



Duke Energy
139 E. Fourth Street
Cincinnati, OH 45202

RECEIVED

MAY 13 2015

PUBLIC SERVICE
COMMISSION

May 13, 2015

Kentucky Public Service Commission
Attn: Mr. Jeff Derouen, Executive Director
211 Sower Boulevard
Frankfort, Kentucky 40602

Dear Mr. Derouen:

Enclosed for filing are an original and ten (10) conformed copies of Duke Energy Kentucky's ("Duke") "Monthly Report of Gas Cost Calculations and Tariff Schedules," for the month commencing with the June 2015 revenue month in accordance with KPSC order dated November 6, 2003 in Case No. 2003-00386. This filing is based on supplier tariff rates expected to be in effect on June 2, 2015 and the NYMEX close on May 8, 2015 for the month of June 2015.

The above described schedules and GCA are effective with the final meter readings of District 1, June 2015 revenue month (i.e., final meter readings on and after June 2, 2015).

Duke's proposed GCA is \$4.098 per Mcf. This rate represents a decrease of \$0.184 per Mcf from the rate currently in effect for May 2015.

Very truly yours,

A handwritten signature in cursive script that reads 'Dana Patten'.

Dana Patten

Enclosure

cc: L. Schmidt

R:/tariffs/gcr/ulhp/gca monthly filing.doc

DUKE ENERGY KENTUCKY, INC
GAS COST ADJUSTMENT CLAUSE

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM June 2, 2015 THROUGH June 30, 2015

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	4.010
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	0.000
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.112
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.024)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	4.098

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	4.010

SUPPLIER REFUND ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ.	\$/MCF	0.000
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
SECOND PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
THIRD PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	0.000

ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	0.016
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.445
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.103
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.452)
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.112

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	(0.043)
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.004)
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.024
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.001)
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.024)

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 8373 OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED APRIL 16, 1982.

DATE FILED: May 13, 2015

BY: DON WATHEN

TITLE: DIRECTOR,
Rates & Regulatory Strategy - OH/KY

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY
EXPECTED GAS COST RATE CALCULATION (EGC)**

"SUMMARY" FOR THE EGC RATE IN EFFECT AS OF June 2, 2015

		\$
<u>DEMAND (FIXED) COSTS:</u>		
Columbia Gas Transmission Corp.		3,031,317
Columbia Gulf Transmission Corp.		1,223,775
KO Transmission Company		307,584
Texas Gas Transmission		684,090
ANR Pipeline		911,370
Gas Marketers		103,575
TOTAL DEMAND COST:		6,261,711
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	10,215,906	MCF
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$6,261,711 /	10,215,906 MCF \$0.613 /MCF
 <u>COMMODITY COSTS:</u>		
Gas Marketers		\$3.322 /MCF
Gas Storage		
Columbia Gas Transmission		\$0.000 /MCF
Propane		\$0.000 /MCF
COMMODITY COMPONENT OF EGC RATE:		\$3.322 /MCF
Other Costs:		
Net Charge Off ⁽¹⁾	\$17,952 /	239,503 \$0.075 /MCF
TOTAL EXPECTED GAS COST:		\$4.010 /MCF

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : June 2, 2015

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GAS TRANSMISSION, LLC				
TARIFF RATE EFFECTIVE DATE :				
				FSS: 2/1/2015
				SST: 2/1/2015
<u>BILLING DEMAND - TARIFF RATE - FSS</u>				
Max. Daily Withdrawl Quan.	1.5010	39,656	12	714,284
Seasonal Contract Quantity	0.0288	1,365,276	12	471,839
<u>BILLING DEMAND - TARIFF RATE - SST</u>				
Maximum Daily Quantity	5.1700	19,828	6	615,065
Maximum Daily Quantity	5.1700	39,656	6	1,230,129
CAPACITY RELEASE CREDIT				0
TOTAL COLUMBIA GAS TRANSMISSION, LLC - DEMAND CHARGES				3,031,317

INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.
TARIFF RATE EFFECTIVE DATE : FTS-1: 10/1/2013

<u>BILLING DEMAND - TARIFF RATE - FTS-1</u>				
Maximum Daily Quantity	3.3300	21,000	5	349,650
Maximum Daily Quantity	3.3300	13,500	7	314,685
Maximum Daily Quantity	3.3300	12,000	5	199,800
Maximum Daily Quantity	3.3300	9,000	12	359,640
CAPACITY RELEASE CREDIT FOR FTS-1				0
TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES				1,223,775

Currently Effective Rates
 Applicable to Rate Schedule FSS
 Rate Per Dth

	Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current Surcharge	Electric Power Costs Adjustment Current Surcharge	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
Rate Schedule FSS						
Reservation Charge 3/ \$	1.501	-	-	-	1.501	0.0493
Capacity 3/ ¢	2.88	-	-	-	2.88	2.88
Injection ¢	1.53	-	-	-	1.53	1.53
Withdrawal ¢	1.53	-	-	-	1.53	1.53
Overrun 3/ ¢	10.87	-	-	-	10.87	10.87

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.

2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

3/ Shippers utilizing the Eastern Market Expansion (EME) facilities for FSS service will pay a total FSS MDSQ reservation charge of \$4.130 and a total FSS SCQ capacity rate of 6.80 cents. If EME customers incur an overrun for FSS services that is provided under their EME Project service agreements, they will pay a total FSS overrun rate of 23.44 cents. The additional EME demand charges and EME overrun charges can be added to the applicable surcharges above to develop the EME Total Effective Rate.

Currently Effective Rates
 Applicable to Rate Schedule SST
 Rate Per Dth

$4.451 + .719 = 5.17$

	Base Tariff Rate 1/ 2/	TCRA Rates	EPCA Rates	OTRA Rates	CCRM Rates	Total Effective Rate 2/	Daily Rate 2/
Rate Schedule SST							
Reservation Charge 3/4/	\$ 4.774	0.258	0.059	0.129	0.719	5.939	0.1952
Commodity	.0102	+ (-.0002)	+ .0078	+ 0 = .0178			
Maximum	¢ 1.02	-0.02	0.78	0.00	0.00	1.78	1.78
Minimum	¢ 1.02	-0.02	0.78	0.00	0.00	1.78	1.78
Overrun 4/							
Maximum	¢ 16.72	0.83	0.97	0.42	2.36	21.30	21.30
Minimum	¢ 1.02	-0.02	0.78	0.00	0.00	1.78	1.78

- 1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.
- 2/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 34 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.
- 3/ Minimum reservation charge is \$0.00.
- 4/ Shippers utilizing the Eastern Market Expansion (EME) facilities for Rate Schedule SST service will pay a total SST reservation charge of \$17.625. If EME customers incur an overrun for SST services that is provided under their EME Project service agreements, they will pay a total overrun rate of 58.97 cents. The applicable EME demand charge and EME overrun charge can be added to the applicable surcharges above to calculate the EME Total Effective Rates.

.0178 Withdrawal rate
 .0014 ACA
 .0102 injection rate



1700 MacCorkle Avenue SE
Charleston, WV 25314
Phone: 304-357-2514
Fax: 304-357-2654
jsydnor@nisource.com

June 10, 2013

Mr. Jeff Kern
Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45202

RE: SST Service Agreement No. 79977
Discount Letter Amendment

Dear Mr. Kern:

This letter will serve as an amendment to the SST Service Agreement No. 79977 between Columbia Gas Transmission, LLC (Transporter) and Duke Energy Kentucky, Inc. (Shipper). Transporter and Shipper hereby agree that Section 3 of the above-referenced service agreement is amended to provide the following:

1. The rate for service, for the period from 7/01/2013 to 3/31/2020, will include a discounted demand rate, inclusive of demand surcharges, of \$4.451 for deliveries to the primary delivery point 834696 (KOT DEK MLI); for deliveries to the secondary delivery point STOR (RP Storage Point TCO); and for any receipts into Columbia's pipeline system.
2. Except to the extent Federal Energy Regulatory Commission ("FERC") policies, rules and/or regulations, and/or Transporter's FERC Gas Tariff provide otherwise, for service under the above-referenced Service Agreement to secondary delivery points other than STOR, in lieu of the rate set forth above, Transporter will charge and Shipper will pay the then existing maximum Recourse Rate set forth in Transporter's FERC Gas Tariff from time to time.
3. Notwithstanding the foregoing, the charge to be paid by Shipper to Transporter will be no lower than the applicable total effective minimum charges or higher than the applicable total effective maximum charges as set forth in Transporter's FERC Gas Tariff from time to time.

Page 1

4. The discounted reservation rate will be apportioned in accordance with Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
5. In addition to the reservation charges set forth above, Shipper must provide all applicable commodity charges, surcharges, overrun charges and retainage charges set forth in Transporter's FERC Gas Tariff from time to time.
6. In addition to the reservation charges set forth above, commencing on 4/1/2015, Shipper will pay all applicable Capital Cost Recovery Mechanism ("CCRM") charges.

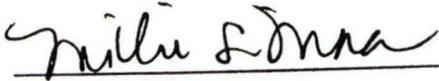
If you are in agreement with the above amendment, please execute both originals of this letter and return one to Transporter at the above address, Attention: Jackie Sydnor, 8th floor North.

Executed and agreed to this 10 day of June, 2013.

DUKE ENERGY KENTUCKY, INC.

COLUMBIA GAS TRANSMISSION, LLC

By: 

By: 

Its: EV and COO, REGULATED UTILITIES

Its: VP, Customer Services & Navigates

*BK L
DOR
JEM*

RETAINAGE PERCENTAGES

Transportation Retainage	1.885%	<i>SS+ fuel %</i>
Gathering Retainage	0.617%	
Storage Gas Loss Retainage	0.130%	<i>SS fuel %</i>
Ohio Storage Gas Lost Retainage	0.260%	
Columbia Processing Retainage/1	0.000%	

1/ The Columbia Processing Retainage shall be assessed separately from the processing retainage applicable to third party processing plants set forth in Section 25.3 (f) of the General Terms and Conditions.

Currently Effective Rates
 Applicable to Rate Schedule FTS-1
 Rates in Dollars per Dth

Rate Schedule FTS-1	<u>Base Rate</u>	<u>Total Effective Rate</u>	<u>Daily Rate</u>
	(1)	(2)	(3)
	1/	1/	1/
<u>Market Zone</u>			
Reservation Charge			
Maximum	4.2917	4.2917	0.1411
Minimum	0.000	0.000	0.000
Commodity			
Maximum	0.0109	0.0109 + .0014 = .0123	0.0109
Minimum	0.0109	0.0109	0.0109
Overrun			
Maximum	0.1520	0.1520	0.1520
Minimum	0.0109	0.0109	0.0109

1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : June 2, 2015

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : KO TRANSMISSION COMPANY				
TARIFF RATE EFFECTIVE DATE :	10/1/2014			
BILLING DEMAND - TARIFF RATE - FT				
Maximum Daily Quantity	0.3560	72,000	12	307,584
CAPACITY RELEASE CREDIT				0
TOTAL KO TRANSMISSION CO. DEMAND CHARGES				307,584
INTERSTATE PIPELINE : Texas Gas Transmission				
TARIFF RATE EFFECTIVE DATE :	1/15/2014			
BILLING DEMAND - TARIFF RATE - STE				
Maximum Daily Quantity	0.1950	18,000	151	530,010
Maximum Daily Quantity	0.1200	6,000	214	154,080
CAPACITY RELEASE CREDIT				0
TOTAL TEXAS GAS TRANSMISSION CO. DEMAND CHARGES				684,090
INTERSTATE PIPELINE : ANR PIPELINE				
TARIFF RATE EFFECTIVE DATE :	4/1/2014			
BILLING DEMAND - TARIFF FTS-1				
Maximum Daily Quantity	4.5625	20,000	5	456,250
BILLING DEMAND - TARIFF RATE - FSS				
Max. Daily Withdrawl Quan.	1.2082	20,229	12	293,288
Seasonal Contract Quantity	0.1600	1,011,450	1	161,832
CAPACITY RELEASE CREDIT				0
TOTAL ANR DEMAND CHARGES				911,370
GAS MARKETERS FIXED CHARGES				
November - March	0.0067	10,570,151		71,175
December - February	0.072	450,000		32,400
TOTAL GAS MARKETERS FIXED CHARGES				103,575

KO Transmission Company

Effective Date: 04/01/2015

Status: Effective

FERC Docket: RP15-00562-000

FERC Order: Delegated Letter Order

Order Date: 03/25/2015

Part 3, Currently Effective Rates, 9.0.0

**CURRENTLY EFFECTIVE RATES
APPLICABLE TO RATE SCHEDULES FTS AND ITS**

RATE LEVELS - RATE PER DTH

	Base Tariff Rate^{1/}
RATE SCHEDULE FTS	
Reservation Charge ^{2/}	
Maximum 1	\$0.3560
Maximum 2	\$0.3560
Daily Rate - Maximum 1	\$0.0117
Daily Rate - Maximum 2	\$0.0117
Commodity	
Maximum	\$0.0000
Minimum	\$0.0000
Overrun	\$0.0117
RATE SCHEDULE ITS	
Commodity	
Maximum	\$0.0117
Minimum	\$0.0000

^{1/} ACA assessed where applicable pursuant to Section 154.402 of the Commission's regulations and will be charged pursuant to Section 23 of the General Terms and Conditions at such time that initial and successive annual ACA assessments applicable to Transporter are made and posted on the Commission's website (<<http://www.ferc.gov>>).

^{2/} Minimum reservation charge is \$0.00.

Transportation Retainage Adjustment 0.796%

NOTE: Utilizing GISB standards 5.3.22 and 5.3.23, Transporter's Rate Schedule FTS Reservation Charge can be converted to an applicable daily rate by dividing the above monthly rate by 30.4 days.



3800 Frederica Street
P.O. Box 20008
Owensboro, KY 42304-0008
270/926-8686

January 15, 2014

Mr. Jeff Kern
Duke Energy Kentucky, Inc.
139 E 4th St EX460
Cincinnati, OH 45202-4003

Re: Discounted Rates Letter Agreement to
STF Service Agreement No. 33502
between TEXAS GAS TRANSMISSION, LLC and
DUKE ENERGY KENTUCKY, INC.
dated January 15, 2014

Dear Jeff:

This Discounted Rates Letter Agreement ("Agreement") specifies additional terms and conditions applicable to the referenced Firm Service Agreement ("Contract") between Texas Gas Transmission, LLC ("Texas Gas") and Duke Energy Kentucky, Inc. ("Customer"). This Agreement is subject to all applicable Federal Energy Regulatory Commission ("FERC") regulations. In the event the language of this Agreement conflicts with the Contract, the language of this Agreement will control. In the event the language of this Agreement conflicts with Texas Gas' FERC Gas Tariff currently in effect or any superseding tariff ("Tariff"), the language of the Tariff will control.

1. Texas Gas shall provide primary firm service under the Agreement from Primary Receipt Point(s) to the Primary Delivery Point(s) listed in the attached Exhibit A. The rates charged for this service also shall be set forth in Exhibit A.

(a) The Contract Demand(s) for this Agreement shall be: 18,000 MMBtu per day each November – March
6,000 MMBtu per day each April - October

2. The rates in Exhibit A are applicable only for transportation service utilizing the Primary Point(s) specifically listed on Exhibit A, up to Customer's Contract Demand. The rates in Exhibit B are applicable only for transportation service utilizing the eligible secondary point(s) specifically listed on Exhibit B. If Customer utilizes any other receipt or delivery point, then the applicable maximum rate(s), including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff, shall apply unless the parties amend Exhibits A and/or B in writing, pursuant to the requirements of the Tariff and prior to nomination, to include such transportation service. If Customer or its Replacement Shipper(s) deliver gas to a point not listed on Exhibit A or B, Customer shall pay the maximum applicable rate for the quantity delivered to such point(s), up to Customer's Contract Demand.

3. This Agreement shall be effective beginning April 1, 2014 and shall continue in full force and effect through October 31, 2017.

4. All rates and services described in this Agreement are subject to the terms and conditions of Texas Gas' Tariff. Texas Gas shall have no obligation to make refunds to Customer unless the maximum rate ultimately established by the FERC for any service described herein is less than the rate paid by Customer under this Agreement. Texas Gas shall have the unilateral right to file with the appropriate regulatory authority and make

changes effective in the filed rates, charges, and services in Texas Gas' Tariff, including both the level and design of such rates, charges and services and the general terms and conditions therein.

5. Except as otherwise provided in the FERC's regulations, this Agreement may not be assigned without the express written consent of the other party. Any assignment shall be in accordance with the Tariff and FERC regulations. Such consent shall not be unreasonably withheld. Any assignment made in contravention of this paragraph shall be void at the option of the other party. If such consent is given, this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

6. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable by any court, regulatory agency, or tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions, terms or conditions shall not in any way be affected or impaired thereby, and the term, condition, or provision which is held illegal or invalid shall be deemed modified to conform to such rule of law, but only for the period of time such order, rule, regulation, or law is in effect.

7. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE COMMONWEALTH OF KENTUCKY, EXCLUDING ANY PROVISION WHICH WOULD DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

If Customer agrees with the terms and conditions, please so indicate by signing the duplicate originals in the appropriate spaces provided below and returning the originals to Texas Gas.

Very Truly Yours,

TEXAS GAS TRANSMISSION, LLC

By: *David W. Massey*

Name: DAVID W MASSEY

Title: V.P., Southern/Midwest Markets

Date: 1/27/14

ACCEPTED AND AGREED TO this 30th day of January, 2014.

DUKE ENERGY KENTUCKY, INC.

By: *Keith Trent*

Name: Keith Trent

Title: EVP & COO-Reg. Utilities

As To Form

DKK

Signature page to Discounted Rates Letter Agreement, Agreement No. 33502, dated January 15, 2014.

*DKK
KEM*

Rate Schedule STF
Agreement No.: 33502
Discounted Rates Letter Agreement dated January 15, 2014

EXHIBIT A

Primary Receipt Point(s)

All effective primary receipt point(s) listed under the Contract.

Primary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Duke Energy KY Shipper DE	1872	4

Rate(s)

The following rates shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).

Demand: \$0.1950 per MMBtu/day each November - March
\$0.1200 per MMBtu/day each April - October

Commodity: Texas Gas' minimum tariff rate per MMBtu plus applicable surcharges and fuel retention

Discount Qualification: Customer may select Primary Receipt Point capacity up to 120% of Daily Contract Demand in the Winter Season and in the Summer Season with no impact on the discounted demand rates. If Customer selects Primary Receipt Point capacity greater than 120% of Daily Demand in the Winter Season or the Summer Season, then the maximum applicable rate shall apply to all of the Contract Demand.

The discounted demand and commodity rates are applicable for deliveries to the Primary and Eligible Secondary Delivery Points. To the extent Customer or its replacement shipper delivers gas to any other delivery point, or delivers more than the daily contract demand on any day and such volumes are not daily overrun, then Customer shall pay both the maximum demand and commodity rates for all gas quantities on that day.

Rate Schedule STF
Agreement No.: 33502
Discounted Rates Letter Agreement dated January 15, 2014

EXHIBIT B

Eligible Secondary Receipt Point(s)

All secondary receipt points located in Texas Gas Rate Zone(s) 1, 2, 3 and 4

Eligible Secondary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Lebanon-Dominion	1247	4
Lebanon-Columbia Gas	1715	4
Lebanon-Texas Eastern	1859	4
Duke Energy OH Shipper DE	1229	4

Rate(s)

The rates identified on Exhibit A shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).

Contract No: 124172
Amendment No: 01

AMENDMENT

Date: March 09, 2015

“Transporter”: ANR PIPELINE COMPANY

“Shipper”: DUKE ENERGY KENTUCKY, INC.

FSS Contract No. 124172 dated March 19, 2014 ("Agreement") between Transporter and Shipper is amended effective April 01, 2015 as follows:

Shipper’s contract quantities (MSQ, BMDIQ, BMDWQ) have been revised to reflect Transporter’s Use % (fuel matrix) revisions pursuant to Transporter’s Annual Redetermination Filing effective April 1, 2015.

An updated Contract Quantity Exhibit reflecting this change is attached.

All other terms and conditions of the Agreement shall remain in full force and effect.

**EXHIBITS ONLY SENT. EXECUTABLE DOCUMENTS
NOT REQUIRED.**

CONTRACT QUANTITY EXHIBIT
To Agreement Between
ANR PIPELINE COMPANY (Transporter)
AND DUKE ENERGY KENTUCKY, INC. (Shipper)

Contract No: 124172
Rate Schedule: FSS
Contract Date: March 19, 2014
Amendment Date: March 09, 2015

Effective Start: November 01, 2015
Effective End: March 31, 2016

Seasonal Service
Ratcheted Service

	MDQ (Dth)
Maximum Storage Quantity (MSQ)	1011450
Base Maximum Daily Withdrawal Quantity (BMDWQ)	20229
Base Maximum Daily Injection Quantity (BMDIQ)	5780
Cyclability	1011450

<u>Ratchet</u> <u>Thresholds</u>		<u>Ratchet</u>	<u>Ratchet</u>
<u>From</u>	<u>To</u>	<u>Levels</u>	<u>MDWQ/MDIQ</u>
202291	- 1011450	W1 MDWQ_1	20229
151719	- 202290	W2 MDWQ_2	18206
101146	- 151718	W3 MDWQ_3	16183
50574	- 101145	W4 MDWQ_4	14160
0	- 50573	W5 MDWQ_5	12137
0	- 910305	I1 MDIQ_1	5780
910306	- 1011450	I2 MDIQ_2	4624

W=Withdrawal ;I=Injection

Note: BMDWQ and BMDIQ are stated without incorporating ratchets.

CONTRACT QUANTITY EXHIBIT
To Agreement Between
ANR PIPELINE COMPANY (Transporter)
AND DUKE ENERGY KENTUCKY, INC. (Shipper)

Contract No: 124172
Rate Schedule: FSS
Contract Date: March 19, 2014
Amendment Date: March 09, 2015

Effective Start: April 01, 2015
Effective End: October 31, 2015

Seasonal Service
Ratcheted Service

	MDQ (Dth)
Maximum Storage Quantity (MSQ)	1011450
Base Maximum Daily Withdrawal Quantity (BMDWQ)	20229
Base Maximum Daily Injection Quantity (BMDIQ)	5780
Cyclability	1011450

<u>Ratchet</u> <u>Thresholds</u>		<u>Ratchet</u>	<u>Ratchet</u>
<u>From</u>	<u>To</u>	<u>Levels</u>	<u>MDWQ/MDIQ</u>
202291	- 1011450	W1 MDWQ_1	20229
151719	- 202290	W2 MDWQ_2	18206
101146	- 151718	W3 MDWQ_3	16183
50574	- 101145	W4 MDWQ_4	14160
0	- 50573	W5 MDWQ_5	12137
0	- 910305	I1 MDIQ_1	5780
910306	- 1011450	I2 MDIQ_2	4624

W=Withdrawal ;I=Injection

Note: BMDWQ and BMDIQ are stated without incorporating ratchets.

CONTRACT QUANTITY EXHIBIT
To Agreement Between
ANR PIPELINE COMPANY (Transporter)
AND DUKE ENERGY KENTUCKY, INC. (Shipper)

Contract No: 124172
Rate Schedule: FSS
Contract Date: March 19, 2014
Amendment Date: March 09, 2015

Effective Start: November 01, 2014
Effective End: March 31, 2015

Seasonal Service
Ratcheted Service

	MDQ (Dth)
Maximum Storage Quantity (MSQ)	1009200
Base Maximum Daily Withdrawal Quantity (BMDWQ)	20184
Base Maximum Daily Injection Quantity (BMDIQ)	5767
Cyclability	1009200

Ratchet Thresholds			Ratchet Levels	Ratchet MDWQ/MDIQ
<u>From</u>	<u>To</u>			
201841	- 1009200	W1	MDWQ_1	20184
151381	- 201840	W2	MDWQ_2	18166
100921	- 151380	W3	MDWQ_3	16147
50461	- 100920	W4	MDWQ_4	14129
0	- 50460	W5	MDWQ_5	12110
0	- 908280	I1	MDIQ_1	5767
908281	- 1009200	I2	MDIQ_2	4614

W=Withdrawal ;I=Injection

Note: BMDWQ and BMDIQ are stated without incorporating ratchets.

CONTRACT QUANTITY EXHIBIT
To Agreement Between
ANR PIPELINE COMPANY (Transporter)
AND DUKE ENERGY KENTUCKY, INC. (Shipper)

Contract No: 124172
Rate Schedule: FSS
Contract Date: March 19, 2014
Amendment Date: March 09, 2015

Effective Start: April 01, 2014
Effective End: October 31, 2014

Seasonal Service
Ratcheted Service

	MDQ (Dth)
Maximum Storage Quantity (MSQ)	1009200
Base Maximum Daily Withdrawal Quantity (BMDWQ)	20184
Base Maximum Daily Injection Quantity (BMDIQ)	5767
Cyclability	1009200

<u>Ratchet</u> <u>Thresholds</u>		<u>Ratchet</u>	<u>Ratchet</u>
<u>From</u>	<u>To</u>	<u>Levels</u>	<u>MDWQ/MDIQ</u>
201841	- 1009200	W1 MDWQ_1	20184
151381	-- 201840	W2 MDWQ_2	18166
100921	- 151380	W3 MDWQ_3	16147
50461	-- 100920	W4 MDWQ_4	14129
0	- 50460	W5 MDWQ_5	12110
0	- 908280	I1 MDIQ_1	5767
908281	- 1009200	I2 MDIQ_2	4614

W=Withdrawal ;I=Injection

Note: BMDWQ and BMDIQ are stated without incorporating ratchets.

Date: March 19, 2014

Contract No.: 124172

FSS SERVICE AGREEMENT

This AGREEMENT is entered into by ANR Pipeline Company (Transporter) and DUKE ENERGY KENTUCKY, INC (Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below, together with the terms and conditions of Transporter's applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff constitute the Transportation Service to be provided and the rights and obligations of Shipper and Transporter.

1. **AUTHORITY FOR TRANSPORTATION SERVICE:**

Pursuant to Part 284 of the Federal Energy Regulatory Commission's (FERC or Commission) Regulations.

2. **RATE SCHEDULE: Firm Storage Service**

3. **CONTRACT QUANTITIES:**

Contract Quantities- see Exhibit attached hereto.

Such Contract Quantities shall be reduced for scheduling purposes, but not for billing purposes, by the Contract Quantities that Shipper has released through Transporter's capacity release program for the period of any release.

Date: March 19, 2014

Contract No.: 124172

Shipper desires to maintain the MDQ delivered to the city gate from storage in the event of a change in Transporter's Use %. Therefore, subject to available capacity, if Transporter's Use %, as stated in Transporter's Tariff changes, Transporter shall (a) make corresponding changes to the MSQ, Base MDWQ and Base MDIQ of Shipper's FSS Agreement; and (b) if elected below, any necessary changes to the MDQ of the injection route(s) of a firm transport agreement(s), associated with such FSS Agreement. Shipper authorizes Transporter to make such quantity changes without formal amendment by providing to Shipper a revised Exhibit for each contract affected.

 X Shipper elects changes per subpart (a) only.

 Shipper elects changes per subpart (a) and (b).

4. **TERM OF AGREEMENT:**

April 01, 2014 to

March 31, 2016

5. **RATES:**

Maximum rates, charges, and fees shall be applicable for the entitlements and quantities delivered pursuant to this Agreement unless Transporter and Shipper have agreed otherwise as provided herein.

It is further agreed that Transporter may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff, and Transporter shall have the right to place such changes in effect in accordance with the Natural Gas Act. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and Commission order. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest changes in rates in whole or in part.

The rate for storage service shall be a Deliverability rate of \$1.2082 per dth per month for MDWQ, and a Capacity rate of \$0.1600 per dth per month of MSQ divided by twelve, and the applicable Commodity rate for injection or withdrawal charges, not to exceed Transporter's Maximum Tariff Rates. In addition, Shipper will be charged

Date: March 19, 2014

Contract No.: 124172

ACA, Transporter's Use (Fuel %) and EPC Charge (Electric Power Cost) and any other applicable governmental surcharges in accordance with Transporter's Tariff.

6. INCORPORATION BY REFERENCE:

The provisions of Transporter's applicable Rate Schedule and the General Terms and Conditions of Transporter's Tariff are specifically incorporated herein by reference and made a part hereof.

7. NOTICES:

All notices can be given by telephone or other electronic means, however, such notice shall be confirmed in writing at the addresses below or through GEMS_{im}. Shipper or Transporter may change the addresses below by written notice to the other without the necessity of amending this agreement:

TRANSPORTER:

ANR Pipeline Company
717 Texas Street, Suite 25000
Houston, Texas 77002-2761
Attention: Commercial Services

SHIPPER:

DUKE ENERGY KENTUCKY, INC
139 EAST FOURTH ST
CINCINNATI, OH 45202
Attention: JEFF KERN

Telephone: 513-287-2837
FAX: 513-287-4212

Date: March 19, 2014

Contract No.: 124172

INVOICES AND STATEMENTS:

DUKE ENERGY KENTUCKY, INC
139 EAST FOURTH ST
CINCINNATI, OH 45202
Attention: MITCH MARTIN

Telephone: 513-287-4042
FAX: 513-287-2018

8. FURTHER AGREEMENT:

None.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers or Representatives thereunto duly authorized to be effective as of the date stated above.

SHIPPER: DUKE ENERGY KENTUCKY, INC

By: [Signature]

Title: Vice President, Gas Operations

Date: 3/25/14

As To Form
OK

TRANSPORTER: ANR PIPELINE COMPANY

By: [Signature]

Title: Director, Commercial Services

Date: 3/26/14

*RO 3/25/14
cc 3/26/14*

CONTRACT QUANTITY EXHIBIT
To Agreement Between
ANR PIPELINE COMPANY (Transporter)
AND DUKE ENERGY KENTUCKY, INC (Shipper)

Contract No: 124172
 Rate Schedule: FSS
 Contract Date: March 19, 2014
 Amendment Date:

Effective Start: April 01, 2014
 Effective End: March 31, 2016

Seasonal Service
 Ratcheted Service

Maximum Storage Quantity (MSQ)
 Base Maximum Daily Withdrawal Quantity (BMDWQ)
 Base Maximum Daily Injection Quantity (BMDIQ)
 Cyclability

MDQ
 (Dth)
 1009200
 20184
 5767
 1009200

Ratchet Thresholds		Ratchet	Ratchet
From	To	Levels	MDWQ/MDIQ
201841	- 1009200	W1 MDWQ_1	20184
151381	- 201840	W2 MDWQ_2	18166
100921	- 151380	W3 MDWQ_3	16147
50461	- 100920	W4 MDWQ_4	14129
0	- 50460	W5 MDWQ_5	12110
0	- 908280	I1 MDIQ_1	5767
908281	- 1009200	I2 MDIQ_2	4614

W=Withdrawal ;I=Injection

Note: BMDWQ and BMDIQ are stated without incorporating ratchets.

Date: March 19, 2014

Contract No.: 124171

FTS - 1 SERVICE AGREEMENT

This AGREEMENT is entered into by ANR Pipeline Company (Transporter) and DUKE ENERGY KENTUCKY, INC (Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below, together with the terms and conditions of Transporter's applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff constitute the Transportation Service to be provided and the rights and obligations of Shipper and Transporter.

1. AUTHORITY FOR TRANSPORTATION SERVICE:

Pursuant to Part 284 of the Federal Energy Regulatory Commission's (FERC or Commission) Regulations.

2. RATE SCHEDULE: Firm Transportation Service (FTS - 1)

3. CONTRACT QUANTITIES:

Primary Routes- see Exhibit attached hereto

Such Contract Quantities shall be reduced for scheduling purposes, but not for billing purposes, by the Contract Quantities that Shipper has released through Transporter's capacity release program for the period of any release.

4. TERM OF AGREEMENT:

November 01, 2014 to

March 31, 2016

If Transportation Service is to be provided on a seasonal basis or for non-consecutive months during the term of the Agreement, those periods are set forth in the Primary Route Exhibit attached hereto.

Date: March 19, 2014

Contract No.: 124171

5. RATES:

Maximum rates, charges, and fees shall be applicable for the entitlements and quantities delivered pursuant to this Agreement unless Transporter and Shipper have agreed otherwise as provided herein.

It is further agreed that Transporter may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff, and Transporter shall have the right to place such changes in effect in accordance with the Natural Gas Act. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and Commission order. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest changes in rates in whole or in part.

- A. The rate for the Primary Route MDQ as listed in the attached Primary Route Exhibit and secondary receipts/deliveries as listed below shall be a Monthly Reservation Rate of \$4.5625 per dth and the applicable Commodity Rate. This rate shall be inclusive of any other adjustments or surcharges under Transporter's Tariff, not to exceed the total of Transporter's Maximum Reservation, Commodity and applicable surcharge rates. In addition, Shipper shall be charged any applicable ACA, Transporter's Use (Fuel %), EPC Charge (Electric Power Cost) and any other applicable governmental surcharges in accordance with Transporter's Tariff.

Secondary Receipt(s): None
Secondary Delivery(ies): ANR Joliet Hub (243097)

- B. The mutually agreed upon rate for the use of any point not listed in Paragraph A above shall be ANR's Maximum Applicable Reservation and Maximum Applicable Commodity Rates under FTS-1 service. In addition, Shipper shall be charged ACA, Transporter's Use (Fuel %) and EPC Charge (Electric Power Cost) and any other fees or surcharges under Transporter's Tariff.
- C. In addition, if one rate component which was at or below the applicable Maximum Rate at the time this discount agreement was executed subsequently exceeds the applicable Maximum Rate due to a change in Transporter's Maximum Rates so that such rate component must be adjusted downward to equal the new applicable Maximum Rate, then other rate components may be adjusted upward to achieve the agreed overall rate, as long as none of the resulting rate components exceeds the

Date: March 19, 2014

Contract No.: 124171

Maximum Rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission Order accepts revised tariff sheet rates. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates, which ultimately are found to be just and reasonable.

6. INCORPORATION BY REFERENCE:

The provisions of Transporter's applicable Rate Schedule and the General Terms and Conditions of Transporter's Tariff are specifically incorporated herein by reference and made a part hereof.

7. NOTICES:

All notices can be given by telephone or other electronic means, however, such notice shall be confirmed in writing at the addresses below or through GEMS_{sm}. Shipper or Transporter may change the addresses below by written notice to the other without the necessity of amending this agreement:

TRANSPORTER:

ANR Pipeline Company
717 Texas Street, Suite 25000
Houston, Texas 77002-2761
Attention: Commercial Services

SHIPPER:

DUKE ENERGY KENTUCKY, INC
139 EAST FOURTH ST
CINCINNATI, OH 45202
Attention: JEFF KERN

Telephone: 513-287-2837
FAX: 513-287-4212

Date: March 19, 2014

Contract No.: 124171

INVOICES AND STATEMENTS:

DUKE ENERGY KENTUCKY, INC
139 EAST FOURTH ST
CINCINNATI, OH 45202
Attention: MITCH MARTIN

Telephone: 513-287-4042
FAX: 513-287-2018

8. FURTHER AGREEMENT:

None.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers or Representatives thereunto duly authorized to be effective as of the date stated above.

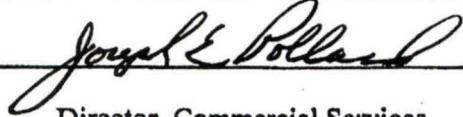
SHIPPER: DUKE ENERGY KENTUCKY, INC

By: 

Title: Vice President, Gas Operations

Date: As To Form 3/25/14
OK

TRANSPORTER: ANR PIPELINE COMPANY

By: 

Title: Director, Commercial Services

Date: 3/31/14

LD 3/25/14
cc 3/26/14

PRIMARY ROUTE EXHIBIT
To Agreement Between
ANR PIPELINE COMPANY (Transporter)
AND DUKE ENERGY KENTUCKY, INC (Shipper)

Contract No: 124171
Rate Schedule: FTS-1
Contract Date: March 19, 2014
Amendment Date:

Receipt Location Name	Delivery Location Name	Annual MDQ (DTH)	Winter MDQ (DTH)	Summer MDQ (DTH)
153808 ANRPL STORAGE FACILITIES FROM: November 01, 2014	22986 LEBANON/SPRINGBORO INT TO: March 31, 2016	0	20000	0

**DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 6/1/2015**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ 71,175 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 10,570,151 Dth (2)

CALCULATED RATE: \$ 0.0067 per Dth

(1) Reservation charges billed by firm suppliers for 2014 - 2015.

(2) Contracted volumes for the 2014 - 2015 winter season.

**DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM NEEDLE PEAKING SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 6/1/2015**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ \$32,400.00 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 450,000 Dth (2)

CALCULATED RATE: \$ 0.0720 per Dth

(1) Reservation charges billed by needle peaking suppliers for 2014 - 2015

(2) Contracted volumes for the 2014 - 2015 winter season.

**Duke Energy Kentucky
Gas Resources
Supply Portfolio - November 2014 - March 2015
Reservation Fees**

			Dth per Day					Total Volume	Reserv. Fee	Total Cost
			Nov	Dec	Jan	Feb	Mar			
Chevron										
Columbia (Mainline)	Base	Fixed	2,500	2,500	2,500	2,500	2,500	377,500	\$0.0000	\$0.00
Columbia (Mainline)	Swing	GD	10,000	10,000	5,000	5,000	10,000	1,215,000	\$0.0025	\$3,037.50
total								1,592,500		\$3,037.50
Conoco										
Columbia (Mainline)	Base	Fixed	7,000	7,000	7,000	7,000	7,000	1,057,000	\$0.0000	\$0.00
total								1,057,000		\$0.00
NextEra										
Columbia (Mainline)	Base	FOMI	2,300	8,000	16,400	12,000	1,600	1,211,000	\$0.0000	\$0.00
total								1,211,000		\$0.00
Equent										
Columbia (Mainline)	Swing	GD	14,691	8,991	5,591	9,991	15,391	1,649,641	\$0.0050	\$8,248.21
Texas Gas	Swing	GD	10,000	10,000	10,000	10,000	12,000	1,572,000	\$0.0050	\$7,860.00
total								3,221,641		\$16,108.21
Shell										
Columbia (Mainline)	Base	Fixed	1,000	1,000	1,000	1,000	1,000	151,000	\$0.0000	\$0.00
total								151,000		\$0.00
Southwestern Energy										
Texas Gas	Base	FOMI	2,000	2,000	2,000	2,000	0	240,000	\$0.0000	\$0.00
total								240,000		\$0.00
Enaska										
Columbia (Mainline)	Swing	GD + .0025	5,000	5,000	5,000	5,000	5,000	755,000	\$0.0050	\$3,775.00
Texas Gas	Swing	GD + .0025	6,477	6,477	6,477	6,477	6,477	978,027	\$0.0075	\$7,335.20
total								1,733,027		\$11,110.20
Twin Eagle										
Columbia Backhaul (Leach)	Swing	GD +.15	9,033	9,033	9,033	9,033	9,033	1,363,983	\$0.0300	\$40,919.49
total								1,363,983		\$40,919.49
total Firm Supply								10,570,151		\$71,175.40
5 Day Peaking Service (South)										
Twin Eagle (TCO Appl.)		GD+\$0.1500		18,000	18,000	18,000		1,620,000	\$0.0200	\$32,400.00
total								1,620,000		\$32,400.00
total Duke Energy Kentucky								12,190,151		\$103,575.40

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : June 2, 2015

GAS COMMODITY RATE FOR JUNE, 2015:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$3.0967	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.900%	\$0.0588	\$3.1555	\$/Dth
DTH TO MCF CONVERSION	1.0527	\$0.1663	\$3.3218	\$/Mcf
ESTIMATED WEIGHTING FACTOR	100.000%		\$3.3218	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$3.322	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$4.2735	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$4.2888	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	1.885%	\$0.0808	\$4.3696	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0178	\$4.3874	\$/Dth
KO TRANS. COMMODITY RATE		\$0.0014	\$4.3888	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.900%	\$0.0834	\$4.4722	\$/Dth
DTH TO MCF CONVERSION	1.0527	\$0.2357	\$4.7079	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.000	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$1.01178	\$/Gallon
GALLON TO MCF CONVERSION	15.38	\$14.5494	\$15.5612	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
PROPANE COMMODITY RATE			\$0.000	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 5/8/15 and contracted hedging prices.

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
ACTUAL ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED

February 28, 2015

DESCRIPTION	UNIT	DECEMBER	JANUARY	FEBRUARY
<u>SUPPLY VOLUME PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	MCF	1,706,888	2,248,409	2,299,902
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	0	18,389	29,976
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	(8,789)	8,269	(9,471)
TOTAL SUPPLY VOLUMES	MCF	<u>1,698,099</u>	<u>2,275,067</u>	<u>2,320,407</u>
<u>SUPPLY COST PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	\$	7,989,373	9,572,812	8,989,764
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	0	277,092	469,783
OTHER COSTS (SPECIFY):		0	0	0
GAS COST UNCOLLECTIBLE	\$	(27,742)	(28,019)	(63,055)
MANAGEMENT FEE	\$	(68,900)	(68,900)	(68,900)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	0	(441)	(139)
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>7,892,731</u>	<u>9,752,544</u>	<u>9,327,453</u>
<u>SALES VOLUMES</u>				
JURISDICTIONAL	MCF	1,654,265.4	2,038,255.1	2,059,137.2
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	<u>1,654,265.4</u>	<u>2,038,255.1</u>	<u>2,059,137.2</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	4.771	4.785	4.530
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	5.122	4.759	4.194
DIFFERENCE	\$/MCF	(0.351)	0.026	0.336
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,654,265.4</u>	<u>2,038,255.1</u>	<u>2,059,137.2</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>(580,647.16)</u>	<u>52,994.63</u>	<u>691,870.10</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>164,217.57</u>
PRIOR PERIOD ADJUSTMENT	\$			0.00
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>164,217.57</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>May 31, 2016</u>	MCF			10,245,100
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>0.016</u>
AAU				

**GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
BALANCE ADJUSTMENT
DETAILS FOR THE TWELVE MONTH PERIOD ENDED February 28, 2015**

DESCRIPTION	UNIT	AMOUNT
-------------	------	--------

RECONCILIATION OF A PREVIOUS GAS COST VARIANCE

GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE	MARCH 3, 2014	\$	3,646,737.35
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ APPLIED TO TOTAL SALES OF (TWELVE MONTHS ENDED	0.377 /MCF 10,838,795 MCF February 28, 2015)	\$	<u>4,086,225.90</u>
BALANCE ADJUSTMENT FOR THE "AA"		\$	<u>(439,488.55)</u>

RECONCILIATION OF A PREVIOUS SUPPLIER REFUND

SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE	MARCH 3, 2014	\$	0.00
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ APPLIED TO TOTAL SALES OF (TWELVE MONTHS ENDED	0.000 /MCF 10,838,795 MCF February 28, 2015)	\$	<u>0.00</u>
BALANCE ADJUSTMENT FOR THE "RA"			<u>0.00</u>

RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT

AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE	MARCH 3, 2014	\$	17,190.44
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ APPLIED TO TOTAL SALES OF (TWELVE MONTHS ENDED	0.002 /MCF 10,838,795 MCF February 28, 2015)	\$	<u>21,677.60</u>
BALANCE ADJUSTMENT FOR THE "BA"		\$	<u>(4,487.16)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT		\$	<u>(443,975.71)</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED	May 31, 2016	MCF	<u>10,245,100</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT		\$/MCF	<u><u>(0.043)</u></u>

Revised Tariffs

INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED

	<u>Sheet</u> <u>No.</u>	<u>Billing</u> <u>Effective</u> <u>Date</u>	<u>Effective Date</u> <u>per Order</u>	
<u>SERVICE REGULATIONS</u>				
Service Agreements.....	20	09/30/10	09/30/10	
Supplying and Taking of Service.....	21	09/30/10	09/30/10	
Customer's Installation.....	22	09/30/10	09/30/10	
Company's Installation.....	23	09/30/10	09/30/10	
Metering.....	24	09/30/10	09/30/10	
Billing and Payment.....	25	01/21/13	01/21/13	
Deposits.....	26	09/30/10	09/30/10	
Application.....	27	09/30/10	09/30/10	
Gas Space Heating Regulations.....	28	09/30/10	09/30/10	
Availability of Gas Service.....	29	09/30/10	09/30/10	
<u>FIRM SERVICE TARIFF SCHEDULES</u>				
Rate RS, Residential Service.....	30	06/02/15	06/02/15	(T)
Rate GS, General Service.....	31	06/02/15	06/02/15	(T)
Reserved for Future Use.....	32			
Reserved for Future Use.....	33			
Reserved for Future Use.....	34			
Reserved for Future Use.....	35			
Reserved for Future Use.....	36			
Reserved for Future Use.....	37			
Reserved for Future Use.....	38			
Reserved for Future Use.....	39			
Reserved for Future Use.....	40			
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Rate FT-L, Firm Transportation Service.....	51	09/30/10	09/30/10	
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Rate SSIT, Spark Spread Interruptible Transportation Rate.....	53	09/30/10	09/30/10	
Reserved for Future Use.....	54			
Rate AS, Pooling Service for Interruptible Transportation.....	55	09/30/10	09/30/10	
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Rate GTS, Gas Trading Service.....	57	09/30/10	09/30/10	
Rate IMBS, Interruptible Monthly Balancing Service.....	58	02/01/12	02/02/12	
Rate DGS, Distributed Generation Service.....	59	09/30/10	09/30/10	

Issued by authority of an Order of the Kentucky Public Service
 Commission dated ____, 2015 in Case No. 2015-00__

Issued: ____, 2015

Effective: June 2, 2015

Issued by James P. Henning, President

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

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Rider DSMR, Demand Side Management Rate.....	62	03/03/15	03/03/15	
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Issued by authority of an Order of the Kentucky Public Service
 Commission dated ____, 2015 in Case No. 2015-00__

Issued: ____, 2015
 Effective: June 2, 2015
 Issued by James P. Henning, President

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

KY. P.S.C. Gas No. 2
One-Hundred-Fifth
Revised Sheet No. 30
Cancelling and Superseding
One-Hundred-Fourth
Revised Sheet No. 30
Page 1 of 1

**RATE RS
RESIDENTIAL SERVICE**

APPLICABILITY

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

NET MONTHLY BILL

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

Customer Charge per month: \$16.00

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a commodity Charge for						
all CCF at	\$0.37213	plus	\$0.4098	Equals	\$0.78193	(R)

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on Sheet No. 62, Rider DSMR, Demand Side Management Rate.

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

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

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.

Issued by authority of an Order of the Kentucky Public Service
Commission dated _____, 2015 in Case No. 2015-00 _____

Issued: _____, 2015

Effective: June 2, 2015

Issued by James P. Henning, President

RATE GS

GENERAL SERVICE

APPLICABILITY

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

NET MONTHLY BILL

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

Customer Charge per month: \$47.50

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	\$0.20530	Plus	\$0.4098	Equals	\$0.6151	(R)

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on:
Sheet No. 62, Rider DSMR, Demand Side Management Rate for non-residential service

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

The "Gas Cost Adjustment," as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

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

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.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____, 2015 in Case No. 2015-00 _____

Issued: _____, 2015
Effective: June 2, 2015
Issued by James P. Henning, President

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

KY.P.S.C. Gas No. 2
Thirty-Sixth Revised Sheet No. 77
Cancelling and Superseding
Thirty-Fifth Revised Sheet No. 77
Page 1 of 1

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 \$0.0088 per 100 cubic feet. This rate shall be in effect during the month of June 2015 through August 2015 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 ____, 2015 in Case No. 2014-00__

Issued: ____, 2015
Effective: June 2, 2015
Issued by James P. Henning, President

DUKE ENERGY KENTUCKY
SUPPLEMENTAL INFORMATION
FOR THE EXPECTED GAS COST (EGC) RATE CALCULATION
OF THE GAS COST RECOVERY RATE
IN EFFECT AS OF JUNE 2, 2015

2nd Quarter

DUKE ENERGY Kentucky, Inc.
 USED FOR GCA EFFECTIVE June 2, 2015

COMPUTATION OF THE INTEREST FACTOR
 FOR THE GCA CALCULATION ON SCHEDULE II

TWELVE MONTHS ENDED March 31, 2015
 BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)

INTEREST RATE	-0.0037
PAYMENT	0.083166
ANNUAL TOTAL	0.9980
MONTHLY INTEREST AMOUNT	(0.000308) 1

MARCH	2014	0.12	
APRIL	2014	0.09	
MAY	2014	0.09	
JUNE	2014	0.10	
JULY	2014	0.12	
AUGUST	2014	0.14	
SEPTEMBER	2014	0.12	
OCTOBER	2014	0.11	
NOVEMBER	2014	0.15	
DECEMBER	2014	0.17	
JANUARY	2015	0.16	
FEBRUARY	2015	0.14	1.51
MARCH	2015	0.13	1.64

PRIOR ANNUAL TOTAL	1.51
PLUS CURRENT MONTHLY R	0.13
LESS YEAR AGO RATE	0.12
NEW ANNUAL TOTAL	1.52
AVERAGE ANNUAL RATE	0.13
LESS 0.5% (ADMINISTRATIVE	(0.37)

**DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST**

MONTH OF December 2014 Revised

<u>DESCRIPTION</u>	<u>W/P</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>			\$
current month estimate	B1	7,987,286.53	
adjustments from prior month	B2	5,332.30	
Interruptible Transportation monthly charges by Gas Supply - PM	C	<u>(3,245.85)</u>	7,989,373
 <u>LESS: RATE SCHEDULE CF CREDIT</u>			
current month		0.00	
adjustments		<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>			
a/c 728-3 Erlanger	D2	0.00	0
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>	J	<u>(27,742.00)</u>	(27,742)
 <u>LESS: X-5 TARIFF</u>		0.00	0
<u>LESS Tenaska MANAGEMENT FEE</u>	F	<u>68,900.00</u>	(68,900)
 <u>LESS: TOP TRANSP. RECOVERIES</u>		0.00	0
<u>LESS: GAS LOSSES - DAMAGED LINES</u>	G	<u>0.00</u>	0
adjustments		<u>0.00</u>	0
<u>LESS: GAS COST CREDIT</u>		0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>			
current month		0.00	
adjustments		<u>0.00</u>	0
TOTAL SUPPLY COSTS			<u><u>7,892,731</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	(580,647.16)
ACCOUNT 0805002	580,647.16

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

December 2014 Revised

PARTICULARS	UNIT	W/P	MONTH	
			December 2014	Revised
<u>SUPPLY VOLUME PER BOOKS</u>				
Primary Gas Suppliers	MCF	B1	1,706,888	
Utility Production	MCF		0	
Includable Propane	MCF	D1	0	
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	(8,789)	
TOTAL SUPPLY VOLUMES	MCF		1,698,099	
<u>SUPPLY COST PER BOOKS</u>				
Primary Gas Suppliers	\$	A1	7,989,373	
Includable Propane	\$		0	
Gas Cost Uncollectible	\$	A1	(27,742)	
Other Cost (Specify) - Gas Cost Credit	\$		0	
- Unacct'd for Transp.	\$		0	
- CF Credit	\$		0	
- X-5 Tariff	\$		0	
- CMT Management Fee	\$	A1	(68,900)	
- Losses-Damaged Lines	\$	A1	0	
- Gas Sold to Remarketers	\$		0	
- TOP Transp. Recoveries	\$		0	
TOTAL SUPPLY COST	\$	A1	7,892,731	
<u>SALES VOLUMES</u>				
Jurisdictional	MCF	H	1,654,265	
Non-Jurisdictional	MCF			
Other Volumes (Specify) -	MCF			
TOTAL SALES VOLUME	MCF		1,654,265.4	
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF		4.771	
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	H	5.122	
DIFFERENCE	\$/MCF		(0.351)	
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		1,654,265.4	
MONTHLY COST DIFFERENCE	\$		(580,647.16)	

DUKE ENERGY COMPANY KENTUCKY

December 2014 Revised

	<u>Applied</u> <u>MCF Sales</u>	<u>W/P</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>				
EGC	1,654,265.4	H	8,473,898	5.12245345
RA		H	0	
AA		H	700,280	
BA		H	1,580	
TOTAL GAS COST RECOVERY(GCR)			<u>9,175,756.58</u>	
TOTAL SALES VOLUME	1,654,265.4			
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>			
JURISDICTIONAL SALES	<u>1,654,265.4</u>			
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>				
SUPPLIER COST - CURRENT MONTH	1,654,265.4		7,892,731.00	4.77113950
UNRECOVERED PURCHASED GAS COST			1,280,926.69	
ROUNDING(ADD/(DEDUCT))			<u>519.35</u>	
TOTAL GAS COST IN REVENUE			<u>9,174,177.04</u>	
TOTAL GAS COST RECOVERY(GCR)			9,175,756.58	
LESS: RA			0.00	
BA			<u>1,579.55</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES				
			<u>9,177,336.13</u>	
UNRECOVERED PURCHASED GAS COST ENTRY			1,280,926.69	
LESS: AA			<u>700,279.53</u>	
MONTHLY COST DIFFERENCE			580,647.16	
EXTENDED MONTHLY COST DIFFERENCE			<u>581,166.51</u>	
ROUNDING			<u>519.35</u>	

**DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: December 2014**

A:\GCR - GCA\DEK\Support\2015\Accounting 2014 - thru MAR - GCA.xlsx\Feb 15

Retail BILL CODE	REPORTED SALES	EGC		RECONCILIATION ADJUSTMENT					ACTUAL ADJUSTMENT					BALANCE ADJUSTMENT					
		\$/MCF	\$	CURRENT 0.000	PREVIOUS 0.000	SEC.PREV. 0.000	THRD.PREV. 0.000	TOTAL RA	CURRENT 0.103	PREVIOUS (0.452)	SEC.PREV. 0.395	THRD.PREV. 0.377	TOTAL AA	CURRENT 0.024	PREVIOUS (0.001)	SEC.PREV. (0.024)	THRD.PREV. 0.002	TOTAL BA	
033	5.2	4.261	22.16																
043	6.5	4.361	28.35																
063	5.8	4.591	26.63																
073	6.0	5.077	30.46																
083	5.8	4.995	28.97																
103	8.8	5.115	45.01																
123	7.9	4.886	38.60																
143	10.2	4.570	46.61																
163	22.1	4.651	102.79																
173	(168.9)	4.560	(770.18)																
183	(84.6)	4.426	(374.44)																
014	502.6	5.026	2,526.07																
034	(888.5)	5.070	(4,504.70)																
044	950.0	5.678	5,394.10				0.00	0.00				358.15	358.15				1.90	1.90	
064	107.4	5.368	576.52				0.00	0.00				40.49	40.49				0.21	0.21	
074	(274.0)	5.268	(1,443.43)				0.00	0.00				(103.30)	(103.30)				(0.55)	(0.55)	
084	406.7	5.348	2,175.03			0.00	0.00	0.00			160.65	153.33	313.98			(9.76)	0.81	(8.95)	
104	21.6	5.519	119.21			0.00	0.00	0.00			8.53	8.14	16.67			(0.52)	0.04	(0.48)	
114	(114.4)	5.082	(581.38)			0.00	0.00	0.00			(45.19)	(43.13)	(88.32)			2.75	(0.23)	2.52	
124	(212.3)	4.834	(1,026.26)		0.00	0.00	0.00	0.00			95.96	(83.86)	(80.04)	(67.94)		0.21	5.10	(0.42)	4.89
144	(847.3)	4.677	(3,962.82)		0.00	0.00	0.00	0.00			382.98	(334.68)	(319.43)	(271.13)		0.85	20.34	(1.69)	19.50
154	2,761.3	4.967	13,715.38		0.00	0.00	0.00	0.00			(1,248.11)	1,090.71	1,041.01	883.61		(2.76)	(66.27)	5.52	(63.51)
164	1,652,027.5	5.122	8,461,684.86	0.00	0.00	0.00	0.00	0.00	170,158.83	(746,716.43)	652,550.86	622,814.37	698,807.63	39,648.66	(1,652.03)	(39,648.66)	3,304.06	1,652.03	
TOTAL RETAIL	1,654,265.4		8,473,897.5	0.0	0.0	0.0	0.0	0.0	170,158.83	(747,485.60)	653,347.02	623,869.59	699,889.84	39,648.66	(1,653.73)	(39,697.02)	3,309.65	1,607.56	
TRANSPORTATION: IFT3																			
Customer Choice Program (GCAT):																			
024							0.00	0.00				0.00	0.00				0.00	0.00	
054							0.00	0.00				0.00	0.00				0.00	0.00	
094						0.00	0.00	0.00			0.00	0.00	0.00			0.00	0.00	0.00	
134	1,217.8				0.00	0.00	0.00	0.00			(550.45)	481.03	459.11	389.69		(1.22)	(29.23)	2.44	(28.01)
174				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
FT CHOICE	1,217.8		TOTAL FOR CHOICE	0.00	0.00	0.00	0.00	0.00	0.00	(550.45)	481.03	459.11	389.69	0.00	(1.22)	(29.23)	2.44	(28.01)	
TOTAL FOR Gas Cost Recovery (GCR)				0.00	0.00	0.00	0.00	0.00	170,158.83	(748,036.05)	653,828.05	624,328.70	700,279.53	39,648.66	(1,654.95)	(39,726.25)	3,312.09	1,579.55	
				CONTROL CK 0.00 positive=recovered=cr 253130 negative=reduce refund=dr253130					CONTROL CK (0.00) positive=recovered=cr 191400 negative=refund=dr 191400					CONTROL CK 0.00 positive=recovered=cr 253130 negative=reduce refund=dr253130					

Patten, Dana:
1650927.4 +20.5 +466.6 +613

JE ID - KUNBIL AMZ

FT	229,154.4
Interruptible Transportation: IT01	
IT	122,816.8

Grand Total 2,007,454.4 ties to last pg of A
ADJUSTED EGC 5.122

DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST
 MONTH OF January 2015 REVISED

<u>DESCRIPTION</u>	<u>W/P</u>		<u>TOTAL AMOUNT ROUNDED</u>
PRIMARY GAS SUPPLY COST			\$
current month estimate	B1	9,585,712.34	
adjustments from prior month	B2	(15,102.93)	
Interruptible Transportation monthly charges by Gas Supply - PM	C	2,202.86	9,572,812
LESS: RATE SCHEDULE CF CREDIT			
current month		0.00	
adjustments		0.00	0
PLUS: INCLUDABLE PROPANE			
a/c 728-3 Erlanger	D2	277,092.14	277,092
PLUS: GAS COST UNCOLLECTIBLE	E	(28,019.00)	(28,019)
LESS: X-5 TARIFF		0.00	0
LESS Tenaska MANAGEMENT FEE	F	68,900.00	(68,900)
LESS: TOP TRANSP. RECOVERIES		0.00	0
LESS: GAS LOSSES - DAMAGED LINES	G	(440.92)	(441)
		0.00	
adjustments		0.00	0
LESS: GAS COST CREDIT		0.00	0
LESS: FIRM TRANSPORTATION ADJUSTMENTS			
current month		0.00	
adjustments		0.00	0
TOTAL SUPPLY COSTS			9,752,544

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	52,994.63
ACCOUNT 0805002	(52,994.63)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

January 2015 REVISED

<u>PARTICULARS</u>	<u>UNIT</u>	<u>W/P</u>	<u>MONTH</u> <u>January 2015 REVISED</u>
<u>SUPPLY VOLUME PER BOOKS</u>			
Primary Gas Suppliers	MCF	B1	2,248,409
Utility Production	MCF		0
Includable Propane	MCF	D1	18,389
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	8,269
TOTAL SUPPLY VOLUMES	MCF		2,275,067
<u>SUPPLY COST PER BOOKS</u>			
Primary Gas Suppliers	\$	A1	9,572,812
Includable Propane	\$		277,092
Gas Cost Uncollectible	\$	A1	(28,019)
Other Cost (Specify) - Gas Cost Credit	\$		0
- Unacct'd for Transp.	\$		0
- CF Credit	\$		0
- X-5 Tariff	\$		0
- CMT Management Fee	\$	A1	(68,900)
- Losses-Damaged Lines	\$	A1	(441)
- Gas Sold to Remarketers	\$		0
- TOP Transp. Recoveries	\$		0
TOTAL SUPPLY COST	\$	A1	9,752,544
<u>SALES VOLUMES</u>			
Jurisdictional	MCF	H	2,038,255
Non-Jurisdictional	MCF		
Other Volumes (Specify) -	MCF		
TOTAL SALES VOLUME	MCF		2,038,255.1
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF		4.785
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	H	4.759
DIFFERENCE	\$/MCF		0.026
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		2,038,255.1
MONTHLY COST DIFFERENCE	\$		52,994.63

DUKE ENERGY COMPANY KENTUCKY

January 2015 REVISED

	<u>Applied</u> <u>MCF Sales</u>	<u>W/P</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>				
EGC	2,038,255.1	H	9,700,363	4.75915064
RA		H	0	
AA		H	863,295	
BA		H	2,111	
TOTAL GAS COST RECOVERY(GCR)			<u>10,565,769.10</u>	
TOTAL SALES VOLUME	2,038,255.1			
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>			
JURISDICTIONAL SALES	<u>2,038,255.1</u>			
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>				
SUPPLIER COST - CURRENT MONTH	2,038,255.1		9,752,544.00	4.78475143
UNRECOVERED PURCHASED GAS COST			810,300.68	
ROUNDING(ADD/(DEDUCT))			<u>813.69</u>	
TOTAL GAS COST IN REVENUE			<u>10,563,658.37</u>	
TOTAL GAS COST RECOVERY(GCR)			10,565,769.10	
LESS: RA			0.00	
BA			<u>2,110.72</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES				
			<u>10,567,879.82</u>	
UNRECOVERED PURCHASED GAS COST ENTRY			810,300.68	
LESS: AA			<u>863,295.31</u>	
MONTHLY COST DIFFERENCE			(52,994.63)	
EXTENDED MONTHLY COST DIFFERENCE			<u>(52,180.94)</u>	
ROUNDING			<u>813.69</u>	

**DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: January 2015**

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Retail BILL CODE	REPORTED SALES	EGC		RECONCILIATION ADJUSTMENT					ACTUAL ADJUSTMENT					BALANCE ADJUSTMENT				
		\$/MCF	\$	CURRENT 0.000	PREVIOUS 0.000	SEC.PREV. 0.000	THRD.PREV. 0.000	TOTAL RA	CURRENT 0.103	PREVIOUS (0.452)	SEC.PREV. 0.395	THRD.PREV. 0.377	TOTAL AA	CURRENT 0.024	PREVIOUS (0.001)	SEC.PREV. (0.024)	THRD.PREV. 0.002	TOTAL BA
083		4.995	0.00															
103	0.0	5.115	0.00															
123		4.886	0.00															
143	(25.4)	4.570	(116.08)															
163	(25.8)	4.651	(120.00)															
173	(77.0)	4.560	(351.12)															
183	(189.0)	4.426	(836.51)															
014	285.3	5.026	1,433.92															
034	(448.4)	5.070	(2,273.39)															
044	567.6	5.678	3,222.83				0.00	0.00									0.00	0.00
064	(11.5)	5.368	(61.73)				0.00	0.00									0.00	0.00
074	(264.9)	5.268	(1,395.49)				0.00	0.00									0.00	0.00
084	286.1	5.348	1,530.06			0.00	0.00	0.00										
104	(27.2)	5.519	(150.12)			0.00	0.00	0.00										
114	54.9	5.082	279.00			0.00	0.00	0.00										
124	(82.5)	4.834	(398.81)		0.00	0.00	0.00	0.00										
144	(355.5)	4.677	(1,662.67)		0.00	0.00	0.00	0.00										
154	(2,803.4)	4.967	(13,924.49)		0.00	0.00	0.00	0.00										
164	(210,052.8)	5.122	(1,075,890.44)	0.00	0.00	0.00	0.00	0.00	(21,635.44)	94,943.87	(82,970.86)	(79,189.91)	(88,852.34)	(5,041.27)	210.05	5,041.27	(420.11)	(210.06)
015	2,251,424.6	4.793	10,791,078.11	0.00	0.00	0.00	0.00	0.00	231,896.73	(1,017,643.92)	889,312.72	848,787.07	952,352.60	54,034.19	(2,251.42)	(54,034.19)	4,502.85	2,251.43
TOTAL RETAIL	2,038,255.1		9,700,363.1	0.0	0.0	0.0	0.0	0.0	210,261.29	(921,234.93)	805,185.47	768,603.25	862,815.08	48,992.92	(2,038.13)	(48,922.67)	4,077.47	2,109.59
TRANSPORTATION: IFT3																		
Customer Choice Program (GCAT):																		
024																		
054																		
094							0.00	0.00				0.00	0.00				0.00	0.00
134							0.00	0.00				0.00	0.00				0.00	0.00
174							0.00	0.00				0.00	0.00				0.00	0.00
025	1,135.30			0.00	0.00	0.00	0.00	0.00	116.94	(513.16)	448.44	428.01	480.23	27.25	(1.14)	(27.25)	2.27	1.13
FT CHOICE	1,135.3			0.00	0.00	0.00	0.00	0.00	116.94	(513.16)	448.44	428.01	480.23	27.25	(1.14)	(27.25)	2.27	1.13
TOTAL FOR Gas Cost Recovery (GCR)				0.00	0.00	0.00	0.00	0.00	210,378.23	(921,748.09)	805,633.91	769,031.26	863,295.31	49,020.17	(2,039.27)	(48,949.92)	4,079.74	2,110.72
				CONTROL CK 0.00 positive=recovered=cr 253130 negative=reduce refund=dr253130					CONTROL CK (0.00) positive=recovered=cr 191400 negative=refund=dr 191400					CONTROL CK 0.00 positive=recovered=cr 253130 negative=reduce refund=dr253130				
Firm Transportation: IFT																		
FT 257,584.5																		
Interruptible Transportation: IT01																		
IT 116,865.0																		
Grand Total 2,413,839.90 ties to last pg of A																		
ADJUSTED EGC 4.759																		

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DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF **February 2015 Revised**

<u>DESCRIPTION</u>	<u>W/P</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>			\$
current month estimate	B1	8,994,319.01	
adjustments from prior month	B2	7,028.35	
Interruptible Transportation monthly charges by Gas Supply - PM	C	<u>(11,583.19)</u>	8,989,764
 <u>LESS: RATE SCHEDULE CF CREDIT</u>			
current month		0.00	
adjustments		<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>			
a/c 728-3 Erlanger	D	469,782.61	469,783
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>	E	(63,055.00)	(63,055)
 <u>LESS: X-5 TARIFF</u>		0.00	0
 <u>LESS Tenaska MANAGEMENT FEE</u>	F	68,900.00	(68,900)
 <u>LESS: TOP TRANSP. RECOVERIES</u>		0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	G	(138.65)	(139)
adjustments		0.00	
		<u>0.00</u>	0
 <u>LESS: GAS COST CREDIT</u>		0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>			
current month		0.00	
adjustments		<u>0.00</u>	0
TOTAL SUPPLY COSTS			<u><u>9,327,453</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	691,870.10
ACCOUNT 0805002	(691,870.10)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

February 2015 Revised

PARTICULARS	UNIT	W/P	MONTH
			February 2015 Revised
<u>SUPPLY VOLUME PER BOOKS</u>			
Primary Gas Suppliers	MCF	B1	2,299,902
Utility Production	MCF		0
Includable Propane	MCF	D	29,976
Other Volumes (Specify) - Previous Month Adj.	MCF	B2	(9,471)
TOTAL SUPPLY VOLUMES	MCF		2,320,407
<u>SUPPLY COST PER BOOKS</u>			
Primary Gas Suppliers	\$	A1	8,989,764
Includable Propane	\$		469,783
Gas Cost Uncollectible	\$	A1	(63,055)
Other Cost (Specify) - Gas Cost Credit	\$		0
- Unacct'd for Transp.	\$		0
- CF Credit	\$		0
- X-5 Tariff	\$		0
- CMT Management Fee	\$	A1	(68,900)
- Losses-Damaged Lines	\$	A1	(139)
- Gas Sold to Remarketers	\$		0
- TOP Transp. Recoveries	\$		0
TOTAL SUPPLY COST	\$	A1	9,327,453
<u>SALES VOLUMES</u>			
Jurisdictional	MCF	H	2,059,137
Non-Jurisdictional	MCF		
Other Volumes (Specify) -	MCF		
TOTAL SALES VOLUME	MCF		2,059,137.2
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF		4.530
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	H	4.194
DIFFERENCE	\$/MCF		0.336
TIMES: MONTHLY JURISDICTIONAL SALES	MCF		2,059,137.2
MONTHLY COST DIFFERENCE	\$		691,870.10

DUKE ENERGY COMPANY KENTUCKY

February 2015 Revised

	<u>Applied</u> <u>MCF Sales</u>	<u>W/P</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>				
EGC	2,059,137.2	H	8,636,876	4.19441502
RA		H	0	
AA		H	873,034	
BA		H	2,071	
TOTAL GAS COST RECOVERY(GCR)			<u>9,511,981.02</u>	
TOTAL SALES VOLUME	2,059,137.2			
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>			
JURISDICTIONAL SALES	<u>2,059,137.2</u>			
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>				
SUPPLIER COST - CURRENT MONTH	2,059,137.2		9,327,453.00	4.52978704
UNRECOVERED PURCHASED GAS COST			181,163.82	
ROUNDING(ADD/(DEDUCT))			<u>1,293.10</u>	
TOTAL GAS COST IN REVENUE			<u>9,509,909.92</u>	
TOTAL GAS COST RECOVERY(GCR)			9,511,981.02	
LESS: RA			0.00	
BA			<u>2,071.10</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			<u>9,514,052.12</u>	
UNRECOVERED PURCHASED GAS COST ENTRY			181,163.82	
LESS: AA			<u>873,033.92</u>	
MONTHLY COST DIFFERENCE			(691,870.10)	
EXTENDED MONTHLY COST DIFFERENCE			<u>(690,577.00)</u>	
ROUNDING			<u>1,293.10</u>	

**DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: February 2015**

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Retail BILL CODE	MCF Usage REPORTED SALES	Exptd Gas Cost EGC \$/MCF	EGC \$	RECONCILIATION ADJUSTMENT					ACTUAL ADJUSTMENT					BALANCE ADJUSTMENT				
				CURRENT 0.000	PREVIOUS 0.000	SEC.PREV. 0.000	THRD.PREV. 0.000	TOTAL RA	CURRENT 0.103	PREVIOUS (0.452)	SEC.PREV. 0.395	THRD.PREV. 0.377	TOTAL AA	CURRENT 0.024	PREVIOUS (0.001)	SEC.PREV. (0.024)	THRD.PREV. 0.002	TOTAL BA
143	(4.2)	4.570	(19.19)															
163	(3.4)	4.651	(15.81)															
173	(44.4)	4.560	(202.46)															
183	(5.3)	4.426	(23.46)															
014	85.8	5.026	431.23															
034	6.0	5.070	30.42															
044	582.4	5.678	3,306.87				0.00	0.00				219.56	219.56				1.16	1.16
064	121.5	5.368	652.21				0.00	0.00				45.81	45.81				0.24	0.24
074	(133.0)	5.268	(700.64)				0.00	0.00				(50.14)	(50.14)				(0.27)	(0.27)
084	213.9	5.348	1,143.94				0.00	0.00				84.49	80.64			(5.13)	0.43	(4.70)
104	(17.8)	5.519	(98.24)				0.00	0.00				(7.03)	(6.71)			0.43	(0.04)	0.39
114	15.2	5.082	77.25				0.00	0.00				6.00	5.73			(0.36)	0.03	(0.33)
124	63.2	4.834	305.51		0.00	0.00	0.00	0.00				(28.57)	24.96			(0.06)	(1.52)	0.13
144	27.5	4.677	128.62		0.00	0.00	0.00	0.00				(12.43)	10.86			(0.03)	(0.66)	0.06
154	(579.2)	4.967	(2,876.89)		0.00	0.00	0.00	0.00				261.80	(228.78)			0.58	13.90	(1.16)
164	(37,152.6)	5.122	(190,295.62)	0.00	0.00	0.00	0.00	0.00				(3,826.72)	16,792.98			(14,675.28)	(14,006.53)	(15,715.55)
015	19,581.2	4.793	93,852.69	0.00	0.00	0.00	0.00	0.00				2,016.86	(8,850.70)			7,734.57	7,382.11	8,282.84
035	2,076,380.4	4.205	8,731,179.58	0.00	0.00	0.00	0.00	0.00				213,867.18	(938,523.94)			820,170.26	782,795.41	878,308.91
TOTAL RETAIL	2,059,137.2		8,636,876.0	0.0	0.0	0.0	0.0	0.0	212,057.32	(930,360.86)	813,120.05	776,281.72	871,098.23	49,411.42	(2,058.32)	(49,404.76)	4,118.19	2,066.53
TRANSPORTATION: IFT3																		
Customer Choice Program (GCAT):																		
024																		
054																		
094							0.00	0.00				0.00	0.00				0.00	0.00
134							0.00	0.00				0.00	0.00			0.00	0.00	0.00
174							0.00	0.00				0.00	0.00			0.00	0.00	0.00
025	4,576.1			0.00	0.00	0.00	0.00	0.00				471.34	(2,068.40)			1,807.56	1,725.19	1,935.69
FT CHOICE	4,576.1			0.00	0.00	0.00	0.00	0.00	471.34	(2,068.40)	1,807.56	1,725.19	1,935.69	109.83	(4.58)	(109.83)	9.15	4.57
TOTAL FOR Gas Cost Recovery (GCR)				0.00	0.00	0.00	0.00	0.00	212,528.66	(932,429.26)	814,927.61	778,006.91	873,033.92	49,521.25	(2,062.90)	(49,514.59)	4,127.34	2,071.10
				CONTROL CK 0.00 positive=recovered=cr 253130 negative=reduce refund=dr253130					CONTROL CK (0.00) positive=recovered=cr 191400 negative=refund=dr 191400					CONTROL CK 0.00 positive=recovered=cr 253130 negative=reduce refund=dr253130				
				0191400 is Unrecov Purch Gas Cost (Liabl)										0253130 is Gas Refund/Rcls Adj due Cust (Liabl)				
Firm Transportation: IFT																		
JE ID - KUNBIL AMZ																		
FT 297,054.2																		
Interruptible Transportation: IT01																		
IT 128,642.0																		
Grand Total 2,487,409.5 ties to last pg of A																		
ADJUSTED EGC 4.194																		

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2071394.8 +1175 +3810.6

