



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

January 12, 2012

RECEIVED

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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 February 2012 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 February 1, 2012 and the NYMEX close on January 9, 2012 for the month of February 2012.

The above described schedules and GCA are effective with the final meter readings of District 1, February 2012 revenue month (i.e., final meter readings on and after February 1, 2012).

Duke's proposed GCA is \$4.818 per Mcf. This rate represents a decrease of \$0.484 per Mcf from the rate currently in effect for January 2012.

Very truly yours,

John Linton

Enclosure

cc: L. Schmidt

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

COMPANY NAME: DUKE ENERGY KENTUCKY, INC.
GAS COST ADJUSTMENT CLAUSE RATE CALCULATIONS
SUPPLEMENTAL MONTHLY REPORT

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	4.757
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	(0.004)
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.064
BALANCE ADJUSTMENT (BA)	\$/MCF	0.001
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA + BA	\$/MCF	<u>4.818</u>

GAS COST RECOVERY RATE EFFECTIVE DATES: February 1, 2012 THROUGH February 29, 2012

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	4.757

SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	(0.001)
PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	(0.001)
SECOND PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	(0.001)
THIRD PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	<u>(0.001)</u>
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	(0.004)

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	0.038
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.308)
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.038)
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	<u>0.372</u>
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.064

BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	(0.008)
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.001
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.011
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	<u>(0.003)</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	0.001

THIS MONTHLY REPORT FILED PURSUANT TO CASE NO. 2003-00386
OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED November 6, 2003

DATE FILED: January 12, 2012

BY: DON WATHEN

TITLE: VICE-PRESIDENT, RATES

PURCHASED GAS ADJUSTMENT
COMPANY NAME: DUKE ENERGY KENTUCKY, INC.

SUPPLEMENTAL MONTHLY REPORT

EXPECTED GAS COST RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF
 PROJECTED VOLUME FOR THE TWELVE MONTH PERIOD ENDED

February 1, 2012
November 30, 2012

			\$
<u>DEMAND (FIXED) COSTS:</u>			
Columbia Gas Transmission Corp.			2,778,245
Tennessee Gas Pipeline			497,367
Columbia Gulf Transmission Corp.			1,976,288
K O Transmission Company			307,584
Gas Marketers			<u>1,558,049</u>
	TOTAL DEMAND COST:		<u>7,117,533</u>
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:		9,993,514 MCF	
DEMAND (FIXED) COMPONENT OF EGC RATE	\$7,117,533 /	9,993,514 MCF	\$0.712 /MCF
<u>COMMODITY COSTS:</u>			
Gas Marketers			\$3.214 /MCF
Gas Storage			/MCF
Columbia Gas Transmission			\$0.807 /MCF
Propane			<u>\$0.014 /MCF</u>
COMMODITY COMPONENT OF EGC RATE:			\$4.035
<u>OTHER COSTS:</u>			
Net Charge Off ⁽¹⁾	\$17,952 /	1,860,219	\$0.010 /MCF
TOTAL EXPECTED GAS COST:			<u><u>\$4.757 /MCF</u></u>

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

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY, INC.**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : February 1, 2012



GAS COMMODITY RATE FOR FEBRUARY, 2012:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$3.6013	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.800%	\$0.1008	\$3.7021	\$/Dth
DTH TO MCF CONVERSION	1.0095	\$0.0352	\$3.7373	\$/Mcf
ESTIMATED WEIGHTING FACTOR	86.000%		\$3.2141	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$3.214	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$5.4619	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$5.4772	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.229%	\$0.1221	\$5.5993	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0303	\$5.6296	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0018	\$5.6314	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.800%	\$0.1577	\$5.7891	\$/Dth
DTH TO MCF CONVERSION	1.0095	\$0.0550	\$5.8441	\$/Mcf
ESTIMATED WEIGHTING FACTOR	13.800%		\$0.8065	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.807	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.44920	\$/Gallon
GALLON TO MCF CONVERSION	15.38	\$6.4595	\$6.9087	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.2000%		\$0.0138	\$/Mcf
PROPANE COMMODITY RATE			\$0.014	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 1/09/2012 and contracted hedging prices.

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	02/01/12	02/01/12	(T)
Rate GS, General Service.....	31	02/01/12	02/01/12	(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. _____

Issued: _____

Issued by Julie Janson, President

Effective: February 1, 2012

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	09/30/11	09/30/11
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	12/01/11	12/01/11
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
Curtailment 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		

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

KY.P.S.C. Gas No. 2
Sixty-Fifth Revised Sheet No. 30
Cancelling and Superseding
Sixty-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	\$0.4818	Equals	\$0.85393	(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.

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RATE GS

GENERAL SERVICE

APPLICABILITY

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

NET MONTHLY BILL

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

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	\$0.4818	Equals	\$0.6871	(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.

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