  
Second Revised Sheet No. 20  
Cancelling and Superseding  
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## SERVICE REGULATIONS

### SECTION I - SERVICE AGREEMENTS

#### 1. Application for Service.

When a prospective customer desires gas service, an oral application may be accepted by the Company. However, a written application may be required in special circumstances (e.g., the necessity of using special apparatus in providing the requested service).

#### 2. Customers' Right to Cancel Service Agreement or to Suspend Service.

Except as otherwise provided in the Service Agreement, Rate Schedules or elsewhere in these Service Regulations, Customer may give Company ten days notice of desire to cancel the Service Agreement whenever he no longer requires any gas service for the purposes mentioned in said Agreement. Company will accept such notice as a cancellation of the Service Agreement upon being satisfied that Customer no longer requires any such service.

#### 3. Company's Right to Cancel Service Agreement or to Suspend Service.

Company, in addition to all other legal remedies, shall terminate the Service Agreement, refuse or discontinue service to an applicant or customer, after proper notice for any of the following reasons:

- (a) Default or breach of these Service Regulations, after having made a reasonable effort to obtain customer compliance.
- (b) Non-payment of bills when due.
- (c) Theft, fraudulent representation or concealment in relation to the use of gas.
- (d) Use of gas, by the customer, in a manner detrimental to the service rendered others.
- (e) Upon the basis of a lawful order of the Kentucky Public Service Commission, the State of Kentucky or any governmental subdivision thereof having jurisdiction over the premise.
- (f) When a customer or applicant refuses or neglects to provide reasonable access to the premise.

When a dangerous condition is found to exist on the customer's or applicant's premises, the gas service shall be disconnected without notice, or application for service refused. The Company shall notify the customer or applicant within 24 hours of such action, in writing, of the reasons for the discontinuance or refusal of service and the corrective action to be taken by the applicant or customer before service can be restored.

If discontinuance is for non-payment of bills, the customer shall be given at least ten (10) days written notice, separate from the original bill, and cut-off shall be effected not less than twenty-seven (27) days after the mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the utility a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the termination date, in writing, of state and federal programs which

### SECTION I - SERVICE AGREEMENTS (Contd.)

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4580 Olympic Blvd.  
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Ky. P.S.C. Gas No. 2  
Second Revised Sheet No. 20  
Cancelling and Superseding  
First Revised Sheet No. 20  
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may be available to aid in payment of bills and the office to contact for such possible assistance.

Whenever a residential customer receiving both gas and electric service has received a termination of service notice, the customer shall be given the option to pay for and continue receipt of one utility service only. The Company shall offer extended payment arrangements for the service designated by the customer. If both the gas and electric service of a residential customer have been previously discontinued for non-payment, the Company shall reconnect either service upon payment by the customer of the total amount owed on the service designated by the customer to be reconnected, except as provided in 807 KAR 5:006, section 15, winter hardship reconnection.

#### 4. **Connection of Service.**

Except as provided in Section 15 of the Kentucky Public Service Commission's regulations, the Company shall reconnect existing service within twenty-four (24) hours, and shall install and connect new service within seventy-two (72) hours, when the cause for discontinuance or refusal of service has been corrected and the Company's tariffed rules and Commission's regulations have been met.

#### 5. **Change of Address of Customer.**

When Customer changes his address he should give notice thereof to Company prior to the date of change. Customer is responsible for all service supplied to the vacated premises until such notice has been received and Company has had a reasonable time, but not less than three (3) days, to discontinue service.

If Customer moves to an address at which he requires gas service for any purposes specified in his Service Agreement, and at which address Company has such service available under the same Rate Schedule, the notice is considered as Customer's request that Company transfer such service to the new address, but if Company does not have such service available at the new address the old Service Agreement is considered cancelled. If Company does have service available at the new address to which a different Rate Schedule applies, a new Service Agreement including the applicable Rate Schedule is offered to Customer. Company makes transfer of service as promptly as reasonably possible after receipt of notice.

#### 6. **Successors and Assigns.**

The benefits and obligations of the Service Agreement shall inure to and be binding upon the successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof; provided that no assignment hereof shall be made by Customer without first obtaining Company's written consent.

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Fourth Revised Sheet No. 21  
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SECTION II - SUPPLYING AND TAKING OF SERVICE

1. Character of Service.

The Company by its present franchise requirements has agreed to furnish natural gas of the kind and quality produced in the natural gas fields from which its supply is procured (subject, however, to the removal of oil and gasoline vapors); except as said natural gas may be supplemented with manufactured gas, provided, however, that the heat unit quality of the gas supplied by the Company will, at no time, be less than 800 British Thermal Units (B.T.U.) to the cubic foot, as furnished at the point of consumption.

At present the Company is distributing gas of approximately 1080 B.T.U. per cubic foot, at a pressure of 4 ounces, subject to tolerance allowed by the Kentucky Public Service Commission.

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2. Supplying of Service.

Service is supplied only under and pursuant to these Service Regulations and any modifications or additions hereto lawfully made, and such applicable Rate Schedules and Riders as may from time to time be lawfully fixed. Service is supplied under a given Rate Schedule only at such points of delivery as are adjacent to facilities of Company adequate and suitable, for the service desired; otherwise, special agreements between Customer and Company may be required.

Notwithstanding the provisions of 807 KAR 5:006, Section 15, Winter Hardship Reconnection to the contrary, service will not be supplied to any premises if at the time of application for service the applicant is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. Final Bills may be transferred regardless of whether they are for combination gas and electric or gas only or electric only charges. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a present or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

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3. Information Relative to Service.

Information relative to the service that will be supplied at a given location should be obtained from Company. Company will not be responsible for mistakes of any kind resulting from information given orally or over the telephone. Such information must be confirmed in writing.

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**SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)**

**4. Continuity of Service.**

The Company shall make reasonable provision to supply satisfactory and continuous service, but does not guarantee a constant or uninterrupted supply of gas and shall not be liable for any damage or claim of damage attributable to any interruption caused by unavoidable accident or casualty, extraordinary action of the elements, action of any governmental authority, litigation, or by any cause which the Company could not have reasonably foreseen and made provision against.

**5. Suspension of Service for Repairs and Changes.**

When necessary to make repairs to or changes in Company's plant, transmission or distribution system, or other property, Company may, without incurring any liability therefore, suspend service for such periods as may be reasonably necessary, and in such manner as not to inconvenience Customer unnecessarily.

**6. Use of Service.**

Service is supplied directly to Customer through Company's own meter and is to be used by Customer only for the purposes specified in and in accordance with the provisions of the Service Agreement and applicable Rate Schedule. Service is for Customer's use only and under no circumstances may Customer or Customer's agent or any other individual, association or corporation install meters for the purpose of reselling service supplied Customer to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

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Customer will not install pipes under a street, alley, lane, court or avenue or other public or private space in order to obtain service for adjacent property through one meter even though such adjacent property be owned by Customer. Consent may be given when such adjacent properties are operated as one integral unit under the same name and for carrying on parts of the same business.

In case of unauthorized remetering, sale, extension or other disposition of service, Company may immediately discontinue the supplying of service to Customer until such unauthorized act is discontinued and full payment is made for all service supplied or used, billed on proper classification and Rate Schedule, and reimbursement in full made to Company for all extra expenses incurred, including expenses for clerical work, testing and inspections.

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**7. Customer's Responsibility.**

Customer assumes all responsibility on Customer's side of the point of delivery (outlet side of the meter) for the service supplied or taken, as well as for the installation, appliances and apparatus used in connection therewith, and will save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on Customer's side of the point of delivery.

**SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)**

The customer's house lines, fittings, valve connections and appliance venting shall be installed with materials and workmanship which meet the reasonable requirements of the Company and shall be subject

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to inspection and test by the Company. The Company shall have no obligation to establish service until after such inspection and tests demonstrate compliance with such requirements of the Company with respect to the facilities as they exist at the time of the test.

8. **Right-of-Way.**

Customer is responsible for all conveyances to Company for all right-of-way satisfactory to it across the property owned or controlled by Customer for Company's mains or extensions thereof necessary or incidental to the supplying of service to Customer.

9. **Access to Premises.**

The properly authorized agents of the Company shall at all reasonable hours have free access to the premises for the purpose of inspecting the Customer's installation and of examining, repairing or removing the Company's meters, or other property, reading of meters and all other purposes incident to the supplying of service, and for such purpose the Customer authorizes and requests his landlord, if any, to permit such access to the premises.

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**SECTION III - CUSTOMER'S INSTALLATION**

**1. Nature and Use of Installation.**

All equipment in the premises or connecting the premises with Company's service, furnished by the Customer, shall be suitable for the purposes thereof, and shall be maintained by Customer at all times in conformity with the safety requirements of the accredited agency having jurisdiction and with the rules, regulations and requirements of Company in force from time to time.

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**2. Materials - Fittings - Tests.**

The piping and fittings for the distribution of gas after it has passed the meter, may be installed by any competent gas fitter employed by the customer or proprietor of the premises, subject, however, to the inspection and approval of the Company which requires an inspection and test of all such piping.

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An application for inspection and test must be made to the Company when the piping work has been completed, but prior to its concealment by plastering, flooring or other materials.

**3. Construction.**

All piping shall be installed in accordance with applicable building codes and the rules and regulations of the Company.

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**4. Changes in Installations.**

As Company's facilities used in supplying service to Customer have a limited capacity, Customer should give notice to Company, and obtain Company's consent, before making any material changes or increases in his installation. Company as promptly as possible after receipt of such notice will give its written approval to the proposed change or increase, or will advise Customer upon what conditions service can be supplied for such change or increase.

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**SECTION IV - COMPANY'S INSTALLATION**

**1. Installation and Maintenance.**

Except as otherwise provided in these Service Regulations, in Service Agreements or Rate Schedules, Company will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines or equipment, except meters and service regulators on Customer's side of the point of delivery without cost to Customer. Only Company's agents are authorized to connect Company's service to Customer's service piping.

**2. Gas Service Piping.**

The gas service pipe shall be installed by the Company from the Company's main in the street to the curb line at its own expense and from the curb line to the meter, including curb box and valve, at the Company's expense, subject to the Company's rules, regulations and existing prices, upon execution of an application and provided that an adequate distribution main exists in front of the Customer's building. The service piping from the curb to the meter, including street box and valve, installed at the expense of the Customer, shall be maintained at the expense of the Company. No connections or work of any kind shall be done on a gas main or service piping up to the outlet of the meter by anyone who is not a qualified agent or employee of the Company. The Company will assume ownership of customer service lines (curb to meter) following replacement, as well as in instances of new installations.

Only one gas service will be installed in any individual dwelling or building, except in cases where the building's units are sectionalized by acceptable fire separations such as firewalls, regardless of the number of customers to be served within.

The service pipe will be laid from the point of the gas supply connection location to the meter location approved by the Company. Should the distance between the curb and the Customer's building be in excess of 150 feet or involve other special conditions, a suitable meter location, approved by the Company, will be selected.

Service pipe can be installed in the same ditch as the electric, telephone, and cable television cable, providing the electric cable is in a conduit and the gas service pipe has six inches of separation from the cables. Any other utilities will not occupy the ditch with the service pipe, and a minimum of three feet will be maintained between gas service pipe and other utilities.

Service piping will end at the inlet connection of the meter which will be set at the point and entry of the service. If it is necessary to extend the service pipe beyond the point of entry, such exposed service piping in the building under flooring, through walls, coal bins, etc., shall be properly protected and the expense thereof borne by the customer.

In case of more than one building on a lot, a separate service will be run direct from the main to each building except in cases where the building nearest the Company's main extends the full width of the lot. In such cases the meter will be placed on the service in the nearest building and the customer must make his own extension to the other building.

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The Company shall install excess flow valves (EFV) for all new and renewed service piping installations for single family homes or other Customer service classifications as part of its standard installation and at the Company's expense where such EFV installation is required in accordance with regulations of the Federal Pipeline Hazardous Materials Safety Administration (PHMSA). For all other service piping installations that are not covered by PHMSA installation requirements, the Customer may request the installation of an EFV at the Customer's sole expense. The Company and Customer shall mutually agree upon the timing of such installation with regard to any necessary permitting that may be required. The Customer requesting the installation of an excess flow valve shall be responsible for the actual total cost of such installation and the Company shall provide Customer with a written estimated cost of such installation prior to performing the installation. A deposit of fifty-percent of the estimated cost of installation shall be required prior to the commencement of the installation. The balance of the actual cost of installation shall be due upon completion.

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The Company shall not be required to install an EFV if one or more of the following conditions is present:

- a. The service line does not operate at a pressure of 10 psig or greater throughout the year;
- b. Company has prior experience with contaminants in the gas stream that could interfere with the excess flow valve's operation or cause loss of service to a customer;
- c. The excess flow valve could interfere with necessary maintenance and operation activities; or,
- d. An excess flow valve meeting applicable performance standards is not commercially available.

3. Company's Property and Protection Thereof.

All meters and equipment furnished by and at the expense of Company, which may at any time be in said premises, shall, unless otherwise expressly provided herein, be and remain the property of Company, and Customer shall protect such property from loss or damage, and no one who is not an agent of Company shall be permitted to remove or handle same.

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SECTION V - METERING

1. Installation of Meters.

Gas will be measured by a meter or meters to be installed by Company upon Customer's premises at a point most convenient for Company's service, and upon the registration of said meters all bills will be calculated.

2. Meter Tests.

All meter tests shall be made in accordance with rules issued by the Kentucky Public Service Commission.

Upon written request by customer, the Company shall perform a meter test if the request is not made more frequently than once a year.

3. Monitoring of Customer Usage.

Each month the Company will monitor the usage of each customer according to the following procedure:

1. The customer's monthly usage is monitored through a "hi-lo" review process ~~that will incorporate customer past usage and other related information to provide an expected level of usage,~~
2. If there is a substantial difference between the actual and estimated usages, the account will be reviewed manually to determine the appropriate usage level.
3. Where the difference is not otherwise explained, the Company may obtain a special meter read to verify the accuracy of the previous usage.
4. Where the difference is still unexplainable after taking the special meter read, the Company may test the customer's meter to determine its accuracy.
5. The Company will notify the customer of the investigation, its findings, and any refund or back billing to be made, in accordance with 807 KAR 5:006, Section 10 (4) and (5).

In addition to the monthly monitoring, the Company will immediately investigate the usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

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**SECTION VI - BILLING AND PAYMENT**

**1. Billing Periods - Time and Place for Payment of Bills.**

Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Bills may be rendered by hand delivery, mail, electronically, or by any other reasonable means. Non-receipt of bills by Customer does not release or diminish the obligation of Customer with respect to payment thereof.

The word "month" as it pertains to the supply of service shall mean the period of approximately thirty days between meter readings, as fixed and made by Company. Meters are ordinarily read at monthly intervals but may be read more or less frequently at Company's option but no less than quarterly. Company shall have the right to establish billing districts for the purpose of reading meters and rendering bills to customers at various dates. A change or revision of any Rate Schedule shall be applicable to all bills on which the initial monthly meter reading is taken on or after the effective date of such change or revision, except as otherwise ordered by the Kentucky Public Service Commission.

Bills are due on the date indicated thereon as being the last date for payment of the net amount, or as otherwise agreed to, and bills are payable only at the Company's offices or authorized agencies for collection. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable. If a partial payment is made, the amount will be applied to items of indebtedness in the same order as they have accrued, except that any payment received shall first be applied to the bill for service rendered.

The Company may issue interim bills based on average normal usage instead of determining actual usage by reading the meter. Interim bills may also be used when access to Company's meter cannot be obtained or emergency conditions exist.

**2. Information on Customer Bills.**

Every bill rendered by the Company for metered service will clearly state:

- (a) The beginning and ending meter readings for the billing period and the dates thereof.
- (b) The amount of energy usage.
- (c) The amount due for the energy used, any adjustments, including assessed late payment charges, and the gross amount of the bill.
- (d) The rate code under which the customer is billed.
- (e) The date of the last day payment can be made without a late pay charge being assessed.
- (f) Any previous balance.
- (g) The address, phone number, and business hours of the Company.
- (h) The date of the next scheduled meter reading.
- (i) The date after which received payments are not reflected in the bill.
- (j) The type of service rendered (gas or electric).
- (k) The amount, and identification, of any tax or fee the Company is authorized either by state law or order of the Commission to collect.

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**SECTION VI - BILLING AND PAYMENT (Contd.)**

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3. Charge for Restoring Service for Non-Payment of Bill and Unlawful Use of Service.

Company may charge and collect in advance the sum as specified on Tariff Sheet "Charge For Reconnection of Service" for reconnecting a customer's service after service is disconnected because of non-payment of bill when due or when service is discontinued because of fraudulent use, except as may be provided by 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

4. Temporary Discontinuance of Service.

If any residential customer, because of absence or otherwise, shall notify Company in writing or by telephone to discontinue service, Company will make no minimum charge for any full meter reading period during the period of discontinuance; provided however, that Company may charge and collect the sum as specified on Tariff Sheet "Charge For Reconnection of Service" prior to reconnecting a service which was discontinued at customer's request within the preceding twelve months.

5. Availability of Budget Billing.

Company has available to its customers a "Budget Billing Plan" which minimizes billing amount fluctuations over a twelve month period. The Company may exercise discretion as to the availability of such a plan to a customer based on reasonable criteria, including but not limited to:

- (a) Customer's recent payment history.
- (b) The amount of the delinquent account.
- (c) Customer's payment performance in respect to any prior arrangements or plans.
- (d) Any other relevant factors concerning the circumstances of the customer including health and age.

If the customer fails to pay bills as rendered under the Budget Payment Plan, the Company reserves the right to revoke the plan, restore the customer to regular billing and require immediate payment of any deficiency.

Failure to receive a bill in no way exempts customer from the provisions of these terms and conditions.

Budget Billing Plan Description:

Annual Plan:

- The Annual Plan provides 11 months of equal payments by using 12 months of customer's usage, dividing the usage by 11, and using the result to calculate the bill.
- Month 12 is a settle-up month between the billed amounts and customer bills based on actual usage.
- A bill message is sent after 6 months with a suggested new bill amount if the budget bill amounts compared to the actual bill amounts exceeds a Company set threshold; however, Customer must contact Company to change the amount.
- The budget bill amount is changed as needed after the 12 month review.

Quarterly Plan:

- The Quarterly Plan provides 3 months of equal payments starting by using 12 months of customer's usage, dividing the usage by 12, and using the result to calculate the bill.

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Issued by Amy B. Spiller, President

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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

Ky. P.S.C. Gas No. 2  
~~Fourth~~, Revised Sheet No. 25  
Cancelling and Superseding  
~~Third~~, Revised Sheet No. 25  
Page 3 of 3

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- ~~However, to prevent a settle-up month, reviews occur after 3, 6, 9, and 12 months on the plan and continue every 3 months thereafter.~~
- ~~The budget bill amount is changed as needed after each review. The change is automatic and the customer does not need to contact Company.~~
- ~~A bill message is sent after each review with a new bill amount if the budget bill amounts compared to the actual bill amounts exceeds a Company set threshold.~~

#### 6. Partial Payment Plans.

The Company shall negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice according to the regulations governing failure to pay, except the Company shall not be required to negotiate a partial payment plan with a customer who is delinquent under a previous payment plan.

#### 7. Bill Format

The Company has included as Appendix A to these Service Regulations an example of the Company's customer bill format.

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Commission dated ~~\_\_\_\_~~, 2018, in ~~Case~~ No. ~~2018-00261~~,

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4580 Olympic Blvd.  
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KY. P.S.C. Gas No. 2  
~~Third~~ Revised Sheet No. 26  
Cancelling and Superseding  
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Page 1 of 1

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SECTION VII - DEPOSITS

1. Deposits.

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the customer's bill.

The deposit may be waived by the Company upon a customer's showing of satisfactory credit or payment history, and required residential service deposits will be returned after one (1) year if the customer has established a satisfactory payment record for that period; but commercial deposits will be retained during the entire time that the account remains active. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The Company may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

In determining whether a deposit will be required or waived, information such as the following may be considered:

1. Previous payment history with the Company. If the customer has no previous history with the Company, statements from other utilities, banks, etc. may be presented by the customer as evidence of good credit.
2. Whether the customer has filed bankruptcy proceedings within the last seven years.
3. Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

A security deposit will be required pursuant to 11 U.S.C. Section 366 in all bankruptcies where the Company is listed as a creditor.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

2. All Calculated Deposits.

Customer deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed two-twelfths (2/12) of the customer's actual or estimated annual bill

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KY. P.S.C. Gas No. 2  
~~Third~~ Revised Sheet No. 27  
Cancelling and Superseding  
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**SECTION VIII - APPLICATION**

1. Application of Service Regulations and Rate Schedules.

All Service Agreements at present in effect or that may be entered into in the future are made expressly subject to these Service Regulations and any modifications hereof that may be lawfully made, and subject to all applicable existing Rate Schedules and any lawfully made changes therein, substitutions therefor or additions thereto.

2. Agents Cannot Modify Agreement.

No agent has the right to amend, modify or alter the application rates, terms, conditions, rules, or regulations as filed with the Kentucky Public Service Commission, or to make any promise or representation not contained in the Company's schedules, supplements thereto and revisions thereof, lawfully filed with said Commission.

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Cancelling and Superseding  
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**SECTION IX - GAS SPACE HEATING REGULATIONS**

**1. Gas Space Heating Regulations.**

The Company shall not be required to supply gas for new or additional space heating equipment installed from and after the effective date hereof unless the consumer present or prospective, makes written application to the Company for such supply at a specific address and receives written approval from the Company therefor. An approval for the use of gas for space heating is not transferable from one premise to another except by written approval from the Company.

If any consumer fails to install gas-fired space heating equipment pursuant to said approval within one year from the date of issuance thereof fails to demonstrate to the Company's satisfaction before the expiration of said period that he intends to avail himself of the use of such gas under such approval with due diligence, the Company may cancel, nullify and void such approval.

The Company need not issue an approval for the utilization of gas for space heating purposes in a commercial or industrial building for new or additional heating equipment having a total rated input capacity in excess of 1,000,000 Btu per hour, unless the applicant shall install standby facilities having a capacity satisfactory to the Company and shall agree in writing with the Company to use such standby facilities and discontinue the use of gas for space heating when and for such periods of time as the Company may request. In the event the use of gas for space heating by such consumer is not promptly discontinued at the request of the Company, the latter, upon discovery thereof, is authorized to discontinue all gas service to such consumer until such time as the gas space heating equipment has been disconnected. Where such action is necessary on the part of the Company it may cancel, nullify and void such approval.

Should any consumer fail to comply with these gas space heating regulations, the Company, upon discovery thereof, and after giving ten days notice to such consumer, is authorized to disconnect his gas service until such time as these regulations are complied with.

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Cancelling and Superseding  
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SECTION X - AVAILABILITY OF GAS SERVICE

1. Gas Service to New Loads.

Mains shall be extended to customers in accordance with the currently effective tariff sheet entitled Rider X, Main Extension Policy, as contained within tariff Ky. P.S.C. Gas No. 2.

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KY. P.S.C. Gas No. 2  
One-Hundred-~~Eightieth~~,  
Revised Sheet No. 30  
Cancelling and Superseding  
One-Hundred-Seventy-~~Ninth~~,  
Revised Sheet No. 30  
Page 1 of 1

**RATE RS  
RESIDENTIAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
All gas is billed in units of 100 cubic feet (CCF).

1. Base Rate:

Customer Charge per month: \$17.50

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>
Plus a commodity Charge for					
all CCF at	\$0.48677	plus	\$0.4170	Equals	\$0.90377

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 62, Rider DSMR, Demand Side Management Rate

Sheet No. 65, Rider WNA, Weather Normalization Adjustment Rider

Sheet No. 70, Rider GCA, Gas Cost Adjustment Clause

The "Customer Charge" shown above shall be the minimum amount billed each month.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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¶ The "Customer Charge" shown above shall be the minimum amount billed each month. ¶

¶ The "Gas Cost Adjustment" as shown above is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff. ¶

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Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
One Hundred-~~Eightieth~~,  
Revised Sheet No. 31  
Cancelling and Superseding  
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Page 1 of 1

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**RATE GS  
GENERAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
All gas is billed in units of 100 cubic feet (CCF)

1. Base Rate:

Customer Charge per month: **\$50.00**

	Delivery Rate		Gas Cost Adjustment		Total Rate
Plus a Commodity Charge for all CCF at	\$0.28077	Plus	\$0.4170	Equals	\$0.69777

2. Applicable Riders

- The following riders are applicable pursuant to the specific terms contained within each rider:
- Sheet No. 62, Rider DSMR, Demand Side Management Rate
- Sheet No. 65, Rider WNA, Weather Normalization Adjustment Rider
- Sheet No. 70, Rider GCA, Gas Cost Adjustment Clause

The "Customer Charge" shown above shall be the minimum amount billed each month. When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

**TERM OF SERVICE**

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

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Sheet No. 62, Rider DSMR, Demand Side Management Rate for non-residential service

The "Customer Charge" shown above shall be the minimum amount billed per month.

The "Gas Cost Adjustment," as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 7C of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum bills or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

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KY.P.S.C. Gas No. 2  
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Cancelling and Superseding  
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RATE FRAS

FULL REQUIREMENTS AGGREGATION SERVICE

AVAILABILITY

This service is available to Suppliers delivering gas on a firm basis to the Company's city gate receipt points on behalf of customers receiving firm transportation service from the Company under Rate Schedule FT-L.

DEFINITIONS

"Aggregation Service" is a service provided by the Company that allows Suppliers to deliver to the Company, on a combined basis, those natural gas supplies that are needed to satisfy the full firm requirements of the one or more firm transportation customers that comprise the membership of the Supplier's pool, as defined below, all in accordance with the rules established by the Company regarding delivery requirements, banking, billing and payments, and Supplier performance requirements.

"Arrears" means an account that is at least 30 days past due and amounts to at least \$50.

"Commission" means the Kentucky Public Service Commission.

"Customer" means a recipient of transportation service provided by the Company under Rate FT-L that secures its gas supply from a Supplier.

"Gas Supply Aggregation/Customer Pooling Agreement" is an agreement between the Company and Supplier that defines the mutual responsibilities and obligations of those parties relative to the Aggregation Service provided under Rate FRAS.

"Operational Flow Order" (OFQ) is a directive issued by the Company via its electronic bulletin board ("EBB") requiring Suppliers to adjust their daily deliveries into the Company's system to either (1) match, (2) match or be less than, or (3) match or be more than their pool's actual daily measured usage for those customers receiving service under Rate FT-L, Rate IT and interruptible special contracts, or deliver at specified city gate receipt points as requested by the Company.

"Over-Deliveries" or "Positive Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the Pool customers during the period is less than the sum of the volumes made available by supplier for redelivery by the Company to the Pool during the same period.

"Pool" is a single customer or group of customers that have been joined together for supply management purposes, and that has a combined annual throughput of at least 30,000 Mcf. Supplier will have a one year period to build their annual pool throughput volume to the indicated level, after which they may be subject to removal from the Program for not having achieved a minimum participation level.

"Program" means the Company's firm transportation/supply aggregation program under Rate FT-L and Rate FRAS.

DEFINITIONS (Contd.)

"Supplier" is a marketer, supplier, broker, pool operator, producer, or other qualified business entity that has joined a group of the Company's firm transportation customers together for gas supply

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management purposes, meets the qualifications for a "Supplier" set forth in Rate FRAS, agrees to accept responsibility for the aggregate supply management requirements of the pool, and has executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company.

"Suppliers Daily Pool Delivery Obligation" is defined as the daily city\_gate delivery quantities determined by the actual measured usage of customers in Supplier's FT-L Pool adjusted for "unaccounted for" losses back to the Company's city\_gate stations, and then converted from volumetric to thermal quantities.

"Under-Deliveries" or "Negative Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the Pool customers during the period exceeds the sum of the volumes made available by supplier for redelivery by the Company to the Pool during the same period.

**AGGREGATION AGREEMENT**

Before commencing service hereunder, Supplier must have met the qualifications to act as a program supplier and must have executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company. Such agreement shall be for a minimum of two years and shall set forth the mutual obligations and responsibilities of both the Company and the Supplier relative to this aggregation customer pooling service.

The mutual benefits and obligations under the "Gas Supply Aggregation/Customer Pooling Agreement" and under this tariff begin when the Supplier commences to supply pool customers with gas supply service. Supplier's obligations under this tariff and referenced Agreement shall inure to, and be binding on its successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof. However, no agreement for service may be assigned or transferred without the written consent or approval of the Company, which shall not be unreasonably withheld.

**REQUIREMENTS FOR PARTICIPATION**

Each Supplier who applies to participate in the Company's Customer Aggregation/Firm Transportation Program will be evaluated to ensure that it possesses the financial resources, and sufficient experience, that will enable it to perform its responsibilities as a Supplier in the program. On the basis of this evaluation, a Supplier's participation may be limited to a level specified by the Company.

Suppliers not meeting the necessary credit level will be required to provide additional security in the form of a letter of credit, a cash deposit, and/or other appropriate guaranty in order to participate.

In order for the Company to perform its evaluation, Suppliers will be required to provide the following information:

1. Audited financial statements prepared within the last 12 months;
2. Most recent annual report, 10K or 10Q;
3. A listing of parent company and other affiliates;
4. Names, addresses, and telephone numbers of 3 trade references; and
5. Names, addresses, and telephone numbers of banking institution contacts.

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**REQUIREMENTS FOR PARTICIPATION (Contd.)**

In the event any of the above information is unavailable from a Supplier, the Company may permit the Supplier to provide other verifiable sources of financial information for that Supplier.

Financial evaluations will be based on standard credit factors such as previous customer history, financial and credit ratings, trade references, bank information, unused line of credit, and related financial information. The Company will determine Supplier's creditworthiness based on the above criteria, and it will not deny a Supplier's participation in the Program without reasonable cause. A fee of \$50.00 will be assessed to Supplier for each financial evaluation.

The Company may acquire information regarding Supplier's performance in other programs and other states in order to evaluate supplier's reputation and fitness for inclusion in the Company's Program.

The Company reserves the right to re-evaluate Suppliers' financial standing from time to time. Such re-evaluation may be initiated either by a request from the Supplier, or by the Company, if the Company reasonably believes that the creditworthiness of a Supplier may have changed or that the Supplier's participation level has exceeded the level for which the Supplier was previously approved. Based on such re-evaluation, a Supplier's amount of required financial security or approved participation level may be increased or decreased, or the Supplier may be removed from further participation in the Program.

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**SUPPLIER CODE OF CONDUCT**

Each Supplier participating in the Company's transportation programs must:

1. communicate to participating customers in clear, understandable terms the customer's rights and responsibilities. This communication must include (a) the Supplier's customer service address and local or toll-free telephone number; and (b) a statement describing the Supplier's dispute resolution procedures;
2. provide in writing pricing and payment terms that are clearly defined and understandable and that inform consumers whether the price that the customer will pay is inclusive or exclusive of applicable taxes, and Company approved tariff riders and surcharges;
3. refrain from engaging in communications or promotional practices which are fraudulent, deceptive, or misleading;
4. deliver gas to the Company on a firm basis on behalf of the Supplier's pool members in accordance with the requirements of the "Gas Supply Aggregation/Customer Pooling Agreement";
5. establish and maintain a creditworthy financial position that enables Supplier to indemnify the Company and the customers for costs incurred as a result of any failure by Supplier to deliver gas in accordance with the requirements of the program and to assure payment of any KyPSC-approved charges for any such failure;
6. refrain from requesting customer-specific billing, payment, and usage history without first having received the customer's approval to access such information.

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**SUPPLIER CODE OF CONDUCT (Contd.)**

Failure to fulfill any of these obligations shall be considered a violation of the Supplier's Code of Conduct.

**CONSEQUENCES OF SUPPLIER'S FAILURE TO PERFORM OR COMPLY**

If Supplier fails to deliver gas in accordance with the full service requirements of its Pool customers, the Company shall supply gas temporarily to the affected Pool customers and shall bill Supplier the higher of either (1) the fair market price for that period, or (2) the highest incremental cost of gas for that period that the Company actually paid for gas supplies, including transportation and all other applicable charges. The Company shall have the right to immediately and unilaterally invoke Supplier's letter of credit, parental guarantee or any other collateral posted by the Supplier in order to enforce recovery from supplier of the cost of these replacement supplies.

If Supplier fails to deliver gas in accordance with the requirements of the Company's "Gas Supply Aggregation/Customer Pooling Agreement," or otherwise fails to comply with the provisions of this tariff, including those specified in the "Supplier, Code of Conduct" section, the Company shall have the discretion to temporarily suspend or terminate such Supplier from further participation in the Program. If Supplier is suspended or terminated from the Company's Program, customers in the Supplier's Pool shall revert to the Company's sales service until said customers join another Supplier's Pool.

If the Company seeks to suspend or terminate a Supplier from further participation in the Company's Program, it shall first notify the Supplier of the alleged violations which merit suspension or termination. Such notice must be in writing and must be communicated to the Supplier at the contact information listed in the "Gas Supply Aggregation/Customer Pooling Agreement" at least five (5) business days prior to the effective date of the suspension or termination.

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**BILLING**

Customers receiving service under Rate FT-L will receive two bills as follows:

- (a) The Company bills and collects its portion of the bill. This billing includes charges for local delivery service and all applicable surcharges. In the event that a customer remits to the Company less than the amount included on the Company's bill, the customer shall be subject to the same late charges and disconnection procedures which would be applicable if the customer were receiving service as a Company sales customer.
- (b) Supplier will be responsible for billing and collecting its portion of the bill including any arrearages that are due from Supplier's own prior billings. To facilitate Supplier's billing, the Company will provide the Supplier with a listing of the monthly meter readings and usages of all those customers within Supplier's pool that have been billed by the Company. This billing data will correspond to the consumption data on which the Company based its bill for local delivery service. Supplier is responsible for providing gas supplies to all customers within its pool until the customers are returned to system supply or move to another pool in accordance with the procedures that have been developed for adding and deleting customers from a Supplier's pool.

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Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
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**UPSTREAM CAPACITY REQUIREMENTS**

Suppliers participating in the Company's firm transportation program must secure their own upstream pipeline capacity required to meet Supplier's Rate FT-L pool peak day requirements. Due to the physical configuration of the Company's system, and certain upstream interstate pipeline facilities, and to enable the Company to comply with lawful interstate pipeline tariffs and/or to maintain the Company's system integrity, the Company reserves the right to direct Supplier to proportionally deliver, with respect to the Systems' (the Duke Energy Ohio and Duke Energy Kentucky, Inc. integrated operating system) northern and southern interstate pipeline interconnects, the Supplier's daily pool requirements. In those instances where the pool operator delivers gas into the Duke Energy Ohio system and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky, Inc. for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky, Inc. for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate.

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The Company may make available to Suppliers, upstream interstate pipeline capacity. Suppliers accepting this capacity are subject to the terms and conditions of the tariffs of the pipeline companies on whose facilities such capacity is accepted. A Supplier who wishes to contract for released capacity must make a request for a period in excess of thirty days and agree to pay the full contract demand rate which the Company would otherwise pay for the released capacity, in order for supplier to be assured the assignment of such capacity. The Company shall not be obligated to provide requested capacity if it has no surplus capacity beyond the amount needed to supply its Gas Cost Adjustment customers.

**BALANCING REQUIREMENT**

Suppliers must deliver to the Company daily quantities of gas in accordance with the provisions of Rate IMBS.

Pool operators shall have access to Company offered services including balancing services, and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

Suppliers are subject to OFOs issued by the Company as described below. The Company may suspend from this program any Supplier which does not comply with an Operational Flow Order.

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**MEASUREMENT OF CONSUMED VOLUMES**

Monthly volumes billed to participating customers shall be considered actual volumes consumed, whether the meter reading is actual or calculated.

**OPERATIONAL FLOW ORDERS**

Suppliers are subject to the Company's issuance of Operational Flow Orders which will direct each Supplier to adjust scheduled daily delivery volumes to match the Customer Pool's metered FT-L usage.

Failure to comply with an OFO, which is defined as the difference between the daily OFO required delivery volume and actual daily deliveries, will result in the indicated action and/or billing of the following charges:

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**OPERATIONAL FLOW ORDERS (Contd.)**

**Under-deliveries**

- (1) the payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate;
- (2) one month's demand charges on the OFO shortfall. This charge shall not be imposed more frequently than once in any calendar month; and
- (3) the payment of all other charges incurred by Company including but not limited to pipeline penalty charges on the date of the OFO shortfall.

**Over-deliveries**

- (1) Over-deliveries will be cached out to the Supplier at the lowest cost of gas available to Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate; and,
- (2) Company shall bill and Supplier shall pay any charges incurred by Company including but not limited to pipeline penalty charges from the interstate pipelines for such excess deliveries, provided such penalties can be attributed to Supplier's over-deliveries.

**COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES**

In conducting its Program, the Company will adhere to the following Standards of Conduct for Marketing Affiliates:

- (1) Company must apply any tariff provision relating to transportation services in the same manner for the same or similarly situated persons if there is discretion that may be applied in the application of the provision.
- (2) Company must strictly enforce a tariff provision for which there is no discretion allowed in the application of the provision.
- (3) Company may not, through a tariff provision or otherwise, give any Supplier including its marketing affiliate or customers of any Supplier including its affiliate, preference over any other gas Suppliers or their customers in matters, rates, information, or charges relating to transportation service including, but not limited to, scheduling, balancing, metering, storage, standby service, or curtailment policy. For purposes of the Company's Program, any ancillary service provided by Company, e.g., billing and envelope service, that is not tariffed will be priced and made equally available to all.
- (4) Company must process all similar requests for transportation in the same manner and within the same approximate period of time.
- (5) Company shall not disclose to anyone other than a Company employee any information regarding an existing or proposed gas transportation arrangement, which Company receives from (i) a customer or Supplier, (ii) a potential customer or Supplier, (iii) any agent of such customer or potential customer, or (iv) a Supplier or other entity seeking to supply gas to a customer or potential customer, unless such customer, agent, or Supplier authorizes disclosure of such information.

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**COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)**

- (6) If a customer requests information about Suppliers, the Company must provide a list of all Suppliers operating on its system, but shall not endorse any Supplier nor indicate that any Supplier will receive a preference because of a corporate relationship.
- (7) Before making customer lists available to any Supplier, including any Company marketing affiliate, Company will post on its electronic bulletin board a notice of its intent to make such customer list available. The notice will describe the date the customer list will be made available, and the method by which the customer list will be made available to all Suppliers.
- (8) The Company will, to the extent practicable, separate the activities of its operating employees from its affiliate marketing employees in all areas where their failure to maintain independent operations may have the effect of harming customers or unfairly disadvantaging unaffiliated Suppliers.
- (9) Company must not condition or tie its agreements for gas supply or for the release of interstate pipeline capacity to any agreement by a gas supplier, customer or other third party in which its marketing affiliate is involved.
- (10) Company and its marketing affiliate must keep separate books of accounts and records.
- (11) Neither the Company nor its marketing affiliate personnel shall communicate to any customer, Supplier or third party the idea that any advantage might accrue for such customer, Supplier or third party in the use of Company's service as a result of that customer's, Supplier's or other third party's dealing with any Supplier including its marketing affiliate.
- (12) The Company's complaint procedure for resolving issues concerning compliance with these standards of conduct will operate as follows. All complaints, whether written or verbal, will be referred to the Company's designated attorney. The Company's designated attorney will orally acknowledge the complaint within five (5) working days of receipt. The complainant party shall prepare a written statement of the complaint which will contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and specific claim. The Company's designated attorney must communicate the results of the preliminary investigation to the complainant in writing within thirty (30) days after the complaint was received including a description of any course of action which was taken. He or she must keep a file with all such complaint statements for a period of not less than three years.
- (13) If the Company offers any Supplier, including its affiliate or a customer of any Supplier, including its affiliate a discount, or fee waiver for transportation services, balancing, meters or meter installation, storage, standby service or any other service offered to shippers, it must prospectively offer such discounts, rebates or fee waivers to all similarly situated non-affiliated suppliers or customers under similar terms and conditions.

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**COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)**

(14) The Company will not use its name and logo in its marketing affiliate's promotional material, unless the promotional material discloses in plain, legible or audible language, on the first page or at the first point where the Company's name and logo appear, that its marketing affiliate is not the same entity as the Company. The Company is also prohibited from participating in exclusive joint activities with any Supplier, including its affiliate, such as advertising, marketing, sales calls or joint proposals to any existing or potential customers.

**OTHER RULES AND REGULATIONS**

Except to the extent superseded herein, the Company's Rules and Regulations Governing the Distribution and Sale of Gas and such other Commission rules as are applicable shall apply to all gas transportation service provided hereunder.

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**RATE IT**

**INTERRUPTIBLE TRANSPORTATION SERVICE**

**APPLICABILITY**

Applicable to curtailable natural gas local delivery service and available to any customer who: (1) signs a contract with the Company for service under Rate IT; (2) utilizes a minimum of 10,000 CCF per month during the seven consecutive billing periods commencing with customer's first meter reading taken on or after April 1; (3) has arranged for the delivery of gas into the Company's system for customer's sole use at one point of delivery where distribution mains are adjacent to the premises to be served, and (4) has become a member of a pool under Rate AS and elected Interruptible Monthly Balancing Service under Rate IMBS. Any service provided hereunder shall be provided by displacement and on a "reasonable efforts" basis. The Company reserves the right to decline requests to initiate or continue such service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L.

This rate schedule shall not preclude the Company from entering into alternative special arrangements with Commission approval, which are designed to meet unique circumstances.

The service provided hereunder shall be interruptible local gas delivery service provided on a "reasonable efforts" basis from the Company's city\_gate receipt points to the outlet side of the meter used to serve Customer. The Company, to insure its ability to reliably supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L, shall have the right for operational purposes to designate the city\_gate receipt points where the customer's pool operator is required to deliver its gas.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
All gas consumed is billed in units of 100 cubic feet (CCF)

Administrative Charge per month:	\$430.00
Commodity Charge per CCF:	
Company will deliver the arranged-for gas, less shrinkage which is equal to the Company's system average unaccounted for percentage, at a rate per CCF of	\$0.10369 per CCF
except as specified in the "Alternate Fuels" provision;	

Plus balancing related charges pursuant to Rates IMBS if customer has elected to operate as its own pool operator for supply management purposes.

Plus the throughput charge under Rate IMBS, Interruptible Monthly Balancing Service.

**NET MONTHLY BILL (Contd.)**

Plus, if applicable, charges for unauthorized deliveries as described later in this tariff.

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**MINIMUM BILL**

The minimum monthly bill that customer shall receive shall be the monthly Administrative Charge shown above, and, in addition thereto during the seven (7) consecutive billing periods beginning in April, the 10,000 CCF volume minimum. If customer fails to take delivery of 10,000 CCF per month during the months of April through October, customer will be billed, in addition to the Administrative Charge, and charges for the delivered volumes, an amount equal to the difference between 10,000 CCF and the delivered volumes billed at Rate GS, including all applicable Riders.

**MINIMUM USAGE**

In the event that customer repeatedly and significantly fails to meet the seven (7) summer months minimum usage requirements of this tariff, Customer may, at the Company's option, be removed from this tariff and denied further service or may be switched to either Rate GS or FT-L.

**UNAUTHORIZED DELIVERIES**

In the event customer fails to interrupt transportation deliveries at Company's request, any excess deliveries through customer's meter will be considered unauthorized deliveries that are subject to the flow-through of pipeline penalty charges to the extent they are incurred by the Company, and in addition thereto, shall be paid for as specified under the "Charges For Unauthorized Deliveries" provision of this rate. The charges for such unauthorized deliveries shall be billed directly to the customer in lieu of its "pool operator", if applicable. However, Company shall not be precluded from physically discontinuing service to the customer, if the customer refuses to interrupt service when requested by the Company.

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**CHARGES FOR UNAUTHORIZED DELIVERIES**

Any customer taking unauthorized deliveries shall be billed: (1) an amount reflective of the general service delivery rate, Rate GS, Sheet No. 31; plus (2) the higher of (a) the expected gas cost component of the gas cost recovery rate, (b) the Company's highest cost gas plus one month's demand charges on the highest daily unauthorized volume (this charge shall not be imposed more frequently than once in any calendar month), or (c) the cost of operating the Company's propane peak shaving plant. In any event, customer shall reimburse the Company for any interstate pipeline penalty charges resulting from such unauthorized deliveries as well as the cost incurred to valve-off the customer's service if so required to effectuate compliance with the interruptible provisions of this rate.

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~~In the event that customer repeatedly and significantly fails to meet the seven (7) summer months minimum usage requirements of this tariff, Customer may at the Company's option be removed from this tariff and denied further service, or at the Company's option may be switched to either Rate GS or FT-L.¶~~

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**ALTERNATIVE FUELS**

The Company may, without prior Commission approval, charge a rate lower than that specified in the "Net Monthly Bill" provision, to meet competition from alternative fuels. The decision to charge a lower rate will be made on a case-by-case basis, supported by a statement in an affidavit from the customer that absent such lower rate, customer would utilize an alternative fuel source. The lower rate shall not be less than one-half the commodity rate specified in the "Net Monthly Bill" provision, plus all applicable riders and surcharges.

The Company may also charge customer who has requested flexible rate pricing a rate higher than that specified in the "Net Monthly Bill" provision if such rate remains competitive with the price of energy from customer's alternative fuel source. The higher rate shall not exceed 150 percent of the commodity rate specified in the "Net Monthly Bill" provision, plus applicable riders and surcharges.

**ALTERNATIVE FUELS (Contd.)**

Once a customer receives a flexible transportation rate, as described in the preceding paragraphs, the customer must continue to pay a flexible rate as determined by the Company for a period of three

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months. After three months, the customer may, upon written notification to the Company, apply for a flexible rate for another three months. Absent such notification, customer's rate will revert to the fixed rate established herein.

**ELECTION OF MONTHLY BALANCING OPTION**

A "pool" can be a single Rate IT customer acting on its own behalf, or a group of Rate IT customers who join, or are joined, together for purposes of gas supply management under this tariff. A "pool operator" has a contractual responsibility to manage the aggregated gas supply requirements of all of the Rate IT customers that comprise its pool. All supply management responsibilities of individual customers are transferred to the pool operator once a customer becomes a part of a pool, as the aggregated balancing requirements of all pool members are treated under this tariff as though they were a single customer with its own supply management responsibilities.

Monthly throughput charges under Rate IMBS shall be billed directly to the end-use customer. All other balancing charges and supply management charges, including "cash out" charges, penalties and other like charges billed under the provisions of Rate IMBS shall be billed directly to the pool operator, regardless of whether the pool operator is an individual customer acting as its own pool operator, or an aggregated customer's pool operator. For purposes of calculating these charges, the usage of all customers within a pool will be combined into a single pool usage number that will be matched against the pool operator's total deliveries to its IT pool.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5% is due and payable.

**TERMS AND CONDITIONS**

In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. As a pre-requisite for receiving service under this tariff, Customer will be responsible for installing and maintaining, at the Customer's expense, a dedicated 110v electrical service in a location suitable to provide electrical service for the Company's telemetering equipment, or such other equipment or utilities as may be necessary at customer's meter site. Customer shall also be responsible for the monthly charges for such other necessary equipment or utilities.

The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on a daily basis. Daily operational information shall include information on daily gas flows provided by Automated Meter Reading (AMR) equipment, telemetry, or any other means the Company has available to provide the customer, or its designated pool operator, with its best estimate of daily gas usage.

The customer shall enter into a written agreement with the Company. Such agreement shall set forth specific arrangements as to the transportation services provided and any other circumstances relating to the individual customer.

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Any customer taking unauthorized deliveries shall be billed an amount reflective of the general service rate, Rate GS, Sheet No. 31, including the expected gas cost component of the gas cost recovery rate or Company's highest cost gas, and one month's demand charges on the volume difference (this charge shall not be imposed more frequently than once in any 30 day period) and/or the cost of operating the Company's propane peak shaving plant, and/or, if so required to effectuate compliance with the interruptible provisions of this schedule, the cost incurred by the Company to valve-off the service. In any event, customer shall reimburse the Company for any interstate pipeline penalty charges resulting from such unauthorized deliveries.¶

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**TERMS AND CONDITIONS (Contd.)**

The Company's "reasonable efforts" basis is defined as the right, at any time, to curtail or interrupt the delivery or transportation of gas under this tariff when, in the judgment of the Company, such curtailment or interruption is necessary to enable the Company to maintain deliveries to higher priority customers or to respond to any emergency.

Customer acting as its own pool operator, or customer's designated pool operator/supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable the gas to be delivered into the Company's system.

Customer's pool operator must agree, upon request by Company, to produce, in a timely manner, proof of the purchase of the natural gas to be transported, any necessary regulatory approvals, and any and all transportation arrangements with all interstate pipelines, intrastate pipelines, or others involved in transporting the pool's gas supplies.

The Company will not be liable for any costs and/or penalties charged by pipelines, or suppliers, because of pool operator's over- or under-deliveries into the pipeline, or pool customers' failure to take deliveries through the Company's meters that, in the aggregate, match the amount of gas transported by the pool operator to Company's city gate.

In order to qualify for Rate IT service, customers who satisfy the definition of human needs and public welfare customers must purchase standby service, or have alternative fuel capability, or have a combination thereof sufficient to maintain minimal operations.

A human needs and public welfare customer is a customer whose facilities are used for residential dwelling on either a permanent or temporary basis; commercial customers of a residential nature; other customers whose service locations are places of the kind where the element of human welfare is the predominant factor; and civil and governmental customers whose facilities are required in the performance of protecting and preserving the public health, safety, and welfare. Such facilities shall include, but are not limited to, houses, apartment buildings, correctional institutions, hospitals, nursing homes, and charitable institutions.

The primary term of contract shall be one (1) year. After completion of the primary term, such contract shall continue month to month unless cancelled by either party by giving thirty (30) days written notice. In the event customer re-applies for service under this tariff within one year from the date that this contract was terminated at customer's request, customer shall pay the minimum monthly bill charges specified in the Minimum Bill provision of this tariff for the number of months customer's service was inactive.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_, 2018, in Case No. 2018-00261.

Issued: August 31, 2018

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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
~~Third~~ Revised Sheet No. 51  
Cancelling and Superseding  
~~Second~~ Revised Sheet No. 51  
Page 1 of 4

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RATE FT - L

FIRM TRANSPORTATION SERVICE

AVAILABILITY

Service under this rate schedule is available to any customer who: (1) enters into a written agreement with the Company; and (2) has arranged for delivery of gas into the Company's system for the customer's use at one point of delivery where distribution mains are adjacent to the premise to be served. Service provided hereunder shall be by displacement. This is a firm full requirements large volume transportation service, which is provided from the Company's city gate receipt points to the outlet side of Company's meter used to serve the customer. This service is available within the Company's entire service territory to serve the firm service requirements of non-residential customers who use more than 20,000 CCF per year, and the firm service requirements of customers receiving firm service in combination with service under Rate IT,, except for those customers whose utility service accounts are past due at the time customer desires to utilize this service, or whose accounts fall into arrears, as defined in Rate FRAS, after choosing this service.

For customers whose accounts fall into arrears after choosing this service, the customer will be returned to the Company's sales service effective with the customer's next scheduled meter reading, and will be ineligible to choose this transportation service until all arrears are paid in full. For customers receiving service under this tariff, the written agreement between the Supplier and the customer may be terminated by supplier for non-payment of the customer's gas commodity portion of the bill if the account is at least 30 days past due. The Supplier shall give the Company and the customer no less than 30 days written notice that the customer will be switched from the Supplier and revert to the Company's sales service unless the past due amount is paid by the customer's next scheduled bill due date. If the past due amount is paid by the next scheduled bill due date, the customer will not revert to the Company's sales service but will remain with the Supplier. Customer must enter into a "pooling" agreement with a Supplier from a list of approved gas pool operators that have signed both a "Large Volume Customer Transportation Pooling Agreement" and a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company. Such suppliers must arrange for the delivery of gas into Company's system in accordance with Rate FRAS.

Customers who believe that they will significantly increase throughput, from their historic firm service levels, shall so inform the Company.

DEFINITIONS

Terms used in this tariff are defined in the same manner as set forth in Rate FRAS, Sheet No. 44.

CHANGES IN CUSTOMERS' SERVICE ELECTIONS

Customers who elect service under this tariff and later return to Company's sales service may do so only in accordance with the requirements of the Company's tariffs and applicable regulations of the Kentucky Public Service Commission. If a customer voluntarily elects to return to the Company's sales service, all incremental gas procurement, upstream transportation, and storage costs incurred by Company in order to return customer to sales service may, as determined by the Company, have to be borne by customer.

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KY.P.S.C. Gas No. 2  
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**NET MONTHLY BILL**

The Net Monthly Bill shall be determined in accordance with the following rates and charges:

Administrative Charge per Month: \$430.00

The Administration Charge hereunder will be waived when this service is used in combination with the service provided under Sheet No. 50, Rate IT, Interruptible Transportation Service.

Plus a charge for each CCF of gas transported for customer from Company's city gate measuring stations to the outlet side of Company's meter used to measure deliveries to customer at: \$0.23319 per CCF

Plus the throughput charge under Sheet No. 58, Rate IMBS, Interruptible Monthly Balancing Service.

Plus all transported gas shall be subject to an adjustment per CCF as set forth on: Sheet No. 77, Rider GCAT, Gas Cost Adjustment Transition Rider, except as provided thereon.

Plus, or minus, rate adjustments which may occur as a result of changes in the rates of interstate pipelines, or of rulings of the Kentucky Public Service Commission and/or the Federal Energy Regulatory Commission, and for which it is determined that all customers should be allocated some portion of the corresponding costs or refunds.

Customer and/or its Suppliers shall be responsible for the payment and collection of excise taxes, sales taxes, revenue taxes, or similar taxes on the gas supplies that customer purchases from its Supplier.

**MINIMUM BILL**

The monthly minimum bill shall be the Administrative Charge as shown above.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5% is due and payable.

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KY.P.S.C. Gas No. 2  
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Page 3 of 4

**GENERAL TERMS AND CONDITIONS**

1. Remote Metering

In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. As a pre-requisite for receiving service under this tariff, Customer will be responsible for installing and maintaining, at the customer's expense, a dedicated 110v electrical service in a location suitable to provide electrical service for the Company's telemetering equipment, or such other equipment or utilities as may be necessary at customer's meter site. Customer shall also be responsible for the monthly charges for such other necessary equipment or utilities.

The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on a daily basis. Daily operational information shall include information on daily gas flows provided by Automated Meter Reading (AMR) equipment, telemetry, or any other means the Company has available to provide the customer, or its designated pool operator, with its best estimate of daily gas usage.

2. Approved Supplier List

Company shall maintain a list of approved Suppliers from which customer can choose. Such list will include Suppliers who have signed a Gas Supply Aggregation/Customer Pooling Agreement in which Supplier has agreed to participate in and provide gas supplies to Rate FT-L pools, and abide by Company's requirements for its pooling program. This list shall be available to any customer upon request.

3. Applications and Service Date

A customer who desires service under this tariff shall apply through its chosen Supplier. Customer must also enter into a written agreement with the Company, as such agreement shall set forth specific arrangements as to the transportation services provided, and any other circumstances relating to the individual customer. Unless the Company determines that the customer is not eligible to become a transportation customer of the Supplier, the Company shall exercise its reasonable efforts to transfer the customer to the Supplier's pool on the customer's next regularly scheduled meter reading date after a dedicated electrical service, and automated meter reading equipment is installed and operative.

A customer, who terminates service under this tariff and returns to sales service, or who changes Suppliers, shall through its supplier provide Company with written or electronic notice. Requests so received shall normally be honored on customer's next regularly scheduled meter reading date. In the event that a customer is returned to sales service for non-payment, the Supplier shall provide the Company with notice of termination and shall comply with any notice requirements of the Suppliers' Code of Conduct set forth in Rate FRAS, Sheet No. 44.

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KY.P.S.C. Gas No. 2  
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Page 4 of 4

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**GENERAL TERMS AND CONDITIONS (Contd.)**

4. Access to Usage History and Current Billing Information

The "Customer Pooling Agreement," used to initiate requests for service under this tariff, shall authorize customer's Supplier to receive customer's usage, billing, and payment history from the Company, to act on customer's behalf in making billing/usage inquiries, and in exchanging current billing information with Company, including notices of commencement or termination of service by either party.

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5. Service Term

Except customers returned for non-payment or for good cause shown, the primary term of contract shall be a minimum of one (1) year. Customers may not elect to move to or from the Company's sales service and transportation service, or between rate schedules during this twelve month primary term. In addition, such movements will require thirty days advance notice to the Company and the Company's specific authorization if such movements are to occur during the winter period, November through March. After completion of the primary term, such contract shall continue unless cancelled by either party upon thirty (30) days written notice

6. Regulatory Approvals

Customer's Supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable gas to be delivered to the Company's system.

**CURTAILMENT OF SERVICE**

In times of system emergencies, the Company may curtail service under this rate schedule in order to maintain service to human needs customers and customers receiving service under Rates RS, GS and in accordance with curtailment procedures on file with, and approved by, the Kentucky Public Service Commission. In the event customer fails to comply with the Company's direction to curtail, the Company reserves the right to physically discontinue service to the customer. Company shall not be liable in damages or otherwise to customer for any loss of production, other claim, or any consequences occasioned by customer as a result of such curtailment or because of the lack of advance notice to customer of such curtailment.

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**SERVICE REGULATIONS**

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Duke Energy Kentucky, Inc.  
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KY.P.S.C. Gas No. 2  
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Cancelling and Superseding  
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Page 1 of 1

RATE SSIT

SPARK SPREAD INTERRUPTIBLE TRANSPORTATION RATE

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Witness Responsible: Bruce Sailors

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
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KY.P.S.C. Gas No. 2  
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Cancelling and Superseding  
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Page 1 of 2

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RATE AS

AGGREGATION SERVICE FOR INTERRUPTIBLE GAS TRANSPORTATION

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AVAILABILITY

Pooling service available to (1) customers receiving interruptible gas transportation service under Rate IT and special contract interruptible customers who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT and special contract interruptible customers to manage gas supplies on their behalf and as a part of an aggregated customer pool. For purposes of administering this tariff, the usages of all customers within a pool will be combined into a single pool usage number, which will be matched against the pool operator's total deliveries to its Rate IT and special contract interruptible transportation pool.

CHARACTER OF SERVICE

Customers must elect whether they will operate as their own pool operator or choose a pool operator from a list of approved gas pool operators that have signed a "Large Volume Customer Transportation Pooling Agreement" with the Company. Such elections will be assumed to carryover from month to month unless the customer or pool operator notifies the Company of a change at least ten (10) days prior to the start of a new month. In such agreements, the pool operator accepts the responsibility for meeting the aggregated daily and monthly gas delivery requirements of those large volume Rate IT and special contract interruptible transportation customers that comprise their customer pool. Included among the aggregated gas supply and delivery obligations assumed by designated pool operators are requirements for responding to operational flow orders ("OFOs"), monthly balancing requirements, monthly "cash outs," Duke Energy Ohio to Duke Energy Kentucky, Inc. delivery charges, and the payment of penalty charges exclusive of those arising from customers' failure to interrupt or curtail deliveries when ordered to do so by the Company.

Pool operators shall have access to Company-offered services including balancing services, and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

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POOL OPERATOR REQUIREMENTS

Customers will not be permitted to join pools, nor shall pool operators be permitted to disband their pools, until all outstanding imbalances with the Company have been settled or eliminated.

NET MONTHLY BILL

The Net Monthly Bill shall be rendered to the pool operator by the tenth day of the calendar month for services rendered during the preceding month, and shall consist of the following charges, or credits, calculated on an aggregated basis for the entire customer pool:

1. In those instances where gas supplies are purchased from or sold to the Company under the monthly "cash-out" provision of Rate IMBS, the Company shall bill pool operator for the cost of such "cash-outs" based on the aggregated imbalance of the pool and the "cash-out" pricing provisions of that tariff schedule.

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NET MONTHLY BILL (Contd.)

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Cancelling and Superseding  
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Page 2 of 2

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- 2. In those instances where the pool operator has failed to fully respond to OFOs, pool operator will be billed unauthorized overrun/underrun charges, in addition to the flow-through of penalty charges from pipelines and gas suppliers that can be attributed to pool operator's failure to fully respond.
- 3. In those instances where the pool operator delivers gas into the Duke Energy Ohio pipeline system and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky, Inc. for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky, Inc. for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate.

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**LATE PAYMENT CHARGES**

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable.

**TERMS AND CONDITIONS**

Pool operators must enter into written service agreements with the Company. Such service agreements shall set forth specific covenants and obligations undertaken by the Company and pool operators under this tariff on behalf of the customers that they serve.

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**SERVICE REGULATIONS**

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KY.P.S.C. Gas No. 2  
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Cancelling and Superseding  
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**RATE GTS**

**GAS TRADING SERVICE**

**AVAILABILITY**

Daily/monthly inter-pool imbalance trading services, available to (1) customers receiving interruptible gas transportation service under Rate IT or under special contract arrangements, who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT, special contract arrangements, or Rate FT-L customers to manage their gas supplies on their behalf and as a part of an aggregated customer pool.

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**CHARACTER OF SERVICE**

The Company will operate an electronic bulletin board (EBB) through which eligible pool operators can notice offers of gas supplies for purchase, sale, or trade.

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Daily imbalance trades or transfers must be completed within two (2) business days from the date that the trade or transfer applies. Monthly imbalance trades or transfers must be completed within two (2) business days following the end of the month.

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- A) the pool operator's name.¶
- B) contact person and telephone number.¶
- C) quantities of gas available for purchase, sale or trade.¶
- D) other general text trade terms.¶

Transactions will be completed when the pool operator(s) on both sides of a transaction key their acceptance into the EBB. When that occurs, all other would-be acceptors of the offer are locked out. The Company will adjust the daily/monthly accounts of both parties to a transaction in order to record the volume transfer embodied in the transaction. Any dollar payments, receipts, or exchanges of other consideration agreed upon between the parties to a transaction are outside the scope of this tariff and must be completed between the parties themselves.

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**BILLING**

The Company will bill the receiving party to a transfer under this tariff a \$5.00 fee for each transaction. For purposes of this tariff, a transaction is each transfer of gas supplies from one pool to another on a specific gas day pursuant to an arrangement by, or between, pool operators to purchase, sell, or trade gas supplies. For purposes of this tariff, the receiving party of a transfer is the purchaser or the party to whom gas supplies are transferred on a specific gas day.

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Cancelling and Superseding  
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RATE IMBS

INTERRUPTIBLE MONTHLY BALANCING SERVICE

AVAILABILITY

Interruptible monthly gas balancing service available (1) to customers receiving service under Rate FT-L, Rate IT and special contract interruptible transportation agreements who are acting as their own pool operator for supply management purposes, and (2) to pool operators designated by Rate FT-L, Rate IT and special contract interruptible transportation customers to manage their gas supplies on their behalf, and as a part of an aggregated customer pool. For purposes of this tariff, a pool operator shall aggregate the requirements of all of its pools' member customers and thereafter such aggregated pool shall be treated as a single customer for supply management purposes.

CHARACTER OF SERVICE

The service provided under this tariff is a "reasonable efforts," interruptible gas balancing service that requires a general obligation by the pool operator to balance daily pool usage with pool deliveries into the Company's city gate stations. No daily imbalance charges or penalties will be levied on the pool operators, except when Operational Flow Orders (OFO) have been issued. However, pool operators are under an ongoing obligation to work with the Company in a good faith manner to respond to both formal and informal system management requests, to strive to maintain relatively close daily balances, and to closely track their daily loads throughout the month. For purposes of this tariff, an OFO is as defined in Rate FRAS, Sheet No. 44. OFOs will be issued on an ongoing basis for pool operators who disregard their obligation to provide gas supplies in quantities that reasonably match their daily loads. OFOs shall be issued for operational reasons only. In the event a pool operator violates this tariff or the aggregation agreement, the Company may assess such a violator for all direct incremental gas supply, capacity, storage or penalty costs incurred due to the violation. In addition, if the violations are part of a pattern of non-compliance, or of a magnitude that merits additional action be taken, the Company may take steps to suspend or permanently remove a pool operator from participation upon notice. The Company shall have the right to limit or terminate the availability of this service to pool operators guilty of excessive abuse of the system; i.e., engaging in extreme and/or continued violations of the tariff terms and conditions including this general balancing requirement. For purposes of administering this tariff, the daily and monthly usage of all customers within an individual pool will be combined into single daily/monthly pool usage number, which will be matched against the pool operator's total daily/monthly deliveries to its individual transportation pool.

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SERVICE DESCRIPTION

Transportation customers who avail themselves of the service under this rate schedule must conform to the monthly imbalance carry over tolerance level shown below.

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Issued: August 31, 2018  
Effective: October 1, 2018  
Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

Ky.P.S.C. Gas No. 2  
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SERVICE DESCRIPTION (Contd.)

	Allowed Monthly Under-Run %	Allowed Seasonal Monthly Over-Run		Charge on All Throughput
		May Through November %	December Through April %	
<del>All Pools</del>	0	8	10	\$0,1097 per Mcf

Pool operators shall be held to a monthly balancing requirement within the monthly imbalance carry over tolerance level. Pool operators shall be subject to a general obligation to balance pool requirements and deliveries on a daily basis unless an OFO has been issued.

On days when OFOs have been issued, any net imbalances may result in unauthorized overrun/underrun charges or penalty charges being levied against the responsible pool operator. Such charges shall be calculated in accordance with the "Net Monthly Bill" provision of this rate. In order to minimize daily imbalance charges and penalties on OFO days, as well as end of month imbalance "cash-outs," pool operators are encouraged to participate in the Company's inter-pool imbalance trading/transfer service. Daily imbalance trades/transfers made through the Company's EBB must be completed within two (2) business days from the date that the trade or transfer applies. Monthly imbalance trades to comply with the monthly balancing requirements of Rate IMBS must be completed within two (2) business days following the end of the month.

NET MONTHLY BILL

Net monthly imbalances will be calculated for billing purposes as the net of:

- a) actual deliveries, as adjusted for unaccounted for losses,
- b) plus or minus imbalance trades,
- c) plus or minus unauthorized daily or monthly OFO overrun/underrun volumes,
- d) plus monthly imbalance carryover,
- e) minus actual metered usage on an aggregated pool basis,

The Net Monthly Imbalance percentage will be determined by dividing the net monthly imbalance as measured at the burner tip by the aggregated pool usage for the month.

Pool operators receiving balancing services under this rate schedule shall be subject to the following charges:

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NET MONTHLY BILL (Contd.)

(1) Unauthorized overrun/underrun charges as described above and resulting from pool operator's failure to comply with daily Operational Flow Orders except as provided above, as follows:

(a) Over-deliveries

(i) over-deliveries will be cashed out to the pool operator at the lowest cost of gas available to the Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate; and

(ii) the payment of all other charges incurred by Company including but not limited to pipeline penalty charges on the date of the OFO shortfall.

(b) Under-deliveries

(i) the payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate;

(ii) one month's demand charges on the OFO shortfall. This charge shall not be imposed more frequently than once in any calendar month; and

(iii) the payment of all other charges incurred by Company including but not limited to pipeline penalty charges on the date of the OFO shortfall.

(2) End of month "cash-out" charges for volumes over/under-delivered outside of pool operator's selected option tolerance levels, as follows:

(a) Over-deliveries are defined as monthly deliveries into the Company's city<sub>g</sub>ate stations, plus the prior month's carryover volumes that exceed the pool's aggregated metered usage for the month as adjusted for shrinkage back to the city<sub>g</sub>ate, and as adjusted for the pool's elected monthly carry over tolerance percentage. Over-deliveries beyond the pool's elected monthly carry over tolerance percentage shall be cashed out to the pool operator at the first of the month index published in *Inside F.E.R.C. Gas Market Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Mainline Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city<sub>g</sub>ate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the volumes delivered in excess of the elected monthly carry over tolerance percentage, as measured at the burner tip.

(b) Under-deliveries are defined as monthly deliveries into the Company's city<sub>g</sub>ate stations, plus the prior month's carryover volumes, that are less than the pool's aggregated metered usage for the month, as adjusted for shrinkage back to the city<sub>g</sub>ate. Under deliveries shall be cashed out at the first of the month index published in *Inside F.E.R.C. Gas Market Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Mainline Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city<sub>g</sub>gate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the under-delivered volumes, as measured at the burner tip.

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**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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## RATE DGS

### DISTRIBUTED GENERATION SERVICE

#### AVAILABILITY

Available in the Company's entire service territory to customers who enter into a service agreement that identifies, among other provisions, facilities that are required to serve distributed generation installations. The facilities contemplated hereunder include, but are not limited to, the equipment necessary to accommodate non-standard system pressure. The Company reserves the right to decline requests to initiate or continue service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rates RS, GS, and FT-L.

#### CHARACTER OF SERVICE

The service provided under this tariff schedule is firm, on-demand, delivery service.

#### NET MONTHLY BILL

In addition to the provisions of the applicable firm transportation tariff, the following monthly charges shall apply for billing purposes.

##### Administrative Charge

A charge of \$25.00 per month shall be assessed for each account to which this service applies.

##### Monthly Capacity Reservation Charge

The customer shall pay, except when the installation is operating according to the service agreement, a monthly amount equal to the level of contract capacity stated in the service agreement, times the capacity reservation charge per CCF. The level of contract capacity is the customer's estimate of the maximum hourly load in CCF that the installation will require when operating as intended. The capacity reservation charge equals the delivery charge stated in the applicable firm transportation service tariff. The minimum monthly capacity reservation charge shall be \$2.00 per installation.

##### Facilities Charge

The customer shall pay the amount specified in the service agreement.

##### Delivery Charge

All deliveries, as determined by the Company, shall be billed under the provisions of the applicable firm transportation service tariff.

#### LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly bill, which is the Net Monthly Bill plus five percent (5%), is due and payable.

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### TERMS AND CONDITIONS

The customer shall enter into a written service agreement with the Company which specifies the type of service(s) required, operational requirements, the facilities necessary to accommodate the type of service, and the level of capacity required by customer. The customer and the Company will mutually agree upon the level of contract capacity.

An additional meter shall be installed to separately measure the service hereunder.

The cost of facilities, as described in the service agreement, shall be paid by the customer.

The customer shall have contracted for such interstate pipeline services, including, but not limited to, firm transportation and no-notice delivery services, that are sufficient to satisfy the installation's planned operating schedule.

Changes in the level of contract capacity may be requested annually by the customer, on the anniversary date of the service agreement. Such requests shall be made at least thirty (30) days in advance of the anniversary date.

The term of contract shall be five years.

### SERVICE REGULATIONS

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## RIDER X

### MAIN EXTENSION POLICY

#### AVAILABILITY

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

#### APPLICABILITY

Applicable to gas service supplied in accordance with provisions of the appropriate rate currently in effect, from the nearest available distribution main when it is necessary to extend such main.

#### EXTENSION PLAN

1. Normal Extensions. An extension of one hundred (100) feet or less shall be made by the Company to an existing distribution main without charge for a prospective customer who shall apply for and contract to use service for one year or more.
2. Other Extensions. When an extension of the Company's main to serve an applicant amounts to more than one hundred (100) feet per customer, the Company may require the total cost of the excess footage in excess of one hundred (100) feet per customer to be deposited with the Company by the applicant based on the estimated cost per foot for main extensions.

The applicant will be reimbursed under the following plan:

- (i) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer, who paid for the excess footage, the cost of one hundred (100) feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed, but in no case shall the total amount refunded, including the amount determined under paragraph (ii), exceed the amount paid to the Company.
- (ii) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer who paid for the excess footage, an amount reflecting the positive impact of a subsequent connection or extension, by analyzing the estimated cost and corresponding revenues resulting from the subsequent connection or extension. This amount will be paid when the first customer is connected to the subsequent connection or extension.
- (iii) If a customer contribution is necessary using the Normal Extension method noted in (1) above, and the extension is between 100 and 2,000 feet in length, the Company will perform a net present value (NPV) analysis based upon the total construction costs for the entire length of the extension, and not just the costs of the extension in excess of 100 feet. The NPV analysis will take into account all volumetric base distribution revenues and fixed monthly charge revenues to be received from the customer. The NPV analysis will use the discount rate applicable per the most recent rate case and assume a term of no less than twenty (20)

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consecutive years. If the NPV calculation is positive or zero, the customer will not be charged for the construction costs. If the NPV calculation is negative, the customer must deposit with the Company an amount equal to the results of the NPV calculation, prior to construction taking place. Any such deposit shall be eligible for a refund consistent with the terms and conditions of the main extension contract entered into between the Company and the customer. Further, the customer must continue to receive gas service from the Company at the same service installation or premises in order to be eligible for a refund. Refunds shall not exceed the amount of the deposit and shall be limited to a period of ten (10) consecutive years following the effective date of the main extension contract.

For large commercial and industrial customers with process load, the Company may require a minimum customer usage commitment for a defined period or term not to exceed six (6) years.

3. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the applicant, who paid for the extension, a sum equivalent to the cost of one hundred (100) feet of the extension installed for each additional customer connected during the year, but in no case shall the total amount refunded over the ten (10) year period exceed the amount paid to the Company. There shall be no refunds after the end of the said ten (10) year period.
4. Nothing contained herein shall be construed to prohibit the Company from making extensions under different arrangements provided such arrangements have been approved by the Kentucky Public Service Commission.
5. Nothing contained herein shall be construed as to prohibit the Company from making, at its expense, greater extensions than herein prescribed, should its judgment so dictate, provided like free extensions are made to other customers under similar conditions.
6. Upon complaint to and investigation by the Kentucky Public Service Commission, the Company may be required to construct extensions greater than one hundred (100) feet upon a finding by the Commission that such extension is reasonable.

### **SERVICE REGULATIONS**

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## RIDER DSM

### DEMAND SIDE MANAGEMENT COST RECOVERY RIDER

#### APPLICABILITY

Applicable to service rendered under the provisions of Rates RS (residential class), GS, and FT (non-residential class).

#### CHARGES

The monthly amount computed under each of the rate schedules to which this rider is applicable shall be increased or decreased by the DSM Charge at a rate per hundred cubic feet (CCF) of monthly consumption in accordance with the following formula:

$$\text{DSM Charge} = \text{PC} + \text{LR} + \text{PI} + \text{BA}$$

Where: **PC = DSM PROGRAM COST RECOVERY.** For each twelve month period, the PC shall include all expected costs for demand-side management programs which have been approved by a collaborative process. Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the PC. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated avoided pipeline capacity and commodity costs resulting from each program.

The PC applicable to the residential class shall be determined by dividing the cost of approved programs allocated or assigned to the residential class by the expected CCF throughput for the upcoming twelve-month period. Similarly, the cost of approved programs assigned to the non-residential class shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PC applicable to the non-residential rate class.

**LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY.** Revenues from lost throughput due to DSM programs will be recovered through the decoupling of revenues from actual throughput of the residential class. At the end of each twelve-month period after implementation of the DSM Charge, the non-variable revenue requirement (total revenue requirement less variable costs) for the residential class for Duke Energy Kentucky, Inc.'s most recent twelve month period will be adjusted to reflect changes in the number of customers and the usage per customer as follows: (1) the non-variable revenue requirement will be multiplied by the

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### CHARGES (Cont'd)

factor obtained by dividing the twelve month average number of customers at the end of the current twelve-month period by the twelve month average number of residential customers at the end of the twelve-month period ending December 1994, and (2) the non-variable revenue requirement will be multiplied by a factor "F<sub>g</sub>" calculated by the following formula:

#### LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY. (Contd.)

$$F_g = (1 + g)^{n/12}$$

Where: g = Growth factor - recalculated annually based on the most recent eleven years of actual customer data. Initially "g" shall be set at -0.0156; and  
n = the number of months from December 1994 to the end of the current twelve-month period.

At the end of each twelve-month period after implementation of the DSM Charge, the difference between the actual non-variable revenue billed during the twelve-month period and the adjusted non-variable revenue requirement, as described above, will be determined. This difference ("LR amount established for the twelve-month period") will be divided by the estimated CCF throughput for the upcoming twelve-month period to determine the LR for the residential class.

The LR applicable to the non-residential class shall be computed by 1) multiplying the amount of CCF throughput that will be lost for each twelve-month period as a result of the implementation of the approved programs times the CCF throughput charge for the applicable rate schedule, less the variable cost included in the charge; and, 2) dividing that product by the expected CCF throughput for the upcoming twelve-month period. The lost revenue attributable to decreased throughput to the non-residential class due to approved programs will be calculated through estimates agreed upon by the collaborative process, which may include engineering estimates, of the level of decreased throughput. Recovery of revenues from decreased throughput calculated for a twelve-month period for non-residential rate classes shall be included in the LR until terminated by the implementation of new rates pursuant to a general rate case. Revenues from such decreased throughput will be assigned for recovery purposes to the rate classes whose programs resulted in the decreased throughput.

**PI = DSM PROGRAM INCENTIVE RECOVERY.** The DSM Program Incentive (PI) amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent. Net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of Duke Energy Kentucky, Inc.'s avoided gas costs over the expected life of the program, and will include both capacity and

### CHARGES (Cont'd)

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commodity savings. The DSM incentive amount related to programs for the residential class shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. The PI amount related to programs for the non-residential class rates shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

**BA = DSM BALANCE ADJUSTMENT.** The BA is used to reconcile the difference between the amount of revenues actually billed through the respective DSM Charge components; namely, the PC, LR, and PI and previous BA, and the revenues which should have been billed, as follows:

- (1) For the PC, the balance adjustment amount will equal the difference between the amount billed in a twelve-month period from the application of the PC unit charge and the actual cost of the approved programs during the same twelve-month period.
- (2) For the LR applicable to the residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from the application of the LR unit charge and the LR amount established for the same twelve-month period.

For the LR applicable to the non-residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the LR unit charge and the amount of lost revenues determined for the actual DSM program, or measures implemented during the twelve-month period.

- (3) For the PI, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the PI unit charge and the incentive amount determined for the actual DSM program, or measures implemented during the twelve-month period.
- (4) For the BA, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the BA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined above shall include interest. The interest applied to the monthly amounts, shall be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of balance adjustment amounts shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the BA. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over or under-recoveries of DSM amounts were realized.

### **CHARGES (Cont'd)**

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All costs recovered through the DSM Charge will be assigned or allocated to Duke Energy Kentucky, Inc.'s electric or gas customers on the basis of the estimated net electric or gas resource savings resulting from each program.

#### **DSM CHARGE FILINGS**

The filing of modifications to the DSM Charge shall be made at least thirty days prior to the beginning of the effective period for billing. Each filing will include the following information as needed:

- (1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.
- (2) A statement setting forth the detailed calculation of each component of the DSM Charge.

Each change in the DSM Charge shall be applied to customers' bills with the first billing cycle of the revenue month which coincides with, or is subsequent to, the effective date of such change.

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**RIDER DSMR**

**DEMAND SIDE MANAGEMENT RATE**

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 61 of this Tariff.

The DSMR to be applied to residential customer bills is \$(0.039792) per hundred cubic feet.

(R)

A Home Energy Assistance Program (HEA) charge of \$0.10 will be applied monthly to residential customer bills through December 2020.

The DSMR to be applied to non-residential service customer bills is \$0.00 per hundred cubic feet.

Issued by authority of an Order by the Kentucky Public Service  
Commission dated February 14, 2018 in Case No. 2017-00427.

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Issued: February 21, 2018

Effective: February 14, 2018

Issued by James P. Henning, President /s/ James P. Henning

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

Ky. P.S.C. Gas No. 2  
~~Third~~ Revised Sheet No. 63  
Cancelling and Superseding  
~~Second~~ Revised Sheet No. 63  
Page 1 of 1

ACCELERATED SERVICE REPLACEMENT PROGRAM RIDER,  
RIDER ASRP

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APPLICABILITY¶  
Applicable to all customers receiving service  
under the Company's sales and transportation  
rate schedules.¶  
¶~~

~~CALCULATION OF ACCELERATED  
SERVICE REPLACEMENT RIDER  
REVENUE REQUIREMENT¶  
The ASRP Rider revenue requirement  
includes the following:¶  
ASRP-related Plant In-Service not included in  
base gas rates minus the associated ASRP-  
related accumulated depreciation and  
accumulated deferred income taxes;¶  
Retirement and removal of plant related to  
ASRP construction;¶  
The rate of return on the net rate base is the  
overall rate of return on capital, using the  
capital structure and debt rates from the most  
recent base gas rate case and using a 9.7%  
ROE, grossed up for federal and state income  
taxes;¶  
Depreciation expense on the ASRP-related  
Plant In-Service less retirements and  
removals;¶  
Property taxes related to ASRP and;¶  
Operation and Maintenance Costs for  
reconnaissance and relocation of meters.¶  
¶  
ACCELERATED SERVICE REPLACEMENT  
PROGRAM FACTORS¶  
All customers receiving service under Rate R  
and Rate GS shall be assessed a separate~~

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Issued by authority of an Order of the Kentucky Public Service  
Commission dated ~~\_\_\_\_\_~~, 201~~8~~, in Case No. 2018-00261,  
Issued: ~~August 31~~, 2018  
Effective: ~~October 1~~, 2018  
Issued by ~~Amy B. Spiller~~, President /s/ ~~Amy B. Spiller~~



**RIDER WNA  
WEATHER NORMALIZATION ADJUSTMENT RIDER**

**APPLICABILITY**

Applicable to all customers receiving service under Rate RS, Residential Service, and Rate GS, General Service.

**DETERMINATION OF WNA**

The distribution charge per Ccf for gas service as set forth in Rates RS and GS shall be adjusted by an amount herein under described as the Weather Normalization Adjustment (WNA).

The WNA shall apply to all Rate RS and Rate GS bills during the November through April billing periods. The WNA shall increase or decrease accordingly by month. The WNA will not be billed during the billing periods of May through October. Customer base loads and heating sensitivity factors will be determined by rate class and adopted from the most recent order of the Kentucky Public Service Commission (KYPSC) approving such factors to be used in the application of this Rider.

The WNA shall be computed by rate class using the following formula:

$$WNA_i = R_i * \frac{(HSF_i * (NDD - ADD))}{(BL_i + (HSF_i * ADD))}$$

Where:

- i = A rate schedule or billing classification within a rate schedule
- $WNA_i$  = Weather Normalization Adjustment Factor for the ith rate schedule or classification expressed as a rate per Ccf.
- $R_i$  = Weighted average rate (distribution charge) of temperature sensitive sales for the ith schedule or classification.
- $HSF_i$  = Heat sensitivity factor for ith rate schedule or classification.
- NDD = Normal billing cycle heating degree days (based upon Company's 30-year normal period adopted from the most recent order of the KYPSC approving such normal for use in the application of this Rider.
- ADD = Actual billing cycle heating degree days.
- $BL_i$  = Base load for the ith rate schedule or classification.

Issued by authority of an Order of the Kentucky Public Service  
Commission dated \_\_\_\_\_, 201 in Case No. 2018-00261.

Issued: August 31, 2018

Effective: October 1, 2018

Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
 4580 Olympic Blvd.  
 Erlanger, Kentucky 41018

## GAS COST ADJUSTMENT CLAUSE

### APPLICABILITY

The charge to each customer for the cost of gas shall be the appropriate Gas Cost Adjustment Rate applied to the customer's monthly consumption. This charge is applicable to all Company sales that are under the jurisdiction of the Kentucky Public Service Commission (Commission).

### DETERMINATION OF GCA

The Company, unless otherwise ordered by the Commission, shall file a monthly report with the Commission which shall contain an updated gas cost adjustment rate (GCA) and shall be filed at least twenty (20) days prior to the beginning of the billing period in accordance with an Order in Case No. 2006-00144.

The GCA is comprised of:

- (1) The expected gas cost component (EGC) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which represents the average cost of gas supplies including propane. Estimated monthly net charge offs on a dollar per Mcf basis, rounded to the nearest 0.1 cent, will be added to the EGC.
- (2) The supplier refund adjustment (RA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which reflects refunds received during the reporting period plus interest at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period, less 1/2 of 1 percent to cover the cost of refunding.
- (3) The actual adjustment (AA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any previous over or under collections of gas cost experienced and net charge offs by the Company through the operation of this gas cost recovery procedure.
- (4) The balance adjustment (BA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any over or under collections which have occurred as a result of prior adjustments.

### HEDGING PLAN

In accordance with the approved hedging plan, Duke Energy Kentucky, Inc., will utilize fixed price contracts without cost averaging and no-cost collars for gas purchases within the range of volumes defined in the plan for up to eighteen (18) months from the time of the transaction. On or before each May 15, the Company shall file a report of its hedging activities for the twelve (12) months ended the previous March 31 that also identifies all existing hedging arrangements for future purchases.

### BILLING

The gas cost recovery rate to be applied to the customers' bills shall equal the sum of the following components:

$$\text{GCA} = \text{EGC} + \text{RA} + \text{AA} + \text{BA}$$

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Issued: August 31, 2018

Effective: October 1, 2018

Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

## DEFINITIONS

For purposes of this tariff:

- (A) "Average Cost" means the cost of gas supplies, including associated transportation and storage charges and propane, which results from the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the three (3) month period, on purchased volumes during the twelve month period ending with the reporting period, divided by the corresponding sales volume. This includes the cost of all gas supplies acquired through hedging instruments, including the cost of the hedging instruments themselves, acquired under a hedging plan approved by the Commission and under the terms and conditions of this tariff.
- (B) "GCA" means the sum of the expected gas cost component plus the supplier refund adjustment plus the actual adjustment plus the balancing adjustment; i.e.,  $GCA = EGC + RA + AA + BA$ .
- (C) "Billing period" means each of the four three-month periods of (1) December, January, and February; (2) March, April, and May; (3) June, July, and August; (4) September, October, and November.
- (D) "Reporting Period" means the three (3) month accounting period that ended approximately fifty-five days prior to the filing date of the updated gas cost adjustment rates.

Issued by authority of an Order of the Kentucky Public Service

Commission dated \_\_\_\_\_, 201\_ in Case No. 2018-00261.

Issued: August 31, 2018

Effective: October 1, 2018

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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
Sixty-~~Second~~ Revised Sheet No. 77  
Cancelling and Superseding  
Sixty-~~First~~ Revised Sheet No. 77  
Page 1 of 1

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RIDER GCAT

GAS COST ADJUSTMENT TRANSITION RIDER

APPLICABILITY

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

GCA TRANSITION RIDER

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be \$0.02400 per 100 cubic feet. This rate shall be in effect during the month of June 2018 through August 2018 and shall be updated quarterly, concurrent with the Company's GCA filings.

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Issued: August 31, 2018  
Effective: October 1, 2018  
Issued by Amy B. Spiller, President

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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
~~Third~~ Revised Sheet No. 80  
Cancelling and Superseding  
~~Second~~ Revised Sheet No. 80  
Page 1 of 1

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**BAD CHECK CHARGE**

**APPLICABILITY**

Applicable to all customers in the Company's gas service area.

**CHARGE**

The Company may charge and collect a fee of \$11.00 to cover the cost of handling an unsecured check, where a customer tenders in payment of an account a check which upon deposit by the Company is returned as unpaid by the bank for any reason.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order by the Kentucky Public Service Commission dated       , 201  , in Case No. 2018-00261.

Issued: August 31, 2018.

Effective: October 1, 2018.

Issued by Amy B. Spiller, President

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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
~~Third~~ Revised Sheet No. 81  
Cancelling and Superseding  
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Page 1 of 1

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**CHARGE FOR RECONNECTION OF SERVICE**

**APPLICABILITY**

Applicable to all customers in the Company's entire service area who are in violation of Rule 3, Company's Right to Cancel Service Agreement or to Suspend Service, of the Company's Gas Service Regulations.

**CHARGE**

The Company may charge and collect in advance the following:

- A. The reconnection charge for service which has been disconnected due to enforcement of Rule 3 shall be ~~seventy-five dollars (\$75.00)~~.
- B. The reconnection charge for service which has been disconnected within the preceding twelve months at the request of the customer shall be ~~seventy-five dollars (\$75.00)~~.
- C. If service is discontinued because of fraudulent use thereof, the Company may charge and collect in addition to the reconnection charge of ~~seventy-five dollars (\$75.00)~~ the expense incurred by the Company by reason of such fraudulent use, plus an estimated bill for gas used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at one time, the total charge ~~is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.~~

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**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Issued: ~~August 31, 2018~~

Effective: ~~October 1, 2018~~

Issued by ~~Amy B. Spiller~~, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
~~Third~~ Revised Sheet No. 82  
Cancelling and Superseding  
~~Second~~ Revised Sheet No. 82  
Page 1 of 1

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**LOCAL FRANCHISE FEE**

**APPLICABLE TO ALL RATE SCHEDULES**

There shall be added to the customer's bill, listed as a separate item, an amount equal to the fee now or hereafter imposed by local legislative authorities, whether by ordinance, franchise or other means, which fee is based on the gross receipts collected by the Company from the sale of gas to customers within the boundaries of the particular legislative authority. Such amount shall be added exclusively to bills of customers receiving service within the territorial limits of the authority imposing the fee.

Where the local legislative authority imposes a flat, fixed amount on the Company, the fee applied to the bills of customers receiving service within the territorial boundaries of that authority, shall be in the form of a flat dollar amount.

Where more than one such fee is imposed, each of the charges applicable to each customer shall be added to the customer's bill and listed separately.

The amount of such fee added to the customer's bill shall be determined in accordance with the terms of the ordinance, franchise or other directive agreed to be the Company.

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Commission dated \_\_\_\_\_, 201\_, in Case No. 2018-00261,

Issued: ~~August 31, 2018,~~

Effective: ~~October 1, 2018,~~

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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
~~Third~~ Revised Sheet No. 83  
Cancelling and Superseding  
~~Second~~ Revised Sheet No. 83  
Page 1 of 4

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**CURTAILMENT PLAN FOR  
MANAGEMENT OF  
AVAILABLE GAS SUPPLIES**

**AVAILABILITY**

Available in entire territory to which tariff Ky.P.S.C. Gas No. ~~2~~ applies.

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**APPLICABILITY**

In the event of an emergency which necessitates curtailment of gas service, Duke Energy Kentucky, Inc. shall curtail gas service to its customers in the manner set forth herein, except where the Public Service Commission of Kentucky (Commission) or other authority having jurisdiction in the matter orders otherwise.

**DEFINITIONS**

Special Gas Service Contract Customers:

A customer who purchases gas, off-peak and firm, under a Special Gas Service Contract. Such a customer shall not qualify as a Domestic or Non-Domestic Customer.

Domestic Customers:

Customers which use gas in private homes, boarding houses, apartment houses, hotels, motels, restaurants, food processors, hospitals and places of like kind where the element of human welfare is the predominating requirement.

Non-Domestic Customers:

All other customers not defined as Domestic Customers or Special Gas Service Contract Customers.

Winter Period:

The consecutive customer billing months of November and December, of one year and the months of January, February and March in the next year.

Summer Period:

The consecutive customer billing months of April, May, June, July, August, September and October.

Winter Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of January, February, March, November and December of 1972.

Summer Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of April, May, June, July, August, September and October of 1972.

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**DEFINITIONS (Contd.)**

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Commission dated ~~\_\_\_\_~~, 201~~1~~, in Case No. 2018-00261,

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Effective: ~~October 1~~, 2018,

Issued by ~~Amy B. Spiller~~, President

Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2  
~~Third~~ Revised Sheet No. 83  
Cancelling and Superseding  
~~Second~~ Revised Sheet No. 83  
Page 2 of 4

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Adjusted Winter Volumetric Limitation:

A Non-Domestic Customer's winter base volumetric limitation for the gas usage during a winter period as adjusted from time to time by Duke Energy Kentucky, Inc. to reflect pro rata curtailment.

Adjusted Summer Volumetric Limitation:

A Non-Domestic Customer's summer base volumetric limitation for the gas usage during the summer period as adjusted from time to time by Duke Energy Kentucky, Inc. to reflect pro rata curtailment.

**ORDER OF CURTAILMENT**

- (1) The Special Gas Service Contract Customer will be curtailed to the extent of its off-peak usage limitation noted in the customer's contract whenever:
  - (a) Duke Energy Kentucky, Inc. cannot supply the Special Gas Service Contract customer its full requirements in excess of such customer's Contract Demand without incurring penalties under tariffs of Duke Energy Kentucky, Inc.'s supplier, or without having to purchase additional volumes of gas at premium rates, or without Duke Energy Kentucky, Inc. operating its peak load manufacturing facilities.
  - (b) Duke Energy Kentucky, Inc.'s supplier curtails delivery and as a result Duke Energy Kentucky, Inc. determines that it cannot supply the total requirements of its customers.

The off-peak gas of the Special Gas Service Contract Customer shall be fully curtailed before curtailment is imposed upon other customers; however, since all the contracted for firm gas is considered necessary for plant protection, it will not be curtailed prior to other customer curtailment.

- (2) Where additional curtailment is necessary after full curtailment of the off-peak of the Special Gas Service Contract Customers, Duke Energy Kentucky, Inc. shall, after giving reasonable notice, curtail those Non-Domestic Customers which use 50,000 cubic feet or more of gas per day on a pro rata basis by adjusting their Winter and/or Summer Base Volumetric Limitations downward to the extent necessary to limit the total usage to the gas supply available to Duke Energy Kentucky, Inc.. The resulting volumes will be the Non-Domestic Customer's adjusted Winter and/or Summer Volumetric Limitation. For plant protection the adjusted Winter and Summer Volumetric Limitations shall not be less than 20% of the respective Winter and Summer Base Volumetric Limitation. A Non-Domestic Customer consuming over 50,000 cubic feet or more of gas per day and having more than one metering location may, upon mutual agreement with Duke Energy Kentucky, Inc., combine his adjusted Volumetric Limitation at one or more locations only for curtailment purposes. Such customer must notify Duke Energy Kentucky, Inc. in writing and receive Duke Energy Kentucky, Inc.'s written consent of the accounts to be effected and the volumes to be combined.

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**ORDER OF CURTAILMENT (Cont'd.)**

Issued by authority of an Order of the Kentucky Public Service  
Commission dated     , 201  , in Case No. 2018-00261,  
Issued: August 31, 2018,  
Effective: October 1, 2018,  
Issued by Amy B. Spiller, President

Duke Energy Kentucky, Inc.  
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KY.P.S.C. Gas No. 2  
~~Third~~ Revised Sheet No. 83  
Cancelling and Superseding  
~~Second~~ Revised Sheet No. 83  
Page 3 of 4

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- (3) Where additional curtailment of gas service is necessary, after curtailment in curtailment with paragraph (2) above, then gas service to Non-Domestic Customers using under 50,000 cubic feet of gas per day shall be curtailed on a pro rata basis in the same manner provided in the above paragraph (2).
- (4) Where additional curtailment is necessary the Domestic Customer will then be curtailed on a pro rata basis.

**CARRY-OVER AND ADJUSTMENT OF BASE VOLUMETRIC LIMITATION**

No carry-over of volumes will be permitted from the Winter to Summer Period or from the Summer to Winter Period. In the establishment of the Winter and Summer Base Volumetric Limitations a customer may request an investigation as to the proper maximum volumes so determined. If such investigation discloses that the volumetric limitations do not reasonably reflect the normal usage of his equipment that was connected in 1972 or authorized by Duke Energy Kentucky, Inc. to be installed at a later date, such limitation will be adjusted accordingly. Such request must be made within 60 days of the approval of this curtailment plan and absent such a request the Base Volumetric Limitations will not be subject to any increase.

**PENALTIES**

Special Gas Service Contract Customers will be subject to penalties as set forth in their contract. As to the Non-Domestic Customers, after the end of the Winter Period and Summer Period the actual gas usage of each Non-Domestic Customer for the period during which curtailment was required shall be compared respectively to the Adjusted Winter and Summer Volumetric Limitations, and in addition to the Non-Domestic Customer's regular monthly bill, a penalty shall be charged if such usage exceeds the respective Adjusted Winter or Summer Volumetric Limitation. The penalty amount will be based on the same penalty rate applicable to Duke Energy Kentucky, Inc. from its sold supplier of natural gas, the Columbia Gas Transmission Corporation. As of June 1, 1975 the penalty as stated in the Columbia Gas Transmission Corporation's FPC filed tariff is ten dollars (\$10.00) for each 1,000 cubic feet overrun.

**ACTION FOR EXCESSIVE USAGE**

During periods of curtailment, where it appears to Duke Energy Kentucky, Inc. through its procedure of monitoring monthly usage of Non-Domestic Customers being curtailed, that a Non-Domestic Customer's usage will significantly exceed his adjusted Winter or Summer Volumetric Limitation, Duke Energy Kentucky, Inc. will give such customer notice to cease such excessive usage and, in the event such customer does not cease, Duke Energy Kentucky, Inc. may disconnect gas service to such customer.

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**PENALTY REFUND**

Penalties collected from Duke Energy Kentucky, Inc.'s customers will be added to the refunds received from Duke Energy Kentucky, Inc.'s supplier and held for redistribution and shall be refunded to all customers in

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KY.P.S.C. Gas No. 2  
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Cancelling and Superseding  
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Page 4 of 4

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accordance with Duke Energy Kentucky, Inc.'s gas cost adjustment provision. If Duke Energy Kentucky, Inc. incurred penalties from its supplier as a result of volumetric overruns, the amount of such penalties shall be subtracted from the total penalties collected by Duke Energy Kentucky, Inc. from its customers to determine the amount of penalties to be refunded.

**BILLING OF PENALTIES**

Penalties, as provided above, shall be reflected in the customers service bill for the Winter Period on the May bill and for the Summer Period on the December bill. Five percent (5%) will be added to the penalty amount if not paid on or before fourteen (14) calendar days after mailing date of the bill.

**EMERGENCIES**

In the event of a short-term emergency situation where immediate deliveries of additional gas are needed to prevent irreparable injury to life or property of an existing customer, Duke Energy Kentucky, Inc. shall, at its option, have the right to deliver additional volumes of gas to meet such emergency needs in excess of any limited volumes specified herein, without imposition of penalties where the emergency volumes are repaid by reduction of future gas purchases by the customer within ninety (90) days after termination of the emergency period.

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**EXEMPTION**

No exemptions from this Plan, other than emergency deliveries, as defined above, shall be granted except by Order of the Commission, directly through its duly designated Staff, or other authority having jurisdiction in this matter.

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**AMENDMENT, MODIFICATION OR CLARIFICATION**

Due to governmental order or rapid changes in gas supply it may be necessary to amend, modify or clarify this Curtailment Plan. This Plan may be so amended, modified or clarified by filing a Motion with the Commission.

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**AVAILABILITY OF THE PLAN**

Copies of this Plan, together with the address and telephone number of the Commission shall be kept at each business office of Duke Energy Kentucky, Inc. and shall be made available to any customer upon request.

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Issued: August 31, 2018  
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Duke Energy Kentucky, Inc.  
4580 Olympic Blvd.  
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KY.P.S.C. Gas No. 2  
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Cancelling and Superseding  
~~First Revised~~ Sheet No. 84  
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**RATE MPS  
METER PULSE SERVICE**

**APPLICABILITY**

Applicable to customers that request the Company to install gas meter pulse equipment, which is a meter related service not otherwise provided by the Company.

**DESCRIPTION OF SERVICE AND SPECIFICATIONS**

The service provided is an electronic pulse output, representing a pre-determined natural gas volume. The volume will vary at different meter installations, and will thus be communicated to the customer at the time of installation. Pressure and temperature correcting factors may need to be applied by the customer.

The pulse supplied does not represent rate of flow, only total volume and should not be used for control purposes. The end-use customer is responsible for providing power and communication links to the meter pulse equipment per the Company's specifications.

Customer must provide either a regulated 24 volts DC, or 120 volts AC, an area 2' x 2', 20' away from any gas pipeline flanges or gas pressure relief devices. The Company will supply a dry contact to their energy Management software.

A failure of the pulse initiator will not be detected by Company on any routine meter reading or during other operations. Therefore, customer will be required to recognize and report any problems with the pulse system, and Company shall not be responsible for incorrect data, or subsequent customer actions based upon the data.

**TYPE OF CHARGES**

Installation of Meter Pulse Equipment: **\$550.00**  
If replacement of Meter Index is necessary, additional charge of: **\$560.00**

If replacement of the Gas Meter is necessary, charges will be determined based on then current prices for purchase and installation of applicable replacement meter.

If the Company is required to make additional visits to the meter site due to the inability to gain access to the meter location or the necessary Communication Link has not been installed, or the Communication Link is not working properly, the Company may charge the customer for any additional trip to the meter site at the per visit rate of: **\$60.00**

In addition, the Company shall charge for the cost of any incremental equipment necessary to complete the pulsers installation.

**SERVICE REGULATIONS**

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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Issued by authority of an Order of the Kentucky Public Service Commission dated       , 201  , in Case No. 2018-00261.

Issued: August 31, 2018,  
Effective: October 1, 2018,  
Issued by Amy B. Spiller, President

Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

SECTION M

SECTION M

REVENUES AT PRESENT AND PROPOSED RATES

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended November 30, 2018

Forecasted Period: Twelve Months Ended March 31, 2020

Schedules

M	Revenues at Present and Proposed Rates
M-2.1	Base Period Revenues at Average Rates
M-2.2	Revenues at Current Rates
M-2.3	Revenues at Proposed Rates

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
REVENUES AT PRESENT AND PROPOSED RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M  
PAGE 1 OF 1  
WITNESS:  
B. L. Sailors

INCLUDES ALL RIDERS

LINE NO.	RATE CLASSIFICATION (A)	REVENUE AT PRESENT RATES (B) (\$)	REVENUE AT PROPOSED RATES (C) (\$)	REVENUE CHANGE (AMOUNT) (D=C-B) (\$)	% OF REVENUE CHANGE (E=D / B)
1	<b><u>SALES SERVICE:</u></b>				
2	RS RESIDENTIAL	69,229,603	76,107,514	6,877,911	9.93%
3	<b>TOTAL RS</b>	<u>69,229,603</u>	<u>76,107,514</u>	<u>6,877,911</u>	9.93%
4	GS COMMERCIAL	24,424,341	26,833,737	2,409,396	9.86%
5	GS INDUSTRIAL	1,697,567	1,879,392	181,825	10.71%
6	GS OTHER PUB AUTH	2,503,626	2,768,238	264,612	10.57%
7	<b>TOTAL GS</b>	<u>28,625,534</u>	<u>31,481,367</u>	<u>2,855,833</u>	9.98%
8	<b>TOTAL SALES SERVICE</b>	<u>97,855,137</u>	<u>107,588,881</u>	<u>9,733,744</u>	9.95%
9	<b><u>TRANSPORTATION:</u></b>				
10	FT-L	4,578,767	5,967,221	1,388,454	30.32%
11	IT	1,584,688	1,713,870	129,182	8.15%
12	<b>TOTAL TRANSPORTATION</b>	<u>6,163,455</u>	<u>7,681,091</u>	<u>1,517,636</u>	24.62%
13	<b>TOTAL THROUGHPUT</b>	<u>104,018,592</u>	<u>115,269,972</u>	<u>11,251,380</u>	10.82%
14	<b><u>MISCELLANEOUS REVENUES:</u></b>				
15	LATE PAYMENT CHARGES	0	0	0	0.00%
16	BAD CHECK CHARGES	20,854	20,854	0	0.00%
17	RECONNECTION CHARGES	16,415	16,415	0	0.00%
18	RENTS	7,248	7,248	0	0.00%
19	INTERDEPARTMENTAL	33,586	33,586	0	0.00%
20	SPECIAL CONTRACTS	0	0	0	0.00%
21	REVENUE TRANSP OF GAS-INTERCO	0	0	0	0.00%
22	PROVISION FOR RATE REFUNDS	(3,109,032)	(3,109,032)	0	0.00%
23	OTHER MISC	473,483	473,483	0	0.00%
24	<b>TOTAL MISCELLANEOUS</b>	<u>(2,557,446)</u>	<u>(2,557,446)</u>	<u>0</u>	0.00%
25	<b>TOTAL COMPANY REVENUE</b>	<u>101,461,146</u>	<u>112,712,526</u>	<u>11,251,380</u>	11.09%

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
BASE PERIOD REVENUES AT CURRENT AVERAGE RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.1  
PAGE 1 OF 1  
WITNESS:  
B. L. Sailors

INCLUDES ALL RIDERS

BASE PERIOD

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	BASE PERIOD	CURRENT AVERAGE RATE (F=E/D)	% OF REV TO TOTAL EXCLUSIVE OF GAS COST (G)	GAS COST REVENUE (H)	BASE PERIOD	% OF REV TO TOTAL (J)
					REVENUE LESS GAS COST REVENUE (E)		REVENUE TOTAL (I)			
				(MCF)	(\$)	(\$/MCF)	(%)	(\$)	(\$)	(%)
1	RS	RESIDENTIAL SERVICE	1,102,120	6,287,986	40,625,315	6.4608	72.56	28,604,288	69,229,603	68.23
2	GS	GENERAL SERVICE COMMERCIAL	77,875	3,118,228	10,239,403	3.2837	18.29	14,184,938	24,424,341	24.07
3	GS	GENERAL SERVICE INDUSTRIAL	2,489	238,549	612,399	2.5672	1.09	1,085,168	1,697,567	1.67
4	GS	GENERAL SERVICE OTHER PUB AUTH	4,393	346,429	927,707	2.6779	1.66	1,575,919	2,503,626	2.47
5	FT-L	FIRM TRANSPORTATION-LARGE	1,126	2,351,319	4,578,767	1.9473	8.18	0	4,578,767	4.51
6	IT	INTERRUPTIBLE TRANSPORTATION	264	1,543,399	1,584,688	1.0268	2.83	0	1,584,688	1.56
7		LATE PAYMENT CHARGES	0	0	0	-	-	0	0	-
8		BAD CHECK CHARGES	0	0	20,854	-	0.04	0	20,854	0.02
9		RECONNECTION CHARGES	0	0	16,415	-	0.03	0	16,415	0.02
10		RENTS	0	0	7,248	-	0.01	0	7,248	0.01
11		INTERDEPARTMENTAL	0	6,199	6,886	1.1108	0.01	26,700	33,586	0.03
12		SPECIAL CONTRACTS	0	0	0	-	-	0	0	-
13		REVENUE TRANSP OF GAS-INTERCO	0	0	0	-	-	0	0	-
14		PROVISION FOR RATE REFUNDS	0	0	(3,109,032)	-	(5.55)	0	(3,109,032)	(3.06)
15		OTHER MISCELLANEOUS	0	0	473,483	-	0.85	0	473,483	0.47
16	TOTAL		1,188,267	13,892,109	55,984,133	4.0299	100.00	45,477,013	101,461,146	100.00

NOTE: DETAIL CONTAINED ON SCHEDULES M-2.2 AND M-2.3.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S).:  
6 MOS ACTUAL/6MOS FORECASTED INCLUDES ALL RIDERS

SCHEDULE M-2.2  
PAGE 1 OF 7  
WITNESS:  
B. L. Sailors

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES(2)	MOST CURRENT RATES	CURRENT REVENUE LESS GAS COST REVENUE(4)	% OF REV TO TOTAL LESS GAS COST REVENUE	REVENUE INCR LESS GAS COST REV (F - K)	% INCR IN REV LESS GAS COST REV (M / K)	GAS COST REVENUE(3)	CURRENT TOTAL REVENUE (K + H)	TOTAL REVENUE % INCREASE (M / K1)
	(A)	(B)	(C)	(D)	(J)	(K)	(L)	(M)	(N)	(H)	(K1)	(O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
<b>1 SALES SERVICE:</b>												
2	RS	RESIDENTIAL	1,102,120	6,287,986	6.4608	40,625,315	100.00	6,877,911	16.9	28,604,288	69,229,603	9.9
3		TOTAL RS	1,102,120	6,287,986	6.4608	40,625,315	72.57	6,877,911	16.9	28,604,288	69,229,603	9.9
4	GS	COMMERCIAL	77,875	3,118,228	3.2837	10,239,403	86.93	2,409,396	23.5	14,184,938	24,424,341	9.9
5	GS	INDUSTRIAL	2,489	238,549	2.5672	612,399	5.20	181,825	29.7	1,085,168	1,697,567	10.7
6	GS	OTH PUB AUTH	4,393	346,429	2.6779	927,707	7.88	264,612	28.5	1,575,919	2,503,626	10.6
7		TOTAL GS	84,757	3,703,206	3.1809	11,779,509	21.04	2,855,833	24.2	16,846,025	28,625,534	10.0
8		TOTAL SALES SERVICE	1,186,877	9,991,192	5.2451	52,404,824	93.61	9,733,744	18.6	45,450,313	97,855,137	9.9
<b>9 TRANSPORTATION SERVICE:</b>												
10	FT-L	FIRM TRANSP - LARGE	1,126	2,351,319	1.9473	4,578,767	74.29	1,388,454	30.3	0	4,578,767	30.3
11	IT	INTERRUPTIBLE TRANSP	264	1,543,399	1.0268	1,584,688	25.71	129,182	8.2	0	1,584,688	8.2
12		TOTAL TRANSP SERVICE	1,390	3,894,718	1.5825	6,163,455	11.01	1,517,636	24.6	0	6,163,455	24.6
13		TOTAL THROUGHPUT	1,188,267	13,885,910	4.2178	58,568,279	104.62	11,251,380	19.2	45,450,313	104,018,592	10.8
<b>14 MISCELLANEOUS REVENUES:</b>												
15		LATE PAYMENT CHARGES	0	0		0	0.00	0		0	0	
16		BAD CHECK CHARGES	0	0		20,854	(0.81)	0		0	20,854	
17		RECONNECTION CHARGES	0	0		16,415	(0.64)	0		0	16,415	
18		RENTS	0	0		7,248	(0.28)	0		0	7,248	
19		INTERDEPARTMENTAL	0	6,199		6,886	(0.27)	0		26,700	33,586	
20		SPECIAL CONTRACTS	0	0		0	0.00	0		0	0	
21		REVENUE TRANSP OF GAS-INTERCO	0	0		0	0.00	0		0	0	
22		PROVISION FOR RATE REFUNDS	0	0		(3,109,032)	120.31	0		0	(3,109,032)	
23		OTHER MISC	0	0		473,483	(18.32)	0		0	473,483	
24		TOTAL MISC	0	6,199		(2,584,146)	(4.62)	0	0.0	26,700	(2,557,446)	0.0
25		TOTAL COMPANY	1,188,267	13,892,109	4.0299	55,984,133	100.00	11,251,380	20.1	45,477,013	101,461,146	11.1

(1) DETAIL CONTAINED ON SCHEDULES M-2.2, PAGES 2 THROUGH 7.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.549/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.2  
PAGE 2 OF 7  
WITNESS:  
B. L. Sailers

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	RS	RESIDENTIAL										
2		CUSTOMER CHARGE:										
3		RESIDENTIAL										
4		TOTAL MONTHLY BILLS x :										
5		CUSTOMER CHARGE PER MONTH	1,102,120		\$16.00	17,633,920	43.4	1,653,180	9.4		17,633,920	9.4
6		COMMODITY CHARGE:										
7		ALL CONSUMPTION		6,287,986	3.7213	23,399,482	57.6	7,208,547	30.8	28,604,288	52,003,770	13.9
8		RATE RS EXCLUDING RIDERS	1,102,120	6,287,986		41,033,402	101.0	8,861,727	21.6	28,604,288	69,637,690	12.7
9		RIDERS:										
10		HOME ENERGY ASSISTANCE PROGRAM (HEA)			\$0.10	110,212	0.3	0	0.0		110,212	0.0
11		DEMAND SIDE MANAGEMENT RATE (DSMR)			(0.397920)	(2,502,115)	(6.2)	0	0.0		(2,502,115)	0.0
12		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0	0	0.0		0	0.0
13		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			1.800000	1,983,816	4.9	(1,983,816)	(100.0)		1,983,816	(100.0)
14		TOTAL RIDERS				(408,087)	(1.0)	(1,983,816)	486.1		(408,087)	486.1
15		TOTAL RATE RS RESIDENTIAL INCLUDING RIDERS	1,102,120	6,287,986		40,625,315	100.0	6,877,911	16.9	28,604,288	69,229,603	9.9

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.549/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.2  
PAGE 3 OF 7  
WITNESS:  
B. L. Sailors

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J) (\$/MCF)	CURRENT REVENUE LESS GAS COST REVENUE (K) (\$)	% OF REV TO TOTAL LESS GAS COST REVENUE (L) (%)	REVENUE INCR LESS GAS COST REV (F - K) (M) (\$)	% INCR IN REV LESS GAS COST REV (M / K) (N) (%)	GAS COST REVENUE(3) (H) (\$)	CURRENT TOTAL REVENUE (K + H) (K1) (\$)	TOTAL REVENUE % INCREASE (M / K1) (O) (%)
1	GS	COMMERCIAL										
2		CUSTOMER CHARGE:										
3		NON-RESIDENTIAL										
4		TOTAL MONTHLY BILLS x :										
5		CUSTOMER CHARGE PER MONTH	77,875		\$47.50	3,699,063	36.1	194,687	5.3		3,699,063	5.3
6		COMMODITY CHARGE:										
7		ALL CONSUMPTION		3,118,228	2.0530	6,401,722	62.5	2,353,327	36.8	14,184,938	20,586,660	11.4
8		RATE GS COMMERCIAL EXCLUDING RIDERS	77,875	3,118,228		10,100,785	98.6	2,548,014	25.2	14,184,938	24,285,723	10.5
9		RIDERS:										
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0	0	0.0		0	0.0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0	0	0.0		0	0.0
12		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			1.780000	138,618	1.4	(138,618)	(100.0)		138,618	(100.0)
13		TOTAL RIDERS				138,618	1.4	(138,618)	(100.0)		138,618	(100.0)
14		TOTAL RATE GS COMMERCIAL INCLUDING RIDERS	77,875	3,118,228		10,239,403	100.0	2,409,396	23.5	14,184,938	24,424,341	9.9

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.549/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.2  
PAGE 4 OF 7  
WITNESS:  
B. L. Sailors

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	GS	INDUSTRIAL										
2	CUSTOMER CHARGE:											
3	NON-RESIDENTIAL											
4	TOTAL MONTHLY BILLS x :											
5		CUSTOMER CHARGE PER MONTH	2,489		\$47.50	118,228	19.3	6,222	5.3		118,228	5.3
6	COMMODITY CHARGE:											
7		ALL CONSUMPTION		238,549	2.0530	489,741	80.0	180,033	36.8	1,085,168	1,574,909	11.4
8		RATE GS INDUSTRIAL EXCLUDING RIDERS	2,489	238,549		607,969	99.3	186,255	30.6	1,085,168	1,693,137	11.0
9	RIDERS:											
10		TOTAL RATE GS INDUSTRIAL INCLUDING RIDERS			0.000000	0	0.0	0	0.0		0	0.0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0	0	0.0		0	0.0
12		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			1.780000	4,430	0.7	(4,430)	(100.0)		4,430	(100.0)
13		TOTAL RIDERS				4,430	0.7	(4,430)	(100.0)		4,430	-100.0
14		TOTAL RATE GS INDUSTRIAL INCLUDING RIDERS	2,489	238,549		612,399	100.0	181,825	29.7	1,085,168	1,697,567	10.7

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

(2) REFLECTS NORMALIZED VOLUMES.

(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.549/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S).:  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.2  
PAGE 5 OF 7  
WITNESS:  
B. L. Sailors

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	GS	OTHER PUBLIC AUTHORITIES										
2		CUSTOMER CHARGE:										
3		NON-RESIDENTIAL										
4		TOTAL MONTHLY BILLS x :										
5		CUSTOMER CHARGE PER MONTH	4,393		\$47.50	208,668	22.5	10,982	5.3		208,668	5.3
6		COMMODITY CHARGE:										
7		ALL CONSUMPTION		346,429	2.0530	711,219	76.7	261,450	36.8	1,575,919	2,287,138	11.4
8		RATE GS OPA EXCLUDING RIDERS	4,393	346,429		919,887	99.2	272,432	29.6	1,575,919	2,495,806	10.9
9		RIDERS:										
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0	0	0.0		0	0.0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0	0	0.0		0	0.0
12		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			1.780000	7,820	0.8	(7,820)	(100.0)		7,820	(100.0)
13		TOTAL RIDERS				7,820	0.8	(7,820)	(100.0)		7,820	(100.0)
14		TOTAL RATE GS OPA INCLUDING RIDERS	4,393	346,429		927,707	100.0	264,612	28.5	1,575,919	2,503,626	10.6

- (1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.549/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018-00261  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S).:  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.2  
PAGE 6 OF 7  
WITNESS:  
B. L. Sailors

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS	SALES(1)	MOST CURRENT RATES	CURRENT REVENUE LESS GAS COST REVENUE	% OF REV TO TOTAL LESS GAS COST REVENUE	REVENUE INCR LESS GAS COST REV (F - K)	% INCR IN REV LESS GAS COST REV (M / K)	GAS COST REVENUE	CURRENT TOTAL REVENUE (K + H)	TOTAL REVENUE % INCREASE (M / K1)
(A)	(B)	(C)	(D)	(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	FT - L											
2	FIRM TRANSPORTATION - LARGE											
3	ADMINISTRATIVE CHARGE	1,126			\$430.00	484,180	10.6	0	0.0		484,180	0.0
4	TRANSPORTATION CHARGE:											
5	ALL CONSUMPTION			2,351,319	1.7369	4,084,006	89.2	1,399,035	34.3		4,084,006	34.3
6	RATE FT-LARGE EXCLUDING RIDERS	1,126		2,351,319		4,568,186	99.8	1,399,035	30.6		4,568,186	30.6
7	RIDERS:											
8	ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)				0.0045	10,581	0.2	(10,581)	(100.0)		10,581	-100.0
9	GAS COST ADJUSTMENT TRANSITION (GCAT)				0.0000	0	0.0	0	0.0		0	0.0
10	TOTAL RIDERS					10,581	0.2	(10,581)	(100.0)		10,581	(100.0)
11	TOTAL RATE FT - L INCLUDING RIDERS	1,126		2,351,319		4,578,767	100.0	1,388,454	30.3		4,578,767	30.3

(1) REFLECTS NORMALIZED VOLUMES.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.2  
PAGE 7 OF 7  
WITNESS:  
B. L. Sailors

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE(3) (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1		RATE IT										
2		INTERRUPTIBLE TRANSPORTATION										
3		ADMINISTRATIVE CHARGE	264		\$430.00	113,520	7.2	0	0.0		113,520	0.0
4		COMMODITY CHARGE:										
5		ALL CONSUMPTION		1,543,399	0.9493	1,465,149	92.4	135,201	9.2		1,465,149	9.2
6		RATE IT EXCLUDING RIDERS	264	1,543,399		1,578,669	99.6	135,201	8.6		1,578,669	8.6
7		RIDERS:										
8		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			0.0039	6,019	0.4	(6,019)	(100.0)		6,019	(100.0)
9		TOTAL RIDERS				6,019	0.4	(6,019)	(100.0)		6,019	(100.0)
10		TOTAL RATE IT TRANSPORTATION	264	1,543,399		1,584,688	100.0	129,182	8.2		1,584,688	8.2

DUKE ENERGY KENTUCKY  
CASE NO. 2018-00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA:    X\_ BASE PERIOD    FORECASTED PERIOD  
TYPE OF FILING:    X\_ ORIGINAL    UPDATED    REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.3  
PAGE 1 OF 7  
WITNESS:  
B. L. Sailors

INCLUDES ALL RIDERS

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE(4) (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	<b><u>SALES SERVICE:</u></b>								
2	RS	RESIDENTIAL	1,102,120	6,287,986	7.5546	47,503,226	100.00	28,604,288	76,107,514
3		<b>TOTAL RS</b>	<b>1,102,120</b>	<b>6,287,986</b>	<b>7.5546</b>	<b>47,503,226</b>	<b>70.65</b>	<b>28,604,288</b>	<b>76,107,514</b>
4	GS	COMMERCIAL	77,875	3,118,228	4.0564	12,648,799	86.42	14,184,938	26,833,737
5	GS	INDUSTRIAL	2,489	238,549	3.3294	794,224	5.43	1,085,168	1,879,392
6	GS	OTH PUB AUTH	4,393	346,429	3.4417	1,192,319	8.15	1,575,919	2,768,238
7		<b>TOTAL GS</b>	<b>84,757</b>	<b>3,703,206</b>	<b>3.9521</b>	<b>14,635,342</b>	<b>21.77</b>	<b>16,846,025</b>	<b>31,481,367</b>
8		<b>TOTAL SALES SERVICE</b>	<b>1,186,877</b>	<b>9,991,192</b>	<b>6.2193</b>	<b>62,138,568</b>	<b>92.42</b>	<b>45,450,313</b>	<b>107,588,881</b>
9	<b><u>TRANSPORTATION SERVICE:</u></b>								
10	FT-L	FIRM TRANSP - LARGE	1,126	2,351,319	2.5378	5,967,221	77.69	0	5,967,221
11	IT	INTERRUPTIBLE TRANSP	264	1,543,399	1.1105	1,713,870	22.31	0	1,713,870
12		<b>TOTAL TRANSP SERVICE</b>	<b>1,390</b>	<b>3,894,718</b>	<b>1.9722</b>	<b>7,681,091</b>	<b>11.42</b>	<b>0</b>	<b>7,681,091</b>
13		<b>TOTAL THROUGHPUT</b>	<b>1,188,267</b>	<b>13,885,910</b>	<b>5.0281</b>	<b>69,819,659</b>	<b>103.84</b>	<b>45,450,313</b>	<b>115,269,972</b>
14	<b><u>MISCELLANEOUS REVENUES:</u></b>								
15		LATE PAYMENT CHARGES	0	0		0	0.00	0	0
16		BAD CHECK CHARGES	0	0		20,854	(0.81)	0	20,854
17		RECONNECTION CHARGES	0	0		16,415	(0.64)	0	16,415
18		RENTS	0	0		7,248	(0.28)	0	7,248
19		INTERDEPARTMENTAL	0	6,199		6,886	(0.27)	26,700	33,586
20		SPECIAL CONTRACTS	0	0		0	0.00	0	0
21		REVENUE TRANSP OF GAS-INTERCO	0	0		0	0.00	0	0
22		PROVISION FOR RATE REFUNDS	0	0		(3,109,032)	120.32	0	(3,109,032)
23		OTHER MISC	0	0		473,483	(18.32)	0	473,483
24		<b>TOTAL MISC</b>	<b>0</b>	<b>6,199</b>		<b>(2,584,146)</b>	<b>(3.84)</b>	<b>26,700</b>	<b>(2,557,446)</b>
25		<b>TOTAL COMPANY</b>	<b>1,188,267</b>	<b>13,892,109</b>	<b>4.8398</b>	<b>67,235,513</b>	<b>100.00</b>	<b>45,477,013</b>	<b>112,712,526</b>

(1) DETAIL CONTAINED ON SCHEDULES M-2.3, PAGES 2 THROUGH 7.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.549/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.3  
PAGE 2 OF 7  
WITNESS:  
B. L. Sailers

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	RS	RESIDENTIAL							
2	CUSTOMER CHARGE:								
3	RESIDENTIAL								
4	TOTAL MONTHLY BILLS x :								
5	CUSTOMER CHARGE PER MONTH		1,102,120		\$17.50	19,287,100	40.6		19,287,100
6	COMMODITY CHARGE:								
7	ALL CONSUMPTION			6,287,986	4.8677	30,608,029	64.4	28,604,288	59,212,317
8	RATE RS EXCLUDING RIDERS		1,102,120	6,287,986		49,895,129	105.0	28,604,288	78,499,417
9	RIDERS:								
10	HOME ENERGY ASSISTANCE PROGRAM (HEA)				\$0.10	110,212	0.2		110,212
11	DEMAND SIDE MANAGEMENT RATE (DSMR)				(0.397920)	(2,502,115)	(5.2)		(2,502,115)
12	WEATHER NORMALIZATION ADJUSTMENT (WNA)				0.000000	0	0.0		0
13	ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)				0.000000	0	0.0		0
14	TOTAL RIDERS					(2,391,903)	(5.0)		(2,391,903)
15	TOTAL RATE RS RESIDENTIAL INCLUDING RIDERS		1,102,120	6,287,986		47,503,226	100.0	28,604,288	76,107,514

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.549/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.3  
PAGE 3 OF 7  
WITNESS:  
B. L. Sailors

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	GS	COMMERCIAL							
2		CUSTOMER CHARGE:							
3		NON-RESIDENTIAL							
4		TOTAL MONTHLY BILLS x :							
5		CUSTOMER CHARGE PER MONTH	77,875		\$50.00	3,893,750	30.8		3,893,750
6		COMMODITY CHARGE:							
7		ALL CONSUMPTION		3,118,228	2.8077	8,755,049	69.2	14,184,938	22,939,987
8		RATE GS COMMERCIAL EXCLUDING RIDERS	77,875	3,118,228		12,648,799	100.0	14,184,938	26,833,737
9		RIDERS:							
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0		0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0		0
12		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			0.000000	0	0.0		0
13		TOTAL RIDERS				0	0.0		0
14		TOTAL RATE GS COMMERCIAL INCLUDING RIDERS	77,875	3,118,228		12,648,799	100.0	14,184,938	26,833,737

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.549/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORK PAPER REFERENCE NO(S).:  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.3  
PAGE 4 OF 7  
WITNESS:  
B. L. Sailors

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	GS	INDUSTRIAL							
2	CUSTOMER CHARGE:								
3	NON-RESIDENTIAL								
4	TOTAL MONTHLY BILLS x :								
5	CUSTOMER CHARGE PER MONTH		2,489		\$50.00	124,450	15.7		124,450
6	COMMODITY CHARGE:								
7	ALL CONSUMPTION			238,549	2.8077	669,774	84.3	1,085,168	1,754,942
8	RATE GS INDUSTRIAL EXCLUDING RIDERS		2,489	238,549		794,224	100.0	1,085,168	1,879,392
9	RIDERS:								
10	DEMAND SIDE MANAGEMENT RATE (DSMR)				0.000000	0	0.0		0
11	WEATHER NORMALIZATION ADJUSTMENT (WNA)				0.000000	0	0.0		0
12	ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)				0.000000	0	0.0		0
13	TOTAL RIDERS					0	0.0		0
14	TOTAL RATE GS INDUSTRIAL INCLUDING RIDERS		2,489	238,549		794,224	100.0	1,085,168	1,879,392

- (1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.549/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORK PAPER REFERENCE NO(S).:  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.3  
PAGE 5 OF 7  
WITNESS:  
B. L. Sailors

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	GS	OTHER PUBLIC AUTHORITIES							
2		CUSTOMER CHARGE:							
3		NON-RESIDENTIAL							
4		TOTAL MONTHLY BILLS x :							
5		CUSTOMER CHARGE PER MONTH	4,393		\$50.00	219,650	18.4		219,650
6		COMMODITY CHARGE:							
7		ALL CONSUMPTION		346,429	2.8077	972,669	81.6	1,575,919	2,548,588
8		RATE GS OPA EXCLUDING RIDERS	4,393	346,429		1,192,319	100.0	1,575,919	2,768,238
9		RIDERS:							
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0		0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0		0
12		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			0.000000	0	0.0		0
13		TOTAL RIDERS				0	0.0		0
14		TOTAL RATE GS OPA INCLUDING RIDERS	4,393	346,429		1,192,319	100.0	1,575,919	2,768,238

- (1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.549/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA: X BASE PERIOD \_\_\_ FORECASTED PERIOD  
TYPE OF FILING: X ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.3  
PAGE 6 OF 7  
WITNESS:  
B. L. Sailors

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES(1) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1		FT - L							
2		FIRM TRANSPORTATION - LARGE							
3		ADMINISTRATIVE CHARGE	1,126		\$430.00	484,180	8.1		484,180
4		TRANSPORTATION CHARGE:							
5		ALL CONSUMPTION		2,351,319	2.3319	5,483,041	91.9		5,483,041
6		RATE FT-LARGE EXCLUDING RIDERS	1,126	2,351,319		5,967,221	100.0		5,967,221
7		RIDERS:							
8		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			0.0000	0	0.0		0
9		GAS COST ADJUSTMENT TRANSITION (GCAT)			0.0000	0	0.0		0
10		TOTAL RIDERS				0	0.0		0
11		TOTAL RATE FT - L INCLUDING RIDERS	1,126	2,351,319		5,967,221	100.0		5,967,221

(1) REFLECTS NORMALIZED VOLUMES.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
(GAS SERVICE)

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.3  
PAGE 7 OF 7  
WITNESS:  
B. L. Sailors

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST (F)	% OF REV TO TOTAL LESS GAS COST (G)	GAS COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1		IT							
2		INTERRUPTIBLE TRANSPORTATION							
3		ADMINISTRATIVE CHARGE	264		\$430.00	113,520	6.6		113,520
4		COMMODITY CHARGE:							
5		ALL CONSUMPTION		1,543,399	1.0369	1,600,350	93.4		1,600,350
6		RATE IT EXCLUDING RIDERS	264	1,543,399		1,713,870	100.0		1,713,870
7		RIDERS:							
8		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			0.0000	0	0.0		0
9		TOTAL RIDERS				0	0.0		0
10		TOTAL RATE IT TRANSPORTATION	264	1,543,399		1,713,870	100.0		1,713,870

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
REVENUES AT PRESENT AND PROPOSED RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD  X  FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MONTHS FORECASTED

SCHEDULE M  
PAGE 1 OF 1  
WITNESS:  
B. L. Sailors

INCLUDES ALL RIDERS

LINE NO.	RATE CLASSIFICATION (A)	REVENUE AT PRESENT RATES (B) (\$)	REVENUE AT PROPOSED RATES (C) (\$)	REVENUE CHANGE (AMOUNT) (D=C-B) (\$)	% OF REVENUE CHANGE (E=D / B)
1	<u>SALES SERVICE:</u>				
2	RS RESIDENTIAL	63,279,833	69,728,261	6,448,428	10.19%
3	TOTAL RS	63,279,833	69,728,261	6,448,428	10.19%
4	GS COMMERCIAL	19,817,285	21,858,999	2,041,714	10.30%
5	GS INDUSTRIAL	1,165,718	1,297,124	131,406	11.27%
6	GS OTHER PUB AUTH	2,215,244	2,466,546	251,302	11.34%
7	TOTAL GS	23,198,247	25,622,669	2,424,422	10.45%
8	TOTAL SALES SERVICE	86,478,080	95,350,930	8,872,850	10.26%
9	<u>TRANSPORTATION:</u>				
10	FT LARGE	5,042,683	6,588,156	1,545,473	30.65%
11	IT	1,524,248	1,648,124	123,876	8.13%
12	TOTAL TRANSPORTATION	6,566,931	8,236,280	1,669,349	25.42%
13	TOTAL THROUGHPUT	93,045,011	103,587,210	10,542,199	11.33%
14	<u>MISCELLANEOUS REVENUES:</u>				
15	LATE PAYMENT CHARGES	0	0	0	0.00%
16	BAD CHECK CHARGES	28,032	28,032	0	0.00%
17	RECONNECTION CHARGES	22,068	22,068	0	0.00%
18	RENTS	14,496	14,496	0	0.00%
19	INTERDEPARTMENTAL	27,765	27,765	0	0.00%
20	SPECIAL CONTRACTS	0	0	0	0.00%
21	REVENUE TRANSP OF GAS-INTERCO	0	0	0	0.00%
22	PROVISION FOR RATE REFUNDS	0	0	0	0.00%
23	OTHER MISC	1,896	1,896	0	0.00%
24	TOTAL MISCELLANEOUS	94,257	94,257	0	0.00%
25	TOTAL COMPANY REVENUE	93,139,268	103,681,467	10,542,199	11.32%

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
TEST PERIOD REVENUES AT CURRENT AVERAGE RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S).:  
12 MONTHS FORECASTED

INCLUDES ALL RIDERS

SCHEDULE M-2.1  
PAGE 1 OF 1  
WITNESS:  
B. L. Sailors

TEST PERIOD

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	TEST PERIOD	CURRENT	% OF REV	GAS COST REVENUE (H)	TEST PERIOD	% OF REV
					REVENUE LESS GAS COST REVENUE (E)	AVERAGE RATE (F=E/D)	TO TOTAL EXCLUSIVE OF GAS COST (G)		REVENUE TOTAL (I)	TO TOTAL (J)
				(MCF)	(\$)	(\$/MCF)	(%)	(\$)	(\$)	(%)
1	RS	RESIDENTIAL SERVICE	1,110,274	5,915,484	39,533,306	6.6830	69.58	23,746,527	63,279,833	67.94
2	GS	GENERAL SERVICE COMMERCIAL	78,250	2,630,680	9,256,946	3.5188	16.30	10,560,339	19,817,285	21.28
3	GS	GENERAL SERVICE INDUSTRIAL	2,513	171,720	476,382	2.7742	0.84	689,336	1,165,718	1.25
4	GS	GENERAL SERVICE OTHER PUB AUTH	4,482	328,708	895,711	2.7249	1.58	1,319,533	2,215,244	2.38
5	FT-L	FIRM TRANSPORTATION-LARGE	1,128	2,617,229	5,042,683	1.9267	8.88	0	5,042,683	5.41
6	IT	INTERRUPTIBLE TRANSPORTATION	264	1,479,992	1,524,248	1.0299	2.68	0	1,524,248	1.64
7		LATE PAYMENT CHARGES	0	0	0	-	-	0	0	-
8		BAD CHECK CHARGES	0	0	28,032	-	0.05	0	28,032	0.03
9		RECONNECTION CHARGES	0	0	22,068	-	0.04	0	22,068	0.02
10		RENTS	0	0	14,496	-	0.03	0	14,496	0.02
11		INTERDEPARTMENTAL	0	4,542	9,326	2.0533	0.02	18,439	27,765	0.03
12		SPECIAL CONTRACTS	0	0	0	-	-	0	0	-
13		REVENUE TRANSP OF GAS-INTERCO	0	0	0	-	-	0	0	-
14		PROVISION FOR RATE REFUNDS	0	0	0	-	-	0	0	-
15		OTHER MISCELLANEOUS	0	0	1,896	-	-	0	1,896	-
16	TOTAL		1,196,911	13,148,355	56,805,094	4.3203	100.00	36,334,174	93,139,268	100.00

NOTE: DETAIL CONTAINED ON SCHEDULES M-2.2 AND M-2.3.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S).:  
12 MONTHS FORECASTED

INCLUDES ALL RIDERS

SCHEDULE M-2.2  
PAGE 1 OF 7  
WITNESS:  
B. L. Sailors

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J) (\$/MCF)	CURRENT REVENUE LESS GAS COST REVENUE(4) (K) (\$)	% OF REV TO TOTAL LESS GAS COST REVENUE (L) (%)	REVENUE INCR LESS GAS COST REV (F - K) (M) (\$)	% INCR IN REV LESS GAS COST REV (M / K) (N) (%)	GAS COST REVENUE(3) (H) (\$)	CURRENT TOTAL REVENUE (K + H) (K1) (\$)	TOTAL REVENUE % INCREASE (M / K1) (O) (%)
<b>1 SALES SERVICE:</b>												
2	RS	RESIDENTIAL	1,110,274	5,915,484	6.6830	39,533,306	100.00	6,448,428	16.3	23,746,527	63,279,833	10.2
3		TOTAL RS	1,110,274	5,915,484	6.6830	39,533,306	69.60	6,448,428	16.3	23,746,527	63,279,833	10.2
4	GS	COMMERCIAL	78,250	2,630,680	3.5188	9,256,946	87.09	2,041,714	22.1	10,560,339	19,817,285	10.3
5	GS	INDUSTRIAL	2,513	171,720	2.7742	476,382	4.48	131,406	27.6	689,336	1,165,718	11.3
6	GS	OTH PUB AUTH	4,482	328,708	2.7249	895,711	8.43	251,302	28.1	1,319,533	2,215,244	11.3
7		TOTAL GS	85,245	3,131,108	3.3947	10,629,039	18.71	2,424,422	22.8	12,569,208	23,198,247	10.5
8		TOTAL SALES SERVICE	1,195,519	9,046,592	5.5449	50,162,345	88.31	8,872,850	17.7	36,315,735	86,478,080	10.3
<b>9 TRANSPORTATION SERVICE:</b>												
10	FT-L	FIRM TRANSP - LARGE	1,128	2,617,229	1.9267	5,042,683	76.79	1,545,473	30.6	0	5,042,683	30.6
11	IT	INTERRUPTIBLE TRANSP	264	1,479,992	1.0299	1,524,248	23.21	123,876	8.1	0	1,524,248	8.1
12		TOTAL TRANSP SERVICE	1,392	4,097,221	1.6028	6,566,931	11.56	1,669,349	25.4	0	6,566,931	25.4
13		TOTAL THROUGHPUT	1,196,911	13,143,813	4.3160	56,729,276	99.87	10,542,199	18.6	36,315,735	93,045,011	11.3
<b>14 MISCELLANEOUS REVENUES:</b>												
15		LATE PAYMENT CHARGES	0	0		0	0.00	0		0	0	
16		BAD CHECK CHARGES	0	0		28,032	36.97	0		28,032	28,032	
17		RECONNECTION CHARGES	0	0		22,068	29.11	0		22,068	22,068	
18		RENTS	0	0		14,496	19.12	0		14,496	14,496	
19		INTERDEPARTMENTAL	0	4,542		9,326	12.30	0		18,439	27,765	
20		SPECIAL CONTRACTS	0	0		0	0.00	0		0	0	
21		REVENUE TRANSP OF GAS-INTERCO	0	0		0	0.00	0		0	0	
22		PROVISION FOR RATE REFUNDS	0	0		0	0.00	0		0	0	
23		OTHER MISC	0	0		1,896	2.50	0		0	1,896	
24		TOTAL MISC	0	4,542		75,818	0.13	0	0.0	18,439	94,257	0.0
25		TOTAL COMPANY	1,196,911	13,148,355	4.3203	56,805,094	100.00	10,542,199	18.6	36,334,174	93,139,268	11.3

(1) DETAIL CONTAINED ON SCHEDULES M-2.2, PAGES 2 THROUGH 7.

(2) REFLECTS NORMALIZED VOLUMES.

(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.014/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S)::  
12 MONTHS FORECASTED

SCHEDULE M-2.2  
PAGE 2 OF 7  
WITNESS:  
B. L. Sailors

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	RS	RESIDENTIAL										
2	CUSTOMER CHARGE:											
3	RESIDENTIAL											
4	TOTAL MONTHLY BILLS x :											
5	CUSTOMER CHARGE PER MONTH		1,110,274		\$16.00	17,764,384	44.9	1,665,411	9.4		17,764,384	9.4
6	COMMODITY CHARGE:											
7	ALL CONSUMPTION			5,915,484	3.7213	22,013,291	55.7	6,781,510	30.8	23,746,527	45,759,818	14.8
8	RATE RS EXCLUDING RIDERS		1,110,274	5,915,484		39,777,675	100.6	8,446,921	21.2	23,746,527	63,524,202	13.3
9	RIDERS:											
10	HOME ENERGY ASSISTANCE PROGRAM (HEA)				\$0.10	111,027	0.3	0	0.0		111,027	0.0
11	DEMAND SIDE MANAGEMENT RATE (DSMR)				(0.397920)	(2,353,889)	(6.0)	0	0.0		(2,353,889)	0.0
12	WEATHER NORMALIZATION ADJUSTMENT (WNA)				0.000000	0	0.0	0	0.0		0	0.0
13	ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)				1.800000	1,998,493	5.1	(1,998,493)	(100.0)		1,998,493	(100.0)
14	TOTAL RIDERS					(244,369)	(0.6)	(1,998,493)	817.8		(244,369)	817.8
15	TOTAL RATE RS RESIDENTIAL INCLUDING RIDERS		1,110,274	5,915,484		39,533,306	100.0	6,448,428	16.3	23,746,527	63,279,833	10.2

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.014/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S).:  
12 MONTHS FORECASTED

SCHEDULE M-2.2  
PAGE 3 OF 7  
WITNESS:  
B. L. Sailors

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J) (\$/MCF)	CURRENT REVENUE LESS GAS COST REVENUE (K) (\$)	% OF REV TO TOTAL LESS GAS COST REVENUE (L) (%)	REVENUE INCR LESS GAS COST REV (F - K) (M) (\$)	% INCR IN REV LESS GAS COST REV (M / K) (N) (%)	GAS COST REVENUE(3) (H) (\$)	CURRENT TOTAL REVENUE (K + H) (K1) (\$)	TOTAL REVENUE % INCREASE (M / K1) (O) (%)
1	GS	COMMERCIAL										
2		CUSTOMER CHARGE:										
3		NON-RESIDENTIAL										
4		TOTAL MONTHLY BILLS x :										
5		CUSTOMER CHARGE PER MONTH	78,250		\$47.50	3,716,875	40.2	195,625	5.3		3,716,875	5.3
6		COMMODITY CHARGE:										
7		ALL CONSUMPTION		2,630,680	2.0530	5,400,786	58.3	1,985,374	36.8	10,560,339	15,961,125	12.4
8		RATE GS COMMERCIAL EXCLUDING RIDERS	78,250	2,630,680		9,117,661	98.5	2,180,999	23.9	10,560,339	19,678,000	11.1
9		RIDERS:										
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0	0	0.0		0	0.0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0	0	0.0		0	0.0
12		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			1.780000	139,285	1.5	(139,285)	(100.0)		139,285	(100.0)
13		TOTAL RIDERS				139,285	1.5	(139,285)	(100.0)		139,285	(100.0)
14		TOTAL RATE GS COMMERCIAL INCLUDING RIDERS	78,250	2,630,680		9,256,946	100.0	2,041,714	22.1	10,560,339	19,817,285	10.3

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.014/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018-00261  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MONTHS FORECASTED

SCHEDULE M-2.2  
PAGE 4 OF 7  
WITNESS:  
B. L. Sailors

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	GS	INDUSTRIAL										
2		CUSTOMER CHARGE:										
3		NON-RESIDENTIAL										
4		TOTAL MONTHLY BILLS x :										
5		CUSTOMER CHARGE PER MONTH	2,513		47.50	119,368	25.1	6,282	5.3		119,368	5.3
6		COMMODITY CHARGE:										
7		ALL CONSUMPTION		171,720	2.0530	352,541	74.0	129,597	36.8	689,336	1,041,877	12.4
8		RATE GS INDUSTRIAL EXCLUDING RIDERS	2,513	171,720		471,909	99.1	135,879	28.8	689,336	1,161,245	11.7
9		RIDERS:										
10		TOTAL RATE GS INDUSTRIAL INCLUDING RIDERS			0.000000	0	0.0	0	0.0		0	0.0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0	0	0.0		0	0.0
12		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			1.780000	4,473	0.9	(4,473)	(100.0)		4,473	(100.0)
13		TOTAL RIDERS				4,473	0.9	(4,473)	(100.0)		4,473	-100.0
14		TOTAL RATE GS INDUSTRIAL INCLUDING RIDERS	2,513	171,720		476,382	100.0	131,406	27.6	689,336	1,165,718	11.3

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.014/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S).:  
12 MONTHS FORECASTED

SCHEDULE M-2.2  
PAGE 5 OF 7  
WITNESS:  
B. L. Sailors

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	GS	OTHER PUBLIC AUTHORITIES										
2		CUSTOMER CHARGE:										
3		NON-RESIDENTIAL										
4		TOTAL MONTHLY BILLS x:										
5		CUSTOMER CHARGE PER MONTH	4,482		\$47.50	212,895	23.8	11,205	5.3		212,895	5.3
6		COMMODITY CHARGE:										
7		ALL CONSUMPTION		328,708	2.0530	674,838	75.3	248,075	36.8	1,319,533	1,994,371	12.4
8		RATE GS OPA EXCLUDING RIDERS	4,482	328,708		887,733	99.1	259,280	29.2	1,319,533	2,207,266	11.7
9		RIDERS:										
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0	0	0.0		0	0.0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0	0	0.0		0	0.0
12		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			1.780000	7,978	0.9	(7,978)	(100.0)		7,978	(100.0)
13		TOTAL RIDERS				7,978	0.9	(7,978)	(100.0)		7,978	(100.0)
14		TOTAL RATE GS OPA INCLUDING RIDERS	4,482	328,708		895,711	100.0	251,302	28.1	1,319,533	2,215,244	11.3

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.014/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MONTHS FORECASTED

SCHEDULE M-2.2  
PAGE 6 OF 7  
WITNESS:  
B. L. Sailors

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES(1) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1		FT - L										
2		FIRM TRANSPORTATION - LARGE										
3		ADMINISTRATIVE CHARGE	1,128		\$430.00	485,040	9.6	0	0.0	485,040	0.0	
4		TRANSPORTATION CHARGE:										
5		ALL CONSUMPTION		2,617,229	1.7369	4,545,865	90.2	1,557,251	34.3	4,545,865	34.3	
6		RATE FT-LARGE EXCLUDING RIDERS	1,128	2,617,229		5,030,905	99.8	1,557,251	31.0	5,030,905	31.0	
7		RIDERS:										
8		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			0.0045	11,778	0.2	(11,778)	(100.0)	11,778	-100.0	
9		GAS COST ADJUSTMENT TRANSITION (GCAT)			0.0000	0	0.0	0	0.0	0	0.0	
10		TOTAL RIDERS				11,778	0.2	(11,778)	(100.0)	11,778	(100.0)	
11		TOTAL RATE FT - LARGE INCLUDING RIDERS	1,128	2,617,229		5,042,683	100.0	1,545,473	30.6	5,042,683	30.6	

(1) REFLECTS NORMALIZED VOLUMES.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S).:  
12 MONTHS FORECASTED

SCHEDULE M-2.2  
PAGE 7 OF 7  
WITNESS:  
B. L. Sailors

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE(3) (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1		RATE IT										
2		INTERRUPTIBLE TRANSPORTATION										
3		ADMINISTRATIVE CHARGE	264		\$430.00	113,520	7.4	0	0.0		113,520	0.0
4		COMMODITY CHARGE:										
5		ALL CONSUMPTION		1,479,992	0.9493	1,404,956	92.2	129,648	9.2		1,404,956	9.2
6		RATE IT EXCLUDING RIDERS	264	1,479,992		1,518,476	99.6	129,648	8.5		1,518,476	8.5
7		RIDERS:										
8		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			0.0039	5,772	0.4	(5,772)	(100.0)		5,772	(100.0)
9		TOTAL RIDERS				5,772	0.4	(5,772)	(100.0)		5,772	(100.0)
10		TOTAL RATE IT TRANSPORTATION	264	1,479,992		1,524,248	100.0	123,876	8.1		1,524,248	8.1

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MONTHS FORECASTED

SCHEDULE M-2.3  
PAGE 1 OF 7  
WITNESS:  
B. L. Sailors

INCLUDES ALL RIDERS  
PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE(4) (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	<b>SALES SERVICE:</b>								
2	RS	RESIDENTIAL	1,110,274	5,915,484	7.7731	45,981,734	100.00	23,746,527	69,728,261
3		TOTAL RS	1,110,274	5,915,484	7.7731	45,981,734	68.28	23,746,527	69,728,261
4	GS	COMMERCIAL	78,250	2,630,680	4.2950	11,298,660	86.56	10,560,339	21,858,999
5	GS	INDUSTRIAL	2,513	171,720	3.5394	607,788	4.66	689,336	1,297,124
6	GS	OTH PUB AUTH	4,482	328,708	3.4895	1,147,013	8.79	1,319,533	2,466,546
7		TOTAL GS	85,245	3,131,108	4.1690	13,053,461	19.38	12,569,208	25,622,669
8		TOTAL SALES SERVICE	1,195,519	9,046,592	6.5257	59,035,195	87.66	36,315,735	95,350,930
9	<b>TRANSPORTATION SERVICE:</b>								
10	FT-L	FIRM TRANSP - LARGE	1,128	2,617,229	2.5172	6,588,156	79.99	0	6,588,156
11	IT	INTERRUPTIBLE TRANSP	264	1,479,992	1.1136	1,648,124	20.01	0	1,648,124
12		TOTAL TRANSP SERVICE	1,392	4,097,221	2.0102	8,236,280	12.23	0	8,236,280
13		TOTAL THROUGHPUT	1,196,911	13,143,813	5.1181	67,271,475	99.89	36,315,735	103,587,210
14	<b>MISCELLANEOUS REVENUES:</b>								
15		LATE PAYMENT CHARGES	0	0		0	0.00	0	0
16		BAD CHECK CHARGES	0	0		28,032	36.97	0	28,032
17		RECONNECTION CHARGES	0	0		22,068	29.11	0	22,068
18		RENTS	0	0		14,496	19.12	0	14,496
19		INTERDEPARTMENTAL	0	4,542		9,326	12.30	18,439	27,765
20		SPECIAL CONTRACTS	0	0		0	0.00	0	0
21		REVENUE TRANSP OF GAS-INTERCO	0	0		0	0.00	0	0
22		PROVISION FOR RATE REFUNDS	0	0		0	0.00	0	0
23		OTHER MISC	0	0		1,896	2.50	0	1,896
24		TOTAL MISC	0	4,542		75,818	0.11	18,439	94,257
25		TOTAL COMPANY	1,196,911	13,148,355	5.1221	67,347,293	100.00	36,334,174	103,681,467

(1) DETAIL CONTAINED ON SCHEDULES M-2.3, PAGES 2 THROUGH 7.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.014/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD X FORECASTED PERIOD  
TYPE OF FILING: X ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MONTHS FORECASTED

SCHEDULE M-2.3  
PAGE 2 OF 7  
WITNESS:  
B. L. Sailors

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	RS	RESIDENTIAL							
2	CUSTOMER CHARGE:								
3	RESIDENTIAL								
4	TOTAL MONTHLY BILLS x :								
5	CUSTOMER CHARGE PER MONTH		1,110,274		\$17.50	19,429,795	42.3		19,429,795
6	COMMODITY CHARGE:								
7	ALL CONSUMPTION			5,915,484	4.8677	28,794,801	62.6	23,746,527	52,541,328
8	RATE RS EXCLUDING RIDERS		1,110,274	5,915,484		48,224,596	104.9	23,746,527	71,971,123
9	RIDERS:								
10	HOME ENERGY ASSISTANCE PROGRAM (HEA)				\$0.10	111,027	0.2		111,027
11	DEMAND SIDE MANAGEMENT RATE (DSMR)				(0.397920)	(2,353,889)	(5.1)		(2,353,889)
12	WEATHER NORMALIZATION ADJUSTMENT (WNA)				0.000000	0	0.0		0
13	ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)				0.000000	0	0.0		0
14	TOTAL RIDERS					(2,242,862)	(4.9)		(2,242,862)
15	TOTAL RATE RS RESIDENTIAL INCLUDING RIDERS		1,110,274	5,915,484		45,981,734	100.0	23,746,527	69,728,261

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.014/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD X FORECASTED PERIOD  
TYPE OF FILING: X ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S).:  
12 MONTHS FORECASTED

SCHEDULE M-2.3  
PAGE 3 OF 7  
WITNESS:  
B. L. Sailors

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	GS	COMMERCIAL							
2	CUSTOMER CHARGE:								
3	NON-RESIDENTIAL								
4	TOTAL MONTHLY BILLS x :								
5		CUSTOMER CHARGE PER MONTH	78,250		\$50.00	3,912,500	34.6		3,912,500
6	COMMODITY CHARGE:								
7		ALL CONSUMPTION		2,630,680	2.8077	7,386,160	65.4	10,560,339	17,946,499
8		RATE GS COMMERCIAL EXCLUDING RIDERS	78,250	2,630,680		11,298,660	100.0	10,560,339	21,858,999
9	RIDERS:								
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0		0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0		0
12		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			0.000000	0	0.0		0
13		TOTAL RIDERS				0	0.0		0
14		TOTAL RATE GS COMMERCIAL INCLUDING RIDERS	78,250	2,630,680		11,298,660	100.0	10,560,339	21,858,999

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.014/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD  X  FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MONTHS FORECASTED

SCHEDULE M-2.3  
PAGE 4 OF 7  
WITNESS:  
B. L. Sailors

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	GS	INDUSTRIAL							
2	CUSTOMER CHARGE:								
3	NON-RESIDENTIAL								
4	TOTAL MONTHLY BILLS x :								
5		CUSTOMER CHARGE PER MONTH	2,513		\$50.00	125,650	20.7		125,650
6	COMMODITY CHARGE:								
7		ALL CONSUMPTION		171,720	2.8077	482,138	79.3	689,336	1,171,474
8		RATE GS INDUSTRIAL EXCLUDING RIDERS	2,513	171,720		607,788	100.0	689,336	1,297,124
9	RIDERS:								
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0		0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0		0
12		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			0.000000	0	0.0		0
13		TOTAL RIDERS				0	0.0		0
14		TOTAL RATE GS INDUSTRIAL INCLUDING RIDERS	2,513	171,720		607,788	100.0	689,336	1,297,124

- (1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.014/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD  X  FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S).:  
12 MONTHS FORECASTED

SCHEDULE M-2.3  
PAGE 5 OF 7  
WITNESS:  
B. L. Sailors

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	GS	OTHER PUBLIC AUTHORITIES							
2		CUSTOMER CHARGE:							
3		NON-RESIDENTIAL							
4		TOTAL MONTHLY BILLS x :							
5		CUSTOMER CHARGE PER MONTH	4,482		\$50.00	224,100	19.5		224,100
6		COMMODITY CHARGE:							
7		ALL CONSUMPTION		328,708	2.8077	922,913	80.5	1,319,533	2,242,446
8		RATE GS OPA EXCLUDING RIDERS	4,482	328,708		1,147,013	100.0	1,319,533	2,466,546
9		RIDERS:							
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0		0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0		0
12		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			0.000000	0	0.0		0
13		TOTAL RIDERS				0	0.0		0
14		TOTAL RATE GS OPA INCLUDING RIDERS	4,482	328,708		1,147,013	100.0	1,319,533	2,466,546

- (1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.014/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S).:  
12 MONTHS FORECASTED

SCHEDULE M-2.3  
PAGE 6 OF 7  
WITNESS:  
B. L. Sailors

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES(1) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1		FT - L							
2		FIRM TRANSPORTATION - LARGE							
3		ADMINISTRATIVE CHARGE	1,128		\$430.00	485,040	7.4		485,040
4		TRANSPORTATION CHARGE:							
5		ALL CONSUMPTION		2,617,229	2.3319	6,103,116	92.6		6,103,116
6		RATE FT-LARGE EXCLUDING RIDERS	1,128	2,617,229		6,588,156	100.0		6,588,156
7		RIDERS:							
8		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			0.0000	0	0.0		0
9		GAS COST ADJUSTMENT TRANSITION (GCAT)			0.0000	0	0.0		0
10		TOTAL RIDERS				0	0.0		0
11		TOTAL RATE FT - LARGE INCLUDING RIDERS	1,128	2,617,229		6,588,156	100.0		6,588,156

(1) REFLECTS NORMALIZED VOLUMES.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S).:  
12 MONTHS FORECASTED

SCHEDULE M-2.3  
PAGE 7 OF 7  
WITNESS:  
B. L. Sailors

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1		IT							
2		INTERRUPTIBLE TRANSPORTATION							
3		ADMINISTRATIVE CHARGE	264		\$430.00	113,520	6.9		113,520
4		COMMODITY CHARGE:							
5		ALL CONSUMPTION		1,479,992	1.0369	1,534,604	93.1		1,534,604
6		RATE IT EXCLUDING RIDERS	264	1,479,992		1,648,124	100.0		1,648,124
7		RIDERS:							
8		ACCELERATED SERVICE REPLACEMENT PROGRAM (ASRP)			0.0000	0	0.0		0
9		TOTAL RIDERS				0	0.0		0
10		TOTAL RATE IT TRANSPORTATION	264	1,479,992		1,648,124	100.0		1,648,124

Before

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2018-00261

IN THE MATTER OF THE APPLICATION  
OF DUKE ENERGY KENTUCKY  
FOR AUTHORITY TO INCREASE  
ITS RATES FOR GAS SERVICE TO ALL  
JURISDICTIONAL CONSUMERS

SECTION N

SECTION N

TYPICAL BILL COMPARISON

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended November 30, 2018

Forecasted Period: Twelve Months Ended March 31, 2020

Schedules

N Typical Bill Comparison

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
EFFECTS OF PROPOSED RESIDENTIAL AND GENERAL SERVICE RATES  
TYPICAL BILL COMPARISON  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S).:  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE N  
PAGE 1 OF 2  
WITNESS:  
B. L. Sailers

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B) (MCF)	BILL DATA INCLUDING RIDERS LESS COST of GAS (1)(2)				GAS COST (3) (G) (\$)	TOTAL CURRENT BILL (C + G) (H) (\$)	TOTAL PROPOSED BILL (D + G) (I) (\$)	PERCENT INCREASE (I-H) / H (L) (%)
				CURRENT BILL (C) (\$)	PROPOSED BILL (D) (\$)	DOLLAR INCREASE (D - C) (E) (\$)	PERCENT INCREASE (E / C) (F) (%)				
1	(RS)										
2	RESIDENTIAL	Not	1	21.22	22.07	0.85	4.0	4.55	25.77	26.62	3.3
3		Applicable	3	27.87	31.01	3.14	11.3	13.65	41.52	44.66	7.6
4			6	37.84	44.42	6.58	17.4	27.29	65.13	71.71	10.1
5			8	44.49	53.36	8.87	19.9	36.39	80.88	89.75	11.0
6			10	51.13	62.30	11.17	21.8	45.49	96.62	107.79	11.6
7			12	57.78	71.24	13.46	23.3	54.59	112.37	125.83	12.0
8			16	71.07	89.12	18.05	25.4	72.78	143.85	161.90	12.5
9			20	84.37	107.00	22.63	26.8	90.98	175.35	197.98	12.9
10			30	117.60	151.69	34.09	29.0	136.47	254.07	288.16	13.4
11			40	150.84	196.39	45.55	30.2	181.96	332.80	378.35	13.7
12			50	184.07	241.09	57.02	31.0	227.45	411.52	468.54	13.9
13			60	217.30	285.79	68.49	31.5	272.94	490.24	558.73	14.0
14			80	283.77	375.18	91.41	32.2	363.92	647.69	739.10	14.1
15			100	350.24	464.58	114.34	32.6	454.90	805.14	919.48	14.2
16	(GS)										
17	NON-RESIDENTIAL		5	59.55	64.04	4.49	7.5	22.75	82.30	86.79	5.5
18			10	69.81	78.08	8.27	11.8	45.49	115.30	123.57	7.2
19			20	90.34	106.15	15.81	17.5	90.98	181.32	197.13	8.7
20			40	131.40	162.31	30.91	23.5	181.96	313.36	344.27	9.9
21			50	151.93	190.39	38.46	25.3	227.45	379.38	417.84	10.1
22			100	254.58	330.77	76.19	29.9	454.90	709.48	785.67	10.7
23			300	665.18	892.31	227.13	34.1	1,364.71	2,029.89	2,257.02	11.2
24			500	1,075.78	1,453.85	378.07	35.1	2,274.52	3,350.30	3,728.37	11.3
25			700	1,486.38	2,015.39	529.01	35.6	3,184.33	4,670.71	5,199.72	11.3
26			850	1,794.33	2,436.55	642.22	35.8	3,866.68	5,661.01	6,303.23	11.3
27			1,000	2,102.28	2,857.70	755.42	35.9	4,549.04	6,651.32	7,406.74	11.4
28			2,000	4,155.28	5,665.40	1,510.12	36.3	9,098.08	13,253.36	14,763.48	11.4
29			3,000	6,208.28	8,473.10	2,264.82	36.5	13,647.11	19,855.39	22,120.21	11.4

(1) INCLUDES RIDER DSM OF (\$0.39792) /MCF AND HEA \$0.10 AND ASRP OF \$1.80 IN RATE RS.  
(2) INCLUDES RIDER DSM OF \$0.00000 /MCF AND ASRP OF \$1.78 IN RATE GS.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.549/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
EFFECTS OF PROPOSED FIRM TRANSPORTATION-LARGE RATES  
AND INTERRUPTIBLE TRANSPORTATION RATES ON TYPICAL CUSTOMER BILLS  
(GAS SERVICE)

DATA:   X   BASE PERIOD    FORECASTED PERIOD  
TYPE OF FILING:   X   ORIGINAL    UPDATED    REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE N  
PAGE 2 OF 2  
WITNESS:  
B. L. Sailors

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	MONTHLY TRANSP VOLUME (B) (MCF)	MONTHLY CUSTOMER CHARGE				TRANSPORTATION COMMODITY CHARGE (1)(2)(3)				TOTAL CURRENT BILL (C + G) (K)	TOTAL PROPOSED BILL (D + H) (L)	PERCENT INCREASE (DECREASE) (L-K) / K (M)
				CURRENT MONTHLY CUST CHARGE (C) (\$)	PROPOSED MONTHLY CUST CHARGE (D) (\$)	DOLLAR INCREASE (DECREASE) (D - C) (E) (\$)	PERCENT INCREASE (DECREASE) (E / C) (F) (%)	CURRENT COMMODITY CHARGE (G) (\$)	PROPOSED COMMODITY CHARGE (H) (\$)	DOLLAR INCREASE (DECREASE) (H - G) (I) (\$)	PERCENT INCREASE (DECREASE) (I / G) (J) (%)			
1	(FT-L)	Not												
2	FIRM	Applicable	1,000	430.00	430.00	0.00	0.0	1,741.40	2,331.90	590.50	33.9	2,171.40	2,761.90	27.2
3	TRANSPORTATION		1,500	430.00	430.00	0.00	0.0	2,612.10	3,497.85	885.75	33.9	3,042.10	3,927.85	29.1
4			2,000	430.00	430.00	0.00	0.0	3,482.80	4,663.80	1,181.00	33.9	3,912.80	5,093.80	30.2
5			3,000	430.00	430.00	0.00	0.0	5,224.20	6,995.70	1,771.50	33.9	5,654.20	7,425.70	31.3
6			5,000	430.00	430.00	0.00	0.0	8,707.00	11,659.50	2,952.50	33.9	9,137.00	12,089.50	32.3
7			10,000	430.00	430.00	0.00	0.0	17,414.00	23,319.00	5,905.00	33.9	17,844.00	23,749.00	33.1
8			20,000	430.00	430.00	0.00	0.0	34,828.00	46,638.00	11,810.00	33.9	35,258.00	47,068.00	33.5
9			30,000	430.00	430.00	0.00	0.0	52,242.00	69,957.00	17,715.00	33.9	52,672.00	70,387.00	33.6
10			40,000	430.00	430.00	0.00	0.0	69,656.00	93,276.00	23,620.00	33.9	70,086.00	93,706.00	33.7
11			50,000	430.00	430.00	0.00	0.0	87,070.00	116,595.00	29,525.00	33.9	87,500.00	117,025.00	33.7
12			75,000	430.00	430.00	0.00	0.0	130,605.00	174,892.50	44,287.50	33.9	131,035.00	175,322.50	33.8
13			100,000	430.00	430.00	0.00	0.0	174,140.00	233,190.00	59,050.00	33.9	174,570.00	233,620.00	33.8
14			150,000	430.00	430.00	0.00	0.0	261,210.00	349,785.00	88,575.00	33.9	261,640.00	350,215.00	33.9
15			200,000	430.00	430.00	0.00	0.0	348,280.00	466,380.00	118,100.00	33.9	348,710.00	466,810.00	33.9
16	(IT)	Not												
17	INTERRUPTIBLE	Applicable	2,000	430.00	430.00	0.00	0.0	1,906.40	2,073.80	167.40	8.8	2,336.40	2,503.80	7.2
18	TRANSPORTATION		5,000	430.00	430.00	0.00	0.0	4,766.00	5,184.50	418.50	8.8	5,196.00	5,614.50	8.1
19			10,000	430.00	430.00	0.00	0.0	9,532.00	10,369.00	837.00	8.8	9,962.00	10,799.00	8.4
20			15,000	430.00	430.00	0.00	0.0	14,298.00	15,553.50	1,255.50	8.8	14,728.00	15,983.50	8.5
21			20,000	430.00	430.00	0.00	0.0	19,064.00	20,738.00	1,674.00	8.8	19,494.00	21,168.00	8.6
22			25,000	430.00	430.00	0.00	0.0	23,830.00	25,922.50	2,092.50	8.8	24,260.00	26,352.50	8.6
23			30,000	430.00	430.00	0.00	0.0	28,596.00	31,107.00	2,511.00	8.8	29,026.00	31,537.00	8.7
24			40,000	430.00	430.00	0.00	0.0	38,128.00	41,476.00	3,348.00	8.8	38,558.00	41,906.00	8.7
25			50,000	430.00	430.00	0.00	0.0	47,660.00	51,845.00	4,185.00	8.8	48,090.00	52,275.00	8.7
26			100,000	430.00	430.00	0.00	0.0	95,320.00	103,690.00	8,370.00	8.8	95,750.00	104,120.00	8.7
27			200,000	430.00	430.00	0.00	0.0	190,640.00	207,380.00	16,740.00	8.8	191,070.00	207,810.00	8.8
28			300,000	430.00	430.00	0.00	0.0	285,960.00	311,070.00	25,110.00	8.8	286,390.00	311,500.00	8.8

(1) INCLUDES CURRENT RIDER GCAT OF \$0.000 /MCF AND PROPOSED RIDER CGAT OF \$0.000 /MCF IN RATE FT-L.  
(2) INCLUDES CURRENT RIDER ASRP OF \$0.0045 /MCF AND PROPOSED RIDER ASRP OF \$0.0000 /MCF IN RATE FT-L.  
(3) INCLUDES CURRENT RIDER ASRP OF \$0.0039 /MCF AND PROPOSED RIDER ASRP OF \$0.0000 /MCF IN RATE IT.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
EFFECTS OF PROPOSED RESIDENTIAL AND GENERAL SERVICE RATES  
TYPICAL BILL COMPARISON  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S).:  
12 MONTHS FORECASTED

SCHEDULE N  
PAGE 1 OF 2  
WITNESS:  
B. L. Sailors

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B) (MCF)	BILL DATA INCLUDING RIDERS LESS COST of GAS (1)(2)				GAS COST (3) (G) (\$)	TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE
				CURRENT BILL (C) (\$)	PROPOSED BILL (D) (\$)	DOLLAR INCREASE (D - C) (E) (\$)	PERCENT INCREASE (E / C) (F) (%)		(C + G) (H) (\$)	(D + G) (I) (\$)	(I-H) / H (L) (%)
1	(RS)										
2	RESIDENTIAL	Not	1	21.22	22.07	0.85	4.0	4.01	25.23	26.08	3.4
3		Applicable	3	27.87	31.01	3.14	11.3	12.04	39.91	43.05	7.9
4			6	37.84	44.42	6.58	17.4	24.09	61.93	68.51	10.6
5			8	44.49	53.36	8.87	19.9	32.11	76.60	85.47	11.6
6			10	51.13	62.30	11.17	21.8	40.14	91.27	102.44	12.2
7			12	57.78	71.24	13.46	23.3	48.17	105.95	119.41	12.7
8			16	71.07	89.12	18.05	25.4	64.23	135.30	153.35	13.3
9			20	84.37	107.00	22.63	26.8	80.29	164.66	187.29	13.7
10			30	117.60	151.69	34.09	29.0	120.43	238.03	272.12	14.3
11			40	150.84	196.39	45.55	30.2	160.57	311.41	356.96	14.6
12			50	184.07	241.09	57.02	31.0	200.72	384.79	441.81	14.8
13			60	217.30	285.79	68.49	31.5	240.86	458.16	526.65	14.9
14			80	283.77	375.18	91.41	32.2	321.14	604.91	696.32	15.1
15			100	350.24	464.58	114.34	32.6	401.43	751.67	866.01	15.2
16	(GS)										
17	NON-RESIDENTIAL		5	59.55	64.04	4.49	7.5	20.07	79.62	84.11	5.6
18			10	69.81	78.08	8.27	11.8	40.14	109.95	118.22	7.5
19			20	90.34	106.15	15.81	17.5	80.29	170.63	186.44	9.3
20			40	131.40	162.31	30.91	23.5	160.57	291.97	322.88	10.6
21			50	151.93	190.39	38.46	25.3	200.72	352.65	391.11	10.9
22			100	254.58	330.77	76.19	29.9	401.43	656.01	732.20	11.6
23			300	665.18	892.31	227.13	34.1	1,204.29	1,869.47	2,096.60	12.1
24			500	1,075.78	1,453.85	378.07	35.1	2,007.15	3,082.93	3,461.00	12.3
25			700	1,486.38	2,015.39	529.01	35.6	2,810.01	4,296.39	4,825.40	12.3
26			850	1,794.33	2,436.55	642.22	35.8	3,412.16	5,206.49	5,848.71	12.3
27			1,000	2,102.28	2,857.70	755.42	35.9	4,014.30	6,116.58	6,872.00	12.4
28			2,000	4,155.28	5,665.40	1,510.12	36.3	8,028.60	12,183.88	13,694.00	12.4
29			3,000	6,208.28	8,473.10	2,264.82	36.5	12,042.90	18,251.18	20,516.00	12.4

(1) INCLUDES RIDER DSM OF (\$0.39792) /MCF AND HEA \$0.10 AND ASRP OF \$1.80 IN RATE RS.  
(2) INCLUDES RIDER DSM OF \$0.00000 /MCF AND ASRP OF \$1.78 IN RATE GS.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.014/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2018- 00261  
EFFECTS OF PROPOSED FIRM TRANSPORTATION-LARGE RATES  
AND INTERRUPTIBLE TRANSPORTATION RATES ON TYPICAL CUSTOMER BILLS  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MONTHS FORECASTED

SCHEDULE N  
PAGE 2 OF 2  
WITNESS:  
B. L. Sailors

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	MONTHLY TRANSP VOLUME (B) (MCF)	MONTHLY CUSTOMER CHARGE				TRANSPORTATION COMMODITY CHARGE (1)(2)(3)				TOTAL CURRENT BILL (K) (\$)	TOTAL PROPOSED BILL (L) (\$)	PERCENT INCREASE (DECREASE) (L-K) / K (%)
				CURRENT MONTHLY CUST CHARGE (C) (\$)	PROPOSED MONTHLY CUST CHARGE (D) (\$)	DOLLAR INCREASE (DECREASE) (D - C) (E) (\$)	PERCENT INCREASE (DECREASE) (E / C) (F) (%)	CURRENT COMMODITY CHARGE (G) (\$)	PROPOSED COMMODITY CHARGE (H) (\$)	DOLLAR INCREASE (DECREASE) (H - G) (I) (\$)	PERCENT INCREASE (DECREASE) (I / G) (J) (%)			
1	(FT-L)	Not												
2	FIRM	Applicable	1,000	430.00	430.00	0.00	0.0	1,741.40	2,331.90	590.50	33.9	2,171.40	2,761.90	27.2
3	TRANSPORTATION		1,500	430.00	430.00	0.00	0.0	2,612.10	3,497.85	885.75	33.9	3,042.10	3,927.85	29.1
4			2,000	430.00	430.00	0.00	0.0	3,482.80	4,663.80	1,181.00	33.9	3,912.80	5,093.80	30.2
5			3,000	430.00	430.00	0.00	0.0	5,224.20	6,995.70	1,771.50	33.9	5,654.20	7,425.70	31.3
6			5,000	430.00	430.00	0.00	0.0	8,707.00	11,659.50	2,952.50	33.9	9,137.00	12,089.50	32.3
7			10,000	430.00	430.00	0.00	0.0	17,414.00	23,319.00	5,905.00	33.9	17,844.00	23,749.00	33.1
8			20,000	430.00	430.00	0.00	0.0	34,828.00	46,638.00	11,810.00	33.9	35,258.00	47,068.00	33.5
9			30,000	430.00	430.00	0.00	0.0	52,242.00	69,957.00	17,715.00	33.9	52,672.00	70,387.00	33.6
10			40,000	430.00	430.00	0.00	0.0	69,656.00	93,276.00	23,620.00	33.9	70,086.00	93,706.00	33.7
11			50,000	430.00	430.00	0.00	0.0	87,070.00	116,595.00	29,525.00	33.9	87,500.00	117,025.00	33.7
12			75,000	430.00	430.00	0.00	0.0	130,605.00	174,892.50	44,287.50	33.9	131,035.00	175,322.50	33.8
13			100,000	430.00	430.00	0.00	0.0	174,140.00	233,190.00	59,050.00	33.9	174,570.00	233,620.00	33.8
14			150,000	430.00	430.00	0.00	0.0	261,210.00	349,785.00	88,575.00	33.9	261,640.00	350,215.00	33.9
15			200,000	430.00	430.00	0.00	0.0	348,280.00	466,380.00	118,100.00	33.9	348,710.00	466,810.00	33.9
16	(IT)	Not												
17	INTERRUPTIBLE	Applicable	2,000	430.00	430.00	0.00	0.0	1,906.40	2,073.80	167.40	8.8	2,336.40	2,503.80	7.2
18	TRANSPORTATION		5,000	430.00	430.00	0.00	0.0	4,766.00	5,184.50	418.50	8.8	5,196.00	5,614.50	8.1
19			10,000	430.00	430.00	0.00	0.0	9,532.00	10,369.00	837.00	8.8	9,962.00	10,799.00	8.4
20			15,000	430.00	430.00	0.00	0.0	14,298.00	15,553.50	1,255.50	8.8	14,728.00	15,983.50	8.5
21			20,000	430.00	430.00	0.00	0.0	19,064.00	20,738.00	1,674.00	8.8	19,494.00	21,168.00	8.6
22			25,000	430.00	430.00	0.00	0.0	23,830.00	25,922.50	2,092.50	8.8	24,260.00	26,352.50	8.6
23			30,000	430.00	430.00	0.00	0.0	28,596.00	31,107.00	2,511.00	8.8	29,026.00	31,537.00	8.7
24			40,000	430.00	430.00	0.00	0.0	38,128.00	41,476.00	3,348.00	8.8	38,558.00	41,906.00	8.7
25			50,000	430.00	430.00	0.00	0.0	47,660.00	51,845.00	4,185.00	8.8	48,090.00	52,275.00	8.7
26			100,000	430.00	430.00	0.00	0.0	95,320.00	103,690.00	8,370.00	8.8	95,750.00	104,120.00	8.7
27			200,000	430.00	430.00	0.00	0.0	190,640.00	207,380.00	16,740.00	8.8	191,070.00	207,810.00	8.8
28			300,000	430.00	430.00	0.00	0.0	285,960.00	311,070.00	25,110.00	8.8	286,390.00	311,500.00	8.8

(1) INCLUDES CURRENT RIDER GCAT OF \$0.000 /MCF AND PROPOSED RIDER CGAT OF \$0.000 /MCF IN RATE FT-L.  
(2) INCLUDES CURRENT RIDER ASRP OF \$0.0045 /MCF AND PROPOSED RIDER ASRP OF \$0.0000 /MCF IN RATE FT-L.  
(3) INCLUDES CURRENT RIDER ASRP OF \$0.0039 /MCF AND PROPOSED RIDER ASRP OF \$0.0000 /MCF IN RATE IT.