

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE)	
ENERGY KENTUCKY, INC. FOR: 1) AN)	
ADJUSTMENT OF THE NATURAL GAS)	CASE NO.
RATES; 2) APPROVAL OF NEW TARIFFS,)	2021-00190
AND 3) ALL OTHER REQUIRED APPROVALS,)	
WAIVERS, AND RELIEF)	

NOTICE OF FILING

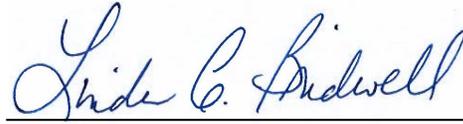
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on October 18, 2021 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on October 18, 2021 in this proceeding;
- A written log listing, inter alia, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on October 18, 2021.

A copy of this Notice, the certification of the digital video record, and hearing log have been served upon all persons listed at the end of this Notice. Parties desiring to view the digital video recording of the hearing may do so at https://youtu.be/_9DQVc3o8Ro.

Parties wishing an annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 28th day of October 2021.

A handwritten signature in blue ink that reads "Linda C. Bridwell". The signature is written in a cursive style with a horizontal line underneath it.

Linda C. Bridwell
Executive Director
Public Service Commission of Kentucky

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

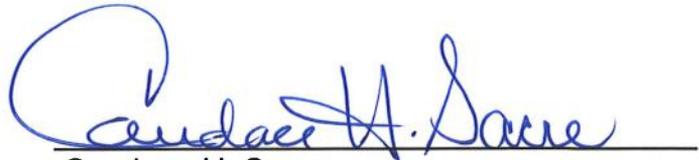
ELECTRONIC APPLICATION OF DUKE)	
ENERGY KENTUCKY, INC. FOR: 1) AN)	
ADJUSTMENT OF THE NATURAL GAS RATES;)	CASE NO.
2) APPROVAL OF NEW TARIFFS, AND 3) ALL)	2021-00190
OTHER REQUIRED APPROVALS, WAIVERS,)	
AND RELIEF)	

CERTIFICATION

I, Candace H. Sacre, hereby certify that:

1. The attached flash drive contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on October 18, 2021. The Formal Hearing Log, Exhibits, and Exhibit List are included with the recording on October 18, 2021;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of October 18, 2021; and
4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of October 18, 2021, and the time at which each occurred.

Signed this 25th day of October, 2021.



Candace H. Sacre
Administrative Specialist III



Stephanie Schweighardt
Notary Public State at Large ID#: 614400
Commission Expires: January 14, 2023



Date:	Type:	Location:	Department:
10/18/2021	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Witness: Richard Baudino; Chris Bauer; Jay Brown; Dylan D'Ascendis; Retha Hunsicker; Jeff Kern; Lane Kollen; Sarah Lawler; Brian Manges; Abby Motsinger; John Panizza; Benjamin Passty; Lesley Quick; David Raiford; Jeffrey Setser; John Spanos; Amy B Spiller; Jake Stewart; Brian Weisker; James Ziolkowski
 Judge: Marianne Butler; Amy Cabbage
 Clerk: Candace Sacre

Event Time	Log Event	
9:03:38 AM	Session Started	
9:03:38 AM	Vice Chairman Cabbage Note: Sacre, Candace	On the record in 2021-00190, 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.
9:03:55 AM	Vice Chairman Cabbage Note: Sacre, Candace	My name is Amy Cabbage, and I am Vice Chairman of the Public Service Commission. I will be presiding today. Joining me is Commissioner Marianne Butler.
9:04:04 AM	Vice Chairman Cabbage Note: Sacre, Candace	COVID and videoconferencing recommendations. (Click on link for further comments.)
9:05:35 AM	Vice Chairman Cabbage Note: Sacre, Candace	The hearing today is for the purpose of taking evidence on Duke Kentucky's proposed gas rate adjustment.
9:05:40 AM	Vice Chairman Cabbage Note: Sacre, Candace	Appearance of counsel. (Click on link for further comments.)
9:05:45 AM	Atty D'Ascenzo Duke Kentucky Note: Sacre, Candace	Rocco D. D'Ascenzo, appearing with me are David Samford and Allyson Honaker.
9:06:07 AM	Asst Atty General Horne Note: Sacre, Candace	John Horne, joining me on line is Larry Cook, running point for Attorney General's Office on this case.
9:06:24 AM	Gen Counsel Vinsel PSC Note: Sacre, Candace	Nancy Vinsel.
9:06:28 AM	Vice Chairman Cabbage Note: Sacre, Candace	Public notice. (Click on link for further comments.)
9:06:45 AM	Vice Chairman Cabbage Note: Sacre, Candace	Outstanding motions. (Click on link for further comments.)
9:06:52 AM	Vice Chairman Cabbage Note: Sacre, Candace	Public comments. (Click on link for further comments.)
9:07:51 AM	Vice Chairman Cabbage Note: Sacre, Candace	First witness?
9:08:02 AM	Atty D'Ascenzo Duke Energy Note: Sacre, Candace	Amy Spiller.
9:08:15 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is sworn.
9:08:24 AM	Vice Chairman Cabbage - witness Spiller Note: Sacre, Candace	Examination. Name and address?

9:08:38 AM	Atty D'Ascenzo Duke Kentucky - witness Spiller Note: Sacre, Candace	Direct Examination. Title?
9:08:47 AM	Atty D'Ascenzo Duke Kentucky - witness Spiller Note: Sacre, Candace	Binder, identify what have with you?
9:09:24 AM	Atty D'Ascenzo Duke Kentucky - witness Spiller Note: Sacre, Candace	Cause to file testimony and response?
9:09:31 AM	Atty D'Ascenzo Duke Kentucky - witness Spiller Note: Sacre, Candace	Changes or correction?
9:09:37 AM	Atty D'Ascenzo Duke Kentucky - witness Spiller Note: Sacre, Candace	Asked same questions, answers be same?
9:09:41 AM	Atty D'Ascenzo Duke Kentucky - witness Spiller Note: Sacre, Candace	Intention to have entered?
9:10:04 AM	Gen Counsel Vinsel PSC - witness Spiller Note: Sacre, Candace	Cross Examination. Natural gas prices set new record highs, impact high gas prices have on Duke Kentucky, what planning now to address high prices?
9:12:04 AM	Gen Counsel Vinsel PSC - witness Spiller Note: Sacre, Candace	Customer awareness impact and budget billing, through bill inserts, web site, how notify customers?
9:12:58 AM	Gen Counsel Vinsel PSC - witness Spiller Note: Sacre, Candace	Financial assistance to customers, Duke wave late payment charges for customers receive pledge of assistance?
9:14:14 AM	Gen Counsel Vinsel PSC - witness Spiller Note: Sacre, Candace	Duke consider adding provision bill assistance program include waiving of late fee?
9:14:53 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
9:14:59 AM	Vice Chairman Cabbage - witness Spiller Note: Sacre, Candace	Examination. Short-term incentive plan, another witness?
9:15:07 AM	Vice Chairman Cabbage - witness Spiller Note: Sacre, Candace	Who best person?
9:15:36 AM	Vice Chairman Cabbage - witness Spiller Note: Sacre, Candace	Pipeline modernization rider, you or another witness?
9:16:02 AM	Vice Chairman Cabbage - witness Spiller Note: Sacre, Candace	What envision being part of pipeline modernization rider?
9:16:22 AM	Vice Chairman Cabbage - witness Spiller Note: Sacre, Candace	When say type of project, not limited to AM07 but that definitely included?
9:16:44 AM	Vice Chairman Cabbage - witness Spiller Note: Sacre, Candace	More specific type of investments under PHMSA regulations?
9:17:37 AM	Vice Chairman Cabbage - witness Spiller Note: Sacre, Candace	Not just considering pipeline upgrades but also testing?
9:17:57 AM	Vice Chairman Cabbage - witness Spiller Note: Sacre, Candace	Upgrade projects Certificate Public Convenience and Necessity, any other work not need CPCN?
9:19:03 AM	Vice Chairman Cabbage Note: Sacre, Candace	Redirect?
9:19:08 AM	Atty D'Ascenzo Duke Kentucky - witness Spiller Note: Sacre, Candace	Redirect Examination. Government mandate rider, mentioned subject to annual caps, cap part of stipulation and settlement?
9:19:54 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness excused subject to recall.
9:20:55 AM	Vice Chairman Cabbage Note: Sacre, Candace	Next witness?

9:21:00 AM Atty D'Ascenzo Duke Kentucky
Note: Sacre, Candace John Spanos.

9:21:14 AM Vice Chairman Cabbage
Note: Sacre, Candace Witness is sworn.

9:21:21 AM Vice Chairman Cabbage - witness Spanos
Note: Sacre, Candace Examination. Name and address?

9:21:43 AM Atty D'Ascenzo Duke Kentucky - witness Spanos
Note: Sacre, Candace Cross Examination. Position and company?

9:21:55 AM Atty D'Ascenzo Duke Kentucky - witness Spanos
Note: Sacre, Candace Cause to file testimony and responses?

9:22:04 AM Atty D'Ascenzo Duke Kentucky - witness Spanos
Note: Sacre, Candace Copies in front of you?

9:22:20 AM Atty D'Ascenzo Duke Kentucky - witness Spanos
Note: Sacre, Candace Changes or corrections?

9:22:26 AM Atty D'Ascenzo Duke Kentucky - witness Spanos
Note: Sacre, Candace Asked same questions, responses be same?

9:22:30 AM Atty D'Ascenzo Duke Kentucky - witness Spanos
Note: Sacre, Candace Intent documents be submitted as part of record?

9:22:39 AM Vice Chairman Cabbage
Note: Sacre, Candace Questions?

9:22:59 AM Vice Chairman Cabbage
Note: Sacre, Candace Witness excused.

9:23:29 AM Atty Samford Duke Kentucky
Note: Sacre, Candace Sarah Lawler.

9:23:49 AM Vice Chairman Cabbage - witness Lawler
Note: Sacre, Candace Examination. Name and address?

9:24:05 AM Atty Samford Duke Kentucky - witness Lawler
Note: Sacre, Candace Cross Examination. Title and full name?

9:24:20 AM Atty Samford Duke Kentucky - witness Lawler
Note: Sacre, Candace Cause testimony, supplemental testimony, and responses be filed?

9:24:28 AM Atty Samford Duke Kentucky - witness Lawler
Note: Sacre, Candace Corrections, changes, edits to those?

9:24:33 AM Atty Samford Duke Kentucky - witness Lawler
Note: Sacre, Candace Ask same questions, answers be same?

9:24:38 AM Atty Samford Duke Kentucky - witness Lawler
Note: Sacre, Candace What materials to witness stand?

9:24:57 AM Atty Samford Duke Kentucky - witness Lawler
Note: Sacre, Candace Testimony, supplement, responses incorporated into record?

9:25:09 AM Vice Chairman Cabbage
Note: Sacre, Candace Questions?

9:25:18 AM Gen Counsel Vinsel PSC - witness Lawler
Note: Sacre, Candace Cross Examination. Requesting approve establish regulatory asset information service costs?

9:25:53 AM Gen Counsel Vinsel PSC - witness Lawler
Note: Sacre, Candace Costs include during test period or some other time period?

9:26:22 AM Gen Counsel Vinsel PSC - witness Lawler
Note: Sacre, Candace Post-hearing data request, Commission approve regulatory asset finding one of four criteria, which criteria applicable to requested regulatory asset?

9:27:33 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace GEN COUNSEL VINSEL PSC - WITNESS LAWLER
Note: Sacre, Candace CRITERIA APPLICABLE TO REQUESTED REGULATORY ASSET

9:27:35 AM Gen Counsel Vinsel PSC - witness Lawler
Note: Sacre, Candace Explain why not requested in tandem or CPCN requested first?

9:28:41 AM	Gen Counsel Vinsel PSC - witness Note: Sacre, Candace	Lawler Capital costs not associated with AM07 pipeline included in PMM Rider?
9:29:04 AM	Gen Counsel Vinsel PSC - witness Note: Sacre, Candace	Lawler Rider limited to only AM07 pipeline project or other capital costs seek recovery in rider?
9:30:26 AM	Gen Counsel Vinsel PSC - witness Note: Sacre, Candace	Lawler Potential other capital costs included, accounted for after installed and construction completed or included in forecasted filing?
9:31:36 AM	Gen Counsel Vinsel PSC - witness Note: Sacre, Candace	Lawler In July annual filing?
9:31:46 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
9:31:49 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Lawler Examination. Criteria in mind identifying projects eligible for rider the way stipulation drafted?
9:32:17 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Lawler More detail or criteria?
9:32:41 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Lawler At this time only AM07 projected, not foreclosing other projects but only one company has in mind?
9:33:04 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Lawler How come up with cap?
9:33:44 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Lawler If max out in a year, calculated what mean for average customer bill?
9:34:38 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Lawler Proposing include periodic monitoring and testing of pipelines pursuant regulatory requirement in rider?
9:35:07 AM	Vice Chairman Cabbage Note: Sacre, Candace	Redirect?
9:35:14 AM	Atty Samford Duke Kentucky - witness Note: Sacre, Candace	Lawler Redirect Examination. Sponsored stipulation settlement agreement?
9:35:20 AM	Atty Samford Duke Kentucky - witness Note: Sacre, Candace	Lawler Provision related proposed cost customer information system?
9:35:33 AM	Atty Samford Duke Kentucky - witness Note: Sacre, Candace	Lawler Explain what provision is?
9:36:12 AM	Atty Samford Duke Kentucky - witness Note: Sacre, Candace	Lawler Fair direct link between adjustment and establishment of regulatory asset?
9:36:30 AM	Atty Samford Duke Kentucky - witness Note: Sacre, Candace	Lawler Regulatory asset not approved, require upward adjustment to revenue requirement?
9:36:50 AM	Atty Samford Duke Kentucky - witness Note: Sacre, Candace	Lawler How long engaged in rate making?
9:37:03 AM	Atty Samford Duke Kentucky - witness Note: Sacre, Candace	Lawler Settlement fair just and reasonable?
9:37:20 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
9:37:30 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness excused subject to recall.
9:38:12 AM	Vice Chairman Cabbage Note: Sacre, Candace	Next witness?

9:38:16 AM	Atty D'Ascenzo Duke Kentucky Note: Sacre, Candace	Brian Weisker.
9:38:29 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is sworn.
9:38:36 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Weisker Examination. Name and address?
9:38:51 AM	Atty D'Ascenzo Duke Kentucky - witness Note: Sacre, Candace	Weisker Direct Examination. State position at company?
9:39:02 AM	Atty D'Ascenzo Duke Kentucky - witness Note: Sacre, Candace	Weisker Cause to file testimony and responses?
9:39:10 AM	Atty D'Ascenzo Duke Kentucky - witness Note: Sacre, Candace	Weisker Copies in front of you?
9:39:14 AM	Atty D'Ascenzo Duke Kentucky - witness Note: Sacre, Candace	Weisker Any other documents?
9:39:20 AM	Atty D'Ascenzo Duke Kentucky - witness Note: Sacre, Candace	Weisker Changes or corrections?
9:39:25 AM	Atty D'Ascenzo Duke Kentucky - witness Note: Sacre, Candace	Weisker Asked same questions, responses be same?
9:39:31 AM	Atty D'Ascenzo Duke Kentucky - witness Note: Sacre, Candace	Weisker Intention documents submitted into record?
9:39:40 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
9:39:52 AM	Gen Counsel Vinsel PSC - witness Note: Sacre, Candace	Weisker Cross Examination. Significant changes to PHMSA regulations since filing of case?
9:40:18 AM	Gen Counsel Vinsel PSC - witness Note: Sacre, Candace	Weisker Any PHMSA advisory bulletins or directive mandating replacement of AO Smith pipe?
9:40:56 AM	Gen Counsel Vinsel PSC - witness Note: Sacre, Candace	Weisker Duke transmission integrity management plan monitoring AM07 line led to reduction maximum allowable operating pressure (MAOP) or actual operating pressure?
9:42:45 AM	Gen Counsel Vinsel PSC - witness Note: Sacre, Candace	Weisker Duke has taken pressure reductions or only if in-line inspection?
9:43:11 AM	Gen Counsel Vinsel PSC - witness Note: Sacre, Candace	Weisker Integrity digs investigate anomalies with AM07 line?
9:43:43 AM	Gen Counsel Vinsel PSC - witness Note: Sacre, Candace	Weisker Ask as post-hearing data requests regarding those.
9:43:45 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	GEN COUNSEL VINSEL PSC - WITNESS WEISKER ALL RECORDS REGARDING INTEGRITY DIGS AM07 LINE
9:43:57 AM	Gen Counsel Vinsel PSC - witness Note: Sacre, Candace	Weisker Describe how Duke affiliates handled replacement of AO Smith pipeline?
9:44:38 AM	Gen Counsel Vinsel PSC - witness Note: Sacre, Candace	Weisker Last three questions, post-hearing data requests, like to know what MAOP for AM07 line been installation to present, what actual operating pressure been, and leak history for line?
9:44:39 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	GEN COUNSEL VINSEL PSC - WITNESS WEISKER MAOP FOR AM07 LINE INSTALLATION TO PRESENT, ACTUAL OPERATING PRESSURE, AND LEAK HISTORY
9:44:56 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?

9:45:02 AM	Vice Chairman Cabbage - witness Weisker Note: Sacre, Candace	Examination. Explain what qualify for rider?
9:45:43 AM	Vice Chairman Cabbage - witness Weisker Note: Sacre, Candace	Lawler testified at this time not project other projects qualify for rider?
9:45:58 AM	Vice Chairman Cabbage - witness Weisker Note: Sacre, Candace	Any other pipelines Duke Kentucky has similar AM07?
9:46:36 AM	Vice Chairman Cabbage - witness Weisker Note: Sacre, Candace	Pose same threat as AM07?
9:46:51 AM	Vice Chairman Cabbage - witness Weisker Note: Sacre, Candace	Not include AO Smith manufactured pipe?
9:46:58 AM	Vice Chairman Cabbage - witness Weisker Note: Sacre, Candace	Feel comfortable five percent cap cover cost?
9:47:28 AM	Vice Chairman Cabbage Note: Sacre, Candace	Redirect?
9:47:32 AM	Atty D'Ascenzo Duke Kentucky - witness Weisker Note: Sacre, Candace	Redirect Examination. AM07 pipeline, describe length, size, et cetera, for record?
9:48:26 AM	Atty D'Ascenzo Duke Kentucky - witness Weisker Note: Sacre, Candace	Described as backbone of system, explain what happen pressure reduction on AM07, what do to system?
9:49:18 AM	Atty D'Ascenzo Duke Kentucky - witness Weisker Note: Sacre, Candace	Lead to potential outages?
9:49:26 AM	Atty D'Ascenzo Duke Kentucky - witness Weisker Note: Sacre, Candace	Know when AM07 installed?
9:49:38 AM	Atty D'Ascenzo Duke Kentucky - witness Weisker Note: Sacre, Candace	Recall questions AO Smith pipe, aware of industry initiatives other gas companies dealing with kind of pipe?
9:50:21 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
9:50:39 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness excused.
9:51:14 AM	Vice Chairman Cabbage Note: Sacre, Candace	Next witness?
9:51:17 AM	Atty D'Ascenzo Duke Kentucky Note: Sacre, Candace	Dylan D'Ascendis.
9:51:27 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is sworn.
9:51:36 AM	Vice Chairman Cabbage - witness D'Ascendis Note: Sacre, Candace	Examination. Name and address?
9:51:56 AM	Atty D'Ascenzo Duke Kentucky - witness D'Ascendis Note: Sacre, Candace	Direct Examination. Full name, title, and position with company?
9:52:21 AM	Atty D'Ascenzo Duke Kentucky - witness D'Ascendis Note: Sacre, Candace	Cause file direct testimony, rebuttal, and responses?
9:52:31 AM	Atty D'Ascenzo Duke Kentucky - witness D'Ascendis Note: Sacre, Candace	In front of you today?
9:52:34 AM	Atty D'Ascenzo Duke Kentucky - witness D'Ascendis Note: Sacre, Candace	Any other documents?
9:52:42 AM	Atty D'Ascenzo Duke Kentucky - witness D'Ascendis Note: Sacre, Candace	Changes or corrections?
9:52:49 AM	Atty D'Ascenzo Duke Kentucky - witness D'Ascendis Note: Sacre, Candace	Asked same questions, responses be same?
9:52:54 AM	Atty D'Ascenzo Duke Kentucky - witness D'Ascendis Note: Sacre, Candace	Intention documents submitted into record?

9:53:02 AM	Vice Chairman Cubbage Note: Sacre, Candace	Questions?
9:53:23 AM	Vice Chairman Cubbage Note: Sacre, Candace	Witness excused.
9:53:49 AM	Vice Chairman Cubbage Note: Sacre, Candace	Next witness?
9:53:55 AM	Atty Honaker Duke Kentucky Note: Sacre, Candace	Chris Bauer.
9:54:00 AM	Vice Chairman Cubbage Note: Sacre, Candace	Witness is sworn.
9:54:10 AM	Vice Chairman Cubbage - witness Bauer Note: Sacre, Candace	Examination. Name and address?
9:54:25 AM	Atty Honaker Duke Kentucky - witness Bauer Note: Sacre, Candace	Direct Examination. Title?
9:54:33 AM	Atty Honaker Duke Kentucky - witness Bauer Note: Sacre, Candace	Cause file direct testimony, rebuttal, and responses?
9:54:41 AM	Atty Honaker Duke Kentucky - witness Bauer Note: Sacre, Candace	Corrections?
9:54:44 AM	Atty Honaker Duke Kentucky - witness Bauer Note: Sacre, Candace	Asked same questions, answers be same?
9:54:49 AM	Atty Honaker Duke Kentucky - witness Bauer Note: Sacre, Candace	Bring materials to stand?
9:54:58 AM	Atty Honaker Duke Kentucky - witness Bauer Note: Sacre, Candace	Intent incorporate into record?
9:55:05 AM	Vice Chairman Cubbage Note: Sacre, Candace	Questions?
9:55:13 AM	Gen Counsel Vinsel PSC - witness Bauer Note: Sacre, Candace	Cross Examination. \$50 million unsecured debt insurers planned financing in Sept 2021, correct ceased marketing efforts for that?
9:55:35 AM	Gen Counsel Vinsel PSC - witness Bauer Note: Sacre, Candace	Discussed three particular reasons, one reason ESG, environmental social and corporate government mandates, expand upon that?
9:57:44 AM	Gen Counsel Vinsel PSC - witness Bauer Note: Sacre, Candace	Another reason referenced portfolio limits to Duke Kentucky, expand also?
9:58:35 AM	Gen Counsel Vinsel PSC - witness Bauer Note: Sacre, Candace	Last reason, proposed incremental restrictive covenants, explain what are and how restrictive Duke Kentucky?
10:01:26 AM	Gen Counsel Vinsel PSC - witness Bauer Note: Sacre, Candace	Two-year financing, bridge financing, status of effort?
10:01:48 AM	Gen Counsel Vinsel PSC - witness Bauer Note: Sacre, Candace	Floating rate, range?
10:02:10 AM	Gen Counsel Vinsel PSC - witness Bauer Note: Sacre, Candace	Closed a week ago?
10:02:41 AM	Gen Counsel Vinsel PSC - witness Bauer Note: Sacre, Candace	Money pool borrowings, noted elevated past five years, not anticipate large projects test year?
10:03:14 AM	Vice Chairman Cubbage Note: Sacre, Candace	Questions?
10:03:28 AM	Vice Chairman Cubbage Note: Sacre, Candace	Witness excused.
10:03:37 AM	Vice Chairman Cubbage Note: Sacre, Candace	Break, back at 10:15.
10:04:01 AM	Session Paused	

10:16:41 AM	Session Resumed	
10:16:45 AM	Vice Chairman Cubbage	
	Note: Sacre, Candace	On the record in 2021-00190, electronic Application of Duke Energy Kentucky.
10:16:57 AM	Vice Chairman Cubbage	
	Note: Sacre, Candace	Next witness?
10:17:00 AM	Atty Honaker Duke Kentucky	
	Note: Sacre, Candace	Brian Manges.
10:17:22 AM	Vice Chairman Cubbage	
	Note: Sacre, Candace	Witness is sworn.
10:17:24 AM	Vice Chairman Cubbage - witness Manges	
	Note: Sacre, Candace	Examination. Name and address?
10:17:39 AM	Atty Honaker Duke Kentucky - witness Manges	
	Note: Sacre, Candace	Direct Examination. Title?
10:17:46 AM	Atty Honaker Duke Kentucky - witness Manges	
	Note: Sacre, Candace	Filed testimony and responses?
10:17:52 AM	Atty Honaker Duke Kentucky - witness Manges	
	Note: Sacre, Candace	Corrections or revisions?
10:17:56 AM	Atty Honaker Duke Kentucky - witness Manges	
	Note: Sacre, Candace	Asked same questions, answers be same?
10:18:00 AM	Atty Honaker Duke Kentucky - witness Manges	
	Note: Sacre, Candace	What brought to stand?
10:18:07 AM	Atty Honaker Duke Kentucky - witness Manges	
	Note: Sacre, Candace	Intent incorporate into record?
10:18:15 AM	Vice Chairman Cubbage	
	Note: Sacre, Candace	Questions?
10:18:35 AM	Vice Chairman Cubbage	
	Note: Sacre, Candace	Witness excused.
10:18:49 AM	Vice Chairman Cubbage	
	Note: Sacre, Candace	Next witness?
10:18:52 AM	Attorney Samford Duke Kentucky	
	Note: Sacre, Candace	Abby Motsinger.
10:19:11 AM	Vice Chairman Cubbage	
	Note: Sacre, Candace	Witness is sworn.
10:19:22 AM	Vice Chairman Cubbage - witness Motsinger	
	Note: Sacre, Candace	Examination. Name and address?
10:19:34 AM	Atty Samford Duke Kentucky - witness Motsinger	
	Note: Sacre, Candace	Direct Examination. Title?
10:19:40 AM	Atty Samford Duke Kentucky - witness Motsinger	
	Note: Sacre, Candace	Cause testimony and responses filed?
10:19:45 AM	Atty Samford Duke Kentucky - witness Motsinger	
	Note: Sacre, Candace	Additions, corrections, changes?
10:19:51 AM	Atty Samford Duke Kentucky - witness Motsinger	
	Note: Sacre, Candace	Ask same questions, answers be same?
10:19:55 AM	Atty Samford Duke Kentucky - witness Motsinger	
	Note: Sacre, Candace	Intent incorporated into record?
10:20:02 AM	Atty Samford Duke Kentucky - witness Motsinger	
	Note: Sacre, Candace	Bring materials to stand?
10:20:17 AM	Vice Chairman Cubbage	
	Note: Sacre, Candace	Questions?
10:20:39 AM	Vice Chairman Cubbage	
	Note: Sacre, Candace	Witness excused.
10:20:44 AM	Vice Chairman Cubbage	
	Note: Sacre, Candace	Next witness?

10:20:52 AM	Atty Samford Duke Kentucky Note: Sacre, Candace	John Panizza.
10:21:17 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is sworn.
10:21:25 AM	Vice Chairman Cabbage - witness Panizza Note: Sacre, Candace	Examination. Name and address?
10:21:40 AM	Atty Samford Duke Kentucky - witness Panizza Note: Sacre, Candace	Direct Examination. Title?
10:21:47 AM	Atty Samford Duke Kentucky - witness Panizza Note: Sacre, Candace	Cause testimony and responses filed?
10:21:52 AM	Atty Samford Duke Kentucky - witness Panizza Note: Sacre, Candace	Edits, changes, corrections, additions?
10:21:57 AM	Atty Samford Duke Kentucky - witness Panizza Note: Sacre, Candace	Ask same questions, answers be same?
10:22:01 AM	Atty Samford Duke Kentucky - witness Panizza Note: Sacre, Candace	Intent incorporated into record?
10:22:08 AM	Atty Samford Duke Kentucky - witness Panizza Note: Sacre, Candace	Bring materials to stand?
10:22:20 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
10:22:35 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness excused.
10:22:54 AM	Vice Chairman Cabbage Note: Sacre, Candace	Next witness?
10:22:57 AM	Atty Honaker Duke Kentucky Note: Sacre, Candace	David Raiford.
10:23:11 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is sworn.
10:23:17 AM	Vice Chairman Cabbage - witness Raiford Note: Sacre, Candace	Examination. Name and address?
10:23:29 AM	Atty Honaker Duke Kentucky - witness Raiford Note: Sacre, Candace	Direct Examination. Title?
10:23:37 AM	Atty Honaker Duke Kentucky - witness Raiford Note: Sacre, Candace	Filed testimony, rebuttal, and responses?
10:23:44 AM	Atty Honaker Duke Kentucky - witness Raiford Note: Sacre, Candace	Additions or corrections?
10:23:48 AM	Atty Honaker Duke Kentucky - witness Raiford Note: Sacre, Candace	Asked same questions, answers be same?
10:23:55 AM	Atty Honaker Duke Kentucky - witness Raiford Note: Sacre, Candace	Bring materials to stand?
10:24:03 AM	Atty Honaker Duke Kentucky - witness Raiford Note: Sacre, Candace	Intent incorporate into record?
10:24:11 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
10:24:29 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness excused.
10:24:58 AM	Atty Honaker Duke Kentucky - witness Raiford Note: Sacre, Candace	Ben Passty.
10:25:09 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is sworn.
10:25:19 AM	Vice Chairman Cabbage - witness Passty Note: Sacre, Candace	Examination. Name and address?
10:25:39 AM	Atty Honaker Duke Kentucky - witness Passty Note: Sacre, Candace	Direct Examination. Title?

10:25:49 AM	Atty Honaker Duke Kentucky - witness Passty Note: Sacre, Candace	Filed testimony, rebuttal, and responses?
10:25:58 AM	Atty Honaker Duke Kentucky - witness Passty Note: Sacre, Candace	Additions or corrections?
10:26:02 AM	Atty Honaker Duke Kentucky - witness Passty Note: Sacre, Candace	Ask same questions, answers be same?
10:26:07 AM	Atty Honaker Duke Kentucky - witness Passty Note: Sacre, Candace	Bring materials to stand?
10:26:19 AM	Atty Honaker Duke Kentucky - witness Passty Note: Sacre, Candace	Intent include documents in record?
10:26:28 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
10:26:47 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness excused.
10:26:52 AM	Atty Honaker Duke Kentucky Note: Sacre, Candace	Jeff Setser.
10:27:11 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is sworn.
10:27:17 AM	Vice Chairman Cabbage - witness Setser Note: Sacre, Candace	Examination. Name and address?
10:27:28 AM	Atty Honaker Duke Kentucky - witness Setser Note: Sacre, Candace	Intent incorporate into record?
10:27:33 AM	Atty Honaker Duke Kentucky - witness Setser Note: Sacre, Candace	Direct Examination. Title?
10:27:39 AM	Atty Honaker Duke Kentucky - witness Setser Note: Sacre, Candace	Filed testimony, rebuttal, and responses?
10:27:46 AM	Atty Honaker Duke Kentucky - witness Setser Note: Sacre, Candace	Additions or corrections?
10:27:49 AM	Atty Honaker Duke Kentucky - witness Setser Note: Sacre, Candace	Ask same questions, answers be same?
10:27:54 AM	Atty Honaker Duke Kentucky - witness Setser Note: Sacre, Candace	Bring materials to stand?
10:27:59 AM	Atty Honaker Duke Kentucky - witness Setser Note: Sacre, Candace	Intent incorporate documents into record?
10:28:07 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
10:28:19 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness excused.
10:28:32 AM	Atty Honaker Duke Kentucky Note: Sacre, Candace	Jake Stewart.
10:28:47 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is sworn.
10:28:55 AM	Vice Chairman Cabbage - witness Stewart Note: Sacre, Candace	Examination. Name and address?
10:29:06 AM	Atty Honaker Duke Kentucky - witness Stewart Note: Sacre, Candace	Direct Examination. Title?
10:29:10 AM	Atty Honaker Duke Kentucky - witness Stewart Note: Sacre, Candace	Filed testimony, rebuttal, and responses?
10:29:17 AM	Atty Honaker Duke Kentucky - witness Stewart Note: Sacre, Candace	Ask same questions, responses be same?
10:29:23 AM	Atty Honaker Duke Kentucky - witness Stewart Note: Sacre, Candace	Bring materials to stand?
10:29:32 AM	Atty Honaker Duke Kentucky - witness Stewart Note: Sacre, Candace	Intent incorporate documents into record?

10:29:40 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
10:29:56 AM	Gen Counsel Vinsel PSC - witness Note: Sacre, Candace	Stewart Cross Examination. In settlement, parties agreed remove 50 percent short-term incentive plan expense from revenue requirement, any support removing only 50 percent?
10:30:36 AM	Gen Counsel Vinsel PSC - witness Note: Sacre, Candace	Stewart Original proposal, 50 percent represented EPS from performance measures?
10:30:53 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
10:31:01 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Stewart Examination. Explain what EPS threshold is?
10:31:43 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Stewart What mean by threshold circuit breaker?
10:32:34 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Stewart When say allow lower payouts, if not hit circuit breaker, still be payouts?
10:33:16 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Stewart Explain 50 percent in reduction, how that arrived at?
10:33:53 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Stewart With circuit breaker, other 50 percent, how affected by earnings per share?
10:34:06 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Stewart Other 50 percent based on other metrics, operational excellence, affected at all by earnings per share, or paid if metric achieved no matter what?
10:34:54 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
10:35:08 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is excused.
10:35:37 AM	Atty Honaker Duke Kentucky Note: Sacre, Candace	Leslie Quick.
10:36:00 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is sworn.
10:36:06 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Quick Examination. Name and address?
10:36:16 AM	Atty Honaker Duke Kentucky - witness Note: Sacre, Candace	Quick Direct Examination. Title?
10:36:29 AM	Atty Honaker Duke Kentucky - witness Note: Sacre, Candace	Quick Filed testimony and responses?
10:36:35 AM	Atty Honaker Duke Kentucky - witness Note: Sacre, Candace	Quick Ask same question, answers be same?
10:36:39 AM	Atty Honaker Duke Kentucky - witness Note: Sacre, Candace	Quick Additions or corrections?
10:36:42 AM	Atty Honaker Duke Kentucky - witness Note: Sacre, Candace	Quick Bring materials to stand?
10:36:45 AM	Atty Honaker Duke Kentucky - witness Note: Sacre, Candace	Quick What bring?
10:36:52 AM	Atty Honaker Duke Kentucky - witness Note: Sacre, Candace	Quick Intent incorporate into record?
10:37:00 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?

10:37:07 AM	Gen Counsel Vinsel PSC - witness Quick Note: Sacre, Candace	Quick Cross Examination. Information when customers apply for service and credit check, SSN and driver's license for credit check?
10:37:52 AM	Gen Counsel Vinsel PSC - witness Quick Note: Sacre, Candace	Quick Cannot or does not want to give SSN or driver's license, what alternatives?
10:38:32 AM	Gen Counsel Vinsel PSC - witness Quick Note: Sacre, Candace	Quick Check with third-party vendor while customer applying for service?
10:38:42 AM	Gen Counsel Vinsel PSC - witness Quick Note: Sacre, Candace	Quick Not have to come back in to start service?
10:38:57 AM	Gen Counsel Vinsel PSC - witness Quick Note: Sacre, Candace	Quick How customer know options available, walk through process?
10:39:49 AM	Gen Counsel Vinsel PSC - witness Quick Note: Sacre, Candace	Quick Questions confirm identity?
10:40:14 AM	Gen Counsel Vinsel PSC - witness Quick Note: Sacre, Candace	Quick Prospective customer refused service inability/unwillingness provide SSN or driver's license?
10:40:53 AM	Gen Counsel Vinsel PSC - witness Quick Note: Sacre, Candace	Quick Post-hearing data request if any customers denied service not providing information?
10:40:55 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	GEN COUNSEL VINSEL PSC - WITNESS QUICK CUSTOMERS DENIED SERVICE FOR NOT PROVIDING SOCIAL SECURITY NUMBER/DRIVERS LICENSE INFORMATION
10:41:11 AM	Gen Counsel Vinsel PSC - witness Quick Note: Sacre, Candace	Quick When Duke gathers information, how treat those numbers?
10:41:51 AM	Gen Counsel Vinsel PSC - witness Quick Note: Sacre, Candace	Quick Duke charge for disconnecting gas service, disconnection fee?
10:42:12 AM	Gen Counsel Vinsel PSC - witness Quick Note: Sacre, Candace	Quick \$15 field collection charge, fee charged disconnect customer, customer pays amount due, pays for charges?
10:43:29 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
10:43:35 AM	Commissioner Butler - witness Quick Note: Sacre, Candace	Quick Examination. Reconnection fee, use third-party to reconnect?
10:43:50 AM	Commissioner Butler - witness Quick Note: Sacre, Candace	Quick Reconnection fee reflect what charged for that, staff cost, or have administration costs as well?
10:44:17 AM	Commissioner Butler - witness Quick Note: Sacre, Candace	Quick Bill collection charge, another person for that?
10:44:30 AM	Vice Chairman Cabbage - witness Quick Note: Sacre, Candace	Quick Examination. Know recollection fees, predominantly after shutoff nonpayment or people periodically disconnect summer and reconnect?
10:44:59 AM	Vice Chairman Cabbage - witness Quick Note: Sacre, Candace	Quick Know percentage or allocate how much reconnections attributable to nonpayment cured, how many voluntary disconnect/reconnect?
10:45:21 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
10:45:42 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness excused.
10:46:06 AM	Vice Chairman Cabbage Note: Sacre, Candace	Next witness?
10:46:37 AM	Atty D'Ascenzo Duke Kentucky Note: Sacre, Candace	Retha Hunsicker.

10:46:42 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is sworn.
10:46:52 AM	Vice Chairman Cabbage - witness Hunsicker Note: Sacre, Candace	Examination. Name and address?
10:47:08 AM	Atty D'Ascenzo Duke Kentucky - witness Hunsicker Note: Sacre, Candace	Direct Examination. Name, business address, position?
10:47:26 AM	Atty D'Ascenzo Duke Kentucky - witness Hunsicker Note: Sacre, Candace	Cause file testimony and responses?
10:47:34 AM	Atty D'Ascenzo Duke Kentucky - witness Hunsicker Note: Sacre, Candace	Documents in front of you?
10:47:39 AM	Atty D'Ascenzo Duke Kentucky - witness Hunsicker Note: Sacre, Candace	Changes, corrections?
10:47:44 AM	Atty D'Ascenzo Duke Kentucky - witness Hunsicker Note: Sacre, Candace	Asked same questions, answers be same?
10:47:50 AM	Atty D'Ascenzo Duke Kentucky - witness Hunsicker Note: Sacre, Candace	Intention documents submitted to record?
10:47:58 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
10:48:12 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness excused.
10:48:39 AM	Atty Samford Duke Kentucky Note: Sacre, Candace	Jay Brown.
10:48:49 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is sworn.
10:48:57 AM	Vice Chairman Cabbage - witness Brown Note: Sacre, Candace	Examination. Name and address?
10:49:08 AM	Atty Samford Duke Kentucky - witness Brown Note: Sacre, Candace	Direct Examination. Title?
10:49:16 AM	Atty Samford Duke Kentucky - witness Brown Note: Sacre, Candace	Cause testimony and responses filed?
10:49:23 AM	Atty Samford Duke Kentucky - witness Brown Note: Sacre, Candace	Additions, changes, edits, corrections?
10:50:08 AM	Atty Samford Duke Kentucky - witness Brown Note: Sacre, Candace	Ask same questions, answers be same?
10:50:15 AM	Atty Samford Duke Kentucky - witness Brown Note: Sacre, Candace	Intent incorporate into record?
10:50:22 AM	Atty Samford Duke Kentucky - witness Brown Note: Sacre, Candace	What materials bring to stand?
10:50:34 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
10:50:53 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness excused.
10:51:00 AM	Atty Samford Duke Kentucky Note: Sacre, Candace	James Ziolkowski.
10:51:16 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is sworn.
10:51:23 AM	Vice Chairman Cabbage - witness Ziolkowski Note: Sacre, Candace	Examination. Name and address?
10:51:36 AM	Atty Samford Duke Kentucky - witness Ziolkowski Note: Sacre, Candace	Direct Examination. Title?
10:51:44 AM	Atty Samford Duke Kentucky - witness Ziolkowski Note: Sacre, Candace	Cause testimony and responses be filed?
10:51:50 AM	Atty Samford Duke Kentucky - witness Ziolkowski Note: Sacre, Candace	Corrections, additions, changes, edits?

10:51:55 AM	Atty Samford Duke Kentucky - witness Ziolkowski Note: Sacre, Candace	Ask same questions, answers be same?
10:51:59 AM	Atty Samford Duke Kentucky - witness Ziolkowski Note: Sacre, Candace	Intent incorporated into record?
10:52:06 AM	Atty Samford Duke Kentucky - witness Ziolkowski Note: Sacre, Candace	What materials bring to stand?
10:52:20 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
10:52:29 AM	Gen Counsel Vinsel PSC - witness Ziolkowski Note: Sacre, Candace	Cross Examination. Post-hearing data requests, sponsored Duke Response, Staff First Request, Item 52, ask be revised by year 2016 to current day, reconnections, three things - reconnection after fraudulent use discovered, customer-requested disconnection then reconnection within 12 months, and enforcement right to cancel service agreement set forth in tariff?
10:52:30 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	GEN COUNSEL VINSEL PSC - WITNESS ZIOLKOWSKI REVISE DUKE RESPONSE, STAFF FIRST REQUEST, ITEM 52, BY YEAR TO CURRENT DATE AS SET FORTH IN HEARING
10:53:25 AM	Gen Counsel Vinsel PSC - witness Ziolkowski Note: Sacre, Candace	Second post-hearing data request, provide 100 percent demand COSS, inputs updated based on stipulation, Excel format, all columns rows formulas unprotected?
10:53:28 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	GEN COUNSEL VINSEL PSC - WITNESS ZIOLKOWSKI PROVIDE 100 PERCENT DEMAND COST-OF-SERVICE STUDY AS SET FORTH IN HEARING
10:54:16 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
10:54:18 AM	Commissioner Butler - witness Ziolkowski Note: Sacre, Candace	Examination. Correct place ask about field collection charge?
10:54:29 AM	Commissioner Butler - witness Ziolkowski Note: Sacre, Candace	Correct say send somebody out disconnect and here's money, there's \$15 charge?
10:55:12 AM	Commissioner Butler - witness Ziolkowski Note: Sacre, Candace	Allow customer pay by check or pay by call in/credit card and customer service rep notified by call center?
10:55:29 AM	Commissioner Butler - witness Ziolkowski Note: Sacre, Candace	Do workers accept cash, follow-up questions exactly how works?
10:55:45 AM	Vice Chairman Cabbage - witness Ziolkowski Note: Sacre, Candace	Examination. Revenue allocation and rate design not affected by stipulation, proposal keep same as in Application?
10:56:55 AM	Vice Chairman Cabbage - witness Ziolkowski Note: Sacre, Candace	All in Attachment D?
10:57:02 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
10:57:08 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness excused.
10:57:43 AM	Vice Chairman Cabbage Note: Sacre, Candace	Next witness?
10:57:48 AM	Atty D'Ascenzo Duke Kentucky Note: Sacre, Candace	Jeff Kern.
10:58:04 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is sworn.

10:58:10 AM Vice Chairman Cubbage - witness Kern
Note: Sacre, Candace Examination. Name and address?

10:58:23 AM Atty D'Ascenzo Duke Kentucky - witness Kern
Note: Sacre, Candace Direct Examination. Position with company?

10:58:33 AM Atty D'Ascenzo Duke Kentucky - witness Kern
Note: Sacre, Candace Cause file testimony and responses?

10:58:40 AM Atty D'Ascenzo Duke Kentucky - witness Kern
Note: Sacre, Candace Have documents in front of you?

10:58:44 AM Atty D'Ascenzo Duke Energy - witness Kern
Note: Sacre, Candace Any other documents?

10:58:48 AM Atty D'Ascenzo Duke Kentucky - witness Kern
Note: Sacre, Candace Changes or corrections?

10:58:52 AM Atty D'Ascenzo Duke Kentucky - witness Kern
Note: Sacre, Candace Asked same questions, answers be same?

10:58:59 AM Atty D'Ascenzo Duke Kentucky - witness Kern
Note: Sacre, Candace Intent submitted into record?

10:59:08 AM Vice Chairman Cubbage
Note: Sacre, Candace Questions?

10:59:17 AM Gen Counsel Vinsel PSC - witness Kern
Note: Sacre, Candace Cross Examination. Duke not charge disconnect fee?

10:59:31 AM Gen Counsel Vinsel PSC - witness Kern
Note: Sacre, Candace What justification charging field collection charge if no disconnection fee?

11:00:18 AM Gen Counsel Vinsel PSC - witness Kern
Note: Sacre, Candace \$90 fee reconnect?

11:00:26 AM Gen Counsel Vinsel PSC - witness Kern
Note: Sacre, Candace \$90 include both disconnection cost and reconnection cost?

11:00:42 AM Gen Counsel Vinsel PSC - witness Kern
Note: Sacre, Candace Just to reconnect?

11:00:48 AM Gen Counsel Vinsel PSC - witness Kern
Note: Sacre, Candace Charging \$15 to roll truck out not charge had disconnected?

11:01:12 AM Vice Chairman Cubbage
Note: Sacre, Candace Questions?

11:01:15 AM Vice Chairman Cubbage - witness Kern
Note: Sacre, Candace Examination. Late payment charge, how much is?

11:01:32 AM Vice Chairman Cubbage - witness Kern
Note: Sacre, Candace Flat fee or percentage?

11:01:38 AM Vice Chairman Cubbage - witness Kern
Note: Sacre, Candace How arrive at amount?

11:02:11 AM Vice Chairman Cubbage
Note: Sacre, Candace Questions?

11:02:20 AM Atty D'Ascenzo Duke Kentucky - witness Kern
Note: Sacre, Candace Redirect Examination. Questions about miscellaneous fees, know whether fees currently included in miscellaneous revenue?

11:02:37 AM Atty D'Ascenzo Duke Kentucky - witness Kern
Note: Sacre, Candace Act as offset to revenue requirement?

11:02:44 AM Atty D'Ascenzo Duke Kentucky - witness Kern
Note: Sacre, Candace If fees eliminated, what do to revenue requirement?

11:03:03 AM Atty D'Ascenzo Duke Kentucky - witness Kern
Note: Sacre, Candace Remember questions about late payment fee?

11:03:07 AM Atty D'Ascenzo Duke Kentucky - witness Kern
Note: Sacre, Candace Thought it was a flat fee?

11:03:16 AM Atty D'Ascenzo Duke Kentucky - witness Kern
Note: Sacre, Candace In tariffs?

11:03:20 AM	Atty D'Ascenzo Duke Kentucky - witness Kern Note: Sacre, Candace	Have tariffs in front of you?
11:03:23 AM	Atty D'Ascenzo Duke Kentucky - witness Kern Note: Sacre, Candace	Mind looking for clarity of record?
11:04:10 AM	Atty D'Ascenzo Duke Kentucky - witness Kern Note: Sacre, Candace	But would be in tariffs, correct?
11:04:13 AM	Atty D'Ascenzo Duke Kentucky - witness Kern Note: Sacre, Candace	Data requests in this case?
11:04:25 AM	Atty D'Ascenzo Duke Kentucky - witness Kern Note: Sacre, Candace	Another witness responsible for those?
11:04:47 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
11:04:51 AM	Gen Counsel Vinsel PSC - witness Kern Note: Sacre, Candace	Recross Examination. Quick sponsored response, when Duke employee collects field collection charge, can accept cash, check, credit card?
11:05:31 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
11:05:40 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness excused.
11:05:53 AM	Atty Samford Duke Kentucky Note: Sacre, Candace	Recall Lawler to stand.
11:06:17 AM	Vice Chairman Cabbage Note: Sacre, Candace	Still under oath.
11:06:31 AM	Atty Samford Duke Kentucky - witness Lawler Note: Sacre, Candace	Redirect Examination. Late payment charges?
11:06:36 AM	Atty Samford Duke Kentucky - witness Lawler Note: Sacre, Candace	What is late payment fee/charge?
11:06:51 AM	Atty Samford Duke Kentucky - witness Lawler Note: Sacre, Candace	Know history on how established?
11:07:34 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
11:07:51 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness excused.
11:08:01 AM	Vice Chairman Cabbage Note: Sacre, Candace	Further witnesses?
11:08:03 AM	Atty Samford Duke Kentucky Note: Sacre, Candace	Last witness.
11:08:25 AM	Vice Chairman Cabbage Note: Sacre, Candace	Procedural discussion. (Click on link for further comments.)
11:08:59 AM	Vice Chairman Cabbage Note: Sacre, Candace	First witness?
11:09:03 AM	Asst Atty General Cook Note: Sacre, Candace	Lane Kollen.
11:09:21 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is sworn.
11:09:32 AM	Vice Chairman Cabbage - witness Kollen Note: Sacre, Candace	Examination. Name and address?
11:09:49 AM	Asst Atty General Cook - witness Kollen Note: Sacre, Candace	Direct Examination. Title and employer?
11:10:11 AM	Asst Atty General Cook - witness Kollen Note: Sacre, Candace	Cause testimony and exhibits be filed?
11:10:17 AM	Asst Atty General Cook - witness Kollen Note: Sacre, Candace	Cause responses be filed?

11:10:25 AM	Asst Atty General Cook - witness Kollen Note: Sacre, Candace	Additions or corrections?
11:10:42 AM	Asst Atty General Cook - witness Kollen Note: Sacre, Candace	Asked same questions, responses be same?
11:10:51 AM	Asst Atty General Cook Note: Sacre, Candace	Kollen filed testimony, AG motion filed motion seeking file testimony, ask Commission grant motion.
11:11:12 AM	Vice Chairman Cabbage Note: Sacre, Candace	Objection. (Click on link for further comments.)
11:11:15 AM	Vice Chairman Cabbage Note: Sacre, Candace	Granted.
11:11:26 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
11:11:31 AM	Atty Samford Duke Kentucky - witness Kollen Note: Sacre, Candace	Cross Examination. Reviewed terms of Stipulation and Settlement Agreement?
11:11:41 AM	Atty Samford Duke Kentucky - witness Kollen Note: Sacre, Candace	In its totality, fair, just, and reasonable outcome?
11:11:51 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
11:12:00 AM	Vice Chairman Cabbage - witness Kollen Note: Sacre, Candace	Examination. Short-term incentive plan, originally proposed removing all from revenue?
11:12:15 AM	Vice Chairman Cabbage - witness Kollen Note: Sacre, Candace	Settlement cuts back to 50 percent?
11:12:21 AM	Vice Chairman Cabbage - witness Kollen Note: Sacre, Candace	Agree with that?
11:12:46 AM	Vice Chairman Cabbage - witness Kollen Note: Sacre, Candace	Justification asking 100 percent removal?
11:13:52 AM	Vice Chairman Cabbage - witness Kollen Note: Sacre, Candace	Believe is justification removing only 50 percent consistent with precedent?
11:15:10 AM	Vice Chairman Cabbage - witness Kollen Note: Sacre, Candace	Not believe inconsistent with Commission precedent?
11:15:18 AM	Vice Chairman Cabbage - witness Kollen Note: Sacre, Candace	Pipeline modernization mechanism rider, opinions about that?
11:16:58 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
11:17:06 AM	Asst Atty General Cook - witness Kollen Note: Sacre, Candace	Redirect Examination. Proposal place cost replacing large transmission pipeline into rider not inconsistent with testimony?
11:17:41 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
11:17:53 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness excused.
11:18:09 AM	Vice Chairman Cabbage Note: Sacre, Candace	Next witness?
11:18:13 AM	Asst Atty General Cook Note: Sacre, Candace	Richard Baudino.
11:18:21 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness is sworn.
11:18:30 AM	Vice Chairman Cabbage - witness Baudino Note: Sacre, Candace	Examination. Name and address?

11:18:49 AM	Asst Atty General Cook - witness Baudino Note: Sacre, Candace	Direct Examination. Employer?
11:18:59 AM	Asst Atty General Cook - witness Baudino Note: Sacre, Candace	Cause testimony and exhibits be filed?
11:19:05 AM	Asst Atty General Cook - witness Baudino Note: Sacre, Candace	Also cause responses be filed?
11:19:12 AM	Asst Atty General Cook - witness Baudino Note: Sacre, Candace	Additions or corrections?
11:19:22 AM	Asst Atty General Cook - witness Baudino Note: Sacre, Candace	Asked same questions, responses be same?
11:19:34 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
11:19:39 AM	Atty Samford Duke Kentucky - witness Baudino Note: Sacre, Candace	Cross Examination. Review proposed Stipulation and Settlement Agreement?
11:19:47 AM	Atty Samford Duke Kentucky - witness Baudino Note: Sacre, Candace	Terms fair, just, and reasonable?
11:20:05 AM	Vice Chairman Cabbage Note: Sacre, Candace	Questions?
11:20:18 AM	Vice Chairman Cabbage Note: Sacre, Candace	Witness excused.
11:20:33 AM	Vice Chairman Cabbage Note: Sacre, Candace	Additional witnesses?
11:20:36 AM	Asst Atty General Cook Note: Sacre, Candace	Concludes AG case.
11:20:43 AM	Vice Chairman Cabbage Note: Sacre, Candace	Staff witnesses?
11:20:47 AM	Gen Counsel Vinsel PS Note: Sacre, Candace	No witnesses.
11:20:49 AM	Vice Chairman Cabbage Note: Sacre, Candace	Exhibits?
11:21:00 AM	Atty Samford Duke Kentucky Note: Sacre, Candace	File Stipulation as exhibit.
11:21:10 AM	Gen Counsel Vinsel PSC Note: Sacre, Candace	No objection.
11:21:13 AM	Asst Atty General Cook Note: Sacre, Candace	No objection.
11:21:14 AM	DUKE KENTUCKY EXHIBIT 1 Note: Sacre, Candace Note: Sacre, Candace	ATTY SAMFORD DUKE KENTUCKY - WITNESS BAUDINO JOINT STIPULATION AND RECOMMENDATION
11:21:18 AM	Vice Chairman Cabbage Note: Sacre, Candace	Procedural discussion. (Click on link for further comments.)
11:22:21 AM	Vice Chairman Cabbage Note: Sacre, Candace	Briefs. (Click on link for further comments.)
11:22:59 AM	Vice Chairman Cabbage Note: Sacre, Candace	Anything else?
11:23:38 AM	Vice Chairman Cabbage Note: Sacre, Candace	Hearing adjourned.
11:23:53 AM	Session Ended	



Exhibit List Report

2021-00190 18Oct2021

Duke Energy Kentucky (Duke
Kentucky)

Name:

Description:

DUKE KENTUCKY EXHIBIT 1

JOINT STIPULATION AND RECOMMENDATION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

The Electronic Application of Duke)
Energy Kentucky, Inc., for: 1) An)
Adjustment of the Natural Gas Rates; 2)) Case No. 2021-00190
Approval of New Tariffs; and 3) All)
Other Required Approvals, Waivers, and)
Relief.

JOINT STIPULATION AND RECOMMENDATION

On June 1, 2021, Duke Energy Kentucky, Inc. (“Duke Energy Kentucky” or the “Company”) filed its application with the Kentucky Public Service Commission (“Commission”), pursuant to KRS 278.180, KRS 278.190, and other applicable law for an increase in retail natural gas base rates and to implement new tariffs and revised charges in the above-captioned proceeding (“Application”). On June 2, 2021, the Attorney General of the Commonwealth of Kentucky (“Attorney General”), the only other party in the case, filed his motion to intervene, which was granted by the Commission.

Duke Energy Kentucky and the Attorney General (collectively as the “Parties”) have filed testimony supporting their respective positions relating to Duke Energy Kentucky’s Application. The Parties and the Commission Staff have engaged in substantial discovery of the Parties’ respective positions by issuing numerous information requests to which the Parties have responded.

The Parties, representing diverse interests and viewpoints, have reached a complete settlement of all the issues raised in this proceeding and have executed this Joint Stipulation and Recommendation (“Stipulation”) for purposes of documenting and submitting their agreement to the Commission for consideration and approval. It is the intent and purpose of the Parties to express their agreement on a mutually satisfactory resolution of all issues in the instant proceeding.

The Parties understand that this Stipulation is not binding upon the Commission, but believe it is entitled to careful consideration by the Commission. The Parties agree that this Stipulation, viewed in its entirety, constitutes a reasonable resolution of all issues in this proceeding.

The Parties request that the Commission issue an Order approving this Stipulation in its entirety pursuant to KRS 278.190, including the rate increase, rate structure, and tariffs as described herein. The request is based upon the belief that the Parties’ participation in settlement negotiations and the materials on file with the Commission adequately support this Stipulation. Adoption of this Stipulation will lessen the need for the Commission and the Parties to expend significant resources in litigation of this proceeding and will eliminate the possibility of, and any need for, rehearing or appeals of the Commission’s final Order herein.

NOW, THEREFORE, for and in consideration of the mutual premises set forth above and the terms and conditions set forth herein, the Parties agree that the Company’s Application should be approved as filed, except as modified or specified below:

1. **Revenue Increase.** The Parties agree that Duke Energy Kentucky’s revenue requirement for natural gas distribution service for the forecasted test year of

January 1, 2022, through December 31, 2022, is \$121,059,033. This represents an increase of \$9,360,374 over the test year revenue that would be collected at current rates. This represents an overall increase of 8.4%. A residential customer with average usage of 57 CCF will see an 8.0% increase. The total revenue requirement is comprised of \$80,320,545 in base revenues, \$40,470,396 in gas cost revenues and \$268,092 of miscellaneous revenues. Stipulation Attachment A provides a detailed summary of the adjustments to the Company's proposed overall revenue requirement as agreed to in this Stipulation. The significant concessions and adjustments are described below.

2. **Rate Base.** The Parties agree that the thirteen-month average rate base for the forecasted test period is \$466,486,600.

3. **Cost of Capital.** The Parties agree that:

- a. Duke Energy Kentucky's authorized Return on Equity (ROE) shall be 9.375 percent for natural gas base rates;
- b. Duke Energy Kentucky's authorized Return on Equity (ROE) shall be 9.3 percent for natural gas capital riders;
- c. Duke Energy Kentucky's long-term debt rate included in the cost of capital shall be 3.656 percent;
- d. Duke Energy Kentucky's short-term debt rate included in the cost of capital shall be 1.667 percent; and
- e. The capital structure is approved as 51.344 percent equity, 46.039 percent long-term debt, and 2.617 percent short-term debt.
- f. Duke Energy Kentucky's Weighted Average Cost of Capital (WACC) is 6.541%.

4. **Working Capital.** The Parties agree, for settlement purposes only, to a reduction in the Company's Working Capital for Construction Accounts Payable equal to 50 percent of Mr. Kollen's recommended adjustment. This reduces rate base by \$2.5 million and the result of this adjustment is a reduction to the revenue requirement of \$0.221 million.

5. **Deferring and Amortizing CIS Development Costs.** The Parties agree, for settlement purposes only, with Mr. Kollen's proposal to normalize non-developmental Customer Connect and retired CMS O&M expense and to the creation of a regulatory asset included in rate base to defer and amortize the developmental Customer Connect and retired CMS O&M expense. The impact of this adjustment is an increase to the Company's rate base of \$0.652 million. The higher rate base results in a \$0.057 million increase to the Company's revenue requirement. This also results in a decrease to the Company's revenue requirement of \$1.740 million associated with the removal of costs from the test period.

6. **Payroll Taxes.** The Parties agree to Mr. Kollen's adjustment to adjust payroll taxes related to the Company's incentive compensation adjustment. The impact of this adjustment is a reduction to the Company's revenue requirement of \$0.045 million.

7. **Short-Term Incentive Plan Circuit-Breaker Expense.** The Parties agree, for settlement purposes only, to 50 percent of Mr. Kollen's adjustment to exclude short-term incentive plan expense tied to the "circuit breaker." The result of this adjustment is a reduction to the Company's revenue requirement of \$0.179 million.

8. **401k Matching Costs for Employees Who Participate in a Defined Benefit Plan.** The Parties agree, for settlement purposes only, to Mr. Kollen's adjustment to exclude 401k Matching Costs for employees that also participate in a defined benefit plan. The result of this adjustment is a reduction to the Company's revenue requirement of \$0.221 million.

9. **Supplemental Executive Retirement Plan (SERP) Expense.** The Parties agree, for settlement purposes only, to Mr. Kollen's adjustment to exclude SERP expense from the Company's revenue requirement. The result of this adjustment is a reduction of \$0.034 million to the Company's revenue requirement.

10. **Association Dues.** The Parties agree, for settlement purposes only, to Mr. Kollen's adjustment to exclude association dues for the American Gas Association and Interstate Natural Gas Association of America from the Company's revenue requirement. The result of this adjustment is reduction of \$0.055 million from the Company's revenue requirement.

11. **Depreciation Expense for Customer Connect Plant in-Service.** The Parties agree, for settlement purposes only, to Mr. Kollen's adjustment to modify the depreciation expense for Customer Connect plant in-service. The result of this adjustment is a reduction of \$0.061 million to the Company's revenue requirement. The adjustment also increases rate base by \$0.023 million. The higher rate base results in a \$0.002 million increase to the Company's revenue requirement.

12. **Interest Rates.** The Parties agree, for settlement purposes only, to Mr. Kollen's adjustment to update the forecast of interest expense for issuances after the

base period and in the test year. The result of this adjustment is a reduction of \$0.088 million to the revenue requirement.

13. **Company Financing Forecast.** The Parties agree, for settlement purposes only, to update the capital structure for certain recent changes in financing plans for Duke Energy Kentucky. This update results in a reduction of \$0.107 million to the revenue requirement. As outlined in the supplemental response to AG-DR-01-46, the Company was not successful in issuing its planned \$50 million long-term debt issuance for September 2021 in the private placement market. Instead the Company is now planning a two-year \$50 million debt issuance at a rate yet to be determined but currently estimated rate of 0.83% (SOFR plus 60 basis points). Additionally, the Company will no longer be making the \$70 million September 2022 debt issuance it had originally planned at the time this rate case was filed. As a result of this change, the revised test period capital structure is as follows:

- a. Common Equity of \$861,861,344 or 51.344%
- b. Long-Term Debt of \$772,830,214 or 46.039%
- c. Short-Term Debt of \$43,936,209 or 2.617%

14. **Increase in Commercial Gas Transportation Revenue.** The Parties agree for settlement purposes only, to Mr. Kollen's adjustment to increase the Commercial Natural Gas Transportation Revenue. The result of this adjustment is a decrease to the Company's revenue requirement by \$0.245 million.

15. **Depreciation Rates.** The Company's existing depreciation rates as approved in Case No. 2018-0261 shall continue, subject to the CIS modifications described above.

16. Approval of a Pipeline Modernization Mechanism. The Parties agree that Duke Energy Kentucky's proposal for a Governmental Mandate Adjustment mechanism (Rider GMA) shall be modified as follows:

- a. The name of the Rider shall be changed to the Pipeline Modernization Mechanism (PMM);
- b. The Rider shall be limited to pipeline replacement projects as necessitated by the Pipeline and Hazardous Materials Safety Administration (PHMSA) regulations for pipeline integrity. For avoidance of doubt, the Company's AM07 pipeline replacement shall be eligible for Rider PMM recovery. Duke Energy Kentucky withdraws its request to include changes related to state or federal corporate tax rate changes;
- c. The first pipeline replacement project eligible for rider recovery, subject to certificate of public convenience and necessity (CPCN) approval by the Commission, shall be the Company's upcoming AM07 pipeline replacement;
- d. Rider PMM shall have an initial term limit of seven (7) years from the date of order in the natural gas base rate case proceeding in Case No. 2021-00190, subject to renewal, if authorized by the Commission either as part of a natural gas base rate proceeding or as part of a separate application filed in accordance with KRS 278.509;

- e. The Rider shall be adjusted annually for capital placed into service following the test year in Case No. 2021-00190. The first such adjustment shall be filed no earlier than July 1, 2022 with new rates effective January 1, 2023. The Rider will use forecasted 13-month average plant in-service balances for purposes of calculating the annual revenue requirement. For the avoidance of doubt, the rate base included in the Rider filing will not include Construction Work In Process (CWIP) and plant in-service will include Allowance for Funds Used During Construction (AFUDC) consistent with rate base calculation included in the Company's base rate case filings. The Company will make annual Rider PMM adjustment filings on or before July 1st with rates to be implemented the following January;
- f. The Company shall file a CPCN for each phase of the AM07 Replacement project, but shall not be required to file a CPCN for Rider PMM projects that qualify as an ordinary extension of the existing system in the ordinary course of business;
- g. Rider PMM shall be calculated as a per-bill monthly charge for residential and general service rates. Rider PMM shall be calculated on a per ccf charge for transportation rates. The revenue requirement calculated in the Rider will be allocated between the rate classes as outlined in Paragraph Number 22 in this Stipulation.

- h. The Rider shall be subject to an annual revenue requirement cap of no more than a 5 percent increase in natural gas revenues per year. For purposes of determining the 5 percent cap, the Parties agree that the natural gas revenues, including base revenues, gas cost revenues and miscellaneous revenues of \$121,059,033 outlined in Paragraph Number 1 of this Stipulation shall become the baseline for measuring the 5 percent annual cap on increases for the duration of the rider. Any additional capital placed into service that would result in an increase over 5 percent shall be eligible for the creation of a regulatory asset for recovery of the deferral of property taxes, depreciation, and post-in-service carrying costs for that incremental capital (PISCC based on approved WACC). Such deferral shall be eligible for amortization in the Company's next natural gas base rate proceeding.
- i. The Rate of Return (ROR) used for calculating the Rider PMM (and any other capital-related natural gas adjustment mechanism) shall include a ROE of 9.3 percent and long-term and short-term debt rates approved in this proceeding.

17. **Residential Customer Charge.** The Parties agree that the monthly residential natural gas fixed customer charge shall increase by \$1.00 from \$16.50 to \$17.50 per month.

18. **Natural Gas Base Rate Case Stay-out.** Subject to the exclusions set forth below, Duke Energy Kentucky will not file an application to adjust the base rates for its

natural gas business, where such adjustment would have an effective date at the conclusion of the Commission's suspension period under KRS 278.190, prior to January 1, 2026. For avoidance of doubt, the Company may file an application prior to January 1, 2026, provided the effective date of rates, once suspended by the Commission in accordance with KRS 278.190, is on or after January 1, 2026. Notwithstanding the natural gas base rate case stay out commitment described above, Duke Energy Kentucky shall retain the right, at any time, to seek the approval from the Commission of:

- a. The deferral of costs as permissible under the Commission's standard for deferrals:
 1. An extraordinary, nonrecurring expense that could not have reasonably been anticipated in the utility's planning;
 2. An expense resulting from a statutory or administrative directive;
 3. An expense in relation to an approved industry initiative; or
 4. An extraordinary or nonrecurring expense that over time will result in a savings that fully offsets the cost.
- b. Emergency rate relief under KRS 278.190(2) to avoid a material impairment or damage to credit or operations;
- c. Adjustments to the operation of any of Duke Energy Kentucky's cost recovery surcharge mechanisms (e.g., Gas Cost Adjustment, Weather Normalization Adjustment, Demand-side Management, Rider PMM, etc.); and

- d. During the effective stay-out period, Duke Energy Kentucky reserves the right to seek necessary rate relief and/or accounting treatment for costs or programs required due to changes in law or regulations, including but not limited to, changes in tax rates or environmental compliance costs applicable to natural gas operations that may occur during the stay-out period.

19. **Rate Case Expense.** For financial accounting purposes, Duke Energy Kentucky will amortize rate case expense associated with this proceeding for recovery over a five-year period, without carrying charges, beginning with the effective date of the revised tariffs.

20. **Tariff Changes.** The Parties agree that any language changes to tariff sheets as proposed in the Company's application as modified through responses to discovery should be approved. A complete set of tariff sheets are filed as Attachment B to this Stipulation.

21. **Proof of Revenue.** Attached to this Stipulation as Attachment C are proof-of-revenue sheets, showing that the rates set forth in Attachment B, plus projected Miscellaneous Revenue, will generate the revenue needed to recover the Company's test year revenue requirement to which the Parties have agreed in Paragraph Number 1 hereof.

22. **Allocation of Total Revenues.** The Parties agree to the allocation set forth in Attachment D, which uses the Company's cost of service study originally filed in this proceeding and updates for the final revenue requirement agreed to in this

Stipulation. The allocation results in a 67.40% allocation to Rate RS, a 26.04% allocation to Rate GS, a 4.97% allocation to Rate FT-L and a 1.59% allocation to Rate IT.

23. **Filing of Stipulation.** Following the execution of this Stipulation, the Parties shall cause the Stipulation to be filed with the Commission with a request to the Commission for consideration and approval of this Stipulation so that Duke Energy Kentucky may begin billing under the approved adjusted rates for service rendered on and after Approval.

24. **Commission Approval.** The Parties to this Stipulation shall act in good faith and use their best efforts to recommend to the Commission that this Stipulation be accepted and approved. Each Party hereto waives all cross-examination of the witnesses of the other Party hereto except in support of the Stipulation or unless the Commission fails to adopt this Stipulation in its entirety. Each Party further stipulates and recommends that the Notice of Intent, Notice, Application, direct testimony, rebuttal testimony, pleadings and responses to data requests filed in this proceeding be admitted into the record. The Parties further agree and intend to support the reasonableness of this Stipulation before the Commission, and to cause their counsel to do the same in this proceeding and in any appeal from the Commission's adoption and/or enforcement of this Stipulation. If the Commission issues an order adopting this Stipulation in its entirety, each of the Parties hereto agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin County Circuit Court with respect to such order.

25. **Effect of Non-Approval.** If the Commission does not accept and approve this Stipulation in its entirety or imposes any additional conditions or requirements upon

the signatory Parties, then: (a) either Party may elect, in writing docketed in this proceeding, within ten days of such Commission Order, that this Stipulation shall be void and withdrawn by the Parties hereto from further consideration by the Commission and neither Party shall be bound by any of the provisions herein; and (b) each Party shall have the right, within 20 days of the Commission's order, to file an petition for rehearing, including a notice of termination of and withdrawal from the Stipulation; and, (c) in the event of such termination and withdrawal of the Stipulation, neither the terms of this Stipulation nor any matters raised during the settlement negotiations shall be binding on either of the signatory Parties to this Stipulation or be construed against either of the signatory Parties. Should the Stipulation be voided or vacated for any reason after the Commission has approved the Stipulation and thereafter any implementation of the terms of the Stipulation has been made, then the Parties shall be returned to the *status quo* existing at the time immediately prior to the execution of this Stipulation.

26. **Commission Jurisdiction.** This Stipulation shall in no way be deemed to divest the Commission of jurisdiction under Chapter 278 of the Kentucky Revised Statutes.

27. **Successors and Assigns.** This Stipulation shall inure to the benefit of and be binding upon the Parties hereto, their successors and assigns.

28. **Complete Agreement.** This Stipulation constitutes the complete agreement and understanding among the Parties hereto, and any and all oral statements, representations or agreements made prior hereto or contained contemporaneously

herewith shall be null and void and shall be deemed to have been merged into this Stipulation.

29. **Implementation of Stipulation.** For the purpose of this Stipulation only, the terms are based upon the independent analysis of the Parties to reflect a just and reasonable resolution of the issues herein and are the product of compromise and negotiation. Notwithstanding anything contained in the Stipulation, the Parties recognize and agree that the effects, if any, of any future events upon the operating income of Duke Energy Kentucky are unknown and this Stipulation shall be implemented as written.

30. **Admissibility and Non-Precedential Effect.** Neither the Stipulation nor any of the terms set forth herein shall be admissible in any court or Commission except insofar as such court or Commission is addressing litigation arising out of the implementation of the terms herein or the approval of this Stipulation or a Party's compliance with this Stipulation. This Stipulation shall not have any precedential value in this or any other jurisdiction.

31. **No Admissions.** Making and entering into this Stipulation shall not be deemed in any respect to constitute an admission by either Party that any computation, formula, allegation, assertion or contention made by any Party in these proceedings is true or valid. Nothing in this Stipulation shall be used or construed for any purpose to imply, suggest or otherwise indicate that the results produced through the compromise reflected herein represent fully the objectives of a Party.

32. **Authorizations.** The signatories hereto warrant that they have informed, advised, and consulted with the respective Parties hereto regarding the contents of this

Stipulation, and based upon the foregoing, are authorized to execute this Stipulation on behalf of the Parties hereto.

33. **Commission Approval.** This Stipulation is subject to the acceptance of and approval by the Commission.

34. **Interpretation of Stipulation.** This Stipulation is a product of negotiation among all Parties hereto, and no provision of this Stipulation shall be strictly construed in favor of or against any Party.

35. **Counterparts.** This Stipulation may be executed in multiple counterparts.

36. **Future Proceedings.** Noting in this Stipulation shall preclude, prevent or prejudice any Party hereto from raising any argument/issue or challenging any adjustment in any future rate case proceeding of Duke Energy Kentucky.

IN WITNESS WHEREOF, this Stipulation has been agreed to effective this 7th day of October 2021. By affixing their signatures below, the undersigned Parties respectfully request the Commission to issue its Order approving and adopting this Stipulation the Parties hereto have hereunto affixed their signatures.

DUKE ENERGY KENTUCKY, INC

By: 
Amy B. Spiller
Title: President

ATTORNEY GENERAL OF THE
COMMONWEALTH OF KENTUCKY

By: 
John G. Horne, II
Title: Executive Director,
Office of Rate Intervention

	AG's Recommendation			SETTLEMENT			COMMENT
	Before Gross-Up	PSC Gross-Up	Revenue Requirement Adjustment	Before Gross-Up	PSC Gross-Up	Revenue Requirement Adjustment	
Duke Energy Kentucky Initial Request			\$ 15,228,161			\$ 15,228,161	
Effects on Increase of AG Rate Base Recommendations							
Reduce Working Capital for Construction Accounts Payable			(442,286)			(221,143)	Agree to 50 % of AG recommended adjustment for settlement purposes only
Reflect Rate Base Effects of Deferring and Amortizing CIS Developmental Costs			57,479			57,479	Agree to AG recommended adjustment
Reflect Rate Base Effects of Changing Customer Connect Depreciation Rates			2,011			2,011	Agree to AG recommended adjustment for settlement purposes only
Effects on Increase of AG Operating Income Recommendations							
Increase Commercial Gas Transportation Revenue	\$ (244,900)	1.002	(245,391)	\$ (244,900)	1.002	(245,391)	Agree to AG recommended adjustment for settlement purposes only
Defer and Amortize CIS Developmental Costs To Be Incurred in Test Year	(1,736,652)	1.002	(1,740,133)	(1,736,652)	1.002	(1,740,133)	Agree to AG recommended adjustment
Remove Payroll Taxes Related to Company's Incentive Compensation Adjustment	(44,627)	1.002	(44,716)	(44,627)	1.002	(44,716)	Agree to AG recommended adjustment
Exclude Short Term Incentive Plan Expense Tied to "Circuit Breaker" EPS	(357,919)	1.002	(358,636)	(178,960)	1.002	(179,318)	Agree to 50 % of AG recommended adjustment for settlement purposes only
Reduce 401K Matching Costs for Employees Who Also Participate in Defined Benefit Plan	(220,196)	1.002	(220,637)	(220,196)	1.002	(220,637)	Agree to AG recommended adjustment for settlement purposes only
Remove SERP Costs	(33,924)	1.002	(33,992)	(33,924)	1.002	(33,992)	Agree to AG recommended adjustment for settlement purposes only
Remove AGA and INGAA Dues	(55,000)	1.002	(55,110)	(55,000)	1.002	(55,110)	Agree to AG recommended adjustment for settlement purposes only
Reduce Excessive Cost of Capital Included in DEBS Expenses	(311,478)	1.002	(312,102)	-	1.002	-	Agree to no adjustment
Modify Depreciation Expense for Customer Connect Plant in Service	\$ (60,628)	1.002	(60,750)	\$ (60,628)	1.002	(60,750)	Agree to AG recommended adjustment for settlement purposes only
Effects on Increase of AG Rate of Return Recommendations							
Company Financing Adjustments			(1,783,424)			(107,169)	Agree to adjustment as calculated in Witness Bauer's rebuttal testimony
Reflect Company's Update to Interest Rates for Projected Issuances			(79,034)			(79,034)	Agree to AG recommended adjustment for settlement purposes only
Adjust Interest Rate for Projected September 2022 Issuance Using Company's Methodology			(9,298)			(9,298)	Agree to AG recommended adjustment for settlement purposes only
Reflect Reduction of Return on Equity from 10.30% to 9.10%			(3,554,538)			(2,930,586)	Agree to 9.375 percent ROE for settlement purposes only
Total Adjustments to Company's Proposed Revenue Requirement			\$ (8,880,557)			\$ (5,867,787)	
Total Recommended Revenue Requirement			\$ 6,347,604			\$ 9,360,374	

Redlined Tariff

KY. P.S.C. Gas No. 2

DUKE ENERGY KENTUCKY, INC.

~~4580 Olympic Blvd.~~ 1262 Cox Road

(T)

Erlanger, Kentucky 41018

Rates, Rules and Regulations for Furnishing

GAS SERVICE

in

**Incorporated Cities and Unincorporated Territory
in Boone, Bracken, Campbell, Gallatin, Grant, Kenton,
and Pendleton Counties**

Filed with the

KENTUCKY PUBLIC SERVICE COMMISSION

Issued: ~~April 5, 2019~~ December 31, 2021
Effective: ~~March 29, 2019~~ January 1, 2022
Issued by DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc.
~~4580 Olympic Blvd, 1262 Cox Road~~
 Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
~~First~~Second Revised Sheet No. 01
 Cancelling and Superseding
~~Original~~First Revised Sheet No. 01
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20	Service Regulations	Set of rules and regulations of the Company for providing gas service as approved by the Kentucky Public Service Commission.	
30 & 40	Firm Gas Service	Tariffs available to customers requiring firm gas service.	(+) (+)

Issued by authority of the Kentucky Public Service Commission dated ~~March 27, 2019~~ _____ in Case No. ~~2018-00261~~2021-00190.

Issued: ~~April 5, 2019~~December 31, 2021
 Effective: ~~March 29, 2019~~January 1, 2022
 Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky, Inc.
~~4580 Olympic Blvd, 1262 Cox Road~~
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
~~First~~Second Revised Sheet No. 01
Cancelling and Superseding
~~Original~~First Revised Sheet No. 01
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50	Transportation Service	Tariffs available to customers who require only delivery service.	(+)
60	Riders	Riders necessary to determine total amount of monthly bill to customers under special circumstances.	(+)
70	Gas Cost Recovery Riders	Riders necessary to determine total amount of monthly bill to all customers receiving gas service.	(+)
80	Miscellaneous	Miscellaneous periodic charges not reflected in standard service tariffs.	

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

Issued by authority of the Kentucky Public Service
Commission dated ~~March 27, 2019~~ _____ in Case No. ~~2018-00261~~2021-00190.

Issued: ~~April 5, 2019~~December 31, 2021

Effective: ~~March 29, 2019~~January 1, 2022

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

KY.P.S.C. Gas No. 2
 Two-Hundred-Twenty-~~Sixth~~Seventh
 Revised Sheet No.10
 Cancelling and Superseding
 Two-Hundred-Twenty-~~Fifth~~Sixth
 Revised Sheet No. 10
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Duke Energy Kentucky, Inc.
4580 Olympic Blvd, 1262 Cox Road
 Erlanger, Kentucky 41018

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Issued by authority of an Order by the Kentucky Public Service
 Commission dated April 15, 2021 in Case No. 2021-00473190.

Issued: April 30, 2021December 31, 2021
 Effective: June 2, 2021January 1, 2022
 Issued by Amy B. Spiller, President /s/ Amy B. Spiller

KY.P.S.C. Gas No. 2
 Two-Hundred-Twenty-~~Sixth~~Seventh
 Revised Sheet No.10
 Cancelling and Superseding
 Two-Hundred-Twenty-~~Fifth~~Sixth
 Revised Sheet No. 10
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Duke Energy Kentucky, Inc.
~~4580 Olympic Blvd, 1262 Cox Road~~
 Erlanger, Kentucky 41018

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SERVICE REGULATIONS

SECTION I - SERVICE AGREEMENTS

1. Application for Service.

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

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

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

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

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

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

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SECTION I - SERVICE AGREEMENTS (Contd.)

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

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

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Whenever a residential customer receiving both gas and electric service has received a termination of service notice, the customer shall be given the option to pay for and continue receipt of one utility service only. The Company shall offer extended payment arrangements for the service designated by the customer. If both the gas and electric service of a residential customer have been previously discontinued for non-payment, the Company shall reconnect either service upon payment by the customer of the total amount owed on the service designated by the customer to be reconnected, except as provided in 807 KAR 5:006, section 16, Winter Hardship Reconnection.

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(+)

4. Connection of Service.

Except as provided in Section 16 of the Kentucky Public Service Commission's regulations, the Company shall reconnect existing service within twenty-four (24) hours, and shall install and connect new service within seventy-two (72) hours, when the cause for discontinuance or refusal of service has been corrected and the Company's tariffed rules and Commission's regulations have been met.

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SECTION I - SERVICE AGREEMENTS (Contd.)

5. Change of Address of Customer.

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

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

6. Successors and Assigns.

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

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SECTION II - SUPPLYING AND TAKING OF SERVICE

1. Character of Service.

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

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

2. Supplying of Service.

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

Notwithstanding the provisions of 807 KAR 5:006, Section 16, Winter Hardship Reconnection to the contrary, service will not be supplied to any premises if at the time of application for service the applicant is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. Final Bills may be transferred regardless of whether they are for combination gas and electric or gas only or electric only charges. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications. (T)

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

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

3. Information Relative to Service.

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

4. Continuity of Service.

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

5. Suspension of Service for Repairs and Changes.

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

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

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.

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

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

7. Customer's Responsibility.

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

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

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

8. Right-of-Way.

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

9. Access to Premises.

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

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SECTION III - CUSTOMER'S INSTALLATION

1. Nature and Use of Installation.

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

2. Materials - Fittings - Tests.

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

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

3. Construction.

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

4. Changes in Installations.

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

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SECTION IV - COMPANY'S INSTALLATION

1. Installation and Maintenance.

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

2. Gas Service Piping.

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

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

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

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

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Service piping will end at the inlet connection of the meter which will be set at the point and entry of the service. If it is necessary to extend the service pipe beyond the point of entry, such exposed service piping in the building under flooring, through walls, coal bins, etc., shall be properly protected and the expense thereof borne by the customer.

In case of more than one building on a lot, a separate service will be run direct from the main to each building except in cases where the building nearest the Company's main extends the full width of the lot. In such cases the meter will be placed on the service in the nearest building and the customer must make his own extension to the other building.

The Company shall install excess flow valves (EFV) for all new and renewed service piping installations for single family homes or other Customer service classifications as part of its standard installation and at the Company's expense where such EFV installation is required in accordance with regulations of the Federal Pipeline Hazardous Materials Safety Administration (PHMSA). For all other service piping installations that are not covered by PHMSA installation requirements, the Customer may request the installation of an EFV at the Customer's sole expense. The Company and Customer shall mutually agree upon the timing of such installation with regard to any necessary permitting that may be required. The Customer requesting the installation of an excess flow valve shall be responsible for the actual total cost of such installation and the Company shall provide Customer with a written estimated cost of such installation prior to performing the installation. A deposit of fifty-percent of the estimated cost of installation shall be required prior to the commencement of the installation. The balance of the actual cost of installation shall be due upon completion.

The Company shall not be required to install an EFV if one or more of the following conditions is present:

- a. The service line does not operate at a pressure of 10 psig or greater throughout the year;
- b. Company has prior experience with contaminants in the gas stream that could interfere with the excess flow valve's operation or cause loss of service to a customer;
- c. The excess flow valve could interfere with necessary maintenance and operation activities;
- or,
- d. An excess flow valve meeting applicable performance standards is not commercially available.

3. **Company's Property and Protection Thereof.**

All meters and equipment furnished by and at the expense of Company, which may at any time be in said premises, shall, unless otherwise expressly provided herein, be and remain the property of Company, and Customer shall protect such property from loss or damage, and no one who is not an agent of Company shall be permitted to remove or handle same.

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SECTION V - METERING

1. Installation of Meters.

Gas will be measured by a meter or meters to be installed by Company upon Customer's premises at a point most convenient for Company's service, and upon the registration of said meters all bills will be calculated.

2. Meter Tests.

All meter tests shall be made in accordance with rules issued by the Kentucky Public Service Commission.

Upon written request by customer, the Company shall perform a meter test if the request is not made more frequently than once a year.

3. Monitoring of Customer Usage.

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

1. The customer's monthly usage is monitored through a "hi-lo" review process that will incorporate customer past usage and other related information to provide an expected level of usage. (⊕)
2. If there is a substantial difference between the actual and estimated usages, the account will be reviewed manually to determine the appropriate usage level. (⊕)
3. Where the difference is not otherwise explained, the Company may obtain a special meter read to verify the accuracy of the previous usage. (⊕)
4. Where the difference is still unexplainable after taking the special meter read, the Company may test the customer's meter to determine its accuracy. (⊕)
5. The Company will notify the customer of the investigation, its findings, and any refund or back billing to be made, in accordance with 807 KAR 5:006, Section 11 (4) and (5). (⊕)

In addition to the monthly monitoring, the Company will immediately investigate the usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

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Erlanger, Kentucky 41018

Ky. P.S.C. Gas No. 2
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SECTION VI - BILLING AND PAYMENT

1. Billing Periods - Time and Place for Payment of Bills.

Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Bills may be rendered by hand delivery, mail, electronically, or by any other reasonable means. Non-receipt of bills by Customer does not release or diminish the obligation of Customer with respect to payment thereof.

The word "month" as it pertains to the supply of service shall mean the period of approximately thirty days between meter readings, as fixed and made by Company. Meters are ordinarily read at monthly intervals but may be read more or less frequently at Company's option but no less than quarterly. Company shall have the right to establish billing districts for the purpose of reading meters and rendering bills to customers at various dates. A change or revision of any Rate Schedule shall be applicable to all bills on which the initial monthly meter reading is taken on or after the effective date of such change or revision, except as otherwise ordered by the Kentucky Public Service Commission.

Bills are due on the date indicated thereon as being the last date for payment of the net amount, or as otherwise agreed to, and bills are payable only at the Company's offices or authorized agencies for collection. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable. If a partial payment is made, the amount will be applied to items of indebtedness in the same order as they have accrued, except that any payment received shall first be applied to the bill for service rendered.

Customers current on their account may participate upon request in the Adjusted Due Date Program. The Adjusted Due Date Program is available to Duke Energy Kentucky gas customers who have an analog meter. This service allows a customer to adjust the due date of the energy bill five-to-ten days forward from the original due date.

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The Company may issue interim bills based on average normal usage instead of determining actual usage by reading the meter. Interim bills may also be used when access to Company's meter cannot be obtained or emergency conditions exist.

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SECTION VI - BILLING AND PAYMENT (Contd.)

2. Information on Customer Bills.

Every bill rendered by the Company for metered service will clearly state:

- (a) The beginning and ending meter readings for the billing period and the dates thereof.
- (b) The amount of energy usage.
- (c) The amount due for the energy used, any adjustments, including assessed late payment charges, and the gross amount of the bill.
- (d) The rate code under which the customer is billed.
- (e) The date of the last day payment can be made without a late pay charge being assessed.
- (f) Any previous balance.
- (g) The address, phone number, and business hours of the Company.

- (h) The date of the next scheduled meter reading.
- (i) The date after which received payments are not reflected in the bill.
- (j) The type of service rendered (gas or electric).
- (k) The amount, and identification, of any tax or fee the Company is authorized either by state law or order of the Commission to collect.

3. Charge for Restoring Service for Non-Payment of Bill and Unlawful Use of Service.

Company may charge and collect in advance the sum as specified on Tariff Sheet "Charge For Reconnection of Service" for reconnecting a customer's service after service is disconnected because of non-payment of bill when due or when service is discontinued because of fraudulent use, except as may be provided by 807 KAR 5:006, Section 16, Winter Hardship Reconnection.

4. Temporary Discontinuance of Service.

If any residential customer, because of absence or otherwise, shall notify Company in writing or by telephone to discontinue service, Company will make no minimum charge for any full meter reading period during the period of discontinuance; provided however, that Company may charge and collect the sum as specified on Tariff Sheet "Charge For Reconnection of Service" prior to reconnecting a service which was discontinued at customer's request within the preceding twelve months.

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6. Partial Payment Plans.

The Company shall negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice according to the regulations governing failure to pay, except the Company shall not be required to negotiate a partial payment plan with a customer who is delinquent under a previous payment plan.

7. Bill Format

The Company has included as Appendix A to these Service Regulations an example of the Company's customer bill format.

8. Landlord Programs

The Company will provide a Revert-to-Owner program available to Landlords, property managers, or other property owners to provide continuity in service when a tenant notifies the Company to discontinue service by automatically switching the account to the Landlord until a new tenant sets up service or the Landlord requests to discontinue service. The program is not applicable in situations where a tenant has been disconnected for nonpayment or the Company has been notified of a safety issue that warrants the termination of service. The provisions of the Automatic Landlord Transfer Agreement are outlined below.

Eligibility and Enrollment

1. An email address is required for enrollment. The Revert-to-Owner agreement may be emailed to the landlord, or accepted digitally through an online portal, known as the "Landlord Experience."
2. Landlord may enroll properties via self-service using the Company's "Landlord Experience" online portal or provide in writing a list of properties they wish to enroll in the program on a contract provided by the Company.
3. Eligibility to enroll in the Revert-to-Owner program requires any delinquent balance associated to the Landlord to be paid.
4. The Landlord may add and remove properties from the program at any time either by self-service using the "Landlord Experience" online portal or by contacting the Company's customer service department, and will be responsible for all charges associated to the properties enrolled while service is/was in their name.
5. Landlords may remove properties from the Revert-to-Owner program using the "Landlord Experience" online portal or by contacting the Company's customer service department.
6. The Landlord is responsible for notifying the Company of any changes in mailing address.
7. The Company shall maintain the discretion to remove a Landlord from the program for failure to pay.

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SECTION VII - DEPOSITS

1. Deposits.

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the customer's bill. (⊕)

The deposit may be waived by the Company upon a customer's showing of satisfactory credit or payment history, and required residential service deposits will be returned after one (1) year if the customer has established a satisfactory payment record for that period; but commercial deposits will be retained during the entire time that the account remains active. A satisfactory payment record is defined as having had twelve (12) months of service with no more than three final notices and no without being disconnected for non-payment ~~and without the occurrence of fraud, theft, or bankruptcy~~. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The Company may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. The Company will not require an additional deposit from a residential customer with a satisfactory payment record unless the customer's classification of service changes or the customer requests recalculation of their deposit pursuant to 807 KAR 5:006, Section 8(1)(d)(3). Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer. (⊕)
(T)
(T)
(⊕)
(⊕)
(⊕)

In determining whether a deposit will be required or waived, information such as the following may be considered:

1. Previous payment history with the Company. If the customer has no previous history with the Company, statements from other utilities, banks, etc. may be presented by the customer as evidence of good credit.
2. Whether the customer has filed bankruptcy proceedings within the last seven years.
3. Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

A security deposit will be required pursuant to 11 U.S.C. Section 366 in all bankruptcies where the Company is listed as a creditor.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

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SECTION VII – DEPOSITS (Continued)

2. All Calculated Deposits.

Customer deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed two-twelfths (2/12) of the customer's actual or estimated annual bill.

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SECTION VIII - APPLICATION

1. Application of Service Regulations and Rate Schedules.

All Service Agreements at present in effect or that may be entered into in the future are made expressly subject to these Service Regulations and any modifications hereof that may be lawfully made, and subject to all applicable existing Rate Schedules and any lawfully made changes therein, substitutions therefor or additions thereto.

2. Agents Cannot Modify Agreement.

No agent has the right to amend, modify or alter the application rates, terms, conditions, rules, or regulations as filed with the Kentucky Public Service Commission, or to make any promise or representation not contained in the Company's schedules, supplements thereto and revisions thereof, lawfully filed with said Commission.

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SECTION IX - GAS SPACE HEATING REGULATIONS

1. Gas Space Heating Regulations.

The Company shall not be required to supply gas for new or additional space heating equipment installed from and after the effective date hereof unless the consumer present or prospective, makes written application to the Company for such supply at a specific address and receives written approval from the Company therefor. An approval for the use of gas for space heating is not transferable from one premise to another except by written approval from the Company.

If any consumer fails to install gas-fired space heating equipment pursuant to said approval within one year from the date of issuance thereof fails to demonstrate to the Company's satisfaction before the expiration of said period that he intends to avail himself of the use of such gas under such approval with due diligence, the Company may cancel, nullify and void such approval.

The Company need not issue an approval for the utilization of gas for space heating purposes in a commercial or industrial building for new or additional heating equipment having a total rated input capacity in excess of 1,000,000 Btu per hour, unless the applicant shall install standby facilities having a capacity satisfactory to the Company and shall agree in writing with the Company to use such standby facilities and discontinue the use of gas for space heating when and for such periods of time as the Company may request. In the event the use of gas for space heating by such consumer is not promptly discontinued at the request of the Company, the latter, upon discovery thereof, is authorized to discontinue all gas service to such consumer until such time as the gas space heating equipment has been disconnected. Where such action is necessary on the part of the Company it may cancel, nullify and void such approval.

Should any consumer fail to comply with these gas space heating regulations, the Company, upon discovery thereof, and after giving ten days notice to such consumer, is authorized to disconnect his gas service until such time as these regulations are complied with.

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SECTION X - AVAILABILITY OF GAS SERVICE

1. Gas Service to New Loads.

Mains shall be extended to customers in accordance with the currently effective tariff sheet entitled Rider X, Main Extension Policy, as contained within tariff Ky. P.S.C. Gas No. 2.

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**RATE RS
 RESIDENTIAL SERVICE**

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
 All gas is billed in units of 100 cubic feet (CCF).

1. Base Rate:
 Customer Charge per month: \$~~46.50~~17.50 (I)

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a commodity Charge for						
all CCF at	\$ 0.469 <u>205.4438</u>	plus	\$0.4283	Equals	\$ 0.897 <u>50.97268</u>	(I)

2. Applicable Riders
 The following riders are applicable pursuant to the specific terms contained within each rider:
 Sheet No. 62, Rider DSMR, Demand Side Management Rate
 Sheet No. 65, Rider WNA, Weather Normalization Adjustment Rider
Sheet No. 66, Rider PMM, Pipeline Modernization Mechanism (N)
 Sheet No. 70, Rider GCA, Gas Cost Adjustment Clause

The "Customer Charge" shown above shall be the minimum amount billed each month.
 When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

SERVICE REGULATIONS

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

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**RATE GS
 GENERAL SERVICE**

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
 All gas is billed in units of 100 cubic feet (CCF)

1. Base Rate:

Customer Charge per month: ~~\$50.00~~\$58.00 (I)

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	\$0. 2924 <u>335676</u>	Plus	\$0.4283	Equals	\$0. 72073 <u>78506</u>	(I)

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 62, Rider DSMR, Demand Side Management Rate

Sheet No. 65, Rider WNA, Weather Normalization Adjustment Rider

Sheet No. 66, Rider PMM, Pipeline Modernization Mechanism (N)

Sheet No. 70, Rider GCA, Gas Cost Adjustment Clause

The "Customer Charge" shown above shall be the minimum amount billed each month.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

SERVICE REGULATIONS

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

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RATE FRAS

FULL REQUIREMENTS AGGREGATION SERVICE

AVAILABILITY

This service is available to Suppliers delivering gas on a firm basis to the Company's city gate receipt points on behalf of customers receiving firm transportation service from the Company under Rate Schedule FT-L. (⊕)

DEFINITIONS

"Aggregation Service" is a service provided by the Company that allows Suppliers to deliver to the Company, on a combined basis, those natural gas supplies that are needed to satisfy the full firm requirements of the one or more firm transportation customers that comprise the membership of the Supplier's pool, as defined below, all in accordance with the rules established by the Company regarding delivery requirements, banking, billing and payments, and Supplier performance requirements. (⊕)

"Arrears" means an account that is at least 30 days past due and amounts to at least \$50. (⊕)

"Commission" means the Kentucky Public Service Commission. (⊕)

"Customer" means a recipient of transportation service provided by the Company under Rate FT-L that secures its gas supply from a Supplier. (⊕)

"Gas Supply Aggregation/Customer Pooling Agreement" is an agreement between the Company and Supplier that defines the mutual responsibilities and obligations of those parties relative to the Aggregation Service provided under Rate FRAS. (⊕)

"Operational Flow Order" (OFO) is a directive issued by the Company via its electronic bulletin board ("EBB") requiring Suppliers to adjust their daily deliveries into the Company's system to either (1) match, (2) match or be less than, or (3) match or be more than their pool's actual daily measured usage for those customers receiving service under Rate FT-L, Rate IT and interruptible special contracts, or deliver at specified city gate receipt points as requested by the Company. (⊕)

"Over-Deliveries" or "Positive Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the Pool customers during the period is less than the sum of the volumes made available by supplier for redelivery by the Company to the Pool during the same period. (⊕)

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DEFINITIONS (Contd.)

"Pool" is a single customer or group of customers that have been joined together for supply management purposes, and that has a combined annual throughput of at least 30,000 Mcf. Supplier will have a one year period to build their annual pool throughput volume to the indicated level, after which they may be subject to removal from the Program for not having achieved a minimum participation level.

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"Program" means the Company's firm transportation/supply aggregation program under Rate FT-L and Rate FRAS.

"Supplier" is a marketer, supplier, broker, pool operator, producer, or other qualified business entity that has joined a group of the Company's firm transportation customers together for gas supply management purposes, meets the qualifications for a "Supplier" set forth in Rate FRAS, agrees to accept responsibility for the aggregate supply management requirements of the pool, and has executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company.

"Suppliers Daily Pool Delivery Obligation" is defined as the daily city gate delivery quantities determined by the actual measured usage of customers in Supplier's FT-L Pool adjusted for "unaccounted for" losses back to the Company's city gate stations, and then converted from volumetric to thermal quantities.

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"Under-Deliveries" or "Negative Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the Pool customers during the period exceeds the sum of the volumes made available by supplier for redelivery by the Company to the Pool during the same period.

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AGGREGATION AGREEMENT

Before commencing service hereunder, Supplier must have met the qualifications to act as a program supplier and must have executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company. Such agreement shall be for a minimum of two years and shall set forth the mutual obligations and responsibilities of both the Company and the Supplier relative to this aggregation customer pooling service.

The mutual benefits and obligations under the "Gas Supply Aggregation/Customer Pooling Agreement" and under this tariff begin when the Supplier commences to supply pool customers with gas supply service. Supplier's obligations under this tariff and referenced Agreement shall inure to, and be binding on its successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof. However, no agreement for service may be assigned or transferred without the written consent or approval of the Company, which shall not be unreasonably withheld.

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REQUIREMENTS FOR PARTICIPATION

Each Supplier who applies to participate in the Company's Customer Aggregation/Firm Transportation Program will be evaluated to ensure that it possesses the financial resources and sufficient experience that will enable it to perform its responsibilities as a Supplier in the program. On the basis of this evaluation, a Supplier's participation may be limited to a level specified by the Company.

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Suppliers not meeting the necessary credit level will be required to provide additional security in the form of a letter of credit, a cash deposit, and/or other appropriate guaranty in order to participate in order for the Company to perform its evaluation, Suppliers will be required to provide the following information:

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1. Audited financial statements prepared within the last 12 months;
2. Most recent annual report, 10K or 10Q;
3. A listing of parent company and other affiliates;
4. Names, addresses, and telephone numbers of 3 trade references; and
5. Names, addresses, and telephone numbers of banking institution contacts.

In the event any of the above information is unavailable from a Supplier, the Company may permit the Supplier to provide other verifiable sources of financial information for that Supplier.

Financial evaluations will be based on standard credit factors such as previous customer history, financial and credit ratings, trade references, bank information, unused line of credit, and related financial information. The Company will determine Supplier's creditworthiness based on the above criteria, and it will not deny a Supplier's participation in the Program without reasonable cause. A fee of \$50.00 will be assessed to Supplier for each financial evaluation.

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The Company may acquire information regarding Supplier's performance in other programs and other states in order to evaluate supplier's reputation and fitness for inclusion in the Company's Program.

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The Company reserves the right to re-evaluate Suppliers' financial standing from time to time. Such re-evaluation may be initiated either by a request from the Supplier or by the Company, if the Company reasonably believes that the creditworthiness of a Supplier may have changed or that the Supplier's participation level has exceeded the level for which the Supplier was previously approved. Based on such re-evaluation, a Supplier's amount of required financial security or approved participation level may be increased or decreased, or the Supplier may be removed from further participation in the Program.

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SUPPLIER CODE OF CONDUCT

Each Supplier participating in the Company's transportation programs must:

1. communicate to participating customers in clear, understandable terms the customer's rights and responsibilities. This communication must include (a) the Supplier's customer service address and local or toll-free telephone number; and (b) a statement describing the Supplier's dispute resolution procedures;
2. provide in writing pricing and payment terms that are clearly defined and understandable and that inform consumers whether the price that the customer will pay is inclusive or exclusive of applicable taxes, and Company approved tariff riders and surcharges;
3. refrain from engaging in communications or promotional practices which are fraudulent, deceptive, or misleading;
4. deliver gas to the Company on a firm basis on behalf of the Supplier's pool members in accordance with the requirements of the "Gas Supply Aggregation/Customer Pooling Agreement";
5. establish and maintain a creditworthy financial position that enables Supplier to indemnify the Company and the customers for costs incurred as a result of any failure by Supplier to deliver gas in accordance with the requirements of the program and to assure payment of any KyPSC-approved charges for any such failure;
6. refrain from requesting customer-specific billing, payment, and usage history without first having received the customer's approval to access such information.

Failure to fulfill any of these obligations shall be considered a violation of the Supplier's Code of Conduct.

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CONSEQUENCES OF SUPPLIER'S FAILURE TO PERFORM OR COMPLY

If Supplier fails to deliver gas in accordance with the full service requirements of its Pool customers, the Company shall supply gas temporarily to the affected Pool customers and shall bill Supplier the higher of either (1) the fair market price for that period; or (2) the highest incremental cost of gas for that period that the Company actually paid for gas supplies, including transportation and all other applicable charges. The Company shall have the right to immediately and unilaterally invoke Supplier's letter of credit, parental guarantee or any other collateral posted by the Supplier in order to enforce recovery from supplier of the cost of these replacement supplies.

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If Supplier fails to deliver gas in accordance with the requirements of the Company's "Gas Supply Aggregation/Customer Pooling Agreement," or otherwise fails to comply with the provisions of this tariff, including those specified in the "Supplier Code of Conduct" section, the Company shall have the discretion to temporarily suspend or terminate such Supplier from further participation in the Program. If Supplier is suspended or terminated from the Company's Program, customers in the Supplier's Pool shall revert to the Company's sales service until said customers join another Supplier's Pool.

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If the Company seeks to suspend or terminate a Supplier from further participation in the Company's Program, it shall first notify the Supplier of the alleged violations which merit suspension or termination. Such notice must be in writing and must be communicated to the Supplier at the contact information listed in the "Gas Supply Aggregation/Customer Pooling Agreement" at least five (5) business days prior to the effective date of the suspension or termination.

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BILLING

Customers receiving service under Rate FT-L will receive two bills as follows:

- (a) The Company bills and collects its portion of the bill. This billing includes charges for local delivery service and all applicable surcharges. In the event that a customer remits to the Company less than the amount included on the Company's bill, the customer shall be subject to the same late charges and disconnection procedures which would be applicable if the customer were receiving service as a Company sales customer.
- (b) Supplier will be responsible for billing and collecting its portion of the bill including any arrearages that are due from Supplier's own prior billings. To facilitate Supplier's billing, the Company will provide the Supplier with a listing of the monthly meter readings and usages of all those customers within Supplier's pool that have been billed by the Company. This billing data will correspond to the consumption data on which the Company based its bill for local delivery service. Supplier is responsible for providing gas supplies to all customers within its pool until the customers are returned to system supply or move to another pool in accordance with the procedures that have been developed for adding and deleting customers from a Supplier's pool.

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UPSTREAM CAPACITY REQUIREMENTS

Suppliers participating in the Company's firm transportation program must secure their own upstream pipeline capacity required to meet Supplier's Rate FT-L pool peak day requirements. Due to the physical configuration of the Company's system, and certain upstream interstate pipeline facilities, and to enable the Company to comply with lawful interstate pipeline tariffs and/or to maintain the Company's system integrity, the Company reserves the right to direct Supplier to proportionally deliver, with respect to the Systems' (the Duke Energy Ohio and Duke Energy Kentucky, Inc. integrated operating system) northern and southern interstate pipeline interconnects, the Supplier's daily pool requirements. In those instances where the pool operator delivers gas into the Duke Energy Ohio system and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky, Inc. for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky, Inc. for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate.

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The Company may make available to Suppliers, upstream interstate pipeline capacity. Suppliers accepting this capacity are subject to the terms and conditions of the tariffs of the pipeline companies on whose facilities such capacity is accepted. A Supplier who wishes to contract for released capacity must make a request for a period in excess of thirty days and agree to pay the full contract demand rate which the Company would otherwise pay for the released capacity, in order for supplier to be assured the assignment of such capacity. The Company shall not be obligated to provide requested capacity if it has no surplus capacity beyond the amount needed to supply its Gas Cost Adjustment customers.

SCHEDULING AND BALANCING REQUIREMENTS

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Suppliers must deliver to the Company daily quantities of gas in accordance with the provisions of Rate IMBS.

No later than one hour prior to the North American Energy Standards Board (NAESB) deadline for the timely nomination cycle, Supplier shall submit a valid nomination through the Company's EBB of its total city gate quantities of gas scheduled for the following gas day. The Company will have no obligation to accommodate post-timely nominations, or changes thereto, that are made after the daily deadline.

(N)
(N)
(N)
(N)
(N)

Pool operators shall have access to Company offered services including balancing services and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

Suppliers are subject to OFOs issued by the Company as described below. The Company may suspend from this program any Supplier which does not comply with an Operational Flow Order.

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MEASUREMENT OF CONSUMED VOLUMES

Monthly volumes billed to participating customers shall be considered actual volumes consumed, whether the meter reading is actual or calculated.

OPERATIONAL FLOW ORDERS

Suppliers are subject to the Company's issuance of Operational Flow Orders which will direct each Supplier to adjust scheduled daily delivery volumes to match the Customer Pool's metered FT-L usage. (T)

Failure to comply with an OFO, which is defined as the difference between the daily OFO required delivery volume and actual daily deliveries, will result in the indicated action and/or billing of the following charges:

Under-deliveries

- (1) the payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate; (T)
- (2) one month's demand charges on the OFO shortfall. This charge shall not be imposed more frequently than once in any calendar month; and (T)
- (3) the payment of all other charges incurred by Company including but not limited to pipeline penalty charges on the date of the OFO shortfall. (T)

Over-deliveries

- (1) Over-deliveries will be cashed out to the Supplier at the lowest cost of gas available to Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate; and (T)
(T)
(T)
- (2) Company shall bill and Supplier shall pay any charges incurred by Company including but not limited to pipeline penalty charges from the interstate pipelines for such excess deliveries, provided such penalties can be attributed to Supplier's over-deliveries. (T)
(T)

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COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES

In conducting its Program, the Company will adhere to the following Standards of Conduct for Marketing Affiliates:

- (1) Company must apply any tariff provision relating to transportation services in the same manner for the same or similarly situated persons if there is discretion that may be applied in the application of the provision.
- (2) Company must strictly enforce a tariff provision for which there is no discretion allowed in the application of the provision.
- (3) Company may not, through a tariff provision or otherwise, give any Supplier including its marketing affiliate or customers of any Supplier including its affiliate, preference over any other gas Suppliers or their customers in matters, rates, information, or charges relating to transportation service including, but not limited to, scheduling, balancing, metering, storage, standby service, or curtailment policy. For purposes of the Company's Program, any ancillary service provided by Company, e.g., billing and envelope service, that is not tariffed will be priced and made equally available to all.
- (4) Company must process all similar requests for transportation in the same manner and within the same approximate period of time.
- (5) Company shall not disclose to anyone other than a Company employee any information regarding an existing or proposed gas transportation arrangement, which Company receives from (i) a customer or Supplier, (ii) a potential customer or Supplier, (iii) any agent of such customer or potential customer, or (iv) a Supplier or other entity seeking to supply gas to a customer or potential customer, unless such customer, agent, or Supplier authorizes disclosure of such information.

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COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)

- (6) If a customer requests information about Suppliers, the Company must provide a list of all Suppliers operating on its system, but shall not endorse any Supplier nor indicate that any Supplier will receive a preference because of a corporate relationship.
- (7) Before making customer lists available to any Supplier, including any Company marketing affiliate, Company will post on its electronic bulletin board a notice of its intent to make such customer list available. The notice will describe the date the customer list will be made available, and the method by which the customer list will be made available to all Suppliers.
- (8) The Company will, to the extent practicable, separate the activities of its operating employees from its affiliate marketing employees in all areas where their failure to maintain independent operations may have the effect of harming customers or unfairly disadvantaging unaffiliated Suppliers.
- (9) Company must not condition or tie its agreements for gas supply or for the release of interstate pipeline capacity to any agreement by a gas supplier, customer or other third party in which its marketing affiliate is involved.
- (10) Company and its marketing affiliate must keep separate books of accounts and records.
- (11) Neither the Company nor its marketing affiliate personnel shall communicate to any customer, Supplier or third party the idea that any advantage might accrue for such customer, Supplier or third party in the use of Company's service as a result of that customer's, Supplier's or other third party's dealing with any Supplier including its marketing affiliate.
- (12) The Company's complaint procedure for resolving issues concerning compliance with these standards of conduct will operate as follows. All complaints, whether written or verbal, will be referred to the Company's designated attorney. The Company's designated attorney will orally acknowledge the complaint within five (5) working days of receipt. The complainant party shall prepare a written statement of the complaint which will contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and specific claim. The Company's designated attorney must communicate the results of the preliminary investigation to the complainant in writing within thirty (30) days after the complaint was received including a description of any course of action which was taken. He or she must keep a file with all such complaint statements for a period of not less than three years.

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COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)

- (13) If the Company offers any Supplier, including its affiliate or a customer of any Supplier, including its affiliate a discount, or fee waiver for transportation services, balancing, meters or meter installation, storage, standby service or any other service offered to shippers, it must prospectively offer such discounts, rebates or fee waivers to all similarly situated non-affiliated suppliers or customers under similar terms and conditions.
- (14) The Company will not use its name and logo in its marketing affiliate's promotional material, unless the promotional material discloses in plain, legible or audible language, on the first page or at the first point where the Company's name and logo appear, that its marketing affiliate is not the same entity as the Company. The Company is also prohibited from participating in exclusive joint activities with any Supplier, including its affiliate, such as advertising, marketing, sales calls or joint proposals to any existing or potential customers.

OTHER RULES AND REGULATIONS

Except to the extent superseded herein, the Company's Rules and Regulations Governing the Distribution and Sale of Gas and such other Commission rules as are applicable shall apply to all gas transportation service provided hereunder.

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RATE IT

INTERRUPTIBLE TRANSPORTATION SERVICE

APPLICABILITY

Applicable to curtailable natural gas local delivery service and available to any customer who: (1) signs a contract with the Company for service under Rate IT; (2) utilizes a minimum of 10,000 CCF per month during the seven consecutive billing periods commencing with customer's first meter reading taken on or after April 1; (3) has arranged for the delivery of gas into the Company's system for customer's sole use at one point of delivery where distribution mains are adjacent to the premises to be served, and (4) has become a member of a pool under Rate AS and elected Interruptible Monthly Balancing Service under Rate IMBS. Any service provided hereunder shall be provided by displacement and on a "reasonable efforts" basis. The Company reserves the right to decline requests to initiate or continue such service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L.

This rate schedule shall not preclude the Company from entering into alternative special arrangements with Commission approval, which are designed to meet unique circumstances.

The service provided hereunder shall be interruptible local gas delivery service provided on a "reasonable efforts" basis from the Company's city gate receipt points to the outlet side of the meter used to serve Customer. The Company, to insure its ability to reliably supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L, shall have the right for operational purposes to designate the city gate receipt points where the customer's pool operator is required to deliver its gas.

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NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
All gas consumed is billed in units of 100 cubic feet (CCF)

Administrative Charge per month: \$430.00

Commodity Charge per CCF:

Company will deliver the arranged-for gas, less shrinkage which is equal to the Company's system average unaccounted for percentage, at a rate per CCF of \$0.~~09982~~10816 per CCF (I)
except as specified in the "Alternate Fuels" provision;

Plus balancing related charges pursuant to Rates IMBS if customer has elected to operate as its own pool operator for supply management purposes.

Plus the throughput charge under Rate IMBS, Interruptible Monthly Balancing Service. (T)

Plus, if applicable, charges for unauthorized deliveries as described later in this tariff.

Plus charges under Rider PMM, Pipeline Modernization Mechanism. (N)

MINIMUM BILL

The minimum monthly bill that customer shall receive shall be the monthly Administrative Charge shown above, and, in addition thereto during the seven (7) consecutive billing periods beginning in April, the 10,000 CCF volume minimum. If customer fails to take delivery of 10,000 CCF per month during the months of April through October, customer will be billed, in addition to the Administrative Charge and charges for the delivered volumes, an amount equal to the difference between 10,000 CCF and the delivered volumes billed at Rate GS, including all applicable Riders. (T)
(T)
(T)
(T)

MINIMUM USAGE

In the event that customer repeatedly and significantly fails to meet the seven (7) summer months minimum usage requirements of this tariff, Customer may, at the Company's option, be removed from this tariff and denied further service or may be switched to either Rate GS or FT-L. (T)
(T)
(T)

UNAUTHORIZED DELIVERIES

In the event customer fails to interrupt transportation deliveries at Company's request, any excess deliveries through customer's meter will be considered unauthorized deliveries that are subject to the flow-through of pipeline penalty charges to the extent they are incurred by the Company, and in addition thereto, shall be paid for as specified under the "Charges For Unauthorized Deliveries" provision of this rate. The charges for such unauthorized deliveries shall be billed directly to the customer in lieu of its "pool operator", if applicable. However, Company shall not be precluded from physically discontinuing service to the customer if the customer refuses to interrupt service when requested by the Company. (T)

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CHARGES FOR UNAUTHORIZED DELIVERIES

Any customer taking unauthorized deliveries shall be billed: (1) an amount reflective of the general service delivery rate, Rate GS, Sheet No. 31; plus (2) the higher of (a) the expected gas cost component of the gas cost recovery rate, (b) the Company's highest cost gas plus one month's demand charges on the highest daily unauthorized volume (this charge shall not be imposed more frequently than once in any calendar month), or (c) the cost of operating the Company's propane peak shaving plant. In any event, customer shall reimburse the Company for any interstate pipeline penalty charges resulting from such unauthorized deliveries as well as the cost incurred to valve-off the customer's service if so required to effectuate compliance with the interruptible provisions of this rate.

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ALTERNATIVE FUELS

The Company may, without prior Commission approval, charge a rate lower than that specified in the "Net Monthly Bill" provision to meet competition from alternative fuels. The decision to charge a lower rate will be made on a case-by-case basis, supported by a statement in an affidavit from the customer that absent such lower rate, customer would utilize an alternative fuel source. The lower rate shall not be less than one-half the commodity rate specified in the "Net Monthly Bill" provision, plus all applicable riders and surcharges.

The Company may also charge customer who has requested flexible rate pricing a rate higher than that specified in the "Net Monthly Bill" provision if such rate remains competitive with the price of energy from customer's alternative fuel source. The higher rate shall not exceed 150 percent of the commodity rate specified in the "Net Monthly Bill" provision, plus applicable riders and surcharges.

Once a customer receives a flexible transportation rate, as described in the preceding paragraphs, the customer must continue to pay a flexible rate as determined by the Company for a period of three months. After three months, the customer may, upon written notification to the Company, apply for a flexible rate for another three months. Absent such notification, customer's rate will revert to the fixed rate established herein.

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ELECTION OF MONTHLY BALANCING OPTION

A "pool" can be a single Rate IT customer acting on its own behalf, or a group of Rate IT customers who join, or are joined, together for purposes of gas supply management under this tariff. A "pool operator" has a contractual responsibility to manage the aggregated gas supply requirements of all of the Rate IT customers that comprise its pool. All supply management responsibilities of individual customers are transferred to the pool operator once a customer becomes a part of a pool, as the aggregated balancing requirements of all pool members are treated under this tariff as though they were a single customer with its own supply management responsibilities.

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Monthly throughput charges under Rate IMBS shall be billed directly to the end-use customer. All other balancing charges and supply management charges, including "cash out" charges, penalties and other like charges billed under the provisions of Rate IMBS shall be billed directly to the pool operator, regardless of whether the pool operator is an individual customer acting as its own pool operator or an aggregated customer's pool operator. For purposes of calculating these charges, the usage of all customers within a pool will be combined into a single pool usage number that will be matched against the pool operator's total deliveries to its IT pool.

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5% is due and payable.

TERMS AND CONDITIONS

In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. As a pre-requisite for receiving service under this tariff, Customer will be responsible for installing and maintaining, at the Customer's expense, a dedicated 110v electrical service in a location suitable to provide electrical service for the Company's telemetering equipment, or such other equipment or utilities as may be necessary at customer's meter site. Customer shall also be responsible for the monthly charges for such other necessary equipment or utilities.

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The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on a daily basis. Daily operational information shall include information on daily gas flows provided by Automated Meter Reading (AMR) equipment, telemetry, or any other means the Company has available to provide the customer, or its designated pool operator, with its best estimate of daily gas usage.

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The customer shall enter into a written agreement with the Company. Such agreement shall set forth specific arrangements as to the transportation services provided and any other circumstances relating to the individual customer.

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TERMS AND CONDITIONS (Contd.)

The Company's "reasonable efforts" basis is defined as the right, at any time, to curtail or interrupt the delivery or transportation of gas under this tariff when, in the judgment of the Company, such curtailment or interruption is necessary to enable the Company to maintain deliveries to higher priority customers or to respond to any emergency.

Customer acting as its own pool operator, or customer's designated pool operator/supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable the gas to be delivered into the Company's system.

Customer's pool operator must agree, upon request by Company, to produce, in a timely manner, proof of the purchase of the natural gas to be transported, any necessary regulatory approvals, and any and all transportation arrangements with all interstate pipelines, intrastate pipelines, or others involved in transporting the pool's gas supplies. (⊕)

The Company will not be liable for any costs and/or penalties charged by pipelines or suppliers, because of pool operator's over- or under-deliveries into the pipeline, or pool customers' failure to take deliveries through the Company's meters that, in the aggregate, match the amount of gas transported by the pool operator to Company's city gate. (⊕)
(⊕)

In order to qualify for Rate IT service, customers who satisfy the definition of human needs and public welfare customers must purchase standby service or have alternative fuel capability, or have a combination thereof sufficient to maintain minimal operations. (⊕)
(⊕)

A human needs and public welfare customer is a customer whose facilities are used for residential dwelling on either a permanent or temporary basis; commercial customers of a residential nature; other customers whose service locations are places of the kind where the element of human welfare is the predominant factor; and civil and governmental customers whose facilities are required in the performance of protecting and preserving the public health, safety, and welfare. Such facilities shall include, but are not limited to, houses, apartment buildings, correctional institutions, hospitals, nursing homes, and charitable institutions.

The primary term of contract shall be one (1) year. After completion of the primary term, such contract shall continue month to month unless cancelled by either party by giving thirty (30) days written notice. In the event customer re-applies for service under this tariff within one year from the date that this contract was terminated at customer's request, customer shall pay the minimum monthly bill charges specified in the Minimum Bill provision of this tariff for the number of months customer's service was inactive. (⊕)
(⊕)
(⊕)

SERVICE REGULATIONS

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

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RATE FT - L

FIRM TRANSPORTATION SERVICE

AVAILABILITY

Service under this rate schedule is available to any customer who: (1) enters into a written agreement with the Company; and (2) has arranged for delivery of gas into the Company's system for the customer's use at one point of delivery where distribution mains are adjacent to the premise to be served. Service provided hereunder shall be by displacement. This is a firm full requirements large volume transportation service, which is provided from the Company's city gate receipt points to the outlet side of Company's meter used to serve the customer. This service is available within the Company's entire service territory to serve the firm service requirements of non-residential customers who use more than 20,000 CCF per year, and the firm service requirements of customers receiving firm service in combination with service under Rate IT, except for those customers whose utility service accounts are past due at the time customer desires to utilize this service, or whose accounts fall into arrears, as defined in Rate FRAS, after choosing this service.

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For customers whose accounts fall into arrears after choosing this service, the customer will be returned to the Company's sales service effective with the customer's next scheduled meter reading, and will be ineligible to choose this transportation service until all arrears are paid in full. For customers receiving service under this tariff, the written agreement between the Supplier and the customer may be terminated by supplier for non-payment of the customer's gas commodity portion of the bill if the account is at least 30 days past due. The Supplier shall give the Company and the customer no less than 30 days written notice that the customer will be switched from the Supplier and revert to the Company's sales service unless the past due amount is paid by the customer's next scheduled bill due date. If the past due amount is paid by the next scheduled bill due date, the customer will not revert to the Company's sales service but will remain with the Supplier. Customer must enter into a "pooling" agreement with a Supplier from a list of approved gas pool operators that have signed both a "Large Volume Customer Transportation Pooling Agreement" and a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company. Such suppliers must arrange for the delivery of gas into Company's system in accordance with Rate FRAS.

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Customers who believe that they will significantly increase throughput, from their historic firm service levels, shall so inform the Company.

DEFINITIONS

Terms used in this tariff are defined in the same manner as set forth in Rate FRAS, Sheet No. 44.

CHANGES IN CUSTOMERS' SERVICE ELECTIONS

Customers who elect service under this tariff and later return to Company's sales service may do so only in accordance with the requirements of the Company's tariffs and applicable regulations of the Kentucky Public Service Commission. If a customer voluntarily elects to return to the Company's sales service, all incremental gas procurement, upstream transportation and storage costs incurred by Company in order to return customer to sales service may, as determined by the Company, have to be borne by customer.

Issued by authority of an Order of the Kentucky Public Service
Commission dated March 27, 2019 in Case No. 2018-0026+2021-00190.
Issued: ~~April 5, 2019~~December 31, 2021
Effective: ~~March 29, 2019~~January 1, 2022
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

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NET MONTHLY BILL

The Net Monthly Bill shall be determined in accordance with the following rates and charges:

Administrative Charge per Month: \$430.00

The Administration Charge hereunder will be waived when this service is used in combination with the service provided under Sheet No. 50, Rate IT, Interruptible Transportation Service.

Plus a charge for each CCF of gas transported for customer from Company's city gate measuring stations to the outlet side of Company's meter used to measure deliveries to customer at: ~~\$0.48210~~20377 per CCF

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Plus the throughput charge under Sheet No. 58, Rate IMBS, Interruptible Monthly Balancing Service.

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Plus all transported gas shall be subject to an adjustment per CCF as set forth on: Sheet No. 66, Rider PMM, Pipeline Modernization Mechanism, and Sheet No. 77, Rider GCAT, Gas Cost Adjustment Transition Rider, except as provided thereon.

(N)

Plus, or minus, rate adjustments which may occur as a result of changes in the rates of interstate pipelines, or of rulings of the Kentucky Public Service Commission and/or the Federal Energy Regulatory Commission, and for which it is determined that all customers should be allocated some portion of the corresponding costs or refunds.

Customer and/or its Suppliers shall be responsible for the payment and collection of excise taxes, sales taxes, revenue taxes, or similar taxes on the gas supplies that customer purchases from its Supplier.

MINIMUM BILL

The monthly minimum bill shall be the Administrative Charge as shown above.

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5% is due and payable.

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Issued by authority of an Order of the Kentucky Public Service Commission dated ~~March 27, 2019~~ in Case No. ~~2018-0026+2021-00190~~.
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GENERAL TERMS AND CONDITIONS

1. Remote Metering

In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. As a pre-requisite for receiving service under this tariff, Customer will be responsible for installing and maintaining, at the customer's expense, a dedicated 110v electrical service in a location suitable to provide electrical service for the Company's telemetering equipment, or such other equipment or utilities as may be necessary at customer's meter site. Customer shall also be responsible for the monthly charges for such other necessary equipment or utilities.

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The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on a daily basis. Daily operational information shall include information on daily gas flows provided by Automated Meter Reading (AMR) equipment, telemetry, or any other means the Company has available to provide the customer, or its designated pool operator, with its best estimate of daily gas usage.

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2. Approved Supplier List

Company shall maintain a list of approved Suppliers from which customer can choose. Such list will include Suppliers who have signed a Gas Supply Aggregation/Customer Pooling Agreement in which Supplier has agreed to participate in and provide gas supplies to Rate FT-L pools, and abide by Company's requirements for its pooling program. This list shall be available to any customer upon request.

3. Applications and Service Date

A customer who desires service under this tariff shall apply through its chosen Supplier. Customer must also enter into a written agreement with the Company, as such agreement shall set forth specific arrangements as to the transportation services provided and any other circumstances relating to the individual customer. Unless the Company determines that the customer is not eligible to become a transportation customer of the Supplier, the Company shall exercise its reasonable efforts to transfer the customer to the Supplier's pool on the customer's next regularly scheduled meter reading date after a dedicated electrical service and automated meter reading equipment is installed and operative.

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A customer, who terminates service under this tariff and returns to sales service, or who changes Suppliers, shall through its supplier provide Company with written or electronic notice. Requests so received shall normally be honored on customer's next regularly scheduled meter reading date. In the event that a customer is returned to sales service for non-payment, the Supplier shall provide the Company with notice of termination and shall comply with any notice requirements of the Suppliers' Code of Conduct set forth in Rate FRAS, Sheet No. 44.

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GENERAL TERMS AND CONDITIONS (Contd.)

4. Access to Usage History and Current Billing Information

The "Customer Pooling Agreement," used to initiate requests for service under this tariff, shall authorize customer's Supplier to receive customer's usage, billing, and payment history from the Company, to act on customer's behalf in making billing/usage inquiries, and in exchanging current billing information with Company, including notices of commencement or termination of service by either party. (T)

5. Service Term

Except customers returned for non-payment or for good cause shown, the primary term of contract shall be a minimum of one (1) year. Customers may not elect to move to or from the Company's sales service and transportation service, or between rate schedules during this twelve month primary term. In addition, such movements will require thirty days advance notice to the Company and the Company's specific authorization if such movements are to occur during the winter period, November through March. After completion of the primary term, such contract shall continue unless cancelled by either party upon thirty (30) days written notice (T)

6. Regulatory Approvals

Customer's Supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable gas to be delivered to the Company's system.

CURTAILMENT OF SERVICE

In times of system emergencies, the Company may curtail service under this rate schedule in order to maintain service to human needs customers and customers receiving service under Rates RS, GS and in accordance with curtailment procedures on file with, and approved by, the Kentucky Public Service Commission. In the event customer fails to comply with the Company's direction to curtail, the Company reserves the right to physically discontinue service to the customer. Company shall not be liable in damages or otherwise to customer for any loss of production, other claim, or any consequences occasioned by customer as a result of such curtailment or because of the lack of advance notice to customer of such curtailment.

SERVICE REGULATIONS

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

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RATE AS

AGGREGATION SERVICE FOR INTERRUPTIBLE GAS TRANSPORTATION

AVAILABILITY

Pooling service available to (1) customers receiving interruptible gas transportation service under Rate IT and special contract interruptible customers who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT and special contract interruptible customers to manage gas supplies on their behalf and as a part of an aggregated customer pool. For purposes of administering this tariff, the usages of all customers within a pool will be combined into a single pool usage number, which will be matched against the pool operator's total deliveries to its Rate IT and special contract interruptible transportation pool.

CHARACTER OF SERVICE

Customers must elect whether they will operate as their own pool operator or choose a pool operator from a list of approved gas pool operators that have signed a "Large Volume Customer Transportation Pooling Agreement" with the Company. Such elections will be assumed to carryover from month to month unless the customer or pool operator notifies the Company of a change at least ten (10) days prior to the start of a new month. In such agreements, the pool operator accepts the responsibility for meeting the aggregated daily and monthly gas delivery requirements of those large volume Rate IT and special contract interruptible transportation customers that comprise their customer pool. Included among the aggregated gas supply and delivery obligations assumed by designated pool operators are requirements for responding to operational flow orders ("OFOs"), monthly balancing requirements, monthly "cash outs," Duke Energy Ohio to Duke Energy Kentucky, Inc. delivery charges, and the payment of penalty charges exclusive of those arising from customers' failure to interrupt or curtail deliveries when ordered to do so by the Company.

Pool operators shall have access to Company-offered services including balancing services and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

POOL OPERATOR REQUIREMENTS

Customers will not be permitted to join pools, nor shall pool operators be permitted to disband their pools, until all outstanding imbalances with the Company have been settled or eliminated.

NET MONTHLY BILL

The Net Monthly Bill shall be rendered to the pool operator by the tenth day of the calendar month for services rendered during the preceding month, and shall consist of the following charges, or credits, calculated on an aggregated basis for the entire customer pool:

1. In those instances where gas supplies are purchased from or sold to the Company under the monthly "cash-out" provision of Rate IMBS, the Company shall bill pool operator for the cost of such "cash-outs" based on the aggregated imbalance of the pool and the "cash-out" pricing provisions of that tariff schedule.

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NET MONTHLY BILL (Contd.)

2. In those instances where the pool operator has failed to fully respond to OFOs, pool operator will be billed unauthorized overrun/underrun charges, in addition to the flow-through of penalty charges from pipelines and gas suppliers that can be attributed to pool operator's failure to fully respond. (±)
3. In those instances where the pool operator delivers gas into the Duke Energy Ohio pipeline system and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky, Inc. for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky, Inc. for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate. (±)

LATE PAYMENT CHARGES

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable.

TERMS AND CONDITIONS

Pool operators must enter into written service agreements with the Company. Such service agreements shall set forth specific covenants and obligations undertaken by the Company and pool operators under this tariff on behalf of the customers that they serve. (±)

SERVICE REGULATIONS

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

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RATE GTS

GAS TRADING SERVICE

AVAILABILITY

Daily/monthly inter-pool imbalance trading services, available to (1) customers receiving interruptible gas transportation service under Rate IT or under special contract arrangements, who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT, special contract arrangements, or Rate FT-L customers to manage their gas supplies on their behalf and as a part of an aggregated customer pool.

(T)

CHARACTER OF SERVICE

The Company will operate an electronic bulletin board (EBB) through which eligible pool operators can ~~notice offers of gas supplies for purchase, sale, or trade~~ perform daily/monthly imbalance trades or transfers.

(T)
(T)

~~Daily imbalance trades or transfers must be completed within two (2) business days from the date that the trade or transfer applies. Monthly imbalance~~ All trades or transfers must be completed within two (2) business days following the end of the month.

(T)
(T)
(T)

Transactions will be completed when the pool operator(s) on both sides of a transaction key their acceptance into the EBB. ~~When that occurs, all other would be acceptors of the offer are locked out.~~ The Company will adjust the daily/monthly accounts of both parties to a transaction in order to record the volume transfer embodied in the transaction. Any dollar payments, receipts, or exchanges of other consideration agreed upon between the parties to a transaction are outside the scope of this tariff and must be completed between the parties themselves.

(D)

BILLING

The Company will bill the receiving party to a transfer under this tariff a \$5.00 fee for each transaction. For purposes of this tariff, a transaction is each transfer of gas supplies from one pool to another on a specific gas day pursuant to an arrangement by, or between, pool operators to purchase, sell, or trade gas supplies. For purposes of this tariff, the receiving party of a transfer is the purchaser or the party to whom gas supplies are transferred on a specific gas day.

SERVICE REGULATIONS

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

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RATE IMBS

INTERRUPTIBLE MONTHLY BALANCING SERVICE

AVAILABILITY

Interruptible monthly gas balancing service available (1) to customers receiving service under Rate FT-L, Rate IT and special contract interruptible transportation agreements who are acting as their own pool operator for supply management purposes, and (2) to pool operators designated by Rate FT-L, Rate IT and special contract interruptible transportation customers to manage their gas supplies on their behalf, and as a part of an aggregated customer pool. For purposes of this tariff, a pool operator shall aggregate the requirements of all of its pools' member customers and thereafter such aggregated pool shall be treated as a single customer for supply management purposes.

CHARACTER OF SERVICE

The service provided under this tariff is a “reasonable efforts,” interruptible gas balancing service that requires a general obligation by the pool operator to balance daily pool usage with pool deliveries into the Company’s city gate stations. No daily imbalance charges or penalties will be levied on the pool operators, except when Operational Flow Orders (OFO) have been issued. However, pool operators are under an ongoing obligation to work with the Company in a good faith manner to respond to both formal and informal system management requests, to strive to maintain relatively close daily balances, and to closely track their daily loads throughout the month. For purposes of this tariff, an OFO is as defined in Rate FRAS, Sheet No. 44. OFOs will be issued on an ongoing basis for pool operators who disregard their obligation to provide gas supplies in quantities that reasonably match their daily loads. OFOs shall be issued for operational reasons only. In the event a pool operator violates this tariff or the aggregation agreement, the Company may assess such a violator for all direct incremental gas supply, capacity, storage or penalty costs incurred due to the violation. In addition, if the violations are part of a pattern of non-compliance, or of a magnitude that merits additional action be taken, the Company may take steps to suspend or permanently remove a pool operator from participation upon notice. The Company shall have the right to limit or terminate the availability of this service to pool operators guilty of excessive abuse of the system; i.e., engaging in extreme and/or continued violations of the tariff terms and conditions including this general balancing requirement. For purposes of administering this tariff, the daily and monthly usage of all customers within an individual pool will be combined into single daily/monthly pool usage number, which will be matched against the pool operator’s total daily/monthly deliveries to its individual transportation pool. No later than one hour prior to the NAESB deadline for the timely nomination cycle, pool operator shall submit a valid nomination through the Company’s EBB of its total city gate quantities of gas scheduled for the following gas day. The Company will have no obligation to accommodate post-timely nominations, or changes thereto, that are made after the daily deadline.

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SERVICE DESCRIPTION

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

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SERVICE DESCRIPTION (Contd.)

	Allowed Monthly Under-Run %	Allowed Seasonal Monthly Over-Run		Charge on All Throughput	
		May Through November %	December Through April %		
All Pools	0	8	10	\$ 0.1097 ^{1.366} per Mcf	(I)

Pool operators shall be held to a monthly balancing requirement within the monthly imbalance carry over tolerance level. Pool operators shall be subject to a general obligation to balance pool requirements and deliveries on a daily basis unless an OFO has been issued. (T)

On days when OFOs have been issued, any net imbalances may result in unauthorized overrun/underrun charges or penalty charges being levied against the responsible pool operator. Such charges shall be calculated in accordance with the "Net Monthly Bill" provision of this rate. In order to minimize daily imbalance charges and penalties on OFO days, as well as end of month imbalance "cash-outs," pool operators are encouraged to participate in the Company's inter-pool imbalance trading/transfer service. ~~Daily imbalance trades/transfers made through the Company's EBB must be completed within two (2) business days from the date that the trade or transfer applies. All daily and monthly imbalance trades or transfers to comply with the monthly balancing requirements of Rate IMBS~~ must be completed within two (2) business days following the end of the month. (T)

NET MONTHLY BILL

Net monthly imbalances will be calculated for billing purposes as the net of: (T)

- a) actual deliveries, as adjusted for unaccounted for losses,
- b) plus or minus imbalance trades,
- c) plus or minus unauthorized daily or monthly OFO overrun/underrun volumes,
- d) plus monthly imbalance carryover,
- e) minus actual metered usage on an aggregated pool basis. (T)

The Net Monthly Imbalance percentage will be determined by dividing the net monthly imbalance as measured at the burner tip by the aggregated pool usage for the month. (T)

Pool operators receiving balancing services under this rate schedule shall be subject to the following charges:

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NET MONTHLY BILL (Contd.)

- (1) Unauthorized overrun/underrun charges as described above and resulting from pool operator's failure to comply with daily Operational Flow Orders except as provided above, as follows:
 - (a) Over-deliveries
 - (i) over-deliveries will be cashed out to the pool operator at the lowest cost of gas available to the Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate; and
 - (ii) Company shall bill and Supplier shall pay any charges incurred by Company including but not limited to pipeline penalty charges from the interstate pipelines for such excess deliveries, provided such penalties can be attributed to Supplier's over-deliveries.
 - (b) Under-deliveries
 - (i) the payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate;
 - (ii) one month's demand charges on the OFO shortfall. This charge shall not be imposed more frequently than once in any calendar month; and
 - (iii) the payment of all other charges incurred by Company including but not limited to pipeline penalty charges on the date of the OFO shortfall.

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NET MONTHLY BILL (Contd.)

- (2) End of month “cash-out” charges for volumes over/under-delivered outside of pool operator’s selected option tolerance levels, as follows:
- (a) Over-deliveries are defined as monthly deliveries into the Company’s city gate stations, plus the prior month’s carryover volumes that exceed the pool’s aggregated metered usage for the month as adjusted for shrinkage back to the city gate, and as adjusted for the pool’s elected monthly carry over tolerance percentage. Over-deliveries beyond the pool’s elected monthly carry over tolerance percentage shall be cashed out to the pool operator at the first of the month index published in *Inside F.E.R.C. Gas Market Report*, “Prices of Spot Gas Delivered to Pipelines,” Columbia Gulf Transmission Co., Mainline Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines’ commodity transportation costs, plus fuel, to the Company’s city gate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the volumes delivered in excess of the elected monthly carry over tolerance percentage, as measured at the burner tip. (⊕)
 - (b) Under-deliveries are defined as monthly deliveries into the Company’s city gate stations, plus the prior month’s carryover volumes, that are less than the pool’s aggregated metered usage for the month, as adjusted for shrinkage back to the city gate. Under deliveries shall be cashed out at the first of the month index published in *Inside F.E.R.C. Gas Market Report*, “Prices of Spot Gas Delivered to Pipelines,” Columbia Gulf Transmission Co., Mainline Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines’ commodity transportation costs, plus fuel, to the Company’s city gate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the under-delivered volumes, as measured at the burner tip. (⊕)

SERVICE REGULATIONS

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

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RATE DGS

DISTRIBUTED GENERATION SERVICE

AVAILABILITY

Available in the Company's entire service territory to customers who enter into a service agreement that identifies, among other provisions, facilities that are required to serve distributed generation installations. The facilities contemplated hereunder include, but are not limited to, the equipment necessary to accommodate non-standard system pressure. The Company reserves the right to decline requests to initiate or continue service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rates RS, GS, and FT-L.

CHARACTER OF SERVICE

The service provided under this tariff schedule is firm, on-demand, delivery service.

NET MONTHLY BILL

In addition to the provisions of the applicable firm transportation tariff, the following monthly charges shall apply for billing purposes.

Administrative Charge

A charge of \$25.00 per month shall be assessed for each account to which this service applies.

Monthly Capacity Reservation Charge

The customer shall pay, except when the installation is operating according to the service agreement, a monthly amount equal to the level of contract capacity stated in the service agreement, times the capacity reservation charge per CCF. The level of contract capacity is the customer's estimate of the maximum hourly load in CCF that the installation will require when operating as intended. The capacity reservation charge equals the delivery charge stated in the applicable firm transportation service tariff. The minimum monthly capacity reservation charge shall be \$2.00 per installation.

Facilities Charge

The customer shall pay the amount specified in the service agreement.

Delivery Charge

All deliveries, as determined by the Company, shall be billed under the provisions of the applicable firm transportation service tariff.

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly bill, which is the Net Monthly Bill plus five percent (5%), is due and payable.

TERMS AND CONDITIONS

The customer shall enter into a written service agreement with the Company which specifies the type of service(s) required, operational requirements, the facilities necessary to accommodate the type of service, and the level of capacity required by customer. The customer and the Company will mutually agree upon the level of contract capacity.

An additional meter shall be installed to separately measure the service hereunder.

The cost of facilities, as described in the service agreement, shall be paid by the customer.

The customer shall have contracted for such interstate pipeline services, including, but not limited to, firm transportation and no-notice delivery services, that are sufficient to satisfy the installation's planned operating schedule.

Changes in the level of contract capacity may be requested annually by the customer, on the anniversary date of the service agreement. Such requests shall be made at least thirty (30) days in advance of the anniversary date.

The term of contract shall be five years.

SERVICE REGULATIONS

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

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RIDER X

MAIN EXTENSION POLICY

AVAILABILITY

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

APPLICABILITY

Applicable to gas service supplied in accordance with provisions of the appropriate rate currently in effect, from the nearest available distribution main when it is necessary to extend such main.

EXTENSION PLAN

1. Normal Extensions. An extension of one hundred (100) feet or less shall be made by the Company to an existing distribution main without charge for a prospective customer who shall apply for and contract to use service for one year or more.
2. Other Extensions. When an extension of the Company's main to serve an applicant amounts to more than one hundred (100) feet per customer, the Company may require the total cost of the excess footage in excess of one hundred (100) feet per customer to be deposited with the Company by the applicant based on the estimated cost per foot for main extensions.

The applicant will be reimbursed under the following plan:

- (i) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer, who paid for the excess footage, the cost of one hundred (100) feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed, but in no case shall the total amount refunded, including the amount determined under paragraph (ii), exceed the amount paid to the Company.
- (ii) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer who paid for the excess footage, an amount reflecting the positive impact of a subsequent connection or extension, by analyzing the estimated cost and corresponding revenues resulting from the subsequent connection or extension. This amount will be paid when the first customer is connected to the subsequent connection or extension.

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EXTENSION PLAN (Continued)

(iii) If a customer contribution is necessary using the Normal Extension method noted in (1) above, and the extension is between 100 and 2,000 feet in length, the Company will perform a net present value (NPV) analysis based upon the total construction costs for the entire length of the extension, and not just the costs of the extension in excess of 100 feet. The NPV analysis will take into account all volumetric base distribution revenues and fixed monthly charge revenues to be received from the customer. The NPV analysis will use the discount rate applicable per the most recent rate case and assume a term of no less than twenty (20) consecutive years. If the NPV calculation is positive or zero, the customer will not be charged for the construction costs. If the NPV calculation is negative, the customer must deposit with the Company an amount equal to the results of the NPV calculation, prior to construction taking place. Any such deposit shall be eligible for a refund consistent with the terms and conditions of the main extension contract entered into between the Company and the customer. Further, the customer must continue to receive gas service from the Company at the same service installation or premises in order to be eligible for a refund. Refunds shall not exceed the amount of the deposit and shall be limited to a period of ten (10) consecutive years following the effective date of the main extension contract.

For large commercial and industrial customers with process load, the Company may require a minimum customer usage commitment for a defined period or term not to exceed six (6) years.

3. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the applicant, who paid for the extension, a sum equivalent to the cost of one hundred (100) feet of the extension installed for each additional customer connected during the year, but in no case shall the total amount refunded over the ten (10) year period exceed the amount paid to the Company. There shall be no refunds after the end of the said ten (10) year period.

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EXTENSION PLAN (Continued)

4. Nothing contained herein shall be construed to prohibit the Company from making extensions under different arrangements provided such arrangements have been approved by the Kentucky Public Service Commission.
5. Nothing contained herein shall be construed as to prohibit the Company from making, at its expense, greater extensions than herein prescribed, should its judgment so dictate, provided like free extensions are made to other customers under similar conditions.
6. Upon complaint to and investigation by the Kentucky Public Service Commission, the Company may be required to construct extensions greater than one hundred (100) feet upon a finding by the Commission that such extension is reasonable.

SERVICE REGULATIONS

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RIDER DSM

DEMAND SIDE MANAGEMENT COST RECOVERY RIDER

APPLICABILITY

Applicable to service rendered under the provisions of Rates RS (residential class), GS, and FT (non-residential class).

CHARGES

The monthly amount computed under each of the rate schedules to which this rider is applicable shall be increased or decreased by the DSM Charge at a rate per hundred cubic feet (CCF) of monthly consumption in accordance with the following formula:

$$\text{DSM Charge} = \text{PC} + \text{LR} + \text{PI} + \text{BA}$$

Where: **PC = DSM PROGRAM COST RECOVERY.** For each twelve month period, the PC shall include all expected costs for demand-side management programs which have been approved by a collaborative process. Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the PC. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated avoided pipeline capacity and commodity costs resulting from each program.

The PC applicable to the residential class shall be determined by dividing the cost of approved programs allocated or assigned to the residential class by the expected CCF throughput for the upcoming twelve-month period. Similarly, the cost of approved programs assigned to the non-residential class shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PC applicable to the non-residential rate class.

LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY. Revenues from lost throughput due to DSM programs will be recovered through the decoupling of revenues from actual throughput of the residential class. At the end of each twelve-month period after implementation of the DSM Charge, the non-variable revenue requirement (total revenue requirement less variable costs) for the residential class for Duke Energy Kentucky, Inc.'s most recent twelve month period will be adjusted to reflect changes in the number of customers and the usage per customer as follows: (1) the non-variable revenue requirement will be multiplied by the

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CHARGES (Cont'd)

factor obtained by dividing the twelve month average number of customers at the end of the current twelve-month period by the twelve month average number of residential customers at the end of the twelve-month period ending December 1994, and (2) the non-variable revenue requirement will be multiplied by a factor "F_g" calculated by the following formula:

LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY. (Contd.)

$$F_g = (1 + g)^{n/12}$$

Where: g = Growth factor - recalculated annually based on the most recent eleven years of actual customer data. Initially "g" shall be set at -0.0156; and
 n = the number of months from December 1994 to the end of the current twelve-month period.

At the end of each twelve-month period after implementation of the DSM Charge, the difference between the actual non-variable revenue billed during the twelve-month period and the adjusted non-variable revenue requirement, as described above, will be determined. This difference ("LR amount established for the twelve-month period") will be divided by the estimated CCF throughput for the upcoming twelve-month period to determine the LR for the residential class.

The LR applicable to the non-residential class shall be computed by 1) multiplying the amount of CCF throughput that will be lost for each twelve-month period as a result of the implementation of the approved programs times the CCF throughput charge for the applicable rate schedule, less the variable cost included in the charge; and, 2) dividing that product by the expected CCF throughput for the upcoming twelve-month period. The lost revenue attributable to decreased throughput to the non-residential class due to approved programs will be calculated through estimates agreed upon by the collaborative process, which may include engineering estimates, of the level of decreased throughput. Recovery of revenues from decreased throughput calculated for a twelve-month period for non-residential rate classes shall be included in the LR until terminated by the implementation of new rates pursuant to a general rate case. Revenues from such decreased throughput will be assigned for recovery purposes to the rate classes whose programs resulted in the decreased throughput.

PI = DSM PROGRAM INCENTIVE RECOVERY. The DSM Program Incentive (PI) amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent. Net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of Duke Energy Kentucky, Inc.'s avoided gas costs over the expected life of the program, and will include both capacity and

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

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CHARGES (Cont'd)

commodity savings. The DSM incentive amount related to programs for the residential class shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. The PI amount related to programs for the non-residential class rates shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

BA = DSM BALANCE ADJUSTMENT. The BA is used to reconcile the difference between the amount of revenues actually billed through the respective DSM Charge components; namely, the PC, LR, and PI and previous BA, and the revenues which should have been billed, as follows:

- (1) For the PC, the balance adjustment amount will equal the difference between the amount billed in a twelve-month period from the application of the PC unit charge and the actual cost of the approved programs during the same twelve-month period.
- (2) For the LR applicable to the residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from the application of the LR unit charge and the LR amount established for the same twelve-month period.

For the LR applicable to the non-residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the LR unit charge and the amount of lost revenues determined for the actual DSM program, or measures implemented during the twelve-month period.

- (3) For the PI, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the PI unit charge and the incentive amount determined for the actual DSM program, or measures implemented during the twelve-month period.
- (4) For the BA, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the BA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined above shall include interest. The interest applied to the monthly amounts, shall be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of balance adjustment amounts shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the BA. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over or under-recoveries of DSM amounts were realized.

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CHARGES (Cont'd)

All costs recovered through the DSM Charge will be assigned or allocated to Duke Energy Kentucky, Inc.'s electric or gas customers on the basis of the estimated net electric or gas resource savings resulting from each program.

DSM CHARGE FILINGS

The filing of modifications to the DSM Charge shall be made at least thirty days prior to the beginning of the effective period for billing. Each filing will include the following information as needed:

- (1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.
- (2) A statement setting forth the detailed calculation of each component of the DSM Charge.

Each change in the DSM Charge shall be applied to customers' bills with the first billing cycle of the revenue month which coincides with, or is subsequent to, the effective date of such change.

SERVICE REGULATIONS

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

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KY.P.S.C. Gas No. 2
~~Thirtieth~~ Thirty-First Revised Sheet No. 62
Cancels and Supersedes
~~Twenty-Ninth~~ Thirtieth Revised Sheet No. 62
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RIDER DSMR

DEMAND SIDE MANAGEMENT RATE

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 61 of this Tariff.

The DSMR to be applied to residential customer bills is \$0.030735 per hundred cubic feet.

A Home Energy Assistance Program (HEA) charge of \$0.30 will be applied monthly to residential customer bills.

The DSMR to be applied to non-residential service customer bills is \$0.00 per hundred cubic feet.

Issued by authority of an Order by the Kentucky Public Service
Commission dated ~~February 4, 2021~~ in Case No. ~~2020-00266~~ 2021-00190.
Issued: ~~February 15, 2021~~ December 31, 2021
Effective: ~~March 3, 2021~~ January 1, 2022
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky, Inc.
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Erlanger, Kentucky 41018

RIDER WNA
WEATHER NORMALIZATION ADJUSTMENT RIDER

APPLICABILITY

Applicable to all customers receiving service under Rate RS, Residential Service, and Rate GS, General Service.

DETERMINATION OF WNA

The distribution charge per Ccf for gas service as set forth in Rates RS and GS shall be adjusted by an amount herein under described as the Weather Normalization Adjustment (WNA).

The WNA shall apply to all Rate RS and Rate GS bills during the November through April billing periods. The WNA shall increase or decrease accordingly by month. The WNA will not be billed during the billing periods of May through October. Customer base loads and heating sensitivity factors will be determined by rate class and adopted from the most recent order of the Kentucky Public Service Commission (KYPSC) approving such factors to be used in the application of this Rider.

The WNA shall be computed by rate class using the following formula:

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

Where:

- i = A rate schedule or billing classification within a rate schedule
- WNA_i = Weather Normalization Adjustment Factor for the ith rate schedule or classification expressed as a rate per Ccf.
- R_i = Weighted average rate (distribution charge) of temperature sensitive sales for the ith schedule or classification.
- HSF_i = Heat sensitivity factor for ith rate schedule or classification.
- NDD = Normal billing cycle heating degree days (based upon Company's 30-year normal period adopted from the most recent order of the KYPSC approving such normal for use in the application of this Rider.
- ADD = Actual billing cycle heating degree days.
- BL_i = Base load for the ith rate schedule or classification.

Base Load for RS: 1.047887
Heat Sensitivity Factor for RS: 0.015467
Base Load for GS: 9.159645
Heat Sensitivity Factor for GS: 0.096462

(N)
(N)
(N)
(N)

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RIDER PMM

(N)

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 fully recover all costs associated with compliance with regulations promulgated by the U.S. Department of Transportation Pipeline and Hazardous Materials Administration, as approved by the Kentucky Public Service Commission. The monthly billing amount calculated for each rate schedule for which this rider is eligible shall increase or decrease as shown below.

PMM Surcharge or Credit per Ccf

<u>Residential (Rate RS)</u>	<u>\$0.00 / Month</u>
<u>General Service (Rate GS)</u>	<u>\$0.00 / Month</u>
<u>Firm Transportation – Large (Rate FT-L)</u>	<u>\$0.0000 / Ccf</u>
<u>Interruptible Transportation (Rate IT)</u>	<u>\$0.0000 / Ccf</u>

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.

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KY.P.S.C. Gas No. 2
~~Third~~~~Fourth~~ Revised Sheet No. 70
Cancelling and Superseding
~~Second~~~~Third~~ Revised Sheet No. 70
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GAS COST ADJUSTMENT CLAUSE

APPLICABILITY

The charge to each customer for the cost of gas shall be the appropriate Gas Cost Adjustment Rate applied to the customer's monthly consumption. This charge is applicable to all Company sales that are under the jurisdiction of the Kentucky Public Service Commission (Commission).

DETERMINATION OF GCA

The Company, unless otherwise ordered by the Commission, shall file a quarterly report with the Commission which shall contain an updated gas cost adjustment rate (GCA) and shall be filed at least thirty (30) days prior to the beginning of the billing period in accordance with an Order in Case No. 2018-00261. An Interim Gas Cost Adjustment may be filed in the event that significant changes in natural gas rates occur mid-quarter.

(+)
(+)
(+)
(+)

The GCA is comprised of:

- (1) The expected gas cost component (EGC) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which represents the average cost of gas supplies including propane. Estimated quarterly net charge offs on a dollar per Mcf basis, rounded to the nearest 0.1 cent, will be added to the EGC.
- (2) The supplier refund adjustment (RA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which reflects refunds received during the reporting period plus interest at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period, less 1/2 of 1 percent to cover the cost of refunding.
- (3) The actual adjustment (AA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any previous over or under collections of gas cost experienced and net charge offs by the Company through the operation of this gas cost recovery procedure.
- (4) The balance adjustment (BA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any over or under collections which have occurred as a result of prior adjustments.

(+)

BILLING

The gas cost recovery rate to be applied to the customers' bills shall equal the sum of the following components:

$$GCA = EGC + RA + AA + BA$$

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DEFINITIONS

For purposes of this tariff:

- (A) "Average Cost" means the cost of gas supplies, including associated transportation and storage charges and propane, which results from the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the three (3) month period, on purchased volumes during the twelve month period ending with the reporting period, divided by the corresponding sales volume.
- (B) "GCA" means the sum of the expected gas cost component plus the supplier refund adjustment plus the actual adjustment plus the balancing adjustment; i.e., $GCA = EGC + RA + AA + BA$.
- (C) "Billing period" means each of the four three-month periods of (1) December, January, and February; (2) March, April, and May; (3) June, July, and August; (4) September, October, and November.
- (D) "Reporting Period" means the three (3) month accounting period that ended approximately fifty-Five days prior to the filing date of the updated gas cost adjustment rates.

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KY.P.S.C. Gas No. 2
Seventy-~~Seventh~~Eighth Revised Sheet No. 77
Cancelling and Superseding
Seventy-~~Sixth~~ Seventh Revised Sheet No. 77
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RIDER GCAT

GAS COST ADJUSTMENT TRANSITION RIDER

APPLICABILITY

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve-month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

GCA TRANSITION RIDER

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be (\$0.0058) per 100 cubic feet. This rate shall be in effect during the month of June 2021 through August 2021 and shall be updated quarterly, concurrent with the Company's GCA filings.

(R)
(T)

Issued by authority of an Order of the Kentucky Public Service
Commission dated ~~April 15, 2021~~ in Case No. 2021-00173190
Issued: ~~April 30, 2021~~ December 31, 2021
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Issued by Amy B. Spiller /s/ Amy B. Spiller

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KY.P.S.C. Gas No. 2
~~Third~~Fourth Revised Sheet No. 80
Cancelling and Superseding
~~Second~~Third Revised Sheet No. 80
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BAD CHECK CHARGE

APPLICABILITY

Applicable to all customers in the Company's gas service area.

CHARGE

The Company may charge and collect a fee of \$11.00 to cover the cost of handling an unsecured check, where a customer tenders in payment of an account a check which upon deposit by the Company is returned as unpaid by the bank for any reason.

SERVICE REGULATIONS

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

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Commission dated ~~March 27, 2019~~ in Case No. ~~2018-00261~~2021-00190.

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Effective: ~~March 29, 2019~~January 1, 2022

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KY.P.S.C. Gas No. 2
~~Fourth~~^{Fifth} Revised Sheet No. 81
Cancelling and Superseding
~~Third~~^{Fourth} Revised Sheet No. 81
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CHARGE FOR RECONNECTION OF SERVICE

APPLICABILITY

Applicable to all customers in the Company's entire service area who are in violation of Rule 3, Company's Right to Cancel Service Agreement or to Suspend Service, of the Company's Gas Service Regulations.

CHARGE

The Company may charge and collect in advance the following:

A. The reconnection charge for service which has been disconnected due to enforcement of Rule 3 shall be ~~seventy-five~~^{ninety} dollars (\$~~75~~⁹⁰.00). (I)

B. The reconnection charge for service which has been disconnected within the preceding twelve months at the request of the customer shall be ~~seventy-five~~^{ninety} dollars (\$~~75~~⁹⁰.00). (I)

C. If service is discontinued because of fraudulent use thereof, the Company may charge and collect in addition to the reconnection charge of ~~seventy-five~~^{ninety} dollars (\$~~75~~⁹⁰.00) the expense incurred by the Company by reason of such fraudulent use, plus an estimated bill for gas used, prior to the reconnection of service. (I)

D. If a Company employee, whose original purpose was to disconnect the service, has provided the customer a means to avoid disconnection, service which otherwise would have been disconnected shall remain intact, and no reconnection charge shall be assessed. However, a collection charge of fifteen dollars (\$15.00) may be assessed, but only if a Company employee actually makes a field visit to the customer's premises. (D)
(N)
(N)
(N)

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 ~~April 27, 2020~~ in Case No. ~~2019-00274~~²⁰²¹⁻⁰⁰¹⁹⁰.
Issued: ~~May 1, 2020~~^{December 31, 2021}
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KY.P.S.C. Gas No. 2
~~Third~~Fourth Revised Sheet No. 82
Cancelling and Superseding
~~Second~~Third Revised Sheet No. 82
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LOCAL ~~FRANCHISE~~GOVERNMENT FEE

(T)

APPLICABLE TO ALL RATE SCHEDULES

There shall be added to the customer's bill, listed as a separate item, an amount equal to the fee now or hereafter imposed by local legislative authorities, whether by ordinance, franchise or other means, ~~which fee is based on the gross receipts collected by the Company from the sale of gas to customers within the boundaries of the particular legislative authority.~~ Such amount shall be added exclusively to bills of customers receiving service within the territorial limits of the authority imposing the fee.

(D)

(D)

(D)

Where the local legislative authority imposes a flat, fixed amount on the Company, the fee applied to the bills of customers receiving service within the territorial boundaries of that authority, shall be in the form of a flat dollar amount.

Where more than one such fee is imposed, each of the charges applicable to each customer shall be added to the customer's bill and listed separately.

The amount of such fee added to the customer's bill shall be determined in accordance with the terms of the ordinance, franchise or other directive agreed to be the Company.

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KY.P.S.C. Gas No. 2
~~Third~~Fourth Revised Sheet No. 83
Cancelling and Superseding
~~Second~~Third Revised Sheet No. 83
Page 1 of 4

CURTAILMENT PLAN FOR MANAGEMENT OF AVAILABLE GAS SUPPLIES

AVAILABILITY

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

APPLICABILITY

In the event of an emergency which necessitates curtailment of gas service, Duke Energy Kentucky, Inc. shall curtail gas service to its customers in the manner set forth herein, except where the Public Service Commission of Kentucky (Commission) or other authority having jurisdiction in the matter orders otherwise.

DEFINITIONS

Special Gas Service Contract Customers:

A customer who purchases gas, off-peak and firm, under a Special Gas Service Contract. Such a customer shall not qualify as a Domestic or Non-Domestic Customer.

Domestic Customers:

Customers which use gas in private homes, boarding houses, apartment houses, hotels, motels, restaurants, food processors, hospitals and places of like kind where the element of human welfare is the predominating requirement.

Non-Domestic Customers:

All other customers not defined as Domestic Customers or Special Gas Service Contract Customers.

Winter Period:

The consecutive customer billing months of November and December, of one year and the months of January, February and March in the next year.

Summer Period:

The consecutive customer billing months of April, May, June, July, August, September and October.

Winter Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of January, February, March, November and December of 1972.

Summer Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of April, May, June, July, August, September and October of 1972.

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KY.P.S.C. Gas No. 2
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DEFINITIONS (Contd.)

Adjusted Winter Volumetric Limitation:

A Non-Domestic Customer's winter base volumetric limitation for the gas usage during a winter period as adjusted from time to time by Duke Energy Kentucky, Inc. to reflect pro rata curtailment.

Adjusted Summer Volumetric Limitation:

A Non-Domestic Customer's summer base volumetric limitation for the gas usage during the summer period as adjusted from time to time by Duke Energy Kentucky, Inc. to reflect pro rata curtailment.

ORDER OF CURTAILMENT

- (1) The Special Gas Service Contract Customer will be curtailed to the extent of its off-peak usage limitation noted in the customer's contract whenever:
 - (a) Duke Energy Kentucky, Inc. cannot supply the Special Gas Service Contract customer its full requirements in excess of such customer's Contract Demand without incurring penalties under tariffs of Duke Energy Kentucky, Inc.'s supplier, or without having to purchase additional volumes of gas at premium rates, or without Duke Energy Kentucky, Inc. operating its peak load manufacturing facilities.
 - (b) Duke Energy Kentucky, Inc.'s supplier curtails delivery and as a result Duke Energy Kentucky, Inc. determines that it cannot supply the total requirements of its customers.

The off-peak gas of the Special Gas Service Contract Customer shall be fully curtailed before curtailment is imposed upon other customers; however, since all the contracted for firm gas is considered necessary for plant protection, it will not be curtailed prior to other customer curtailment.

- (2) Where additional curtailment is necessary after full curtailment of the off-peak of the Special Gas Service Contract Customers, Duke Energy Kentucky, Inc. shall, after giving reasonable notice, curtail those Non-Domestic Customers which use 50,000 cubic feet or more of gas per day on a pro rata basis by adjusting their Winter and/or Summer Base Volumetric Limitations downward to the extent necessary to limit the total usage to the gas supply available to Duke Energy Kentucky, Inc.. The resulting volumes will be the Non-Domestic Customer's adjusted Winter and/or Summer Volumetric Limitation. For plant protection the adjusted Winter and Summer Volumetric Limitations shall not be less than 20% of the respective Winter and Summer Base Volumetric Limitation. A Non-Domestic Customer consuming over 50,000 cubic feet or more of gas per day and having more than one metering location may, upon mutual agreement with Duke Energy Kentucky, Inc., combine his adjusted Volumetric Limitation at one or more locations only for curtailment purposes. Such customer must notify Duke Energy Kentucky, Inc. in writing and receive Duke Energy Kentucky, Inc.'s written consent of the accounts to be effected and the volumes to be combined.

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Issued: ~~April 5, 2019~~December 31, 2021
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Duke Energy Kentucky, Inc.
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ORDER OF CURTAILMENT (Cont'd.)

- (3) Where additional curtailment of gas service is necessary, after curtailment in curtailment with paragraph (2) above, then gas service to Non-Domestic Customers using under 50,000 cubic feet of gas per day shall be curtailed on a pro rata basis in the same manner provided in the above paragraph (2).
- (4) Where additional curtailment is necessary the Domestic Customer will then be curtailed on a pro rata basis.

CARRY-OVER AND ADJUSTMENT OF BASE VOLUMETRIC LIMITATION

No carry-over of volumes will be permitted from the Winter to Summer Period or from the Summer to Winter Period. In the establishment of the Winter and Summer Base Volumetric Limitations a customer may request an investigation as to the proper maximum volumes so determined. If such investigation discloses that the volumetric limitations do not reasonably reflect the normal usage of his equipment that was connected in 1972 or authorized by Duke Energy Kentucky, Inc. to be installed at a later date, such limitation will be adjusted accordingly. Such request must be made within 60 days of the approval of this curtailment plan and absent such a request the Base Volumetric Limitations will not be subject to any increase.

PENALTIES

Special Gas Service Contract Customers will be subject to penalties as set forth in their contract. As to the Non-Domestic Customers, after the end of the Winter Period and Summer Period the actual gas usage of each Non-Domestic Customer for the period during which curtailment was required shall be compared respectively to the Adjusted Winter and Summer Volumetric Limitations, and in addition to the Non-Domestic Customer's regular monthly bill, a penalty shall be charged if such usage exceeds the respective Adjusted Winter or Summer Volumetric Limitation. The penalty amount will be based on the same penalty rate applicable to Duke Energy Kentucky, Inc. from its sold supplier of natural gas, the Columbia Gas Transmission Corporation. As of June 1, 1975 the penalty as stated in the Columbia Gas Transmission Corporation's FPC filed tariff is ten dollars (\$10.00) for each 1,000 cubic feet overrun.

ACTION FOR EXCESSIVE USAGE

During periods of curtailment, where it appears to Duke Energy Kentucky, Inc. through its procedure of monitoring monthly usage of Non-Domestic Customers being curtailed, that a Non-Domestic Customer's usage will significantly exceed his adjusted Winter or Summer Volumetric Limitation, Duke Energy Kentucky, Inc. will give such customer notice to cease such excessive usage and, in the event such customer does not cease, Duke Energy Kentucky, Inc. may disconnect gas service to such customer.

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PENALTY REFUND

Penalties collected from Duke Energy Kentucky, Inc.'s customers will be added to the refunds received from Duke Energy Kentucky, Inc.'s supplier and held for redistribution and shall be refunded to all customers in accordance with Duke Energy Kentucky, Inc.'s gas cost adjustment provision. If Duke Energy Kentucky, Inc. incurred penalties from its supplier as a result of volumetric overruns, the amount of such penalties shall be subtracted from the total penalties collected by Duke Energy Kentucky, Inc. from its customers to determine the amount of penalties to be refunded.

BILLING OF PENALTIES

Penalties, as provided above, shall be reflected in the customers service bill for the Winter Period on the May bill and for the Summer Period on the December bill. Five percent (5%) will be added to the penalty amount if not paid on or before fourteen (14) calendar days after mailing date of the bill.

EMERGENCIES

In the event of a short-term emergency situation where immediate deliveries of additional gas are needed to prevent irreparable injury to life or property of an existing customer, Duke Energy Kentucky, Inc. shall, at its option, have the right to deliver additional volumes of gas to meet such emergency needs in excess of any limited volumes specified herein, without imposition of penalties where the emergency volumes are repaid by reduction of future gas purchases by the customer within ninety (90) days after termination of the emergency period. (⊕)

EXEMPTION

No exemptions from this Plan, other than emergency deliveries, as defined above, shall be granted except by Order of the Commission, directly through its duly designated Staff, or other authority having jurisdiction in this matter. (⊕)

AMENDMENT, MODIFICATION OR CLARIFICATION

Due to governmental order or rapid changes in gas supply it may be necessary to amend, modify or clarify this Curtailment Plan. This Plan may be so amended, modified or clarified by filing a Motion with the Commission. (⊕)

AVAILABILITY OF THE PLAN

Copies of this Plan, together with the address and telephone number of the Commission shall be kept at each business office of Duke Energy Kentucky, Inc. and shall be made available to any customer upon request. (⊕)

Issued by authority of an Order of the Kentucky Public Service
Commission dated ~~March 27, 2019~~ in Case No. ~~2018-00264~~ 2021-00190.
Issued: ~~April 5, 2019~~ December 31, 2021
Effective: ~~March 29, 2019~~ January 1, 2022
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Duke Energy Kentucky, Inc.
~~4580 Olympic Blvd, 1262 Cox Road~~
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
~~Second~~Third Revised Sheet No. 84
Cancelling and Superseding
First ~~Second~~ Revised Sheet No. 84
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**RATE MPS
METER PULSE SERVICE**

APPLICABILITY

Applicable to customers that request the Company to install gas meter pulse equipment, which is a meter related service not otherwise provided by the Company.

DESCRIPTION OF SERVICE AND SPECIFICATIONS

The service provided is an electronic pulse output, representing a pre-determined natural gas volume. The volume will vary at different meter installations, and will thus be communicated to the customer at the time of installation. Pressure and temperature correcting factors may need to be applied by the customer.

The pulse supplied does not represent rate of flow, only total volume and should not be used for control purposes. The end-use customer is responsible for providing power and communication links to the meter pulse equipment per the Company's specifications.

Customer must provide either a regulated 24 volts DC, or 120 volts AC, an area 2' x 2', 20' away from any gas pipeline flanges or gas pressure relief devices. The Company will supply a dry contact to their energy Management software.

A failure of the pulse initiator will not be detected by Company on any routine meter reading or during other operations. Therefore, customer will be required to recognize and report any problems with the pulse system, and Company shall not be responsible for incorrect data, or subsequent customer actions based upon the data.

TYPE OF CHARGES

Installation of Meter Pulse Equipment: \$~~860~~970.00 (l)

If replacement of Meter Index is necessary, additional charge of: \$~~635~~680.00 (l)

If replacement of the Gas Meter is necessary, charges will be determined based on then current prices for purchase and installation of applicable replacement meter.

If the Company is required to make additional visits to the meter site due to the inability to gain access to the meter location or the necessary Communication Link has not been installed, or the Communication Link is not working properly, the Company may charge the customer for any additional trip to the meter site at the per visit rate of: \$60.00

In addition, the Company shall charge for the cost of any incremental equipment necessary to complete the pulser installation.

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SERVICE REGULATIONS

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

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Commission dated ~~March 27, 2019~~ in Case No. ~~2018-00261~~2021-00190.
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Issued by Amy B. Spiller, President /s/ Amy B. Spiller

Clean Tariff

KY. P.S.C. Gas No. 2

DUKE ENERGY KENTUCKY, INC.

1262 Cox Road

(T)

Erlanger, Kentucky 41018

Rates, Rules and Regulations for Furnishing

GAS SERVICE

in

**Incorporated Cities and Unincorporated Territory
in Boone, Bracken, Campbell, Gallatin, Grant, Kenton,
and Pendleton Counties**

Filed with the

KENTUCKY PUBLIC SERVICE COMMISSION

Issued: December 31, 2021

Effective: January 1, 2022

Issued by DUKE ENERGY KENTUCKY, INC.

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

KY.P.S.C. Gas No. 2
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<u>Tariff Sheet Series No.</u>	<u>Description</u>	<u>Summary of Applicability*</u>
-	Title Page	
01	Table of Contents	
10	Index to Tariff Schedules and Communities Served	Complete list of available tariffs by Sheet No. and municipalities and counties served.
20	Service Regulations	Set of rules and regulations of the Company for providing gas service as approved by the Kentucky Public Service Commission.
30 & 40	Firm Gas Service	Tariffs available to customers requiring firm gas service.

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Duke Energy Kentucky, Inc.
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50	Transportation Service	Tariffs available to customers who require only delivery service.
60	Riders	Riders necessary to determine total amount of monthly bill to customers under special circumstances.
70	Gas Cost Recovery Riders	Riders necessary to determine total amount of monthly bill to all customers receiving gas service.
80	Miscellaneous	Miscellaneous periodic charges not reflected in standard service tariffs.

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

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Duke Energy Kentucky, Inc.
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INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED

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Gas Service

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INDEX TO COMMUNITIES SERVED (Continued)

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Second Revised Sheet No. 20
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SERVICE REGULATIONS

SECTION I - SERVICE AGREEMENTS

1. **Application for Service.**

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

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

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

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

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

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

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SECTION I - SERVICE AGREEMENTS (Contd.)

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

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

Whenever a residential customer receiving both gas and electric service has received a termination of service notice, the customer shall be given the option to pay for and continue receipt of one utility service only. The Company shall offer extended payment arrangements for the service designated by the customer. If both the gas and electric service of a residential customer have been previously discontinued for non-payment, the Company shall reconnect either service upon payment by the customer of the total amount owed on the service designated by the customer to be reconnected, except as provided in 807 KAR 5:006, section 16, Winter Hardship Reconnection.

4. Connection of Service.

Except as provided in Section 16 of the Kentucky Public Service Commission's regulations, the Company shall reconnect existing service within twenty-four (24) hours, and shall install and connect new service within seventy-two (72) hours, when the cause for discontinuance or refusal of service has been corrected and the Company's tariffed rules and Commission's regulations have been met.

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SECTION I - SERVICE AGREEMENTS (Contd.)

5. Change of Address of Customer.

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

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

6. Successors and Assigns.

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

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

SECTION II - SUPPLYING AND TAKING OF SERVICE

1. Character of Service.

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

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

2. Supplying of Service.

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

Notwithstanding the provisions of 807 KAR 5:006, Section 16, Winter Hardship Reconnection to the contrary, service will not be supplied to any premises if at the time of application for service the applicant is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. Final Bills may be transferred regardless of whether they are for combination gas and electric or gas only or electric only charges. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

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Erlanger, Kentucky 41018

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

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

3. Information Relative to Service.

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

4. Continuity of Service.

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

5. Suspension of Service for Repairs and Changes.

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

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1262 Cox Road
Erlanger, Kentucky 41018

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

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.

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

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

7. Customer's Responsibility.

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

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

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Erlanger, Kentucky 41018

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

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

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

9. **Access to Premises.**

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

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Fourth Revised Sheet No.22
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SECTION III - CUSTOMER'S INSTALLATION

1. Nature and Use of Installation.

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

2. Materials - Fittings - Tests.

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

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

3. Construction.

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

4. Changes in Installations.

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

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SECTION IV - COMPANY'S INSTALLATION

1. Installation and Maintenance.

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

2. Gas Service Piping.

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

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

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

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

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Service piping will end at the inlet connection of the meter which will be set at the point and entry of the service. If it is necessary to extend the service pipe beyond the point of entry, such exposed service piping in the building under flooring, through walls, coal bins, etc., shall be properly protected and the expense thereof borne by the customer.

In case of more than one building on a lot, a separate service will be run direct from the main to each building except in cases where the building nearest the Company's main extends the full width of the lot. In such cases the meter will be placed on the service in the nearest building and the customer must make his own extension to the other building.

The Company shall install excess flow valves (EFV) for all new and renewed service piping installations for single family homes or other Customer service classifications as part of its standard installation and at the Company's expense where such EFV installation is required in accordance with regulations of the Federal Pipeline Hazardous Materials Safety Administration (PHMSA). For all other service piping installations that are not covered by PHMSA installation requirements, the Customer may request the installation of an EFV at the Customer's sole expense. The Company and Customer shall mutually agree upon the timing of such installation with regard to any necessary permitting that may be required. The Customer requesting the installation of an excess flow valve shall be responsible for the actual total cost of such installation and the Company shall provide Customer with a written estimated cost of such installation prior to performing the installation. A deposit of fifty-percent of the estimated cost of installation shall be required prior to the commencement of the installation. The balance of the actual cost of installation shall be due upon completion.

The Company shall not be required to install an EFV if one or more of the following conditions is present:

- a. The service line does not operate at a pressure of 10 psig or greater throughout the year;
- b. Company has prior experience with contaminants in the gas stream that could interfere with the excess flow valve's operation or cause loss of service to a customer;
- c. The excess flow valve could interfere with necessary maintenance and operation activities;
or,
- d. An excess flow valve meeting applicable performance standards is not commercially available.

3. Company's Property and Protection Thereof.

All meters and equipment furnished by and at the expense of Company, which may at any time be in said premises, shall, unless otherwise expressly provided herein, be and remain the property of Company, and Customer shall protect such property from loss or damage, and no one who is not an agent of Company shall be permitted to remove or handle same.

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SECTION V - METERING

1. **Installation of Meters.**

Gas will be measured by a meter or meters to be installed by Company upon Customer's premises at a point most convenient for Company's service, and upon the registration of said meters all bills will be calculated.

2. **Meter Tests.**

All meter tests shall be made in accordance with rules issued by the Kentucky Public Service Commission.

Upon written request by customer, the Company shall perform a meter test if the request is not made more frequently than once a year.

3. **Monitoring of Customer Usage.**

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

1. The customer's monthly usage is monitored through a "hi-lo" review process that will incorporate customer past usage and other related information to provide an expected level of usage.
2. If there is a substantial difference between the actual and estimated usages, the account will be reviewed manually to determine the appropriate usage level.
3. Where the difference is not otherwise explained, the Company may obtain a special meter read to verify the accuracy of the previous usage.
4. Where the difference is still unexplainable after taking the special meter read, the Company may test the customer's meter to determine its accuracy.
5. The Company will notify the customer of the investigation, its findings, and any refund or back billing to be made, in accordance with 807 KAR 5:006, Section 11 (4) and (5).

In addition to the monthly monitoring, the Company will immediately investigate the usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

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SECTION VI - BILLING AND PAYMENT

1. **Billing Periods - Time and Place for Payment of Bills.**

Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Bills may be rendered by hand delivery, mail, electronically, or by any other reasonable means. Non-receipt of bills by Customer does not release or diminish the obligation of Customer with respect to payment thereof.

The word "month" as it pertains to the supply of service shall mean the period of approximately thirty days between meter readings, as fixed and made by Company. Meters are ordinarily read at monthly intervals but may be read more or less frequently at Company's option but no less than quarterly. Company shall have the right to establish billing districts for the purpose of reading meters and rendering bills to customers at various dates. A change or revision of any Rate Schedule shall be applicable to all bills on which the initial monthly meter reading is taken on or after the effective date of such change or revision, except as otherwise ordered by the Kentucky Public Service Commission.

Bills are due on the date indicated thereon as being the last date for payment of the net amount, or as otherwise agreed to, and bills are payable only at the Company's offices or authorized agencies for collection. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable. If a partial payment is made, the amount will be applied to items of indebtedness in the same order as they have accrued, except that any payment received shall first be applied to the bill for service rendered.

Customers current on their account may participate upon request in the Adjusted Due Date Program. The Adjusted Due Date Program is available to Duke Energy Kentucky gas customers who have an analog meter. This service allows a customer to adjust the due date of the energy bill five-to-ten days forward from the original due date.

The Company may issue interim bills based on average normal usage instead of determining actual usage by reading the meter. Interim bills may also be used when access to Company's meter cannot be obtained or emergency conditions exist.

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SECTION VI - BILLING AND PAYMENT (Contd.)

2. Information on Customer Bills.

Every bill rendered by the Company for metered service will clearly state:

- (a) The beginning and ending meter readings for the billing period and the dates thereof.
- (b) The amount of energy usage.
- (c) The amount due for the energy used, any adjustments, including assessed late payment charges, and the gross amount of the bill.
- (d) The rate code under which the customer is billed.
- (e) The date of the last day payment can be made without a late pay charge being assessed.
- (f) Any previous balance.
- (g) The address, phone number, and business hours of the Company.

- (h) The date of the next scheduled meter reading.
- (i) The date after which received payments are not reflected in the bill.
- (j) The type of service rendered (gas or electric).
- (k) The amount, and identification, of any tax or fee the Company is authorized either by state law or order of the Commission to collect.

3. Charge for Restoring Service for Non-Payment of Bill and Unlawful Use of Service.

Company may charge and collect in advance the sum as specified on Tariff Sheet "Charge For Reconnection of Service" for reconnecting a customer's service after service is disconnected because of non-payment of bill when due or when service is discontinued because of fraudulent use, except as may be provided by 807 KAR 5:006, Section 16, Winter Hardship Reconnection.

4. Temporary Discontinuance of Service.

If any residential customer, because of absence or otherwise, shall notify Company in writing or by telephone to discontinue service, Company will make no minimum charge for any full meter reading period during the period of discontinuance; provided however, that Company may charge and collect the sum as specified on Tariff Sheet "Charge For Reconnection of Service" prior to reconnecting a service which was discontinued at customer's request within the preceding twelve months.

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SECTION VI - BILLING AND PAYMENT (Contd.)

5. Availability of Budget Billing.

Company has available to its customers a "Budget Billing Plan" which minimizes billing amount fluctuations over a twelve month period. The Company may exercise discretion as to the availability of such a plan to a customer based on reasonable criteria, including but not limited to:

- (a) Customer's recent payment history.
- (b) The amount of the delinquent account.
- (c) Customer's payment performance in respect to any prior arrangements or plans.
- (d) Any other relevant factors concerning the circumstances of the customer including health and age.

If the customer fails to pay bills as rendered under the Budget Payment Plan, the Company reserves the right to revoke the plan, restore the customer to regular billing and require immediate payment of any deficiency.

Failure to receive a bill in no way exempts customer from the provisions of these terms and conditions.

Budget Billing Plan Description:

Annual Plan:

- The Annual Plan provides 12 months of equal payments by using 12 months of customer's usage, dividing the usage by 12, 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. (T)
- A bill message is sent after 3, 6, and 9 months with a new bill amount if the budget bill amounts compared to the actual bill amounts exceeds a Company set threshold. (T)
- The budget bill amount is also changed as needed after the 12 month review. (T)

Quarterly Plan:

- The Quarterly Plan provides 3 months of equal payments starting by using 12 months of customer's usage, dividing the usage by 12, and using the result to calculate the bill. (T)
- However, to prevent a settle-up month, reviews occur after 3, 6, 9, and 12 months on the plan and continue every 3 months thereafter. (T)
- The budget bill amount is changed as needed after each review. The change is automatic, and the customer does not need to contact Company. (T)
- A bill message is sent after each review with a new bill amount if the budget bill amounts compared to the actual bill amounts exceeds a Company set threshold. (T)

6. Partial Payment Plans.

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The Company shall negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice according to the regulations governing failure to pay, except the Company shall not be required to negotiate a partial payment plan with a customer who is delinquent under a previous payment plan.

7. Bill Format

The Company has included as Appendix A to these Service Regulations an example of the Company's customer bill format.

8. Landlord Programs

The Company will provide a Revert-to-Owner program available to Landlords, property managers, or other property owners to provide continuity in service when a tenant notifies the Company to discontinue service by automatically switching the account to the Landlord until a new tenant sets up service or the Landlord requests to discontinue service. The program is not applicable in situations where a tenant has been disconnected for nonpayment or the Company has been notified of a safety issue that warrants the termination of service. The provisions of the Automatic Landlord Transfer Agreement are outlined below.

Eligibility and Enrollment

1. An email address is required for enrollment. The Revert-to-Owner agreement may be emailed to the landlord, or accepted digitally through an online portal, known as the "Landlord Experience."
2. Landlord may enroll properties via self-service using the Company's "Landlord Experience" online portal or provide in writing a list of properties they wish to enroll in the program on a contract provided by the Company.
3. Eligibility to enroll in the Revert-to-Owner program requires any delinquent balance associated to the Landlord to be paid.
4. The Landlord may add and remove properties from the program at any time either by self-service using the "Landlord Experience" online portal or by contacting the Company's customer service department, and will be responsible for all charges associated to the properties enrolled while service is/was in their name.
5. Landlords may remove properties from the Revert-to-Owner program using the "Landlord Experience" online portal or by contacting the Company's customer service department.
6. The Landlord is responsible for notifying the Company of any changes in mailing address.
7. The Company shall maintain the discretion to remove a Landlord from the program for failure to pay.

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SECTION VII - DEPOSITS

1. Deposits.

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the customer's bill.

The deposit may be waived by the Company upon a customer's showing of satisfactory credit or payment history, and required residential service deposits will be returned after one (1) year if the customer has established a satisfactory payment record for that period; but commercial deposits will be retained during the entire time that the account remains active. A satisfactory payment record is defined as having had twelve (12) months of service with no more than three final notices and no disconnection for non-payment. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The Company may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. The Company will not require an additional deposit from a residential customer with a satisfactory payment record unless the customer's classification of service changes or the customer requests recalculation of their deposit pursuant to 807 KAR 5:006, Section 8(1)(d)(3). Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

(T)

(T)

(T)

In determining whether a deposit will be required or waived, information such as the following may be considered:

1. Previous payment history with the Company. If the customer has no previous history with the Company, statements from other utilities, banks, etc. may be presented by the customer as evidence of good credit.
2. Whether the customer has filed bankruptcy proceedings within the last seven years.
3. Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

A security deposit will be required pursuant to 11 U.S.C. Section 366 in all bankruptcies where the Company is listed as a creditor.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

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SECTION VII – DEPOSITS (Continued)

2. All Calculated Deposits.

Customer deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed two-twelfths (2/12) of the customer's actual or estimated annual bill.

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SECTION VIII - APPLICATION

1. Application of Service Regulations and Rate Schedules.

All Service Agreements at present in effect or that may be entered into in the future are made expressly subject to these Service Regulations and any modifications hereof that may be lawfully made, and subject to all applicable existing Rate Schedules and any lawfully made changes therein, substitutions therefor or additions thereto.

2. Agents Cannot Modify Agreement.

No agent has the right to amend, modify or alter the application rates, terms, conditions, rules, or regulations as filed with the Kentucky Public Service Commission, or to make any promise or representation not contained in the Company's schedules, supplements thereto and revisions thereof, lawfully filed with said Commission.

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SECTION IX - GAS SPACE HEATING REGULATIONS

1. Gas Space Heating Regulations.

The Company shall not be required to supply gas for new or additional space heating equipment installed from and after the effective date hereof unless the consumer present or prospective, makes written application to the Company for such supply at a specific address and receives written approval from the Company therefor. An approval for the use of gas for space heating is not transferable from one premise to another except by written approval from the Company.

If any consumer fails to install gas-fired space heating equipment pursuant to said approval within one year from the date of issuance thereof fails to demonstrate to the Company's satisfaction before the expiration of said period that he intends to avail himself of the use of such gas under such approval with due diligence, the Company may cancel, nullify and void such approval.

The Company need not issue an approval for the utilization of gas for space heating purposes in a commercial or industrial building for new or additional heating equipment having a total rated input capacity in excess of 1,000,000 Btu per hour, unless the applicant shall install standby facilities having a capacity satisfactory to the Company and shall agree in writing with the Company to use such standby facilities and discontinue the use of gas for space heating when and for such periods of time as the Company may request. In the event the use of gas for space heating by such consumer is not promptly discontinued at the request of the Company, the latter, upon discovery thereof, is authorized to discontinue all gas service to such consumer until such time as the gas space heating equipment has been disconnected. Where such action is necessary on the part of the Company it may cancel, nullify and void such approval.

Should any consumer fail to comply with these gas space heating regulations, the Company, upon discovery thereof, and after giving ten days notice to such consumer, is authorized to disconnect his gas service until such time as these regulations are complied with.

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SECTION X - AVAILABILITY OF GAS SERVICE

1. Gas Service to New Loads.

Mains shall be extended to customers in accordance with the currently effective tariff sheet entitled Rider X, Main Extension Policy, as contained within tariff Ky. P.S.C. Gas No. 2.

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

RATE RS RESIDENTIAL SERVICE

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:

All gas is billed in units of 100 cubic feet (CCF).

1. Base Rate:

Customer Charge per month:	\$17.50	(I)
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	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a commodity Charge for						
all CCF at	\$0.54438	plus	\$0.4283	Equals	\$0.97268	(I)

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 62, Rider DSMR, Demand Side Management Rate

Sheet No. 65, Rider WNA, Weather Normalization Adjustment Rider

Sheet No. 66, Rider PMM, Pipeline Modernization Mechanism

Sheet No. 70, Rider GCA, Gas Cost Adjustment Clause

(N)

The "Customer Charge" shown above shall be the minimum amount billed each month.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

SERVICE REGULATIONS

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

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

**RATE GS
GENERAL SERVICE**

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:

All gas is billed in units of 100 cubic feet (CCF)

1. Base Rate:

Customer Charge per month: \$58.00 (I)

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	\$0.35676	Plus	\$0.4283	Equals	\$0.78506	(I)

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 62, Rider DSMR, Demand Side Management Rate

Sheet No. 65, Rider WNA, Weather Normalization Adjustment Rider

Sheet No. 66, Rider PMM, Pipeline Modernization Mechanism

Sheet No. 70, Rider GCA, Gas Cost Adjustment Clause

(N)

The "Customer Charge" shown above shall be the minimum amount billed each month.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

SERVICE REGULATIONS

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

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RATE FRAS

FULL REQUIREMENTS AGGREGATION SERVICE

AVAILABILITY

This service is available to Suppliers delivering gas on a firm basis to the Company's city gate receipt points on behalf of customers receiving firm transportation service from the Company under Rate Schedule FT-L.

DEFINITIONS

"Aggregation Service" is a service provided by the Company that allows Suppliers to deliver to the Company, on a combined basis, those natural gas supplies that are needed to satisfy the full firm requirements of the one or more firm transportation customers that comprise the membership of the Supplier's pool, as defined below, all in accordance with the rules established by the Company regarding delivery requirements, banking, billing and payments, and Supplier performance requirements.

"Arrears" means an account that is at least 30 days past due and amounts to at least \$50.

"Commission" means the Kentucky Public Service Commission.

"Customer" means a recipient of transportation service provided by the Company under Rate FT-L that secures its gas supply from a Supplier.

"Gas Supply Aggregation/Customer Pooling Agreement" is an agreement between the Company and Supplier that defines the mutual responsibilities and obligations of those parties relative to the Aggregation Service provided under Rate FRAS.

"Operational Flow Order" (OFO) is a directive issued by the Company via its electronic bulletin board ("EBB") requiring Suppliers to adjust their daily deliveries into the Company's system to either (1) match, (2) match or be less than, or (3) match or be more than their pool's actual daily measured usage for those customers receiving service under Rate FT-L, Rate IT and interruptible special contracts, or deliver at specified city gate receipt points as requested by the Company.

"Over-Deliveries" or "Positive Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the Pool customers during the period is less than the sum of the volumes made available by supplier for redelivery by the Company to the Pool during the same period.

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DEFINITIONS (Contd.)

"Pool" is a single customer or group of customers that have been joined together for supply management purposes, and that has a combined annual throughput of at least 30,000 Mcf. Supplier will have a one year period to build their annual pool throughput volume to the indicated level, after which they may be subject to removal from the Program for not having achieved a minimum participation level.

"Program" means the Company's firm transportation/supply aggregation program under Rate FT-L and Rate FRAS.

"Supplier" is a marketer, supplier, broker, pool operator, producer, or other qualified business entity that has joined a group of the Company's firm transportation customers together for gas supply management purposes, meets the qualifications for a "Supplier" set forth in Rate FRAS, agrees to accept responsibility for the aggregate supply management requirements of the pool, and has executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company.

"Suppliers Daily Pool Delivery Obligation" is defined as the daily city gate delivery quantities determined by the actual measured usage of customers in Supplier's FT-L Pool adjusted for "unaccounted for" losses back to the Company's city gate stations, and then converted from volumetric to thermal quantities.

"Under-Deliveries" or "Negative Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the Pool customers during the period exceeds the sum of the volumes made available by supplier for redelivery by the Company to the Pool during the same period.

AGGREGATION AGREEMENT

Before commencing service hereunder, Supplier must have met the qualifications to act as a program supplier and must have executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company. Such agreement shall be for a minimum of two years and shall set forth the mutual obligations and responsibilities of both the Company and the Supplier relative to this aggregation customer pooling service.

The mutual benefits and obligations under the "Gas Supply Aggregation/Customer Pooling Agreement" and under this tariff begin when the Supplier commences to supply pool customers with gas supply service. Supplier's obligations under this tariff and referenced Agreement shall inure to, and be binding on its successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof. However, no agreement for service may be assigned or transferred without the written consent or approval of the Company, which shall not be unreasonably withheld.

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REQUIREMENTS FOR PARTICIPATION

Each Supplier who applies to participate in the Company's Customer Aggregation/Firm Transportation Program will be evaluated to ensure that it possesses the financial resources and sufficient experience that will enable it to perform its responsibilities as a Supplier in the program. On the basis of this evaluation, a Supplier's participation may be limited to a level specified by the Company.

Suppliers not meeting the necessary credit level will be required to provide additional security in the form of a letter of credit, a cash deposit, and/or other appropriate guaranty in order to participate in order for the Company to perform its evaluation, Suppliers will be required to provide the following information:

1. Audited financial statements prepared within the last 12 months;
2. Most recent annual report, 10K or 10Q;
3. A listing of parent company and other affiliates;
4. Names, addresses, and telephone numbers of 3 trade references; and
5. Names, addresses, and telephone numbers of banking institution contacts.

In the event any of the above information is unavailable from a Supplier, the Company may permit the Supplier to provide other verifiable sources of financial information for that Supplier.

Financial evaluations will be based on standard credit factors such as previous customer history, financial and credit ratings, trade references, bank information, unused line of credit, and related financial information. The Company will determine Supplier's creditworthiness based on the above criteria, and it will not deny a Supplier's participation in the Program without reasonable cause. A fee of \$50.00 will be assessed to Supplier for each financial evaluation.

The Company may acquire information regarding Supplier's performance in other programs and other states in order to evaluate supplier's reputation and fitness for inclusion in the Company's Program.

The Company reserves the right to re-evaluate Suppliers' financial standing from time to time. Such re-evaluation may be initiated either by a request from the Supplier or by the Company, if the Company reasonably believes that the creditworthiness of a Supplier may have changed or that the Supplier's participation level has exceeded the level for which the Supplier was previously approved. Based on such re-evaluation, a Supplier's amount of required financial security or approved participation level may be increased or decreased, or the Supplier may be removed from further participation in the Program.

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SUPPLIER CODE OF CONDUCT

Each Supplier participating in the Company's transportation programs must:

1. communicate to participating customers in clear, understandable terms the customer's rights and responsibilities. This communication must include (a) the Supplier's customer service address and local or toll-free telephone number; and (b) a statement describing the Supplier's dispute resolution procedures;
2. provide in writing pricing and payment terms that are clearly defined and understandable and that inform consumers whether the price that the customer will pay is inclusive or exclusive of applicable taxes, and Company approved tariff riders and surcharges;
3. refrain from engaging in communications or promotional practices which are fraudulent, deceptive, or misleading;
4. deliver gas to the Company on a firm basis on behalf of the Supplier's pool members in accordance with the requirements of the "Gas Supply Aggregation/Customer Pooling Agreement";
5. establish and maintain a creditworthy financial position that enables Supplier to indemnify the Company and the customers for costs incurred as a result of any failure by Supplier to deliver gas in accordance with the requirements of the program and to assure payment of any KyPSC-approved charges for any such failure;
6. refrain from requesting customer-specific billing, payment, and usage history without first having received the customer's approval to access such information.

Failure to fulfill any of these obligations shall be considered a violation of the Supplier's Code of Conduct.

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CONSEQUENCES OF SUPPLIER'S FAILURE TO PERFORM OR COMPLY

If Supplier fails to deliver gas in accordance with the full service requirements of its Pool customers, the Company shall supply gas temporarily to the affected Pool customers and shall bill Supplier the higher of either (1) the fair market price for that period; or (2) the highest incremental cost of gas for that period that the Company actually paid for gas supplies, including transportation and all other applicable charges. The Company shall have the right to immediately and unilaterally invoke Supplier's letter of credit, parental guarantee or any other collateral posted by the Supplier in order to enforce recovery from supplier of the cost of these replacement supplies.

If Supplier fails to deliver gas in accordance with the requirements of the Company's "Gas Supply Aggregation/Customer Pooling Agreement," or otherwise fails to comply with the provisions of this tariff, including those specified in the "Supplier Code of Conduct" section, the Company shall have the discretion to temporarily suspend or terminate such Supplier from further participation in the Program. If Supplier is suspended or terminated from the Company's Program, customers in the Supplier's Pool shall revert to the Company's sales service until said customers join another Supplier's Pool.

If the Company seeks to suspend or terminate a Supplier from further participation in the Company's Program, it shall first notify the Supplier of the alleged violations which merit suspension or termination. Such notice must be in writing and must be communicated to the Supplier at the contact information listed in the "Gas Supply Aggregation/Customer Pooling Agreement" at least five (5) business days prior to the effective date of the suspension or termination.

BILLING

Customers receiving service under Rate FT-L will receive two bills as follows:

- (a) The Company bills and collects its portion of the bill. This billing includes charges for local delivery service and all applicable surcharges. In the event that a customer remits to the Company less than the amount included on the Company's bill, the customer shall be subject to the same late charges and disconnection procedures which would be applicable if the customer were receiving service as a Company sales customer.
- (b) Supplier will be responsible for billing and collecting its portion of the bill including any arrearages that are due from Supplier's own prior billings. To facilitate Supplier's billing, the Company will provide the Supplier with a listing of the monthly meter readings and usages of all those customers within Supplier's pool that have been billed by the Company. This billing data will correspond to the consumption data on which the Company based its bill for local delivery service. Supplier is responsible for providing gas supplies to all customers within its pool until the customers are returned to system supply or move to another pool in accordance with the procedures that have been developed for adding and deleting customers from a Supplier's pool.

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UPSTREAM CAPACITY REQUIREMENTS

Suppliers participating in the Company's firm transportation program must secure their own upstream pipeline capacity required to meet Supplier's Rate FT-L pool peak day requirements. Due to the physical configuration of the Company's system, and certain upstream interstate pipeline facilities, and to enable the Company to comply with lawful interstate pipeline tariffs and/or to maintain the Company's system integrity, the Company reserves the right to direct Supplier to proportionally deliver, with respect to the Systems' (the Duke Energy Ohio and Duke Energy Kentucky, Inc. integrated operating system) northern and southern interstate pipeline interconnects, the Supplier's daily pool requirements. In those instances where the pool operator delivers gas into the Duke Energy Ohio system and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky, Inc. for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky, Inc. for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate.

The Company may make available to Suppliers, upstream interstate pipeline capacity. Suppliers accepting this capacity are subject to the terms and conditions of the tariffs of the pipeline companies on whose facilities such capacity is accepted. A Supplier who wishes to contract for released capacity must make a request for a period in excess of thirty days and agree to pay the full contract demand rate which the Company would otherwise pay for the released capacity, in order for supplier to be assured the assignment of such capacity. The Company shall not be obligated to provide requested capacity if it has no surplus capacity beyond the amount needed to supply its Gas Cost Adjustment customers.

(T)

SCHEDULING AND BALANCING REQUIREMENTS

Suppliers must deliver to the Company daily quantities of gas in accordance with the provisions of Rate IMBS.

No later than one hour prior to the North American Energy Standards Board (NAESB) deadline for the timely nomination cycle, Supplier shall submit a valid nomination through the Company's EBB of its total city gate quantities of gas scheduled for the following gas day. The Company will have no obligation to accommodate post-timely nominations, or changes thereto, that are made after the daily deadline.

Pool operators shall have access to Company offered services including balancing services and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

Suppliers are subject to OFOs issued by the Company as described below. The Company may suspend from this program any Supplier which does not comply with an Operational Flow Order.

(Z)
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MEASUREMENT OF CONSUMED VOLUMES

Monthly volumes billed to participating customers shall be considered actual volumes consumed, whether the meter reading is actual or calculated.

OPERATIONAL FLOW ORDERS

Suppliers are subject to the Company's issuance of Operational Flow Orders which will direct each Supplier to adjust scheduled daily delivery volumes to match the Customer Pool's metered FT-L usage.

Failure to comply with an OFO, which is defined as the difference between the daily OFO required delivery volume and actual daily deliveries, will result in the indicated action and/or billing of the following charges:

Under-deliveries

- (1) the payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate;
- (2) one month's demand charges on the OFO shortfall. This charge shall not be imposed more frequently than once in any calendar month; and
- (3) the payment of all other charges incurred by Company including but not limited to pipeline penalty charges on the date of the OFO shortfall.

Over-deliveries

- (1) Over-deliveries will be 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
- (2) Company shall bill and Supplier shall pay any charges incurred by Company including but not limited to pipeline penalty charges from the interstate pipelines for such excess deliveries, provided such penalties can be attributed to Supplier's over-deliveries.

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COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES

In conducting its Program, the Company will adhere to the following Standards of Conduct for Marketing Affiliates:

- (1) Company must apply any tariff provision relating to transportation services in the same manner for the same or similarly situated persons if there is discretion that may be applied in the application of the provision.
- (2) Company must strictly enforce a tariff provision for which there is no discretion allowed in the application of the provision.
- (3) Company may not, through a tariff provision or otherwise, give any Supplier including its marketing affiliate or customers of any Supplier including its affiliate, preference over any other gas Suppliers or their customers in matters, rates, information, or charges relating to transportation service including, but not limited to, scheduling, balancing, metering, storage, standby service, or curtailment policy. For purposes of the Company's Program, any ancillary service provided by Company, e.g., billing and envelope service, that is not tariffed will be priced and made equally available to all.
- (4) Company must process all similar requests for transportation in the same manner and within the same approximate period of time.
- (5) Company shall not disclose to anyone other than a Company employee any information regarding an existing or proposed gas transportation arrangement, which Company receives from (i) a customer or Supplier, (ii) a potential customer or Supplier, (iii) any agent of such customer or potential customer, or (iv) a Supplier or other entity seeking to supply gas to a customer or potential customer, unless such customer, agent, or Supplier authorizes disclosure of such information.

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COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)

- (6) If a customer requests information about Suppliers, the Company must provide a list of all Suppliers operating on its system, but shall not endorse any Supplier nor indicate that any Supplier will receive a preference because of a corporate relationship.
- (7) Before making customer lists available to any Supplier, including any Company marketing affiliate, Company will post on its electronic bulletin board a notice of its intent to make such customer list available. The notice will describe the date the customer list will be made available, and the method by which the customer list will be made available to all Suppliers.
- (8) The Company will, to the extent practicable, separate the activities of its operating employees from its affiliate marketing employees in all areas where their failure to maintain independent operations may have the effect of harming customers or unfairly disadvantaging unaffiliated Suppliers.
- (9) Company must not condition or tie its agreements for gas supply or for the release of interstate pipeline capacity to any agreement by a gas supplier, customer or other third party in which its marketing affiliate is involved.
- (10) Company and its marketing affiliate must keep separate books of accounts and records.
- (11) Neither the Company nor its marketing affiliate personnel shall communicate to any customer, Supplier or third party the idea that any advantage might accrue for such customer, Supplier or third party in the use of Company's service as a result of that customer's, Supplier's or other third party's dealing with any Supplier including its marketing affiliate.
- (12) The Company's complaint procedure for resolving issues concerning compliance with these standards of conduct will operate as follows. All complaints, whether written or verbal, will be referred to the Company's designated attorney. The Company's designated attorney will orally acknowledge the complaint within five (5) working days of receipt. The complainant party shall prepare a written statement of the complaint which will contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and specific claim. The Company's designated attorney must communicate the results of the preliminary investigation to the complainant in writing within thirty (30) days after the complaint was received including a description of any course of action which was taken. He or she must keep a file with all such complaint statements for a period of not less than three years.

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COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)

- (13) If the Company offers any Supplier, including its affiliate or a customer of any Supplier, including its affiliate a discount, or fee waiver for transportation services, balancing, meters or meter installation, storage, standby service or any other service offered to shippers, it must prospectively offer such discounts, rebates or fee waivers to all similarly situated non-affiliated suppliers or customers under similar terms and conditions.
- (14) The Company will not use its name and logo in its marketing affiliate's promotional material, unless the promotional material discloses in plain, legible or audible language, on the first page or at the first point where the Company's name and logo appear, that its marketing affiliate is not the same entity as the Company. The Company is also prohibited from participating in exclusive joint activities with any Supplier, including its affiliate, such as advertising, marketing, sales calls or joint proposals to any existing or potential customers.

OTHER RULES AND REGULATIONS

Except to the extent superseded herein, the Company's Rules and Regulations Governing the Distribution and Sale of Gas and such other Commission rules as are applicable shall apply to all gas transportation service provided hereunder.

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RATE IT

INTERRUPTIBLE TRANSPORTATION SERVICE

APPLICABILITY

Applicable to curtailable natural gas local delivery service and available to any customer who: (1) signs a contract with the Company for service under Rate IT; (2) utilizes a minimum of 10,000 CCF per month during the seven consecutive billing periods commencing with customer's first meter reading taken on or after April 1; (3) has arranged for the delivery of gas into the Company's system for customer's sole use at one point of delivery where distribution mains are adjacent to the premises to be served, and (4) has become a member of a pool under Rate AS and elected Interruptible Monthly Balancing Service under Rate IMBS. Any service provided hereunder shall be provided by displacement and on a "reasonable efforts" basis. The Company reserves the right to decline requests to initiate or continue such service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L.

This rate schedule shall not preclude the Company from entering into alternative special arrangements with Commission approval, which are designed to meet unique circumstances.

The service provided hereunder shall be interruptible local gas delivery service provided on a "reasonable efforts" basis from the Company's city gate receipt points to the outlet side of the meter used to serve Customer. The Company, to insure its ability to reliably supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L, shall have the right for operational purposes to designate the city gate receipt points where the customer's pool operator is required to deliver its gas.

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NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
All gas consumed is billed in units of 100 cubic feet (CCF)

Administrative Charge per month: \$430.00

Commodity Charge per CCF:

Company will deliver the arranged-for gas, less shrinkage which is equal to the Company's system average unaccounted for percentage, at a rate per CCF of \$0.10816 per CCF (I)
except as specified in the "Alternate Fuels" provision;

Plus balancing related charges pursuant to Rates IMBS if customer has elected to operate as its own pool operator for supply management purposes.

Plus the throughput charge under Rate IMBS, Interruptible Monthly Balancing Service.

Plus, if applicable, charges for unauthorized deliveries as described later in this tariff.

Plus charges under Rider PMM, Pipeline Modernization Mechanism. (N)

MINIMUM BILL

The minimum monthly bill that customer shall receive shall be the monthly Administrative Charge shown above, and, in addition thereto during the seven (7) consecutive billing periods beginning in April, the 10,000 CCF volume minimum. If customer fails to take delivery of 10,000 CCF per month during the months of April through October, customer will be billed, in addition to the Administrative Charge and charges for the delivered volumes, an amount equal to the difference between 10,000 CCF and the delivered volumes billed at Rate GS, including all applicable Riders.

MINIMUM USAGE

In the event that customer repeatedly and significantly fails to meet the seven (7) summer months minimum usage requirements of this tariff, Customer may, at the Company's option, be removed from this tariff and denied further service or may be switched to either Rate GS or FT-L.

UNAUTHORIZED DELIVERIES

In the event customer fails to interrupt transportation deliveries at Company's request, any excess deliveries through customer's meter will be considered unauthorized deliveries that are subject to the flow-through of pipeline penalty charges to the extent they are incurred by the Company, and in addition thereto, shall be paid for as specified under the "Charges For Unauthorized Deliveries" provision of this rate. The charges for such unauthorized deliveries shall be billed directly to the customer in lieu of its "pool operator", if applicable. However, Company shall not be precluded from physically discontinuing service to the customer if the customer refuses to interrupt service when requested by the Company.

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CHARGES FOR UNAUTHORIZED DELIVERIES

Any customer taking unauthorized deliveries shall be billed: (1) an amount reflective of the general service delivery rate, Rate GS, Sheet No. 31; plus (2) the higher of (a) the expected gas cost component of the gas cost recovery rate, (b) the Company's highest cost gas plus one month's demand charges on the highest daily unauthorized volume (this charge shall not be imposed more frequently than once in any calendar month), or (c) the cost of operating the Company's propane peak shaving plant. In any event, customer shall reimburse the Company for any interstate pipeline penalty charges resulting from such unauthorized deliveries as well as the cost incurred to valve-off the customer's service if so required to effectuate compliance with the interruptible provisions of this rate.

ALTERNATIVE FUELS

The Company may, without prior Commission approval, charge a rate lower than that specified in the "Net Monthly Bill" provision to meet competition from alternative fuels. The decision to charge a lower rate will be made on a case-by-case basis, supported by a statement in an affidavit from the customer that absent such lower rate, customer would utilize an alternative fuel source. The lower rate shall not be less than one-half the commodity rate specified in the "Net Monthly Bill" provision, plus all applicable riders and surcharges.

The Company may also charge customer who has requested flexible rate pricing a rate higher than that specified in the "Net Monthly Bill" provision if such rate remains competitive with the price of energy from customer's alternative fuel source. The higher rate shall not exceed 150 percent of the commodity rate specified in the "Net Monthly Bill" provision, plus applicable riders and surcharges.

Once a customer receives a flexible transportation rate, as described in the preceding paragraphs, the customer must continue to pay a flexible rate as determined by the Company for a period of three months. After three months, the customer may, upon written notification to the Company, apply for a flexible rate for another three months. Absent such notification, customer's rate will revert to the fixed rate established herein.

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ELECTION OF MONTHLY BALANCING OPTION

A "pool" can be a single Rate IT customer acting on its own behalf, or a group of Rate IT customers who join, or are joined, together for purposes of gas supply management under this tariff. A "pool operator" has a contractual responsibility to manage the aggregated gas supply requirements of all of the Rate IT customers that comprise its pool. All supply management responsibilities of individual customers are transferred to the pool operator once a customer becomes a part of a pool, as the aggregated balancing requirements of all pool members are treated under this tariff as though they were a single customer with its own supply management responsibilities.

Monthly throughput charges under Rate IMBS shall be billed directly to the end-use customer. All other balancing charges and supply management charges, including "cash out" charges, penalties and other like charges billed under the provisions of Rate IMBS shall be billed directly to the pool operator, regardless of whether the pool operator is an individual customer acting as its own pool operator or an aggregated customer's pool operator. For purposes of calculating these charges, the usage of all customers within a pool will be combined into a single pool usage number that will be matched against the pool operator's total deliveries to its IT pool.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5% is due and payable.

TERMS AND CONDITIONS

In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. As a pre-requisite for receiving service under this tariff, Customer will be responsible for installing and maintaining, at the Customer's expense, a dedicated 110v electrical service in a location suitable to provide electrical service for the Company's telemetering equipment, or such other equipment or utilities as may be necessary at customer's meter site. Customer shall also be responsible for the monthly charges for such other necessary equipment or utilities.

The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on a daily basis. Daily operational information shall include information on daily gas flows provided by Automated Meter Reading (AMR) equipment, telemetry, or any other means the Company has available to provide the customer, or its designated pool operator, with its best estimate of daily gas usage.

The customer shall enter into a written agreement with the Company. Such agreement shall set forth specific arrangements as to the transportation services provided and any other circumstances relating to the individual customer.

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TERMS AND CONDITIONS (Contd.)

The Company's "reasonable efforts" basis is defined as the right, at any time, to curtail or interrupt the delivery or transportation of gas under this tariff when, in the judgment of the Company, such curtailment or interruption is necessary to enable the Company to maintain deliveries to higher priority customers or to respond to any emergency.

Customer acting as its own pool operator, or customer's designated pool operator/supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable the gas to be delivered into the Company's system.

Customer's pool operator must agree, upon request by Company, to produce, in a timely manner, proof of the purchase of the natural gas to be transported, any necessary regulatory approvals, and any and all transportation arrangements with all interstate pipelines, intrastate pipelines, or others involved in transporting the pool's gas supplies.

The Company will not be liable for any costs and/or penalties charged by pipelines or suppliers, because of pool operator's over- or under-deliveries into the pipeline, or pool customers' failure to take deliveries through the Company's meters that, in the aggregate, match the amount of gas transported by the pool operator to Company's city gate.

In order to qualify for Rate IT service, customers who satisfy the definition of human needs and public welfare customers must purchase standby service or have alternative fuel capability, or have a combination thereof sufficient to maintain minimal operations.

A human needs and public welfare customer is a customer whose facilities are used for residential dwelling on either a permanent or temporary basis; commercial customers of a residential nature; other customers whose service locations are places of the kind where the element of human welfare is the predominant factor; and civil and governmental customers whose facilities are required in the performance of protecting and preserving the public health, safety, and welfare. Such facilities shall include, but are not limited to, houses, apartment buildings, correctional institutions, hospitals, nursing homes, and charitable institutions.

The primary term of contract shall be one (1) year. After completion of the primary term, such contract shall continue month to month unless cancelled by either party by giving thirty (30) days written notice. In the event customer re-applies for service under this tariff within one year from the date that this contract was terminated at customer's request, customer shall pay the minimum monthly bill charges specified in the Minimum Bill provision of this tariff for the number of months customer's service was inactive.

SERVICE REGULATIONS

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

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RATE FT - L

FIRM TRANSPORTATION SERVICE

AVAILABILITY

Service under this rate schedule is available to any customer who: (1) enters into a written agreement with the Company; and (2) has arranged for delivery of gas into the Company's system for the customer's use at one point of delivery where distribution mains are adjacent to the premise to be served. Service provided hereunder shall be by displacement. This is a firm full requirements large volume transportation service, which is provided from the Company's city gate receipt points to the outlet side of Company's meter used to serve the customer. This service is available within the Company's entire service territory to serve the firm service requirements of non-residential customers who use more than 20,000 CCF per year, and the firm service requirements of customers receiving firm service in combination with service under Rate IT, except for those customers whose utility service accounts are past due at the time customer desires to utilize this service, or whose accounts fall into arrears, as defined in Rate FRAS, after choosing this service.

For customers whose accounts fall into arrears after choosing this service, the customer will be returned to the Company's sales service effective with the customer's next scheduled meter reading, and will be ineligible to choose this transportation service until all arrears are paid in full. For customers receiving service under this tariff, the written agreement between the Supplier and the customer may be terminated by supplier for non-payment of the customer's gas commodity portion of the bill if the account is at least 30 days past due. The Supplier shall give the Company and the customer no less than 30 days written notice that the customer will be switched from the Supplier and revert to the Company's sales service unless the past due amount is paid by the customer's next scheduled bill due date. If the past due amount is paid by the next scheduled bill due date, the customer will not revert to the Company's sales service but will remain with the Supplier. Customer must enter into a "pooling" agreement with a Supplier from a list of approved gas pool operators that have signed both a "Large Volume Customer Transportation Pooling Agreement" and a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company. Such suppliers must arrange for the delivery of gas into Company's system in accordance with Rate FRAS.

Customers who believe that they will significantly increase throughput, from their historic firm service levels, shall so inform the Company.

DEFINITIONS

Terms used in this tariff are defined in the same manner as set forth in Rate FRAS, Sheet No. 44.

CHANGES IN CUSTOMERS' SERVICE ELECTIONS

Customers who elect service under this tariff and later return to Company's sales service may do so only in accordance with the requirements of the Company's tariffs and applicable regulations of the Kentucky Public Service Commission. If a customer voluntarily elects to return to the Company's sales service, all incremental gas procurement, upstream transportation and storage costs incurred by Company in order to return customer to sales service may, as determined by the Company, have to be borne by customer.

Issued by authority of an Order of the Kentucky Public Service
Commission dated _____ in Case No. 2021-00190.

Issued: December 31, 2021

Effective: January 1, 2022

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

Duke Energy Kentucky, Inc.
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NET MONTHLY BILL

The Net Monthly Bill shall be determined in accordance with the following rates and charges:

Administrative Charge per Month: \$430.00

The Administration Charge hereunder will be waived when this service is used in combination with the service provided under Sheet No. 50, Rate IT, Interruptible Transportation Service.

Plus a charge for each CCF of gas transported for customer from Company's city gate measuring stations to the outlet side of Company's meter used to measure deliveries to customer at: \$0.20377 per CCF (I)

Plus the throughput charge under Sheet No. 58, Rate IMBS, Interruptible Monthly Balancing Service.

Plus all transported gas shall be subject to an adjustment per CCF as set forth on: Sheet No. 66, Rider PMM, Pipeline Modernization Mechanism, and Sheet No. 77, Rider GCAT, Gas Cost Adjustment Transition Rider, except as provided thereon. (N)

Plus, or minus, rate adjustments which may occur as a result of changes in the rates of interstate pipelines, or of rulings of the Kentucky Public Service Commission and/or the Federal Energy Regulatory Commission, and for which it is determined that all customers should be allocated some portion of the corresponding costs or refunds.

Customer and/or its Suppliers shall be responsible for the payment and collection of excise taxes, sales taxes, revenue taxes, or similar taxes on the gas supplies that customer purchases from its Supplier.

MINIMUM BILL

The monthly minimum bill shall be the Administrative Charge as shown above.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5% is due and payable.

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GENERAL TERMS AND CONDITIONS

1. Remote Metering

In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. As a pre-requisite for receiving service under this tariff, Customer will be responsible for installing and maintaining, at the customer's expense, a dedicated 110v electrical service in a location suitable to provide electrical service for the Company's telemetering equipment, or such other equipment or utilities as may be necessary at customer's meter site. Customer shall also be responsible for the monthly charges for such other necessary equipment or utilities.

The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on a daily basis. Daily operational information shall include information on daily gas flows provided by Automated Meter Reading (AMR) equipment, telemetry, or any other means the Company has available to provide the customer, or its designated pool operator, with its best estimate of daily gas usage.

2. Approved Supplier List

Company shall maintain a list of approved Suppliers from which customer can choose. Such list will include Suppliers who have signed a Gas Supply Aggregation/Customer Pooling Agreement in which Supplier has agreed to participate in and provide gas supplies to Rate FT-L pools, and abide by Company's requirements for its pooling program. This list shall be available to any customer upon request.

3. Applications and Service Date

A customer who desires service under this tariff shall apply through its chosen Supplier. Customer must also enter into a written agreement with the Company, as such agreement shall set forth specific arrangements as to the transportation services provided and any other circumstances relating to the individual customer. Unless the Company determines that the customer is not eligible to become a transportation customer of the Supplier, the Company shall exercise its reasonable efforts to transfer the customer to the Supplier's pool on the customer's next regularly scheduled meter reading date after a dedicated electrical service and automated meter reading equipment is installed and operative.

A customer, who terminates service under this tariff and returns to sales service, or who changes Suppliers, shall through its supplier provide Company with written or electronic notice. Requests so received shall normally be honored on customer's next regularly scheduled meter reading date. In the event that a customer is returned to sales service for non-payment, the Supplier shall provide the Company with notice of termination and shall comply with any notice requirements of the Suppliers' Code of Conduct set forth in Rate FRAS, Sheet No. 44.

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GENERAL TERMS AND CONDITIONS (Contd.)

4. Access to Usage History and Current Billing Information

The "Customer Pooling Agreement," used to initiate requests for service under this tariff, shall authorize customer's Supplier to receive customer's usage, billing, and payment history from the Company, to act on customer's behalf in making billing/usage inquiries, and in exchanging current billing information with Company, including notices of commencement or termination of service by either party.

5. Service Term

Except customers returned for non-payment or for good cause shown, the primary term of contract shall be a minimum of one (1) year. Customers may not elect to move to or from the Company's sales service and transportation service, or between rate schedules during this twelve month primary term. In addition, such movements will require thirty days advance notice to the Company and the Company's specific authorization if such movements are to occur during the winter period, November through March. After completion of the primary term, such contract shall continue unless cancelled by either party upon thirty (30) days written notice

6. Regulatory Approvals

Customer's Supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable gas to be delivered to the Company's system.

CURTAILMENT OF SERVICE

In times of system emergencies, the Company may curtail service under this rate schedule in order to maintain service to human needs customers and customers receiving service under Rates RS, GS and in accordance with curtailment procedures on file with, and approved by, the Kentucky Public Service Commission. In the event customer fails to comply with the Company's direction to curtail, the Company reserves the right to physically discontinue service to the customer. Company shall not be liable in damages or otherwise to customer for any loss of production, other claim, or any consequences occasioned by customer as a result of such curtailment or because of the lack of advance notice to customer of such curtailment.

SERVICE REGULATIONS

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

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RATE AS

AGGREGATION SERVICE FOR INTERRUPTIBLE GAS TRANSPORTATION

AVAILABILITY

Pooling service available to (1) customers receiving interruptible gas transportation service under Rate IT and special contract interruptible customers who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT and special contract interruptible customers to manage gas supplies on their behalf and as a part of an aggregated customer pool. For purposes of administering this tariff, the usages of all customers within a pool will be combined into a single pool usage number, which will be matched against the pool operator's total deliveries to its Rate IT and special contract interruptible transportation pool.

CHARACTER OF SERVICE

Customers must elect whether they will operate as their own pool operator or choose a pool operator from a list of approved gas pool operators that have signed a "Large Volume Customer Transportation Pooling Agreement" with the Company. Such elections will be assumed to carryover from month to month unless the customer or pool operator notifies the Company of a change at least ten (10) days prior to the start of a new month. In such agreements, the pool operator accepts the responsibility for meeting the aggregated daily and monthly gas delivery requirements of those large volume Rate IT and special contract interruptible transportation customers that comprise their customer pool. Included among the aggregated gas supply and delivery obligations assumed by designated pool operators are requirements for responding to operational flow orders ("OFOs"), monthly balancing requirements, monthly "cash outs," Duke Energy Ohio to Duke Energy Kentucky, Inc. delivery charges, and the payment of penalty charges exclusive of those arising from customers' failure to interrupt or curtail deliveries when ordered to do so by the Company.

Pool operators shall have access to Company-offered services including balancing services and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

POOL OPERATOR REQUIREMENTS

Customers will not be permitted to join pools, nor shall pool operators be permitted to disband their pools, until all outstanding imbalances with the Company have been settled or eliminated.

NET MONTHLY BILL

The Net Monthly Bill shall be rendered to the pool operator by the tenth day of the calendar month for services rendered during the preceding month, and shall consist of the following charges, or credits, calculated on an aggregated basis for the entire customer pool:

1. In those instances where gas supplies are purchased from or sold to the Company under the monthly "cash-out" provision of Rate IMBS, the Company shall bill pool operator for the cost of such "cash-outs" based on the aggregated imbalance of the pool and the "cash-out" pricing provisions of that tariff schedule.

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NET MONTHLY BILL (Contd.)

2. In those instances where the pool operator has failed to fully respond to OFOs, pool operator will be billed unauthorized overrun/underrun charges, in addition to the flow-through of penalty charges from pipelines and gas suppliers that can be attributed to pool operator's failure to fully respond.
3. In those instances where the pool operator delivers gas into the Duke Energy Ohio pipeline system and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky, Inc. for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky, Inc. for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate.

LATE PAYMENT CHARGES

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable.

TERMS AND CONDITIONS

Pool operators must enter into written service agreements with the Company. Such service agreements shall set forth specific covenants and obligations undertaken by the Company and pool operators under this tariff on behalf of the customers that they serve.

SERVICE REGULATIONS

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

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RATE GTS

GAS TRADING SERVICE

AVAILABILITY

Daily/monthly inter-pool imbalance trading services, available to (1) customers receiving interruptible gas transportation service under Rate IT or under special contract arrangements, who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT, special contract arrangements, or Rate FT-L customers to manage their gas supplies on their behalf and as a part of an aggregated customer pool.

CHARACTER OF SERVICE

The Company will operate an electronic bulletin board (EBB) through which eligible pool operators can perform daily/monthly imbalance trades or transfers. (T)

All trades or transfers must be completed within two (2) business days following the end of the month. (T)

Transactions will be completed when the pool operator(s) on both sides of a transaction key their acceptance into the EBB. The Company will adjust the daily/monthly accounts of both parties to a transaction in order to record the volume transfer embodied in the transaction. Any dollar payments, receipts, or exchanges of other consideration agreed upon between the parties to a transaction are outside the scope of this tariff and must be completed between the parties themselves. (D)

BILLING

The Company will bill the receiving party to a transfer under this tariff a \$5.00 fee for each transaction. For purposes of this tariff, a transaction is each transfer of gas supplies from one pool to another on a specific gas day pursuant to an arrangement by, or between, pool operators to purchase, sell, or trade gas supplies. For purposes of this tariff, the receiving party of a transfer is the purchaser or the party to whom gas supplies are transferred on a specific gas day.

SERVICE REGULATIONS

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

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RATE IMBS

INTERRUPTIBLE MONTHLY BALANCING SERVICE

AVAILABILITY

Interruptible monthly gas balancing service available (1) to customers receiving service under Rate FT-L, Rate IT and special contract interruptible transportation agreements who are acting as their own pool operator for supply management purposes, and (2) to pool operators designated by Rate FT-L, Rate IT and special contract interruptible transportation customers to manage their gas supplies on their behalf, and as a part of an aggregated customer pool. For purposes of this tariff, a pool operator shall aggregate the requirements of all of its pools' member customers and thereafter such aggregated pool shall be treated as a single customer for supply management purposes.

CHARACTER OF SERVICE

The service provided under this tariff is a "reasonable efforts," interruptible gas balancing service that requires a general obligation by the pool operator to balance daily pool usage with pool deliveries into the Company's city gate stations. No daily imbalance charges or penalties will be levied on the pool operators, except when Operational Flow Orders (OFO) have been issued. However, pool operators are under an ongoing obligation to work with the Company in a good faith manner to respond to both formal and informal system management requests, to strive to maintain relatively close daily balances, and to closely track their daily loads throughout the month. For purposes of this tariff, an OFO is as defined in Rate FRAS, Sheet No. 44. OFOs will be issued on an ongoing basis for pool operators who disregard their obligation to provide gas supplies in quantities that reasonably match their daily loads. OFOs shall be issued for operational reasons only. In the event a pool operator violates this tariff or the aggregation agreement, the Company may assess such a violator for all direct incremental gas supply, capacity, storage or penalty costs incurred due to the violation. In addition, if the violations are part of a pattern of non-compliance, or of a magnitude that merits additional action be taken, the Company may take steps to suspend or permanently remove a pool operator from participation upon notice. The Company shall have the right to limit or terminate the availability of this service to pool operators guilty of excessive abuse of the system; i.e., engaging in extreme and/or continued violations of the tariff terms and conditions including this general balancing requirement. For purposes of administering this tariff, the daily and monthly usage of all customers within an individual pool will be combined into single daily/monthly pool usage number, which will be matched against the pool operator's total daily/monthly deliveries to its individual transportation pool. No later than one hour prior to the NAESB deadline for the timely nomination cycle, pool operator shall submit a valid nomination through the Company's EBB of its total city gate quantities of gas scheduled for the following gas day. The Company will have no obligation to accommodate post-timely nominations, or changes thereto, that are made after the daily deadline.

(T)
(T)
(T)
(T)
(T)

SERVICE DESCRIPTION

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

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SERVICE DESCRIPTION (Contd.)

	Allowed Monthly Under-Run %	Allowed Seasonal Monthly Over-Run		Charge on All Throughput	
		May Through November %	December Through April %		
All Pools	0	8	10	\$0.1366 per Mcf	(l)

Pool operators shall be held to a monthly balancing requirement within the monthly imbalance carry over tolerance level. Pool operators shall be subject to a general obligation to balance pool requirements and deliveries on a daily basis unless an OFO has been issued.

On days when OFOs have been issued, any net imbalances may result in unauthorized overrun/underrun charges or penalty charges being levied against the responsible pool operator. Such charges shall be calculated in accordance with the "Net Monthly Bill" provision of this rate. In order to minimize daily imbalance charges and penalties on OFO days, as well as end of month imbalance "cash-outs," pool operators are encouraged to participate in the Company's inter-pool imbalance trading/transfer service. All daily and monthly imbalance trades or transfers must be completed within two (2) business days following the end of the month.

(T)
(T)

NET MONTHLY BILL

Net monthly imbalances will be calculated for billing purposes as the net of:

- a) actual deliveries, as adjusted for unaccounted for losses,
- b) plus or minus imbalance trades,
- c) plus or minus unauthorized daily or monthly OFO overrun/underrun volumes,
- d) plus monthly imbalance carryover,
- e) minus actual metered usage on an aggregated pool basis.

The Net Monthly Imbalance percentage will be determined by dividing the net monthly imbalance as measured at the burner tip by the aggregated pool usage for the month.

Pool operators receiving balancing services under this rate schedule shall be subject to the following charges:

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NET MONTHLY BILL (Contd.)

- (1) Unauthorized overrun/underrun charges as described above and resulting from pool operator's failure to comply with daily Operational Flow Orders except as provided above, as follows:
 - (a) Over-deliveries
 - (i) over-deliveries will be cashed out to the pool operator at the lowest cost of gas available to the Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate; and
 - (ii) Company shall bill and Supplier shall pay any charges incurred by Company including but not limited to pipeline penalty charges from the interstate pipelines for such excess deliveries, provided such penalties can be attributed to Supplier's over-deliveries.
 - (b) Under-deliveries
 - (i) the payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate;
 - (ii) one month's demand charges on the OFO shortfall. This charge shall not be imposed more frequently than once in any calendar month; and
 - (iii) the payment of all other charges incurred by Company including but not limited to pipeline penalty charges on the date of the OFO shortfall.

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NET MONTHLY BILL (Contd.)

- (2) End of month “cash-out” charges for volumes over/under-delivered outside of pool operator’s selected option tolerance levels, as follows:
- (a) Over-deliveries are defined as monthly deliveries into the Company’s city gate stations, plus the prior month’s carryover volumes that exceed the pool’s aggregated metered usage for the month as adjusted for shrinkage back to the city gate, and as adjusted for the pool’s elected monthly carry over tolerance percentage. Over-deliveries beyond the pool’s elected monthly carry over tolerance percentage shall be cashed out to the pool operator at the first of the month index published in *Inside F.E.R.C. Gas Market Report*, “Prices of Spot Gas Delivered to Pipelines,” Columbia Gulf Transmission Co., Mainline Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines’ commodity transportation costs, plus fuel, to the Company’s city gate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the volumes delivered in excess of the elected monthly carry over tolerance percentage, as measured at the burner tip.
 - (b) Under-deliveries are defined as monthly deliveries into the Company’s city gate stations, plus the prior month’s carryover volumes, that are less than the pool’s aggregated metered usage for the month, as adjusted for shrinkage back to the city gate. Under deliveries shall be cashed out at the first of the month index published in *Inside F.E.R.C. Gas Market Report*, “Prices of Spot Gas Delivered to Pipelines,” Columbia Gulf Transmission Co., Mainline Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines’ commodity transportation costs, plus fuel, to the Company’s city gate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the under-delivered volumes, as measured at the burner tip.

SERVICE REGULATIONS

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RATE DGS

DISTRIBUTED GENERATION SERVICE

AVAILABILITY

Available in the Company's entire service territory to customers who enter into a service agreement that identifies, among other provisions, facilities that are required to serve distributed generation installations. The facilities contemplated hereunder include, but are not limited to, the equipment necessary to accommodate non-standard system pressure. The Company reserves the right to decline requests to initiate or continue service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rates RS, GS, and FT-L.

CHARACTER OF SERVICE

The service provided under this tariff schedule is firm, on-demand, delivery service.

NET MONTHLY BILL

In addition to the provisions of the applicable firm transportation tariff, the following monthly charges shall apply for billing purposes.

Administrative Charge

A charge of \$25.00 per month shall be assessed for each account to which this service applies.

Monthly Capacity Reservation Charge

The customer shall pay, except when the installation is operating according to the service agreement, a monthly amount equal to the level of contract capacity stated in the service agreement, times the capacity reservation charge per CCF. The level of contract capacity is the customer's estimate of the maximum hourly load in CCF that the installation will require when operating as intended. The capacity reservation charge equals the delivery charge stated in the applicable firm transportation service tariff. The minimum monthly capacity reservation charge shall be \$2.00 per installation.

Facilities Charge

The customer shall pay the amount specified in the service agreement.

Delivery Charge

All deliveries, as determined by the Company, shall be billed under the provisions of the applicable firm transportation service tariff.

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly bill, which is the Net Monthly Bill plus five percent (5%), is due and payable.

TERMS AND CONDITIONS

The customer shall enter into a written service agreement with the Company which specifies the type of service(s) required, operational requirements, the facilities necessary to accommodate the type of service, and the level of capacity required by customer. The customer and the Company will mutually agree upon the level of contract capacity.

An additional meter shall be installed to separately measure the service hereunder.

The cost of facilities, as described in the service agreement, shall be paid by the customer.

The customer shall have contracted for such interstate pipeline services, including, but not limited to, firm transportation and no-notice delivery services, that are sufficient to satisfy the installation's planned operating schedule.

Changes in the level of contract capacity may be requested annually by the customer, on the anniversary date of the service agreement. Such requests shall be made at least thirty (30) days in advance of the anniversary date.

The term of contract shall be five years.

SERVICE REGULATIONS

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RIDER X

MAIN EXTENSION POLICY

AVAILABILITY

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

APPLICABILITY

Applicable to gas service supplied in accordance with provisions of the appropriate rate currently in effect, from the nearest available distribution main when it is necessary to extend such main.

EXTENSION PLAN

1. Normal Extensions. An extension of one hundred (100) feet or less shall be made by the Company to an existing distribution main without charge for a prospective customer who shall apply for and contract to use service for one year or more.
2. Other Extensions. When an extension of the Company's main to serve an applicant amounts to more than one hundred (100) feet per customer, the Company may require the total cost of the excess footage in excess of one hundred (100) feet per customer to be deposited with the Company by the applicant based on the estimated cost per foot for main extensions.

The applicant will be reimbursed under the following plan:

- (i) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer, who paid for the excess footage, the cost of one hundred (100) feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed, but in no case shall the total amount refunded, including the amount determined under paragraph (ii), exceed the amount paid to the Company.
- (ii) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer who paid for the excess footage, an amount reflecting the positive impact of a subsequent connection or extension, by analyzing the estimated cost and corresponding revenues resulting from the subsequent connection or extension. This amount will be paid when the first customer is connected to the subsequent connection or extension.

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EXTENSION PLAN (Continued)

(iii) If a customer contribution is necessary using the Normal Extension method noted in (1) above, and the extension is between 100 and 2,000 feet in length, the Company will perform a net present value (NPV) analysis based upon the total construction costs for the entire length of the extension, and not just the costs of the extension in excess of 100 feet. The NPV analysis will take into account all volumetric base distribution revenues and fixed monthly charge revenues to be received from the customer. The NPV analysis will use the discount rate applicable per the most recent rate case and assume a term of no less than twenty (20) consecutive years. If the NPV calculation is positive or zero, the customer will not be charged for the construction costs. If the NPV calculation is negative, the customer must deposit with the Company an amount equal to the results of the NPV calculation, prior to construction taking place. Any such deposit shall be eligible for a refund consistent with the terms and conditions of the main extension contract entered into between the Company and the customer. Further, the customer must continue to receive gas service from the Company at the same service installation or premises in order to be eligible for a refund. Refunds shall not exceed the amount of the deposit and shall be limited to a period of ten (10) consecutive years following the effective date of the main extension contract.

For large commercial and industrial customers with process load, the Company may require a minimum customer usage commitment for a defined period or term not to exceed six (6) years.

3. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the applicant, who paid for the extension, a sum equivalent to the cost of one hundred (100) feet of the extension installed for each additional customer connected during the year, but in no case shall the total amount refunded over the ten (10) year period exceed the amount paid to the Company. There shall be no refunds after the end of the said ten (10) year period.

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EXTENSION PLAN (Continued)

4. Nothing contained herein shall be construed to prohibit the Company from making extensions under different arrangements provided such arrangements have been approved by the Kentucky Public Service Commission.
5. Nothing contained herein shall be construed as to prohibit the Company from making, at its expense, greater extensions than herein prescribed, should its judgment so dictate, provided like free extensions are made to other customers under similar conditions.
6. Upon complaint to and investigation by the Kentucky Public Service Commission, the Company may be required to construct extensions greater than one hundred (100) feet upon a finding by the Commission that such extension is reasonable.

SERVICE REGULATIONS

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

RIDER DSM

DEMAND SIDE MANAGEMENT COST RECOVERY RIDER

APPLICABILITY

Applicable to service rendered under the provisions of Rates RS (residential class), GS, and FT (non-residential class).

CHARGES

The monthly amount computed under each of the rate schedules to which this rider is applicable shall be increased or decreased by the DSM Charge at a rate per hundred cubic feet (CCF) of monthly consumption in accordance with the following formula:

$$\text{DSM Charge} = \text{PC} + \text{LR} + \text{PI} + \text{BA}$$

Where: **PC = DSM PROGRAM COST RECOVERY.** For each twelve month period, the PC shall include all expected costs for demand-side management programs which have been approved by a collaborative process. Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the PC. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated avoided pipeline capacity and commodity costs resulting from each program.

The PC applicable to the residential class shall be determined by dividing the cost of approved programs allocated or assigned to the residential class by the expected CCF throughput for the upcoming twelve-month period. Similarly, the cost of approved programs assigned to the non-residential class shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PC applicable to the non-residential rate class.

LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY. Revenues from lost throughput due to DSM programs will be recovered through the decoupling of revenues from actual throughput of the residential class. At the end of each twelve-month period after implementation of the DSM Charge, the non-variable revenue requirement (total revenue requirement less variable costs) for the residential class for Duke Energy Kentucky, Inc.'s most recent twelve month period will be adjusted to reflect changes in the number of customers and the usage per customer as follows:
 (1) the non-variable revenue requirement will be multiplied by the

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CHARGES (Cont'd)

factor obtained by dividing the twelve month average number of customers at the end of the current twelve-month period by the twelve month average number of residential customers at the end of the twelve-month period ending December 1994, and (2) the non-variable revenue requirement will be multiplied by a factor "F_g" calculated by the following formula:

LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY. (Contd.)

$$F_g = (1 + g)^{n/12}$$

Where: g = Growth factor - recalculated annually based on the most recent eleven years of actual customer data. Initially "g" shall be set at -0.0156; and
 n = the number of months from December 1994 to the end of the current twelve-month period.

At the end of each twelve-month period after implementation of the DSM Charge, the difference between the actual non-variable revenue billed during the twelve-month period and the adjusted non-variable revenue requirement, as described above, will be determined. This difference ("LR amount established for the twelve-month period") will be divided by the estimated CCF throughput for the upcoming twelve-month period to determine the LR for the residential class.

The LR applicable to the non-residential class shall be computed by 1) multiplying the amount of CCF throughput that will be lost for each twelve-month period as a result of the implementation of the approved programs times the CCF throughput charge for the applicable rate schedule, less the variable cost included in the charge; and, 2) dividing that product by the expected CCF throughput for the upcoming twelve-month period. The lost revenue attributable to decreased throughput to the non-residential class due to approved programs will be calculated through estimates agreed upon by the collaborative process, which may include engineering estimates, of the level of decreased throughput. Recovery of revenues from decreased throughput calculated for a twelve-month period for non-residential rate classes shall be included in the LR until terminated by the implementation of new rates pursuant to a general rate case. Revenues from such decreased throughput will be assigned for recovery purposes to the rate classes whose programs resulted in the decreased throughput.

PI = DSM PROGRAM INCENTIVE RECOVERY. The DSM Program Incentive (PI) amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent. Net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of Duke Energy Kentucky, Inc.'s avoided gas costs over the expected life of the program, and will include both capacity and

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CHARGES (Cont'd)

commodity savings. The DSM incentive amount related to programs for the residential class shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. The PI amount related to programs for the non-residential class rates shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

BA = DSM BALANCE ADJUSTMENT. The BA is used to reconcile the difference between the amount of revenues actually billed through the respective DSM Charge components; namely, the PC, LR, and PI and previous BA, and the revenues which should have been billed, as follows:

- (1) For the PC, the balance adjustment amount will equal the difference between the amount billed in a twelve-month period from the application of the PC unit charge and the actual cost of the approved programs during the same twelve-month period.
- (2) For the LR applicable to the residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from the application of the LR unit charge and the LR amount established for the same twelve-month period.

For the LR applicable to the non-residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the LR unit charge and the amount of lost revenues determined for the actual DSM program, or measures implemented during the twelve-month period.

- (3) For the PI, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the PI unit charge and the incentive amount determined for the actual DSM program, or measures implemented during the twelve-month period.
- (4) For the BA, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the BA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined above shall include interest. The interest applied to the monthly amounts, shall be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of balance adjustment amounts shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the BA. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over or under-recoveries of DSM amounts were realized.

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CHARGES (Cont'd)

All costs recovered through the DSM Charge will be assigned or allocated to Duke Energy Kentucky, Inc.'s electric or gas customers on the basis of the estimated net electric or gas resource savings resulting from each program.

DSM CHARGE FILINGS

The filing of modifications to the DSM Charge shall be made at least thirty days prior to the beginning of the effective period for billing. Each filing will include the following information as needed:

- (1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.
- (2) A statement setting forth the detailed calculation of each component of the DSM Charge.

Each change in the DSM Charge shall be applied to customers' bills with the first billing cycle of the revenue month which coincides with, or is subsequent to, the effective date of such change.

SERVICE REGULATIONS

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RIDER DSMR

DEMAND SIDE MANAGEMENT RATE

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 61 of this Tariff.

The DSMR to be applied to residential customer bills is \$0.030735 per hundred cubic feet.

A Home Energy Assistance Program (HEA) charge of \$0.30 will be applied monthly to residential customer bills.

The DSMR to be applied to non-residential service customer bills is \$0.00 per hundred cubic feet.

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**RIDER WNA
WEATHER NORMALIZATION ADJUSTMENT RIDER**

APPLICABILITY

Applicable to all customers receiving service under Rate RS, Residential Service, and Rate GS, General Service.

DETERMINATION OF WNA

The distribution charge per Ccf for gas service as set forth in Rates RS and GS shall be adjusted by an amount herein under described as the Weather Normalization Adjustment (WNA).

The WNA shall apply to all Rate RS and Rate GS bills during the November through April billing periods. The WNA shall increase or decrease accordingly by month. The WNA will not be billed during the billing periods of May through October. Customer base loads and heating sensitivity factors will be determined by rate class and adopted from the most recent order of the Kentucky Public Service Commission (KYPSC) approving such factors to be used in the application of this Rider.

The WNA shall be computed by rate class using the following formula:

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

Where:

- i = A rate schedule or billing classification within a rate schedule
- WNA_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.

Base Load for RS:	1.047887	(N)
Heat Sensitivity Factor for RS:	0.015467	(N)
Base Load for GS:	9.159645	(N)
Heat Sensitivity Factor for GS:	0.096462	(N)

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RIDER PMM

(N)

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 fully recover all costs associated with compliance with regulations promulgated by the U.S. Department of Transportation Pipeline and Hazardous Materials Administration, as approved by the Kentucky Public Service Commission. The monthly billing amount calculated for each rate schedule for which this rider is eligible shall increase or decrease as shown below.

PMM Surcharge or Credit per Ccf

Residential (Rate RS)	\$0.00 / Month
General Service (Rate GS)	\$0.00 / Month
Firm Transportation – Large (Rate FT-L)	\$0.0000 / Ccf
Interruptible Transportation (Rate IT)	\$0.0000 / Ccf

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

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GAS COST ADJUSTMENT CLAUSE

APPLICABILITY

The charge to each customer for the cost of gas shall be the appropriate Gas Cost Adjustment Rate applied to the customer's monthly consumption. This charge is applicable to all Company sales that are under the jurisdiction of the Kentucky Public Service Commission (Commission).

DETERMINATION OF GCA

The Company, unless otherwise ordered by the Commission, shall file a quarterly report with the Commission which shall contain an updated gas cost adjustment rate (GCA) and shall be filed at least thirty (30) days prior to the beginning of the billing period in accordance with an Order in Case No. 2018-00261. An Interim Gas Cost Adjustment may be filed in the event that significant changes in natural gas rates occur mid-quarter.

The GCA is comprised of:

- (1) The expected gas cost component (EGC) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which represents the average cost of gas supplies including propane. Estimated quarterly net charge offs on a dollar per Mcf basis, rounded to the nearest 0.1 cent, will be added to the EGC.
- (2) The supplier refund adjustment (RA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which reflects refunds received during the reporting period plus interest at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period, less 1/2 of 1 percent to cover the cost of refunding.
- (3) The actual adjustment (AA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any previous over or under collections of gas cost experienced and net charge offs by the Company through the operation of this gas cost recovery procedure.
- (4) The balance adjustment (BA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any over or under collections which have occurred as a result of prior adjustments.

BILLING

The gas cost recovery rate to be applied to the customers' bills shall equal the sum of the following components:

$$\text{GCA} = \text{EGC} + \text{RA} + \text{AA} + \text{BA}$$

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DEFINITIONS

For purposes of this tariff:

- (A) "Average Cost" means the cost of gas supplies, including associated transportation and storage charges and propane, which results from the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the three (3) month period, on purchased volumes during the twelve month period ending with the reporting period, divided by the corresponding sales volume.
- (B) "GCA" means the sum of the expected gas cost component plus the supplier refund adjustment plus the actual adjustment plus the balancing adjustment; i.e., $GCA = EGC + RA + AA + BA$.
- (C) "Billing period" means each of the four three-month periods of (1) December, January, and February; (2) March, April, and May; (3) June, July, and August; (4) September, October, and November.
- (D) "Reporting Period" means the three (3) month accounting period that ended approximately fifty-Five days prior to the filing date of the updated gas cost adjustment rates.

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RIDER GCAT

GAS COST ADJUSTMENT TRANSITION RIDER

APPLICABILITY

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve-month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

GCA TRANSITION RIDER

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be (\$0.0058) per 100 cubic feet. This rate shall be in effect during the month of June 2021 through August 2021 and shall be updated quarterly, concurrent with the Company's GCA filings.

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BAD CHECK CHARGE

APPLICABILITY

Applicable to all customers in the Company's gas service area.

CHARGE

The Company may charge and collect a fee of \$11.00 to cover the cost of handling an unsecured check, where a customer tenders in payment of an account a check which upon deposit by the Company is returned as unpaid by the bank for any reason.

SERVICE REGULATIONS

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CHARGE FOR RECONNECTION OF SERVICE

APPLICABILITY

Applicable to all customers in the Company's entire service area who are in violation of Rule 3, Company's Right to Cancel Service Agreement or to Suspend Service, of the Company's Gas Service Regulations.

CHARGE

The Company may charge and collect in advance the following:

- A. The reconnection charge for service which has been disconnected due to enforcement of Rule 3 shall be ninety dollars (\$90.00). (I)
- B. The reconnection charge for service which has been disconnected within the preceding twelve months at the request of the customer shall be ninety dollars (\$90.00). (I)
- C. If service is discontinued because of fraudulent use thereof, the Company may charge and collect in addition to the reconnection charge of ninety dollars (\$90.00) the expense incurred by the Company by reason of such fraudulent use, plus an estimated bill for gas used, prior to the reconnection of service. (I)
- D. If a Company employee, whose original purpose was to disconnect the service, has provided the customer a means to avoid disconnection, service which otherwise would have been disconnected shall remain intact, and no reconnection charge shall be assessed. However, a collection charge of fifteen dollars (\$15.00) may be assessed, but only if a Company employee actually makes a field visit to the customer's premises. (N)
(N)
(N)
(N)

SERVICE REGULATIONS

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LOCAL GOVERNMENT FEE

(T)

APPLICABLE TO ALL RATE SCHEDULES

There shall be added to the customer's bill, listed as a separate item, an amount equal to the fee now or hereafter imposed by local legislative authorities, whether by ordinance, franchise or other means. Such amount shall be added exclusively to bills of customers receiving service within the territorial limits of the authority imposing the fee.

(D)

Where the local legislative authority imposes a flat, fixed amount on the Company, the fee applied to the bills of customers receiving service within the territorial boundaries of that authority, shall be in the form of a flat dollar amount.

Where more than one such fee is imposed, each of the charges applicable to each customer shall be added to the customer's bill and listed separately.

The amount of such fee added to the customer's bill shall be determined in accordance with the terms of the ordinance, franchise or other directive agreed to be the Company.

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**CURTAILMENT PLAN FOR
MANAGEMENT OF
AVAILABLE GAS SUPPLIES**

AVAILABILITY

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

APPLICABILITY

In the event of an emergency which necessitates curtailment of gas service, Duke Energy Kentucky, Inc. shall curtail gas service to its customers in the manner set forth herein, except where the Public Service Commission of Kentucky (Commission) or other authority having jurisdiction in the matter orders otherwise.

DEFINITIONS

Special Gas Service Contract Customers:

A customer who purchases gas, off-peak and firm, under a Special Gas Service Contract. Such a customer shall not qualify as a Domestic or Non-Domestic Customer.

Domestic Customers:

Customers which use gas in private homes, boarding houses, apartment houses, hotels, motels, restaurants, food processors, hospitals and places of like kind where the element of human welfare is the predominating requirement.

Non-Domestic Customers:

All other customers not defined as Domestic Customers or Special Gas Service Contract Customers.

Winter Period:

The consecutive customer billing months of November and December, of one year and the months of January, February and March in the next year.

Summer Period:

The consecutive customer billing months of April, May, June, July, August, September and October.

Winter Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of January, February, March, November and December of 1972.

Summer Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of April, May, June, July, August, September and October of 1972.

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DEFINITIONS (Contd.)

Adjusted Winter Volumetric Limitation:

A Non-Domestic Customer's winter base volumetric limitation for the gas usage during a winter period as adjusted from time to time by Duke Energy Kentucky, Inc. to reflect pro rata curtailment.

Adjusted Summer Volumetric Limitation:

A Non-Domestic Customer's summer base volumetric limitation for the gas usage during the summer period as adjusted from time to time by Duke Energy Kentucky, Inc. to reflect pro rata curtailment.

ORDER OF CURTAILMENT

- (1) The Special Gas Service Contract Customer will be curtailed to the extent of its off-peak usage limitation noted in the customer's contract whenever:
 - (a) Duke Energy Kentucky, Inc. cannot supply the Special Gas Service Contract customer its full requirements in excess of such customer's Contract Demand without incurring penalties under tariffs of Duke Energy Kentucky, Inc.'s supplier, or without having to purchase additional volumes of gas at premium rates, or without Duke Energy Kentucky, Inc. operating its peak load manufacturing facilities.
 - (b) Duke Energy Kentucky, Inc.'s supplier curtails delivery and as a result Duke Energy Kentucky, Inc. determines that it cannot supply the total requirements of its customers.

The off-peak gas of the Special Gas Service Contract Customer shall be fully curtailed before curtailment is imposed upon other customers; however, since all the contracted for firm gas is considered necessary for plant protection, it will not be curtailed prior to other customer curtailment.

- (2) Where additional curtailment is necessary after full curtailment of the off-peak of the Special Gas Service Contract Customers, Duke Energy Kentucky, Inc. shall, after giving reasonable notice, curtail those Non-Domestic Customers which use 50,000 cubic feet or more of gas per day on a pro rata basis by adjusting their Winter and/or Summer Base Volumetric Limitations downward to the extent necessary to limit the total usage to the gas supply available to Duke Energy Kentucky, Inc.. The resulting volumes will be the Non-Domestic Customer's adjusted Winter and/or Summer Volumetric Limitation. For plant protection the adjusted Winter and Summer Volumetric Limitations shall not be less than 20% of the respective Winter and Summer Base Volumetric Limitation. A Non-Domestic Customer consuming over 50,000 cubic feet or more of gas per day and having more than one metering location may, upon mutual agreement with Duke Energy Kentucky, Inc., combine his adjusted Volumetric Limitation at one or more locations only for curtailment purposes. Such customer must notify Duke Energy Kentucky, Inc. in writing and receive Duke Energy Kentucky, Inc.'s written consent of the accounts to be effected and the volumes to be combined.

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ORDER OF CURTAILMENT (Cont'd.)

- (3) Where additional curtailment of gas service is necessary, after curtailment in curtailment with paragraph (2) above, then gas service to Non-Domestic Customers using under 50,000 cubic feet of gas per day shall be curtailed on a pro rata basis in the same manner provided in the above paragraph (2).
- (4) Where additional curtailment is necessary the Domestic Customer will then be curtailed on a pro rata basis.

CARRY-OVER AND ADJUSTMENT OF BASE VOLUMETRIC LIMITATION

No carry-over of volumes will be permitted from the Winter to Summer Period or from the Summer to Winter Period. In the establishment of the Winter and Summer Base Volumetric Limitations a customer may request an investigation as to the proper maximum volumes so determined. If such investigation discloses that the volumetric limitations do not reasonably reflect the normal usage of his equipment that was connected in 1972 or authorized by Duke Energy Kentucky, Inc. to be installed at a later date, such limitation will be adjusted accordingly. Such request must be made within 60 days of the approval of this curtailment plan and absent such a request the Base Volumetric Limitations will not be subject to any increase.

PENALTIES

Special Gas Service Contract Customers will be subject to penalties as set forth in their contract. As to the Non-Domestic Customers, after the end of the Winter Period and Summer Period the actual gas usage of each Non-Domestic Customer for the period during which curtailment was required shall be compared respectively to the Adjusted Winter and Summer Volumetric Limitations, and in addition to the Non-Domestic Customer's regular monthly bill, a penalty shall be charged if such usage exceeds the respective Adjusted Winter or Summer Volumetric Limitation. The penalty amount will be based on the same penalty rate applicable to Duke Energy Kentucky, Inc. from its sold supplier of natural gas, the Columbia Gas Transmission Corporation. As of June 1, 1975 the penalty as stated in the Columbia Gas Transmission Corporation's FPC filed tariff is ten dollars (\$10.00) for each 1,000 cubic feet overrun.

ACTION FOR EXCESSIVE USAGE

During periods of curtailment, where it appears to Duke Energy Kentucky, Inc. through its procedure of monitoring monthly usage of Non-Domestic Customers being curtailed, that a Non-Domestic Customer's usage will significantly exceed his adjusted Winter or Summer Volumetric Limitation, Duke Energy Kentucky, Inc. will give such customer notice to cease such excessive usage and, in the event such customer does not cease, Duke Energy Kentucky, Inc. may disconnect gas service to such customer.

Issued by authority of an Order of the Kentucky Public Service
Commission dated _____ in Case No. 2021-00190.

Issued: December 31, 2021

Effective: January 1, 2022

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

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

KY.P.S.C. Gas No. 2
Fourth Revised Sheet No. 83
Cancelling and Superseding
Third Revised Sheet No. 83
Page 4 of 4

PENALTY REFUND

Penalties collected from Duke Energy Kentucky, Inc.'s customers will be added to the refunds received from Duke Energy Kentucky, Inc.'s supplier and held for redistribution and shall be refunded to all customers in accordance with Duke Energy Kentucky, Inc.'s gas cost adjustment provision. If Duke Energy Kentucky, Inc. incurred penalties from its supplier as a result of volumetric overruns, the amount of such penalties shall be subtracted from the total penalties collected by Duke Energy Kentucky, Inc. from its customers to determine the amount of penalties to be refunded.

BILLING OF PENALTIES

Penalties, as provided above, shall be reflected in the customers service bill for the Winter Period on the May bill and for the Summer Period on the December bill. Five percent (5%) will be added to the penalty amount if not paid on or before fourteen (14) calendar days after mailing date of the bill.

EMERGENCIES

In the event of a short-term emergency situation where immediate deliveries of additional gas are needed to prevent irreparable injury to life or property of an existing customer, Duke Energy Kentucky, Inc. shall, at its option, have the right to deliver additional volumes of gas to meet such emergency needs in excess of any limited volumes specified herein, without imposition of penalties where the emergency volumes are repaid by reduction of future gas purchases by the customer within ninety (90) days after termination of the emergency period.

EXEMPTION

No exemptions from this Plan, other than emergency deliveries, as defined above, shall be granted except by Order of the Commission, directly through its duly designated Staff, or other authority having jurisdiction in this matter.

AMENDMENT, MODIFICATION OR CLARIFICATION

Due to governmental order or rapid changes in gas supply it may be necessary to amend, modify or clarify this Curtailment Plan. This Plan may be so amended, modified or clarified by filing a Motion with the Commission.

AVAILABILITY OF THE PLAN

Copies of this Plan, together with the address and telephone number of the Commission shall be kept at each business office of Duke Energy Kentucky, Inc. and shall be made available to any customer upon request.

Issued by authority of an Order of the Kentucky Public Service
Commission dated _____ in Case No. 2021-00190.

Issued: December 31, 2021

Effective: January 1, 2022

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

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

KY.P.S.C. Gas No. 2
Third Revised Sheet No. 84
Cancelling and Superseding
Second Revised Sheet No. 84
Page 1 of 2

**RATE MPS
METER PULSE SERVICE**

APPLICABILITY

Applicable to customers that request the Company to install gas meter pulse equipment, which is a meter related service not otherwise provided by the Company.

DESCRIPTION OF SERVICE AND SPECIFICATIONS

The service provided is an electronic pulse output, representing a pre-determined natural gas volume. The volume will vary at different meter installations, and will thus be communicated to the customer at the time of installation. Pressure and temperature correcting factors may need to be applied by the customer.

The pulse supplied does not represent rate of flow, only total volume and should not be used for control purposes. The end-use customer is responsible for providing power and communication links to the meter pulse equipment per the Company's specifications.

Customer must provide either a regulated 24 volts DC, or 120 volts AC, an area 2' x 2', 20' away from any gas pipeline flanges or gas pressure relief devices. The Company will supply a dry contact to their energy Management software.

A failure of the pulse initiator will not be detected by Company on any routine meter reading or during other operations. Therefore, customer will be required to recognize and report any problems with the pulse system, and Company shall not be responsible for incorrect data, or subsequent customer actions based upon the data.

TYPE OF CHARGES

Installation of Meter Pulse Equipment: \$970.00 (l)

If replacement of Meter Index is necessary, additional charge of: \$680.00 (l)

If replacement of the Gas Meter is necessary, charges will be determined based on then current prices for purchase and installation of applicable replacement meter.

If the Company is required to make additional visits to the meter site due to the inability to gain access to the meter location or the necessary Communication Link has not been installed, or the Communication Link is not working properly, the Company may charge the customer for any additional trip to the meter site at the per visit rate of: \$60.00

In addition, the Company shall charge for the cost of any incremental equipment necessary to complete the pulser installation.

Issued by authority of an Order of the Kentucky Public Service
Commission dated _____ in Case No. 2021-00190.

Issued: December 31, 2021

Effective: January 1, 2022

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

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

KY.P.S.C. Gas No. 2
Third Revised Sheet No. 84
Cancelling and Superseding
Second Revised Sheet No. 84
Page 2 of 2

SERVICE REGULATIONS

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

Issued by authority of an Order of the Kentucky Public Service
Commission dated _____ in Case No. 2021-00190.
Issued: December 31, 2021
Effective: January 1, 2022
Issued by Amy B. Spiller, President /s/ Amy B. Spiller

DUKE ENERGY KENTUCKY
CASE NO. 2021-00190
REVENUES AT PRESENT AND PROPOSED RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
(GAS SERVICE)

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

SCHEDULE M
PAGE 1 OF 1
WITNESS:
J.L. Kern

LINE NO.	RATE CLASSIFICATION (A)	REVENUE AT PRESENT RATES (B) (\$)	REVENUE AT PROPOSED RATES (C) (\$)	REVENUE CHANGE (AMOUNT) (D=C-B) (\$)	% OF REVENUE CHANGE (E=D / B)
1	<u>SALES SERVICE:</u>				
2	RS RESIDENTIAL	75,382,959	81,385,640	6,002,681	7.96%
3	TOTAL RS	75,382,959	81,385,640	6,002,681	7.96%
4	GS COMMERCIAL	23,890,508	26,357,316	2,466,808	10.33%
5	GS INDUSTRIAL	2,459,804	2,696,080	236,276	9.61%
6	GS OTHER PUB AUTH	2,147,642	2,354,026	206,384	9.61%
7	TOTAL GS	28,497,954	31,407,422	2,909,468	10.21%
8	TOTAL SALES SERVICE	103,880,913	112,793,062	8,912,149	8.58%
9	<u>TRANSPORTATION:</u>				
10	FT LARGE	5,697,047	6,045,078	348,031	6.11%
11	IT	1,782,710	1,922,172	139,462	7.82%
12	TOTAL TRANSPORTATION	7,479,757	7,967,250	487,493	6.52%
13	TOTAL THROUGHPUT	111,360,670	120,760,312	9,399,642	8.44%
14	<u>MISCELLANEOUS REVENUES:</u>				
15	LATE PAYMENT CHARGES	0	0	0	0.00%
16	BAD CHECK CHARGES	27,420	27,420	0	0.00%
17	RECONNECTION CHARGES	23,364	28,037	4,673	20.00%
18	FIELD COLLECTION CHARGES	684	684	0	0.00%
19	INTERDEPARTMENTAL	27,765	30,629	2,864	10.32%
20	MINIMUM USE CONTRACT	258,228	211,423	(46,805)	-18.13%
21	REVENUE TRANSP OF GAS-INTERCO	0	0	0	0.00%
22	PROVISION FOR RATE REFUNDS	0	0	0	0.00%
23	OTHER MISC	528	528	0	0.00%
24	TOTAL MISCELLANEOUS	337,989	298,721	(39,268)	-11.62%
25	TOTAL COMPANY REVENUE	111,698,659	121,059,033	9,360,374	8.38%

DUKE ENERGY KENTUCKY
 CASE NO. 2021-00190
 TEST PERIOD REVENUES AT CURRENT AVERAGE RATES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 (GAS SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
 TYPE OF FILING: ___ ORIGINAL ___ UPDATED _X_ REVISED
 WORK PAPER REFERENCE NO(S):
 12 MONTHS FORECASTED

SCHEDULE M-2.1
 PAGE 1 OF 1
 WITNESS:
 J.L. Kern

TEST PERIOD

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	TEST PERIOD REVENUE LESS GAS COST REVENUE (E)	CURRENT AVERAGE RATE (F=E/D) (\$/MCF)	% OF REV TO TOTAL EXCLUSIVE OF GAS COST (G) (%)	GAS COST REVENUE (H) (\$)	TEST PERIOD REVENUE TOTAL (I) (\$)	% OF REV TO TOTAL (J) (%)
1	RS	RESIDENTIAL SERVICE	1,130,041	6,481,298	49,055,927	7.5688	69.10	26,327,032	75,382,959	67.64
2	GS	GENERAL SERVICE COMMERCIAL	78,612	2,857,007	12,285,346	4.3001	17.31	11,605,162	23,890,508	21.44
3	GS	GENERAL SERVICE INDUSTRIAL	2,879	331,485	1,113,312	3.3586	1.57	1,346,492	2,459,804	2.21
4	GS	GENERAL SERVICE OTHER PUB AUTH	2,541	289,222	972,822	3.3636	1.37	1,174,820	2,147,642	1.93
5	FT-L	FIRM TRANSPORTATION-LARGE	1,092	2,736,182	5,452,147	1.9926	7.68	0	5,452,147	4.89
6	IT	INTERRUPTIBLE TRANSPORTATION	264	1,672,200	1,782,710	1.0661	2.51	0	1,782,710	1.60
7		LATE PAYMENT CHARGES	0	0	0	-	-	0	0	-
8		BAD CHECK CHARGES	0	0	27,420	-	0.04	0	27,420	0.02
9		RECONNECTION CHARGES	0	0	23,364	-	0.03	0	23,364	0.02
10		FIELD COLLECTION CHARGES	0	0	684	-	-	0	684	-
11		INTERDEPARTMENTAL	0	4,158	10,875	2.6154	0.02	16,890	27,765	0.02
12		MINIMUM USE CONTRACT	0	0	258,228	-	0.36	0	258,228	0.23
13		REVENUE TRANSP OF GAS-INTERCO	0	0	0	-	-	0	0	-
14		PROVISION FOR RATE REFUNDS	0	0	0	-	-	0	0	-
15		OTHER MISCELLANEOUS	0	0	528	-	-	0	528	-
16	TOTAL		1,215,429	14,371,552	70,983,363	4.9392	99.99	40,470,396	111,453,759	100.00

NOTE: DETAIL CONTAINED ON SCHEDULES M-2.2 AND M-2.3.

DUKE ENERGY KENTUCKY
 CASE NO. 2021-00190
 ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 (GAS SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
 TYPE OF FILING: ___ ORIGINAL ___ UPDATED _X_ REVISED
 WORK PAPER REFERENCE NO(S):
 12 MONTHS FORECASTED

SCHEDULE M-2.2
 PAGE 1 OF 7
 WITNESS:
 J.L. Kern

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE(4) (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	<u>SALES SERVICE:</u>											
2	RS	RESIDENTIAL	1,130,041	6,481,298	7.5688	49,055,927	100.00	6,002,681	12.2	26,327,032	75,382,959	8.0
3		TOTAL RS	1,130,041	6,481,298	7.5688	49,055,927	69.12	6,002,681	12.2	26,327,032	75,382,959	8.0
4	GS	COMMERCIAL	78,612	2,857,007	4.3001	12,285,346	85.48	2,466,808	20.1	11,605,162	23,890,508	10.3
5	GS	INDUSTRIAL	2,879	331,485	3.3586	1,113,312	7.75	236,276	21.2	1,346,492	2,459,804	9.6
6	GS	OTH PUB AUTH	2,541	289,222	3.3636	972,822	6.77	206,384	21.2	1,174,820	2,147,642	9.6
7		TOTAL GS	84,032	3,477,714	4.1325	14,371,480	20.25	2,909,468	20.2	14,126,474	28,497,954	10.2
8		TOTAL SALES SERVICE	1,214,073	9,959,012	6.3688	63,427,407	89.36	8,912,149	14.1	40,453,506	103,880,913	8.6
9	<u>TRANSPORTATION SERVICE:</u>											
10	FT-L	FIRM TRANSP - LARGE	1,092	2,736,182	1.9926	5,452,147	75.36	592,931	10.9	0	5,697,047	10.4
11	IT	INTERRUPTIBLE TRANSP	264	1,672,200	1.0661	1,782,710	24.64	139,462	7.8	0	1,782,710	7.8
12		TOTAL TRANSP SERVICE	1,356	4,408,382	1.6412	7,234,857	10.19	732,393	10.1	0	7,479,757	9.8
13		TOTAL THROUGHPUT	1,215,429	14,367,394	4.9182	70,662,264	99.55	9,644,542	13.6	40,453,506	111,360,670	8.7
14	<u>MISCELLANEOUS REVENUES:</u>											
15		LATE PAYMENT CHARGES	0	0		0	0.00	0		0	0	
16		BAD CHECK CHARGES	0	0		27,420	8.54	0		0	27,420	
17		RECONNECTION CHARGES	0	0		23,364	7.28	4,673		0	23,364	
18		FIELD COLLECTION CHARGES	0	0		684	0.21	0		0	684	
19		INTERDEPARTMENTAL	0	4,158		10,875	3.39	2,864		16,890	27,765	
20		MINIMUM USE CONTRACT	0	0		258,228	80.42	(46,805)		0	258,228	
21		REVENUE TRANSP OF GAS-INTERCO	0	0		0	0.00	0		0	0	
22		PROVISION FOR RATE REFUNDS	0	0		0	0.00	0		0	0	
23		OTHER MISC	0	0		528	0.16	0		0	528	
24		TOTAL MISC	0	4,158		321,099	0.45	(39,268)	(12.2)	16,890	337,989	(11.6)
25		TOTAL COMPANY	1,215,429	14,371,552	4.9392	70,983,363	100.00	9,605,274	13.5	40,470,396	111,698,659	8.6

(1) DETAIL CONTAINED ON SCHEDULES M-2.2, PAGES 2 THROUGH 7.
 (2) REFLECTS NORMALIZED VOLUMES.
 (3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.062/MCF.

DUKE ENERGY KENTUCKY
 CASE NO. 2021-00190
 ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 (GAS SERVICE)

DATA: ___ BASE PERIOD ___X FORECASTED PERIOD
 TYPE OF FILING: ___ ORIGINAL ___UPDATED ___X REVISED
 WORK PAPER REFERENCE NO(S):
 12 MONTHS FORECASTED

SCHEDULE M-2.2
 PAGE 2 OF 7
 WITNESS:
 J.L. Kern

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
1	RS	RESIDENTIAL		(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
2		CUSTOMER CHARGE:										
3		RESIDENTIAL										
4		TOTAL MONTHLY BILLS x :										
5		CUSTOMER CHARGE PER MONTH	1,130,041		\$16.50	18,645,677	38.0	1,130,041	6.1		18,645,677	6.1
6		COMMODITY CHARGE:										
7		ALL CONSUMPTION		6,481,298	4.6920	30,410,250	62.0	4,872,640	16.0	26,327,032	56,737,282	8.6
8		RATE RS EXCLUDING RIDERS	1,130,041	6,481,298		49,055,927	100.0	6,002,681	12.2	26,327,032	75,382,959	8.0
9		RIDERS:										
10		HOME ENERGY ASSISTANCE PROGRAM (HEA)			\$0.00	0	0.0	0	0.0		0	0.0
11		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0	0	0.0		0	0.0
12		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0	0	0.0		0	0.0
13		TOTAL RIDERS				0	0.0	0	0.0		0	0.0
14		TOTAL RATE RS RESIDENTIAL INCLUDING RIDERS	1,130,041	6,481,298		49,055,927	100.0	6,002,681	12.2	26,327,032	75,382,959	8.0

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
 (2) REFLECTS NORMALIZED VOLUMES.
 (3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.062/MCF.

DUKE ENERGY KENTUCKY
 CASE NO. 2021-00190
 ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 (GAS SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
 TYPE OF FILING: ___ ORIGINAL ___ UPDATED _X_ REVISED
 WORK PAPER REFERENCE NO(S):
 12 MONTHS FORECASTED

SCHEDULE M-2.2
 PAGE 3 OF 7
 WITNESS:
 J.L. Kern

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
			(MCF)	(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	GS	COMMERCIAL										
2	CUSTOMER CHARGE:											
3	NON-RESIDENTIAL											
4	TOTAL MONTHLY BILLS x :											
5		CUSTOMER CHARGE PER MONTH	78,612		\$50.00	3,930,600	32.0	628,896	16.0		3,930,600	16.0
6	COMMODITY CHARGE:											
7		ALL CONSUMPTION		2,857,007	2.9243	8,354,746	68.0	1,837,912	22.0	11,605,162	19,959,908	9.2
8		RATE GS COMMERCIAL EXCLUDING RIDERS	78,612	2,857,007		12,285,346	100.0	2,466,808	20.1	11,605,162	23,890,508	10.3
9	RIDERS:											
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0	0	0.0		0	0.0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0	0	0.0		0	0.0
12		TOTAL RIDERS				0	0.0	0	0.0		0	0.0
13		TOTAL RATE GS COMMERCIAL INCLUDING RIDERS	78,612	2,857,007		12,285,346	100.0	2,466,808	20.1	11,605,162	23,890,508	10.3

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
 (2) REFLECTS NORMALIZED VOLUMES.
 (3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.062/MCF.

DUKE ENERGY KENTUCKY
 CASE NO. 2021-00190
 ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 (GAS SERVICE)

DATA: ___ BASE PERIOD ___X FORECASTED PERIOD
 TYPE OF FILING: ___ ORIGINAL ___UPDATED ___X REVISED
 WORK PAPER REFERENCE NO(S):
 12 MONTHS FORECASTED

SCHEDULE M-2.2
 PAGE 4 OF 7
 WITNESS:
 J.L. Kern

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
1	GS	INDUSTRIAL		(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
2	CUSTOMER CHARGE:											
3	NON-RESIDENTIAL											
4	TOTAL MONTHLY BILLS x :											
5		CUSTOMER CHARGE PER MONTH	2,879		\$50.00	143,950	12.9	23,032	16.0		143,950	16.0
6	COMMODITY CHARGE:											
7		ALL CONSUMPTION		331,485	2.9243	969,362	87.1	213,244	22.0	1,346,492	2,315,854	9.2
8		RATE GS INDUSTRIAL EXCLUDING RIDERS	2,879	331,485		1,113,312	100.0	236,276	21.2	1,346,492	2,459,804	9.6
9	RIDERS:											
10		TOTAL RATE GS INDUSTRIAL INCLUDING RIDERS			0.000000	0	0.0	0	0.0		0	0.0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0	0	0.0		0	0.0
12		TOTAL RIDERS				0	0.0	0	0.0		0	0.0
13		TOTAL RATE GS INDUSTRIAL INCLUDING RIDERS	2,879	331,485		1,113,312	100.0	236,276	21.2	1,346,492	2,459,804	9.6

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
 (2) REFLECTS NORMALIZED VOLUMES.
 (3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.062/MCF.

DUKE ENERGY KENTUCKY
 CASE NO. 2021-00190
 ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 (GAS SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
 TYPE OF FILING: ___ ORIGINAL ___ UPDATED _X_ REVISED
 WORK PAPER REFERENCE NO(S).:
 12 MONTHS FORECASTED

SCHEDULE M-2.2
 PAGE 5 OF 7
 WITNESS:
 J.L. Kern

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
1	GS	OTHER PUBLIC AUTHORITIES		(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
2		CUSTOMER CHARGE:										
3		NON-RESIDENTIAL										
4		TOTAL MONTHLY BILLS x :										
5		CUSTOMER CHARGE PER MONTH	2,541		\$50.00	127,050	13.1	20,328	16.0		127,050	16.0
6		COMMODITY CHARGE:										
7		ALL CONSUMPTION		289,222	2.9243	845,772	86.9	186,056	22.0	1,174,820	2,020,592	9.2
8		RATE GS OPA EXCLUDING RIDERS	2,541	289,222		972,822	100.0	206,384	21.2	1,174,820	2,147,642	9.6
9		RIDERS:										
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0	0	0.0		0	0.0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0	0	0.0		0	0.0
12		TOTAL RIDERS				0	0.0	0	0.0		0	0.0
13		TOTAL RATE GS OPA INCLUDING RIDERS	2,541	289,222		972,822	100.0	206,384	21.2	1,174,820	2,147,642	9.6

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
 (2) REFLECTS NORMALIZED VOLUMES.
 (3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.062/MCF.

DUKE ENERGY KENTUCKY
 CASE NO. 2021-00190
 ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 (GAS SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
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 WORK PAPER REFERENCE NO(S).:
 12 MONTHS FORECASTED

SCHEDULE M-2.2
 PAGE 6 OF 7
 WITNESS:
 J.L. Kern

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES(1) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	FT - L											
2		FIRM TRANSPORTATION - LARGE										
3		ADMINISTRATIVE CHARGE	1,092		\$430.00	469,560	8.6	0	0.0		469,560	0.0
4		TRANSPORTATION CHARGE:										
5		ALL CONSUMPTION		2,736,182	1.8210	4,982,587	91.4	592,931	11.9		4,982,587	11.9
6		Adjustment to Revenue per Settlement									244,900	
6		RATE FT-LARGE EXCLUDING RIDERS	1,092	2,736,182		5,452,147	100.0	592,931	10.9		5,697,047	10.4
7		RIDERS:										
8		GAS COST ADJUSTMENT TRANSITION (GCAT)(2)			0.0000		0.0	0	0.0	0	0	0.0
9		TOTAL RIDERS				0	0.0	0	0.0	0	0	0.0
10		TOTAL RATE FT - LARGE INCLUDING RIDERS	1,092	2,736,182		5,452,147	100.0	592,931	10.9	0	5,697,047	10.4

(1) REFLECTS NORMALIZED VOLUMES.
 (2) GCAT only applies to FT-L customers during the first 12 months after they switch from sales service. Usage for this rider estimated at 5%

DUKE ENERGY KENTUCKY
 CASE NO. 2021-00190
 ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 (GAS SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
 TYPE OF FILING: ___ ORIGINAL ___ UPDATED _X_ REVISED
 WORK PAPER REFERENCE NO(S).:
 12 MONTHS FORECASTED

SCHEDULE M-2.2
 PAGE 7 OF 7
 WITNESS:
 J.L. Kern

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE(3) (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1		RATE IT										
2		INTERRUPTIBLE TRANSPORTATION										
3		ADMINISTRATIVE CHARGE	264		\$430.00	113,520	6.4	0	0.0		113,520	0.0
4		COMMODITY CHARGE:										
5		ALL CONSUMPTION		1,672,200	0.9982	1,669,190	93.6	139,462	8.4		1,669,190	8.4
6		RATE IT EXCLUDING RIDERS	264	1,672,200		1,782,710	100.0	139,462	7.8		1,782,710	7.8
7		RIDERS:										
8		N/A			0.0000	0	0.0	0	0.0		0	0.0
9		TOTAL RIDERS				0	0.0	0	0.0		0	0.0
10		TOTAL RATE IT TRANSPORTATION	264	1,672,200		1,782,710	100.0	139,462	7.8		1,782,710	7.8

DUKE ENERGY KENTUCKY
 CASE NO. 2021-00190
 ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 (GAS SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
 TYPE OF FILING: ___ ORIGINAL ___ UPDATED _X_ REVISED
 WORK PAPER REFERENCE NO(S):
 12 MONTHS FORECASTED

SCHEDULE M-2.3
 PAGE 1 OF 7
 WITNESS:
 J.L. Kern

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE(4) (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	SALES SERVICE:								
2	RS	RESIDENTIAL	1,130,041	6,481,298	8.4950	55,058,608	100.00	26,327,032	81,385,640
3		TOTAL RS	1,130,041	6,481,298	8.4950	55,058,608	68.32	26,327,032	81,385,640
4	GS	COMMERCIAL	78,612	2,857,007	5.1635	14,752,154	85.37	11,605,162	26,357,316
5	GS	INDUSTRIAL	2,879	331,485	4.0713	1,349,588	7.81	1,346,492	2,696,080
6	GS	OTH PUB AUTH	2,541	289,222	4.0772	1,179,206	6.82	1,174,820	2,354,026
7		TOTAL GS	84,032	3,477,714	4.9691	17,280,948	21.44	14,126,474	31,407,422
8		TOTAL SALES SERVICE	1,214,073	9,959,012	7.2637	72,339,556	89.76	40,453,506	112,793,062
9	TRANSPORTATION SERVICE:								
10	FT-L	FIRM TRANSP - LARGE	1,092	2,736,182	2.2093	6,045,078	75.87	0	6,045,078
11	IT	INTERRUPTIBLE TRANSP	264	1,672,200	1.1495	1,922,172	24.13	0	1,922,172
12		TOTAL TRANSP SERVICE	1,356	4,408,382	1.8073	7,967,250	9.89	0	7,967,250
13		TOTAL THROUGHPUT	1,215,429	14,367,394	5.5895	80,306,806	99.65	40,453,506	120,760,312
14	MISCELLANEOUS REVENUES:								
15		LATE PAYMENT CHARGES	0	0		0	0.00	0	0
16		BAD CHECK CHARGES	0	0		27,420	9.73	0	27,420
17		RECONNECTION CHARGES	0	0		28,037	9.95	0	28,037
18		FIELD COLLECTION CHARGES	0	0		684	0.24	0	684
19		INTERDEPARTMENTAL	0	4,158		13,739	4.88	16,890	30,629
20		MINIMUM USE CONTRACT	0	0		211,423	75.02	0	211,423
21		REVENUE TRANSP OF GAS-INTERCO	0	0		0	0.00	0	0
22		PROVISION FOR RATE REFUNDS	0	0		0	0.00	0	0
23		OTHER MISC	0	0		528	0.19	0	528
24		TOTAL MISC	0	4,158		281,831	0.35	16,890	298,721
25		TOTAL COMPANY	1,215,429	14,371,552	5.6075	80,588,637	100.00	40,470,396	121,059,033

(1) DETAIL CONTAINED ON SCHEDULES M-2.3, PAGES 2 THROUGH 7.
 (2) REFLECTS NORMALIZED VOLUMES.
 (3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.062/MCF.

DUKE ENERGY KENTUCKY
 CASE NO. 2021-00190
 ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 (GAS SERVICE)

DATA: ___ BASE PERIOD FORECASTED PERIOD
 TYPE OF FILING: ___ ORIGINAL ___ UPDATED REVISED
 WORK PAPER REFERENCE NO(S):
 12 MONTHS FORECASTED

SCHEDULE M-2.3
 PAGE 2 OF 7
 WITNESS:
 J.L. Kern

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	RS	RESIDENTIAL							
2	CUSTOMER CHARGE:								
3	RESIDENTIAL								
4	TOTAL MONTHLY BILLS x :								
5		CUSTOMER CHARGE PER MONTH	1,130,041		\$17.50	19,775,718	35.9		19,775,718
6	COMMODITY CHARGE:								
7		ALL CONSUMPTION		6,481,298	5.4438	35,282,890	64.1	26,327,032	61,609,922
8		RATE RS EXCLUDING RIDERS	1,130,041	6,481,298		55,058,608	100.0	26,327,032	81,385,640
9	RIDERS:								
10		HOME ENERGY ASSISTANCE PROGRAM (HEA)			\$0.00	0	0.0		0
11		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0		0
12		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0		0
13		TOTAL RIDERS				0	0.0		0
14		TOTAL RATE RS RESIDENTIAL INCLUDING RIDERS	1,130,041	6,481,298		55,058,608	100.0	26,327,032	81,385,640

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
 (2) REFLECTS NORMALIZED VOLUMES.
 (3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.062/MCF.

DUKE ENERGY KENTUCKY
 CASE NO. 2021-00190
 ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 (GAS SERVICE)

DATA: ___ BASE PERIOD ___X_ FORECASTED PERIOD
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 12 MONTHS FORECASTED

SCHEDULE M-2.3
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 WITNESS:
 J.L. Kern

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	GS	COMMERCIAL							
2	CUSTOMER CHARGE:								
3	NON-RESIDENTIAL								
4	TOTAL MONTHLY BILLS x :								
5		CUSTOMER CHARGE PER MONTH	78,612		\$58.00	4,559,496	30.9		4,559,496
6	COMMODITY CHARGE:								
7		ALL CONSUMPTION		2,857,007	3.5676	10,192,658	69.1	11,605,162	21,797,820
8		RATE GS COMMERCIAL EXCLUDING RIDERS	78,612	2,857,007		14,752,154	100.0	11,605,162	26,357,316
9	RIDERS:								
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0		0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0		0
12		TOTAL RIDERS				0	0.0		0
13		TOTAL RATE GS COMMERCIAL INCLUDING RIDERS	78,612	2,857,007		14,752,154	100.0	11,605,162	26,357,316

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
 (2) REFLECTS NORMALIZED VOLUMES.
 (3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.062/MCF.

DUKE ENERGY KENTUCKY
 CASE NO. 2021-00190
 ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 (GAS SERVICE)

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

SCHEDULE M-2.3
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 WITNESS:
 J.L. Kern

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	GS	INDUSTRIAL							
2		CUSTOMER CHARGE:							
3		NON-RESIDENTIAL							
4		TOTAL MONTHLY BILLS x :							
5		CUSTOMER CHARGE PER MONTH	2,879		\$58.00	166,982	12.4		166,982
6		COMMODITY CHARGE:							
7		ALL CONSUMPTION		331,485	3.5676	1,182,606	87.6	1,346,492	2,529,098
8		RATE GS INDUSTRIAL EXCLUDING RIDERS	2,879	331,485		1,349,588	100.0	1,346,492	2,696,080
9		RIDERS:							
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0		0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0		0
12		TOTAL RIDERS				0	0.0		0
13		TOTAL RATE GS INDUSTRIAL INCLUDING RIDERS	2,879	331,485		1,349,588	100.0	1,346,492	2,696,080

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
 (2) REFLECTS NORMALIZED VOLUMES.
 (3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.062/MCF.

DUKE ENERGY KENTUCKY
 CASE NO. 2021-00190
 ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 (GAS SERVICE)

DATA: BASE PERIOD FORECASTED PERIOD
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 12 MONTHS FORECASTED

SCHEDULE M-2.3
 PAGE 5 OF 7
 WITNESS:
 J.L. Kern

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	GS	OTHER PUBLIC AUTHORITIES							
2		CUSTOMER CHARGE:							
3		NON-RESIDENTIAL							
4		TOTAL MONTHLY BILLS x :							
5		CUSTOMER CHARGE PER MONTH	2,541		\$58.00	147,378	12.5		147,378
6		COMMODITY CHARGE:							
7		ALL CONSUMPTION		289,222	3.5676	1,031,828	87.5	1,174,820	2,206,648
8		RATE GS OPA EXCLUDING RIDERS	2,541	289,222		1,179,206	100.0	1,174,820	2,354,026
9		RIDERS:							
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0		0
11		WEATHER NORMALIZATION ADJUSTMENT (WNA)			0.000000	0	0.0		0
12		TOTAL RIDERS				0	0.0		0
13		TOTAL RATE GS OPA INCLUDING RIDERS	2,541	289,222		1,179,206	100.0	1,174,820	2,354,026

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
 (2) REFLECTS NORMALIZED VOLUMES.
 (3) REFLECTS AVERAGE EXPECTED GAS COST OF \$4.062/MCF.

DUKE ENERGY KENTUCKY
 CASE NO. 2021-00190
 ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 (GAS SERVICE)

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SCHEDULE M-2.3
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 WITNESS:
 J.L. Kern

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES(1) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1		FT - L							
2		FIRM TRANSPORTATION - LARGE							
3		ADMINISTRATIVE CHARGE	1,092		\$430.00	469,560	7.8		469,560
4		TRANSPORTATION CHARGE:							
5		ALL CONSUMPTION		2,736,182	2.0377	5,575,518	92.2		5,575,518
6		RATE FT-LARGE EXCLUDING RIDERS	1,092	2,736,182		6,045,078	100.0		6,045,078
7		RIDERS:							
8		GAS COST ADJUSTMENT TRANSITION (GCAT) (2)			0.0000		0.0	0	0
9		TOTAL RIDERS				0	0.0	0	0
10		TOTAL RATE FT - LARGE INCLUDING RIDERS	1,092	2,736,182		6,045,078	100.0	0	6,045,078

(1) REFLECTS NORMALIZED VOLUMES.

(2) GCAT only applies to FT-L customers during the first 12 months after they switch from sales service. Usage for this rider estimated at

5%

DUKE ENERGY KENTUCKY
 CASE NO. 2021-00190
 ANNUALIZED REVENUES AT PROPOSED VS. MOST CURRENT RATES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 (GAS SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
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SCHEDULE M-2.3
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 WITNESS:
 J.L. Kern

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	IT								
2		INTERRUPTIBLE TRANSPORTATION							
3		ADMINISTRATIVE CHARGE	264		\$430.00	113,520	5.9		113,520
4		COMMODITY CHARGE:							
5		ALL CONSUMPTION		1,672,200	1.0816	1,808,652	94.1		1,808,652
6		RATE IT EXCLUDING RIDERS	264	1,672,200		1,922,172	100.0		1,922,172
7		RIDERS:							
8		N/A			0.0000	0	0.0		0
9		TOTAL RIDERS				0	0.0		0
10		TOTAL RATE IT TRANSPORTATION	264	1,672,200		1,922,172	100.0		1,922,172

DUKE ENERGY KENTUCKY, INC.
 GAS COST OF SERVICE STUDY
 CASE NO. 2021-00190
 CALCULATION PROPOSED REVENUE DISTRIBUTION
 REFLECTING A PROPOSED REVENUE SUBSIDY/EXCESS ELIMINATION COMPONENT

WORK PAPER REFERENCE:
 WP FR-16(7)(v)-8
 WITNESS RESPONSIBLE:
 JAMES E. ZIOLKOWSKI
 PAGE 1

Line No.	Rate Class	Rate Base (A)	Present Revenues (B)	Net Operating Income (C)	Present ROR (D)	Present Revenues At Average ROR (E)	Inter Class Subsidization Overcollected (Undercollected) (F)	Inter Class Subsidization times 40.00% (G)	Rate Increase (allocated to class based on Rate Base) (H)	Proposed Revenues 60.00% Interclass Subsidization (I)	Proposed Percent Increase (J)	ROR At Proposed Rates (K)	Proposed Increase Less (Subsidy) Excess (L)
		FR-16(7)(v)-8	FR-16(7)(v)-8	WP - Pres NOI	(C) / (A)	(B) + (((D) Line 5 * (C)) / (1-FIT))	(B) - (E)	(F) * 40.00%	(H) Line 5 * ((A) / (A) Line 5)	(B) - (G) + (H)	((H) - (G)) / (B)	((((H) - (G)) * (1-FIT) + (C)) / (A))	(H) - (G)
1	Rate RS	\$ 316,972,110	\$ 75,382,959	\$ 16,657,644	5.2552%	\$ 74,497,605	\$ 885,354	\$ 354,141	\$ 6,357,087	\$ 81,385,905	7.963%	6.751374%	\$ 6,002,946
2	Rate GS	105,575,474	28,525,719	3,745,492	3.5477%	30,512,794	(1,987,075)	(794,830)	2,117,387	31,437,936	10.209%	5.726844%	2,912,217
3	Rate FT-L	33,218,933	5,697,047	2,393,476	7.2052%	4,784,335	912,712	365,085	666,228	5,998,190	5.286%	7.921323%	301,143
4	Rate IT	10,720,082	1,782,710	689,028	6.4275%	1,593,701	189,009	75,604	214,998	1,922,104	7.819%	7.454696%	139,394
5	Total	<u>\$ 466,486,599</u>	<u>\$ 111,388,435</u>	<u>\$ 23,485,640</u>	5.0346%	<u>\$ 111,388,435</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,355,700</u>	<u>\$ 120,744,135</u>	8.399%	6.618977%	<u>\$ 9,355,700</u>
									Reduced by increase in reconnection charges				
									Increase Including Incr to Recon Chg				
6	Interdepartmental (Incl in GS)		0						\$ 9,360,373	0			
7	Bad Check Charges		27,420							27,420			
8	Reconnection Charges		23,364							28,037			
9	Rents		0							0			
10	Special Contracts (Rate FT-L)		258,228							258,228		\$46,805 decr in Spec Contract included in FT-L above	
11	Other Misc		1,212							1,212			
12	Revenue Transp of Gas - Interc		0							0			
13	Total Misc		<u>310,224</u>							<u>314,897</u>			
14	Total Company		<u>111,698,659</u>							<u>121,059,032</u>	8.380%		

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

The Electronic Application of Duke)
Energy Kentucky, Inc., for: 1) An)
Adjustment of the Natural Gas Rates; 2)) Case No. 2021-00190
Approval of New Tariffs; and 3) All)
Other Required Approvals, Waivers, and)
Relief.

SUPPLEMENTAL TESTIMONY OF
SARAH E. LAWLER
IN SUPPORT OF SETTLEMENT
ON BEHALF OF
DUKE ENERGY KENTUCKY, INC.

October 8, 2021

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I. INTRODUCTION AND PURPOSE

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Sarah E. Lawler and my business address is 139 East Fourth Street,
3 Cincinnati, Ohio 45202.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by Duke Energy Business Services LLC (DEBS), as Vice
6 President, Rates and Regulatory Strategy for Ohio and Kentucky. DEBS provides
7 various administrative and other services to Duke Energy Kentucky, Inc., (Duke
8 Energy Kentucky or Company) and other affiliated companies of Duke Energy
9 Corporation (Duke Energy).

10 **Q. ARE YOU THE SAME SARAH E. LAWLER THAT SUBMITTED**
11 **DIRECT AND REBUTTAL TESTIMONY IN THIS PROCEEDING?**

12 A. Yes.

13 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY IN**
14 **THIS PROCEEDING?**

15 A. My supplemental testimony is filed in support of the Joint Stipulation and
16 Recommendation (Stipulation) filed with the Kentucky Public Service
17 Commission (Commission) on October 8, 2021 in this proceeding. My
18 supplemental testimony will describe how the Stipulation results in a fair, just and
19 reasonable settlement of the issues in this case.

II. OVERVIEW OF THE STIPULATION

1 **Q. ARE YOU FAMILIAR WITH THE STIPULATION FILED IN THIS**
2 **PROCEEDING?**

3 A. Yes. As, Vice President, Rates and Regulatory Strategy for Duke Energy
4 Kentucky and Ohio, my responsibilities include the establishment and
5 implementation of rates for Duke Energy Kentucky. I participated in negotiating
6 the Stipulation.

7 **Q. WHO ARE THE PARTIES TO THE STIPULATION?**

8 A. The Stipulation is between the Attorney General of the Commonwealth of
9 Kentucky (Attorney General), the only other party to the proceeding, and Duke
10 Energy Kentucky (collectively, the Parties).

11 **Q. PLEASE EXPLAIN WHY THE PARTIES WERE WILLING TO**
12 **COMPROMISE.**

13 A. Each Party recognizes that the settlement process can promote administrative
14 efficiency. Full litigation is time consuming and expensive for all parties involved
15 and the litigation can produce unexpected and undesirable results for the Parties.
16 Settlement provides an opportunity for each Party to reach an outcome that
17 achieves a result the Parties believe is reasonable and preferable to the outcome
18 that could result from a full litigation of each individual issue in an evidentiary
19 hearing and allows for Parties to agree to terms that could not otherwise be
20 required by the Commission, such as a base rate case stay-out provision.
21 Settlement also provides the framework to avoid any need for costly and time-

1 consuming appeals that may follow a Commission decision in a fully litigated
2 case.

3 **Q. PLEASE SUMMARIZE THE KEY TERMS OF THE STIPULATION.**

4 A. The Stipulation expressly reflects the Parties' agreement on all issues in this
5 proceeding. Duke Energy Kentucky's total natural gas base revenue requirement
6 is approximately \$80.3 million. Including miscellaneous revenue and projected
7 gas cost revenue, the overall revenue requirement after the increase is
8 approximately \$121.1 million. The total revenue requirement represents an
9 increase of approximately \$9.36 million over total revenue projected for the
10 forecasted test year at current rates. The Stipulation provides that new rates are to
11 be effective on a service rendered basis following the Commission's Order in this
12 proceeding.

13 Stipulation Attachment A provides a summary of the Company's revenue
14 requirement as filed in its Application and the adjustments agreed to in the
15 Stipulation to arrive at the final overall revenue requirement increase for natural
16 gas service. While the respective positions of the Parties would be different if this
17 case was fully litigated, the Stipulation – as a whole – is the product of good faith
18 negotiations to arrive at a fair, just and reasonable outcome.

19 The Stipulation resolves all issues among the Parties, including the
20 following major points: 1) the overall revenue requirement, including various
21 adjustments agreed-upon for purposes of settlement; 2) establishment of a
22 pipeline modernization mechanism to enable the Company to receive timely
23 recovery of pipeline replacements necessary for compliance with the Pipelines

1 and Hazardous Materials Safety Administration (PHMSA); 3) cost of capital,
2 including rate of return; and 4) the residential customer charge. Finally, the
3 settlement provides an enhanced benefit to customers in that the Company has
4 agreed to a lengthy “stay-out,” to January 2026, for increases in natural gas base
5 rates. This is significant insofar as an agreement to a base rate case stay-out is not
6 achievable outside of a settlement. The key provisions of the settlement
7 “package” are as follows:

- 8 • The Company’s proposal to implement a Governmental Mandates
9 Adjustment Mechanism (Rider GMA) is modified to a pipeline
10 modernization mechanism (Rider PMM) only, as I explain further
11 below;
- 12 • The residential customer charge will be increased by \$1.00, to \$17.50
13 per month. The customer charges for other rate classes will be adjusted
14 as proposed in the Company’s Application. The remainder of the
15 increase allocable to each rate class will be allocated to the volumetric
16 charge. The rate design and accompanying tariff changes are included
17 in Attachments B and C to the Stipulation;
- 18 • The revenue requirement for base rates is based on a Return on Equity
19 of 9.375 percent;
- 20 • The Return on Equity for the Company’s Rider PMM is 9.3 percent;
- 21 • The Company’s average long-term debt rate for the forecasted test
22 period is 3.656 percent and the Company’s average short-term debt
23 rate for the forecasted test period is 1.667 percent;

- 1 • The Company’s capital structure is 51.344 percent equity, 46.039
2 percent debt and 2.617 percent short-term debt;
- 3 • Duke Energy Kentucky’s Weighted Average Cost of Capital (WACC)
4 is 6.541%;
- 5 • The Company’s proposed tariff language changes, as amended and
6 agreed upon through the Company’s responses to discovery submitted
7 by Staff of the Commission, will be approved;
- 8 • The Parties agree to the allocation of the base revenue requirement as
9 shown in Stipulation Attachment D; and
- 10 • All other items not specifically mentioned, should be approved as filed
11 in the Company’s Application.

12 This settlement, as a total package, provides a fair, just and reasonable
13 resolution of all issues. The Parties held lengthy settlement discussions on
14 multiple occasions where issues were debated rigorously to come up with a fair
15 balance of all issues. The Company was willing to concede issues that were
16 important to the AG in exchange for issues that were of greater importance to the
17 Company, and vise-versa. Together, this settlement “package” allows the
18 Company to agree many of the terms and conditions that were of interest to the
19 AG, which the Company would not have otherwise agreed, including the lengthy
20 stay-out provision. Thus, the Company submits that the Commission should
21 evaluate this Settlement as a total package producing a reasonable resolution and
22 not as individual terms and conditions.

1 **Q. PLEASE DESCRIBE THE ATTACHMENTS TO THE STIPULATION.**

2 A. Attachment A to the Stipulation includes a detailed calculation of the revenue
3 requirement increase comparing the Company's Application to the
4 recommendations made by the Attorney General, and the ultimate agreement
5 achieved. Attachment B includes two copies of the Company's proposed tariff
6 rate sheets, showing the new rates and any language changes as proposed in the
7 Company's application as modified through responses to discovery and agreed to
8 in the Stipulation. The first copy shows the rates in a "tracked changes form" and
9 the second version is in a clean form. Attachment C to the Stipulation is the proof
10 of revenue sheets that provide an overview of the proposed distribution rates by
11 service type with the total increase shown. Attachment D to the Stipulation is a
12 revised allocation of the base revenue requirement to reflect the final agreed upon
13 revenue requirement.

14 **Q. DOES THE STIPULATION ADDRESS AND RESOLVE ALL OF THE**
15 **PROPOSALS MADE IN THE COMPANY'S APPLICATION?**

16 A. Yes. As described above, the Stipulation serves to resolve the contested and
17 uncontested issues in this proceeding.

III. CALCULATION OF THE AGREED UPON
REVENUE REQUIREMENT

18 **Q. PLEASE EXPLAIN THE ADJUSTMENTS MADE TO ARRIVE AT THE**
19 **STIPULATED REVENUE REQUIREMENT.**

20 A. As I previously mentioned, the negotiations considered numerous issues that were
21 of importance in arriving at the final recommended revenue requirement. The
22 Company's Application included testimony and documents that supported a

1 proposed overall increase of approximately \$15.228 million in revenue. The
2 Attorney General, following discovery and investigation, filed his expert
3 testimony of Mr. Lane Kollen that supported a recommended increase of
4 approximately \$6.348 million. The Company (and the Commission) then had an
5 opportunity to conduct further discovery and filed rebuttal testimony on October
6 8, 2021. This rebuttal testimony explained the Company’s disagreement with the
7 Attorney General’s positions and calculations.

8 The Parties started with the specific items identified by the Attorney
9 General’s witness as the outline of issues to discuss regarding the overall revenue
10 requirement calculation. These items included the following issues:

- 11 • Working Capital for Construction Accounts Payable;
- 12 • Deferral and Amortization of CIS Development Costs;
- 13 • Commercial Gas Transportation Revenue;
- 14 • Payroll Taxes Related to Incentive Compensation;
- 15 • Short Term Incentive Plan Expense Tied to “Circuit Breaker” EPS;
- 16 • 401k Matching costs for Employees who also participate in a Defined
17 Benefit Plan;
- 18 • SERP Costs;
- 19 • Association Dues;
- 20 • Cost of Capital Included in DEBS Expense;
- 21 • Depreciation Expense for Customer Connect Plant in Service;
- 22 • Financing Adjustments;
- 23 • Interest Rates for Projected Issuances; and

- 1 • Return on Equity.

2 As was reflected in the Company’s Rebuttal Testimony, filed on October
3 8, 2021, the Company opposed the Attorney General’s recommended
4 adjustments. Through negotiations, the Company and the Attorney General were
5 able to come to a reasonable compromise on each of these items, that on balance,
6 represents a fair resolution of the issues in total. In the spirit of compromise, the
7 Company was willing to accept nearly all of the Attorney General’s adjustments
8 in exchange for the Attorney General’s acceptance of the Company’s position on
9 others. For some of the items, a balance and meeting of the minds was required to
10 come to a reasonable resolution between the Parties. Attachment A to the
11 Stipulation includes a detailed list of the agreed-upon adjustments that comprise
12 the final proposed revenue requirement increase.

13 **Q. PLEASE EXPLAIN THE ISSUE OF WORKING CAPITAL FOR**
14 **ACCOUNTS PAYABLE AND HOW IT WAS RESOLVED.**

15 A. The Company’s Application proposed no allowance for cash working capital in
16 this case. Despite requesting \$0 for cash working capital, the Mr. Kollen, in his
17 Direct Testimony, recommended a negative adjustment to working capital of
18 \$442,000. Company Witness Jay Brown supports in his Rebuttal Testimony why
19 the Company rejects this adjustment. In resolution of this issue however, and for
20 settlement purposes in this case, the Parties have agreed to a reduction to the
21 Company’s revenue requirement of \$221,000 or 50 percent of Mr. Kollen’s
22 recommended adjustment.

1 **Q. PLEASE EXPLAIN THE ISSUES RELATED TO THE DEFERRAL AND**
2 **AMORTIZATION OF CUSTOMER INFORMATION SYSTEM (CIS)**
3 **DEVELOPMENTAL COSTS AND HOW IT WAS RESOLVED.**

4 A. Mr. Kollen states that the Company has included \$1.902 million in nonrecurring
5 developmental Customer Connect O&M expense and another \$0.085 million in
6 recurring non-developmental expense, or a total of \$1.987 million in the test year.
7 He recommends the Commission determine the normalized level of recurring
8 expense and allow recovery of this amount in the base revenue requirement. Mr.
9 Kollen further recommends that the Company defer the nonrecurring
10 developmental expense of both the new CIS, Customer Connect, and the old CIS,
11 Customer Management System, and amortize the two deferred expenses over the
12 service life of Customer Connect. Mr. Kollen also recommends that the deferred
13 expenses be included in rate base in this proceeding. The impact of this
14 adjustment is an increase to the Company's rate base of \$0.652 million. The
15 higher rate base results in a \$0.057 million increase to the Company's revenue
16 requirement. This also results in a decrease to the Company's revenue
17 requirement of \$1.740 million associated with the removal of costs from the test
18 period. The Company has agreed to these adjustments.

19 **Q. PLEASE DESCRIBE THE ISSUE OF COMMERCIAL GAS**
20 **TRANSPORTATION REVENUES AND HOW IT WAS RESOLVED.**

21 A. In his direct testimony, Mr. Kollen identified \$0.245 million in Commercial Gas
22 Transportation revenues that he believes should have been included in the
23 Company's forecast of revenues. In its rebuttal testimony, Duke Energy Kentucky

1 explained why it disagrees with Mr. Kollen’s assessment and characterization of
2 these revenues. The Company has agreed, however in the spirit of compromise
3 and for settlement purposes only, to reduce the Company’s proposed base rate
4 increase by this amount.

5 **Q. PLEASE EXPLAIN THE ISSUE OF PAYROLL TAX RELATED TO THE**
6 **COMPANY’S INCENTIVE COMPENSATION AND HOW THAT WAS**
7 **RESOLVED.**

8 A. In its Application, the Company removed incentive compensation related to
9 achievement of financial targets for the short-term incentive plan, long-term
10 incentive plan and the restricted stock units. Mr. Kollen argues that the Company
11 should have removed the payroll tax expense related to the adjustments to remove
12 incentive compensation expense tied to financial performance. The effect of this
13 adjustment is a reduction of \$0.045 million in the requested base rate increase.
14 The Parties have agreed to this adjustment.

15 **Q. PLEASE EXPLAIN THE ISSUE REGARDING SHORT TERM**
16 **INCENTIVE PLAN EXPENSE TIED TO THE CIRCUIT BREAKER EPS**
17 **AND HOW THAT WAS RESOLVED.**

18 A. Mr. Kollen argues in his testimony that all STI expense tied to the Company’s
19 “circuit breaker” EPS threshold should be removed from base rates. The
20 Company’s Rebuttal Testimony of Jake Stewart explains why the Commission
21 should disregard Mr. Kollen’s proposed adjustment. However, for purposes of
22 settlement only, the Parties are agreeing to fifty percent of Mr. Kollen’s

1 recommended adjustment. The result of this concession is a reduction of \$0.179
2 million to the requested base rate increase.

3 **Q. PLEASE EXPLAIN THE ISSUE OF THE 401(K) MATCHING FOR**
4 **EMPLOYEES WHO ALSO PARTICIPATE IN A DEFINED BENEFIT**
5 **PLAN AND HOW IT WAS RESOLVED.**

6 A. Mr. Kollen recommended a reduction to the Company's test year revenue
7 requirement to eliminate \$0.221 million from the test year revenue requirement
8 related to 401(k) matching expense for employees who participate in both a
9 401(k) and a defined benefit plan. Duke Energy Kentucky opposed this
10 adjustment for the reasons stated in the Rebuttal Testimony of Mr. Stewart.
11 However, in the spirit of compromise and as part of the settlement negotiations,
12 Duke Energy Kentucky agreed to this adjustment.

13 **Q. PLEASE EXPLAIN THE ISSUE OF THE SERP COSTS AND HOW THAT**
14 **WAS RESOLVED.**

15 A. The Company included \$0.034 million in SERP expense in its rate case test year
16 revenue requirement. Mr. Kollen recommends disallowing this adjustment based
17 upon a prior Commission decision. Mr. Brown summarizes the Company's
18 position on this adjustment in his Rebuttal Testimony and in the spirit of reaching
19 a settlement, the Parties are agreeing to this adjustment.

20 **Q. PLEASE EXPLAIN THE ISSUE OF ASSOCIATION DUES AND HOW**
21 **THAT WAS RESOLVED.**

22 A. The Company included approximately \$0.055 million in dues attributed to the
23 Company's membership in the American Gas Association and the Interstate

1 Natural Gas Association of America in its test year. Mr. Kollen recommends
2 eliminating these costs on the basis that these organizations work with political
3 leaders on key issues that could impact companies, the energy utility sector and
4 gas customers. In its rebuttal testimony, the Company points out that both of these
5 organizations identify the portion of their membership dues that support lobbying
6 activities and that the majority of the dues are not supporting lobbying.
7 Accordingly, the Company opposed Mr. Kollen's adjustment and instead
8 conceded to an adjustment that is solely attributed to the portion of dues that
9 actually support lobbying as identified by these associations. For purposes of
10 settlement in this case only however, the Parties have agreed to Mr. Kollen's
11 entire adjustment to remove \$0.055 million from the Company's test year revenue
12 requirement.

13 **Q. PLEASE EXPLAIN THE ISSUE REGARDING DEPRECIATION**
14 **EXPENSE FOR CUSTOMER CONNECT AND HOW IT WAS**
15 **RESOLVED.**

16 A. Mr. Kollen recommends that the Company should use the same depreciation rate
17 for all capital components of the Customer Connect system. Company witness
18 David Raiford supports why the Company opposes this adjustment. However, for
19 settlement purposes only, the Company has agreed to this adjustment. The result
20 is a reduction of \$0.061 million to the Company's revenue requirement. The
21 adjustment also increases rate base by \$0.023 million. The higher rate base results
22 in a \$0.002 million increase to the Company's revenue requirement.

1 **Q. PLEASE EXPLAIN THE ISSUE REGARDING THE DEBS COST OF**
2 **CAPITAL AND HOW THAT WAS RESOLVED.**

3 A. The Company has included a return on the DEBS rate base in the test year
4 revenue requirement. Mr. Kollen believes that this cost should be removed from
5 the Company's revenue requirement. Duke Energy Kentucky witness Jeffrey
6 Setser explains in his Rebuttal Testimony why Mr. Kollen's adjustment is
7 improper and should be rejected, including the fact that the Commission rejected
8 this adjustment previously in the Company's last electric base rate case
9 proceeding. For purposes of settlement, the Parties have agreed not to make this
10 adjustment. This results in no change to the Company's revenue requirement.

11 **Q. PLEASE EXPLAIN THE ISSUE REGARDING THE MONEY POOL**
12 **SHORT TERM DEBT AND HOW THAT WAS RESOLVED?**

13 A. Mr. Kollen recommends that the Commission reflect \$50 million in money pool
14 borrowings in the proposed capital structure. Company Witness Chris Bauer
15 explains in his Rebuttal Testimony why Mr. Kollen's adjustment is improper and
16 should be rejected. For purposes of settlement, the Parties have agreed not to
17 make this adjustment. This results in no change to the Company's revenue
18 requirement.

19 **Q. PLEASE EXPLAIN THE ISSUE RELATED TO THE COMPANY'S**
20 **INTEREST RATE FOR PROJECTED ISSUANCES AND HOW THAT**
21 **WAS RESOLVED.**

22 A. Mr. Baudino recommends the revised coupon rate of 3.28% for the September
23 2021 issuance be used for both forecasted issuances in 2021 and 2022. Mr. Bauer

1 explains in his Rebuttal Testimony why the Company disagrees with this
2 adjustment. However, for purposes of settlement in this case, the Parties have
3 agreed to Mr. Baudino's adjustment to remove \$0.088 million from the
4 Company's test year revenue requirement.

5 **Q. ARE THE COMPANY AND THE ATTORNEY GENERAL AGREEING**
6 **TO ANY OTHER FINANCING ADJUSTMENTS IN THE STIPULATION?**

7 A. Yes. As explained by Mr. Bauer in his Rebuttal Testimony, the Company will no
8 longer be making the \$70 million debt issuance in September 2022 that it had
9 originally planned at the time this rate case was filed. As a result of this change,
10 the revised test period capital structure is as follows:

- 11 a. Common Equity of \$861,861,344 or 51.344%
- 12 b. Long-Term Debt of \$772,830,214 or 46.039%
- 13 c. Short-Term Debt of \$43,936,209 or 2.617%

14 Mr. Bauer further explains that the Company recently ceased all marketing efforts
15 to place the planned 2021 \$50 million of unsecured debentures with private
16 placement investors. The \$50 million debt financing is still required by Duke
17 Energy Kentucky in 2021 and the company is actively working with select banks
18 to secure bridge financing. The Company is now planning a two-year \$50 million
19 debt issuance at a rate yet to be determined. Due to these forecast revisions the
20 Parties have agreed to a \$0.107 million reduction to the test year revenue
21 requirement. Company witness Mr. Brown provides the calculation supporting
22 this revenue requirement reduction in his Rebuttal Testimony.

1 **Q. PLEASE DESCRIBE THE ISSUE OF THE COMPANY'S RETURN ON**
2 **EQUITY AND HOW THAT WAS RESOLVED.**

3 A. In its Application, Duke Energy Kentucky proposed a Return on Equity (ROE) of
4 10.3 percent as supported by the Direct Testimony and analysis of Dylan
5 D'Ascendis. The Attorney General's witness, Mr. Baudino, recommended a ROE
6 of 9.1 percent. As part of the negotiation of this settlement, the Company and the
7 Attorney General have agreed to a ROE of 9.375 percent for base rates and a 9.3
8 percent for the Company's new pipeline replacement mechanism that I describe
9 later in my testimony (Rider PMM). This ROE is consistent with ROEs recently
10 approved by the Commission and is actually lower than a recently approved ROE
11 for Louisville Gas & Electric Company (LG&E), the only other combination
12 natural gas and electric investor-owned utility within the Commonwealth of
13 Kentucky. Moreover, this agreed-upon ROE results in a reduction to the
14 Company's current ROE for its natural gas operations. The fact that the Company
15 is agreeing to a lower ROE for its proposed Rider PMM is also consistent with
16 recent Commission precedent. Applying this lower ROE reduces the Company's
17 revenue requirement by \$2.931 million.

18 **Q. CAN YOU PLEASE PROVIDE SOME COLOR AROUND HOW THE ROE**
19 **WAS REACHED IN THIS SETTLEMENT?**

20 A. Yes. First, I would like to point out that with this settlement, Duke Energy
21 Kentucky will have the lowest authorized ROE for its electric and natural gas
22 operations within the entire Duke Energy family of regulated utilities. In fact, the

1 Company's sister natural gas utility in North Carolina just announced a settlement
2 where the parties agreed to a 9.6 percent ROE.¹

3 Second, as I said previously, this settlement as a package, is what the
4 Parties agreed is a fair, just and reasonable resolution of all issues. Both the
5 Company and the Attorney General were willing to negotiate and concede issues
6 of lesser importance in exchange for issues of greater importance for each. For
7 example, the Company is willing to agree to a much longer base rate case stay-out
8 for its natural gas operations in exchange for certainty with its ROE at the agreed
9 upon level. With the likelihood of increases in interest rates in the coming years,
10 the need to refinance debt at higher levels, a cap on annual increases for the Rider
11 PMM, and the commitment for a four-year base rate case stay-out, the Parties
12 were willing to accept a 9.375 percent ROE for base rates.

13 From a comparison standpoint, agreeing to a lower ROE than what the
14 Commission recently authorized for another combination utility shows the
15 seriousness of the bargaining by the Parties in reaching a fair and reasonable
16 resolution of all issues. Likewise, in exchange for the much needed pipeline
17 replacement program to ensure the Company is able to continue to deliver safe
18 and reliable natural gas service in compliance with PHMSA regulations, and
19 receive timely recovery of its costs, the Company is also willing to accept a lower
20 ROE for this adjustment mechanism. This delta between base rates and an
21 adjustment mechanism is consistent with recent Commission precedence.

¹ [Piedmont Natural Gas agrees to cut NC rate hike to 6.6% in proposed deal with rate challengers - Charlotte Business Journal \(bizjournals.com\)](https://www.bizjournals.com/charlotte/news/2018/05/15/piedmont-natural-gas-agrees-to-cut-nc-rate-hike-to-6.6%/)

1 **Q. WHAT IS THE WEIGHTED AVERAGE COST OF CAPITAL (WACC)**
2 **FOR DUKE ENERGY KENTUCKY’S NATURAL GAS OPERATIONS AS**
3 **A RESULT OF THIS SETTLEMENT?**

4 A. As a result of the settlement, the agreed upon WACC is 6.541% as shown in the
5 following table.

Final Stipulated Capital Structure and WACC				
<u>Class of Capital</u>	<u>13 month average</u>	<u>% to total</u>	<u>Cost</u>	<u>Wtd Cost</u>
Common Equity	861,861,344	51.344%	9.375%	4.814%
Long-Term Debt	772,830,214	46.039%	3.656%	1.683%
Short-Term Debt	43,936,209	2.617%	1.667%	0.044%
	<u>1,678,627,767</u>	<u>100.00%</u>		<u>6.541%</u>

6 **Q. PLEASE EXPLAIN HOW THE TOTAL AMOUNT OF THE INCREASE**
7 **IN REVENUES AS PROPOSED IN THE STIPUALTION IS FAIR, JUST**
8 **AND REASONABLE.**

9 A. The amount of the increase agreed upon in the Stipulation is fair, just and
10 reasonable because it is the result of a negotiated compromise, in consideration of
11 all terms of the Stipulation by knowledgeable and capable Parties. By vigorously
12 pursuing their respective positions, stakeholders, including customers, the
13 Company, and its shareholders, were represented and their priorities were
14 recognized and protected through the Stipulation. The initial revenue proposal by
15 the Company and the Attorney General in this proceeding represented the best
16 possible outcome based upon the facts, as understood by each of the Parties at the
17 commencement of this case. Since that time, substantial data was exchanged, and
18 the Parties engaged in extensive negotiations to arrive at an outcome that is fair,
19 just, and reasonable to Duke Energy Kentucky’s customers and its shareholders.

1 The compromise of the revenue increase, rate design, and recovery of certain
2 costs has resulted from these negotiations and reflects the best judgment of the
3 Parties, including their respective experts, as to a fair resolution of all issues. The
4 base rates agreed upon provide sufficient revenue for Duke Energy Kentucky to
5 operate and provide safe, reliable, and reasonable natural gas service to its
6 customers while also providing a fair return to its shareholders. The Stipulation
7 as a total package provides a fair and reasonable outcome that the Commission
8 should approve.

IV. PIPELINE MODERNIZATION MECHANISM

9 **Q. PLEASE EXPLAIN THE ORIGIN OF THE PIPELINE**
10 **MODERNIZATION MECHANISM (RIDER PMM) AS AGREED UPON IN**
11 **THE SETTLEMENT.**

12 A. The Company's Application contained a proposal for a Governmental Mandates
13 Adjustment mechanism (Rider GMA) to adjust for two primary types of costs.
14 First, the mechanism was intended to adjust for any future state or federal tax law
15 changes. As the Commission is aware, as a result of the Tax Cuts and Jobs Act of
16 2017, the corporate federal income tax rate was reduced. This Commission
17 initiated an investigation into all utilities to adjust rates to reflect this change in
18 the tax rate. The proposed Rider GMA was intended to act as a place holder for
19 any future changes in either state or federal corporate tax rates. Second, Rider
20 GMA was intended to act as a pipeline replacement mechanism for investments
21 necessary to comply with PHMSA regulations impacting the natural gas delivery
22 system.

1 With this Stipulation, the Company’s proposal for Rider GMA is amended
2 and renamed the Pipeline Modernization Mechanism (Rider PMM). The name
3 change is in response to an agreement to limit it to pipeline preplacement projects,
4 including integrity-related replacements, prompted by regulations promulgated by
5 the PHMSA. The Company is withdrawing its proposal to include tax law
6 changes in the rider.

7 **Q. WHAT IS THE TERM OF RIDER PMM?**

8 A. The initial term of the mechanism is for seven years from the date of the
9 Commission’s Order in this proceeding, with the ability for the Company to seek
10 to extend the term either as part of a subsequent rate case or through a separate
11 application filed in accordance with KRS 278.509. The initial seven-year term
12 was established to coincide with the timing of the Company’s anticipated multi-
13 phase AM07 Pipeline replacement project.

14 **Q. HOW WILL RIDER PMM WORK?**

15 A. Rider PMM shall be adjusted annually for capital placed into service following
16 the test year in this case and will use forecasted 13-month average plant in service
17 balances for purposes of calculating the annual revenue requirement. This is
18 similar to how the Company’s prior pipeline replacement mechanism, the
19 Accelerated Service Replacement Program, operated when it was in effect. The
20 first Rider PMM adjustment will be filed no earlier than July 1, 2022, (and by
21 July 1st each year thereafter) with new rates effective the following January. This
22 means that the first Rider PMM rate adjustment will go into effect no earlier than
23 January 2023.

1 The first pipeline replacement project eligible for rider recovery, subject to
2 certificate of public convenience and necessity (CPCN) approval by the
3 Commission, shall be the Company's upcoming AM07 pipeline replacement. The
4 Company shall file a CPCN for each phase of the AM07 Replacement project but
5 shall not be required to file a CPCN for Rider PMM projects that qualify as an
6 ordinary extension of the existing system in the ordinary course of business.

7 Rider PMM shall be calculated as a per-bill charge for residential and
8 general service rates. Rider PMM shall be calculated on a per ccf charge for
9 transportation rates. The revenue requirement calculated in the rider will be
10 allocated between the rate classes as outlined in Paragraph Number 22 in the
11 Stipulation.

12 The rider shall be subject to an annual revenue requirement cap of no
13 more than a 5 percent increase in natural gas revenues per year. For purposes of
14 determining the 5 percent cap, the Parties agree that the natural gas revenues,
15 including base revenues, gas cost revenues and miscellaneous revenues of
16 \$121,059,033 outlined in Paragraph Number 1 of the Stipulation shall become the
17 baseline for measuring the 5 percent annual cap on increases for the duration of
18 the rider. Any additional capital placed into service that would result in an
19 increase over 5 percent shall be eligible for the creation of a regulatory asset for
20 recovery of the deferral of property taxes, depreciation, and post-in-service
21 carrying costs for that incremental capital (PISCC based on approved WACC).
22 Such deferral shall be eligible for amortization in the Company's next natural gas
23 base rate proceeding.

1 Finally, As previously discussed, the ROE used for calculating the Rider
2 PMM (and any other capital-related natural gas adjustment mechanism) shall be
3 9.3 percent.

V. OTHER SETTLEMENT TERMS

4 **Q. ARE THERE ANY OTHER NOTEWORTHY ISSUES REGARDING THE**
5 **PROPOSED TARIFFS?**

6 A. Yes. The Parties are also agreeing that the Company’s fixed residential customer
7 charge should be increased by only \$1.00. The final charge will be \$17.50. The
8 Company had proposed other tariff language changes in its application. The
9 Parties agree that those changes, as amended and agreed upon through the
10 Company’s responses to discovery submitted by Staff of the Commission, should
11 be approved.

12 **Q. WHAT CHANGES TO THE PROPOSED TARIFFS WERE AGREED**
13 **UPON THROUGH THE COMPANY’S RESPONSES TO DISCOVERY?**

14 A. The correction of an error in the calculation of the charges for pulse meters
15 resulted in revised charges for Sheet No. 84, Rate MPS. The charge for the
16 Installation of Meter Pulse Equipment was revised from \$1,000 to \$970 and the
17 additional charge if replacement of the Meter Index is necessary was revised from
18 \$700 to \$680.² The Company is also proposing a \$15 field collection charge to be
19 added to Sheet No. 81 Charge for Reconnection of Service.³

² See Response to Staff-DR-03-016

³ See Response to Staff-DR-03-025(d).

1 **Q. WHAT EVIDENCE SHOULD THE COMMISSION CONSIDER THAT**
2 **EACH CONSTITUENCY WAS VIGOROUSLY REPRESENTED IN THE**
3 **NEGOTIATIONS THAT LED TO THIS SETTLEMENT?**

4 A. The Parties supported their positions in the record through pre-filed direct and
5 rebuttal testimony and the submission of, and responses to, numerous data
6 requests. The Stipulation reveals the sincerity of the negotiations on all sides
7 when compared to the initial positions supported. The result is that the Parties
8 made appropriate concessions to ensure their priorities were reflected in the final
9 compromise. Accordingly, the Stipulation must be viewed in its entirety rather
10 than evaluated on the basis of any discrete term or issue. The Stipulation was
11 negotiated in the context of an overall result, including the impact on customers
12 and the Company's financial operation.

13 **Q. DO YOU HAVE AN OPINION REGARDING THE REASONABLENESS**
14 **OF THE STIPULATION?**

15 A. Yes. The Stipulation is the result of extensive, good faith negotiation among
16 knowledgeable and capable parties. The Stipulation is a reasonable compromise
17 that produces rates that are fair and in the best interests of all concerned. Duke
18 Energy Kentucky requests that the Commission approve the Stipulation in its
19 entirety and without modification.

VI. CONCLUSION

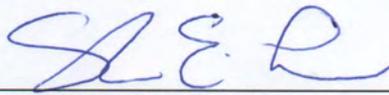
20 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

21 A. Yes.

VERIFICATION

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The undersigned, Sarah E. Lawler, VP Rates & Regulatory Strategy, OH/KY, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing supplemental testimony and that it is true and correct to the best of her knowledge, information and belief.



Sarah E. Lawler Affiant

Subscribed and sworn to before me by Sarah E. Lawler on this 28 day of September, 2021.



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