



Duke Energy Corporation
139 East Fourth Street
P.O. Box 960
Cincinnati, Ohio 45201-0960

May 13, 2011

RECEIVED

MAY 13 2011

PUBLIC SERVICE
COMMISSION

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 2011 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, 2011 and the NYMEX close on May 10, 2011 for the month of June, 2011.

The above described schedules and GCA are effective with the final meter readings of District 1, June 2011 revenue month (i.e., final meter readings on and after June 2, 2011).

Duke's proposed GCA is \$5.920 per Mcf. This rate represents an increase of \$0.321 per Mcf from the rate currently in effect for May 2011.

Please stamp "FILED" on the additional enclosed copy and return for our file. Thank you.

Very truly yours,

John Linton

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, 2011 THROUGH JUNE 30, 2011

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	5.966
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.004)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.103)
BALANCE ADJUSTMENT (BA)	\$/MCF	0.006
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	5.865

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	5.966

SUPPLIER REFUND ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
SECOND PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
THIRD PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.004)

ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	(0.038)
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.372
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.033
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.470)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.103)

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	0.011
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.003)
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.002)
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.000
BALANCE ADJUSTMENT (BA)	\$/MCF	0.006

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 8373 OF THE KENTUCKY PUBLIC SERVICE
COMMISSION DATED APRIL 16, 1982.DATE FILED: May 13, 2011BY: DON WATHENTITLE: VICE-PRESIDENT, RATES

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

"SUMMARY" FOR THE EGC RATE IN EFFECT AS OF JUNE 2, 2011

				\$
<u>DEMAND (FIXED) COSTS:</u>				
Columbia Gas Transmission Corp.				2,778,245
Texas Gas Transmission				895,375
Columbia Gulf Transmission Corp.				2,223,424
KO Transmission Company				307,584
Gas Marketers				1,533,500
	TOTAL DEMAND COST:			7,738,128
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:		10,167,611	MCF	
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$7,738,128	/	10,167,611 MCF	\$0.761 /MCF
 <u>COMMODITY COSTS:</u>				
Gas Marketers				\$5.205 /MCF
Gas Storage				
Columbia Gas Transmission				\$0.000 /MCF
Propane				\$0.000 /MCF
COMMODITY COMPONENT OF EGC RATE:				\$5.205 /MCF
 <u>OTHER COSTS:</u>				
Net Charge Off ⁽¹⁾	\$17,952	/	325,213	\$0.055 /MCF
TOTAL EXPECTED GAS COST:				\$6.021 /MCF

⁽¹⁾ Net Charge Off amount from Case No. 2009-00202 WPD-2.15a.

GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY

DETAILS FOR THE EGC RATE IN EFFECT AS OF : JUNE 2, 2011

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GAS TRANSMISSION, LLC				
TARIFF RATE EFFECTIVE DATE : FSS: 2/1/2011				
SST: 2/1/2011				
<u>BILLING DEMAND - TARIFF RATE - FSS</u>				
Max. Daily Withdrawl Quan.	1.5050	39,656	12	716,187
Seasonal Contract Quantity	0.0289	1,365,276	12	473,478
<u>BILLING DEMAND - TARIFF RATE - SST</u>				
Maximum Daily Quantity	4.4510	19,828	6	529,527
Maximum Daily Quantity	4.4510	39,656	6	1,059,053
CAPACITY RELEASE CREDIT				0
TOTAL COLUMBIA GAS TRANSMISSION, LLC - DEMAND CHARGES				2,778,245
INTERSTATE PIPELINE : TEXAS GAS TRANSMISSION				
TARIFF RATE EFFECTIVE DATE : NOT APPLICABLE				
<u>BILLING DEMAND - TARIFF RATE - STF</u>				
Max. Daily Quantity Zone 4	0.3250	10,000	151	490,750
<u>BILLING DEMAND - TARIFF RATE - FT</u>				
Max. Daily Quantity Zone 4	0.2950	5,000	151	222,725
Max. Daily Quantity Zone 4	0.1700	5,000	214	181,900
CAPACITY RELEASE CREDIT				0
TOTAL TEXAS GAS TRANSMISSION DEMAND CHARGES				895,375

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/ \$	1.505	-	-	-	1.505	0.0495
Capacity 3/ ¢	2.89	-	-	-	2.89	2.89
Injection ¢	1.53	-	-	-	1.53	1.53
Withdrawal ¢	1.53	-	-	-	1.53	1.53
Overrun 3/ ¢	10.90	-	-	-	10.90	10.90

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/ In addition to the above reflected Base Tariff Reservation Charge (MDSQ) and Capacity (SCQ) Rate, shippers utilizing the Eastern Market Expansion (EME) facilities for FSS service will pay an additional incremental reservation charge of \$2.625 per Dth per month, for a total FSS MDSQ reservation charge of \$4.130 and an additional 3.91 cents per Dth per month, for 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 an additional 12.54 cents for such overruns, for a total FSS overrun rate of 23.44 cents. The additional EME demand charges and EME overrun charges can be added to the Total Effective Rate above to develop the EME Total Effective Rate.

Currently Effective Rates
 Applicable to Rate Schedule SST
 Rate Per Dth

	Base Tariff Rate 1/	Transportation Cost Rate Adjustment		Electric Power Costs Adjustment		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
		Current	Surcharge	Current	Surcharge			
Rate Schedule <u>SST</u>								
Reservation Charge 3/4/ \$	5.439	0.326	0.005	0.057	0.005	-	5.832	0.1918
Commodity								
Maximum ¢	1.02	0.50	0.25	0.76	0.20	0.19	2.92	2.92
Minimum ¢	1.02	0.50	0.25	0.76	0.20	0.19	2.92	2.92
Overrun 4/ ¢	18.90	1.57	0.27	0.95	0.22	0.19	22.10	22.10

discounted to \$4.451

.0102 + .0050 + .0025 + .0074 + .0020 = .0273 w/d

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. For rates by function, see Section 5.15.

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

3/ Minimum reservation charge is \$0.00.

4/ In addition to the above reflected Base Tariff SST Demand Rate, shippers utilizing the Eastern Market Expansion (EME) facilities for Rate Schedule SST service will pay an additional demand charge of \$12.186 per Dth per month, for 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 an additional 40.07 cents for such overruns, for a total overrun rate of 58.97 cents. The applicable EME demand charge and EME overrun charge can be added to the Total Effective Rate above to calculate the EME Total Effective Rates.

*.0273 w/d rate
 + .0019 ACA

 .0292 inj. rate*



Columbia Gas
Transmission & Storage

5151 San Felipe, Suite 2500
Houston, Texas 77056

August 18, 2009

Mr. James L. Turner
Group Executive, President & COO
139 East Fourth Street
EM025
Cincinnati, OH 45202

RE: Revision 1 to SST Service Agreement No. 79977
Discount Letter Agreement

Dear Mr. Turner:

This letter shall serve as an amendment to the SST Service Agreement between Columbia Gas Transmission, LLC (Transporter) and Duke Energy Kentucky, Inc. (Shipper) designated as Transporter's Contract No. 79977.

A) Transporter and Shipper hereby agree that Section 3 of the above-referenced contract number shall be amended to include the following additional language:

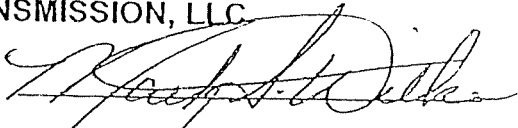
- 1) The rate for service, for the period from 11/01/09 to 3/31/10, shall include a discounted demand rate, inclusive of the base rate and all demand surcharges, of \$3.963 for deliveries to the primary delivery points: KOT DEK MLI (834696) and the following primary receipt points: MRTCO - Master Receipt TCO / RP Storage Point TCO. Shipper shall also provide the then-existing Retainage and shall pay the then-existing maximum commodity charge plus commodity surcharges as set forth in Transporter's FERC Gas Tariff from time to time.
- 2) The rate for service, for the period from 4/01/10 to 3/31/15, shall include a discounted demand rate, inclusive of the base rate and all demand surcharges, of \$4.451 for deliveries to the primary delivery points: KOT DEK MLI (834696) and the following primary receipt points: MRTCO - Master Receipt TCO / RP Storage Point TCO. Shipper shall also provide the then-existing Retainage and shall pay the then-existing maximum commodity charge plus commodity surcharges as set forth in Transporter's FERC Gas Tariff from time to time.

- 3) The discounted rate provided in paragraph one and two above is limited to the primary receipt/delivery point combinations set forth in Appendix A of the above-referenced service agreement. 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 from secondary receipt points or to secondary delivery points, in lieu of the rates set forth in Paragraph 1 above, Transporter shall charge and Shipper shall pay the then existing maximum Recourse Rate set forth in Transporter's FERC Gas Tariff from time to time.
- 4) Notwithstanding the foregoing, the charge to be paid by Shipper and Transporter shall 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. Rates provided for in this Discount Letter Agreement will be adjusted as necessary so that the rate will be no lower than the total effective minimum charges nor higher than the applicable total effective maximum charges as set forth in Transporter's FERC Gas Tariff from time to time. In the event that a rate component which was at or below the applicable maximum rate at the time this Discount Letter Agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate 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, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. In the event the monthly Recourse Rate applicable to SST service is reduced to a level below \$3.963 or \$4.451 per Dth of Transportation Demand during the term of the above-referenced individual Service Agreement, the rates under the SST Service Agreement referenced above will be adjusted to the new monthly Recourse Rate.
- 5) This discounted transportation rate shall be apportioned in accordance with Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6) Shipper shall pay all then existing maximum overrun charges, if incurred, as set forth in Transporter's FERC Gas Tariff from time to time.

If you are in agreement with the above amendment, please execute both originals of this letter and return them to the Transporter at the address above, Attention: Sandra Dibello.

Terms agreed to this 16 day of September, 2009.

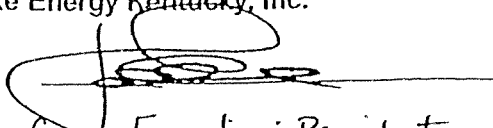
COLUMBIA GAS
TRANSMISSION, LLC

By: 
Its: Director, Commercial Services



PTB
DEF

Duke Energy Kentucky, Inc.

By: 
Its: Group Executive; President and COO
USFE+C

As To Form




RETAINAGE PERCENTAGES

Transportation Retainage	2.229%
Gathering Retainage	0.601%
Storage Gas Loss Retainage	0.030%
Ohio Storage Gas Lost Retainage	0.060%
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.



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

May 22, 2007

Mr. Jim Henning
Duke Energy Kentucky, Inc.
139 E 4th Street
Cincinnati, OH 45202-4003

Re: Discount Agreement

Dear Jim:

Texas Gas Transmission, LLC (Texas Gas) has reviewed the request of Duke Energy Kentucky, Inc. (Duke) for a discounted transportation rate for the time period listed below. Accordingly, Texas Gas is willing to offer Duke the following discount:

Contract No.:	26549
Rate Schedule:	STF
Time Period:	November 1, 2007 - March 31, 2008 November 1, 2008 - March 31, 2009 November 1, 2009 - March 31, 2010 November 1, 2010 - March 31, 2011
Contract Demand:	10,000 MMBtu per day
Qualified Delivery Points:	Duke Energy OH/Zone 4, Meter No. 1229 Duke Energy KY/Zone 4, Meter No. 1872 Lebanon-Columbia Gas/Zone 4, Meter No. 1715 Lebanon-Dominion/Zone 4, Meter No. 1247 Lebanon-Texas Eastern/Zone 4, Meter No. 1859
Discounted Demand Rate:	For each unit of its daily contract demand, Duke shall pay \$0.325 (including all surcharges).
Discounted Commodity Rate:	Texas Gas' minimum STF Commodity Rate plus ACA and applicable fuel retention.

.0226
+ .0019

.0245



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TSP: 115972101 Texas Gas Transmission, LLC

Search

Display

Award No: 1951

Process Status: Posted

Status: Confirmation

Withdrawn: No

Bidder Contract Number: 30917

Affiliate Indicator: Releaser

Bidder Phone: (513) 287-3169

Replacement Shipper Role Identifier: Other

Bid No: 2261

Bidder: Duke Kentucky 006944672

Bidder E-mail: laura.schmidt@duke-energy.com

Offer No: 3219

Releaser: Duke Ohio 006999189

Posting Date/Time: 10/15/2010 13.07 CCT

Modified Posting Date/Time: 10/15/2010 13.07 CCT

Capacity Award Date/Time: 10/15/2010 13.07 CCT

Award Terms

Rate Schedule: FT

Release Term Start Date: 11/01/2010

Prearranged Deal: Yes

Permanent Release: No

Allowable Re-release: Yes

Awd Qty-K: 5,000

Release Term End Date: 03/31/2011

Previously Released: No

Award Recall Information

Recall/Reput: Capacity recallable and reput must be taken

Business Day: No

Recall Notification Period: Timely

Early Evening

Evening

Intraday 1

Intraday 2

Recall/Reput Terms: Intraday recallable.

Award Location(s)

Start Date	End Date	Loc/QTI	Location	Loc Prop	Loc Zn	Loc Purp	Awd Qty-Loc
11/01/2010	03/31/2011	Receipt Pt	152451	2102 Champlin	1	M2-Receipt Location	3,177
11/01/2010	03/31/2011	Receipt Pt	7580	9446 Lowry	SL	M2-Receipt Location	3,604
11/01/2010	03/31/2011	Delivery Pt	16281	1715 Lebanon-Columbia Gas	4	MQ-Delivery Location	5,000
11/01/2010	03/31/2011	Rec to Del Pt	218394 16281	3918 Mainline SL Strt 1715 Lebanon-Columbia Gas	SL 4	S8-Pipeline Segment defined by 2 Locations	5,000
11/01/2010	03/31/2011	Segment		100 North Louisiana	1	S9-Pipeline Segment defined by 1 Location	3,177
11/01/2010	03/31/2011	Segment		500 Southwest	SL	S9-Pipeline Segment defined by 1 Location	3,604

1 - 6 of 6

Measurement Basis: Million BTU's

Award Rate(s)

Rate Form/Type Code: Reservation charge only

Reservation Rate Basis: Per day

Bidder Bid Basis: Absolute dollars and cents per unit basis

Rate Identification Code	Max Trf Rate	Award Rate
Reservation	\$0.3142	\$0.2950

Rate(s) stated include all applicable surcharges; no surcharge detail or surcharge total provided.

REGISTRATION

TSP: 115972101 Texas Gas Transmission, LLC

Search

Display

Award No: 1952

Process Status: Posted

Status: Confirmation

Withdrawn: No

Bidder Contract Number: 30918

Affiliate Indicator: Releaser

Bidder Phone: (513) 287-3169

Replacement Shipper Role Identifier: Other

Bid No: 2262

Bidder: Duke Kentucky 006944672

Bidder E-mail: laura.schmidt@duke-energy.com

Offer No: 3220

Releaser: Duke Ohio 006999189

Posting Date/Time: 10/15/2010 13:13 CCT

Capacity Award Date/Time: 10/15/2010 13:13 CCT

Modified Posting Date/Time: 10/15/2010 13:13 CCT

Award Terms

Rate Schedule: FT

Release Term Start Date: 04/01/2011

Release Term End Date: 10/31/2011

Prearranged Deal: Yes

Permanent Release: No

Allowable Re-release: Yes

Previously Released: No

Awd Qty-K: 5,000

Award Recall Information

Recall/Reput: Capacity recallable and reput must be taken

Recall/Reput Terms: Intraday recallable

Business Day: No

Recall Notification Period: Timely

Early Evening

Evening

Intraday 1

Intraday 2

Award Location(s)

Start Date	End Date	Loc/QTI	Location	Loc Prop	Loc Zn	Loc Purp	Awd Qty-Loc
04/01/2011	10/31/2011	Receipt Pt	152451	2102 Champlin	1	M2-Receipt Location	1,815
04/01/2011	10/31/2011	Receipt Pt	7580	9446 Lowry	SL	M2-Receipt Location	4,966
04/01/2011	10/31/2011	Delivery Pt	16281	1715 Lebanon-Columbia Gas	4	MQ-Delivery Location	5,000
04/01/2011	10/31/2011	Rec to Del Pt	218394 16281	3918 Mainline SL Strt 1715 Lebanon-Columbia Gas	SL 4	S8-Pipeline Segment defined by 2 Locations	5,000
04/01/2011	10/31/2011	Segment		100 North Louisiana	1	S9-Pipeline Segment defined by 1 Location	1,815
04/01/2011	10/31/2011	Segment		500 Southwest	SL	S9-Pipeline Segment defined by 1 Location	4,966

1 - 6 of 6

Measurement Basis: Million BTU's

Award Rate(s)

Rate Form/Type Code: Reservation charge only

Reservation Rate Basis: Per day

Bidder Bid Basis: Absolute dollars and cents per unit basis

Rate Identification Code	Max Trf Rate	Award Rate
Reservation	\$0.3142	\$0.1700

Rate(s) stated include all applicable surcharges; no surcharge detail or surcharge total provided.

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GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY

DETAILS FOR THE EGC RATE IN EFFECT AS OF : JUNE 2, 2011

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.				
TARIFF RATE EFFECTIVE DATE : FTS-1: 5/1/2011				
FTS-2: 5/1/2011				
BILLING DEMAND - TARIFF RATE - FTS-1				
Maximum Daily Quantity	5.4919	22,782	5	625,582
Maximum Daily Quantity	5.4919	17,598	7	676,525
Maximum Daily Quantity	5.4919	18,000	5	494,271
Maximum Daily Quantity	5.4919	9,000	5	247,136
BILLING DEMAND - TARIFF RATE - FTS-2				
Maximum Daily Quantity	0.9995	15,000	12	179,910
CAPACITY RELEASE CREDIT FOR FTS-1				0
CAPACITY RELEASE CREDIT FOR FTS-2				0
TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES				2,223,424
INTERSTATE PIPELINE : KO TRANSMISSION COMPANY				
TARIFF RATE EFFECTIVE DATE : 4/1/2011				
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
VARIOUS GAS MARKETERS FIXED (RESERVATION) CHARGES :				
November - March	0	14,108,957		
December - February	0.15	90,000		13,500
TENASKA STORAGE SERVICE		1,000,000		1,520,000
TOTAL GAS MARKETERS FIXED CHARGES				1,533,500

Columbia Gulf Transmission Company
 FERC Tariff
 Third Revised Volume No. 1

V.1.
 Currently Effective Rates
 FTS-1 Rates
 Version 4.0.0

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

Rate Schedule <u>FTS-1</u>	<u>Base Rate</u> (1)	<u>Annual Charge Adjustment 1/</u> (2)	<u>Total Effective Rate</u> (3)	<u>Daily Rate</u> (4)
<u>Mainline Zone</u>				
Reservation Charge 2/				
Maximum	5.4919	-	5.4919	0.1806
Minimum	0.000	-	0.000	0.000
Commodity				
Maximum	0.0142	0.0019	0.0161	0.0161
Minimum	0.0142	0.0019	0.0161	0.0161
Authorized Overrun				
Maximum	0.1948	0.0019	0.1967	0.1967
Minimum	0.0142	0.0019	0.0161	0.0161

1/ Pursuant to 18 C.F. R. § 154.402. Rate applies to all Gas delivered. When transportation involves more than one zone, rate will be applied only one time.

2/ For Service Agreements with a term of less than one year, the Maximum Rate under Reservation Charge shall not exceed 2.5 times the Maximum Rate.

Currently Effective Rates
 Applicable to Rate Schedule FTS-2
 Rates in Dollars per Dth

Rate Schedule <u>FTS-2</u>	<u>Base Rate</u> (1)	<u>Annual Charge Adjustment 1/</u> (2)	<u>Total Effective Rate</u> (3)	<u>Daily Rate</u> (4)
<u>Offshore Zone</u>				
Reservation Charge 2/				
Maximum	2.6700	-	2.6700	0.0878
Minimum	0.0000	-	0.0000	0.0000
Commodity				
Maximum	0.0002	0.0019	0.0021	0.0021
Minimum	0.0002	0.0019	0.0021	0.0021
Authorized Overrun				
Maximum	0.0880	0.0019	0.0899	0.0899
Minimum	0.0002	0.0019	0.0021	0.0021
<u>Onshore Zone</u>				
Reservation Charge 2/				
Maximum	2.0365	-	2.0365	0.0670
Minimum	0.0000	-	0.0000	0.0000
Commodity				
Maximum	0.0012	0.0019	0.0031	0.0031
Minimum	0.0012	0.0019	0.0031	0.0031
Authorized Overrun				
Maximum	0.0682	0.0019	0.0701	0.0701
Minimum	0.0012	0.0019	0.0031	0.0031

discounted to 9945

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

RATE LEVELS – RATE PER DTH

	Base Tariff Rate	Annual Charge Adjustment^{1/}	Total Effective Rate
RATE SCHEDULE FTS			
Reservation Charge ^{2/}			
Maximum 1	\$0.3560	--	\$0.3560
Maximum 2	\$0.3560	--	\$0.3560
Daily Rate – Maximum 1	\$0.0117	--	\$0.0117
Daily Rate – Maximum 2	\$0.0117	--	\$0.0117
Commodity			
Maximum	\$0.0000	\$0.0019	\$0.0019
Minimum	\$0.0000	\$0.0019	\$0.0019
Overrun	\$0.0117	\$0.0019	\$0.0136
RATE SCHEDULE ITS			
Commodity			
Maximum	\$0.0117	\$0.0019	\$0.0136
Minimum	\$0.0000	\$0.0019	\$0.0019

^{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.

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

Transportation Retainage Adjustment 0.94%

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.

Effective 4-1-11

**DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 6/1/2011**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ 39,108 (1)

TOTAL ANNUAL COVERAGE:

CITY-GATE VOLUMES 14,108,957 DTH (2)

CALCULATED RATE: \$ 0.0028 PER DTH

(1) Reservation charges billed by firm suppliers for 2010 - 2011.

(2) Contracted volumes for the 2010 - 2011 winter season.

5/11/2011

**DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM NEEDLE PEAKING SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 6/1/2011**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ 2,250.00 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 90,000 DTH (2)

CALCULATED RATE: \$ 0.0250 PER DTH

- (1) Reservation charges billed by needle peaking suppliers for 2010 - 2011.
(2) Contracted volumes for the 2010 - 2011 winter season.

GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY

DETAILS FOR THE EGC RATE IN EFFECT AS OF : JUNE 2, 2011

GAS COMMODITY RATE FOR JUNE, 2011:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$4.9745	\$/Dth
DUKE ENERGY KENTUCKY FUEL	3.400%	\$0.1691	\$5.1436	\$/Dth
DTH TO MCF CONVERSION	1.0120	\$0.0617	\$5.2053	\$/Mcf
ESTIMATED WEIGHTING FACTOR	100.000%		\$5.2053	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$5.205	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$6.1541	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$6.1694	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.229%	\$0.1375	\$6.3069	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0273	\$6.3342	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0019	\$6.3361	\$/Dth
DUKE ENERGY KENTUCKY FUEL	3.400%	\$0.2154	\$6.5515	\$/Dth
DTH TO MCF CONVERSION	1.0120	\$0.0786	\$6.6301	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.000	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.44920	\$/Gallon
GALLON TO MCF CONVERSION	15.38	\$6.4595	\$6.9087	\$/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 5/10/11 and contracted hedging prices.

2nd QUARTER

SCHEDULE II

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
SUPPLIER REFUND ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED FEBRUARY 28, 2011

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD December 1 2010 THROUGH FEBRUARY 28, 2011	\$	14,330.30
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		0.9992
REFUNDS INCLUDING INTEREST (\$14,330.30 x 0.9992)	\$	14,318.84
DIVIDED BY TWELVE MONTH SALES ENDED MAY 31, 2012	MCF	10,240,550
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>(0.001)</u>

DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED FEBRUARY 28, 2011

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		
Columbia Gas Transmission Corporation - December 21, 2010	\$	51.37
Tennessee Gas Pipeline Company - January 18, 2011		14,278.93
 TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA	 \$	 <u>14,330.30</u>

RAU

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
ACTUAL ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED FEBRUARY 28, 2011

DESCRIPTION	UNIT	DECEMBER	JANUARY	FEBRUARY
<u>SUPPLY VOLUME PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	MCF	2,254,858	2,441,872	1,696,936
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	2,692	4,821	3,122
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	(6,940)	(11,953)	(11,228)
TOTAL SUPPLY VOLUMES	MCF	<u>2,250,610</u>	<u>2,434,740</u>	<u>1,688,830</u>
<u>SUPPLY COST PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	\$	11,991,315	13,356,436	9,335,426
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	18,665	33,556	21,444
OTHER COSTS (SPECIFY):				
GAS COST UNCOLLECTIBLE	\$	231	(46,741)	(91,772)
MANAGEMENT FEE	\$	(63,375)	(63,375)	(63,375)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	0	0	0
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>11,946,836</u>	<u>13,279,876</u>	<u>9,201,723</u>
<u>SALES VOLUMES</u>				
JURISDICTIONAL	MCF	1,714,344.4	2,354,978.8	1,987,843.7
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	<u>1,714,344.4</u>	<u>2,354,978.8</u>	<u>1,987,843.7</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.969	5.639	4.629
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	5.433	5.885	5.856
DIFFERENCE	\$/MCF	1.536	(0.246)	(1.227)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,714,344.4</u>	<u>2,354,978.8</u>	<u>1,987,843.7</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>2,633,233.00</u>	<u>(579,324.78)</u>	<u>(2,439,084.22)</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>(385,176.00)</u>
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>(385,176.00)</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>MAY 31, 2012</u>	MCF			10,240,550.0
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>(0.038)</u>
AAU				

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
BALANCE ADJUSTMENT
DETAILS FOR THE TWELVE MONTH PERIOD ENDED FEBRUARY 28, 2011

DESCRIPTION	UNIT	AMOUNT
<u>RECONCILIATION OF A PREVIOUS GAS COST VARIANCE</u>		
GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE DECEMBER 1 2010	\$	3,732,795.59
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ 0.349 /MCF APPLIED TO TOTAL SALES OF 10,380,223 MCF (TWELVE MONTHS ENDED FEBRUARY 28, 2011)	\$	<u>3,622,697.81</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>110,097.78</u>
<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND</u>		
SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE DECEMBER 1 2010	\$	0.00
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ 0.000 /MCF APPLIED TO TOTAL SALES OF 10,380,223 MCF (TWELVE MONTHS ENDED FEBRUARY 28, 2011)	\$	<u>0.00</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>0.00</u>
<u>RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT</u>		
AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE DECEMBER 1 2010	\$	11,292.40
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ 0.001 /MCF APPLIED TO TOTAL SALES OF 10,380,223 MCF (TWELVE MONTHS ENDED FEBRUARY 28, 2011)	\$	<u>10,380.23</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>912.17</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>111,009.95</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED FEBRUARY 28, 2013	MCF	<u>10,240,550</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u>0.011</u>

Revised Tariffs

INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<u>SERVICE REGULATIONS</u>				
Service Agreements.....	20	01/04/10	01/04/10	
Supplying and Taking of Service.....	21	01/04/10	01/04/10	
Customer's Installation.....	22	01/04/10	01/04/10	
Company's Installation.....	23	01/04/10	01/04/10	
Metering.....	24	01/04/10	01/04/10	
Billing and Payment.....	25	01/04/10	01/04/10	
Deposits.....	26	01/04/10	01/04/10	
Application.....	27	01/04/10	01/04/10	
Gas Space Heating Regulations.....	28	01/04/10	01/04/10	
Availability of Gas Service.....	29	01/04/10	01/04/10	
<u>FIRM SERVICE TARIFF SCHEDULES</u>				
Rate RS, Residential Service.....	30	06/02/11	06/02/11	(T)
Rate GS, General Service.....	31	06/02/11	06/02/11	(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			
Reserved for Future Use.....	41			
Reserved for Future Use.....	42			
Reserved for Future Use.....	43			
Rate FRAS, Full Requirements Aggregation Service.....	44	01/04/10	01/04/10	
Reserved for Future Use.....	45			
Reserved for Future Use.....	46			
Reserved for Future Use.....	47			
Reserved for Future Use.....	48			
Reserved for Future use.....	49			
<u>TRANSPORTATION TARIFF SCHEDULE</u>				
Rate IT, Interruptible Transportation Service.....	50	01/04/10	01/04/10	
Rate FT-L, Firm Transportation Service.....	51	01/04/10	01/04/10	
Reserved for Future Use.....	52			
Rate SSIT, Spark Spread Interruptible Transportation Rate.....	53	01/04/10	01/04/10	
Reserved for Future Use.....	54			
Rate AS, Pooling Service for Interruptible Transportation.....	55	01/04/10	01/04/10	
Reserved for Future Use.....	56			
Rate GTS, Gas Trading Service.....	57	01/04/10	01/04/10	
Rate IMBS, Interruptible Monthly Balancing Service.....	58	01/04/10	01/04/10	
Rate DGS, Distributed Generation Service.....	59	01/04/10	01/04/10	

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

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

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<u>RIDERS</u>				
Rider X, Main Extension Policy.....	60	01/04/10	01/04/10	
Rider DSM, Demand Side Management Cost Recovery Program	61	01/04/10	01/04/10	
Rider DSMR, Demand Side Management Rate.....	62	04/01/10	04/01/10	
Reserved for Future Use.....	63			
Reserved for Future Use.....	64			
Reserved for Future Use.....	65			
Reserved for Future Use.....	66			
Reserved for Future Use.....	67			
Reserved for Future Use.....	68			
Reserved for Future Use.....	69			
<u>GAS COST RECOVERY RIDERS</u>				
Gas Cost Adjustment Clause.....	70	01/04/10	01/04/10	
Reserved for Future Use.....	71			
Reserved for Future Use.....	72			
Reserved for Future Use.....	73			
Reserved for Future Use.....	74			
Reserved for Future Use.....	75			
Reserved for Future Use.....	76			
Rider GCAT, Gas Cost Adjustment Transition Rider.....	77	06/02/11	06/02/11	(T)
Reserved for Future Use.....	78			
Reserved for Future Use.....	79			
<u>MISCELLANEOUS</u>				
Bad Check Charge.....	80	01/04/10	01/04/10	
Charge for Reconnection of Service.....	81	01/04/10	01/04/10	
Local Franchise Fee.....	82	01/04/10	01/04/10	
Curtailement Plan.....	83	01/04/10	01/04/10	
Rate MPS, Meter Pulse Service.....	84	01/04/10	01/04/10	
Reserved for Future Use.....	85			
Reserved for Future Use.....	86			
Reserved for Future Use.....	87			
Reserved for Future Use.....	88			
Reserved for Future Use.....	89			

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

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

KY.P.S.C. Gas No. 2
Fifty-Seventh Revised Sheet No. 30
Cancelling and Superseding
Fifty-Sixth 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	\$0.5920	Equals	\$0.96413	(I)

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 _____ in Case
No. _____

Issued: _____

Effective: June 2, 2011

Issued by Julie Janson, 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	\$0.5920	Equals	\$0.7973	(I)

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 _____ in Case No. _____

Issued: _____

Issued by Julie Janson, President

Effective: June 2, 2011

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

KY.P.S.C. Gas No. 2
Twentieth Revised Sheet No. 77
Cancelling and Superseding
Nineteenth 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 (\$0.1010) per 100 cubic feet. This rate shall be in effect during the month of June 2011 through August 2011 and shall be updated quarterly, concurrent with the Company's GCA filings.

(T)

Issued by authority of an Order of the Kentucky Public Service Commission dated _____, 2011 in Case No. _____.

Issued: _____

Effective: June 2, 2011

Issued by Julie Janson, 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, 2011

2nd QUARTER INT

DUKE ENERGY Kentucky, Inc.

USED FOR GCA EFFECTIVE JUNE 2, 2011

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

TWELVE MONTHS ENDED MARCH 31, 2011
BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)

INTEREST RATE -0.0014

PAYMENT 0.083270

ANNUAL TOTAL 0.9992

MONTHLY INTEREST (0.000117)

AMOUNT 1

MARCH	2010	0.25	
APRIL	2010	0.31	
MAY	2010	0.48	
JUNE	2010	0.60	
JULY	2010	0.42	
AUGUST	2010	0.29	
SEPTEMBER	2010	0.30	
OCTOBER	2010	0.30	
NOVEMBER	2010	0.31	
DECEMBER	2010	0.39	
JANUARY	2011	0.32	4.27
FEBRUARY	2011	0.30	4.36
MARCH	2011	0.34	

PRIOR ANNUAL TOTAL 4.27

PLUS CURRENT MONTHLY RATE 0.34

LESS YEAR AGO RATE 0.25

NEW ANNUAL TOTAL 4.36

AVERAGE ANNUAL RATE 0.36

LESS 0.5% (ADMINISTRATIVE) (0.14)

DUKE ENERGY COMPANY KENTUCKY
 DETERMINATION OF TOTAL SUPPLY COST
 MONTH OF December 2010

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	12,054,927.48	
adjustments	(58,925.74)	
IT monthly charges entered by Gas Supply	<u>(4,686.96)</u>	11,991,315
 <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	18,665.16	18,665
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>	231.00	231
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS TENASKA MARKETING VENTURES MANAGEMENT FEE</u>	63,375.00	(63,375)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
 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>11,946,836</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLYAMOUNT

ACCOUNT 191-40	2,633,233.00
ACCOUNT 805-10	(2,633,233.00)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

December 2010

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>December 2010</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	2,254,858
Utility Production	MCF	0
Includable Propane	MCF	2,692
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(6,940)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>2,250,610</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	11,991,315
Includable Propane	\$	18,665
Gas Cost Uncollectible	\$	231
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(63,375)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>11,946,836</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	1,714,344.4
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>1,714,344.4</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.969
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>5.433</u>
DIFFERENCE	\$/MCF	1.536
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,714,344.4</u>
MONTHLY COST DIFFERENCE	\$	<u><u>2,633,233.00</u></u>

DUKE ENERGY COMPANY KENTUCKY

December 2010			
	<u>Applied</u>		
	<u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	1,714,344.4	9,314,365.34	5.43319379
RA		(6,891.25)	
AA		27,533.05	
BA		<u>(13,781.98)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>9,321,225.16</u>	
TOTAL SALES VOLUME	1,714,344.4		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>1,714,344.4</u>		
 <u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	1,714,344.4	11,946,836.00	6.96874910
UNRECOVERED PURCHASED GAS COST		(2,605,699.95)	
ROUNDING(ADD/(DEDUCT))		<u>762.35</u>	
TOTAL GAS COST IN REVENUE		<u>9,341,898.40</u>	
TOTAL GAS COST RECOVERY(GCR)		9,321,225.16	
LESS: RA		(6,891.25)	
BA		<u>(13,781.98)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u> </u>	
		<u>9,341,898.39</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(2,605,699.95)	
LESS: AA		<u>27,533.05</u>	
MONTHLY COST DIFFERENCE		(2,633,233.00)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(2,632,470.65)</u>	
ROUNDING		<u>762.35</u>	

DUKE ENERGY COMPANY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: December 2010

BILL CODE	REPORTED SALES	EGC		RECONCILIATION ADJUSTMENT					ACTUAL ADJUSTMENT					BALANCE ADJUSTMENT				
		\$/MCF	\$	CURRENT (0.001)	PREVIOUS (0.001)	SEC.PREV. (0.002)	THRD.PREV. 0.000	TOTAL RA	CURRENT 0.033	PREVIOUS (0.470)	SEC.PREV. 0.104	THRD.PREV. 0.349	TOTAL AA	CURRENT (0.002)	PREVIOUS 0.000	SEC.PREV. (0.007)	THRD.PREV. 0.001	TOTAL BA
168	0.0	8.800	0.00															
019	0.0	8.191	0.00															
039	0.0	8.292	0.00															
049	0.0	7.418	0.00															
069	0.0	5.713	0.00															
079	0.0	5.877	0.00															
089	0.0	6.785	0.00															
109	(0.7)	6.083	(4.26)															
119	(0.7)	6.185	(4.33)															
129	(0.7)	6.474	(4.53)															
149	(0.6)	5.200	(3.12)															
159	21.3	6.497	138.39															
169	(320.2)	6.277	(2,009.90)															
010	(157.6)	6.845	(1,078.77)															
030	15.0	7.184	107.76															
040	795.6	6.991	5,562.04				0.00	0.00										
060	(281.5)	6.012	(1,692.38)				0.00	0.00										
070	(65.0)	5.766	(374.79)															
080	247.5	6.402	1,584.50				0.00	0.00										
100	(542.3)	6.713	(3,640.46)				1.08	0.00										
110	259.3	6.447	1,671.71				(0.52)	0.00										
120	(189.1)	6.427	(1,215.35)				0.19	0.38										
140	(788.0)	5.540	(4,365.52)				0.79	1.58										
150	(3,006.3)	5.371	(16,146.84)				3.01	6.01										
160	1,718,358.4	5.433	9,335,841.19	(1,718.36)	(1,718.36)	(3,436.72)	0.00	0.00										
TOTAL	1,714,344.4		9,314,365.34	(1,718.36)	(1,714.37)	(3,428.69)	0.00	(6,861.42)	56,705.83	(807,628.45)	178,709.27	599,707.08	27,493.73	(3,436.72)	0.00	(12,028.51)	1,714.79	(13,746.87)
TRANSPORTATION:																		
Customer Choice Program (GCAT):																		
029	0.0																	
059	0.0																	
099	0.0																	
139	0.0																	
179	0.0																	
020	0.0							0.00										
050	0.0							0.00										
090	0.0							0.00										
130	9,943.7							0.00										
170	0.0							0.00										
FT CHOICE	9,943.7																	
TOTAL FOR CHOICE				0.00	(9.94)	(19.89)	0.00	(29.83)										
TOTAL FOR GCR				(1,718.36)	(1,724.31)	(3,448.58)	0.00	(6,891.25)	56,705.83	(810,429.79)	179,325.44	601,931.57	27,533.05	(3,436.72)	0.00	(12,069.99)	1,724.73	(13,781.98)
				CONTROL CK positive=recovered=cr 25313 negative=reduce refund=dr25313					CONTROL CK positive=recovered=cr 19140 negative=refund=dr 19140					CONTROL CK positive=recovered=cr 25313 negative=reduce refund=dr25313				
FT:																		
NON-P	136,325.3																	
PURCH	0.0																	
FT	136,325.3																	
IT:																		
NON-P	135,226.2																	
PURCH	0.0																	
IT	135,226.2																	
TOTAL	1,995,839.6																	
ADJUSTED EGC		5.433																

Note: The most current Bill Code includes interdept. sales, if any.

PREPARED BY: Dana Patten 5/12/11 3:38 PM

REVIEWED BY: _____
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DUKE ENERGY COMPANY KENTUCKY
 DETERMINATION OF TOTAL SUPPLY COST
 MONTH OF January 2011

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
<i>current month</i>	13,424,037.24	
adjustments	(71,565.16)	
IT monthly charges entered by Gas Supply	3,964.36	13,356,436
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
<i>current month</i>	0.00	
adjustments	0.00	0
 PLUS: INCLUDABLE PROPANE		
a/c 728-3 Erlanger	33,556.14	33,556
PLUS: GAS COST UNCOLLECTIBLE	(46,741.00)	(46,741)
<u>LESS: X-5 TARIFF</u>	0.00	0
LESS TENASKA MARKETING VENTURES MANAGEMENT FEE	63,375.00	(63,375)
 LESS: TOP TRANSP. RECOVERIES	0.00	0
LESS: GAS LOSSES - DAMAGED LINES	0.00	0
adjustments	0.00	0
LESS: GAS COST CREDIT	0.00	0
<u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
<i>current month</i>	0.00	
adjustments	0.00	0
 TOTAL SUPPLY COSTS		13,279,876

ACCOUNTING ENTRY FOR DEFERRAL ONLYAMOUNT

ACCOUNT 191-40	(579,324.78)
ACCOUNT 805-10	579,324.78

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

January 2011

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>January 2011</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	2,441,872
Utility Production	MCF	0
Includable Propane	MCF	4,821
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(11,953)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>2,434,740</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	13,356,436
Includable Propane	\$	33,556
Gas Cost Uncollectible	\$	(46,741)
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(63,375)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>13,279,876</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	2,354,978.8
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u> </u>
TOTAL SALES VOLUME	MCF	<u>2,354,978.8</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.639
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>5.885</u>
DIFFERENCE	\$/MCF	(0.246)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>2,354,978.8</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(579,324.78)</u></u>

January 2011

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	2,354,978.8	13,858,174.74	5.88462824
RA		(9,511.63)	
AA		38,084.84	
BA		<u>(19,022.65)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>13,867,725.30</u>	
TOTAL SALES VOLUME	2,354,978.8		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>2,354,978.8</u>		

PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY

SUPPLIER COST - CURRENT MONTH	2,354,978.8	13,279,876.00	5.63906393
UNRECOVERED PURCHASED GAS COST		617,409.62	
ROUNDING(ADD/(DEDUCT))		<u>(1,026.04)</u>	
TOTAL GAS COST IN REVENUE		<u>13,896,259.58</u>	
TOTAL GAS COST RECOVERY(GCR)		13,867,725.30	
LESS: RA		(9,511.63)	
BA		<u>(19,022.65)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>13,896,259.58</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		617,409.62	
LESS: AA		<u>38,084.84</u>	
MONTHLY COST DIFFERENCE		579,324.78	
EXTENDED MONTHLY COST DIFFERENCE		<u>578,298.74</u>	
ROUNDING		<u>(1,026.04)</u>	

DUKE ENERGY COMPANY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: January 2011

BILL CODE	REPORTED SALES	EGC		RECONCILIATION ADJUSTMENT					ACTUAL ADJUSTMENT					BALANCE ADJUSTMENT				
		S/MCF	\$	CURRENT (0.001)	PREVIOUS (0.001)	SEC.PREV. (0.002)	THRD.PREV. 0.000	TOTAL RA	CURRENT 0.033	PREVIOUS (0.470)	SEC.PREV. 0.104	THRD.PREV. 0.349	TOTAL AA	CURRENT (0.002)	PREVIOUS 0.000	SEC.PREV. (0.007)	THRD.PREV. 0.001	TOTAL BA
168	0.0	8.800	0.00															
019	0.0	8.191	0.00															
039	0.0	8.292	0.00															
049	0.0	7.418	0.00															
069	0.0	5.713	0.00															
079	0.0	5.877	0.00															
089	0.0	6.785	0.00															
109	0.0	6.083	0.00															
119	1.5	6.185	9.28															
129	1.6	6.474	10.36															
149	(2.7)	5.200	(14.04)															
159	(8.0)	6.497	(51.98)															
169	(234.5)	6.277	(1,471.96)															
010	(380.0)	6.845	(2,601.10)															
030	(33.0)	7.184	(237.07)															
040	531.6	6.991	3,716.42				0.00	0.00									0.53	0.53
060	(131.5)	6.012	(790.58)				0.00	0.00									(0.13)	(0.13)
070	(177.9)	5.766	(1,025.77)				0.00	0.00									(0.18)	(0.18)
080	179.2	6.402	1,147.24			(0.36)	0.00	(0.36)			18.64	62.54	81.18			(1.25)	0.18	(1.07)
100	(696.0)	6.713	(4,672.25)			1.39	0.00	1.39			(72.38)	(242.90)	(315.28)			4.87	(0.70)	4.17
110	310.0	6.447	1,998.57			(0.62)	0.00	(0.62)			32.24	108.19	140.43			(2.17)	0.31	(1.86)
120	(222.3)	6.427	(1,428.72)		0.22	0.44	0.00	0.66		104.48	(23.12)	(77.58)	3.78	0.00	1.56	(0.22)		1.34
140	(360.1)	5.540	(1,994.95)		0.36	0.72	0.00	1.08		169.25	(37.45)	(125.67)	6.13	0.00	2.52	(0.36)		2.16
150	(1,235.2)	5.371	(6,634.26)		1.24	2.47	0.00	3.71		580.54	(128.46)	(431.08)	21.00	0.00	8.65	(1.24)		7.41
160	(18,155.9)	5.433	(98,641.00)	18.16	18.16	36.31	0.00	72.63	(599.14)	8,533.27	(1,888.21)	(6,336.41)	(290.49)	36.31	0.00	127.09	(18.16)	145.24
011	2,375,592.0	5.881	13,970,856.55	(2,375.59)	(2,375.59)	(4,751.18)	0.00	(9,502.36)	78,394.54	(1,116,528.24)	247,061.57	829,081.61	38,009.48	(4,751.18)	0.00	(16,629.14)	2,375.59	(19,004.73)
TOTAL	2,354,978.8	13,858,174.74		(2,357.43)	(2,355.61)	(4,710.83)	0.00	(9,423.87)	77,795.40	(1,107,140.70)	244,962.83	822,116.25	37,733.78	(4,714.87)	0.00	(16,487.87)	2,355.62	(18,847.12)
TRANSPORTATION:																		
Customer Choice Program (GCAT):																		
029	0.0																	
059	0.0																	
099	0.0																	
139	0.0																	
179	0.0																	
020	0.0																	
050	0.0						0.00	0.00				0.00	0.00				0.00	0.00
090	0.0					0.00	0.00	0.00			0.00	0.00	0.00				0.00	0.00
130	0.0				0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
170	21,941.2			(21.94)	(21.94)	(43.88)	0.00	(87.76)	724.06	(10,312.36)	2,281.88	7,657.48	351.06	(43.88)	0.00	(153.59)	21.94	(175.53)
FT CHOICE	21,941.2			(21.94)	(21.94)	(43.88)	0.00	(87.76)	724.06	(10,312.36)	2,281.88	7,657.48	351.06	(43.88)	0.00	(153.59)	21.94	(175.53)
TOTAL FOR CHOICE				(21.94)	(21.94)	(43.88)	0.00	(87.76)	724.06	(10,312.36)	2,281.88	7,657.48	351.06	(43.88)	0.00	(153.59)	21.94	(175.53)
TOTAL FOR GCR				(2,379.37)	(2,377.55)	(4,754.71)	0.00	(9,511.63)	78,519.46	(1,117,453.06)	247,244.71	829,773.73	38,084.84	(4,758.75)	0.00	(16,641.46)	2,377.56	(19,022.65)
CONTROL CK																		
positive=recovered=cr 25313																		
negative=reduce refund=dr 25313																		
CONTROL CK																		
positive=recovered=cr 19140																		
negative=refund=dr 19140																		
CONTROL CK																		
positive=recovered=cr 25313																		
negative=reduce refund=dr 25313																		
FT:																		
NON-P	217,970.9																	
PURCH	0.0																	
FT	217,970.9																	
IT:																		
NON-P	148,875.4																	
PURCH	0.0																	
IT	148,875.4																	
TOTAL	2,743,766.3																	
ADJUSTED EGC	5.885																	

Note: The most current Bill Code includes interdept. sales, if any.

PREPARED BY: John Linton 5/12/11 3:41 PM

REVIEWED BY: _____
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DUKE ENERGY COMPANY KENTUCKY
 DETERMINATION OF TOTAL SUPPLY COST
 MONTH OF February 2011

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	9,405,130.22	
adjustments	(71,774.49)	
IT monthly charges entered by Gas Supply	2,070.68	9,335,426
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	0.00	0
 PLUS: INCLUDABLE PROPANE		
a/c 728-3 Erlanger	21,443.91	21,444
PLUS: GAS COST UNCOLLECTIBLE	(91,772.00)	(91,772)
<u>LESS: X-5 TARIFF</u>	0.00	0
LESS TENASKA MARKETING VENTURES MANAGEMENT FEE	63,375.00	(63,375)
LESS: TOP TRANSP. RECOVERIES	0.00	0
LESS: GAS LOSSES - DAMAGED LINES	0.00	0
adjustments	0.00	0
LESS: GAS COST CREDIT	0.00	0
<u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	0.00	0
TOTAL SUPPLY COSTS		9,201,723

ACCOUNTING ENTRY FOR DEFERRAL ONLYAMOUNT

ACCOUNT 191-40	(2,439,084.22)
ACCOUNT 805-10	2,439,084.22

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

February 2011

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>February 2011</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	1,696,936
Utility Production	MCF	0
Includable Propane	MCF	3,122
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(11,228)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>1,688,830</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	9,335,426
Includable Propane	\$	21,444
Gas Cost Uncollectible	\$	(91,772)
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(63,375)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>9,201,723</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	1,987,843.7
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u></u>
TOTAL SALES VOLUME	MCF	<u>1,987,843.7</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	4.629
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>5.856</u>
DIFFERENCE	\$/MCF	(1.227)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,987,843.7</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(2,439,084.22)</u></u>

February 2011

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	1,987,843.7	11,640,663.66	5.85592502
RA		(8,041.59)	
AA		32,353.38	
BA		<u>(16,083.72)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>11,648,891.73</u>	
TOTAL SALES VOLUME	1,987,843.7		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>1,987,843.7</u>		
 <u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	1,987,843.7	9,201,723.00	4.62899724
UNRECOVERED PURCHASED GAS COST		2,471,437.60	
ROUNDING(ADD/(DEDUCT))		<u>(143.56)</u>	
TOTAL GAS COST IN REVENUE		<u>11,673,017.04</u>	
TOTAL GAS COST RECOVERY(GCR)		11,648,891.73	
LESS: RA		(8,041.59)	
BA		<u>(16,083.72)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>11,673,017.04</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		2,471,437.60	
LESS: AA		<u>32,353.38</u>	
MONTHLY COST DIFFERENCE		2,439,084.22	
EXTENDED MONTHLY COST DIFFERENCE		<u>2,438,940.66</u>	
ROUNDING		<u>(143.56)</u>	

DUKE ENERGY COMPANY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: February 2011

BILL CODE	REPORTED SALES			RECONCILIATION ADJUSTMENT					ACTUAL ADJUSTMENT					BALANCE ADJUSTMENT				
	S/MCF	EGC \$		CURRENT (0.001)	PREVIOUS (0.001)	SEC.PREV. (0.002)	THRD.PREV. 0.000	TOTAL RA	CURRENT 0.033	PREVIOUS (0.470)	SEC.PREV. 0.104	THRD.PREV. 0.349	TOTAL AA	CURRENT (0.002)	PREVIOUS 0.000	SEC.PREV. (0.007)	THRD.PREV. 0.001	TOTAL BA
089	0.0	6.785	0.00															
109	0.0	6.083	0.00															
119	1.0	6.185	6.19															
129	1.0	6.474	6.47															
149	1.3	5.200	6.76															
159	(5.8)	6.497	(37.68)															
169	(267.8)	6.277	(1,680.98)															
010	(289.4)	6.845	(1,980.94)															
030	(174.7)	7.184	(1,255.04)															
040	365.8	6.991	2,557.31															
060	(232.4)	6.012	(1,397.19)				0.00	0.00				127.66	127.66				0.37	0.37
070	2.3	5.766	13.26				0.00	0.00				(81.11)	(81.11)				(0.23)	(0.23)
080	168.1	6.402	1,076.18				0.00	0.00				0.80	0.80				0.00	0.00
100	(121.9)	6.713	(818.31)			(0.34)	0.00	(0.34)			17.48	58.67	76.15			(1.18)	0.17	(1.01)
110	320.0	6.447	2,063.04			0.24	0.00	0.24			(12.68)	(42.54)	(55.22)			0.85	(0.12)	0.73
120	203.9	6.427	1,310.47		(0.20)	(0.41)	0.00	(0.61)			33.28	111.68	144.96			(2.24)	0.32	(1.92)
140	259.1	5.540	1,435.41		(0.26)	(0.52)	0.00	(0.78)		(95.83)	21.21	71.16	(3.46)					
150	337.8	5.371	1,814.32		(0.34)	(0.68)	0.00	(1.02)		(121.78)	26.95	90.43	(4.40)		0.00	(1.43)	0.20	(1.23)
160	(31,241.0)	5.433	(169,732.35)	31.24	31.24	62.48	0.00	124.96		(158.77)	35.13	117.89	(5.75)		0.00	(2.36)	0.34	(2.02)
011	30,447.3	5.881	179,060.57	(30.45)	(30.45)	(60.89)	0.00	(121.79)	(1,030.95)	14,683.27	(3,249.06)	(10,903.11)	(499.85)	62.48	0.00	218.69	(31.24)	249.93
031	1,988,069.1	5.849	11,628,216.17	(1,988.07)	(1,988.07)	(3,976.14)	0.00	(7,952.28)	1,004.76	(14,310.23)	3,166.52	10,626.11	487.16	(60.89)	0.00	(213.13)	30.45	(243.57)
TOTAL	1,987,843.7		11,640,663.66	(1,987.28)	(1,988.06)	(3,976.90)	0.00	(7,952.26)	65,606.28	(934,392.48)	206,759.19	693,836.12	31,809.11	(3,976.14)	0.00	(13,916.48)	1,988.07	(15,904.55)
TRANSPORTATION:									65,580.09	(934,395.82)	206,798.02	694,013.76	31,996.05	(3,974.55)	0.00	(13,919.09)	1,988.59	(15,905.05)
Customer Choice Program (GCAT):																		
020	0.0																	
050	0.0						0.00	0.00				0.00	0.00				0.00	0.00
090	0.0						0.00	0.00				0.00	0.00				0.00	0.00
130	0.0				0.00	0.00	0.00	0.00		0.00		0.00	0.00				0.00	0.00
170	0.0						0.00	0.00				0.00	0.00				0.00	0.00
021	22,333.3			(22.33)	(22.33)	(44.67)	0.00	(89.33)	737.00	(10,496.65)	2,322.66	7,794.32	357.33	(44.67)	0.00	(156.33)	22.33	(178.67)
FT CHOICE	22,333.3			(22.33)	(22.33)	(44.67)	0.00	(89.33)	737.00	(10,496.65)	2,322.66	7,794.32	357.33	(44.67)	0.00	(156.33)	22.33	(178.67)
TOTAL FOR CHOICE				(22.33)	(22.33)	(44.67)	0.00	(89.33)	737.00	(10,496.65)	2,322.66	7,794.32	357.33	(44.67)	0.00	(156.33)	22.33	(178.67)
TOTAL FOR GCR				(2,009.61)	(2,010.41)	(4,021.57)	0.00	(8,041.59)	66,317.09	(944,892.47)	209,120.68	701,808.08	32,353.38	(4,019.22)	0.00	(14,075.42)	2,010.92	(16,083.72)
FT:								(8,041.59)					32,353.38					(16,083.72)
NON-P	229,089.5																	
PURCH	0.0																	
FT	229,089.5																	
IT:																		
NON-P	156,348.5																	
PURCH	0.0																	
IT	156,348.5																	
TOTAL	2,395,615.0																	
ADJUSTED EGC		5.856																

Note: The most current Bill Code includes interdept. sales, if any.

PREPARED BY: John Linton 5/12/11 3:41 PM

REVIEWED BY: _____
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DUKE ENERGY KENTUCKY
SUMMARY OF GAS COST RECOVERY COMPONENTS
BY BILLING CODE

MON/YR	BILLING CODE	EST'D. GAS COST	QUARTERLY RECONCILIATION ADJUSTMENT				QUARTERLY ACTUAL ADJUSTMENT				BALANCE ADJUSTMENT				TOTAL GCR FACTOR
			CURRENT	PREVIOUS	2ND PREV	3RD PREV	CURRENT	PREVIOUS	2ND PREV	3RD PREV	CURRENT	PREVIOUS	2ND PREV	3RD PREV	
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Jan-10	010	6.845	(0.001)	0.000	0.000	(0.005)	(0.022)	(0.298)	(0.034)	0.723	(0.015)	0.004	(0.032)	0.001	7.166
Feb-10	030	7.184	(0.001)	0.000	0.000	(0.005)	(0.022)	(0.298)	(0.034)	0.723	(0.015)	0.004	(0.032)	0.001	7.505
Mar-10	040	6.991	0.000	(0.001)	0.000	0.000	0.349	(0.022)	(0.298)	(0.034)	0.001	(0.015)	0.004	(0.032)	6.943
Apr-10	060	6.012	0.000	(0.001)	0.000	0.000	0.349	(0.022)	(0.298)	(0.034)	0.001	(0.015)	0.004	(0.032)	5.964
May-10	070	5.766	0.000	(0.001)	0.000	0.000	0.349	(0.022)	(0.298)	(0.034)	0.001	(0.015)	0.004	(0.032)	5.718
Jun-10	080	6.402	(0.002)	0.000	(0.001)	0.000	0.104	0.349	(0.022)	(0.298)	(0.007)	0.001	(0.015)	0.004	6.515
Jul-10	100	6.713	(0.002)	0.000	(0.001)	0.000	0.104	0.349	(0.022)	(0.298)	(0.007)	0.001	(0.015)	0.004	6.826
Aug-10	110	6.447	(0.002)	0.000	(0.001)	0.000	0.104	0.349	(0.022)	(0.298)	(0.007)	0.001	(0.015)	0.004	6.560
Sep-10	120	6.427	(0.001)	(0.002)	0.000	(0.001)	(0.470)	0.104	0.349	(0.022)	0.000	(0.007)	0.001	(0.015)	6.363
Oct-10	140	5.540	(0.001)	(0.002)	0.000	(0.001)	(0.470)	0.104	0.349	(0.022)	0.000	(0.007)	0.001	(0.015)	5.476
Nov-10	150	5.371	(0.001)	(0.002)	0.000	(0.001)	(0.470)	0.104	0.349	(0.022)	0.000	(0.007)	0.001	(0.015)	5.307
Dec-10	160	5.433	(0.001)	(0.001)	(0.002)	0.000	0.033	(0.470)	0.104	0.349	(0.002)	0.000	(0.007)	0.001	5.437
Jan-11	010	5.881	(0.001)	(0.001)	(0.002)	0.000	0.033	(0.470)	0.104	0.349	(0.002)	0.000	(0.007)	0.001	5.885
Feb-11	030	5.849	(0.001)	(0.001)	(0.002)	0.000	0.033	(0.470)	0.104	0.349	(0.002)	0.000	(0.007)	0.001	5.853
Mar-11	040	5.760	(0.001)	(0.001)	(0.001)	(0.002)	0.372	0.033	(0.470)	0.104	(0.003)	(0.002)	0.000	(0.007)	5.782
Apr-11	060	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
May-11	070	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Jun-11	080	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Jul-11	100	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Aug-11	110	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sep-11	120	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Oct-11	140	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Nov-11	150	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Dec-11	160	5.433	(0.001)	(0.001)	(0.002)	0.000	0.033	(0.470)	0.104	0.349	(0.002)	0.000	(0.007)	0.001	5.437