

Duke

**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latonia Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per CCF.

	<b>Present Rates</b>	<b>Residential Service - Rate RS Proposed Rates</b>
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

	<b>Present Rates</b>	<b>General Service - Rate GS Proposed Rates</b>
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

	<b>Present Rates</b>	<b>Interruptible Transportation Service - Rate IT Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

	<b>Present Rates</b>	<b>Firm Transportation Service-Large - Rate FT-L Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

**Present Rate**

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:

	<u>Allowed Seasonal Monthly Over-Run</u>			<u>Charge on</u>
	<u>Allowed Monthly Under-Run %</u>	<u>May Through November %</u>	<u>December Through April %</u>	<u>All Throughout</u>
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

**Proposed Rate**

Transportation customers who avail themselves of the service under this rate schedule must conform to the monthly imbalance carry over tolerance level shown below.

	<u>Allowed Seasonal Monthly Over-Run</u>			<u>Charge On</u>
	<u>Allowed Monthly Under-Run %</u>	<u>May Through November %</u>	<u>December Through April %</u>	<u>All Throughout</u>
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

**Present Rate**

This is a new tariff schedule.

**Proposed Rate**

**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:

$$WNA_i = R_i \cdot \frac{(HSF_i \cdot (NDD - ADD))}{(BL_i + (HSF_i \cdot ADD))}$$

Where:

- $i$  = A rate schedule or billing classification within a rate schedule.
- WNA<sub>i</sub> = Weather Normalization Adjustment Factor for the i<sup>th</sup> 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 i<sup>th</sup> schedule or classification.
- HSF<sub>i</sub> = Heat sensitivity factor for i<sup>th</sup> 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 KYPSA 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 i<sup>th</sup> rate schedule or classification.

#### Charge for Reconnection of Service

##### Present Rate

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).
- 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).
- C. If service is disconnected 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.
- D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

##### Proposed Rate

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 disconnected 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 the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

#### Meter Pulse Service - Rate MPS

##### Present Rates

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$500.00
If replacement of Meter Index is necessary, additional charge of:	\$155.00

##### Proposed Rates

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$550.00
If replacement of Meter Index is necessary, additional charge of:	\$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

#### Service Regulations Section II – Supplying and Taking of Service

##### Present Rate

###### 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.

##### Proposed Rate

###### 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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

#### Service Regulations Section V – Metering

##### Present Rate

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.

##### Proposed Rate

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.

#### Service Regulations Section VI – Billing and Payment

##### Present Rate

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

##### Proposed Rate

The following description of the budget bill plan is added to the tariff sheet.

###### 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.
- 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.

Continued next page

**Full Requirements Aggregation Service - Rate FRAS**

**Present Rate**

**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, 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 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.

**OPERATIONAL FLOW ORDERS:**

**Over-deliveries**

(1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier,

**Proposed Rate**

**DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:**

**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

**Spark Spread Interruptible Transportation Rate - Rate SSIT**

**Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS**

**Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS**

**Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP**

**Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service - Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

**Curtailment Plan for Management of Available Gas Supplies**

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS - Residential Service	\$ 6,448,449	9.8%
Rate GS - Commercial Service	\$ 2,041,693	10.3%
Rate GS - Industrial Service	\$ 131,405	11.3%
Rate GS - Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L - Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT - Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS - Gas Trading Service*	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA - Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS - Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

Continued next page

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latonia Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per CCF.

	<b>Present Rates</b>	<b>Residential Service - Rate RS Proposed Rates</b>
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

	<b>Present Rates</b>	<b>General Service - Rate GS Proposed Rates</b>
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

	<b>Present Rates</b>	<b>Interruptible Transportation Service - Rate IT Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

	<b>Present Rates</b>	<b>Firm Transportation Service-Large - Rate FT-L Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

**Present Rate**  
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:

	<u>Allowed Seasonal Monthly Over-Run</u>		<u>December Through April</u>	<u>Charge on All Throughout</u>
	Allowed Monthly Under-Run %	May Through November %	%	
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

**Proposed Rate**  
Transportation customers who avail themselves of the service under this rate schedule must conform to the monthly imbalance carry over tolerance level shown below.

	<u>Allowed Seasonal Monthly Over-Run</u>		<u>December Through April</u>	<u>Charge On All Throughout</u>
	Allowed Monthly Under-Run %	May Through November %	%	
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

**Present Rate**  
This is a new tariff schedule.

**Proposed Rate**  
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:

$$WNA_i = R_i \cdot \frac{(HSF_i \cdot (NDD - ADD))}{(BL_i + (HSF_i \cdot ADD))}$$

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 KYPSA 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.

**Charge for Reconnection of Service**

**Present Rate**

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).
- 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)
- C. If service is disconnected 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.
- D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

**Proposed Rate**

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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

**Meter Pulse Service - Rate MPS**

**Present Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$500.00
If replacement of Meter Index is necessary, additional charge of:	\$155.00

**Proposed Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$550.00
If replacement of Meter Index is necessary, additional charge of:	\$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

**Service Regulations Section II – Supplying and Taking of Service**

**Present Rate**

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.

**Proposed Rate**

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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

**Service Regulations Section V – Metering**

**Present Rate**

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.

**Proposed Rate**

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.

**Service Regulations Section VI – Billing and Payment**

**Present Rate**

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

**Proposed Rate**

The following description of the budget bill plan is added to the tariff sheet.

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.
  - 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.

**Full Requirements Aggregation Service - Rate FRAS**

**Present Rate**

**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, 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 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.

**OPERATIONAL FLOW ORDERS:**

**Over-deliveries**

(1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier,

**Proposed Rate**

**DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:**

**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

**Spark Spread Interruptible Transportation Rate - Rate SSIT**

**Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS**

**Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS**

**Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP**

**Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service - Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

**Curtailment Plan for Management of Available Gas Supplies**

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS - Residential Service	\$ 6,448,449	9.8%
Rate GS - Commercial Service	\$ 2,041,693	10.3%
Rate GS - Industrial Service	\$ 131,405	11.3%
Rate GS - Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L - Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT - Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS - Gas Trading Service*	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA - Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS - Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

Continued next page

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356



**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latonias Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per CCF.

	<b>Present Rates</b>	<b>Residential Service - Rate RS Proposed Rates</b>
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

	<b>Present Rates</b>	<b>General Service - Rate GS Proposed Rates</b>
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

	<b>Present Rates</b>	<b>Interruptible Transportation Service - Rate IT Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

	<b>Present Rates</b>	<b>Firm Transportation Service-Large - Rate FT-L Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

**Present Rate**  
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:

	<u>Allowed Seasonal Monthly Over-Run</u>			
	Allowed Monthly Under-Run %	May Through November %	December Through April %	Charge on All Throughout
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

**Proposed Rate**  
Transportation customers who avail themselves of the service under this rate schedule must conform to the monthly imbalance carry over tolerance level shown below.

	<u>Allowed Seasonal Monthly Over-Run</u>			
	Allowed Monthly Under-Run %	May Through November %	December Through April %	Charge On All Throughout
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

**Present Rate**  
This is a new tariff schedule.

**Proposed Rate**  
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:

$$WNA_i = R_i \cdot \frac{(HSF_i \cdot (NDD - ADD))}{(BL_i + (HSF_i \cdot ADD))}$$

Where:

- $i$  = A rate schedule or billing classification within a rate schedule.  
 $WNA_i$  = Weather Normalization Adjustment Factor for the  $i$ th rate schedule or classification expressed as a rate per Ccf.  
 $R_i$  = Weighted average rate (distribution charge) of temperature sensitive sales for the  $i$ th schedule or classification.  
 $HSF_i$  = Heat sensitivity factor for  $i$ th 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  $i$ th rate schedule or classification.

#### Charge for Reconnection of Service

##### Present Rate

The Company may charge and collect in advance the following:

- The reconnection charge for service which has been disconnected due to enforcement of Rule 3 shall be twenty-five dollars (\$25.00).
- 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).
- If service is disconnected 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.
- If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

##### Proposed Rate

The Company may charge and collect in advance the following:

- The reconnection charge for service which has been disconnected due to enforcement of Rule 3 shall be seventy-five dollars (\$75.00).
- 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).
- If service is disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
- If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

#### Meter Pulse Service - Rate MPS

##### Present Rates

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$500.00
If replacement of Meter Index is necessary, additional charge of:	\$155.00

##### Proposed Rates

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$550.00
If replacement of Meter Index is necessary, additional charge of:	\$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

#### Service Regulations Section II – Supplying and Taking of Service

##### Present Rate

###### 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.

##### Proposed Rate

###### 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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

#### Service Regulations Section V – Metering

##### Present Rate

Each month the Company will monitor the usage of each customer according to the following procedure:

- 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.
- 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.

##### Proposed Rate

Each month the Company will monitor the usage of each customer according to the following procedure:

- 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.

#### Service Regulations Section VI – Billing and Payment

##### Present Rate

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

##### Proposed Rate

The following description of the budget bill plan is added to the tariff sheet.

###### 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.
- 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.

**Full Requirements Aggregation Service - Rate FRAS**

**Present Rate**

**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, 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 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.

**OPERATIONAL FLOW ORDERS:**

**Over-deliveries**

(1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier.

**Proposed Rate**

**DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:**

**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

**Spark Spread Interruptible Transportation Rate - Rate SSIT**

**Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS**

**Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS**

**Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP**

**Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service - Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

**Curtailment Plan for Management of Available Gas Supplies**

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS - Residential Service	\$ 6,448,449	9.8%
Rate GS - Commercial Service	\$ 2,041,693	10.3%
Rate GS - Industrial Service	\$ 131,405	11.3%
Rate GS - Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L - Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT - Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS - Gas Trading Service*	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA - Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS - Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

NOTICE

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Table listing communities: Alexandria, Bellevue, Boone County, Bracken County, Bromley, Butler, Campbell County, Cold Spring, Covington, Crescent Park, Crescent Springs, Crestview, Crestview Hills, Crittenden, Dayton, Dry Ridge, Edgewood, Elsmere, Erlanger, Fairview, Falmouth, Florence, Fort Mitchell, Fort Thomas, Fort Wright, Gallatin County, Glencoe, Grant County, Highland Heights, Independence, Kenton County, Kenton Vale, Lakeside Park, Latonia Lakes, Ludlow, Melbourne, Newport, Park Hills, Pendleton County, Ryland Heights, Silver Grove, Southgate, Taylor Mill, Union, Villa Hills, Visalia, Walton, Warsaw, Wilder, Woodlawn, Williamstown.

DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per Ccf.

Table for Residential Service - Rate RS. Columns: Present Rates, Proposed Rates. Rows: Monthly Customer Charge, Base Rate for all Ccf, GCA for all Ccf, Total Rate (Base Rate + GCA) for all Ccf.

Table for General Service - Rate GS. Columns: Present Rates, Proposed Rates. Rows: Monthly Customer Charge, Base Rate - All Ccf, GCA - All Ccf, Total Rate (Base Rate + GCA) for all Ccf.

Table for Interruptible Transportation Service - Rate IT. Columns: Present Rates, Proposed Rates. Rows: Monthly Customer Charge, Base Rate - All Ccf.

Table for Firm Transportation Service-Large - Rate FT-L. Columns: Present Rates, Proposed Rates. Rows: Monthly Customer Charge, Base Rate - All Ccf.

Interruptible Monthly Balancing Service - Rate IMBS

Present Rate 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:

Table for Present Rate IMBS. Columns: Allowed Monthly Under-Run %, May Through November %, December Through April %, Charge on All Throughout. Rows: Option 1, Option 2, Option 3.

Proposed Rate Transportation customers who avail themselves of the service under this rate schedule must conform to the monthly imbalance carry over tolerance level shown below.

Table for Proposed Rate IMBS. Columns: Allowed Monthly Under-Run %, May Through November %, December Through April %, Charge on All Throughout. Row: All Pools.

Weather Normalization Adjustment Rider - Rider WNA

Present Rate This is a new tariff schedule.

Proposed Rate 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 \* ((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.

Charge for Reconnection of Service

- Present Rate 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). 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). C. If service is disconnected 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. D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

- Proposed Rate 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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service. D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

Meter Pulse Service - Rate MPS

Present Rates Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Table for Present Rates MPS. Rows: Installation of meter pulse equipment, If replacement of Meter Index is necessary, additional charge of.

Proposed Rates Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Table for Proposed Rates MPS. Rows: Installation of meter pulse equipment, If replacement of Meter Index is necessary, additional charge of.

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

Service Regulations Section II - Supplying and Taking of Service

Present Rate 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.

Proposed Rate 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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

#### Service Regulations Section V – Metering

##### Present Rate

Each month the Company will monitor the usage of each customer according to the following procedure:

- 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.
- 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.

##### Proposed Rate

Each month the Company will monitor the usage of each customer according to the following procedure:

- 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.

#### Service Regulations Section VI – Billing and Payment

##### Present Rate

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

##### Proposed Rate

The following description of the budget bill plan is added to the tariff sheet.

##### 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.
- 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.

#### Full Requirements Aggregation Service - Rate FRAS

##### Present Rate

##### 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, 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 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.

##### OPERATIONAL FLOW ORDERS:

##### Over-deliveries

- Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier.

##### Proposed Rate

##### DEFINITIONS:

"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.

##### 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.

##### OPERATIONAL FLOW ORDERS:

##### Over-deliveries

- 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

#### Spark Spread Interruptible Transportation Rate - Rate SSIT

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

#### Pooling Service for Interruptible Gas Transportation - Rate AS

##### Proposed Rate

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

#### Gas Trading Service - Rate GTS

##### Present Rate

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.

##### Proposed Rate

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.

#### Accelerated Service Replacement Program Rider - Rider ASRP

##### Present Rate

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service – Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

##### Proposed Rate

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

#### Curtailment Plan for Management of Available Gas Supplies

##### Present Rate

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

##### Proposed Rate

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

#### IMPACT OF PROPOSED RATES

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS – Residential Service	\$ 6,448,449	9.8%
Rate GS – Commercial Service	\$ 2,041,693	10.3%
Rate GS – Industrial Service	\$ 131,405	11.3%
Rate GS – Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L – Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT – Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS – Gas Trading Service*	\$0	0.0%
Rate IMBS – Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA – Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS – Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latonias Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per Ccf.

	Present Rates	Proposed Rates
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

	Present Rates	Proposed Rates
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

	Present Rates	Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

	Present Rates	Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

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:

	Allowed Monthly Under-Run %	May Through November %	December Through April %	Charge on All Throughout
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

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 %	May Through November %	December Through April %	Charge On All Throughout
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

This is a new tariff schedule.

**Proposed Rate 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.

**Charge for Reconnection of Service**

- Present Rate**  
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).
  - 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).
  - C. If service is disconnected 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.
  - D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

- Proposed Rate**  
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 disconnected 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 the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

**Meter Pulse Service - Rate MPS**

**Present Rates**  
Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$500.00
If replacement of Meter Index is necessary, additional charge of:	\$155.00

**Proposed Rates**  
Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$550.00
If replacement of Meter Index is necessary, additional charge of:	\$60.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

**Service Regulations Section II - Supplying and Taking of Service**

**Present Rate**  
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.

**Proposed Rate**  
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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

#### Service Regulations Section V – Metering

##### Present Rate

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.

##### Proposed Rate

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.

#### Service Regulations Section VI – Billing and Payment

##### Present Rate

The following text is removed from the tariff sheet, "if bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

##### Proposed Rate

The following description of the budget bill plan is added to the tariff sheet.

##### 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.
- 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.

#### Full Requirements Aggregation Service - Rate FRAS

##### Present Rate

##### 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, 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 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.

##### OPERATIONAL FLOW ORDERS:

##### Over-deliveries

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier,

##### Proposed Rate

##### DEFINITIONS:

"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.

##### 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.

##### OPERATIONAL FLOW ORDERS:

##### 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

#### Spark Spread Interruptible Transportation Rate - Rate SSIT

##### Proposed Rate

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

#### Pooling Service for Interruptible Gas Transportation - Rate AS

##### Proposed Rate

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

#### Gas Trading Service - Rate GTS

##### Present Rate

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.

##### Proposed Rate

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.

#### Accelerated Service Replacement Program Rider - Rider ASRP

##### Present Rate

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service – Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

##### Proposed Rate

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

#### Curtailed Plan for Management of Available Gas Supplies

##### Present Rate

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

##### Proposed Rate

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

#### IMPACT OF PROPOSED RATES

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS – Residential Service	\$ 6,448,449	9.8%
Rate GS – Commercial Service	\$ 2,041,693	10.3%
Rate GS – Industrial Service	\$ 131,405	11.3%
Rate GS – Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L – Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT – Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS – Gas Trading Service*	\$0	0.0%
Rate IMBS – Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA – Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS – Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356



NOTICE

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latonias Lakes	Williamstown

DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per Ccf.

	Present Rates	Proposed Rates
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

	Present Rates	Proposed Rates
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

	Present Rates	Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

	Present Rates	Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

Interruptible Monthly Balancing Service - Rate IMBS

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:

	Allowed Seasonal Monthly Over-Run			Charge on All Throughout
	Allowed Monthly Under-Run %	May Through November %	December Through April %	
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

Proposed Rate

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 %	May Through November %	December Through April %	Charge On All Throughout
All Pools	0	8	10	\$0.1097 per Mcf

Weather Normalization Adjustment Rider - Rider WNA

Present Rate  
This is a new tariff schedule.

Proposed Rate

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 = 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.

Charge for Reconnection of Service

Present Rate

- 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).
  - 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)
  - C. If service is disconnected 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.
  - D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

Proposed Rate

- 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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
  - D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

Meter Pulse Service - Rate MPS

Present Rates

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$500.00
If replacement of Meter Index is necessary, additional charge of:	\$155.00

Proposed Rates

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$550.00
If replacement of Meter Index is necessary, additional charge of:	\$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

Service Regulations Section II - Supplying and Taking of Service

Present Rate

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.

Proposed Rate

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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

#### Service Regulations Section V – Metering

##### Present Rate

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.

##### Proposed Rate

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.

#### Service Regulations Section VI – Billing and Payment

##### Present Rate

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

##### Proposed Rate

The following description of the budget bill plan is added to the tariff sheet.

##### 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.
- 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.

#### Full Requirements Aggregation Service - Rate FRAS

##### Present Rate

##### 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, 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 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.

##### OPERATIONAL FLOW ORDERS:

##### Over-deliveries

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier.

##### Proposed Rate

##### DEFINITIONS:

"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.

##### 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.

##### OPERATIONAL FLOW ORDERS:

##### 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

#### Spark Spread Interruptible Transportation Rate - Rate SSIT

##### Proposed Rate

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

#### Pooling Service for Interruptible Gas Transportation - Rate AS

##### Proposed Rate

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

#### Gas Trading Service - Rate GTS

##### Present Rate

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.

##### Proposed Rate

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.

#### Accelerated Service Replacement Program Rider - Rider ASRP

##### Present Rate

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service - Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

##### Proposed Rate

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

#### Curtailment Plan for Management of Available Gas Supplies

##### Present Rate

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

##### Proposed Rate

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

#### IMPACT OF PROPOSED RATES

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS - Residential Service	\$ 6,448,449	9.8%
Rate GS - Commercial Service	\$ 2,041,693	10.3%
Rate GS - Industrial Service	\$ 131,405	11.3%
Rate GS - Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L - Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT - Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS - Gas Trading Service*	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA - Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS - Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latoria Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per Ccf.

	Present Rates	Residential Service - Rate RS Proposed Rates
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

  

	Present Rates	General Service - Rate GS Proposed Rates
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

  

	Present Rates	Interruptible Transportation Service - Rate IT Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

  

	Present Rates	Firm Transportation Service-Large - Rate FT-L Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

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:

	Allowed Seasonal Monthly Over-Run			Charge on All Throughout
	Allowed Monthly Under-Run %	May Through November %	December Through April %	
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

**Proposed Rate**

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 %	May Through November %	December Through April %	Charge On All Throughout
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

**Present Rate**

This is a new tariff schedule.

**Proposed Rate**

**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:

$$WNA_i = Ri * \frac{(HSFI * (NDD - ADD))}{(BLI + (HSFI * ADD))}$$

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.
- HSFI = 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.
- BLI = Base load for the ith rate schedule or classification.

**Charge for Reconnection of Service**

**Present Rate**

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).
- 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)
- C. If service is disconnected 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.
- D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

**Proposed Rate**

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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

**Meter Pulse Service - Rate MPS**

**Present Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$500.00
If replacement of Meter Index is necessary, additional charge of:	\$155.00

**Proposed Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$550.00
If replacement of Meter Index is necessary, additional charge of:	\$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:  
**Service Regulations Section II - Supplying and Taking of Service**

**Present Rate**

**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.

**Proposed Rate**

**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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

**Service Regulations Section V – Metering**

**Present Rate**

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.

**Proposed Rate**

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.

**Service Regulations Section VI – Billing and Payment**

**Present Rate**

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

**Proposed Rate**

The following description of the budget bill plan is added to the tariff sheet.

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.
- 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 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.

**Full Requirements Aggregation Service - Rate FRAS**

**Present Rate**

**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, 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 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.

**OPERATIONAL FLOW ORDERS:**

Over-deliveries

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier,

**Proposed Rate**

**DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:**

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

**Spark Spread Interruptible Transportation Rate - Rate SSIT**

**Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS**

**Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS**

**Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP**

**Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

- Rate RS, Residential Service \$1.80/month
- Rate GS, General Service \$1.78/month
- Rate DGS, Distributed Generation Service \$0.00045/CCF
- Rate FT-L, Firm Transportation Service – Large \$0.00045/CCF
- Rate IT, Interruptible Transportation Service \$0.00039/CCF
- Rate SSIT, Spark Spread Interruptible Transportation Rate \$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

**Curtailement Plan for Management of Available Gas Supplies**

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS – Residential Service	\$ 6,448,449	9.8%
Rate GS – Commercial Service	\$ 2,041,693	10.3%
Rate GS – Industrial Service	\$ 131,405	11.3%
Rate GS – Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L – Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT – Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS – Gas Trading Service*	\$0	0.0%
Rate IMBS – Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA – Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS – Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latoria Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per Ccf.

	<b>Present Rates</b>	<b>Residential Service - Rate RS Proposed Rates</b>
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377
	<b>Present Rates</b>	<b>General Service - Rate GS Proposed Rates</b>
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777
	<b>Present Rates</b>	<b>Interruptible Transportation Service - Rate IT Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369
	<b>Present Rates</b>	<b>Firm Transportation Service-Large - Rate FT-L Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

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:

	Allowed Seasonal Monthly Over-Run			Charge on All Throughout
	Allowed Monthly Under-Run %	May Through November %	December Through April %	
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

**Proposed Rate**

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 Seasonal Monthly Over-Run			Charge On All Throughout
	Allowed Monthly Under-Run %	May Through November %	December Through April %	
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

**Present Rate**

This is a new tariff schedule.

**Proposed Rate**

**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:

$$WNA_i = Ri * \frac{(HSFI * (NDD - ADD))}{(BLi + (HSFI * ADD))}$$

Where:

- i = A rate schedule or billing classification within a rate schedule.
- WNAi = Weather Normalization Adjustment Factor for the ith rate schedule or classification expressed as a rate per Ccf.
- Ri = Weighted average rate (distribution charge) of temperature sensitive sales for the ith schedule or classification.
- HSFI = 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.
- BLi = Base load for the ith rate schedule or classification.

**Charge for Reconnection of Service**

**Present Rate**

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).
- 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)
- C. If service is disconnected 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.
- D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

**Proposed Rate**

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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

**Meter Pulse Service - Rate MPS**

**Present Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment: \$500.00  
 If replacement of Meter Index is necessary, additional charge of: \$155.00

**Proposed Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment: \$550.00  
 If replacement of Meter Index is necessary, additional charge of: \$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:  
**Service Regulations Section II - Supplying and Taking of Service**

**Present Rate**

**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.

**Proposed Rate**

**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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

**Service Regulations Section V – Metering**

**Present Rate**

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.

**Proposed Rate**

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.

**Service Regulations Section VI – Billing and Payment**

**Present Rate**

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

**Proposed Rate**

The following description of the budget bill plan is added to the tariff sheet.

**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.
- 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.

**Full Requirements Aggregation Service - Rate FRAS**

**Present Rate**

**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, 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 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.

**OPERATIONAL FLOW ORDERS:**

**Over-deliveries**

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier.

**Proposed Rate**

**DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:**

**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

**Spark Spread Interruptible Transportation Rate - Rate SSIT**

**Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS**

**Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS**

**Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP**

**Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

- Rate RS, Residential Service \$1.80/month
- Rate GS, General Service \$1.78/month
- Rate DGS, Distributed Generation Service \$0.00045/CCF
- Rate FT-L, Firm Transportation Service - Large \$0.00045/CCF
- Rate IT, Interruptible Transportation Service \$0.00039/CCF
- Rate SSIT, Spark Spread Interruptible Transportation Rate \$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

**Curtaiment Plan for Management of Available Gas Supplies**

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS - Residential Service	\$ 6,448,449	9.8%
Rate GS - Commercial Service	\$ 2,041,693	10.3%
Rate GS - Industrial Service	\$ 131,405	11.3%
Rate GS - Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L - Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT - Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS - Gas Trading Service*	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA - Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS - Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356



*Boone Duke*

**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latonias Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per CCF.

	<b>Present Rates</b>	<b>Residential Service - Rate RS Proposed Rates</b>
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377
	<b>Present Rates</b>	<b>General Service - Rate GS Proposed Rates</b>
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777
	<b>Present Rates</b>	<b>Interruptible Transportation Service - Rate IT Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369
	<b>Present Rates</b>	<b>Firm Transportation Service-Large - Rate FT-L Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

**Present Rate**

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:

	<b>Allowed Seasonal Monthly Over-Run</b>			
	Allowed Monthly Under-Run %	May Through November %	December Through April %	Charge on All Throughout
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

**Proposed Rate**

Transportation customers who avail themselves of the service under this rate schedule must conform to the monthly imbalance carry over tolerance level shown below.

	<b>Allowed Seasonal Monthly Over-Run</b>			
	Allowed Monthly Under-Run %	May Through November %	December Through April %	Charge On All Throughout
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

**Present Rate**

This is a new tariff schedule.

**Proposed Rate**

**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:

$$WNA_i = Ri * \frac{(HSFI * (NDD - ADD))}{(BLI + (HSFI * ADD))}$$

Where:

- i = A rate schedule or billing classification within a rate schedule.
- WNAi = Weather Normalization Adjustment Factor for the ith rate schedule or classification expressed as a rate per Ccf.
- Ri = Weighted average rate (distribution charge) of temperature sensitive sales for the ith schedule or classification.
- HSFI = 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.
- BLI = Base load for the ith rate schedule or classification.

**Charge for Reconnection of Service**

**Present Rate**

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).
- 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)
- C. If service is disconnected 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.
- D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

**Proposed Rate**

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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

**Meter Pulse Service - Rate MPS**

**Present Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$500.00
If replacement of Meter Index is necessary, additional charge of:	\$155.00

**Proposed Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$550.00
If replacement of Meter Index is necessary, additional charge of:	\$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

**Service Regulations Section II - Supplying and Taking of Service**

**Present Rate**

**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.

**Proposed Rate**

**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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

**Service Regulations Section V – Metering**

**Present Rate**

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.

**Proposed Rate**

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.

**Service Regulations Section VI – Billing and Payment**

**Present Rate**

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

**Proposed Rate**

The following description of the budget bill plan is added to the tariff sheet.

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.
- 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.

**Full Requirements Aggregation Service - Rate FRAS**

**Present Rate**

**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, 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 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.

**OPERATIONAL FLOW ORDERS:**

Over-deliveries

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier,

**Proposed Rate**

**DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:**

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

**Spark Spread Interruptible Transportation Rate - Rate SSIT**

**Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS**

**Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS**

**Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP**

**Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

- Rate RS, Residential Service \$1.80/month
- Rate GS, General Service \$1.78/month
- Rate DGS, Distributed Generation Service \$0.00045/CCF
- Rate FT-L, Firm Transportation Service – Large \$0.00045/CCF
- Rate IT, Interruptible Transportation Service \$0.00039/CCF
- Rate SSIT, Spark Spread Interruptible Transportation Rate \$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

**Curtailement Plan for Management of Available Gas Supplies**

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS – Residential Service	\$ 6,448,449	9.8%
Rate GS – Commercial Service	\$ 2,041,693	10.3%
Rate GS – Industrial Service	\$ 131,405	11.3%
Rate GS – Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L – Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT – Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS – Gas Trading Service*	\$0	0.0%
Rate IMBS – Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA – Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS – Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEInquiries@duke-energy.com](mailto:DEInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latonia Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per Ccf.

	Present Rates	Residential Service - Rate RS Proposed Rates
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

	Present Rates	General Service - Rate GS Proposed Rates
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

	Present Rates	Interruptible Transportation Service - Rate IT Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

	Present Rates	Firm Transportation Service-Large - Rate FT-L Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

**Present Rate**

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:

	<u>Allowed Seasonal Monthly Over-Run</u>			
	Allowed Monthly Under-Run %	May Through November %	December Through April %	Charge on All Throughout
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

**Proposed Rate**

Transportation customers who avail themselves of the service under this rate schedule must conform to the monthly imbalance carry over tolerance level shown below.

	<u>Allowed Seasonal Monthly Over-Run</u>			
	Allowed Monthly Under-Run %	May Through November %	December Through April %	Charge On All Throughout
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

**Present Rate**

This is a new tariff schedule.

**Proposed Rate**

**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:

$$WNA_i = R_i \cdot \frac{(HSF_i \cdot (NDD - ADD))}{(BL_i + (HSF_i \cdot ADD))}$$

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.

**Charge for Reconnection of Service**

**Present Rate**

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).
- 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)
- C. If service is disconnected 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.
- D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

**Proposed Rate**

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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

CONTINUED NEXT PAGE

**Meter Pulse Service - Rate MPS**

**Present Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment: \$500.00  
 If replacement of Meter Index is necessary, additional charge of: \$155.00

**Proposed Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment: \$550.00  
 If replacement of Meter Index is necessary, additional charge of: \$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

**Service Regulations Section II – Supplying and Taking of Service**

**Present Rate**

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.

**Proposed Rate**

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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

**Service Regulations Section V – Metering**

**Present Rate**

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.

**Proposed Rate**

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.

**Service Regulations Section VI – Billing and Payment**

**Present Rate**

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

**Proposed Rate**

The following description of the budget bill plan is added to the tariff sheet.

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.
- 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.

**Full Requirements Aggregation Service - Rate FRAS**

**Present Rate**

**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, 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 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.

**OPERATIONAL FLOW ORDERS:**

Over-deliveries

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier,

**Proposed Rate**

**DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:**

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

**Spark Spread Interruptible Transportation Rate - Rate SSIT**

**Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS**

**Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS**

**Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP**

**Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service – Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

CONTINUED NEXT PAGE

**Curtailment Plan for Management of Available Gas Supplies**

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS – Residential Service	\$ 6,448,449	9.8%
Rate GS – Commercial Service	\$ 2,041,693	10.3%
Rate GS – Industrial Service	\$ 131,405	11.3%
Rate GS – Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L – Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT – Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS – Gas Trading Service*	\$0	0.0%
Rate IMBS – Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA – Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS – Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

Campbell C. Duke

**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latonias Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per CCF.

	Present Rates	Residential Service - Rate RS Proposed Rates
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

	Present Rates	General Service - Rate GS Proposed Rates
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

	Present Rates	Interruptible Transportation Service - Rate IT Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

	Present Rates	Firm Transportation Service-Large - Rate FT-L Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

**Present Rate**

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:

	Allowed Monthly Under-Run %	Allowed Seasonal Monthly Over-Run May Through November %	December Through April %	Charge on All Throughout
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

**Proposed Rate**

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 May Through November %	December Through April %	Charge On All Throughout
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

**Present Rate**

This is a new tariff schedule.

**Proposed Rate**

**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.

**Charge for Reconnection of Service**

**Present Rate**

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).
- 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)
- C. If service is disconnected 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.
- D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

**Proposed Rate**

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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

CONTINUED NEXT PAGE

**Meter Pulse Service - Rate MPS**

**Present Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment: \$500.00  
 If replacement of Meter Index is necessary, additional charge of: \$155.00

**Proposed Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment: \$550.00  
 If replacement of Meter Index is necessary, additional charge of: \$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

**Service Regulations Section II – Supplying and Taking of Service**

**Present Rate**

**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.

**Proposed Rate**

**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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

**Service Regulations Section V – Metering**

**Present Rate**

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.

**Proposed Rate**

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.

**Service Regulations Section VI – Billing and Payment**

**Present Rate**

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

**Proposed Rate**

The following description of the budget bill plan is added to the tariff sheet.

**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.
- 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.

**Full Requirements Aggregation Service - Rate FRAS**

**Present Rate**

**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, 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 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.

**OPERATIONAL FLOW ORDERS:**

**Over-deliveries**

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier,

**Proposed Rate**

**DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:**

**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

**Spark Spread Interruptible Transportation Rate - Rate SSIT**

**Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS**

**Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS**

**Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP**

**Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service – Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.



**Curtailment Plan for Management of Available Gas Supplies**

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS - Residential Service	\$ 6,448,449	9.8%
Rate GS - Commercial Service	\$ 2,041,693	10.3%
Rate GS - Industrial Service	\$ 131,405	11.3%
Rate GS - Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L - Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT - Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS - Gas Trading Service*	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA - Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS - Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latonias Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per CCF.

	Present Rates	Residential Service - Rate RS Proposed Rates
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

	Present Rates	General Service - Rate GS Proposed Rates
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

	Present Rates	Interruptible Transportation Service - Rate IT Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

	Present Rates	Firm Transportation Service-Large - Rate FT-L Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

**Present Rate**

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:

	Allowed Monthly Under-Run %	Allowed Seasonal Monthly Over-Run May Through November %	December Through April %	Charge on All Throughout
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

**Proposed Rate**

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 May Through November %	December Through April %	Charge On All Throughout
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

**Present Rate**

This is a new tariff schedule.

**Proposed Rate**

**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:

$$WNA_i = R_i \cdot \frac{(HSF_i \cdot (NDD - ADD))}{(BL_i + (HSF_i \cdot ADD))}$$

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.

**Charge for Reconnection of Service**

**Present Rate**

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).
- 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)
- C. If service is disconnected 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.
- D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

**Proposed Rate**

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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

CONTINUED NEXT PAGE

**Meter Pulse Service - Rate MPS**

**Present Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment: \$500.00  
 If replacement of Meter Index is necessary, additional charge of: \$155.00

**Proposed Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment: \$550.00  
 If replacement of Meter Index is necessary, additional charge of: \$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

**Service Regulations Section II – Supplying and Taking of Service**

**Present Rate**

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.

**Proposed Rate**

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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

**Service Regulations Section V – Metering**

**Present Rate**

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.

**Proposed Rate**

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.

**Service Regulations Section VI – Billing and Payment**

**Present Rate**

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

**Proposed Rate**

The following description of the budget bill plan is added to the tariff sheet.

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.
- 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.

**Full Requirements Aggregation Service - Rate FRAS**

**Present Rate**

**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, 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 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.

**OPERATIONAL FLOW ORDERS:**

Over-deliveries

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier.

**Proposed Rate**

**DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:**

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

**Spark Spread Interruptible Transportation Rate - Rate SSIT**

**Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS**

**Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS**

**Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP**

**Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service – Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

**Curtailment Plan for Management of Available Gas Supplies**

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS - Residential Service	\$ 6,448,449	9.8%
Rate GS - Commercial Service	\$ 2,041,693	10.3%
Rate GS - Industrial Service	\$ 131,405	11.3%
Rate GS - Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L - Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT - Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS - Gas Trading Service*	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA - Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS - Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latonias Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per CCF.

	<b>Present Rates</b>	<b>Residential Service - Rate RS Proposed Rates</b>
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

	<b>Present Rates</b>	<b>General Service - Rate GS Proposed Rates</b>
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

	<b>Present Rates</b>	<b>Interruptible Transportation Service - Rate IT Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

	<b>Present Rates</b>	<b>Firm Transportation Service-Large - Rate FT-L Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

**Present Rate**  
 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:

	<u>Allowed Seasonal Monthly Over-Run</u>				Charge on <u>All Throughout</u>
	Allowed Monthly Under-Run %	May Through November %	December Through April %	December Through April %	
Option 1	0	5	7	7	\$0.015 per Mcf
Option 2	0	6	8	8	\$0.020 per Mcf
Option 3	0	8	10	10	\$0.025 per Mcf

**Proposed Rate**  
 Transportation customers who avail themselves of the service under this rate schedule must conform to the monthly imbalance carry over tolerance level shown below.

	<u>Allowed Seasonal Monthly Over-Run</u>				Charge On <u>All Throughout</u>
	Allowed Monthly Under-Run %	May Through November %	December Through April %	December Through April %	
All Pools	0	8	10	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

**Present Rate**  
 This is a new tariff schedule.

**Proposed Rate**  
**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.

**Charge for Reconnection of Service**

**Present Rate**  
 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).
- 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).
- C. If service is disconnected 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.
- D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

**Proposed Rate**  
 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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

**Meter Pulse Service - Rate MPS**

**Present Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment: \$500.00  
 If replacement of Meter Index is necessary, additional charge of: \$155.00

**Proposed Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment: \$550.00  
 If replacement of Meter Index is necessary, additional charge of: \$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

**Service Regulations Section II - Supplying and Taking of Service**

**Present Rate**

**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.

**Proposed Rate**

**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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

**Service Regulations Section V - Metering**

**Present Rate**

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.

**Proposed Rate**

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.

**Service Regulations Section VI - Billing and Payment**

**Present Rate**

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

**Proposed Rate**

The following description of the budget bill plan is added to the tariff sheet.

**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.
- 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.

**Full Requirements Aggregation Service - Rate FRAS**

**Present Rate**

**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, 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 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.

**OPERATIONAL FLOW ORDERS:**

**Over-deliveries**

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier,

**Proposed Rate**

**DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:**

**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

**Spark Spread Interruptible Transportation Rate - Rate SSIT**

**Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS**

**Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS**

**Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP**

**Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service - Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

## Curtailement Plan for Management of Available Gas Supplies

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS - Residential Service	\$ 6,448,449	9.8%
Rate GS - Commercial Service	\$ 2,041,693	10.3%
Rate GS - Industrial Service	\$ 131,405	11.3%
Rate GS - Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L - Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT - Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS - Gas Trading Service*	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA - Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS - Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latonias Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per CCF.

	<b>Present Rates</b>	<b>Residential Service - Rate RS Proposed Rates</b>
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

	<b>Present Rates</b>	<b>General Service - Rate GS Proposed Rates</b>
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

	<b>Present Rates</b>	<b>Interruptible Transportation Service - Rate IT Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

	<b>Present Rates</b>	<b>Firm Transportation Service-Large - Rate FT-L Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

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:

	<u>Allowed Seasonal Monthly Over-Run</u>			<b>Charge on All Throughout</b>
	Allowed Monthly Under-Run %	May Through November %	December Through April %	
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

**Proposed Rate**

Transportation customers who avail themselves of the service under this rate schedule must conform to the monthly imbalance carry over tolerance level shown below.

	<u>Allowed Seasonal Monthly Over-Run</u>			<b>Charge On All Throughout</b>
	Allowed Monthly Under-Run %	May Through November %	December Through April %	
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

**Present Rate**

This is a new tariff schedule.

**Proposed Rate**

**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:

$$WNA_i = R_i \cdot \frac{(HSF_i \cdot (NDD - ADD))}{(BL_i + (HSF_i \cdot ADD))}$$

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.

**Charge for Reconnection of Service**

**Present Rate**

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).
- 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)
- C. If service is disconnected 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.
- D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

**Proposed Rate**

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 disconnected 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 the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

CONTINUED NEXT PAGE



**Meter Pulse Service - Rate MPS**

**Present Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment: \$500.00  
 If replacement of Meter Index is necessary, additional charge of: \$155.00

**Proposed Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment: \$550.00  
 If replacement of Meter Index is necessary, additional charge of: \$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

**Service Regulations Section II – Supplying and Taking of Service**

**Present Rate**

**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.

**Proposed Rate**

**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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

**Service Regulations Section V – Metering**

**Present Rate**

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.

**Proposed Rate**

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.

**Service Regulations Section VI – Billing and Payment**

**Present Rate**

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

**Proposed Rate**

The following description of the budget bill plan is added to the tariff sheet.

**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.
- 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.

**Full Requirements Aggregation Service - Rate FRAS**

**Present Rate**

**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, 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 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.

**OPERATIONAL FLOW ORDERS:**

**Over-deliveries**

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier.

**Proposed Rate**

**DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:**

**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

**Spark Spread Interruptible Transportation Rate - Rate SSIT**

**Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS**

**Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS**

**Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP**

**Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service – Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

**Curtailment Plan for Management of Available Gas Supplies**

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS – Residential Service	\$ 6,448,449	9.8%
Rate GS – Commercial Service	\$ 2,041,693	10.3%
Rate GS – Industrial Service	\$ 131,405	11.3%
Rate GS – Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L – Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT – Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS – Gas Trading Service*	\$0	0.0%
Rate IMBS – Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA – Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS – Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latonia Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per CCF.

	Present Rates	Residential Service - Rate RS Proposed Rates
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

	Present Rates	General Service - Rate GS Proposed Rates
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

	Present Rates	Interruptible Transportation Service - Rate IT Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

	Present Rates	Firm Transportation Service-Large - Rate FT-L Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

**Present Rate**  
 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:

	Allowed Monthly Under-Run %	Allowed Seasonal Monthly Over-Run May Through November %	December Through April %	Charge on All Throughout
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

**Proposed Rate**  
 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 May Through November %	December Through April %	Charge On All Throughout
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

**Present Rate**  
 This is a new tariff schedule.

**Proposed Rate**  
**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:

$$WNA_i = R_i \cdot \frac{(HSF_i \cdot (NDD - ADD))}{(BL_i + (HSF_i \cdot ADD))}$$

- 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.

**Charge for Reconnection of Service**

**Present Rate**  
 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).
- 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)
- C. If service is disconnected 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.
- D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

**Proposed Rate**  
 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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

**Meter Pulse Service - Rate MPS****Present Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment: \$500.00  
If replacement of Meter Index is necessary, additional charge of: \$155.00

**Proposed Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment: \$550.00  
If replacement of Meter Index is necessary, additional charge of: \$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

**Service Regulations Section II – Supplying and Taking of Service****Present Rate****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.

**Proposed Rate****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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

**Service Regulations Section V – Metering****Present Rate**

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.

**Proposed Rate**

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.

**Service Regulations Section VI – Billing and Payment****Present Rate**

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

**Proposed Rate**

The following description of the budget bill plan is added to the tariff sheet.

**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.
- 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.

**Full Requirements Aggregation Service - Rate FRAS****Present Rate****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, 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 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.

**OPERATIONAL FLOW ORDERS:****Over-deliveries**

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier.

**Proposed Rate****DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:****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

**Spark Spread Interruptible Transportation Rate - Rate SSIT****Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS****Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS****Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP****Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service – Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

CONTINUED NEXT PAGE

**Curtailment Plan for Management of Available Gas Supplies**

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS - Residential Service	\$ 6,448,449	9.8%
Rate GS - Commercial Service	\$ 2,041,693	10.3%
Rate GS - Industrial Service	\$ 131,405	11.3%
Rate GS - Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L - Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT - Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS - Gas Trading Service*	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA - Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS - Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latonia Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per Ccf.

	<b>Present Rates</b>	<b>Residential Service - Rate RS Proposed Rates</b>
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

	<b>Present Rates</b>	<b>General Service - Rate GS Proposed Rates</b>
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

	<b>Present Rates</b>	<b>Interruptible Transportation Service - Rate IT Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

	<b>Present Rates</b>	<b>Firm Transportation Service-Large - Rate FT-L Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

**Present Rate**  
 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:

	<b>Allowed Seasonal Monthly Over-Run</b>			<b>Charge on</b>
	<b>Allowed Monthly Under-Run %</b>	<b>May Through November %</b>	<b>December Through April %</b>	<b>All Throughout</b>
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

**Proposed Rate**  
 Transportation customers who avail themselves of the service under this rate schedule must conform to the monthly imbalance carry over tolerance level shown below.

	<b>Allowed Seasonal Monthly Over-Run</b>			<b>Charge On</b>
	<b>Allowed Monthly Under-Run %</b>	<b>May Through November %</b>	<b>December Through April %</b>	<b>All Throughout</b>
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

**Present Rate**  
 This is a new tariff schedule.

**Proposed Rate**  
**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:

$$WNA_i = R_i \cdot \frac{(HSF_i \cdot (NDD - ADD))}{(BL_i + (HSF_i \cdot ADD))}$$

- Where:
- i = A rate schedule or billing classification within a rate schedule.
  - WNA<sub>i</sub> = Weather Normalization Adjustment Factor for the i<sup>th</sup> 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 i<sup>th</sup> schedule or classification.
  - HSF<sub>i</sub> = Heat sensitivity factor for i<sup>th</sup> 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 i<sup>th</sup> rate schedule or classification.

**Charge for Reconnection of Service**

**Present Rate**  
 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).
- 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).
- C. If service is disconnected 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.
- D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

**Proposed Rate**  
 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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

**Meter Pulse Service - Rate MPS**

**Present Rates**  
 Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$500.00
If replacement of Meter Index is necessary, additional charge of:	\$155.00

**Proposed Rates**  
 Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$550.00
If replacement of Meter Index is necessary, additional charge of:	\$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

**Service Regulations Section II - Supplying and Taking of Service**

**Present Rate**  
 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.

**Proposed Rate**  
 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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

**Service Regulations Section V – Metering**

**Present Rate**

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.

**Proposed Rate**

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.

**Service Regulations Section VI – Billing and Payment**

**Present Rate**

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

**Proposed Rate**

The following description of the budget bill plan is added to the tariff sheet.

**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.
- 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.

**Full Requirements Aggregation Service - Rate FRAS**

**Present Rate**

**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, 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 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.

**OPERATIONAL FLOW ORDERS:**

**Over-deliveries**

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier.

**Proposed Rate**

**DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:**

**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

**Spark Spread Interruptible Transportation Rate - Rate SSIT**

**Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS**

**Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS**

**Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP**

**Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service – Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

**Curtailment Plan for Management of Available Gas Supplies**

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS – Residential Service	\$ 6,448,449	9.8%
Rate GS – Commercial Service	\$ 2,041,693	10.3%
Rate GS – Industrial Service	\$ 131,405	11.3%
Rate GS – Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L – Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT – Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS – Gas Trading Service*	\$0	0.0%
Rate IMBS – Interruptible Monthly Balancing Service**	\$0	0.0%
Rider WNA – Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS – Meter Pulse Service**	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latoria Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per CCF.

	<b>Present Rates</b>	<b>Proposed Rates</b>
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

	<b>Present Rates</b>	<b>Proposed Rates</b>
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

	<b>Present Rates</b>	<b>Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

	<b>Present Rates</b>	<b>Proposed Rates</b>
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

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:

<b>Allowed Seasonal Monthly Over-Run</b>				
	Allowed Monthly Under-Run %	May Through November %	December Through April %	Charge on All Throughout
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

Transportation customers who avail themselves of the service under this rate schedule must conform to the monthly imbalance carry over tolerance level shown below.

<b>Allowed Seasonal Monthly Over-Run</b>				
	Allowed Monthly Under-Run %	May Through November %	December Through April %	Charge On All Throughout
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

This is a new tariff schedule.

**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 (KYPS) 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 KYPS 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.

**Charge for Reconnection of Service**

- 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).
  - 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).
  - C. If service is disconnected 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.
  - D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

- 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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
  - D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

**Meter Pulse Service - Rate MPS**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$500.00
If replacement of Meter Index is necessary, additional charge of:	\$155.00

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$550.00
If replacement of Meter Index is necessary, additional charge of:	\$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

**Service Regulations Section II - Supplying and Taking of Service**

**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.

**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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

**Service Regulations Section V – Metering**

**Present Rate**

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.

**Proposed Rate**

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.

**Service Regulations Section VI – Billing and Payment**

**Present Rate**

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

**Proposed Rate**

The following description of the budget bill plan is added to the tariff sheet.

**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.
- 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.

**Full Requirements Aggregation Service - Rate FRAS**

**Present Rate**

**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, 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 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.

**OPERATIONAL FLOW ORDERS:**

**Over-deliveries**

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier,

**Proposed Rate**

**DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:**

**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

**Spark Spread Interruptible Transportation Rate - Rate SSIT**

**Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS**

**Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS**

**Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP**

**Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service - Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

**Curtaiment Plan for Management of Available Gas Supplies**

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS - Residential Service	\$ 6,448,449	9.8%
Rate GS - Commercial Service	\$ 2,041,693	10.3%
Rate GS - Industrial Service	\$ 131,405	11.3%
Rate GS - Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L - Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT - Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS - Gas Trading Service*	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA - Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS - Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

**NOTICE**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latonia Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per CCF.

	Present Rates	Proposed Rates
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

	Present Rates	Proposed Rates
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

	Present Rates	Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

	Present Rates	Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

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:

	Allowed Monthly Under-Run %	May Through November %	December Through April %	Charge on All Throughout
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

Proposed Rate  
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 %	May Through November %	December Through April %	Charge On All Throughout
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

Present Rate  
This is a new tariff schedule.

Proposed Rate  
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:

$$WNA_i = R_i \cdot \frac{(HSF_i \cdot (NDD - ADD))}{(BL_i + (HSF_i \cdot ADD))}$$

- 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.

**Charge for Reconnection of Service**

- Present Rate  
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).
  - 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)
  - C. If service is disconnected 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.
  - D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

- Proposed Rate  
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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
  - D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

**Meter Pulse Service - Rate MPS**

Present Rates  
Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$500.00
If replacement of Meter Index is necessary, additional charge of:	\$155.00

Proposed Rates  
Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$550.00
If replacement of Meter Index is necessary, additional charge of:	\$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

**Service Regulations Section II - Supplying and Taking of Service**

Present Rate  
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.

Proposed Rate  
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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

**Service Regulations Section V – Metering**

**Present Rate**

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.

**Proposed Rate**

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.

**Service Regulations Section VI – Billing and Payment**

**Present Rate**

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

**Proposed Rate**

The following description of the budget bill plan is added to the tariff sheet.

**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.
- 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.

**Full Requirements Aggregation Service - Rate FRAS**

**Present Rate**

**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, 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 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.

**OPERATIONAL FLOW ORDERS:**

**Over-deliveries**

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier.

**Proposed Rate**

**DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:**

**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

**Spark Spread Interruptible Transportation Rate - Rate SSIT**

**Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS**

**Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS**

**Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP**

**Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service – Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

**Curtailment Plan for Management of Available Gas Supplies**

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS – Residential Service	\$ 6,448,449	9.8%
Rate GS – Commercial Service	\$ 2,041,693	10.3%
Rate GS – Industrial Service	\$ 131,405	11.3%
Rate GS – Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L – Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT – Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS – Gas Trading Service*	\$0	0.0%
Rate IMBS – Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA – Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS – Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

Duke

NOTICE

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Table listing communities: Alexandria, Bellevue, Boone County, Bracken County, Bromley, Butler, Campbell County, Cold Spring, Covington, Crescent Park, Crescent Springs, Crestview, Crestview Hills, Crittenden, Dayton, Dry Ridge, Edgewood, Elsmere, Erlanger, Fairview, Falmouth, Florence, Fort Mitchell, Fort Thomas, Fort Wright, Gallatin County, Glencoe, Grant County, Highland Heights, Independence, Kenton County, Kerton Vale, Lakeside Park, Latonia Lakes, Ludlow, Melbourne, Newport, Park Hills, Pendleton County, Ryland Heights, Silver Grove, Southgate, Taylor Mill, Union, Villa Hills, Visalia, Walton, Warsaw, Wilder, Woodlawn, Williamstown.

DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per CCF.

Table for Residential Service - Rate RS. Columns: Present Rates, Proposed Rates. Rows: Monthly Customer Charge, Base Rate for all Ccf, GCA for all Ccf, Total Rate (Base Rate + GCA) for all Ccf.

Table for General Service - Rate GS. Columns: Present Rates, Proposed Rates. Rows: Monthly Customer Charge, Base Rate - All Ccf, GCA - All Ccf, Total Rate (Base Rate + GCA) for all Ccf.

Table for Interruptible Transportation Service - Rate IT. Columns: Present Rates, Proposed Rates. Rows: Monthly Customer Charge, Base Rate - All Ccf.

Table for Firm Transportation Service-Large - Rate FT-L. Columns: Present Rates, Proposed Rates. Rows: Monthly Customer Charge, Base Rate - All Ccf.

Interruptible Monthly Balancing Service - Rate IMBS

Present Rate

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:

Table for Present Rate IMBS. Columns: Allowed Monthly Under-Run %, May Through November %, December Through April %, Charge on All Throughout. Rows: Option 1, Option 2, Option 3.

Proposed Rate

Transportation customers who avail themselves of the service under this rate schedule must conform to the monthly imbalance carry over tolerance level shown below.

Table for Proposed Rate IMBS. Columns: Allowed Monthly Under-Run %, May Through November %, December Through April %, Charge On All Throughout. Row: All Pools.

Weather Normalization Adjustment Rider - Rider WNA

Present Rate

This is a new tariff schedule.

Proposed Rate

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 \* ((HSF\_i \* (NDD - ADD)) / (BL\_i + (HSF\_i \* ADD)))

Where:

- i = A rate schedule or billing classification within a rate schedule.
WNA = 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 = 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.

Charge for Reconnection of Service

Present Rate

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).
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)
C. If service is disconnected 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.
D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

Proposed Rate

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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

Meter Pulse Service - Rate MPS

Present Rates

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Table for Present Rates MPS. Rows: Installation of meter pulse equipment, If replacement of Meter Index is necessary, additional charge of.

Proposed Rates

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Table for Proposed Rates MPS. Rows: Installation of meter pulse equipment, If replacement of Meter Index is necessary, additional charge of.

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

Service Regulations Section II - Supplying and Taking of Service

Present Rate

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.

Proposed Rate

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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

#### Service Regulations Section V – Metering

##### Present Rate

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.

##### Proposed Rate

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.

#### Service Regulations Section VI – Billing and Payment

##### Present Rate

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

##### Proposed Rate

The following description of the budget bill plan is added to the tariff sheet.

##### 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.
- 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.

#### Full Requirements Aggregation Service - Rate FRAS

##### Present Rate

##### 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, 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 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.

##### OPERATIONAL FLOW ORDERS:

##### Over-deliveries

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier,

##### Proposed Rate

##### DEFINITIONS:

"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.

##### 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.

##### OPERATIONAL FLOW ORDERS:

##### 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

#### Spark Spread Interruptible Transportation Rate - Rate SSIT

##### Proposed Rate

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

#### Pooling Service for Interruptible Gas Transportation - Rate AS

##### Proposed Rate

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

#### Gas Trading Service - Rate GTS

##### Present Rate

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.

##### Proposed Rate

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.

#### Accelerated Service Replacement Program Rider - Rider ASRP

##### Present Rate

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service – Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

##### Proposed Rate

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

#### Curtailment Plan for Management of Available Gas Supplies

##### Present Rate

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

##### Proposed Rate

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

#### IMPACT OF PROPOSED RATES

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS – Residential Service	\$ 6,448,449	9.8%
Rate GS – Commercial Service	\$ 2,041,893	10.3%
Rate GS – Industrial Service	\$ 131,405	11.3%
Rate GS – Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L – Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT – Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS – Gas Trading Service*	\$0	0.0%
Rate IMBS – Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA – Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS – Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

NOTICE

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bracken County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latoria Lakes	Williamstown

**DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES**

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per Ccf.

	Present Rates	Residential Service - Rate RS Proposed Rates
Monthly Customer Charge:	\$16.00	\$17.50
Base Rate for all Ccf	\$0.37213	\$0.48677
GCA for all Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.78913	\$0.90377

	Present Rates	General Service - Rate GS Proposed Rates
Monthly Customer Charge:	\$47.50	\$50.00
Base Rate - All Ccf	\$0.20530	\$0.28077
GCA - All Ccf	\$0.41700	\$0.41700
Total Rate (Base Rate + GCA) for all Ccf	\$0.62230	\$0.69777

	Present Rates	Interruptible Transportation Service - Rate IT Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.09493	\$0.10369

	Present Rates	Firm Transportation Service-Large - Rate FT-L Proposed Rates
Monthly Customer Charge:	\$430.00	\$430.00
Base Rate - All Ccf	\$0.17369	\$0.23319

**Interruptible Monthly Balancing Service - Rate IMBS**

Present Rate  
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:

	Allowed Seasonal Monthly Over-Run			Charge on All Throughout
	Allowed Monthly Under-Run %	May Through November %	December Through April %	
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

Proposed Rate  
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 %	May Through November %	December Through April %	Charge On All Throughout
All Pools	0	8	10	\$0.1097 per Mcf

**Weather Normalization Adjustment Rider - Rider WNA**

Present Rate  
This is a new tariff schedule.

Proposed Rate  
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 (KYPS) 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 = 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 KYPS 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.

**Charge for Reconnection of Service**

Present Rate  
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).
- 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).
- C. If service is disconnected 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.
- D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

Proposed Rate  
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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

**Meter Pulse Service - Rate MPS**

Present Rates  
Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$500.00
If replacement of Meter Index is necessary, additional charge of:	\$155.00

**Proposed Rates**

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides 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 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 electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Installation of meter pulse equipment:	\$550.00
If replacement of Meter Index is necessary, additional charge of:	\$560.00

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

**Service Regulations Section II - Supplying and Taking of Service**

**Present Rate**

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.

**Proposed Rate**

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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

#### Service Regulations Section V – Metering

##### Present Rate

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.

##### Proposed Rate

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.

#### Service Regulations Section VI – Billing and Payment

##### Present Rate

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

##### Proposed Rate

The following description of the budget bill plan is added to the tariff sheet.

##### 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.
- 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.

#### Full Requirements Aggregation Service - Rate FRAS

##### Present Rate

##### 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, 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 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.

##### OPERATIONAL FLOW ORDERS:

##### Over-deliveries

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier,

##### Proposed Rate

##### DEFINITIONS:

"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.

##### 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.

##### OPERATIONAL FLOW ORDERS:

##### 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

#### Spark Spread Interruptible Transportation Rate - Rate SSIT

##### Proposed Rate

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

#### Pooling Service for Interruptible Gas Transportation - Rate AS

##### Proposed Rate

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

#### Gas Trading Service - Rate GTS

##### Present Rate

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.

##### Proposed Rate

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.

#### Accelerated Service Replacement Program Rider - Rider ASRP

##### Present Rate

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service – Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

##### Proposed Rate

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

#### Curtailment Plan for Management of Available Gas Supplies

##### Present Rate

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

##### Proposed Rate

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

#### IMPACT OF PROPOSED RATES

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS – Residential Service	\$ 6,448,449	9.8%
Rate GS – Commercial Service	\$ 2,041,693	10.3%
Rate GS – Industrial Service	\$ 131,405	11.3%
Rate GS – Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L – Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT – Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS – Gas Trading Service*	\$0	0.0%
Rate IMBS – Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA – Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS – Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356

Duke

NOTICE

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it will file an application on or about August 31, 2018 seeking approval by the Kentucky Public Service Commission of an adjustment of natural gas rates to become effective on and after October 1, 2018. The Commission has docketed this proceeding as Case No. 2018-00261.

The proposed natural gas rates are applicable to the following communities:

Table listing communities: Alexandria, Bellevue, Boone County, Bracken County, Bromley, Butler, Campbell County, Cold Spring, Covington, Crescent Park, Crescent Springs, Crestview, Crestview Hills, Crittenden, Dayton, Dry Ridge, Edgewood, Elsmere, Erlanger, Fairview, Falmouth, Florence, Fort Mitchell, Fort Thomas, Fort Wright, Gallatin County, Glencoe, Grant County, Highland Heights, Independence, Kenton County, Kenton Vale, Lakeside Park, Latonia Lakes, Ludlow, Melbourne, Newport, Park Hills, Pendleton County, Ryland Heights, Silver Grove, Southgate, Taylor Mill, Union, Villa Hills, Visalia, Walton, Warsaw, Wilder, Woodlawn, Williamstown.

DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of August 1, 2018 is \$0.4170 per CCF.

Table for Residential Service - Rate RS. Columns: Present Rates, Proposed Rates. Rows: Monthly Customer Charge, Base Rate for all Ccf, GCA for all Ccf, Total Rate (Base Rate + GCA) for all Ccf.

Table for General Service - Rate GS. Columns: Present Rates, Proposed Rates. Rows: Monthly Customer Charge, Base Rate - All Ccf, GCA - All Ccf, Total Rate (Base Rate + GCA) for all Ccf.

Table for Interruptible Transportation Service - Rate IT. Columns: Present Rates, Proposed Rates. Rows: Monthly Customer Charge, Base Rate - All Ccf.

Table for Firm Transportation Service-Large - Rate FT-L. Columns: Present Rates, Proposed Rates. Rows: Monthly Customer Charge, Base Rate - All Ccf.

Interruptible Monthly Balancing Service - Rate IMBS

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:

Table for Interruptible Monthly Balancing Service - Rate IMBS. Columns: Allowed Seasonal Monthly Over-Run, May Through November, December Through April, Charge on All Throughout. Rows: Option 1, Option 2, Option 3.

Transportation customers who avail themselves of the service under this rate schedule must conform to the monthly imbalance carry over tolerance level shown below.

Table for Proposed Rate. Columns: Allowed Seasonal Monthly Over-Run, May Through November, December Through April, Charge on All Throughout. Row: All Pools.

Weather Normalization Adjustment Rider - Rider WNA

This is a new tariff schedule.

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.

WNA\_i = R\_i \* ((HSF\_i \* (NDD - ADD)) / (BL\_i + (HSF\_i \* ADD)))

- Where: i = A rate schedule or billing classification within a rate schedule. WNA = 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 = 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.

Charge for Reconnection of Service

- Present Rate: 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). 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). C. If service is disconnected 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. D. If both the gas and electric service are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

- Proposed Rate: 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 disconnected 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 as estimated bill for gas used, prior to the reconnection of service. D. If both the gas and electric services are reconnected at the premise at one time, the total charge is available on Company's Electric Tariff Sheet No. 91, Charge for Reconnection of Service.

Meter Pulse Service - Rate MPS

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. The gas meter pulse equipment provides an electronic pulse output representing a pre-determined natural gas volume.

Table for Present Rates: Installation of meter pulse equipment: \$500.00; If replacement of Meter Index is necessary, additional charge of: \$155.00.

Rate MPS is an optional service available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the company. The gas meter pulse equipment provides an electronic pulse output representing a pre-determined natural gas volume.

Table for Proposed Rates: Installation of meter pulse equipment: \$550.00; If replacement of Meter Index is necessary, additional charge of: \$560.00.

In addition, Duke Energy Kentucky proposes to change the text as noted for the following tariffs:

Service Regulations Section II - Supplying and Taking of Service

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.

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.



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 individual, association, 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 individual, association, or corporation provided the sum of such allocations does not exceed Company's billing.

**Service Regulations Section V – Metering**

**Present Rate**

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.

**Proposed Rate**

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.

**Service Regulations Section VI – Billing and Payment**

**Present Rate**

The following text is removed from the tariff sheet, "If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed."

**Proposed Rate**

The following description of the budget bill plan is added to the tariff sheet.

**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.
- 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.

**Full Requirements Aggregation Service - Rate FRAS**

**Present Rate**

**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, 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.

**OPERATIONAL FLOW ORDERS:**

**Over-deliveries**

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier.

**Proposed Rate**

**DEFINITIONS:**

"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.

**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.

**OPERATIONAL FLOW ORDERS:**

**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

**Spark Spread Interruptible Transportation Rate - Rate SSIT**

**Proposed Rate**

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Pooling Service for Interruptible Gas Transportation - Rate AS**

**Proposed Rate**

The name of this rate is proposed as Rate AS - Aggregation Service for Interruptible Gas Transportation.

**Gas Trading Service - Rate GTS**

**Present Rate**

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.

**Proposed Rate**

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.

**Accelerated Service Replacement Program Rider - Rider ASRP**

**Present Rate**

The charges for the respective gas service schedules for the revenue month beginning January 2018 are:

Rate RS, Residential Service	\$1.80/month
Rate GS, General Service	\$1.78/month
Rate DGS, Distributed Generation Service	\$0.00045/CCF
Rate FT-L, Firm Transportation Service - Large	\$0.00045/CCF
Rate IT, Interruptible Transportation Service	\$0.00039/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.00039/CCF

**Proposed Rate**

This tariff is proposed to be incorporated into base rates listed above. This tariff is hereby cancelled and withdrawn.

**Curtailment Plan for Management of Available Gas Supplies**

**Present Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**Proposed Rate**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 2 applies.

**IMPACT OF PROPOSED RATES**

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$10.5 million or 11.1% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Customer Class	Revenue Increase Proposed	%
Rate RS - Residential Service	\$ 6,448,449	9.8%
Rate GS - Commercial Service	\$ 2,041,693	10.3%
Rate GS - Industrial Service	\$ 131,405	11.3%
Rate GS - Other Public Authority Service	\$ 251,299	11.3%
Rate FT-L - Firm Transportation Service	\$ 1,545,442	30.6%
Rate IT - Interruptible Transportation Service	\$ 123,931	8.1%
Rate GTS - Gas Trading Service*	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service*	\$0	0.0%
Rider WNA - Weather Normalization Adjustment*	\$0	0.0%
Charge for Reconnection of Service*	\$0	0.0%
Rate MPS - Meter Pulse Service*	\$0	0.0%

\*The revenue deficiency is not allocated to these items.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Customer Class	Average Monthly CCF	Average Monthly Bill Increase Proposed	% Increase
Rate RS - Residential Service	53	\$ 5.78	10.2%
Rate GS - Commercial Service	336	\$ 26.08	10.3%
Rate GS - Industrial Service	683	\$ 52.27	11.3%
Rate GS - Other Public Authority Service	733	\$ 56.04	11.3%
Rate FT-L - Firm Transportation Service	23,202	\$1,370.07	30.6%
Rate IT - Interruptible Transportation Service	56,060	\$469.22	8.1%
Rate GTS - Gas Trading Service**	NA	\$0	0.0%
Rate IMBS - Interruptible Monthly Balancing Service**	NA	\$0	0.0%
Rate WNA - Weather Normalization Adjustment	NA	\$0	0.0%
Charge for Reconnection of Service**	NA	\$0	0.0%
Rate MPS - Meter Pulse Service**	NA	\$0	0.0%

\*\*These items are optional services not necessarily applicable to customer's average monthly bill.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for leave to intervene to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of the notice, the Commission may take final action on the application. Comments regarding the application can be submitted to the Public Service Commission through its website <http://psc.ky.gov> or by mailing a copy to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Customers may obtain copies of the application and other filings made by the Company by emailing [DEKInquiries@duke-energy.com](mailto:DEKInquiries@duke-energy.com) or by telephone at (513) 287-4356. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at <http://psc.ky.gov>, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. to 4:30 p.m., and at the following Duke Energy Kentucky offices: 4580 Olympic Boulevard, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY  
P. O. BOX 615  
211 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40602-0615  
(502) 564-3940

DUKE ENERGY KENTUCKY  
4580 OLYMPIC BOULEVARD  
ERLANGER, KENTUCKY 41018  
(513) 287-4356