

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF DUKE ENERGY KENTUCKY,) CASE NO.
INC., FOR AN ADJUSTMENT TO RIDER PMM RATES) 2026-00162
AND FOR TARIFF APPROVAL)

APPLICATION OF DUKE ENERGY KENTUCKY, INC.

Now comes Duke Energy Kentucky, Inc. (Duke Energy Kentucky or the Company), pursuant to KRS 278.030(1), 278.040(2), 278.509, 807 KAR 5:001, Section 14, and other applicable law, and hereby respectfully requests approval from the Kentucky Public Service Commission (Commission) to adjust its Pipeline Modernization Mechanism (Rider PMM) annual projections, charges, and tariff. In support of this Application, Duke Energy Kentucky respectfully states as follows:

I. INTRODUCTION

1. Duke Energy Kentucky is an investor-owned utility engaged in the business of furnishing natural gas and electric services to various municipalities and unincorporated areas in Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton Counties in the Commonwealth of Kentucky.

2. Pursuant to 807 KAR 5:001, Section 14(2), Duke Energy Kentucky is a Kentucky corporation originally incorporated on March 20, 1901, and a public utility as that term is defined in KRS 278.010(3). The Company attests that it is currently in good standing and is subject to the Commission’s jurisdiction. A certified copy of Duke Energy Kentucky’s certificate for the following assumed name: “Duke Energy” is on file with the

Kentucky Secretary of State and on file with the Commission in Case No. 2025-00125.¹ In addition, the Company has attached as Exhibit 1 a certified Certificate of Existence dated June 5, 2026, evidencing that the Company is incorporated in the Commonwealth of Kentucky, has no outstanding fees or penalties, no Articles of Dissolution have been filed and its annual report has been delivered to the Secretary of State.

3. Pursuant to 807 KAR 5:001, Section 14(1), Duke Energy Kentucky's business address is 139 East Fourth Street, Cincinnati, Ohio 45202. Duke Energy Kentucky's local office in Kentucky is Duke Energy Erlanger Ops Center, 1262 Cox Road, Erlanger, Kentucky 41018.

4. Copies of all orders, pleadings and other communications related to this proceeding should be sent to:

Larisa M. Vaysman
Associate General Counsel
Duke Energy Kentucky, Inc.
139 E. 4th St., Cincinnati, OH 45202
Larisa.Vaysman@duke-energy.com
KYfilings@duke-energy.com

II. BACKGROUND

5. On December 28, 2021, the Commission approved the Company's PMM initiative as part of the settlement in Case No. 2021-00190 (2021 Natural Gas Rate Case). As stipulated, Rider PMM provides incremental cost recovery for pipeline replacement projects that are necessitated by the United States Pipeline and Hazardous Materials Safety

¹ *In the Matter of the Electronic Application of Duke Energy Kentucky, Inc. for: 1) An Adjustment of Natural Gas Rates; 2) Approval of New Tariffs; and 3) All Other Required Approvals, Waivers, and Relief*, Case No. 2025-00125, Application (June 2, 2025).

Administration (PHMSA) for pipeline integrity.² The Commission approved Rider PMM, with an initial limitation to the Company's AM07 Pipeline, and conditional upon receiving a certificate of public convenience and necessity (CPCN) by the Commission.³ In Case No. 2025-00125 (2025 Natural Gas Rate Case) the Commission approved a Joint Stipulation and Recommendation that expanded the scope of Rider PMM to include the recovery of replacement costs related to Aldyl-A pipe and provided for continuing the then-current practice for the AM07 Pipeline.⁴

6. AM07 is a twenty-four inch transmission line located north of Big Bone, Kentucky, near the I-275 corridor in Northern Kentucky, and is the backbone of Duke Kentucky's natural gas system.⁵ AM07 was constructed in the 1950's and is made of vintage materials that are no longer industry standard. As a result, the AM07 pipeline cannot be inspected for internal corrosion and records indicate that it does not meet current PHMSA standards⁶ for traceable and verifiable and complete records. Accordingly, the Company must replace approximately 14 miles of AM07 in sections over five phases at a current estimated total cost of \$230.7 million.

² *In the Matter of the Electronic Application of Duke Energy Kentucky, Inc., for: 1) An Adjustment of the Natural Gas Rates; 2) Approval of new Tariffs, and 3) All Other Required Approvals, Waivers, and Relief*, Case No. 2021-00190, Order (Ky. P.S.C. Dec. 28, 2021).

³ *Id.*, p. 23.

⁴ *In the Matter of the Electronic Application of Duke Energy Kentucky, Inc. for: 1) An Adjustment of Natural Gas Rates; 2) Approval of New Tariffs; and 3) All Other Required Approvals, Waivers, and Relief*, Case No. 2025-00125, Order, pp. 5-7, Appendix C, Joint Stipulation and Recommendation, pp. 5-8 (Ky. P.S.C. Dec. 23, 2025).

⁵ *In the Matter of the Electronic Application of Duke Energy Kentucky, Inc., for: 1) An Adjustment of the Natural Gas Rates; 2) Approval of new Tariffs, and 3) All Other Required Approvals, Waivers, and Relief*, Case No. 2021-00190, Order (Ky. P.S.C. Dec. 28, 2021), pp. 21-23.

⁶ *Id.*

7. As approved by the Commission, Rider PMM is adjusted annually for capital placed in service following the test year in the 2021 Natural Gas Rate Case.⁷ The first Rider PMM adjustment was agreed to be filed no earlier than July 1, 2022, with rates effective January 1, 2023. Subsequent Rider PMM filings occur annually on or about July 1st with rates, following the statutory suspension period, becoming effective no earlier than the following January 1st. Rider PMM is subject to an annual revenue requirement cap of no more than a five percent increase in natural gas revenues per year and currently includes a rate of return as established in the Company's most recent natural gas base rate case proceeding. The current rate of return attached to Rider PMM includes 9.7 percent ROE,⁸ and in general the appropriate inputs have been updated to be consistent with the Commission's Order in the 2025 Natural Gas Rate Case.

8. On March 28, 2022, Duke Energy Kentucky filed its application for a CPCN for approval of phase one of its AM07 pipeline replacement (Phase One).⁹ Following a robust investigation, the Commission approved the Company's Phase One CPCN by Order dated February 24, 2023, in Case No. 2022-00084.¹⁰

9. On August 1, 2022, the Company filed its Application in Case No. 2022-00229, to set the initial rate for Rider PMM to recover the projected costs of Phase One.

⁷ *Id.*, p. 23.

⁸ *In the Matter of the Electronic Application of Duke Energy Kentucky, Inc. for: 1) An Adjustment of Natural Gas Rates; 2) Approval of New Tariffs; and 3) All Other Required Approvals, Waivers, and Relief*, Case No. 2025-00125, Order, p. 16 (Ky. P.S.C. Dec. 23, 2025).

⁹ *In the Matter of the Application of Duke Energy Kentucky, Inc., for a Certification of Public Convenience and Necessity Authorizing the Phase One Replacement of the AM07 Pipeline*, Case No. 2022-00084, Application (Mar. 28, 2022).

¹⁰ *Id.*, Order (Ky. P.S.C. Feb. 24, 2024).

10. By Order dated May 26, 2023, the Commission approved the Company's Application to set Rider PMM, subject to certain modifications.¹¹ Among other things, these modifications included: 1) adjusting the rates to reflect the effective date being later than expected; 2) adjustments to the rate design to implement a volumetric-based rate instead of a fixed charge for future Rider PMM residential and general service customers beginning with 2024 Rider PMM rates;¹² 3) a revenue requirement true-up;¹³ and 4) tariff language changes.¹⁴

11. On June 28, 2023, Duke Energy Kentucky filed its application for a CPCN for approval of phase two of its AM07 pipeline replacement (Phase Two). The Commission approved the Company's Phase Two CPCN by Order dated April 2, 2024, in Case No. 2023-00210.

12. On July 3, 2023, the Company filed its Application in Case No. 2023-00209, to adjust the rate for Rider PMM to recover the projected costs of Phase Two.

13. By Order dated April 15, 2024, the Commission approved the Company's Application to set Rider PMM, subject to certain modifications.

14. On June 14, 2024, Duke Energy Kentucky filed its application for a CPCN for approval of phase three of its AM07 pipeline replacement (Phase Three). The Commission approved the Company's Phase Three CPCN by Order dated January 17, 2025, in Case No. 2024-00189.

¹¹ *In the Matter of the Application of Duke Energy Kentucky, Inc., for an Adjustment to Rider PMM Rates and for Tariff Approval*, Case No. 2022-00229, Order (Ky. P.S.C. May 26, 2023).

¹² *Id.*, p. 8.

¹³ *Id.*, p. 9.

¹⁴ *Id.*

15. On July 1, 2024, the Company filed its Application in Case No. 2024-00191, to adjust the rate for Rider PMM to recover the projected costs of Phase Three.

16. By Order dated March 11, 2025, the Commission approved the Company's Application to set Rider PMM, subject to certain modifications.

17. On March 13, 2025, Duke Energy Kentucky filed its application for a CPCN for approval of phase four (Phase Four) of its AM07 pipeline replacement. The Commission approved the Company's Phase Four CPCN by Order dated August 13, 2025, in Case No. 2025-00057.

18. On July 3, 2025, the Company filed its Application in Case No. 2025-00229, to adjust the rate for Rider PMM to recover the projected costs of Phase Four.

19. By Order dated December 16, 2025, in Case No. 2025-00229, the Commission approved the Company's Application to set Rider PMM, subject to certain modifications.

20. On March 31, 2026, in Case No. 2026-00086, Duke Energy Kentucky filed its application for a CPCN for approval of phase five of its AM07 pipeline replacement. The Company filed its request to submit the matter for decision based upon the evidentiary record on June 12, 2026, and the matter is currently pending before the Commission.

III. REQUEST FOR RELIEF

A. Request to Adjust Rider PMM

21. Consistent with the Commission's 2021 Natural Gas Rate Case Order and its 2025 Natural Gas Rate Case Order, Duke Energy Kentucky is seeking to establish new Rider PMM rates to recover the incremental investment in the AM07 since the Company's 2021 Natural Gas Rate Case. The rates of Rider PMM will go into effect no earlier than

January 1, 2027,¹⁵ and are conditioned upon approval of the CPCN for AM07 phase five. Accordingly, the Company makes this Application so that if the Commission approves the pending CPCN, rates could become effective on or about January 1, 2027,¹⁶ consistent with the Commission's Order and the settlement approved in the 2025 Natural Gas Rate Case.

22. The Rider PMM rates that Duke Energy Kentucky seeks to implement beginning January 2027 are reflected in the Company's tariff, Ky.P.S.C. Gas No. 2 Rider PMM, Pipeline Modernization Mechanism, Seventh Revised Sheet No. 66, as attached hereto as Exhibit 2.¹⁷

23. Pursuant to the Commission's Order in Case No. 2022-00229, Duke Energy Kentucky is including a true-up for 2025 actual costs and a volumetric-based rate design. Pursuant to the Commission's Order in Case No. 2023-00209, Duke Energy Kentucky is only updating prior projections for 2025, which is included in the true-up. Pursuant to the Commission's Order in Case No. 2024-00191, Duke Energy Kentucky is only updating prior projections for 2025, which is included in the true-up. This information is attached hereto as Exhibit 3.¹⁸

IV. CONCLUSION

WHEREFORE, Duke Energy Kentucky respectfully requests that its PMM Rider annual projections be approved as requested herein for implementation effective with the

¹⁵ Following the suspension period under KRS 278.190.

¹⁶ *Id.*

¹⁷ Consistent with 807 KAR 5:001: Section 16, the Company's proposed tariff in Exhibit 2 contains an effective date that is not less than thirty (30) days from the date of the filing of this Application. Notwithstanding the effective date listed on the tariff, and the anticipated Commission-ordered suspension of this filing for investigation, the Company acknowledges and intends to abide by the terms of the settlement as approved in the Commission's 2025 Natural Gas Rate Case Order whereby the Rider PMM rate included in this Application will not be implemented before January 1, 2027.

¹⁸ In addition to schedules provided in prior Rider PMM filings, Exhibit 3 contains a Schedule 4.6, depicting Actuals vs. Projections for 2024/2025 Additions.

first billing cycle in January 2027, but no earlier than January 1, 2027.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

/s/Larisa M. Vaysman

Rocco O. D'Ascenzo (92796)

Deputy General Counsel

Larisa M. Vaysman (98944)

Associate General Counsel

Sheena McGee Leach (100598)

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Counsel for Duke Energy Kentucky, Inc.

CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing is a true and accurate copy of the document in paper medium; that the electronic filing was transmitted to the Commission on July 1, 2026; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that submitting the original filing to the Commission in paper medium is no longer required as it has been granted a permanent deviation.¹⁹

John G. Horne, II
The Office of the Attorney General
Utility Intervention and Rate Division
700 Capital Avenue, Ste 118
Frankfort, Kentucky 40601-8204

/s/Larisa M. Vaysman
Counsel for Duke Energy Kentucky, Inc.

¹⁹ *In the Matter of Electronic Emergency Docket Related to the Novel Coronavirus COVID-19*, Case No. 2020-00085, Order (Ky. PSC July 22, 2021).

Commonwealth of Kentucky
Michael G. Adams, Secretary of State

Michael G. Adams
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
<http://www.sos.ky.gov>

Certificate of Existence

Authentication number: 369882
Visit <https://web.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Michael G. Adams, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

DUKE ENERGY KENTUCKY, INC.

DUKE ENERGY KENTUCKY, INC. is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 271B, whose date of incorporation is March 20, 1901 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State; and is therefore in good standing.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 5th day of June, 2026, in the 235th year of the Commonwealth.



Michael G. Adams

Michael G. Adams
Secretary of State
Commonwealth of Kentucky
369882/0052929

Duke Energy Kentucky, Inc.
1262 Cox Road
Erlanger, Kentucky 41018

RIDER PMM

PIPELINE MODERNIZATION MECHANISM

APPLICABILITY

Applicable to all customers receiving service under Rate RS, Residential Service, Rate GS, General Service, Rate IT, Interruptible Transportation, and Rate FT-L, Firm Transportation.

RATE

Customers shall be assessed a surcharge or credit to enable the Company to recover costs associated with compliance with regulations and guidance, including but not limited to safety advisory bulletins, promulgated by the U.S. Department of Transportation Pipeline and Hazardous Materials Administration, as approved by the Kentucky Public Service Commission. The Rider includes a true-up provision based on a two-year lag. The monthly billing amount calculated for each rate schedule for which this rider is eligible shall increase or decrease as shown below. This Rider has been approved to recover costs for the Company's AM07 Project and following the completion of the AM07 Project, estimated to occur in 2027, to recover costs for the replacement of Aldyl-A polyethylene pipe within the Company's distribution system, which are subject to approval of certificates of public convenience and necessity by the Kentucky Public Service Commission. This Rider will not reflect costs for other pipeline projects unless approved by the Kentucky Public Service Commission.

(T)
(D)
(T)
(D)
(T)
(T)
(T)

PMM Surcharge or Credit per Ccf

Residential (Rate RS)	\$0. 27 <u>35</u> / Ccf	(I)
General Service (Rate GS)	\$0. 08 <u>10</u> / Ccf	(I)
Firm Transportation – Large (Rate FT-L)	\$0. 00489006 <u>46</u> / Ccf	(I)
Interruptible Transportation (Rate IT)	\$0. 00227003 <u>05</u> / Ccf	(I)

TERM

The Rider PMM rates shown on this page will be effective until the earlier of the effective date of new base rates or until future order by the Commission to modify or eliminate the rider.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated December 23, 2025~~2026~~, in Case No. 20252026-00162125.
Issued: July~~December~~ 130, 2025~~2026~~
Effective: August~~January~~ 31, 2026
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky, Inc.
 1262 Cox Road
 Erlanger, Kentucky 41018

RIDER PMM

PIPELINE MODERNIZATION MECHANISM

APPLICABILITY

Applicable to all customers receiving service under Rate RS, Residential Service, Rate GS, General Service, Rate IT, Interruptible Transportation, and Rate FT-L, Firm Transportation.

RATE

Customers shall be assessed a surcharge or credit to enable the Company to recover costs associated with compliance with regulations and guidance, including but not limited to safety advisory bulletins, promulgated by the U.S. Department of Transportation Pipeline and Hazardous Materials Administration, as approved by the Kentucky Public Service Commission. The Rider includes a true-up provision based on a two-year lag. The monthly billing amount calculated for each rate schedule for which this rider is eligible shall increase or decrease as shown below. This Rider has been approved to recover costs for the Company's AM07 Project and following the completion of the AM07 Project, estimated to occur in 2027, to recover costs for the replacement of Aldyl-A polyethylene pipe within the Company's distribution system, which are subject to approval of certificates of public convenience and necessity by the Kentucky Public Service Commission. This Rider will not reflect costs for other pipeline projects unless approved by the Kentucky Public Service Commission.

PMM Surcharge or Credit per Ccf

Residential (Rate RS)	\$0.35 / Ccf	(I)
General Service (Rate GS)	\$0.10 / Ccf	(I)
Firm Transportation – Large (Rate FT-L)	\$0.00646 / Ccf	(I)
Interruptible Transportation (Rate IT)	\$0.00305 / Ccf	(I)

TERM

The Rider PMM rates shown on this page will be effective until the earlier of the effective date of new base rates or until future order by the Commission to modify or eliminate the rider.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____, 2026, in Case No. 2026-00162.

Issued: July 1, 2026

Effective: August 1, 2026

Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky
Pipeline Modernization Mechanism ("Rider PMM")
Forecasted Period Ending December 31, 2027
Table of Contents

<u>Schedule</u>	<u>Description</u>
1.0	PMM Rates by Rate Schedule
1.1	Revenue Requirement
1.2	Cost of Capital
2.0	Plant Additions and Depreciation
2.1	Deferred Taxes on Liberalized Depreciation
2.2	PMM Additions and Retirements
3.0	Billing Determinants
4.1	Revenue Requirement - True Up
4.2	Cost of Capital - True Up
4.3	Plant Additions and Depreciation - True Up
4.4	Deferred Taxes on Liberalized Depreciation - True Up
4.5	PMM Additions and Retirements - True Up
4.6	Actuals vs. Projections

Duke Energy Kentucky
 Pipeline Modernization Mechanism ("Rider PMM")
 Rider PMM by Rate Schedule

Line No.	Rate Schedule	(A)	Weighted	2027 Projected	2025 True Up	Total	Billing	Monthly
			Gross Distribution Plant Approved KyPSC Case No. 2025-00125 (B)	Revenue Requirement (C)	Revenue Requirement (D)		Determinants per CCF (F)	Rider PMM (G)
1	RS- Residential		84.200%	\$ 19,366,109	\$ 1,699,291	\$ 21,065,400	60,549,380	\$ 0.35 Per CCF
2	GS - General Service		14.854%	3,416,439	299,778	3,716,217	35,482,081	\$ 0.10 Per CCF
3	FT - Firm Transportation (Includes DGS)		0.753%	173,191	15,197	188,388	29,148,036	\$ 0.00646 Per CCF
4	IT - Interruptible Transportation		0.193%	44,390	3,895	48,285	15,851,120	\$ 0.00305 Per CCF
5	Total		100.000%	\$ 23,000,129	\$ 2,018,160	\$ 25,018,289		
				Sch. 1.1	Sch. 4.1		Sch. 3.0	

The cap for the annual PMM revenue requirement is no more than 5% increase in natural gas revenue per year
 Natural gas revenue is defined to include base, gas cost and miscellaneous revenue

**Duke Energy Kentucky
 Pipeline Modernization Mechanism ("Rider PMM")
 Forecasted PMM Revenue Requirement for 2027**

<u>Line No.</u>	<u>(A)</u>	<u>PMM Investment December 31, 2027 (B)</u>	<u>Reference (C)</u>
Return on Investment			
Rate Base			
1	Net PMM Investment - Property, Plant and Equipment	\$ 193,713,545	Sch. 2.2
2	Cost of Removal	4,133,794	Sch. 2.2
3	Accumulated Reserve for Depreciation	(6,799,810)	Sch. 2.0
4	Net PP&E	<u>191,047,529</u>	
5	Accumulated Deferred Taxes on Liberalized Depreciation	(7,530,747)	Sch. 2.1
6	Net Rate Base	<u>183,516,781</u>	Line 4 + Line 5
7	Authorized Rate of Return, Adjusted for Income Taxes	9.154%	Sch. 1.2
8	Required Return on PMM Related Investment	<u>\$ 16,799,126</u>	Line 6 * Line 7
Operating Expenses			
9	Depreciation	\$ 3,856,987	Sch. 2.0
10	Property Tax	2,308,274	Line 4 * 1.20822%
11	PSC Assessment	35,742	(Sum Line 8 thru 10) * (0.1595% / (1-0.1595%))
12	Total Operating Expenses	<u>6,201,003</u>	Sum Lines 9 thru 11
13	Total Estimated Annual Revenue Requirement	<u>\$ 23,000,129</u>	Line 8 + Line 12
14	Cap Adjustment		
15	Total Annual Revenue Requirement	<u><u>\$ 23,000,129</u></u>	

Notes:

- (1) Property taxes estimated using an effective rate of 1.20822%
- (2) PSC Assessment using Fiscal Year 2025 rate of 0.1595%
- (3) Total Approved Revenue + Prior Period Revenue Requirements cannot exceed 5% increase as approved in Case No. 2025-00125

Duke Energy Kentucky
Pipeline Modernization Mechanism ("Rider PMM")
Cost of Capital

Line No.	<u>Capital Structure</u> (A)	<u>Ratio</u> (B)	<u>Cost</u> (C)	<u>Weighted Cost</u> (D)	<u>Pre-Tax @ Effect. Tax Rate of 24.925%</u> (E)
1	Short term Debt	3.265%	3.784%	0.124%	0.124%
2	Long term Debt	44.086%	5.051%	2.227%	2.227%
3	Equity	52.649%	9.700%	5.107%	6.803%
4	Total	100.000%		7.458%	9.154%

Capital structure and cost of debt approved in Case No. 2025-00125

Return on equity approved in Case No. 2025-00125 for use in natural gas capital riders

Duke Energy Kentucky
 Pipeline Modernization Mechanism ("Rider PMM")
 Depreciation

Line No.	Description (A)	Acct Number (B)	(C)	EOY 2026 (D)	Projected 2027 Additions												EOY 2027 (Q)
					Jan (E)	Feb (F)	Mar (G)	Apr (H)	May (I)	Jun (J)	Jul (K)	Aug (L)	Sep (M)	Oct (N)	Nov (O)	Dec (P)	
Gas Plant Investments ⁽¹⁾																	
Additions																	
1	Mains - Feeder	376		\$ 153,947,027	\$ 110,722	\$ 17,850	\$ 11,900	\$ 11,900	\$ 11,900	\$ 11,900	\$ -	\$ -	\$ -	\$ 24,403,206	\$ 938,903	\$ 578,341	\$ 180,043,650
2	System M&R Station Equipment	378		\$ 18,634,829	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,634,829
3	Land and Land Rights	374		\$ 15,729,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,488,697	\$ -	\$ -	\$ 19,217,784
4	Total Additions			\$ 188,310,943	\$ 110,722	\$ 17,850	\$ 11,900	\$ 11,900	\$ 11,900	\$ 11,900	\$ -	\$ -	\$ -	\$ 27,891,903	\$ 938,903	\$ 578,341	\$ 217,896,263
Retirements																	
5	Mains - Feeder	376		\$ 1,371,358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,371,358
6	System M&R Station Equipment	378		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Land and Land Rights	374		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Total Retirements			\$ 1,371,358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,371,358
Cost of Removal																	
9	Mains - Feeder	376		\$ 4,054,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 344,805	\$ -	\$ -	\$ 4,399,028
10	System M&R Station Equipment	378		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Land and Land Rights	374		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Total Cost of removal			\$ 4,054,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 344,805	\$ -	\$ -	\$ 4,399,028

Accumulated Depreciation Reserve	Case 2025-00125 Depreciation Rate ⁽²⁾	EOY 2026	Projected 2027 Depreciation Expense												13 month Average		
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Additions																	
13	Mains - Feeder	376	2.10%	\$ 3,988,945	\$ 269,407	\$ 269,601	\$ 269,632	\$ 269,653	\$ 269,674	\$ 269,695	\$ 269,716	\$ 269,716	\$ 269,716	\$ 269,716	\$ 312,421	\$ 314,064	
14	System M&R Station Equipment	378	3.02%	\$ 951,488	\$ 46,898	\$ 46,898	\$ 46,898	\$ 46,898	\$ 46,898	\$ 46,898	\$ 46,898	\$ 46,898	\$ 46,898	\$ 46,898	\$ 46,898	\$ 46,898	
15	Land and Land Rights	374	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
16	Total Additions			\$ 4,940,433	\$ 316,305	\$ 316,499	\$ 316,530	\$ 316,551	\$ 316,572	\$ 316,593	\$ 316,614	\$ 316,614	\$ 316,614	\$ 316,614	\$ 359,319	\$ 360,962	
Retirements																	
17	Mains - Feeder	376	2.10%	\$ 35,360	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	
18	System M&R Station Equipment	378	3.02%	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
19	Land and Land Rights	374	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20	Total Additions			\$ 35,360	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	
21	Total Accumulated Depreciation Reserve			\$ 4,905,073	\$ 5,218,978	\$ 5,533,077	\$ 5,847,207	\$ 6,161,358	\$ 6,475,530	\$ 6,789,723	\$ 7,103,937	\$ 7,418,151	\$ 7,732,365	\$ 8,046,579	\$ 8,403,498	\$ 8,762,060	\$ 6,799,810

Notes:
 (1) See Schedule 2.2 for detail of 2027 PMM eligible additions.
 (2) Depreciation rates approved in Case No. 2025-00125.

Duke Energy Kentucky
 Pipeline Modernization Mechanism ("Rider PMM")
 Deferred Taxes on Liberalized Depreciation

2026 Projection Filing	A	B	C	A + B + C = D	A * Tax Rate Table = E	B * Tax Rate Table = F	E + F = G	H	G - H = I	J	K	L	(I * L) / K = M	N
Month	Book Adds/Retires - 15 YR MACRS	Book Adds/Retires - 20 YR MACRS	Book Adds/Retires - Non-Depreciable Land	Total Book Additions/Retirements	15 Yr MACRS for Tax	20 Yr MACRS for Tax	Total MACRS Depreciation	Book Depreciation	Book/Tax Difference	Accumulated Book/Tax Difference	Days to Prorate	Future Days in Period	Prorated Book/Tax Difference	Prorated Accumulated Book/Tax Difference
Dec-23	26,061,210	-	5,857,760	31,918,970	1,303,061	-	1,303,061	-	1,303,061	1,303,061	n/a	n/a	n/a	1,303,061
Dec-24	46,857,432	18,754,877	66,477	65,678,786	4,818,687	703,308	5,521,994	-	5,521,994	6,825,055	n/a	n/a	n/a	6,825,055
Dec-25	44,704,233	879,631	6,227,478	51,811,341	8,914,901	1,386,901	10,301,802	1,616,339	8,685,463	15,510,518	n/a	n/a	n/a	15,510,518
Dec-26	34,952,793	(999,679)	3,577,373	37,530,487	12,006,262	1,278,276	13,284,538	3,288,734	9,995,804	25,506,322	n/a	n/a	n/a	25,506,322
projected Jan-27	110,722	-	-	110,722	1,046,557	95,421	1,141,978	313,905	828,073	26,334,395	31	335	760,012	26,266,334
projected Feb-27	17,850	-	-	17,850	1,046,638	95,421	1,142,059	314,099	827,960	27,162,355	28	307	696,394	26,962,728
projected Mar-27	11,900	-	-	11,900	1,046,697	95,421	1,142,119	314,130	827,989	27,990,344	31	276	626,096	27,588,824
projected Apr-27	11,900	-	-	11,900	1,046,764	95,421	1,142,185	314,151	828,034	28,818,378	30	246	558,072	28,146,896
projected May-27	11,900	-	-	11,900	1,046,838	95,421	1,142,259	314,172	828,087	29,646,465	31	215	487,777	28,634,673
projected Jun-27	11,900	-	-	11,900	1,046,923	95,421	1,142,344	314,193	828,151	30,474,616	30	185	419,748	29,054,421
projected Jul-27	-	-	-	-	1,046,923	95,421	1,142,344	314,214	828,130	31,302,746	31	154	349,403	29,403,824
projected Aug-27	-	-	-	-	1,046,923	95,421	1,142,344	314,214	828,130	32,130,876	31	123	279,069	29,682,892
projected Sep-27	-	-	-	-	1,046,923	95,421	1,142,344	314,214	828,130	32,959,007	30	93	211,003	29,893,895
projected Oct-27	24,403,206	-	3,488,697	27,891,903	1,453,643	95,421	1,549,064	314,214	1,234,850	34,193,857	31	62	209,755	30,103,651
projected Nov-27	938,903	-	-	938,903	1,477,116	95,421	1,572,537	356,919	1,215,618	35,409,475	30	32	106,575	30,210,226
projected Dec-27	578,341	-	-	578,341	1,506,033	95,421	1,601,454	358,562	1,242,892	36,652,367	31	1	3,405	30,213,631
Total	178,672,292	18,634,829	19,217,784	216,524,905	40,900,887	4,513,539	45,414,427	8,762,060	36,652,367		365		4,707,309	

Sch. 2.0 Sch. 2.0 Sch. 2.0 Sch. 2.0 Sch. 2.0 Tax Rate 24.925%

Forecasted ADIT 7,530,747 Book vs Tax Depreciation

Month	Cost of Removal Book/Tax Difference	Accumulated Book/Tax Difference	Days to Prorate	Future Days in Period	Prorated Book/Tax Difference	Prorated Accumulated Book/Tax Difference
Dec-23	125,221	125,221	n/a	n/a	n/a	125,221
Dec-24	1,459,475	1,584,696	n/a	n/a	n/a	1,584,696
Dec-25	1,343,240	2,927,936	n/a	n/a	n/a	2,927,936
Dec-26	1,126,287	4,054,223	n/a	n/a	n/a	4,054,223
projected Jan-27	-	2,927,936	31	335	-	4,054,223
projected Feb-27	-	2,927,936	28	307	-	4,054,223
projected Mar-27	-	2,927,936	31	276	-	4,054,223
projected Apr-27	-	2,927,936	30	246	-	4,054,223
projected May-27	-	2,927,936	31	215	-	4,054,223
projected Jun-27	-	2,927,936	30	185	-	4,054,223
projected Jul-27	-	2,927,936	31	154	-	4,054,223
projected Aug-27	-	2,927,936	31	123	-	4,054,223
projected Sep-27	-	2,927,936	30	93	-	4,054,223
projected Oct-27	344,805	3,272,742	31	62	58,570	4,112,793
projected Nov-27	-	3,272,742	30	32	-	4,112,793
projected Dec-27	-	3,272,742	31	1	-	4,112,793
Total	4,399,028		365		350,118	

Sch. 2.0 Tax Rate 24.925%

Forecasted ADIT 1,025,114 Cost of Removal

Total Forecasted ADIT 8,555,861

TAX RATE TABLE

	Year 1	Year 2	Year 3	Year 4	Year 5
MACRS 15	0.05	0.095	0.0855	0.07695	0.06925
MACRS 20	0.0375	0.07219	0.06677	0.06177	0.05713

**Duke Energy Kentucky
 Pipeline Modernization Mechanism ("Rider PMM")
 Thirteen Month Average Additions and Retirements**

Test Year 12/31/27 PMM Investment Summary

Line No.	Month (A)	Number of Months (B)	PMM Capex		Retirements		Cost of Removal	
			By Month (C)	Cumulative (D)	By Month (E)	Cumulative (F)	By Month (G)	Cumulative (H)
1	Balance @ 12/31/2026	13		\$ 188,310,943		\$ 1,371,358		\$ 4,054,223
2	Jan-27	12	\$ 110,722.36	188,421,666	\$ -	1,371,358	\$ -	4,054,223
3	Feb-27	11	17,850	188,439,516	-	1,371,358	-	4,054,223
4	Mar-27	10	11,900	188,451,416	-	1,371,358	-	4,054,223
5	Apr-27	9	11,900	188,463,316	-	1,371,358	-	4,054,223
6	May-27	8	11,900	188,475,216	-	1,371,358	-	4,054,223
7	Jun-27	7	11,900	188,487,116	-	1,371,358	-	4,054,223
8	Jul-27	6	-	188,487,116	-	1,371,358	-	4,054,223
9	Aug-27	5	-	188,487,116	-	1,371,358	-	4,054,223
10	Sep-27	4	-	188,487,116	-	1,371,358	-	4,054,223
11	Oct-27	3	27,891,903	216,379,019	-	1,371,358	344,805	4,399,028
12	Nov-27	2	938,903	217,317,923	-	1,371,358	-	4,399,028
13	Dec-27	1	578,341	217,896,263	-	1,371,358	-	4,399,028
				\$ 2,536,103,741		\$ 17,827,659		\$ 53,739,316
14	Number of months			13		13		13
15	13 Month Average			\$ 195,084,903		\$ 1,371,358		\$ 4,133,794

Duke Energy Kentucky
 Pipeline Modernization Mechanism ("Rider PMM")
 PMM Rider Billing Determinants by Rate Schedule
 for the Twelve Month Ending December, 2027

<u>Line No.</u>	<u>Rate Schedule</u> (A)	<u>Jan-27</u> (B)	<u>Feb-27</u> (C)	<u>Mar-27</u> (D)	<u>Apr-27</u> (E)	<u>May-27</u> (F)	<u>Jun-27</u> (G)	<u>Jul-27</u> (H)	<u>Aug-27</u> (I)	<u>Sep-27</u> (J)	<u>Oct-27</u> (K)	<u>Nov-27</u> (L)	<u>Dec-27</u> (M)	<u>Total</u> (N)
1	RS - Residential (CCF) ⁽²⁾	11,674,619	12,278,818	11,447,115	8,030,932	4,296,098	1,387,980	1,190,278	1,001,912	983,832	981,710	2,134,353	5,141,733	60,549,380
2	GS - General Service (CCF) ^{(1) (2)}	5,803,780	6,504,944	6,122,197	4,574,555	2,208,510	1,294,267	939,237	955,800	979,461	978,905	1,592,293	3,528,133	35,482,081
3	FT - Firm Transportation (CCF)	3,634,389	4,100,371	3,537,303	3,039,376	1,880,260	1,588,937	1,446,250	1,480,885	1,552,001	1,501,266	2,221,267	3,165,732	29,148,036
4	IT - Interruptible Transportation (CCF)	1,411,680	1,421,827	1,373,403	1,285,527	1,369,813	1,221,154	1,237,175	1,237,175	1,237,175	1,229,980	1,363,696	1,462,516	15,851,120

(1) General Service includes Commercial, Industrial, OPA, Street Lighting and Interdepartmental.

(2) Per Order 2022-00229, all Rider PMM rates should be in volumetric format for the 2027 calendar year.

**Duke Energy Kentucky
 Pipeline Modernization Mechanism ("Rider PMM")
 PMM Revenue Requirement for 2025**

<u>Line No.</u>	<u>(A)</u>	<u>PMM Investment December 31, 2025 (B)</u>	<u>Reference (C)</u>
Return on Investment			
Rate Base			
1	Net PMM Investment - Property, Plant and Equipment	\$ 113,442,657	Sch. 4.5
2	Cost of Removal	2,148,720	Sch. 4.5
3	Accumulated Reserve for Depreciation	(754,047)	Sch. 4.3
4	Net PP&E	<u>114,837,330</u>	
5	Accumulated Deferred Taxes on Liberalized Depreciation	(3,897,298)	Sch. 4.4
6	Net Rate Base	<u>110,940,032</u>	Line 4 + Line 5
7	Authorized Rate of Return, Adjusted for Income Taxes	8.087%	Sch. 4.2
8	Required Return on PMM Related Investment	<u>\$ 8,971,720</u>	Line 6 * Line 7
Operating Expenses			
9	Depreciation	\$ 1,616,339	Sch. 4.3
10	Property Tax	1,456,114	Line 4 * 1.26798%
11	PSC Assessment	15,702	(Sum Line 8 thru 10) * (0.1302% / (1-0.1302%))
12	Total Operating Expenses	<u>\$ 3,088,155</u>	Sum Lines 9 thru 11
13	Total Annual Revenue Requirement	<u>\$ 12,059,875</u>	Line 8 + Line 12
14	Collections/(Refunds) for prior years	\$ (565,999)	
15	Adjusted Revenue Requirement	\$ 11,493,876	
16	2025 Billed Revenues	<u>9,475,716</u>	
17	Total (Over)/Under Collections	<u><u>\$ 2,018,160</u></u>	

Notes:

- (1) In Case No. 2024-00191, Property taxes using an effective rate of 1.26798%
- (2) In Case No. 2024-00191, PSC Assessment using Fiscal Year 2021 rate of 0.1302%
- (3) Total Approved Revenue + Prior Period Revenue Requirements cannot exceed 5% increase per 25-00125 Order

Duke Energy Kentucky
 Rider PMM by Rate Schedule
 Cost of Capital

<u>Line No.</u>	<u>Capital Structure</u> (A)	<u>Ratio</u> (B)	<u>Cost</u> (C)	<u>Weighted Cost</u> (D)	<u>Pre-Tax @ Effect. Tax Rate of 24.925%</u> (E)
1	Short term Debt	2.617%	1.667%	0.044%	0.044%
2	Long term Debt	46.039%	3.656%	1.683%	1.683%
3	Equity	51.344%	9.300%	4.775%	6.360%
4	Total	100.000%		6.502%	8.087%

Capital structure approved in Case No. 2021-00190
 ROE represents rate approved for use in natural gas capital riders.

Duke Energy Kentucky
 Pipeline Modernization Mechanism ("Rider PMM")
 Depreciation

Line No.	Description (A)	Acct Number (B)	(C)	EOY 2024 (D)	Actual 2025 Additions												EOY 2025 (Q)
					Jan (E)	Feb (F)	Mar (G)	Apr (H)	May (I)	Jun (J)	Jul (K)	Aug (L)	Sep (M)	Oct (N)	Nov (O)	Dec (P)	
Gas Plant Investments (1)																	
Additions																	
1	Mains - Feeder	376		\$ 73,178,102	\$ 1,667,081	\$ (672,650)	\$ 859,765	\$ (3,979,327)	\$ 244,806	\$ 63,110	\$ (1,606,118)	\$ 16,808	\$ 44,618,046	\$ 519,609	\$ 3,555,891	\$ 329,526	\$ 118,794,650
2	System M&R Station Equipment	378		\$ 18,757,284	\$ (228,201)	\$ 78,355	\$ 401	\$ 1,737	\$ -	\$ 4,960	\$ 3,916	\$ 1,087	\$ 1,351,918	\$ 69,295	\$ (433,056)	\$ 26,813	\$ 19,634,508
3	Land and Land Rights	374		\$ 5,924,237	\$ -	\$ 754	\$ 7,009	\$ 3,591,108	\$ 165	\$ 12,197	\$ 7,174	\$ 4,339	\$ 2,474,149	\$ 11,372	\$ 4,160	\$ 115,050	\$ 12,151,715
4	Total Additions			\$ 97,859,623	\$ 1,438,880	\$ (593,540)	\$ 867,175	\$ (386,483)	\$ 244,971	\$ 80,267	\$ (1,595,028)	\$ 22,235	\$ 48,444,113	\$ 600,276	\$ 3,126,994	\$ 471,390	\$ 150,580,872
Retirements																	
5	Mains - Feeder	376		\$ 259,459	\$ -	\$ -	\$ 402,801	\$ -	\$ (259,459)	\$ 268,154	\$ -	\$ -	\$ -	\$ 500,820	\$ -	\$ -	\$ 1,171,774
6	System M&R Station Equipment	378		\$ 2,407	\$ -	\$ -	\$ -	\$ -	\$ (2,407)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Land and Land Rights	374		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Total Retirements			\$ 261,866	\$ -	\$ -	\$ 402,801	\$ -	\$ (261,866)	\$ 268,154	\$ -	\$ -	\$ -	\$ 500,820	\$ -	\$ -	\$ 1,171,774
Cost of Removal																	
9	Mains - Feeder	376		\$ 1,551,985	\$ 10,756	\$ 2,671	\$ 3,968	\$ 328,227	\$ 5,153	\$ 6,956	\$ 1,176	\$ 4,981	\$ 632,898	\$ 252,144	\$ 122,224	\$ 4,798	\$ 2,927,936
10	System M&R Station Equipment	378		\$ 32,712	\$ 232,401	\$ 59,091	\$ -	\$ (324,203)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0)
11	Land and Land Rights	374		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Total Cost of removal			\$ 1,584,696	\$ 243,157	\$ 61,762	\$ 3,968	\$ 4,024	\$ 5,153	\$ 6,956	\$ 1,176	\$ 4,981	\$ 632,898	\$ 252,144	\$ 122,224	\$ 4,798	\$ 2,927,936
Annual Depreciation Rate																	
Accumulated Depreciation Reserve																	
Additions																	
13	Mains - Feeder	376	1.49%	\$ -	\$ 90,863	\$ 92,933	\$ 92,098	\$ 93,165	\$ 88,224	\$ 88,528	\$ 88,606	\$ 86,612	\$ 86,633	\$ 142,034	\$ 142,679	\$ 147,094	\$ 147,094
14	System M&R Station Equipment	378	2.04%	\$ -	\$ 31,887	\$ 31,499	\$ 31,633	\$ 31,633	\$ 31,636	\$ 31,636	\$ 31,645	\$ 31,651	\$ 31,653	\$ 33,951	\$ 34,069	\$ 33,333	\$ 33,333
15	Land and Land Rights	374	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Total Additions			\$ -	\$ 122,750	\$ 124,432	\$ 123,731	\$ 124,798	\$ 119,860	\$ 120,164	\$ 120,251	\$ 118,263	\$ 118,286	\$ 175,985	\$ 176,748	\$ 180,427	\$ 180,427
Retirements																	
17	Mains - Feeder	376	1.49%	\$ -	\$ 322	\$ 322	\$ 322	\$ 822	\$ 822	\$ 500	\$ 833	\$ 833	\$ 833	\$ 833	\$ 1,455	\$ 1,455	\$ 1,455
18	System M&R Station Equipment	378	2.04%	\$ -	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Land and Land Rights	374	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Total Retirements			\$ -	\$ 326	\$ 322	\$ 322	\$ 822	\$ 822	\$ 500	\$ 833	\$ 833	\$ 833	\$ 833	\$ 1,455	\$ 1,455	\$ 1,455
21	Total Accumulated Depreciation Reserve			\$ -	\$ 122,424	\$ 246,534	\$ 369,943	\$ 493,919	\$ 612,957	\$ 732,621	\$ 852,039	\$ 969,469	\$ 1,086,922	\$ 1,262,074	\$ 1,437,367	\$ 1,616,339	\$ 754,047

Notes:
 (1) See Sch 4.5 for detail of 2025 PMM eligible additions.

**Duke Energy Kentucky
 Pipeline Modernization Mechanism ("Rider PMM")
 Deferred Taxes on Liberalized Depreciation**

2025 Projection Filing	A	B	C	A + B + C = D	A * 5% = E	B * 3.75% = F	E + F = G	H	G - H = I	J	K	L	(I * L) / K = M	N
	Book Adds/Retires - 15 YR MACRS	Book Adds/Retires - 20 YR MACRS	Book Adds/Retires - Non-Depreciable Land	Total Book Additions/Retirements	1st Yr 15 Yr MACRS for Tax - 5%	1st Yr 20 Yr MACRS for Tax - 3.75%	Total MACRS Depreciation	Book Depreciation	Book/Tax Difference	Accumulated Book/Tax Difference	Days to Prorate	Future Days in Period	Prorated Book/Tax Difference	Prorated Accumulated Book/Tax Difference
Dec-23	26,061,210	-	5,857,760	31,918,970	1,303,061	-	1,303,061	-	1,303,061	1,303,061				1,303,061
Dec-24	46,454,631	18,757,284	64,070	65,275,985	4,798,547	703,398	5,501,945	613,039	4,888,906	6,191,966	n/a	n/a	n/a	6,191,966
Actuals Jan-25	1,667,081	(228,201)	-	1,438,880	553,452	111,571	665,023	122,424	542,599	6,734,565	31	335	498,002	6,689,968
Actuals Feb-25	(672,650)	78,355	754	(593,540)	548,224	112,047	660,270	124,110	536,160	7,270,725	28	307	450,962	7,140,930
Actuals Mar-25	456,964	401	7,009	464,374	552,131	112,049	664,180	123,409	540,771	7,811,496	31	276	408,912	7,549,842
Actuals Apr-25	(3,979,327)	1,737	3,591,108	(386,483)	514,327	112,062	626,389	123,976	502,413	8,313,909	30	246	338,613	7,888,454
Actuals May-25	504,265	2,407	165	506,837	519,716	112,082	631,799	119,038	512,761	8,826,670	31	215	302,037	8,190,492
Actuals Jun-25	(205,044)	4,960	12,197	(187,887)	517,212	112,130	629,341	119,664	509,677	9,336,347	30	185	258,330	8,448,821
Actuals Jul-25	(1,606,118)	3,916	7,174	(1,595,028)	494,325	112,173	606,498	119,418	487,080	9,823,427	31	154	205,508	8,654,329
Actuals Aug-25	16,808	1,087	4,339	22,235	494,612	112,188	606,800	117,430	489,370	10,312,797	31	123	164,911	8,819,240
Actuals Sep-25	44,618,046	1,351,918	2,474,149	48,444,113	1,448,323	134,755	1,583,077	117,453	1,465,624	11,778,421	30	93	373,433	9,192,673
Actuals Oct-25	18,790	69,295	11,372	99,456	1,448,858	136,297	1,585,155	175,152	1,410,003	13,188,425	31	62	239,507	9,432,180
Actuals Nov-25	3,555,891	(433,056)	4,160	3,126,994	1,600,873	121,839	1,722,712	175,293	1,547,419	14,735,844	30	32	135,664	9,567,844
Actuals Dec-25	329,526	26,813	115,050	471,390	1,629,047	123,629	1,752,677	178,972	1,573,705	16,309,548	31	1	4,312	9,572,156
Total	117,220,074	19,636,915	6,291,548	117,087,327	10,321,100	1,412,821	11,733,921	1,616,339	10,117,582		365		3,380,190	

Sch. 4.3

Sch. 4.3

Sch. 4.3

Sch. 4.3

Sch. 4.3

Tax Rate

24.925%

Forecasted ADIT 2,385,860 Book vs Tax Depreciation

Month	Cost of Removal Book/Tax Difference	Accumulated Book/Tax Difference	Days to Prorate	Future Days in Period	Prorated 2024 Book/Tax Difference	Prorated Accumulated Book/Tax Difference
Dec-23	125,221	125,221	n/a	n/a	n/a	125,221
Dec-24	10,739	1,584,696	31	1	346	2,854,066
Actuals Jan-25	243,157	368,378	31	335	2,627,663	2,752,884
Actuals Feb-25	61,762	430,140	28	307	611,641	3,364,525
Actuals Mar-25	3,968	434,108	31	276	35,332	3,399,858
Actuals Apr-25	4,024	438,132	30	246	31,932	3,431,789
Actuals May-25	5,153	443,285	31	215	35,736	3,467,526
Actuals Jun-25	6,956	450,241	30	185	41,514	3,509,040
Actuals Jul-25	1,176	451,417	31	154	5,840	3,514,879
Actuals Aug-25	4,981	456,397	31	123	19,762	3,534,641
Actuals Sep-25	632,898	1,089,296	30	93	1,898,695	5,433,336
Actuals Oct-25	252,144	1,341,439	31	62	504,288	5,937,624
Actuals Nov-25	122,224	1,463,663	30	32	126,166	6,063,790
Actuals Dec-25	4,798	1,468,461	31	1	155	6,063,945
Total	1,479,200		365		5,938,724	

Tax Rate

24.925%

Forecasted ADIT 1,511,438 Cost of Removal

Total Forecasted ADIT 3,897,298

TAX RATE TABLE

	Year 1	Year 2	Year 3	Year 4
MACRS 15	0.05	0.095	0.0855	0.07695
MACRS 20	0.0375	0.07219	0.06677	0.06177

Duke Energy Kentucky
 Pipeline Modernization Mechanism ("Rider PMM")
 Thirteen Month Average Additions and Retirements

Test Year 12/31/25 PMM Investment Summary

Line No.	Month (A)	Number of Months (B)	PMM Capex		Retirements		Cost of Removal	
			By Month (C)	Cumulative (D)	By Month (E)	Cumulative (F)	By Month (G)	Cumulative (H)
1	Balance @ 12/31/2024	13	\$ 97,859,623	\$ 97,859,623	\$ 261,866	\$ 261,866	\$ 1,584,696	1,584,696
2	Jan-25	12	1,438,880	99,298,503	-	261,866	243,157	1,827,853
3	Feb-25	11	(593,540)	98,704,963	-	261,866	61,762	1,889,615
4	Mar-25	10	867,175	99,572,137	402,801	664,667	3,968	1,893,583
5	Apr-25	9	(386,483)	99,185,655	-	664,667	4,024	1,897,607
6	May-25	8	244,971	99,430,626	(261,866)	402,801	5,153	1,902,760
7	Jun-25	7	80,267	99,510,893	268,154	670,955	6,956	1,909,716
8	Jul-25	6	(1,595,028)	97,915,865	-	670,955	1,176	1,910,892
9	Aug-25	5	22,235	97,938,100	-	670,955	4,981	1,915,873
10	Sep-25	4	48,444,113	146,382,213	-	670,955	632,898	2,548,771
11	Oct-25	3	600,276	146,982,489	500,820	1,171,774	252,144	2,800,915
12	Nov-25	2	3,126,994	150,109,483	-	1,171,774	122,224	2,923,138
13	Dec-25	1	471,390	150,580,872	-	1,171,774	4,798	2,927,936
				1,483,471,420		8,716,875		27,933,357
14	Number of months			13		13		13
15	13 Month Average		\$ 114,113,186		\$ 670,529		\$ 2,148,720	

Duke Energy Kentucky
 Pipeline Modernization Mechanism ("Rider PMM")
 Additions (Actuals vs Projections) 2024/2025

2024		Projected 2024 Additions												EOY	
Gas Plant Investments		2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2024
Mains - Feeder	376	\$ 19,064,578	\$ 100,800	\$ 61,600	\$ 81,512	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,382,200	\$ 4,354,632	\$ 2,744,264	\$ 430,272	\$ 62,219,858
System M&R Station Equipment	378	\$ 9,107,746	\$ 56,000	\$ 33,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,197,346
Land and Land Rights	374	\$ 1,379,337	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,315,829	\$ -	\$ -	\$ -	\$ 5,695,166
Total Additions		\$ 29,551,661	\$ 156,800	\$ 95,200	\$ 81,512	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,698,029	\$ 4,354,632	\$ 2,744,264	\$ 430,272	\$ 77,112,370
Gas Plant Investments		2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	EOY
Mains - Feeder	376	\$ 26,203,210	\$ 908,454	\$ (122,212)	\$ (581,595)	\$ (878,861)	\$ (437,445)	\$ 898,296	\$ (330,532)	\$ (14,330)	\$ (169,784)	\$ (116,320)	\$ 45,046,326	\$ 2,772,894	\$ 73,178,102
System M&R Station Equipment	378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,747,865	\$ 316,627	\$ 1,045,917	\$ 280,440	\$ 269,691	\$ 485,323	\$ 611,421	\$ 18,757,284
Land and Land Rights	374	\$ 5,857,760	\$ 924	\$ 13,358	\$ 28,923	\$ (352,922)	\$ 4,256	\$ 5,920	\$ 4,626	\$ -	\$ 1,493	\$ 1,422	\$ 358,250	\$ 226	\$ 5,924,237
Total Additions		\$ 32,060,970	\$ 909,379	\$ (108,853)	\$ (552,671)	\$ (1,231,783)	\$ (433,189)	\$ 16,652,081	\$ (9,280)	\$ 1,031,587	\$ 112,149	\$ 154,793	\$ 45,889,899	\$ 3,384,541	\$ 97,859,623
Gas Plant Investments		2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	EOY
Mains - Feeder	376	\$ 7,138,632	\$ 807,654	\$ (183,812)	\$ (663,107)	\$ (878,861)	\$ (437,445)	\$ 898,296	\$ (330,532)	\$ (14,330)	\$ (35,551,984)	\$ (4,470,952)	\$ 42,302,062	\$ 2,342,622	\$ 10,958,244
System M&R Station Equipment	378	\$ (9,107,746)	\$ (56,000)	\$ (33,600)	\$ -	\$ -	\$ -	\$ 15,747,865	\$ 316,627	\$ 1,045,917	\$ 280,440	\$ 269,691	\$ 485,323	\$ 611,421	\$ 9,559,938
Land and Land Rights	374	\$ 4,478,423	\$ 924	\$ 13,358	\$ 28,923	\$ (352,922)	\$ 4,256	\$ 5,920	\$ 4,626	\$ -	\$ (4,314,336)	\$ 1,422	\$ 358,250	\$ 226	\$ 229,071
Total Additions		\$ 2,509,309	\$ 752,579	\$ (204,053)	\$ (634,183)	\$ (1,231,783)	\$ (433,189)	\$ 16,652,081	\$ (9,280)	\$ 1,031,587	\$ (39,585,880)	\$ (4,199,839)	\$ 43,145,635	\$ 2,954,269	\$ 20,747,253
2025		Projected 2025 Additions												EOY	
Gas Plant Investments		2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2025
Mains - Feeder	376	\$ 62,219,858	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,939,719	\$ 3,019,458	\$ 1,563,645	\$ 100,742,680
System M&R Station Equipment	378	\$ 9,197,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,029,597	\$ 260,691	\$ 132,724	\$ 12,620,358
Land and Land Rights	374	\$ 5,695,166	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,719,400	\$ 150,000	\$ 50,000	\$ 8,614,566
Total Additions		\$ 77,112,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,688,716	\$ 3,430,149	\$ 1,746,369	\$ 121,977,604
Gas Plant Investments		2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	EOY
Mains - Feeder	376	\$ 73,178,102	\$ 1,667,081	\$ (672,650)	\$ 859,765	\$ (3,979,327)	\$ 244,806	\$ 63,110	\$ (1,606,118)	\$ 16,808	\$ 44,618,046	\$ 519,609	\$ 3,555,891	\$ 329,526	\$ 118,794,650
System M&R Station Equipment	378	\$ 18,757,284	\$ (228,201)	\$ 78,355	\$ 401	\$ 1,737	\$ -	\$ 4,960	\$ 3,916	\$ 1,087	\$ 1,351,918	\$ 69,295	\$ (433,056)	\$ 26,813	\$ 19,634,508
Land and Land Rights	374	\$ 5,924,237	\$ -	\$ 754	\$ 7,009	\$ 3,591,108	\$ 165	\$ 12,197	\$ 7,174	\$ 4,339	\$ 2,474,149	\$ 11,372	\$ 4,160	\$ 115,050	\$ 12,151,715
Total Additions		\$ 97,859,623	\$ 1,438,880	\$ (593,540)	\$ 867,175	\$ (386,483)	\$ 244,971	\$ 80,267	\$ (1,595,028)	\$ 22,235	\$ 48,444,113	\$ 600,276	\$ 3,126,994	\$ 471,390	\$ 150,580,872
Gas Plant Investments		2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	EOY
Mains - Feeder	376	\$ 10,958,244	\$ 1,667,081	\$ (672,650)	\$ 859,765	\$ (3,979,327)	\$ 244,806	\$ 63,110	\$ (1,606,118)	\$ 16,808	\$ 44,618,046	\$ (33,420,110)	\$ 536,433	\$ (1,234,119)	\$ 18,051,970
System M&R Station Equipment	378	\$ 9,559,938	\$ (228,201)	\$ 78,355	\$ 401	\$ 1,737	\$ -	\$ 4,960	\$ 3,916	\$ 1,087	\$ 1,351,918	\$ (2,960,302)	\$ (693,747)	\$ (105,911)	\$ 7,014,150
Land and Land Rights	374	\$ 229,071	\$ -	\$ 754	\$ 7,009	\$ 3,591,108	\$ 165	\$ 12,197	\$ 7,174	\$ 4,339	\$ 2,474,149	\$ (2,708,028)	\$ (145,840)	\$ 65,050	\$ 3,537,149
Total Additions		\$ 20,747,253	\$ 1,438,880	\$ (593,540)	\$ 867,175	\$ (386,483)	\$ 244,971	\$ 80,267	\$ (1,595,028)	\$ 22,235	\$ 48,444,113	\$ (39,088,440)	\$ (303,155)	\$ (1,274,979)	\$ 28,603,268