



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

RECEIVED

AUG 09 2012

PUBLIC SERVICE  
COMMISSION

August 9, 2012

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 September 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 August 29, 2012 and the NYMEX close on August 6, 2012 for the month of September 2012.

The above described schedules and GCA are effective with the final meter readings of District 1, September 2012 revenue month (i.e., final meter readings on and after August 29, 2012).

Duke's proposed GCA is \$4.525 per Mcf. This rate represents an increase of \$0.057 per Mcf from the rate currently in effect for August 2012.

Very truly yours,



John Linton

Enclosure

cc: L. Schmidt

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

3rd Quarter

DUKE ENERGY KENTUCKY, INC  
GAS COST ADJUSTMENT CLAUSE

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM August 29, 2012 THROUGH September 27, 2012

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	4.682
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.017)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.182)
BALANCE ADJUSTMENT (BA)	\$/MCF	0.042
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	4.525

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	4.682

SUPPLIER REFUND ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ	\$/MCF	(0.014)
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	(0.017)

ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	(0.161)
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.233)
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.174
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.038
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.182)

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	(0.005)
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.055
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.000
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.008)
BALANCE ADJUSTMENT (BA)	\$/MCF	0.042

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

DATE FILED: August 9, 2012

BY: DON WATHEN

TITLE: VICE-PRESIDENT, RATES

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

**"SUMMARY" FOR THE EGC RATE IN EFFECT AS OF AUGUST 29, 2012**

			\$
<b><u>DEMAND (FIXED) COSTS:</u></b>			
Columbia Gas Transmission Corp.			2,780,149
Columbia Gulf Transmission Corp.			1,403,798
KO Transmission Company			307,584
Tennessee Gas Pipeline			497,367
Gas Marketers			650,549
	TOTAL DEMAND COST:		5,639,447
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:		10,379,694 MCF	
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$5,639,447	/	10,379,694 MCF
			<b>\$0.543 /MCF</b>
<b><u>COMMODITY COSTS:</u></b>			
Gas Marketers			\$4.061 /MCF
Gas Storage			
Columbia Gas Transmission			\$0.000 /MCF
Propane			\$0.000 /MCF
COMMODITY COMPONENT OF EGC RATE:			<b>\$4.061 /MCF</b>
Other Costs:			
Net Charge Off <sup>(1)</sup>	\$17,952	/	231,075
			\$0.078 /MCF
TOTAL EXPECTED GAS COST:			<b>\$4.682 /MCF</b>

**GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : AUGUST 29, 2012

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
<b>INTERSTATE PIPELINE : COLUMBIA GAS TRANSMISSION, LLC</b>				
TARIFF RATE EFFECTIVE DATE :	FSS: 2/1/2012			
	SST: 6/1/2012			
<b><u>BILLING DEMAND - TARIFF RATE - FSS</u></b>				
Max. Daily Withdrawl Quan.	1.5090	39,656	12	718,091
Seasonal Contract Quantity	0.0289	1,365,276	12	473,478
<b><u>BILLING DEMAND - TARIFF RATE - SST</u></b>				
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
<b>TOTAL COLUMBIA GAS TRANSMISSION, LLC - DEMAND CHARGES</b>				<b>2,780,149</b>
<b>INTERSTATE PIPELINE : TENNESSEE GAS PIPELINE</b>				
TARIFF RATE EFFECTIVE DATE :	11/1/2011			
<b><u>BILLING DEMAND - TARIFF RATE - FT-A</u></b>				
Max. Daily Quantity Zone 2	4.5630	21,800	5	497,367
<b>TOTAL TENNESSEE GAS PIPELINE - DEMAND CHARGES</b>				<b>497,367</b>

Currently Effective Rates  
 Applicable to Rate Schedule FSS  
 Rate Per Dth

	Base Tariff Rate	Transportation Cost		Electric Power		Annual Charge Adjustment	Total Effective Rate	Daily Rate
		Rate Adjustment	Surcharge	Current Costs	Surcharge			
Rate Schedule FSS								
Reservation Charge 3/	\$ 1.509	-	-	-	-	-	1.509	0.0496
Capacity 3/	¢ 2.89	-	-	-	-	-	2.89	2.89
Injection	¢ 1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	-	1.53	1.53
Overrun 3/	¢ 10.91	-	-	-	-	-	10.91	10.91

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

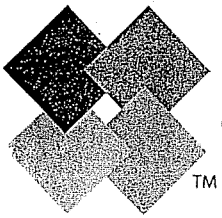
*Handwritten note:* "SST is currently 0.1941" with an arrow pointing to the Total Effective Rate column.

Commodity	Base Tariff Rate 1/	TCRA Rates	EPCA Rates	OTRA Rates	ACA 2/	Total Effective Rate	Daily Rate
Rate Schedule SST							
Reservation Charge 3/4/	\$ 5.467	0.340	0.061	0.039	-	5.907	0.1941
Maximum	¢ 1.02	0.42	0.90	0.00	0.18	2.52	2.52
Minimum	¢ 1.02	0.42	0.90	0.00	0.18	2.52	2.52
Overrun 4/	¢ 18.99	1.53	1.10	0.13	0.18	21.93	21.93

*Handwritten calculation:* .0102 + .0042 + .0010 = .0234 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.

*Handwritten calculations:*  
 .0234 w/d  
 .0018 aca  
 -----  
 .0252 injection rate



# NiSource 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 for 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: [Signature]  
Its: Director, Commercial Services

MAP  
Legal

PTB  
DEF

**Duke Energy Kentucky, Inc.**

By: [Signature]  
Its: Group Executive; President and CEO  
USFE+G

As To Form  
[Signature]

MS  
Legal



June 24, 2011

Duke Energy Kentucky, Inc  
139 East Fourth Street  
Cincinnati, OH 45202

Attention: Steve Neiderbaumer

RE: Discounted Rate Agreement  
Rate Schedule FT-A Service Package No. 93938  
Open Season # 812

Dear Steve:

In response to the request of Duke Energy Kentucky, Inc and pursuant to Section 5.1 of Tennessee Gas Pipeline Company's ("Tennessee") Rate Schedule FT-A, Tennessee hereby agrees to adjust its then applicable Rate Schedule FT-A transportation rates for service provided under the above-referenced gas transportation agreement as follows:

1. a) If Duke Energy Kentucky, Inc attempts to apply this Discounted Rate Agreement to any volumes or points not eligible for the discount and thereby fails to pay correctly invoiced and undisputed amounts, then, if such failure is not cured within thirty days of provision of notice by Tennessee to Duke Energy Kentucky, Inc of such failure, Tennessee shall have the right, in its sole discretion, to immediately terminate this Discounted Rate Agreement with Duke Energy Kentucky, Inc and/or to assess, from the date of such violation of the terms of this Discounted Rate Agreement, the applicable maximum rate on all transactions occurring under the Service Package for the month(s) in which such limits were exceeded.
- b) For the period commencing November 1, 2011, and extending through March 31, 2012, for gas delivered by Tennessee on behalf of Duke Energy Kentucky, Inc to Zone 2, North Means Meter # 020049 under the above referenced gas transportation agreement, the applicable Rate Schedule FT-A rates for volumes received by Tennessee from all 500 and 800 Zone L/1 meters, will be the lesser of
  - i) A monthly reservation rate of \$4,563 per Dth. This rate is exclusive of ACA and all applicable surcharges specified in Tennessee's currently effective FERC Gas Tariff ("Tennessee's Tariff")  
  
A daily commodity rate of Tennessee's minimum commodity rate per Dth. This discounted rate is exclusive of ACA and all applicable surcharges specified in Tennessee's currently effective FERC Gas Tariff ("Tennessee's Tariff")
  - or
  - ii) Tennessee's maximum monthly FT-A reservation and maximum daily commodity ratesIn addition, Duke Energy Kentucky, Inc. will pay applicable fuel and lost and unaccounted for charges
- c) Receipts from and/or deliveries to points other than those listed above during the term of this Discounted Rate Agreement shall result in Duke Energy Kentucky, Inc being assessed Tennessee's maximum reservation rate under Rate Schedule FT-A for the

JUNE 24, 2011  
DUKE ENERGY KENTUCKY, INC  
STEVE NIEDERBAUMER

PAGE 2 OF 3

primary path divided by the number of days in the month for the entire gas transportation agreement TQ on the day(s) of such deliveries and Tennessee's maximum daily commodity rates under Rate Schedule FT-A as well as the applicable fuel and loss charges and surcharges under Rate Schedule FT-A.

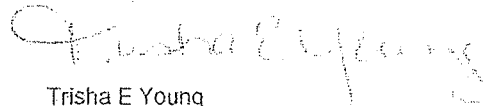
- d) Deliveries exclusive of authorized overrun on any one day during the term of this Discounted Rate Agreement in excess of the TQ shall be subject to Tennessee's maximum daily commodity rates under Rate Schedule FT-A as well as the applicable fuel and loss charges and surcharges under Rate Schedule FT-A for those excess volumes. For purposes of this Discounted Rate Agreement, "TQ" shall be defined under the above-referenced gas transportation agreement.
- e) Engaging an agent to manage Duke Energy Kentucky's utilization of its gas transportation agreement shall not, on its own, cause Duke Energy Kentucky to incur Tennessee's maximum reservation rate under Rate Schedule FT-A and Tennessee's maximum daily commodity rates under Rate Schedule FT-A; however, such agent's management of Duke Energy Kentucky's gas transportation agreement shall be subject to all of the terms and conditions of the gas transportation agreement, this Discounted Rate Agreement and Tennessee's Tariff.

2 If any terms of this Discounted Rate Agreement are disallowed by any order, rulemaking, regulation or policy of the Federal Energy Regulatory Commission, Tennessee may immediately terminate this Discounted Rate Agreement. If any terms of this Discounted Rate Agreement are in any way modified by order, rulemaking, regulation or policy of the Federal Energy Regulatory Commission, Tennessee and Duke Energy Kentucky, Inc may mutually agree to amend this Discounted Rate Agreement in order to ensure that the original commercial intent of the parties is preserved. In the event that the parties cannot achieve mutual agreement, Tennessee reserves the right to immediately terminate this Discounted Rate Agreement.

If Duke Energy Kentucky, Inc is interested in entering into the Discounted Rate Agreement for firm capacity in accordance with the terms proposed above, please have the authorized representative of Duke Energy Kentucky, Inc. execute this Discounted Rate Agreement, and return to the undersigned. This Discounted Rate Agreement will become binding upon the parties only after it then is accepted and executed by Tennessee's authorized representative on the below "Agreed to and Accepted" portion. One fully executed copy will be returned for your records.

If an executed Discounted Rate Agreement is not returned via mail or facsimile to 713-445-8722 on or before fifteen (15) working days from the date of the Discounted Rate Agreement, then the Discounted Rate Agreement is nullified, and Duke Energy Kentucky, Inc will be billed Tennessee's maximum reservation and commodity rates under Rate Schedule FT-A.

Sincerely,



Trisha E Young  
Account Manager

JUNE 24 2011  
DUKE ENERGY KENTUCKY INC  
STEVE NIERDERBAUMER

PAGE 3 of 3

TENNESSEE GAS PIPELINE COMPANY  
AGREED TO AND ACCEPTED  
THIS 30 DAY OF June, 2011.

By: [Signature]  
Name: Sital Mody  
Director, Marketing  
Title: \_\_\_\_\_

DUKE ENERGY KENTUCKY, INC  
AGREED TO AND ACCEPTED  
THIS 28<sup>th</sup> DAY OF JUNE, 2011.

By: [Signature]  
Name: JAMES E. MEHRING  
Title: VP, OH/KY Gas Operations

As To Form  
100R

RETAINAGE PERCENTAGES

Transportation Retainage	1.963%
Gathering Retainage	0.524%
Storage Gas Loss Retainage	0.230% <i>FSS fuel %</i>
Ohio Storage Gas Lost Retainage	0.180%
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.

**GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF : AUGUST 29, 2012**

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
<b>INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.</b>				
TARIFF RATE EFFECTIVE DATE : FTS-1: 2/1/2012				
<b><u>BILLING DEMAND - TARIFF RATE - FTS-1</u></b>				
Maximum Daily Quantity	4.2917	22,782	5	488,868
Maximum Daily Quantity	4.2917	17,598	7	528,677
Maximum Daily Quantity	4.2917	18,000	5	386,253
CAPACITY RELEASE CREDIT FOR FTS-1				0
<b>TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES</b>				<b>1,403,798</b>
<b>INTERSTATE PIPELINE : KO TRANSMISSION COMPANY</b>				
TARIFF RATE EFFECTIVE DATE : 4/1/2012				
<b><u>BILLING DEMAND - TARIFF RATE - FT</u></b>				
Maximum Daily Quantity	0.3560	72,000	12	307,584
CAPACITY RELEASE CREDIT				0
<b>TOTAL KO TRANSMISSION CO. DEMAND CHARGES</b>				<b>307,584</b>
<b>VARIOUS GAS MARKETERS FIXED (RESERVATION) CHARGES :</b>				
November - March	0.0021	12,407,425		25,764
December - February	0.0447	275,000		12,285
National Energy & Trade, LP (NET)		1,000,000		612,500
<b>TOTAL GAS MARKETERS FIXED CHARGES</b>				<b>650,549</b>

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

V.1.  
 Currently Effective Rates  
 FTS-1 Rates  
 Version 9.0.0

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

Rate Schedule FTS-1	<u>Base Rate</u> (1)	<u>Annual Charge Adjustment 1/</u> (2)	<u>Total Effective Rate</u> (3)	<u>Daily Rate</u> (4)
<b><u>Market Zone</u></b>				
Reservation Charge				
Maximum	4.2917	-	4.2917	0.1411
Minimum	0.000	-	0.000	0.000
Commodity				
Maximum	0.0109	0.0018	0.0127	0.0127
Minimum	0.0109	0.0018	0.0127	0.0127
Overrun				
Maximum	0.1520	0.0018	0.1538	0.1538
Minimum	0.0109	0.0018	0.0127	0.0127

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.

KO Transmission Company  
 Effective Date: 04/01/2012  
 FERC Docket: RP12-00452-000  
 FERC Order: Delegated Letter Order  
 Part 3, Currently Effective Rates, 5.0.0

Status: Effective  
 Order Date: 03/28/2012

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

**RATE LEVELS - RATE PER DTH**

	<b>Base Tariff Rate</b>	<b>Annual Charge Adjustment<sup>1/</sup></b>	<b>Total Effective Rate</b>
<b>RATE SCHEDULE FTS</b>			
Reservation Charge <sup>2/</sup>			
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	\$0.0018	\$0.0018
Minimum	\$0.0000	\$0.0018	\$0.0018
Overrun	\$0.0117	\$0.0018	\$0.0135
<b>RATE SCHEDULE ITS</b>			
Commodity			
Maximum	\$0.0117	\$0.0018	\$0.0135
Minimum	\$0.0000	\$0.0018	\$0.0018

<sup>1/</sup> 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.

<sup>2/</sup> Minimum reservation charge is \$0.00.

Transportation Retainage Adjustment      0.56%

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.



**DUKE ENERGY KENTUCKY  
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS  
ESTIMATED FOR EGC EFFECTIVE 6/1/2012**

**TOTAL ANNUAL RESERVATION COST:**

TOTAL DOLLARS \$ 25,764 (1)

**TOTAL ANNUAL COVERAGE:**

CITY GATE VOLUMES 12,407,425 Dth (2)

CALCULATED RATE: \$ 0.0021 per Dth

(1) Reservation charges billed by firm suppliers for 2011 - 2012.

(2) Contracted volumes for the 2011 - 2012 winter season.

**DUKE ENERGY KENTUCKY  
TOTAL RESERVATION COSTS FROM NEEDLE PEAKING SUPPLIERS  
ESTIMATED FOR EGC EFFECTIVE 6/1/2012**

**TOTAL ANNUAL RESERVATION COST:**

TOTAL DOLLARS \$ \$12,285.00 (1)

**TOTAL ANNUAL COVERAGE:**

CITY GATE VOLUMES 275,000 Dth (2)

**CALCULATED RATE:** \$ 0.0447 per Dth

(1) Reservation charges billed by needle peaking suppliers for 2011 - 2012.

(2) Contracted volumes for the 2011 - 2012 winter season.

Duke Energy Kentucky  
Gas Commercial Operations  
Supply Portfolio - November 2011 - March 2012  
Reservation Fees

			Dth per Day					Total Volume	Reserv. Fee	Total Cost
			Nov	Dec	Jan	Feb	Mar			
<b>Chevron</b>										
Columbia (Mainline)	Base	Fixed	1,700	1,700	1,700	1,700	1,700	258,400	\$0.0000	\$0.00
Columbia (Mainline)	Swing	GD+0.0025	5,000	4,000	4,000	4,000	5,000	669,000	\$0.0025	\$1,672.50
Tennessee (800 Leg)	Swing	GD	7,152	7,152	7,152	7,152	7,152	1,087,104	\$0.0025	\$2,717.76
<b>Total</b>								<u>2,014,504</u>		<u>\$4,390.26</u>
<b>Iberdrola</b>										
Columbia (Mainline)	Base	FOMI+0.002	0	5,000	5,000	5,000	5,000	610,000	\$0.0000	\$0.00
<b>Total</b>								<u>610,000</u>		<u>\$0.00</u>
<b>Laclede</b>										
Columbia (Mainline)	Base	NYMEX- 0525	3,000	5,000	5,000	5,000	3,000	638,000	\$0.0000	\$0.00
<b>Total</b>								<u>638,000</u>		<u>\$0.00</u>
<b>Conoco</b>										
Columbia (Mainline)	Base	Fixed	2,000	2,000	2,000	2,000	2,000	304,000	\$0.0000	\$0.00
<b>Total</b>								<u>304,000</u>		<u>\$0.00</u>
<b>BG Energy</b>										
Columbia (Mainline)	Base	FOMI	3,872	6,470	5,295	6,470	2,356	741,541	\$0.0000	\$0.00
Columbia (Mainline)	Swing	GD-.0025	7,904	2,306	3,481	2,306	4,419	620,380	\$0.0050	\$3,101.90
Columbia Backhaul (Leach)	Swing	GD Col Appl.	9,000	9,000	9,000	9,000	9,000	1,368,000	\$0.0025	\$3,420.00
<b>Total</b>								<u>2,729,921</u>		<u>\$6,521.90</u>
<b>Shell</b>										
Columbia (Mainline)	Base	Fixed	3,000	3,000	3,000	3,000	3,000	456,000	\$0.0000	\$0.00
Columbia (Mainline)	Swing	GD+.002	5,000	4,000	4,000	4,000	5,000	669,000	\$0.0030	\$2,007.00
<b>Total</b>								<u>1,125,000</u>		<u>\$2,007.00</u>
<b>Enterprise</b>										
Columbia (Mainline)	Swing	GD+0.0024	5,000	4,000	4,000	4,000	5,000	669,000	\$0.0025	\$1,672.50
Tennessee (800 Leg)	Swing	GD+.0024	7,000	7,000	7,000	7,000	7,000	1,064,000	\$0.0025	\$2,660.00
<b>Total</b>								<u>1,733,000</u>		<u>\$4,332.50</u>
<b>Sequent</b>										
Tennessee (800 Leg)	Swing	GD+.005	8,000	8,000	8,000	8,000	8,000	1,216,000	\$0.0000	\$0.00
<b>Total</b>								<u>1,216,000</u>		<u>\$0.00</u>
<b>Total</b>										
Columbia (Mainline)	Swing	GD+.0025	5,000	4,000	4,000	4,000	5,000	669,000	\$0.0025	\$1,672.50
Columbia Backhaul (Leach)	Swing	GD Mline +.13	9,000	9,000	9,000	9,000	9,000	1,368,000	\$0.0050	\$6,840.00
<b>Total</b>								<u>2,037,000</u>		<u>\$8,512.50</u>

<b>Total Firm Supply</b>	12,407,425	\$ 25,764.16
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<b>25 Day Peaking Service (North)</b>										
BG Energy (Col. Appl.)		GD+.02	6,000	6,000	6,000	6,000	6,000	546,000	\$0.0100	\$5,460.00
Twin Eagle (Dom S.Pt)		GD+.10	5,000	5,000	5,000	5,000	5,000	455,000	\$0.0150	\$6,825.00
<b>Total</b>								<u>1,001,000</u>		<u>\$12,285.00</u>

<b>Kentucky "Faux" Storage</b>										
Tenaska (1)		Fixed	20,000	20,000	20,000	20,000	20,000	1,000,000		\$304,000.00

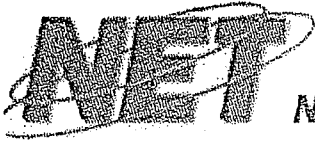
(1) Must take a total of 1,000,000 Dths at \$4.6596/dth.

<b>Total Duke Energy Kentucky</b>	14,408,425	\$342,049.16
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Dollars:  $6,000 \times 91 \text{ days} \times .01 = 5460$

$5,000 \times 91 \text{ day} \times .0150 = 6825$

$11,000 \times 25 = 275,000$



National Energy & Trade, LP

Date: March 8, 2012

Transaction Confirmation #: 161576

Transaction Confirmation for Immediate Delivery

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated April 26, 2004. The terms of the Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract. For any issues regarding the confirmations, please contact Contract Administration at (713) 800-1961, (713) 800-1985 or via email at confirmations@net-lp.com.

BUYER:

Duke Energy Kentucky, Inc.
550 South Tryon Street, 139 East Fourth St.
Mail Code DE043A-EX 460
Charlotte, NC 28202 Cincinnati, Ohio 45202

Attn: Steve Niederbaumer
Phone: 513-287-3076
Fax: 980-373-8724 513-287-2123

SELLER:

National Energy & Trade, LP
5847 San Felipe Street
Suite 1910
Houston, TX 77057

Attn: Greg Trefz
Phone: 713-800-1912
Fax: 713-871-0510

Commodity Price: The average of the Inside FERC's Gas Market Report price located under the heading "Upper Midwest", the row titled "Mich Con city-gate", and the column heading "Index" for the 7 months beginning April 2012 through October 2012.

Payment Terms: Duke shall pay Commodity Price for the full SQ as per the terms of the NAESB agreement when the gas is called upon and delivered during period beginning November 1, 2012 and ending March 31, 2013. Monthly demand charge will be paid per below as stated in "Monthly Demand Charge".

Delivery Period: Begin: November 01, 2012 End: March 31, 2013

Maximum Daily Quantity (Max DQ): 20,000 MMBtu/day
Minimum Daily Quantity (Min DQ): 0 MMBtu/day, however, any volume greater than 0 must be dispatched in increments of 1,000 MMBtu/day
Seasonal Quantity (SQ): 1,000,000 MMBtus

Delivery Point(s): Duke's Springboro inter-connect with ANR or TETCO

Scheduling: Duke shall notify NET of its election by 8:00 a.m. Central Time on the business day prior to flow. Duke shall not be required to take gas on a ratable basis over weekends and holidays.
Monthly Demand Charge: \$0.1225 times the SQ (\$122,500/month) to be paid each month beginning April 2012 through October 2012.

Buyer: Duke Energy Kentucky, Inc.
By: [Signature]
Title: Manager, Gas Resources
Date: 3/9/12

Seller: National Energy & Trade, LP
By: [Signature]
Title: VICE PRESIDENT - NET GENERAL PARTNERS LLC
Date: March 8, 2012

Handwritten initials: DF, AT, GP, GR

**GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF : AUGUST 29, 2012**

**GAS COMMODITY RATE FOR SEPTEMBER, 2012:**

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$3.9167	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.800%	\$0.1097	\$4.0264	\$/Dth
DTH TO MCF CONVERSION	1.0087	\$0.0350	\$4.0614	\$/Mcf
ESTIMATED WEIGHTING FACTOR	100.000%		\$4.0614	\$/Mcf
<b>GAS MARKETERS COMMODITY RATE</b>			<b>\$4.061</b>	<b>\$/Mcf</b>

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$4.6135	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$4.6288	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	1.963%	\$0.0909	\$4.7197	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0234	\$4.7431	\$/Dth
KO TRANS. COMMODITY RATE		\$0.0018	\$4.7449	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.800%	\$0.1329	\$4.8778	\$/Dth
DTH TO MCF CONVERSION	1.0087	\$0.0424	\$4.9202	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
<b>GAS STORAGE COMMODITY RATE - COLUMBIA GAS</b>			<b>\$0.000</b>	<b>\$/Mcf</b>

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
<b>PROPANE COMMODITY RATE</b>			<b>\$0.000</b>	<b>\$/Mcf</b>

(1) Weighted average cost of gas based on NYMEX prices on 8/7/12 and contracted hedging prices.

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

May 31, 2012

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD March 1, 2012 THROUGH May 31, 2012	\$	151,373.24
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		0.9983
REFUNDS INCLUDING INTEREST ( \$151,373.24 x 0.9983 )	\$	151,115.91
DIVIDED BY TWELVE MONTH SALES ENDED August 31, 2013	MCF	10,450,126
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>(0.014)</u>

**DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED**

May 31, 2012

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		
Columbia Gulf Transmission Company - April 2, 2012		129,160.77
Tennessee Gas Pipeline Refund - April 3, 2012		14,278.93
Columbia Gulf Transmission Company - May 23, 2012		7,933.54
TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA	\$	<u>151,373.24</u>

RAU

GAS COST ADJUSTMENT CLAUSE  
DUKE ENERGY KENTUCKY, INC  
ACTUAL ADJUSTMENT  
DETAILS FOR THE THREE MONTH PERIOD ENDED May 31, 2012

DESCRIPTION	UNIT	MARCH	APRIL	MAY
<b><u>SUPPLY VOLUME PER BOOKS</u></b>				
PRIMARY GAS SUPPLIERS	MCF	608,893	353,472	151,751
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	0	0	0
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	(3,918)	(2,916)	(688)
TOTAL SUPPLY VOLUMES	MCF	<u>604,975</u>	<u>350,556</u>	<u>151,063</u>
<b><u>SUPPLY COST PER BOOKS</u></b>				
PRIMARY GAS SUPPLIERS	\$	3,740,319	1,723,098	1,004,848
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	0	0	0
OTHER COSTS (SPECIFY):				
GAS COST UNCOLLECTIBLE	\$	(25,860)	(9,294)	6,153
MANAGEMENT FEE	\$	(34,675)	(34,675)	(34,675)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	0	0	(15)
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>3,679,784</u>	<u>1,679,129</u>	<u>976,311</u>
<b><u>SALES VOLUMES</u></b>				
JURISDICTIONAL	MCF	1,118,730.3	458,858.5	344,452.9
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	<u>1,118,730.3</u>	<u>458,858.5</u>	<u>344,452.9</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	3.289	3.659	2.834
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>4.334</u>	<u>3.789</u>	<u>4.153</u>
DIFFERENCE	\$/MCF	(1.045)	(0.130)	(1.319)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,118,730.3</u>	<u>458,858.5</u>	<u>344,452.9</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>(1,169,073.16)</u>	<u>(59,651.61)</u>	<u>(454,333.38)</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>(1,683,058.15)</u>
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>(1,683,058.15)</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>August 31, 2013</u>	MCF			10,450,126
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>(0.161)</u>
AAU				

**GAS COST ADJUSTMENT CLAUSE  
DUKE ENERGY KENTUCKY, INC  
BALANCE ADJUSTMENT  
DETAILS FOR THE TWELVE MONTH PERIOD ENDED May 31, 2012**

DESCRIPTION	UNIT	AMOUNT
<b><u>RECONCILIATION OF A PREVIOUS GAS COST VARIANCE</u></b>		
GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE JUNE 1, 2011	\$	(385,176.00)
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ (0.038) /MCF APPLIED TO TOTAL SALES OF 8,268,444 MCF (TWELVE MONTHS ENDED May 31, 2012 )	\$	<u>(314,200.84)</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>(70,975.16)</u>
<b><u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND</u></b>		
SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE JUNE 1, 2011	\$	(14,318.84)
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ (0.001) /MCF APPLIED TO TOTAL SALES OF 8,268,444 MCF (TWELVE MONTHS ENDED May 31, 2012 )	\$	<u>(8,268.42)</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>(6,050.42)</u>
<b><u>RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT</u></b>		
AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE JUNE 1, 2011	\$	111,009.95
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ 0.011 /MCF APPLIED TO TOTAL SALES OF 8,268,444 MCF (TWELVE MONTHS ENDED May 31, 2012 )	\$	<u>90,952.92</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>20,057.03</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>(56,968.55)</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED August 31, 2013	MCF	<u>10,450,126</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u>(0.005)</u>



## Revised Tariff Schedules

**INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED**

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<b><u>SERVICE REGULATIONS</u></b>				
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	
<b><u>FIRM SERVICE TARIFF SCHEDULES</u></b>				
Rate RS, Residential Service.....	30	08/29/12	08/29/12	(T)
Rate GS, General Service.....	31	08/29/12	08/29/12	(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			
<b><u>TRANSPORTATION TARIFF SCHEDULE</u></b>				
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 \_\_\_\_\_,  
 2012 in Case No. 2012-\_\_\_\_\_

Issued: \_\_\_\_\_, 2012

Issued by Julie Janson, President

Effective: August 29, 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>	
<b><u>RIDERS</u></b>				
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	07/31/12	07/31/12	
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			
<b><u>GAS COST RECOVERY RIDERS</u></b>				
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	08/29/12	08/29/12	(T)
Reserved for Future Use.....	78			
Reserved for Future Use.....	79			
<b><u>MISCELLANEOUS</u></b>				
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			
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Reserved for Future Use.....	89			

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_,  
 2012 in Case No. 2012-\_\_\_\_\_

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

KY.P.S.C. Gas No. 2  
Seventy-Second Revised Sheet No. 30  
Cancelling and Superseding  
Seventy-First 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	\$0.4525	Equals	\$0.82463	(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: \_\_\_\_\_, 2012

Issued by Julie Janson, President

Effective: August 29, 2012

**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	\$0.4525	Equals	\$0.6578	(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 \_\_\_\_\_, 2012 in Case No. \_\_\_\_\_

Issued: \_\_\_\_\_, 2012

Effective: August 29, 2012

Issued by Julie Janson, President

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

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

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**RIDER GCAT**

**GAS COST ADJUSTMENT TRANSITION RIDER**

**APPLICABILITY**

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

**GCA TRANSITION RIDER**

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

The amount of this charge or (credit) shall be \$ (0.0157) per 100 cubic feet. This rate shall be in effect during the month of September 2012 through November 2012 and shall be updated quarterly, concurrent with the Company's GCA filings.

(I)

(T)

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_, 2012 in Case No. \_\_\_\_\_

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Issued: \_\_\_\_\_, 2012

Effective: August, 29, 2012

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 AUGUST 29, 2012

3rd Quarter

DUKE ENERGY Kentucky, Inc.  
 USED FOR GCA EFFECTIVE August 29, 2012

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

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

INTEREST RATE	-0.0032
PAYMENT	0.083189
ANNUAL TOTAL	0.9983
MONTHLY INTEREST AMOUNT	(0.000267)
	1

JUNE	2011	0.24	
JULY	2011	0.23	
AUGUST	2011	0.27	
SEPTEMBER	2011	0.22	
OCTOBER	2011	0.17	
NOVEMBER	2011	0.16	
DECEMBER	2011	0.11	
JANUARY	2012	0.19	
FEBRUARY	2012	0.18	
MARCH	2012	0.16	
APRIL	2012	0.16	
MAY	2012	0.18	2.27
JUNE	2012	0.18	2.45

PRIOR ANNUAL TOTAL	2.27
PLUS CURRENT MONTHLY RATE	0.18
LESS YEAR AGO RATE	0.24
NEW ANNUAL TOTAL	2.21
AVERAGE ANNUAL RATE	0.18
LESS 0.5% (ADMINISTRATIVE)	(0.32)

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**DUKE ENERGY COMPANY KENTUCKY  
DETERMINATION OF TOTAL SUPPLY COST  
MONTH OF Mar 2012**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	3,767,524.79	
adjustments	(26,067.08)	
IT monthly charges entered by Gas Supply	<u>(1,138.73)</u>	3,740,319
 <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	0.00	0
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>	(25,860.00)	(25,860)
 <u>LESS: X-5 TARIFF</u>	0.00	0
<u>LESS Tenaska MANAGEMENT FEE</u>	34,675.00	(34,675)
 <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>3,679,784</u></u>

**ACCOUNTING ENTRY FOR DEFERRAL ONLY**

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	(1,169,073.16)
ACCOUNT 805-10	1,169,073.16

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

Mar 2012

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH Mar 2012</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	608,893
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(3,918)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>604,975</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	3,740,319
Includable Propane	\$	0
Gas Cost Uncollectible	\$	(25,860)
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(34,675)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>3,679,784</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	1,118,730.3
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u>                    </u>
TOTAL SALES VOLUME	MCF	<u>1,118,730.3</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	3.289
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>4.334</u>
DIFFERENCE	\$/MCF	(1.045)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,118,730.3</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(1,169,073.16)</u></u>

**DUKE ENERGY COMPANY KENTUCKY**

**Mar 2012**

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	1,118,730.3	4,848,615	4.33403354
RA		(4,504)	
AA		(153,227)	
BA		<u>4,524</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>4,695,407.75</u>	
TOTAL SALES VOLUME	1,118,730.3		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>1,118,730.3</u>		
 <b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>			
SUPPLIER COST - CURRENT MONTH	1,118,730.3	3,679,784.00	3.28925032
UNRECOVERED PURCHASED GAS COST		1,015,846.27	
ROUNDING(ADD/(DEDUCT))		<u>(242.51)</u>	
TOTAL GAS COST IN REVENUE		<u>4,695,387.76</u>	
TOTAL GAS COST RECOVERY(GCR)		4,695,407.75	
LESS: RA		(4,504.49)	
BA		<u>4,524.49</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>                    </u>	
		<u>4,695,427.75</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		1,015,846.27	
LESS: AA		<u>(153,226.89)</u>	
MONTHLY COST DIFFERENCE		1,169,073.16	
EXTENDED MONTHLY COST DIFFERENCE		<u>1,168,830.65</u>	
ROUNDING		<u>(242.51)</u>	

DUKE ENERGY KENTUCKY  
GAS SERVICE  
SUMMARY OF GCA COMPONENTS  
MONTH: March 2012

BILL CODE	REPORTED SALES	EGC \$	RECONCILIATION ADJUSTMENT			TOTAL RA	ACTUAL ADJUSTMENT			TOTAL AA	BALANCE ADJUSTMENT			TOTAL BA
			CURRENT	PREVIOUS	THRD.PREV.		CURRENT	PREVIOUS	THRD.PREV.		CURRENT	PREVIOUS	THRD.PREV.	
			(0.001)	(0.001)	(0.001)		0.033	(0.300)	(0.039)		0.001	(0.009)	0.011	
079		5.877												
089		6.785												
109		6.083												
119		6.185												
129		6.474												
148		5.200												
153		6.497												
169		6.277												
010		6.845												
030		7.184												
060		6.081												
066		6.012												
070		5.766												
080		6.402												
100		6.713												
110		6.447												
120	0.0	6.427												
140	1.6	5.371												
150														
160														
011														
031														
041														
081														
071														
081														
101														
111														
121														
141														
151														
161														
012														
032														
042														
TOTAL														
TRANSPORTATION:														
Customer Choice Program (GCAT):														
178 & 029														
054														
088														
139														
179 & 020														
050														
090														
130														
170 & 021														
081														
131														
171 & 022														
052														
FT CHOICE														
TOTAL FOR CHOICE														
TOTAL FOR GCR														
CONTROL CK														
positive=received=25313														
negative=reduce refund=25313														

JE ID -KUNBLAMZ

Firm Transportation: 192,420.3  
0.0  
0.0  
FT 192,420.3  
Interuptible Transportation:  
116,026.0  
116,026.0  
IT 116,026.0  
Grand Total 1,439,533.0 Use to last pg of A  
ADJUSTED EGC 4,334

**DUKE ENERGY COMPANY KENTUCKY  
 DETERMINATION OF TOTAL SUPPLY COST  
 MONTH OF Apr 2012**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,759,170.29	
adjustments	(17,938.37)	
IT monthly charges entered by Gas Supply	<u>(18,134.36)</u>	1,723,098
 <u>LESS: RATE SCHEDULE OF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>	(9,294.00)	(9,294)
 <u>LESS: X-5 TARIFF</u>	0.00	0
<u>LESS Tenaska MANAGEMENT FEE</u>	34,675.00	(34,675)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
<u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	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
 <b>TOTAL SUPPLY COSTS</b>		 <u><u>1,679,129</u></u>

**ACCOUNTING ENTRY FOR DEFERRAL ONLY**

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	(59,651.61)
ACCOUNT 805-10	59,651.61

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

Apr 2012

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>Apr 2012</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	353,472
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(2,916)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>350,556</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,723,098
Includable Propane	\$	0
Gas Cost Uncollectible	\$	(9,294)
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(34,675)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>1,679,129</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	458,858.5
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u></u>
TOTAL SALES VOLUME	MCF	<u>458,858.5</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	3.659
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>3.789</u>
DIFFERENCE	\$/MCF	(0.130)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>458,858.5</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(59,651.61)</u></u>

**DUKE ENERGY COMPANY KENTUCKY**

**Apr 2012**

	<u>Applied</u>		
	<u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	458,858.5	1,738,622	3.78901526
RA		(1,867)	
AA		(62,378)	
BA		<u>1,872</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>1,676,249.03</u>	
TOTAL SALES VOLUME	458,858.5		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>458,858.5</u>		
 <b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>			
SUPPLIER COST - CURRENT MONTH	458,858.5	1,679,129.00	3.65936122
UNRECOVERED PURCHASED GAS COST		(2,726.71)	
ROUNDING(ADD/(DEDUCT))		<u>(158.75)</u>	
TOTAL GAS COST IN REVENUE		<u>1,676,243.54</u>	
TOTAL GAS COST RECOVERY(GCR)		1,676,249.03	
LESS: RA		(1,866.64)	
BA		<u>1,872.13</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			
		<u>1,676,254.52</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(2,726.71)	
LESS: AA		<u>(62,378.32)</u>	
MONTHLY COST DIFFERENCE		59,651.61	
EXTENDED MONTHLY COST DIFFERENCE		<u>59,492.86</u>	
ROUNDING		<u>(158.75)</u>	

DUKE ENERGY KENTUCKY  
 SUMMARY OF GCA COMPONENTS  
 MONTH: April 2012

BILL CODE	REPORTED SALES	EJC	RECONCILIATION ADJUSTMENT				TOTAL RA	ACTUAL ADJUSTMENT				TOTAL AA	BALANCE ADJUSTMENT				TOTAL BA	
			CURRENT	PREVIOUS	SEC.PREV.	THRD.PREV.		CURRENT	PREVIOUS	SEC.PREV.	THRD.PREV.		CURRENT	PREVIOUS	SEC.PREV.	THRD.PREV.		
079		5,877	(0.00)	(0.00)	(0.00)	(0.00)		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00		
089		6,785					0.00											
109		6,083					0.00											
119		6,185					0.00											
129		6,474					0.00											
149		5,200					0.00											
159		6,497					0.00											
169		6,277					0.00											
010		6,845					0.00											
000		7,184					0.00											
040		6,991					0.00											
060		6,012					0.00											
070		5,766					0.00											
080		6,402					0.00											
100		6,713					0.00											
110	0.8	6,447					5.16											
120		6,427					0.00											
140		5,540					0.00											
150	(14.1)	5,371					(7,373)											
180	9.9	5,433					53.79											
011	19.8	5,881					116.44											
031	23.3	5,849					171.38											
041	141.2	5,760					813.31											
081	(212.9)	5,292					(1,124.56)											
071	83.9	5,377					467.31											
081	176.1	6,021					1,050.30											
101	(112.0)	6,343					(710.42)											
111	199.5	6,041					1,205.18											
121	79.6	5,804					462.00											
131	31.2	5,719					1,074.50											
151	204.2	5,282					1,074.50											
161	(6,688.2)	5,237					(35,026.10)											
012	7,069.8	5,241					37,052.82											
032	(1,693.0)	4,757					(8,053.60)											
042	(6,971.8)	4,333					(25,441.21)											
092	4,567.0	3,795					1,758.27											
TOTAL	45,858.9	1,758,271.36					1,758,271.36											
TRANSPORTATION:																		
Customer Choice Program (CCAT):																		
178 & 029																		
059																		
099																		
139																		
170 & 020																		
050																		
090																		
130																		
170 & 021																		
051																		
091																		
131 & 022																		
052																		
FT CHOICE	7,944.8																	
TOTAL FOR CHOICE																		
TOTAL FOR GCR																		

JE ID - KUNBLAMZ

Firm Transportation: 135,508.6  
 0.0  
 0.0  
 FT 135,508.6  
 Interruptible Transportation:  
 106,327.0  
 IT 106,327.0  
 Grand Total 708,638.9 less to last Pg of A  
 ADJUSTED EGC 3,788.2



**DUKE ENERGY COMPANY KENTUCKY  
DETERMINATION OF TOTAL SUPPLY COST  
MONTH OF May 2012**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,009,236.30	
adjustments	(3,162.69)	
IT monthly charges entered by Gas Supply	<u>(1,225.41)</u>	1,004,848
 <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	0.00	0
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>	6,153.00	6,153
 <u>LESS: X-5 TARIFF</u>	0.00	0
<u>LESS Tenaska MANAGEMENT FEE</u>	34,675.00	(34,675)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
<u>LESS: GAS LOSSES - DAMAGED LINES</u>	(14.65)	(15)
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>976,311</u></u>

**ACCOUNTING ENTRY FOR DEFERRAL ONLY**

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	(454,333.38)
ACCOUNT 805-10	454,333.38

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

## ACTUAL ADJUSTMENT

## DETAILS FOR THE MONTH

May 2012

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH May 2012</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	151,751
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(688)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>151,063</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,004,848
Includable Propane	\$	0
Gas Cost Uncollectible	\$	6,153
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(34,675)
- Losses-Damaged Lines	\$	(15)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>976,311</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	344,452.9
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u></u>
TOTAL SALES VOLUME	MCF	<u>344,452.9</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	2.834
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>4.153</u>
DIFFERENCE	\$/MCF	(1.319)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>344,452.9</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(454,333.38)</u></u>

**DUKE ENERGY COMPANY KENTUCKY**

**May 2012**

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	344,452.9	1,430,416	4.15271893
RA		(1,407)	
AA		(46,837)	
BA		<u>1,409</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>1,383,581.22</u>	
TOTAL SALES VOLUME	344,452.9		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>344,452.9</u>		
 <b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>			
SUPPLIER COST - CURRENT MONTH	344,452.9	976,311.00	2.83438171
UNRECOVERED PURCHASED GAS COST		407,496.55	
ROUNDING(ADD/(DEDUCT))		<u>(228.30)</u>	
TOTAL GAS COST IN REVENUE		<u>1,383,579.25</u>	
TOTAL GAS COST RECOVERY(GCR)		1,383,581.22	
LESS: RA		(1,406.90)	
BA		<u>1,408.87</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>                    </u>	
		<u>1,383,583.19</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		407,496.55	
LESS: AA		<u>(46,836.83)</u>	
MONTHLY COST DIFFERENCE		454,333.38	
EXTENDED MONTHLY COST DIFFERENCE		<u>454,105.08</u>	
ROUNDING		<u>(228.30)</u>	



