



*FA Whelan*

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Kelly.Bergl@duke-energy.com

Kelly Berg  
Lead Rates Analyst

**VIA OVERNIGHT DELIVERY**

RECEIVED

February 20, 2014

FEB 21 2014

Mr. Jeff Derouen, Executive Director  
**Attention: Chris Whelan**

PUBLIC SERVICE  
COMMISSION

Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

Dear Mr. Derouen and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in March 2014.

Please note on Schedule 2 of the filing that Duke Energy Kentucky is incorporating a modification to the calculation of the Rider FAC rate to mitigate the impact of the increased cost of fuel due to the prolonged period of extreme cold. The Company will spread out the incremental impact over a six-month period beginning in March 2014 and ending August 2014. Also, the Company has discovered an error in its calculation/modeling methodology in the after the fact costing model for economy purchased power. Previously, the Company was using the Day Ahead/ Real Time blended locational marginal price (LMP) for its generation modeling but mistakenly only used the Real Time LMP for its load modeling. The Company for the current month and going forward will use Day Ahead /Real Time blended locational marginal price (LMP) for both generation and load modeling. This modeling change will better simulate the actual PJM settlement process. The Company will describe in more detail the methodology change when the supplemental information is filed for the expense month of January 2014.

Please contact me if you have any questions.

Sincerely,

*Lisa D Steinkuhl*

Lisa D. Steinkuhl

Enclosure

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Schedule 1  
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COMMISSION

DUKE ENERGY KENTUCKY  
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: January 2014

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel $F_m$ (Schedule 2, Line J)	\$14,477,532.27	
2	Sales $S_m$ (Schedule 3, Line C) ÷	406,416,960	3.5622
3	Base Fuel Rate ( $F_b/S_b$ ) per PSC Order in Case No. 2012-00554	(-)	2.7466
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		0.8156

Effective Date for Billing: March 3, 2014

Submitted by: *Kelly B. B...*

Title: Lead Rates Analyst

Date Submitted: February 20, 2014

**DUKE ENERGY KENTUCKY  
FUEL COST SCHEDULE**

**Expense Month: January 2014**

		<u>Dollars (\$)</u>
<b>A. Company Generation</b>		
Coal Burned	(+)	8,826,113.56
Oil Burned	(+)	-
Gas Burned	(+)	5,655,165.68
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	935,443.86
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	1,812,870.29
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	1,044,871.99
Sub-Total		<u>\$14,313,833.68</u>
<b>B. Purchases</b>		
Economy Purchases	(+)	\$13,160,025.82
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	7,544,132.06
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$5,615,893.76</u>
<b>C. Non-Native Sales Fuel Costs</b>		<u>2,184,288.61</u>
<b>D. Total Fuel Costs (A + B - C)</b>	(+)	\$17,745,438.84 <sup>(b)</sup>
<b>E. Total Company Over or (Under) Recovery from Schedule 5, Line 14</b>	(-)	(\$8,191.44)
<b>F. Adjustment indicating the difference in actual fuel cost for the month of December 2013 and the estimated cost originally reported</b>		
reported      \$9,958,517.26 - \$9,896,438.89	(+)	\$62,078.37
(actual)          (estimate)		
<b>G. RTO Resettlements for prior periods from Schedule 6, Line G</b>	(+)	(\$4,843.04)
<b>H. Deferral of Current Purchased Power Costs</b>	(-)	\$4,000,000.00
<b>I. Amount of January Deferred Purchased Power Costs included in the filing</b>	(+)	\$666,666.67
<b>J. Grand Total Fuel Cost (D - E + F + G - H + I)</b>		<u>\$14,477,532.27</u>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

<sup>(b)</sup> Estimated - to be trued up in the filing next month

**DUKE ENERGY KENTUCKY  
SALES SCHEDULE**

Expense Month: January 2014

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	357,612,000
<u>Purchases Including Interchange-In</u>	(+)	<u>96,117,860</u>
Sub-Total		<u>453,729,860</u>
 B. Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	15,780,550
<u>System Losses ( 437,949,310 KWH times 7.2%<sup>(a)</sup> )</u>	(+)	<u>31,532,350</u>
Sub-Total		<u>47,312,900</u>
 C. Total Sales (A - B)		<u><u>406,416,960</u></u>

Note: <sup>(a)</sup> Average of prior 12 months.

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**DUKE ENERGY KENTUCKY  
FINAL FUEL COST SCHEDULE**

**Expense Month: December 2013**

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		<u>Dollars (\$)</u>
<b>A. Company Generation</b>		
Coal Burned	(+)	\$7,622,046.05
Oil Burned	(+)	311,575.00
Gas Burned	(+)	\$76,504.74
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	251,229.64
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	2,598,851.09
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	428,224.57
Sub-Total		<u>\$9,929,522.67</u>
<b>B. Purchases</b>		
Economy Purchases	(+)	\$3,240,288.45
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	2,703,380.44
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$536,908.01</u>
<b>C. Non-Native Sales Fuel Costs</b>		<b>\$ 507,913.42</b>
<b>D. Total Fuel Costs (A + B - C)</b>		<b><u>\$9,958,517.26</u></b>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY  
OVER OR (UNDER) RECOVERY SCHEDULE**

**Expense Month: November 2013**

Line No.	Description		
1	FAC Rate Billed ( $\phi$ /kWh)	(+)	(0.0116)
2	Retail kWh Billed at Above Rate	(x)	<u>383,971,088</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>(\$44,540.65)</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	313,355,288
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>313,355,288</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		(\$36,349.21)
8	Over or (Under) (Line 3 - Line 7)		(\$8,191.44)
9	Total Sales (Schedule 3 Line C)	(-)	406,416,960
10	Kentucky Jurisdictional Sales	(+)	<u>406,416,960</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)	(+)	(\$8,191.44)
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0.00
14	Total Company Over or (Under) Recovery		<u><u>(\$8,191.44)</u></u>

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**DUKE ENERGY KENTUCKY  
REGIONAL TRANSMISSION ORGANIZATION RESETTLEMENTS  
FUEL COST SCHEDULE**

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<b>Expense Month:</b>	<b>September 2013</b>
	<b><u>Dollars (\$)</u></b>
<b>A. Company Generation</b>	
Coal Burned	(+)
Oil Burned	(+)
Gas Burned	(+)
PJM Balancing & Day Ahead Operating Reserve Credit	(-)
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)
Sub-Total	\$9,121,420.11
<b>B. Purchases</b>	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)
Less purchases above highest cost units	(-)
Sub-Total	\$968,901.02
<b>C. Non-Native Sales Fuel Costs</b>	\$586,114.10
<b>D. Total Fuel Costs (A + B - C)</b>	\$9,504,207.03
<b>E. Total Fuel Costs Previously Reported</b>	\$9,509,050.07
<b>F. Prior Period Adjustment</b>	-
<b>G. Adjustment due to MISO Resettlements</b>	(\$4,843.04)

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.



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**VIA OVERNIGHT DELIVERY**

March 20, 2014

Mr. Jeff Derouen, Executive Director  
**Attention: Chris Whelan**

Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

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MAR 21 2014

PUBLIC SERVICE  
COMMISSION

Dear Mr. Derouen and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in April 2014.

Please contact me if you have any questions.

Sincerely,

Kelly B. Berg

Enclosure

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MAR 21 2014

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**DUKE ENERGY KENTUCKY  
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month:                      February 2014

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel $F_m$ (Schedule 2, Line J)	\$10,936,792.64	
2	Sales $S_m$ (Schedule 3, Line C)                      +	344,605,900	3.1737
3	Base Fuel Rate ( $F_b/S_b$ ) per PSC Order in Case No. 2012-00554	(-)	<u>2.7466</u>
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u><u>0.4271</u></u>

Effective Date for Billing:

April 1, 2014

Submitted by:

*Kelly B. Benz*

Title:

Lead Rates Analyst

Date Submitted:

March 20, 2014

**DUKE ENERGY KENTUCKY  
FUEL COST SCHEDULE**

**Expense Month: February 2014**

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	7,667,836.02
Oil Burned	(+)	-
Gas Burned	(+)	186,694.05
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	116,368.47
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	1,444,162.77
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	132,810.71
Sub-Total		<u>\$9,049,513.66</u>
B. Purchases		
Economy Purchases	(+)	\$5,048,769.16
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	3,356,085.73
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$1,692,683.43</u>
C. Non-Native Sales Fuel Costs		<u>457,884.73</u>
D. Total Fuel Costs (A + B - C)	(+)	\$10,284,312.36 <sup>(b)</sup>
E. Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	\$14,550.67
F. Adjustment indicating the difference in actual fuel cost for the month of January 2014 and the estimated cost originally reported		
reported      \$17,740,941.06 - \$17,745,438.84	(+)	(\$4,497.77)
(actual)      (estimate)		
G. RTO Resettlements for prior periods from Schedule 6, Line G	(+)	\$4,862.05
H. Deferral of Current Purchased Power Costs	(-)	\$0.00
I. Amount of January Deferred Purchased Power Costs included in the filing	(+)	\$666,666.67
J. Grand Total Fuel Cost (D - E + F + G - H + I)		<u><u>\$10,936,792.64</u></u>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

<sup>(b)</sup> Estimated - to be trued up in the filing next month

**DUKE ENERGY KENTUCKY  
SALES SCHEDULE**

**Expense Month: February 2014**

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	321,566,000
<u>Purchases Including Interchange-In</u>	(+)	<u>67,900,710</u>
Sub-Total		<u>389,466,710</u>
 B. Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	17,322,110
<u>    System Losses (372,144,600 KWH times 7.4%<sup>(a)</sup>)</u>	(+)	<u>27,538,700</u>
Sub-Total		<u>44,860,810</u>
 C. Total Sales (A - B)		<u><u>344,605,900</u></u>

Note: <sup>(a)</sup> Average of prior 12 months.

**DUKE ENERGY KENTUCKY  
FINAL FUEL COST SCHEDULE**

**Expense Month: January 2014**

		<u>Dollars (\$)</u>
<b>A. Company Generation</b>		
Coal Burned	(+)	\$8,553,615.03
Oil Burned	(+)	272,504.00
Gas Burned	(+)	\$5,655,166.93
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	1,037,707.10
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	1,812,869.55
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	1,110,816.25
Sub-Total		<u>\$14,145,632.16</u>
<b>B. Purchases</b>		
Economy Purchases	(+)	\$13,308,495.46
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	7,542,925.71
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$5,765,569.75</u>
<b>C. Non-Native Sales Fuel Costs</b>		<b>\$ 2,170,260.85</b>
<b>D. Total Fuel Costs (A + B - C)</b>		<b><u>\$17,740,941.06</u></b>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY  
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: December 2013

Line No.	Description		
1	FAC Rate Billed ( $\phi$ /kWh)	(+)	0.0724
2	Retail kWh Billed at Above Rate	(x)	<u>374,462,752</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$271,111.03</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	354,365,133
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>354,365,133</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$256,560.36
8	Over or (Under) (Line 3 - Line 7)		\$14,550.67
9	Total Sales (Schedule 3 Line C)	(-)	344,605,900
10	Kentucky Jurisdictional Sales	(+)	<u>344,605,900</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)	(+)	\$14,550.67
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0.00
14	Total Company Over or (Under) Recovery		<u><u>\$14,550.67</u></u>

**DUKE ENERGY KENTUCKY  
REGIONAL TRANSMISSION ORGANIZATION RESETTLEMENTS  
FUEL COST SCHEDULE**

<b>Expense Month:</b>		<b>October 2013 <u>Dollars (\$)</u></b>
<b>A. Company Generation</b>		
Coal Burned	(+)	\$9,416,687.39
Oil Burned	(+)	83,518.00
Gas Burned	(+)	\$67,743.09
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	-
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	226,224.46
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	11,141.52
Sub-Total		<u>\$9,783,031.42</u>
<b>B. Purchases</b>		
Economy Purchases	(+)	455,274.38
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	351,653.63
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$103,620.75</u>
<b>C. Non-Native Sales Fuel Costs</b>		<b>\$1,675,347.00</b>
<b>D. Total Fuel Costs (A + B - C)</b>		<b><u>\$8,211,305.17</u></b>
<b>E. Total Fuel Costs Previously Reported</b>		<b>\$8,206,443.12</b>
<b>F. Prior Period Adjustment</b>		<b>-</b>
<b>G. Adjustment due to MISO Resettlements</b>		<b><u>\$4,862.05</u></b>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.



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Kelly Berg  
Lead Rates Analyst

**VIA OVERNIGHT DELIVERY**

April 17, 2014

Mr. Jeff Derouen, Executive Director  
**Attention: Chris Whelan**

Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

Dear Mr. Derouen and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in May 2014.

Please note on Schedule 2 of the filing that we are incorporating a modification to the calculation of the Rider FAC rate to mitigate the impact of the cost of replacement power purchased as a result of a planned outage at the Company's East Bend generating station. The Company will spread the rate increase over a six-month period beginning in May 2014 and ending October 2014.

Please contact me if you have any questions.

Sincerely,

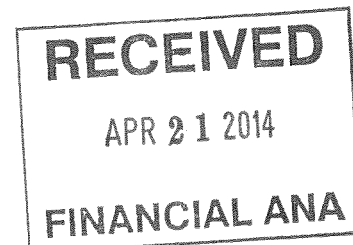
Kelly B. Berg

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**DUKE ENERGY KENTUCKY  
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: March 2014

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Rate (¢/kWh)</u>
1	Fuel $F_m$ (Schedule 2, Line J)	\$11,725,878.08	
2	Sales $S_m$ (Schedule 3, Line C)	÷ 333,574,062	3.5152
3	Base Fuel Rate ( $F_b/S_b$ ) per PSC Order in Case No. 2012-00554		(-) <u>2.7466</u>
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u><u>0.7686</u></u>

Effective Date for Billing: May 1, 2014

Submitted by: *Guliy B. Berg*

Title: Lead Rates Analyst

Date Submitted: April 17, 2014



**DUKE ENERGY KENTUCKY  
FUEL COST SCHEDULE**

**Expense Month: March 2014**

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	3,076,077.63
Oil Burned	(+)	-
Gas Burned	(+)	12,134.48
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	55,744.50
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	877,741.92
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	27,394.18
Sub-Total		<u>\$3,882,815.35</u>
B. Purchases		
Economy Purchases	(+)	\$12,469,344.40
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	2,919,883.66
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$9,549,460.74</u>
C. Non-Native Sales Fuel Costs		<u>5,785.74</u>
D. Total Fuel Costs (A + B - C)	(+)	\$13,426,490.35 <sup>(b)</sup>
E. Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	(\$544,827.34)
F. Adjustment indicating the difference in actual fuel cost for the month of February 2014 and the estimated cost originally reported		
reported      \$10,267,367.89 - \$10,284,312.36	(+)	(\$16,944.47)
(actual)          (estimate)		
G. RTO Resettlements for prior periods from Schedule 6, Line G	(+)	\$21,505.19
H. Deferral of Current Purchased Power Costs	(-)	\$3,500,000.00
I. Amount of January Deferred Purchased Power Costs included in the filing	(+)	\$666,666.67
J. Amount of March Deferred Purchased Power Costs included in the filing	(+)	\$583,333.00
K. Grand Total Fuel Cost (D - E + F + G - H + I + J)		<u><u>\$11,725,878.08</u></u>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

<sup>(b)</sup> Estimated - to be trued up in the filing next month

**DUKE ENERGY KENTUCKY  
SALES SCHEDULE**

**Expense Month: March 2014**

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	133,419,000
<u>Purchases Including Interchange-In</u>	(+)	<u>227,840,030</u>
Sub-Total		<u>361,259,030</u>
 B. Pumped Storage Energy	(+)	 -
Non-Native Sales Including Interchange Out	(+)	248,140
<u>System Losses (361,010,890 KWH times 7.6%<sup>(a)</sup>)</u>	(+)	<u>27,436,828</u>
Sub-Total		<u>27,684,968</u>
 C. Total Sales (A - B)		 <u><u>333,574,062</u></u>

Note: <sup>(a)</sup> Average of prior 12 months.

**DUKE ENERGY KENTUCKY  
FINAL FUEL COST SCHEDULE**

**Expense Month: February 2014**

		<u>Dollars (\$)</u>
<b>A. Company Generation</b>		
Coal Burned	(+)	\$7,452,079.95
Oil Burned	(+)	215,758.00
Gas Burned	(+)	\$186,694.21
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	203,026.88
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	1,445,585.22
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	122,348.12
Sub-Total		<u>\$8,974,742.38</u>
<b>B. Purchases</b>		
Economy Purchases	(+)	\$5,061,278.82
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	3,358,059.25
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$1,703,219.57</u>
<b>C. Non-Native Sales Fuel Costs</b>		<b>\$ 410,594.06</b>
<b>D. Total Fuel Costs (A + B - C)</b>		<b><u>\$10,267,367.89</u></b>

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Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY  
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: January 2014

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	0.8156
2	Retail kWh Billed at Above Rate	(x)	<u>339,616,159</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$2,769,909.39</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	406,416,960
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>406,416,960</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$3,314,736.73
8	Over or (Under) (Line 3 - Line 7)		(\$544,827.34)
9	Total Sales (Schedule 3 Line C)	(-)	333,574,062
10	Kentucky Jurisdictional Sales	(+)	<u>333,574,062</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)	(+)	(\$544,827.34)
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0.00
14	Total Company Over or (Under) Recovery		<u><u>(\$544,827.34)</u></u>

**DUKE ENERGY KENTUCKY  
REGIONAL TRANSMISSION ORGANIZATION RESETTLEMENTS  
FUEL COST SCHEDULE**

<b>Expense Month:</b>		<b>November 2013 <u>Dollars (\$)</u></b>
A. Company Generation		
Coal Burned	(+)	\$8,033,337.01
Oil Burned	(+)	231,198.00
Gas Burned	(+)	\$405.27
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	13,247.88
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	1,255,154.62
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	197,009.96
Sub-Total		<u>\$9,309,837.06</u>
B. Purchases		
Economy Purchases	(+)	1,491,756.04
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	1,437,999.49
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$53,756.55</u>
C. Non-Native Sales Fuel Costs		\$782,406.38
D. Total Fuel Costs (A + B - C)		<u>\$8,581,187.23</u>
E. Total Fuel Costs Previously Reported		\$8,559,682.04
F. Prior Period Adjustment		-
G. Adjustment due to MISO Resettlements		<u>\$21,505.19</u>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.



FA Whelan

139 East Fourth Street  
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Tel: 513-287-2373  
Fax: 513-287-2473  
Kelly.Berg@duke-energy.com

Kelly Berg  
Lead Rates Analyst

**VIA OVERNIGHT DELIVERY**

May 22, 2014

Mr. Jeff Derouen, Executive Director  
**Attention: Chris Whelan**

Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

RECEIVED

MAY 23 2014

PUBLIC SERVICE  
COMMISSION

Dear Mr. Derouen and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in June 2014.

Please note on Schedule 2 of the filing that we are incorporating a modification to the calculation of the Rider FAC rate to mitigate the impact of the cost of replacement power purchased as a result of a planned outage at the Company's East Bend generating station. The Company will spread the rate increase over a six-month period beginning in June 2014 and ending November 2014.

Please note on Schedule 7 of the filing a correction for the month of January and February 2014. The correction was needed because the original gas expense was recorded incorrectly.

Please contact me if you have any questions.

Sincerely,

Kelly B. Berg

Enclosure

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MAY 27 2014  
FINANCIAL ANA

DUKE ENERGY KENTUCKY  
 FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: April 2014

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel $F_m$ (Schedule 2, Line L)	\$9,956,327.97	
2	Sales $S_m$ (Schedule 3, Line C)	÷ 282,024,762	3.5303
3	Base Fuel Rate ( $F_b/S_b$ ) per PSC Order in Case No. 2012-00554	(-) <u>2.7466</u>	
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u><u>0.7837</u></u>

Effective Date for Billing: June 2, 2014

Submitted by: *Kelley B. Benz*

Title: Lead Rates Analyst

Date Submitted: May 22, 2014

**DUKE ENERGY KENTUCKY  
FUEL COST SCHEDULE**

**Expense Month: April 2014**

		<u>Dollars (\$)</u>
<b>A. Company Generation</b>		
Coal Burned	(+)	2,297,000.51
Oil Burned	(+)	-
Gas Burned	(+)	383.61
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	-
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	11.11
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	-
Sub-Total		<u>\$2,297,395.23</u>
<b>B. Purchases</b>		
Economy Purchases	(+)	\$7,766,996.25
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	21.89
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$7,766,974.36</u>
<b>C. Non-Native Sales Fuel Costs</b>		-
<b>D. Total Fuel Costs (A + B - C)</b>	(+)	\$10,064,369.59 <sup>(b)</sup>
<b>E. Total Company Over or (Under) Recovery from Schedule 5, Line 14</b>	(-)	(\$188,270.07)
<b>F. Adjustment indicating the difference in actual fuel cost for the month of March 2014 and the estimated cost originally reported</b>		
\$13,773,913.73 - \$13,426,490.35	(+)	\$347,423.38
(actual) (estimate)		
<b>G. RTO Resettlements for prior periods from Schedule 6, Line G</b>	(+)	\$25,882.92
<b>H. Prior Period Correction for January and February 2014 from Schedule 7, Line I</b>	(+)	\$413,715.68
<b>I. Deferral of Current Purchased Power Costs</b>	(-)	\$2,000,000.00
<b>J. Amount of March Deferred Purchased Power Costs included in the filing</b>	(+)	\$583,333.00
<b>K. Amount of April Deferred Purchased Power Costs included in the filing</b>	(+)	\$333,333.33
<b>L. Grand Total Fuel Cost (D - E + F + G + H - I + J + K)</b>		<u>\$9,956,327.97</u>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

<sup>(b)</sup> Estimated - to be trued up in the filing next month



**DUKE ENERGY KENTUCKY  
SALES SCHEDULE**

**Expense Month: April 2014**

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	117,092,000
<u>Purchases Including Interchange-In</u>	(+)	<u>190,459,540</u>
Sub-Total		<u>307,551,540</u>
 B. Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	-
<u>System Losses (37,551,540 KWH times 8.3%<sup>(a)</sup>)</u>	(+)	<u>25,526,778</u>
Sub-Total		<u>25,526,778</u>
 C. Total Sales (A - B)		<u><u>282,024,762</u></u>

Note: <sup>(a)</sup> Average of prior 12 months.

**DUKE ENERGY KENTUCKY  
FINAL FUEL COST SCHEDULE**

**Expense Month: March 2014**

		<u>Dollars (\$)</u>
<b>A. Company Generation</b>		
Coal Burned	(+)	\$2,986,679.47
Oil Burned	(+)	89,394.00
Gas Burned	(+)	\$245,644.17
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	79,851.63
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	877,742.09
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	31,552.27
Sub-Total		<u>\$4,088,055.83</u>
<b>B. Purchases</b>		
Economy Purchases	(+)	\$12,612,267.62
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	2,920,096.69
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$9,692,170.93</u>
<b>C. Non-Native Sales Fuel Costs</b>		<b>\$ 6,313.03</b>
<b>D. Total Fuel Costs (A + B - C)</b>		<b><u>\$13,773,913.73</u></b>

.....

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY  
OVER OR (UNDER) RECOVERY SCHEDULE**

**Expense Month: February 2014**

Line No.	Description		
1	FAC Rate Billed ( $\phi$ /kWh)	(+)	0.4271
2	Retail kWh Billed at Above Rate	(x)	<u>300,524,872</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$1,283,541.73</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	344,605,900
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>344,605,900</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$1,471,811.80
8	Over or (Under) (Line 3 - Line 7)		(\$188,270.07)
9	Total Sales (Schedule 3 Line C)	(-)	282,024,762
10	Kentucky Jurisdictional Sales	(+)	<u>282,024,762</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)	(+)	(\$188,270.07)
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0.00
14	Total Company Over or (Under) Recovery		<u><u>(\$188,270.07)</u></u>

**DUKE ENERGY KENTUCKY  
REGIONAL TRANSMISSION ORGANIZATION RESETTLEMENTS  
FUEL COST SCHEDULE**

<b>Expense Month:</b>	<b>December 2013</b>
	<b><u>Dollars (\$)</u></b>
A. Company Generation	
Coal Burned	(+)
Oil Burned	(+)
Gas Burned	(+)
PJM Balancing & Day Ahead Operating Reserve Credit	(-)
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)
Sub-Total	<u>\$9,929,214.80</u>
B. Purchases	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)
Less purchases above highest cost units	(-)
Sub-Total	<u>\$546,421.14</u>
C. Non-Native Sales Fuel Costs	\$491,235.76
D. Total Fuel Costs (A + B - C)	<u>\$9,984,400.18</u>
E. Total Fuel Costs Previously Reported	\$9,958,517.26
F. Prior Period Adjustment	-
G. Adjustment due to MISO Resettlements	<u><u>\$25,882.92</u></u>

.....

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY  
PRIOR PERIOD CORRECTIONS  
FUEL COST SCHEDULE**

Expense Month:		January 2014 <u>Dollars (\$)</u>	February 2014 <u>Dollars (\$)</u>	Total <u>Dollars (\$)</u>
<b>A. Company Generation</b>				
Coal Burned	(+)	\$8,553,615.03	\$7,452,079.95	
Oil Burned	(+)	272,504.00	215,758.00	
Gas Burned	(+)	\$2,114,712.66	\$197,118.86	
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	1,037,707.10	203,026.88	
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	1,812,869.55	1,445,585.22	
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	446,276.03	122,348.12	
Sub-Total		<u>\$11,269,718.11</u>	<u>\$8,985,167.03</u>	
<b>B. Purchases</b>				
Economy Purchases	(+)	13,308,495.46	5,061,278.82	
Other Purchases	(+)	-	-	
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	7,542,925.71	3,358,059.25	
Less purchases above highest cost units	(-)	-	-	
Sub-Total		<u>\$5,765,569.75</u>	<u>\$1,703,219.57</u>	
<b>C. Non-Native Sales Fuel Costs</b>				
		\$891,054.77	\$410,594.06	
<b>D. Total Fuel Costs (A + B - C)</b>				
		<u>\$16,144,233.09</u>	<u>\$10,277,792.54</u>	
<b>E. Total Fuel Costs Previously Reported</b>				
		\$17,740,941.06	\$10,267,367.89	
<b>F. Adjustment Due to Prior Period Correction (D - E)</b>				
		(\$1,596,707.97)	\$10,424.65	
<b>G. Original Amount January Deferral of Costs</b>				
	(+)	4,000,000.00	-	
<b>H. Amount of Deferral included in Rates for March through May</b>				
	(-)	2,000,001.00	-	
<b>I. Adjustment due to Prior Period Correction (F + G - H)</b>				
		<u>\$403,291.03</u>	<u>\$10,424.65</u>	<u>\$413,715.68</u>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.



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Kelly Berg  
Lead Rates Analyst

**VIA OVERNIGHT DELIVERY**

RECEIVED

JUN 20 2014

PUBLIC SERVICE  
COMMISSION

June 19, 2014

Mr. Jeff Derouen, Executive Director  
Attention: **Chris Whelan**

Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

Dear Mr. Derouen and Ms. Whelan:

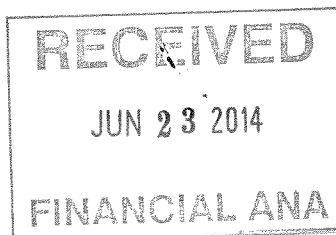
In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in July 2014.

Please note on Schedule 2 of the filing that we are incorporating a modification to the calculation of the Rider FAC rate to mitigate the impact of the cost of replacement power purchased as a result of a planned outage at the Company's East Bend generating station. At a minimum, the Company will include \$625,000 of the deferred amount over six months for the period beginning in July 2014 and ending December 2014. However if the FAC rate for a month including the monthly deferred amounts for expense month March, April and May is lower than 0.81 ¢/kWh additional amounts of the deferral will be included in the FAC calculation to the extent the FAC rate does not exceed 0.81 ¢/kWh.

Please contact me if you have any questions.

Sincerely,

Kelly B. Berg



Enclosure

**DUKE ENERGY KENTUCKY  
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: May 2014

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel $F_m$ (Schedule 2, Line L)	\$11,298,973.67	
2	Sales $S_m$ (Schedule 3, Line C)	+ 317,731,710	3.5561
3	Base Fuel Rate ( $F_b/S_b$ ) per PSC Order in Case No. 2012-00554	(-)	<u>2.7466</u>
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u><u>0.8095</u></u>

Effective Date for Billing: July 1, 2014

Submitted by: 

Title: Lead Rates Analyst

Date Submitted: June 19, 2014

**DUKE ENERGY KENTUCKY  
FUEL COST SCHEDULE**

**Expense Month: May 2014**

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	1,758,270.15
Oil Burned	(+)	-
Gas Burned	(+)	50,933.21
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	-
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	1,262,003.31
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	-
Sub-Total		<u>\$3,071,206.67</u>
B. Purchases		
Economy Purchases	(+)	\$12,674,130.64
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	2,628,948.62
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$10,045,182.02</u>
C. Non-Native Sales Fuel Costs		<u>-</u>
D. Total Fuel Costs (A + B - C)	(+)	\$13,116,388.69 <sup>(b)</sup>
E. Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	(\$334,244.63)
F. Adjustment indicating the difference in actual fuel cost for the month of April 2014 and the estimated cost originally reported		
reported      \$10,136,814.41 - \$10,064,369.59	(+)	\$72,444.82
(actual)          (estimate)		
G. RTO Resettlements for prior periods from Schedule 6, Line G	(+)	(\$15,770.80)
H. Deferral of Current Purchased Power Costs	(-)	\$3,750,000.00
I. Amount of March Deferred Purchased Power Costs included in the filing	(+)	\$583,333.00
J. Amount of April Deferred Purchased Power Costs included in the filing	(+)	\$333,333.33
K. Amount of May Deferred Purchased Power Costs included in the filing	(+)	\$625,000.00
L. Grand Total Fuel Cost (D - E + F + G - H + I + J + K)		<u><u>\$11,298,973.67</u></u>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

<sup>(b)</sup> Estimated - to be trued up in the filing next month



**DUKE ENERGY KENTUCKY  
SALES SCHEDULE**

**Expense Month: May 2014**

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	53,089,000
<u>Purchases Including Interchange-In</u>	(+)	<u>294,158,770</u>
Sub-Total		<u>347,247,770</u>
 B. Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	-
<u>System Losses (347,247,770 KWH times 8.5%<sup>(a)</sup>)</u>	(+)	<u>29,516,060</u>
Sub-Total		<u>29,516,060</u>
 C. Total Sales (A - B)		<u><u>317,731,710</u></u>

---

Note: <sup>(a)</sup> Average of prior 12 months.

**DUKE ENERGY KENTUCKY  
FINAL FUEL COST SCHEDULE**

**Expense Month: April 2014**

		<u>Dollars (\$)</u>
<b>A. Company Generation</b>		
Coal Burned	(+)	\$2,293,444.08
Oil Burned	(+)	3,553.00
Gas Burned	(+)	\$383.69
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	-
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	11.11
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	-
Sub-Total		<u>\$2,297,391.88</u>
<b>B. Purchases</b>		
Economy Purchases	(+)	\$7,839,444.42
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	21.89
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$7,839,422.53</u>
<b>C. Non-Native Sales Fuel Costs</b>		<b>\$ -</b>
<b>D. Total Fuel Costs (A + B - C)</b>		<b><u>\$10,136,814.41</u></b>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY  
OVER OR (UNDER) RECOVERY SCHEDULE**

**Expense Month: March 2014**

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	0.7686
2	Retail kWh Billed at Above Rate	(x)	<u>290,086,600</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$2,229,605.61</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	333,574,062
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>333,574,062</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$2,563,850.24
8	Over or (Under) (Line 3 - Line 7)		(\$334,244.63)
9	Total Sales (Schedule 3 Line C)	(-)	317,731,710
10	Kentucky Jurisdictional Sales	(+)	<u>317,731,710</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)	(+)	(\$334,244.63)
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0.00
14	Total Company Over or (Under) Recovery		<u><u>(\$334,244.63)</u></u>

**DUKE ENERGY KENTUCKY  
REGIONAL TRANSMISSION ORGANIZATION RESETTLEMENTS  
FUEL COST SCHEDULE**

<b>Expense Month:</b>	<b>January 2014</b>
	<b><u>Dollars (\$)</u></b>
<b>A. Company Generation</b>	
Coal Burned	(+)
Oil Burned	(+)
Gas Burned	(+)
PJM Balancing & Day Ahead Operating Reserve Credit	(-)
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)
Sub-Total	<u>\$11,275,676.09</u>
<b>B. Purchases</b>	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)
Less purchases above highest cost units	(-)
Sub-Total	<u>\$5,743,376.44</u>
<b>C. Non-Native Sales Fuel Costs</b>	<b>\$890,590.24</b>
<b>D. Total Fuel Costs (A + B - C)</b>	<b><u>\$16,128,462.29</u></b>
<b>E. Total Fuel Costs Previously Reported</b>	<b>\$16,144,233.09</b>
<b>F. Prior Period Adjustment</b>	<b>-</b>
<b>G. Adjustment due to MISO Resettlements</b>	<b><u>(\$15,770.80)</u></b>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.



139 East Fourth Street  
P.O. Box 960  
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Kelly.Berg@duke-energy.com

Kelly Berg  
Lead Rates Analyst

**VIA OVERNIGHT DELIVERY**

**RECEIVED**

**JUL 18 2014**

**PUBLIC SERVICE  
COMMISSION**

July 17, 2014

Mr. Jeff Derouen, Executive Director  
**Attention: Chris Whelan**

Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

Dear Mr. Derouen and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in August 2014.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads 'Kelly B. Berg'.

Kelly B. Berg

Enclosure

**DUKE ENERGY KENTUCKY  
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: June 2014

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Rate (¢/kWh)</u>
1	Fuel $F_m$ (Schedule 2, Line L)	\$15,544,537.52	
2	Sales $S_m$ (Schedule 3, Line C)	÷ 366,008,648	4.2470
3	Base Fuel Rate ( $F_b/S_b$ ) per PSC Order in Case No. 2012-00554	(-)	<u>2.7466</u>
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u><u>1.5004</u></u>

Effective Date for Billing: July 31, 2014

Submitted by: 

Title: Lead Rates Analyst

Date Submitted: July 17, 2014

**DUKE ENERGY KENTUCKY  
FUEL COST SCHEDULE**

**Expense Month: June 2014**

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	3,769,341.20
Oil Burned	(+)	-
Gas Burned	(+)	22,501.02
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	55,372.21
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	3,337,088.31
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	140,631.82
Sub-Total		<u>\$6,932,926.50</u>
B. Purchases		
Economy Purchases	(+)	\$12,079,925.66
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	4,677,994.97
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$7,401,930.69</u>
C. Non-Native Sales Fuel Costs		<u>-</u>
D. Total Fuel Costs (A + B - C)	(+)	\$14,334,857.19 <sup>(b)</sup>
E. Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	\$454,026.99
F. Adjustment indicating the difference in actual fuel cost for the month of May 2014 and the estimated cost originally reported	(+)	\$137,812.30
reported      \$13,254,200.99 - \$13,116,388.69		
(actual)          (estimate)		
G. RTO Resettlements for prior periods from Schedule 6, Line G	(+)	(\$15,771.31)
H. Deferral of Current Purchased Power Costs	(-)	\$0.00
I. Amount of March Deferred Purchased Power Costs included in the filing	(+)	\$583,333.00
J. Amount of April Deferred Purchased Power Costs included in the filing	(+)	\$333,333.33
K. Amount of May Deferred Purchased Power Costs included in the filing	(+)	\$625,000.00
L. Grand Total Fuel Cost (D - E + F + G - H + I + J + K)		<u><u>\$15,544,537.52</u></u>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

<sup>(b)</sup> Estimated - to be trued up in the filing next month

**DUKE ENERGY KENTUCKY  
SALES SCHEDULE**

**Expense Month: June 2014**

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	121,829,000
<u>Purchases Including Interchange-In</u>	(+)	<u>277,743,760</u>
Sub-Total		<u>399,572,760</u>
 B. Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	-
<u>System Losses (399,572,760 KWH times 8.4%<sup>(a)</sup>)</u>	(+)	<u>33,564,112</u>
Sub-Total		<u>33,564,112</u>
 C. Total Sales (A - B)		<u><u>366,008,648</u></u>

Note: <sup>(a)</sup> Average of prior 12 months.



**DUKE ENERGY KENTUCKY  
FINAL FUEL COST SCHEDULE**

**Expense Month: May 2014**

		<u>Dollars (\$)</u>
<b>A. Company Generation</b>		
Coal Burned	(+)	\$1,351,132.72
Oil Burned	(+)	407,135.00
Gas Burned	(+)	\$50,933.09
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	-
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	1,262,003.31
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	-
Sub-Total		<u>\$3,071,204.12</u>
<b>B. Purchases</b>		
Economy Purchases	(+)	\$12,810,707.39
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	2,627,710.52
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$10,182,996.87</u>
<b>C. Non-Native Sales Fuel Costs</b>		<b>\$ -</b>
<b>D. Total Fuel Costs (A + B - C)</b>		<b><u>\$13,254,200.99</u></b>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY  
OVER OR (UNDER) RECOVERY SCHEDULE**

**Expense Month: April 2014**

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	0.7837
2	Retail kWh Billed at Above Rate	(x)	<u>339,958,536</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$2,664,255.05</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	282,024,762
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>282,024,762</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$2,210,228.06
8	Over or (Under) (Line 3 - Line 7)		\$454,026.99
9	Total Sales (Schedule 3 Line C)	(-)	366,008,648
10	Kentucky Jurisdictional Sales	(+)	<u>366,008,648</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)	(+)	\$454,026.99
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0.00
14	Total Company Over or (Under) Recovery		<u><u>\$454,026.99</u></u>

**DUKE ENERGY KENTUCKY  
REGIONAL TRANSMISSION ORGANIZATION RESETTLEMENTS  
FUEL COST SCHEDULE**

<b>Expense Month:</b>	<b>February 2014 <u>Dollars (\$)</u></b>
<b>A. Company Generation</b>	
Coal Burned	(+)
Oil Burned	(+)
Gas Burned	(+)
PJM Balancing & Day Ahead Operating Reserve Credit	(-)
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)
Sub-Total	\$8,985,430.76
<b>B. Purchases</b>	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)
Less purchases above highest cost units	(-)
Sub-Total	\$1,678,709.82
<b>C. Non-Native Sales Fuel Costs</b>	\$412,544.00
<b>D. Total Fuel Costs (A + B - C)</b>	\$10,251,596.58
<b>E. Total Fuel Costs Previously Reported</b>	\$10,267,367.89
<b>F. Prior Period Adjustment</b>	-
<b>G. Adjustment due to MISO Resettlements</b>	(\$15,771.31)

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.



FA-Whelan ✓  
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Theodore H. Czupik Jr.  
Rates & Regulatory Strategy Manager

**VIA OVERNIGHT DELIVERY**

August 18, 2014

Mr. Jeff Derouen, Executive Director  
**Attention: Chris Whelan**

Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

Dear Mr. Derouen and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in September 2014.

Please note that on Schedule 2 the amount of the May deferred purchased power costs included in the filing is \$2,050,000 which causes the FAC rate to be below 0.81 ¢/kWh as explained in the July rates transmittal letter.

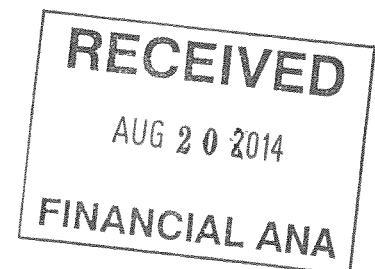
Please note on Schedule 7 of the filing a correction for the months of January and February 2014. The January correction of \$2,857.78 was needed because of a correction to costs originally reported on Schedule 6 of the May expense month FAC filing. The February correction was needed due to the fact that on Schedule 6, Line E, for the June 2014 expense month filing, Duke Energy Kentucky inadvertently reported \$10,267,367.89 from Schedule 4, Line D, of the March expense month FAC filing rather than the revised amount of \$10,277,792.54 as reported on Schedule 7, Line D, of the April expense month FAC filing.

Please contact me if you have any questions.

Sincerely,

Theodore H. Czupik Jr.

Enclosure



**DUKE ENERGY KENTUCKY  
FUEL ADJUSTMENT CLAUSE SCHEDULE**

**Expense Month: July 2014**

<b>Line No.</b>	<b>Description</b>	<b>Amount</b>	<b>Rate (¢/kWh)</b>
1	Fuel $F_m$ (Schedule 2, Line L)	\$ 12,538,114.81	
2	Sales $S_m$ (Schedule 3, Line C)	÷ 352,678,810	3.5551
3	Base Fuel Rate ( $F_b/S_b$ ) per PSC Order in Case No. 2012-00554	(-)	2.7466
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u>0.8085</u>

Effective Date for Billing: August 29, 2014

Submitted by: *Theodore H. Cypriak Jr*

Title: Rates & Regulatory Strategy Manager

Date Submitted: August 18, 2014

**DUKE ENERGY KENTUCKY  
FUEL COST SCHEDULE**

**Expense Month: July 2014**

	<u>Dollars (\$)</u>
<b>A. Company Generation</b>	
Coal Burned	(+)
Oil Burned	(+)
Gas Burned	(+)
PJM Balancing & Day Ahead Operating Reserve Credit	(-)
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)
Sub-Total	<u>\$ 9,303,799.04</u>
<b>B. Purchases</b>	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)
Less purchases above highest cost units	(-)
Sub-Total	<u>\$ 1,081,795.66</u>
<b>C. Non-Native Sales Fuel Costs</b>	<u>189,696.68</u>
<b>D. Total Fuel Costs (A + B - C)</b>	(+)
<b>E. Total Company Over or (Under) Recovery from Schedule 5, Line 14</b>	(-)
<b>F. Adjustment indicating the difference in actual fuel cost for the month of June 2014 and the estimated cost originally reported \$14,116,761.89 - \$14,334,857.19</b>	(+)
(actual)                      (estimate)	\$ (218,095.30)
<b>G. RTO Resettlements for prior periods from Schedule 6, Line G</b>	(+)
<b>H. Prior Period Correction for January and February 2014 from Schedule 7, Line J</b>	(+)
<b>I. Deferral of Current Purchased Power Costs</b>	(-)
<b>J. Amount of March Deferred Purchased Power Costs included in the filing</b>	(+)
<b>K. Amount of April Deferred Purchased Power Costs included in the filing</b>	(+)
<b>L. Amount of May Deferred Purchased Power Costs included in the filing</b>	(+)
<b>M. Grand Total Fuel Cost (D - E + F + G + H - I + J + K + L)</b>	<u><u>\$ 12,538,114.81</u></u>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

<sup>(b)</sup> Estimated - to be trued up in the filing next month

**DUKE ENERGY KENTUCKY  
SALES SCHEDULE**

**Expense Month: July 2014**

		<u><b>Kilowatt-Hours Current Month</b></u>
A. Generation (Net)	(+)	339,553,010
<u>Purchases Including Interchange-In</u>	(+)	<u>55,327,620</u>
Sub-Total		<u>394,880,630</u>
 B. Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	7,746,920
<u>System Losses (387,133,710 KWH times 8.9% <sup>(a)</sup>)</u>	(+)	<u>34,454,900</u>
Sub-Total		<u>42,201,820</u>
 C. Total Sales (A - B)		<u><u>352,678,810</u></u>

.....

Note: <sup>(a)</sup> Average of prior 12 months.

**DUKE ENERGY KENTUCKY  
FINAL FUEL COST SCHEDULE**

**Expense Month: June 2014**

	<u>Dollars (\$)</u>
<b>A. Company Generation</b>	
Coal Burned	(+)
Oil Burned	(+)
Gas Burned	(+)
PJM Balancing & Day Ahead Operating Reserve Credit	(-)
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)
Sub-Total	<u>\$ 6,914,171.02</u>
<b>B. Purchases</b>	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)
Less purchases above highest cost units	(-)
Sub-Total	<u>\$ 7,205,312.59</u>
<b>C. Non-Native Sales Fuel Costs</b>	<b>\$ 2,721.72</b>
<b>D. Total Fuel Costs (A + B - C)</b>	<b>\$ 14,116,761.89</b>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.



**DUKE ENERGY KENTUCKY  
OVER OR (UNDER) RECOVERY SCHEDULE**

**Expense Month: May 2014**

<b>Line No.</b>	<b>Description</b>		
1	FAC Rate Billed (¢/kWh)	(+)	0.8095
2	Retail kWh Billed at Above Rate	(x)	<u>373,416,760</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$ 3,022,808.67</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	317,731,710
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>317,731,710</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$ 2,572,038.19
8	Over or (Under) (Line 3 - Line 7)		\$ 450,770.48
9	Total Sales (Schedule 3 Line C)	(-)	352,678,810
10	Kentucky Jurisdictional Sales	(÷)	<u>352,678,810</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)	(+)	\$ 450,770.48
13	Amount Over or (Under) Recovered in prior filings	(-)	\$ -
14	Total Company Over or (Under) Recovery		<u><u>\$ 450,770.48</u></u>

**DUKE ENERGY KENTUCKY  
REGIONAL TRANSMISSION ORGANIZATION RESETTLEMENTS  
FUEL COST SCHEDULE**

<b>Expense Month:</b>	<b>March 2014 Dollars (\$)</b>	
<b>A. Company Generation</b>		
Coal Burned	(+)	\$ 2,986,679.47
Oil Burned	(+)	89,394.00
Gas Burned	(+)	245,644.17
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	79,851.63
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	878,350.11
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	31,004.35
Sub-Total		\$ 4,089,211.77
<b>B. Purchases</b>		
Economy Purchases	(+)	\$ 12,666,033.83
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	2,923,306.44
Less purchases above highest cost units	(-)	-
Sub-Total		\$ 9,742,727.39
<b>C. Non-Native Sales Fuel Costs</b>		<b>\$ 6,042.32</b>
<b>D. Total Fuel Costs (A + B - C)</b>		<b>\$ 13,825,896.84</b>
<b>E. Total Fuel Costs Previously Reported</b>		<b>\$ 13,773,913.73</b>
<b>F. Prior Period Adjustment</b>		<b>\$ -</b>
<b>G. Adjustment due to PJM Resettlements</b>		<b>\$ 51,983.11</b>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY  
PRIOR PERIOD CORRECTIONS  
FUEL COST SCHEDULE**

Expense Month:		January 2014 <u>Dollars (\$)</u>	February 2014 <u>Dollars (\$)</u>	Total <u>Dollars (\$)</u>
<b>A. Company Generation</b>				
Coal Burned	(+)	\$8,553,615.03	\$7,452,079.95	
Oil Burned	(+)	\$272,504.00	215,758.00	
Gas Burned	(+)	\$2,114,712.65	\$197,118.92	
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	\$1,039,243.40	203,026.88	
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	\$1,810,003.08	1,445,611.85	
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	\$436,734.15	122,111.08	
Sub-Total		<u>\$11,274,857.21</u>	<u>\$8,985,430.76</u>	
<b>B. Purchases</b>				
Economy Purchases	(+)	13,294,765.57	5,037,316.38	
Other Purchases	(+)	-	-	
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	7,547,712.45	3,358,606.56	
Less purchases above highest cost units	(-)	-	-	
Sub-Total		<u>\$5,747,053.12</u>	<u>\$1,678,709.82</u>	
<b>C. Non-Native Sales Fuel Costs</b>				
		\$890,590.26	\$412,544.00	
<b>D. Total Fuel Costs (A + B - C)</b>				
		<u>\$16,131,320.07</u>	<u>\$10,251,596.58</u>	
<b>E. Total Fuel Costs Previously Reported</b>				
		\$16,128,462.29	\$10,251,596.58	
<b>F. Adjustment Due to Prior Period Correction (D - E)</b>				
		<u>\$2,857.78</u>	<u>\$0.00</u>	
<b>G. Original Amount January Deferral of Costs</b>				
	(+)	-	-	
<b>H. Amount of Deferral included in Rates for March through May</b>				
	(-)	-	-	
<b>I. Adjustment Due to Misstatement of Sch. 6, Ln. E (June Exp Month)</b>				
	(+)	\$0.00	(\$10,424.65)	
<b>J. Adjustment due to Prior Period Correction (F + G - H)</b>				
		<u>\$2,857.78</u>	<u>(\$10,424.65)</u>	<u>(\$7,566.87)</u>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.



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Theodore H. Czupik Jr.  
Rates & Regulatory Strategy Manager

**VIA OVERNIGHT DELIVERY**

September 19, 2014

Mr. Jeff Derouen, Executive Director  
**Attention: Chris Whelan**

Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

RECEIVED

SEP 19 2014

PUBLIC SERVICE  
COMMISSION

Dear Mr. Derouen and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in October 2014.

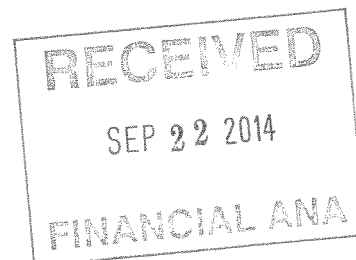
Please note on Schedule 7 of the filing, a correction for the month of March 2014. The correction of (\$67,998.58) was needed because of changing the start date of the East Bend scheduled outage.

Please contact me if you have any questions.

Sincerely,

Theodore H. Czupik Jr.

Enclosure



DUKE ENERGY KENTUCKY  
 FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: August 2014

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel $F_m$ (Schedule 2, Line L)	\$ 13,062,949.21	
2	Sales $S_m$ (Schedule 3, Line C)	÷ 382,124,334	3.4185
3	Base Fuel Rate ( $F_b/S_b$ ) per PSC Order in Case No. 2012-00554	(-)	<u>2.7466</u>
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u><u>0.6719</u></u>

Effective Date for Billing: September 30, 2014

Submitted by: \_\_\_\_\_

Title: Rates & Regulatory Strategy Manager

Date Submitted: September 19, 2014

**DUKE ENERGY KENTUCKY  
FUEL COST SCHEDULE**

**Expense Month: August 2014**

	<u>Dollars (\$)</u>
<b>A. Company Generation</b>	
Coal Burned	(+)
Oil Burned	(+)
Gas Burned	(+)
PJM Balancing & Day Ahead Operating Reserve Credit	(-)
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)
Sub-Total	\$ 7,967,392.61
<b>B. Purchases</b>	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)
Less purchases above highest cost units	(-)
Sub-Total	\$ 3,505,981.35
<b>C. Non-Native Sales Fuel Costs</b>	94,765.62
<b>D. Total Fuel Costs (A + B - C)</b>	(+)
<b>E. Total Company Over or (Under) Recovery from Schedule 5, Line 14</b>	(-)
<b>F. Adjustment indicating the difference in actual fuel cost for the month of July 2014 and the estimated cost originally reported \$10,269,020.39 - \$10,195,898.02</b>	(+)
(actual)                      (estimate)	
<b>G. RTO Resettlements for prior periods from Schedule 6, Line G</b>	(+)
<b>H. Prior Period Correction for March 2014 from Schedule 7, Line F</b>	(+)
<b>I. Deferral of Current Purchased Power Costs</b>	(-)
<b>J. Amount of March Deferred Purchased Power Costs included in the filing</b>	(+)
<b>K. Amount of April Deferred Purchased Power Costs included in the filing</b>	(+)
<b>L. Amount of May Deferred Purchased Power Costs included in the filing</b>	(+)
<b>M. Grand Total Fuel Cost (D - E + F + G + H - I + J + K + L)</b>	\$ 13,062,949.21

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

<sup>(b)</sup> Estimated - to be trued up in the filing next month

**DUKE ENERGY KENTUCKY  
SALES SCHEDULE**

**Expense Month: August 2014**

		<u><b>Kilowatt-Hours Current Month</b></u>
A. Generation (Net)	(+)	314,539,000
<u>Purchases Including Interchange-In</u>	(+)	<u>106,756,180</u>
Sub-Total		<u>421,295,180</u>
 B. Pumped Storage Energy	(+)	 -
Non-Native Sales Including Interchange Out	(+)	3,216,040
<u>System Losses (418,079,140 KWH times 8.6% <sup>(a)</sup>)</u>	(+)	<u>35,954,806</u>
Sub-Total		<u>39,170,846</u>
 C. Total Sales (A - B)		 <u><u>382,124,334</u></u>

.....

Note: <sup>(a)</sup> Average of prior 12 months.

**DUKE ENERGY KENTUCKY  
FINAL FUEL COST SCHEDULE**

**Expense Month: July 2014**

	<u>Dollars (\$)</u>
<b>A. Company Generation</b>	
Coal Burned	(+)
Oil Burned	(+)
Gas Burned	(+)
PJM Balancing & Day Ahead Operating Reserve Credit	(-)
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)
Sub-Total	\$ 9,346,049.25
<b>B. Purchases</b>	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)
Less purchases above highest cost units	(-)
Sub-Total	\$ 1,106,277.32
<b>C. Non-Native Sales Fuel Costs</b>	<b>\$ 183,306.18</b>
<b>D. Total Fuel Costs (A + B - C)</b>	<b>\$ 10,269,020.39</b>

.....

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.



**DUKE ENERGY KENTUCKY  
OVER OR (UNDER) RECOVERY SCHEDULE**

**Expense Month: June 2014**

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	1.5004
2	Retail kWh Billed at Above Rate	(x)	<u>345,106,420</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$ 5,177,976.73</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	366,008,648
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>366,008,648</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$ 5,491,593.75
8	Over or (Under) (Line 3 - Line 7)		\$ (313,617.02)
9	Total Sales (Schedule 3 Line C)	(-)	382,124,334
10	Kentucky Jurisdictional Sales	(÷)	<u>382,124,334</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)	(+)	\$ (313,617.02)
13	Amount Over or (Under) Recovered in prior filings	(-)	\$ -
14	Total Company Over or (Under) Recovery		<u><u>\$ (313,617.02)</u></u>

**DUKE ENERGY KENTUCKY  
REGIONAL TRANSMISSION ORGANIZATION RESETTLEMENTS  
FUEL COST SCHEDULE**

<b>Expense Month:</b>		<b>April 2014 Dollars (\$)</b>
<b>A. Company Generation</b>		
Coal Burned	(+)	\$ 2,293,444.08
Oil Burned	(+)	3,553.00
Gas Burned	(+)	383.69
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	-
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	11.01
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	-
Sub-Total		<u>\$ 2,297,391.78</u>
<b>B. Purchases</b>		
Economy Purchases	(+)	\$ 7,838,376.04
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	21.68
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$ 7,838,354.36</u>
<b>C. Non-Native Sales Fuel Costs</b>		\$ -
<b>D. Total Fuel Costs (A + B - C)</b>		<u>\$ 10,135,746.14</u>
<b>E. Total Fuel Costs Previously Reported</b>		\$ 10,136,814.41
<b>F. Prior Period Adjustment</b>		\$ -
<b>G. Adjustment due to PJM Resettlements</b>		<u>\$ (1,068.27)</u>

.....

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY  
PRIOR PERIOD CORRECTIONS  
FUEL COST SCHEDULE**

<b>Expense Month:</b>		<b>March 2014 Dollars (\$)</b>
<b>A. Company Generation</b>		
Coal Burned	(+)	\$2,986,678.73
Oil Burned	(+)	\$89,394.74
Gas Burned	(+)	\$245,644.17
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	\$79,851.63
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	\$990,068.84
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	\$53,805.66
Sub-Total		\$4,178,129.19
<b>B. Purchases</b>		
Economy Purchases	(+)	12,666,033.83
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	3,080,222.44
Less purchases above highest cost units	(-)	-
Sub-Total		\$9,585,811.39
<b>C. Non-Native Sales Fuel Costs</b>		\$6,042.32
<b>D. Total Fuel Costs (A + B - C)</b>		\$13,757,898.26
<b>E. Total Fuel Costs Previously Reported</b>		\$13,825,896.84
<b>F. Adjustment Due to Prior Period Correction (D - E)</b>		(\$67,998.58)

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

The start date of the East Bend planned outage was reassessed and changed from March 7, 2014 at 12:00 to March 7, 2014 at 22:00 per Staff-DR-01-07 in Case No. 2014-00229.



139 East Fourth Street  
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ted.czupik@duke-energy.com

Theodore H. Czupik Jr.  
Rates & Regulatory Strategy Manager

**VIA OVERNIGHT DELIVERY**

October 17, 2014

Mr. Jeff Derouen, Executive Director  
**Attention: Chris Whelan**

Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

**RECEIVED**

**OCT 20 2014**

**PUBLIC SERVICE  
COMMISSION**

Dear Mr. Derouen and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in November 2014.

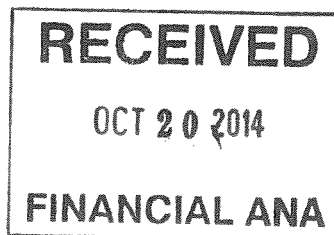
Please note on Schedule 7 of the filing, a correction for the month of December 2013. The correction of \$332,021.89 was needed because an outage for the month of December was inadvertently classified as a forced outage in the FAC filings when it was a regular planned outage.

Please contact me if you have any questions.

Sincerely,

Theodore H. Czupik Jr.

Enclosure



**DUKE ENERGY KENTUCKY  
FUEL ADJUSTMENT CLAUSE SCHEDULE**

**Expense Month: September 2014**

<b>Line No.</b>	<b>Description</b>	<b>Amount</b>	<b>Rate (¢/kWh)</b>
1	Fuel $F_m$ (Schedule 2, Line L)	\$ 9,932,167.80	
2	Sales $S_m$ (Schedule 3, Line C)	÷ 317,555,956	3.1277
3	Base Fuel Rate ( $F_b/S_b$ ) per PSC Order in Case No. 2012-00554	(-) <u>2.7466</u>	
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u><u>0.3811</u></u>

Effective Date for Billing: October 29, 2014

Submitted by: \_\_\_\_\_

Title: Rates & Regulatory Strategy Manager

Date Submitted: October 17, 2014

**DUKE ENERGY KENTUCKY  
FUEL COST SCHEDULE**

**Expense Month: September 2014**

	<u>Dollars (\$)</u>
<b>A. Company Generation</b>	
Coal Burned	(+)
Oil Burned	(+)
Gas Burned	(+)
PJM Balancing & Day Ahead Operating Reserve Credit	(-)
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)
Sub-Total	<u>\$ 8,278,230.04</u>
<b>B. Purchases</b>	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)
Less purchases above highest cost units	(-)
Sub-Total	<u>\$ 1,470,059.78</u>
<b>C. Non-Native Sales Fuel Costs</b>	<u>418,252.85</u>
<b>D. Total Fuel Costs (A + B - C)</b>	(+)
<b>E. Total Company Over or (Under) Recovery from Schedule 5, Line 14</b>	(-)
<b>F. Adjustment indicating the difference in actual fuel cost for the month of August 2014 and the estimated cost originally reported \$11,435,961.17 - \$11,378,608.34</b>	(+)
(actual)                      (estimate)	
<b>G. RTO Resettlements for prior periods from Schedule 6, Line G</b>	(+)
<b>H. Prior Period Correction for December 2013 from Schedule 7, Line F</b>	(+)
<b>I. Deferral of Current Purchased Power Costs</b>	(-)
<b>J. Amount of April Deferred Purchased Power Costs included in the filing</b>	(+)
<b>K. Grand Total Fuel Cost (D - E + F + G + H - I + J)</b>	<u><u>\$ 9,932,167.80</u></u>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

<sup>(b)</sup> Estimated - to be trued up in the filing next month

**DUKE ENERGY KENTUCKY  
SALES SCHEDULE**

**Expense Month: September 2014**

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	241,177,000
<u>Purchases Including Interchange-In</u>	(+)	<u>125,543,960</u>
Sub-Total		<u>366,720,960</u>
 B. Pumped Storage Energy	 (+)	 -
Non-Native Sales Including Interchange Out	(+)	16,604,140
<u>System Losses (350,116,820 KWH times 9.3% <sup>(a)</sup>)</u>	(+)	<u>32,560,864</u>
Sub-Total		<u>49,165,004</u>
 C. Total Sales (A - B)		 <u><u>317,555,956</u></u>

.....

Note: <sup>(a)</sup> Average of prior 12 months.

**DUKE ENERGY KENTUCKY  
FINAL FUEL COST SCHEDULE**

**Expense Month: August 2014**

		<u>Dollars (\$)</u>
<b>A. Company Generation</b>		
Coal Burned	(+)	\$ 7,223,689.99
Oil Burned	(+)	291,372.37
Gas Burned	(+)	196,429.26
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	-
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	263,587.37
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	8,932.58
Sub-Total		\$ 7,966,146.41
<b>B. Purchases</b>		
Economy Purchases	(+)	\$ 3,952,985.97
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	386,800.27
Less purchases above highest cost units	(-)	-
Sub-Total		\$ 3,566,185.70
<b>C. Non-Native Sales Fuel Costs</b>		<b>\$ 96,370.94</b>
<b>D. Total Fuel Costs (A + B - C)</b>		<b>\$ 11,435,961.17</b>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.



**DUKE ENERGY KENTUCKY  
OVER OR (UNDER) RECOVERY SCHEDULE**

**Expense Month: July 2014**

Line No.	Description		
1	FAC Rate Billed ( $\phi$ /kWh)	(+)	0.8085
2	Retail kWh Billed at Above Rate	(x)	366,581,456
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$ 2,963,811.08</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	352,678,810
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>352,678,810</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$ 2,851,408.18
8	Over or (Under) (Line 3 - Line 7)		\$ 112,402.90
9	Total Sales (Schedule 3 Line C)	(-)	317,555,956
10	Kentucky Jurisdictional Sales	(+)	<u>317,555,956</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)	(+)	\$ 112,402.90
13	Amount Over or (Under) Recovered in prior filings	(-)	\$ -
14	Total Company Over or (Under) Recovery		<u><u>\$ 112,402.90</u></u>

**DUKE ENERGY KENTUCKY  
REGIONAL TRANSMISSION ORGANIZATION RESETTLEMENTS  
FUEL COST SCHEDULE**

<b>Expense Month:</b>	<b>May 2014 Dollars (\$)</b>	
<b>A. Company Generation</b>		
Coal Burned	(+)	\$ 1,351,132.72
Oil Burned	(+)	407,135.00
Gas Burned	(+)	50,933.09
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	13,232.00
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	1,262,003.31
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	-
Sub-Total		\$ 3,057,972.12
<b>B. Purchases</b>		
Economy Purchases	(+)	\$ 12,816,092.43
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	2,628,037.88
Less purchases above highest cost units	(-)	-
Sub-Total		\$ 10,188,054.55
<b>C. Non-Native Sales Fuel Costs</b>		\$ -
<b>D. Total Fuel Costs (A + B - C)</b>		\$ 13,246,026.67
<b>E. Total Fuel Costs Previously Reported</b>		\$ 13,254,200.99
<b>F. Prior Period Adjustment</b>		\$ -
<b>G. Adjustment due to PJM Resettlements</b>		\$ (8,174.32)

-----

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY  
PRIOR PERIOD CORRECTIONS  
FUEL COST SCHEDULE**

<b>Expense Month:</b>	<b>December 2013 Dollars (\$)</b>	
<b>A. Company Generation</b>		
Coal Burned	(+)	\$ 7,622,045.12
Oil Burned	(+)	311,575.00
Gas Burned	(+)	76,504.74
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	253,237.06
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	1,713,851.85
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	312,359.17
Sub-Total		\$ 9,158,380.48
<b>B. Purchases</b>		
Economy Purchases	(+)	\$ 3,248,434.85
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	1,599,157.49
Less purchases above highest cost units	(-)	
Sub-Total		\$ 1,649,277.36
<b>C. Non-Native Sales Fuel Costs</b>		\$491,235.77
<b>D. Total Fuel Costs (A + B - C)</b>		\$ 10,316,422.07
<b>E. Total Fuel Costs Previously Reported</b>		\$ 9,984,400.18
<b>F. Adjustment Due to Prior Period Correction (D - E)</b>		\$ 332,021.89

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

The correction is due to the planned outage at East Bend for December 14, 2013 through December 17, 2013 being inadvertently treated as a forced outage in the FAC filings.



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ted.czupik@duke-energy.com

Theodore H. Czupik Jr.  
Rates & Regulatory Strategy Manager

**VIA OVERNIGHT DELIVERY**

November 21, 2014

Mr. Jeff Derouen, Executive Director  
**Attention: Chris Whelan**

Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

Dear Mr. Derouen and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in December 2014.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads 'Theodore H. Czupik Jr.' in a cursive script.

Theodore H. Czupik Jr.

Enclosure

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PUBLIC SERVICE  
COMMISSION

DUKE ENERGY KENTUCKY  
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: October 2014

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel $F_m$ (Schedule 2, Line L)	\$ 8,329,057.64	
2	Sales $S_m$ (Schedule 3, Line C)	÷ 291,094,722	2.8613
3	Base Fuel Rate ( $F_b/S_b$ ) per PSC Order in Case No. 2012-00554	(-)	2.7466
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		0.1147

Effective Date for Billing: December 1, 2014

Submitted by: Theodore H. Gypik, Jr.

Title: Rates & Regulatory Strategy Manager

Date Submitted: November 21, 2014

**DUKE ENERGY KENTUCKY  
FUEL COST SCHEDULE**

**Expense Month: October 2014**

	<u>Dollars (\$)</u>
<b>A. Company Generation</b>	
Coal Burned	(+)
Oil Burned	(+)
Gas Burned	(+)
PJM Balancing & Day Ahead Operating Reserve Credit	(-)
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)
Sub-Total	\$ 8,723,528.70
<b>B. Purchases</b>	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)
Less purchases above highest cost units	(-)
Sub-Total	\$ 125,269.79
<b>C. Non-Native Sales Fuel Costs</b>	1,216,852.21
<b>D. Total Fuel Costs (A + B - C)</b>	(+)
<b>E. Total Company Over or (Under) Recovery from Schedule 5, Line 14</b>	(-)
<b>F. Adjustment indicating the difference in actual fuel cost for the month of September 2014 and the estimated cost originally reported \$9,427,261.80 - \$9,330,036.97</b>	(+)
(actual)                      (estimate)	
<b>G. RTO Resettlements for prior periods from Schedule 6, Line G</b>	(+)
<b>H. Prior Period Correction</b>	(+)
<b>I. Deferral of Current Purchased Power Costs</b>	(-)
<b>J. Amount of Deferred Purchased Power Costs included in the filing</b>	(+)
<b>K. Grand Total Fuel Cost (D - E + F + G + H - I+J)</b>	\$ 8,329,057.64

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

<sup>(b)</sup> Estimated - to be trued up in the filing next month

**DUKE ENERGY KENTUCKY  
SALES SCHEDULE**

**Expense Month: October 2014**

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	363,419,000
<u>Purchases Including Interchange-In</u>	(+)	<u>7,585,280</u>
Sub-Total		<u>371,004,280</u>
 B. Pumped Storage Energy	 (+)	 -
Non-Native Sales Including Interchange Out	(+)	51,119,970
<u>System Losses (319,884,310 KWH times 9.% <sup>(a)</sup>)</u>	(+)	<u>28,789,588</u>
Sub-Total		<u>79,909,558</u>
 C. Total Sales (A - B)		 <u><u>291,094,722</u></u>

.....

Note: <sup>(a)</sup> Average of prior 12 months.

**DUKE ENERGY KENTUCKY  
FINAL FUEL COST SCHEDULE**

**Expense Month: September 2014**

		<u>Dollars (\$)</u>
<b>A. Company Generation</b>		
Coal Burned	(+)	\$ 5,764,284.22
Oil Burned	(+)	428,979.06
Gas Burned	(+)	1,939.44
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	-
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	2,181,159.05
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	75,320.59
Sub-Total		\$ 8,301,041.18
<b>B. Purchases</b>		
Economy Purchases	(+)	\$ 4,567,467.18
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	3,064,955.80
Less purchases above highest cost units	(-)	-
Sub-Total		\$ 1,502,511.38
<b>C. Non-Native Sales Fuel Costs</b>		<b>\$ 376,290.76</b>
<b>D. Total Fuel Costs (A + B - C)</b>		<b>\$ 9,427,261.80</b>

.....

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.



**DUKE ENERGY KENTUCKY  
OVER OR (UNDER) RECOVERY SCHEDULE**

**Expense Month: August 2014**

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	0.6719
2	Retail kWh Billed at Above Rate	(x)	292,737,078
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$1,966,900.43</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	382,124,334
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4 - Line 5)		<u>382,124,334</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)	\$	2,567,493.40
8	Over or (Under) (Line 3 - Line 7)	\$	(600,592.97)
9	Total Sales (Schedule 3, Line C)	(-)	291,094,722
10	Kentucky Jurisdictional Sales	(+)	<u>291,094,722</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)	(+) \$	(600,592.97)
13	Amount Over or (Under) Recovered in prior filings	(-) \$	-
14	Total Company Over or (Under) Recovery		<u><u>\$ (600,592.97)</u></u>

**DUKE ENERGY KENTUCKY  
REGIONAL TRANSMISSION ORGANIZATION RESETTLEMENTS  
FUEL COST SCHEDULE**

<b>Expense Month:</b>		<b>June 2014 Dollars (\$)</b>
A. Company Generation		
Coal Burned	(+)	\$ 3,128,193.99
Oil Burned	(+)	641,144.26
Gas Burned	(+)	22,500.92
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	85,789.91
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	3,339,361.19
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	133,928.48
Sub-Total		<u>\$ 6,911,481.97</u>
B. Purchases		
Economy Purchases	(+)	\$ 11,891,259.05
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	4,683,936.73
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$ 7,207,322.32</u>
C. Non-Native Sales Fuel Costs		\$ 2,748.84
D. Total Fuel Costs (A + B - C)		<u>\$ 14,116,055.45</u>
E. Total Fuel Costs Previously Reported		\$ 14,116,761.89
F. Prior Period Adjustment		\$ -
G. Adjustment due to PJM Resettlements		<u>\$ (706.44)</u>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.



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Fax: 513-287-2473  
ted.czupik@duke-energy.com

Theodore H. Czupik Jr.  
Rates & Regulatory Strategy Manager

**VIA OVERNIGHT DELIVERY**

December 15, 2014

Mr. Jeff Derouen, Executive Director  
**Attention: Chris Whelan**

Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

Dear Mr. Derouen and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in January 2015.

Please contact me if you have any questions.

Sincerely,

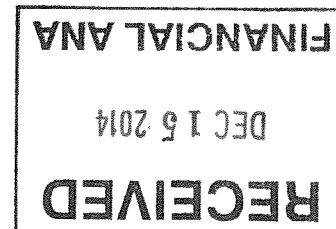
Theodore H. Czupik Jr.

Enclosure

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DEC 15 2014

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COMMISSION



**DUKE ENERGY KENTUCKY  
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: November 2014

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel $F_m$ (Schedule 2, Line L)	\$ 8,565,439.87	
2	Sales $S_m$ (Schedule 3, Line C)	÷ 316,118,121	2.7096
3	Base Fuel Rate ( $F_b/S_b$ ) per PSC Order in Case No. 2012-00554	(-)	<u>2.7466</u>
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u><u>(0.0370)</u></u>

Effective Date for Billing:

January 2, 2015

Submitted by:

Theodore H. Gypik Jr.

Title:

Rates & Regulatory Strategy Manager

Date Submitted:

December 15, 2014

**DUKE ENERGY KENTUCKY  
FUEL COST SCHEDULE**

**Expense Month: November 2014**

	<u>Dollars (\$)</u>
<b>A. Company Generation</b>	
Coal Burned	(+ \$ 8,626,027.42
Oil Burned	(+ -
Gas Burned	(+ 184,373.04
PJM Balancing & Day Ahead Operating Reserve Credit	(-) 27,581.05
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+ 3.63
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-) -
<u>Sub-Total</u>	<u>\$ 8,782,823.04</u>
<b>B. Purchases</b>	
Economy Purchases	(+ \$ 307,699.24
Other Purchases	(+ -
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-) 6.09
Less purchases above highest cost units	(-) -
<u>Sub-Total</u>	<u>\$ 307,693.15</u>
<b>C. Non-Native Sales Fuel Costs</b>	<u>\$ 968,435.20</u>
<b>D. Total Fuel Costs (A + B - C)</b>	(+ \$ 8,122,080.99 <sup>(b)</sup>
<b>E. Total Company Over or (Under) Recovery from Schedule 5, Line 14</b>	(-) \$ (270,446.51)
<b>F. Adjustment indicating the difference in actual fuel cost for the month of October 2014 and the estimated cost originally reported \$7,632,339.38 - \$7,631,946.28</b>	(+ \$ 393.10
(actual) (estimate)	
<b>G. RTO Resettlements for prior periods from Schedule 6, Line G</b>	(+ \$ 172,519.27
<b>H. Prior Period Correction</b>	(+ \$ -
<b>I. Deferral of Current Purchased Power Costs</b>	(-) \$ -
<b>J. Amount of Deferred Purchased Power Costs included in the filing</b>	(+ \$ -
<b>K. Grand Total Fuel Cost (D - E + F + G + H - I+J)</b>	<u><u>\$ 8,565,439.87</u></u>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

<sup>(b)</sup> Estimated - to be trued up in the filing next month

**DUKE ENERGY KENTUCKY  
SALES SCHEDULE**

**Expense Month: November 2014**

		<u><b>Kilowatt-Hours Current Month</b></u>
A. Generation (Net)	(+)	380,730,000
<u>Purchases Including Interchange-In</u>	(+)	<u>6,424,380</u>
Sub-Total		<u>387,154,380</u>
 B. Pumped Storage Energy	(+)	 -
Non-Native Sales Including Interchange Out	(+)	40,153,150
<u>System Losses (347,001,230 KWH times 8.9% <sup>(a)</sup>)</u>	(+)	<u>30,883,109</u>
Sub-Total		<u>71,036,259</u>
 C. Total Sales (A - B)		 <u><u>316,118,121</u></u>

.....

Note: <sup>(a)</sup> Average of prior 12 months.

**DUKE ENERGY KENTUCKY  
FINAL FUEL COST SCHEDULE**

**Expense Month: October 2014**

	<u>Dollars (\$)</u>
<b>A. Company Generation</b>	
Coal Burned	(+) \$ 8,464,228.53
Oil Burned	(+) 128,566.88
Gas Burned	(+) 54,636.91
PJM Balancing & Day Ahead Operating Reserve Credit	(-) 15,587.11
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+) 164,830.70
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-) 31,127.29
Sub-Total	<u>\$ 8,765,548.62</u>
<b>B. Purchases</b>	
Economy Purchases	(+) \$ 256,651.57
Other Purchases	(+) -
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-) 211,499.56
Less purchases above highest cost units	(-) -
Sub-Total	<u>\$ 45,152.01</u>
<b>C. Non-Native Sales Fuel Costs</b>	<b>\$ 1,178,361.25</b>
<b>D. Total Fuel Costs (A + B - C)</b>	<b>\$ 7,632,339.38</b>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY  
OVER OR (UNDER) RECOVERY SCHEDULE**

**Expense Month: September 2014**

Line No.	Description		
1	FAC Rate Billed ( $\phi$ /kWh)	(+)	0.3811
2	Retail kWh Billed at Above Rate	(x)	<u>246,591,246</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$ 939,759.24</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	317,555,956
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4 - Line 5)		<u>317,555,956</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$ 1,210,205.75
8	Over or (Under) (Line 3 - Line 7)		\$ (270,446.51)
9	Total Sales (Schedule 3, Line C)	(-)	316,118,121
10	Kentucky Jurisdictional Sales	(+)	<u>316,118,121</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)	(+)	\$ (270,446.51)
13	Amount Over or (Under) Recovered in prior filings	(-)	\$ -
14	Total Company Over or (Under) Recovery		<u><u>\$ (270,446.51)</u></u>



**DUKE ENERGY KENTUCKY  
REGIONAL TRANSMISSION ORGANIZATION RESETTLEMENTS  
FUEL COST SCHEDULE**

<b>Expense Month:</b>		<b>July 2014 Dollars (\$)</b>
<b>A. Company Generation</b>		
Coal Burned	(+)	\$ 8,069,938.42
Oil Burned	(+)	212,208.92
Gas Burned	(+)	13,660.26
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	15,904.21
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	1,096,564.93
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	26,336.25
Sub-Total		\$ 9,350,132.07
<b>B. Purchases</b>		
Economy Purchases	(+)	\$ 2,715,013.18
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	1,466,621.80
Less purchases above highest cost units	(-)	-
Sub-Total		\$ 1,248,391.38
<b>C. Non-Native Sales Fuel Costs</b>		\$ 156,983.79
<b>D. Total Fuel Costs (A + B - C)</b>		\$ 10,441,539.66
<b>E. Total Fuel Costs Previously Reported</b>		\$ 10,269,020.39
<b>F. Prior Period Adjustment</b>		\$ -
<b>G. Adjustment due to PJM Resettlements</b>		\$ 172,519.27

.....

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.



FA

139 East Fourth Street  
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Theodore H. Czupik Jr.  
Rates & Regulatory Strategy Manager

RECEIVED

JAN 20 2015

PUBLIC SERVICE  
COMMISSION

**VIA OVERNIGHT DELIVERY**

January 19, 2015

Mr. Jeff Derouen, Executive Director  
**Attention: Chris Whelan**

Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

Dear Mr. Derouen and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in February 2015.

Please contact me if you have any questions.

Sincerely,

Theodore H. Czupik Jr.

Enclosure

RECEIVED  
JAN 20 2015  
FINANCIAL ANA

**DUKE ENERGY KENTUCKY  
FUEL ADJUSTMENT CLAUSE SCHEDULE**

**Expense Month: December 2014**

<b>Line No.</b>	<b>Description</b>	<b>Amount</b>	<b>Rate (¢/kWh)</b>
1	Fuel $F_m$ (Schedule 2, Line L)	\$ 9,037,580.89	
2	Sales $S_m$ (Schedule 3, Line C)	÷ 342,556,951	2.6383
3	Base Fuel Rate ( $F_b/S_b$ ) per PSC Order in Case No. 2012-00554	(-)	2.7466
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u>(0.1083)</u>

Effective Date for Billing: February 2, 2015

Submitted by: *Theodore H. Gupik Jr.*

Title: Rates & Regulatory Strategy Manager

Date Submitted: January 19, 2015

**DUKE ENERGY KENTUCKY  
FUEL COST SCHEDULE**

**Expense Month: December 2014**

	<u>Dollars (\$)</u>
<b>A. Company Generation</b>	
Coal Burned	(+)
Oil Burned	(+)
Gas Burned	(+)
PJM Balancing & Day Ahead Operating Reserve Credit	(-)
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)
Sub-Total	<u>\$ 7,660,960.41</u>
<b>B. Purchases</b>	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)
Less purchases above highest cost units	(-)
Sub-Total	<u>\$ 1,519,979.95</u>
<b>C. Non-Native Sales Fuel Costs</b>	<u>\$ 402,300.80</u>
<b>D. Total Fuel Costs (A + B - C)</b>	(+)
<b>E. Total Company Over or (Under) Recovery from Schedule 5, Line 14</b>	(-)
<b>F. Adjustment indicating the difference in actual fuel cost for the month of November 2014 and the estimated cost originally reported \$8,218,302.05 - \$8,122,080.99</b>	(+)
(actual)                      (estimate)	
<b>G. RTO Resettlements for prior periods from Schedule 6, Line G</b>	(+)
<b>H. Prior Period Correction</b>	(+)
<b>I. Deferral of Current Purchased Power Costs</b>	(-)
<b>J. Amount of Deferred Purchased Power Costs included in the filing</b>	(+)
<b>K. Grand Total Fuel Cost (D - E + F + G + H - I+J)</b>	<u><u>\$ 9,037,580.89</u></u>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

<sup>(b)</sup> Estimated - to be trued up in the filing next month

**DUKE ENERGY KENTUCKY  
SALES SCHEDULE**

**Expense Month: December 2014**

		<u><b>Kilowatt-Hours Current Month</b></u>
A. Generation (Net)	(+)	339,997,000
<u>Purchases Including Interchange-In</u>	(+)	<u>53,798,820</u>
Sub-Total		<u>393,795,820</u>
 B. Pumped Storage Energy	(+)	 -
Non-Native Sales Including Interchange Out	(+)	17,359,610
<u>System Losses (376,436,210 KWH times 9.0% <sup>(a)</sup>)</u>	(+)	<u>33,879,259</u>
Sub-Total		<u>51,238,869</u>
 C. Total Sales (A - B)		 <u><u>342,556,951</u></u>

.....

Note: <sup>(a)</sup> Average of prior 12 months.

**DUKE ENERGY KENTUCKY  
FINAL FUEL COST SCHEDULE**

**Expense Month: November 2014**

		<u>Dollars (\$)</u>
<b>A. Company Generation</b>		
Coal Burned	(+)	\$ 8,551,191.20
Oil Burned	(+)	74,828.73
Gas Burned	(+)	184,372.91
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	27,581.05
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	3.63
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	-
Sub-Total		\$ 8,782,815.42
<b>B. Purchases</b>		
Economy Purchases	(+)	\$ 311,620.21
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	6.09
Less purchases above highest cost units	(-)	-
Sub-Total		\$ 311,614.12
<b>C. Non-Native Sales Fuel Costs</b>		<b>\$876,127.49</b>
<b>D. Total Fuel Costs (A + B - C)</b>		<b>\$ 8,218,302.05</b>

Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY  
OVER OR (UNDER) RECOVERY SCHEDULE**

**Expense Month: October 2014**

Line No.	Description		
1	FAC Rate Billed ( $\phi$ /kWh)	(+)	0.1147
2	Retail kWh Billed at Above Rate	(x)	242,924,971
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$ 278,634.94</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	291,094,722
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4 - Line 5)		<u>291,094,722</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$ 333,885.65
8	Over or (Under) (Line 3 - Line 7)		\$ (55,250.71)
9	Total Sales (Schedule 3, Line C)	(-)	342,556,951
10	Kentucky Jurisdictional Sales	(÷)	<u>342,556,951</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)	(+)	\$ (55,250.71)
13	Amount Over or (Under) Recovered in prior filings	(-)	\$ -
14	Total Company Over or (Under) Recovery		<u><u>\$ (55,250.71)</u></u>

**DUKE ENERGY KENTUCKY  
REGIONAL TRANSMISSION ORGANIZATION RESETTLEMENTS  
FUEL COST SCHEDULE**

<b>Expense Month:</b>	<b>August 2014 Dollars (\$)</b>	
<b>A. Company Generation</b>		
Coal Burned	(+)	\$ 7,223,689.99
Oil Burned	(+)	291,372.37
Gas Burned	(+)	196,429.26
PJM Balancing & Day Ahead Operating Reserve Credit	(-)	-
Fuel (assigned cost during Forced Outage <sup>(a)</sup> )	(+)	194,143.47
Fuel (substitute cost during Forced Outage <sup>(a)</sup> )	(-)	2,659.03
Sub-Total		\$ 7,902,976.06
<b>B. Purchases</b>		
Economy Purchases	(+)	\$ 3,999,582.13
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage <sup>(a)</sup> )	(-)	270,279.92
Less purchases above highest cost units	(-)	-
Sub-Total		\$ 3,729,302.21
<b>C. Non-Native Sales Fuel Costs</b>		\$ 88,847.54
<b>D. Total Fuel Costs (A + B - C)</b>		\$ 11,543,430.73
<b>E. Total Fuel Costs Previously Reported</b>		\$ 11,435,961.17
<b>F. Prior Period Adjustment</b>		\$ -
<b>G. Adjustment due to PJM Resettlements</b>		\$ 107,469.56

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Note: <sup>(a)</sup> Forced Outage as defined in 807 KAR 5:056.