



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

November 9, 2012

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

RECEIVED

NOV 09 2012

PUBLIC SERVICE  
COMMISSION

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 December 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 November 29, 2012 and the NYMEX close on November 6, 2012 for the month of December 2012.

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

Duke's proposed GCA is \$4.434 per Mcf. This rate represents a decrease of \$0.003 per Mcf from the rate currently in effect for November 2012.

Very truly yours,

John Linton

Enclosure

cc: L. Schmidt

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

4th Quarter

DUKE ENERGY KENTUCKY, INC  
GAS COST ADJUSTMENT CLAUSE

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM November 29, 2012 THROUGH January 1, 2013

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	4.592
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.017)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.132)
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.009)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA + BA	\$/MCF	4.434

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	4.592

SUPPLIER REFUND ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.014)
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	0.088
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.161)
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.233)
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.174
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.132)

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	(0.059)
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.005)
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.055
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.000
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.009)

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

DATE FILED: November 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 NOVEMBER 29, 2012**

		\$
<b><u>DEMAND (FIXED) COSTS:</u></b>		
Columbia Gas Transmission Corp.		2,780,149
Columbia Gulf Transmission Corp.		1,832,968
KO Transmission Company		307,584
Gas Marketers		650,549
TOTAL DEMAND COST:		5,571,250
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	10,302,104 MCF	
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$5,571,250 / 10,302,104 MCF	<b>\$0.541 /MCF</b>
 <b><u>COMMODITY COSTS:</u></b>		
Gas Marketers		\$3.452 /MCF
Gas Storage		
Columbia Gas Transmission		\$0.573 /MCF
Propane		\$0.014 /MCF
COMMODITY COMPONENT OF EGC RATE:		<b>\$4.039 /MCF</b>
Other Costs:		
Net Charge Off <sup>(1)</sup>	\$17,952 / 1,529,883	\$0.012 /MCF
TOTAL EXPECTED GAS COST:		<b>\$4.592 /MCF</b>

**GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF : NOVEMBER 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>

Currently Effective Rates  
Applicable to Rate Schedule FSS  
Rate Per Dth

	Rate Schedule FSS	Base Tariff Rate	Transportation Cost		Electric Power		Annual Charge Adjustment	Total Effective Rate	Daily Rate
			Rate Adjustment	Surcharge	Costs Adjustment	Surcharge			
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

Rate Schedule SST	Base Tariff Rate 1/	TCRA Rates	EPCA Rates	OTRA Rates	ACA 2/	Total Effective Rate	Daily Rate discount rate
Reservation Charge 3/4/	\$ 5.467	0.340	0.061	0.039	-	5.907	4.451
Commodity							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

$.0102 + .0042 + .0090 = .0234 \text{ w/d}$

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.

$.0234$   
 $+ .0018$   

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 $.0252 \text{ injection rate}$



# 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 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: [Signature]  
Its: Director, Commercial Services

MAP  
Legal

PTB  
DEF

**Duke Energy Kentucky, Inc.**

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

As To Form

MAP  
Legal

RETAINAGE PERCENTAGES

Transportation Retainage	1.963%
Gathering Retainage	0.524%
Storage Gas Loss Retainage	0.230%
Ohio Storage Gas Lost Retainage	0.180%
Columbia Processing Retainage/1	0.000%

*Ass fuel %*

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 : NOVEMBER 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
Maximum Daily Quantity	4.2917	20,000	5	429,170
CAPACITY RELEASE CREDIT FOR FTS-1				0
<b>TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES</b>				<b>1,832,968</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	12,045,572	25,764
	December - February	0.0289	425,000	12,285
National Energy & Trade, LP (NET)	November - March		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</u> <u>Adjustment 1/</u> (2)	<u>Total Effective</u> <u>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 12/1/2012**

**TOTAL ANNUAL RESERVATION COST:**

TOTAL DOLLARS \$ 16,104 (1)

**TOTAL ANNUAL COVERAGE:**

CITY GATE VOLUMES 12,045,572 Dth (2)

**CALCULATED RATE:** \$ 0.0013 per Dth

(1) Reservation charges billed by firm suppliers for 2012 - 2013.

(2) Contracted volumes for the 2012 - 2013 winter season.



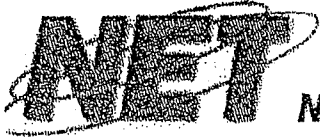
**Duke Energy Kentucky  
Gas Resources  
Supply Portfolio - November 2012 - March 2013  
Reservation Fees**

			Dth per Day					Total Volume	Reserv. Fee	Total Cost
			Nov	Dec	Jan	Feb	Mar			
<b>Chevron</b>										
Columbia (Mainline)	Base	Fixed	6,000	6,000	6,000	6,000	6,000	906,000	\$0.0000	\$0.00
<b>Total</b>								<u>906,000</u>		<u>\$0.00</u>
<b>BP</b>										
Columbia (Mainline)	Base	FOMI	0	4,000	4,000	4,000	0	360,000	\$0.0000	\$0.00
<b>Total</b>								<u>360,000</u>		<u>\$0.00</u>
<b>Conoco</b>										
Columbia (Mainline)	Base	Fixed	5,000	5,000	5,000	5,000	5,000	755,000	\$0.0000	\$0.00
<b>Total</b>								<u>755,000</u>		<u>\$0.00</u>
<b>BG Energy</b>										
Columbia Backhaul (Leach)	Swing	GD Col Appl.+05	18,000	18,000	18,000	18,000	18,000	2,718,000	\$0.0025	\$6,795.00
<b>Total</b>								<u>2,718,000</u>		<u>\$6,795.00</u>
<b>Shell</b>										
Columbia (Mainline)	Swing	GD	23,972	14,772	14,872	13,672	24,072	2,767,172	\$0.0020	\$5,534.34
<b>Total</b>								<u>2,767,172</u>		<u>\$5,534.34</u>
<b>Occidental</b>										
Columbia (Mainline)	Base	FOMI	1,800	3,000	2,900	4,100	1,700	404,400	\$0.0000	\$0.00
Columbia (Mainline)	Swing	Argus+.0050	10,000	10,000	10,000	10,000	10,000	1,510,000	\$0.0000	\$0.00
<b>Total</b>								<u>1,914,400</u>		<u>\$0.00</u>
<b>Sequent</b>										
Columbia (Mainline)	Swing	GD	10,000	10,000	10,000	10,000	10,000	1,510,000	\$0.0025	\$3,775.00
<b>Total</b>								<u>1,510,000</u>		<u>\$3,775.00</u>
<b>NextEra</b>										
Columbia (Mainline)	Base	FOMI	0	4,000	4,000	4,000	0	360,000	\$0.0000	\$0.00
Columbia (Mainline)	Swing	GD+.0050	5,000	5,000	5,000	5,000	5,000	755,000	\$0.0000	\$0.00
<b>Total</b>								<u>1,115,000</u>		<u>\$0.00</u>
<b>Total Firm Supply</b>								<b>12,045,572</b>		<b>\$ 16,104.34</b>
<b>25 Day Peaking Service (North)</b>										
Sequent (Zone 1)		GD+0.29		5,000	5,000	5,000		450,000	\$0.0100	\$4,500.00
Twin Eagle (Lebanon)		GD+.10		12,000	12,000	12,000		1,080,000	\$0.0100	\$10,800.00
								<u>1,530,000</u>		<u>\$15,300.00</u>
<b>Kentucky "Faux" Storage</b>										
NET (1)		Fixed	20,000	20,000	20,000	20,000	20,000	1,000,000		\$0.00
<b>Total Duke Energy Kentucky</b>								<b>14,575,572</b>		<b>\$31,404.34</b>

*17,000 x 25 = 425,000*

(1) Must take a total of 1,000,000 Dths. Price based on average of Mich Con FOMI for Apr 12--Oct 12.  
Reservation fee of \$122,500/month to be paid each month beginning April 2012 through October 2012.





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 ~~DEC43A~~ 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

DR
XX
GR

**GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY**

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

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

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$3.8004	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.800%	\$0.1064	\$3.9068	\$/Dth
DTH TO MCF CONVERSION	1.0086	\$0.0336	\$3.9404	\$/Mcf
ESTIMATED WEIGHTING FACTOR	87.600%		\$3.4518	\$/Mcf
<b>GAS MARKETERS COMMODITY RATE</b>			<b>\$3.452</b>	<b>\$/Mcf</b>

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$4.4003	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$4.4156	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	1.963%	\$0.0867	\$4.5023	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0234	\$4.5257	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0018	\$4.5275	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.800%	\$0.1268	\$4.6543	\$/Dth
DTH TO MCF CONVERSION	1.0086	\$0.0400	\$4.6943	\$/Mcf
ESTIMATED WEIGHTING FACTOR	12.200%		\$0.5727	\$/Mcf
<b>GAS STORAGE COMMODITY RATE - COLUMBIA GAS</b>			<b>\$0.573</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	0.200%		\$0.0138	\$/Mcf
<b>PROPANE COMMODITY RATE</b>			<b>\$0.014</b>	<b>\$/Mcf</b>

(1) Weighted average cost of gas based on NYMEX prices on 11/6/12 and contracted hedging prices.

**GAS COST ADJUSTMENT CLAUSE  
DUKE ENERGY KENTUCKY, INC  
SUPPLIER REFUND ADJUSTMENT**  
DETAILS FOR THE THREE MONTH PERIOD ENDED August 31, 2012

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD June 1, 2012 THROUGH August 31, 2012	\$	6,427.49
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		0.9982
REFUNDS INCLUDING INTEREST ( \$6,427.49 x 0.9982 )	\$	6,415.92
DIVIDED BY TWELVE MONTH SALES ENDED November 30, 2013	MCF	10,387,804
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>(0.001)</u>

DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED August 31, 2012

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		
Columbia Gulf Transmission Company - July 26, 2012		6,427.49
TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA	\$	<u>6,427.49</u>
RAU		

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

DESCRIPTION	UNIT	JUNE	JULY	AUGUST
<b><u>SUPPLY VOLUME PER BOOKS</u></b>				
PRIMARY GAS SUPPLIERS	MCF	208,036	210,922	217,500
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	0	0	0
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	(1,239)	1,154	(1,628)
TOTAL SUPPLY VOLUMES	MCF	<u>206,797</u>	<u>212,076</u>	<u>215,872</u>
<b><u>SUPPLY COST PER BOOKS</u></b>				
PRIMARY GAS SUPPLIERS	\$	1,213,474	1,280,886	1,250,909
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	0	0	0
OTHER COSTS (SPECIFY):				
GAS COST UNCOLLECTIBLE	\$	8,767	6,022	3,807
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	(83)
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>1,187,566</u>	<u>1,252,233</u>	<u>1,219,958</u>
<b><u>SALES VOLUMES</u></b>				
JURISDICTIONAL	MCF	227,602.6	186,870.1	172,669.2
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	<u>227,602.6</u>	<u>186,870.1</u>	<u>172,669.2</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.218	6.701	7.065
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>4.631</u>	<u>4.662</u>	<u>4.760</u>
DIFFERENCE	\$/MCF	0.587	2.039	2.305
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>227,602.6</u>	<u>186,870.1</u>	<u>172,669.2</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>133,602.73</u>	<u>381,028.13</u>	<u>398,002.51</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>912,633.37</u>
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>912,633.37</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>November 30, 2013</u>	MCF			10,387,804
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>0.088</u>
AAU				

**GAS COST ADJUSTMENT CLAUSE  
DUKE ENERGY KENTUCKY, INC  
BALANCE ADJUSTMENT  
DETAILS FOR THE TWELVE MONTH PERIOD ENDED August 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 SEPTEMBER 1, 2011	\$	(3,138,715.86)
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ (0.308) /MCF APPLIED TO TOTAL SALES OF 8,210,896 MCF (TWELVE MONTHS ENDED August 31, 2012 )	\$	<u>(2,528,955.86)</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>(609,760.00)</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 SEPTEMBER 1, 2011	\$	(14,264.65)
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ (0.001) /MCF APPLIED TO TOTAL SALES OF 8,210,896 MCF (TWELVE MONTHS ENDED August 31, 2012 )	\$	<u>(8,210.85)</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>(6,053.80)</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 SEPTEMBER 1, 2011	\$	11,891.78
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ 0.001 /MCF APPLIED TO TOTAL SALES OF 8,210,896 MCF (TWELVE MONTHS ENDED August 31, 2012 )	\$	<u>8,210.85</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>3,680.93</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>(612,132.87)</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED November 30, 2013	MCF	<u>10,387,804</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u>(0.059)</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	11/29/12	11/29/12	(T)
Rate GS, General Service.....	31	11/29/12	11/29/12	(T)
Reserved for Future Use.....	32			
Reserved for Future Use.....	33			
Reserved for Future Use.....	34			
Reserved for Future Use.....	35			
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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	
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Reserved for Future Use.....	46			
Reserved for Future Use.....	47			
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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: November 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	
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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	11/29/12	11/29/12	(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			
Reserved for Future Use.....	87			
Reserved for Future Use.....	88			
Reserved for Future Use.....	89			

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 2012 in Case No. 2012-\_\_\_\_\_



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

KY.P.S.C. Gas No. 2  
Seventy-Fifth Revised Sheet No. 30  
Cancelling and Superseding  
Seventy-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	\$0.4434	Equals	\$0.81553	(R)

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

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

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

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

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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

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

Effective: November 29, 2012

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	\$0.4434	Equals	\$0.6487	(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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in Case No. 2012-\_\_\_\_\_

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

Effective: November 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-Sixth Revised Sheet No. 77  
Cancelling and Superseding  
Twenty-Fifth 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 \$(0.0158) per 100 cubic feet. This rate shall be in effect during the month of December 2012 through February 2013 and shall be updated quarterly, concurrent with the Company's GCA filings. (R)  
(T)

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_, 2012 in Case No. 2012-00\_\_\_\_\_

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

Effective: November 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 NOVEMBER 29, 2012

4th Quarter

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

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

TWELVE MONTHS ENDED SEPTEMBER 30, 2011  
BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)

INTEREST RATE	-0.0034
PAYMENT	0.083180
ANNUAL TOTAL	0.9982
MONTHLY INTEREST	(0.000283)
AMOUNT	1

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	
JUNE 2012	0.18	
JULY 2012	0.16	
AUGUST 2012	0.19	2.06
SEPTEMBER 2012	0.12	2.18

PRIOR ANNUAL TOTAL	2.06
PLUS CURRENT MONTHLY RATE	0.12
LESS YEAR AGO RATE	0.22
NEW ANNUAL TOTAL	1.96
AVERAGE ANNUAL RATE	0.16
LESS 0.5% (ADMINISTRATIVE)	(0.34)

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

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,216,945.20	
adjustments	(4,202.34)	
IT monthly charges entered by Gas Supply	<u>730.99</u>	1,213,474
<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>	8,767.00	8,767
<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
TOTAL SUPPLY COSTS		<u><u>1,187,566</u></u>

**ACCOUNTING ENTRY FOR DEFERRAL ONLY**

<u>ACCOUNTING ENTRY FOR DEFERRAL ONLY</u>	<u>AMOUNT</u>
ACCOUNT - 191990/191400	133,602.73
ACCOUNT 805-10	(133,602.73)

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

June 2012

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>June 2012</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	208,036
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(1,239)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>206,797</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,213,474
Includable Propane	\$	0
Gas Cost Uncollectible	\$	8,767
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>1,187,566</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	227,602.6
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>227,602.6</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.218
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>4.631</u>
DIFFERENCE	\$/MCF	0.587
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>227,602.6</u>
MONTHLY COST DIFFERENCE	\$	<u><u>133,602.73</u></u>

DUKE ENERGY COMPANY KENTUCKY

	June 2012		
	<u>Applied</u>	<u>Amount</u>	<u>\$/MCF</u>
	<u>MCF Sales</u>		
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	227,602.6	1,054,045	4.63107645
RA		(927)	
AA		(76,063)	
BA		<u>11,001</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>988,056.23</u>	
TOTAL SALES VOLUME	227,602.6		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>227,602.6</u>		
 <b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>			
SUPPLIER COST - CURRENT MONTH	227,602.6	1,187,566.00	5.21771720
UNRECOVERED PURCHASED GAS COST		(209,665.26)	
ROUNDING(ADD/(DEDUCT))		<u>81.77</u>	
TOTAL GAS COST IN REVENUE		<u>977,982.51</u>	
TOTAL GAS COST RECOVERY(GCR)		988,056.23	
LESS: RA		(927.48)	
BA		<u>11,001.20</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>                    </u>	
		<u>998,129.95</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(209,665.26)	
LESS: AA		<u>(76,062.53)</u>	
MONTHLY COST DIFFERENCE		(133,602.73)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(133,520.96)</u>	
ROUNDING		<u>81.77</u>	





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

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,277,675.80	
adjustments	4,054.26	
IT monthly charges entered by Gas Supply	<u>(843.68)</u>	1,280,886
 <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>	6,022.00	6,022
 <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
 TOTAL SUPPLY COSTS		<u><u>1,252,233</u></u>

**ACCOUNTING ENTRY FOR DEFERRAL ONLY**

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	381,028.13
ACCOUNT 805-10	(381,028.13)

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

July 2012

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH July 2012</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	210,922
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	1,154
TOTAL SUPPLY VOLUMES	MCF	212,076
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,280,886
Includable Propane	\$	0
Gas Cost Uncollectible	\$	6,022
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	\$	0
TOTAL SUPPLY COST	\$	1,252,233
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	186,870.1
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	186,870.1
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.701
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	4.662
DIFFERENCE	\$/MCF	2.039
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	186,870.1
MONTHLY COST DIFFERENCE	\$	381,028.13

DUKE ENERGY COMPANY KENTUCKY

July 2012

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	186,870.1	871,187	4.66199413
RA		(768)	
AA		(63,505)	
BA		<u>9,245</u>	
TOTAL GAS COST RECOVERY(GCR)		<u><u>816,159.89</u></u>	
TOTAL SALES VOLUME	186,870.1		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u><u>186,870.1</u></u>		
 <b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>			
SUPPLIER COST - CURRENT MONTH	186,870.1	1,252,233.00	6.70108808
UNRECOVERED PURCHASED GAS COST		(444,533.42)	
ROUNDING(ADD/(DEDUCT))		<u>(17.56)</u>	
TOTAL GAS COST IN REVENUE		<u><u>807,682.02</u></u>	
TOTAL GAS COST RECOVERY(GCR)		816,159.89	
LESS: RA		(767.61)	
BA		<u>9,245.48</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>                    </u>	
		<u><u>824,637.76</u></u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(444,533.42)	
LESS: AA		<u>(63,505.29)</u>	
MONTHLY COST DIFFERENCE		(381,028.13)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(381,045.69)</u>	
ROUNDING		<u><u>(17.56)</u></u>	

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

BILL CODE	REPORTED SALES	EGC \$	RECONCILIATION ADJUSTMENT			ACTUAL ADJUSTMENT			BALANCE ADJUSTMENT				
			CURRENT (0.001)	PREVIOUS (0.001)	THRD.PREV. (0.001)	TOTAL RA	CURRENT (0.233)	PREVIOUS 0.174	THRD.PREV. (0.389)	TOTAL AA	CURRENT 0.055	PREVIOUS 0.009	THRD.PREV. 0.001
040		6.991											
060		6.012											
070		5.766											
080		6.402											
100		8.713											
110		8.447											
120		6.427											
140		5.540											
150		5.371											
160		5.433											
011		(21.4)											
031		1.1											
041		22.5											
061		(18.0)											
071		2.3											
081		60.0											
101		(82.7)											
111		169.0											
121		61.4											
141		84.1											
151		176.1											
161		(2,625.8)											
012		3,235.4											
032		163.1											
042		(374.4)											
062		(373.3)											
072		(794.5)											
082		(1,645.1)											
102		188,728.6											
TOTAL		186,870.1											
178 & 029													
059		87,840.6											
089		0.0											
139		0.0											
179 & 020													
050		87,840.6											
090		0.0											
130		0.0											
170 & 021													
051		1,188.98											
091		(1,416.67)											
171 & 022													
052		(3,297.18)											
082		5,425.8											
FT CHOICE		5,425.8											
TOTAL FOR CHOICE													
TOTAL FOR GCR													
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													
CONTROL CK													
positive=recovered=cr.25313													
negative=reduce refund=dr25313													
CONTROL CK													
positive=recovered=cr.25313													
negative=reduce refund=dr25313													
CONTROL CK													
positive=recovered=cr.25313													
negative=reduce refund=dr25313													
CONTROL CK													
positive=recovered=cr.25313													
negative=reduce refund=dr25313													

JE ID - KUNBIL AMZ

Firm Transportation:

87,840.6
0.0
0.0
<u>87,840.6</u>

Interruptible Transportation:

135,138.7
135,138.7
<u>415,275.2</u>

Grand Total lies to last pg of A  
ADJUSTED EGC 4,652

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

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,257,444.78	
adjustments	(7,438.97)	
IT monthly charges entered by Gas Supply	<u>903.00</u>	1,250,909
 <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>	3,807.00	3,807
 <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>	(82.77)	(83)
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>1,219,958</u></u>

**ACCOUNTING ENTRY FOR DEFERRAL ONLY**

<u>ACCOUNTING ENTRY FOR DEFERRAL ONLY</u>	<u>AMOUNT</u>
ACCOUNT - 191990/191400	398,002.51
ACCOUNT 805-10	(398,002.51)

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

August 2012

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>August 2012</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	217,500
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(1,628)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>215,872</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,250,909
Includable Propane	\$	0
Gas Cost Uncollectible	\$	3,807
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	\$	(83)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>1,219,958</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	172,669.2
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u>                    </u>
TOTAL SALES VOLUME	MCF	<u>172,669.2</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	7.065
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>4.760</u>
DIFFERENCE	\$/MCF	2.305
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>172,669.2</u>
MONTHLY COST DIFFERENCE	\$	<u><u>398,002.51</u></u>

DUKE ENERGY COMPANY KENTUCKY

August 2012

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	172,669.2	821,967	4.76035703
RA		(710)	
AA		(58,572)	
BA		<u>8,492</u>	
TOTAL GAS COST RECOVERY(GCR)		<u><u>771,177.77</u></u>	
TOTAL SALES VOLUME	172,669.2		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u><u>172,669.2</u></u>		
<b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>			
SUPPLIER COST - CURRENT MONTH	172,669.2	1,219,958.00	7.06529016
UNRECOVERED PURCHASED GAS COST		(456,574.06)	
ROUNDING(ADD/(DEDUCT))		<u>11.55</u>	
TOTAL GAS COST IN REVENUE		<u><u>763,395.49</u></u>	
TOTAL GAS COST RECOVERY(GCR)		771,177.77	
LESS: RA		(709.61)	
BA		<u>8,491.89</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u><u>778,960.05</u></u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(456,574.06)	
LESS: AA		<u>(58,571.55)</u>	
MONTHLY COST DIFFERENCE		(398,002.51)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(397,990.96)</u>	
ROUNDING		<u><u>11.55</u></u>	





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

MON/YR	BILLING CODE	ESTD. 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-11	011	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	031	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	041	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	061	5.292	(0.001)	(0.001)	(0.001)	(0.002)	0.372	0.033	(0.470)	0.104	(0.003)	(0.002)	0.000	(0.007)	5.314
May-11	071	5.577	(0.001)	(0.001)	(0.001)	(0.002)	0.372	0.033	(0.470)	0.104	(0.003)	(0.002)	0.000	(0.007)	5.599
Jun-11	081	6.021	(0.001)	(0.001)	(0.001)	(0.001)	(0.038)	0.372	0.033	(0.470)	0.011	(0.003)	(0.002)	0.000	5.920
Jul-11	101	6.343	(0.001)	(0.001)	(0.001)	(0.001)	(0.038)	0.372	0.033	(0.470)	0.011	(0.003)	(0.002)	0.000	6.242
Aug-11	111	6.041	(0.001)	(0.001)	(0.001)	(0.001)	(0.038)	0.372	0.033	(0.470)	0.011	(0.003)	(0.002)	0.000	5.940
Sep-11	121	5.804	(0.001)	(0.001)	(0.001)	(0.001)	(0.308)	0.372	0.033	0.372	0.001	0.011	(0.003)	(0.002)	5.703
Oct-11	141	5.641	(0.001)	(0.001)	(0.001)	(0.001)	(0.308)	0.372	0.033	0.372	0.001	0.011	(0.003)	(0.002)	5.324
Nov-11	151	5.262	(0.001)	(0.001)	(0.001)	(0.001)	(0.308)	0.372	0.033	0.372	0.001	0.011	(0.003)	(0.002)	5.298
Dec-11	161	5.237	(0.001)	(0.001)	(0.001)	(0.001)	0.038	(0.308)	(0.038)	0.372	(0.008)	0.001	0.011	(0.003)	5.298
Jan-12	012	5.241	(0.001)	(0.001)	(0.001)	(0.001)	0.038	(0.308)	(0.038)	0.372	(0.008)	0.001	0.011	(0.003)	5.302
Feb-12	032	4.757	(0.001)	(0.001)	(0.001)	(0.001)	0.038	(0.308)	(0.038)	0.372	(0.008)	0.001	0.011	(0.003)	4.818
Mar-12	042	4.333	(0.001)	(0.001)	(0.001)	(0.001)	0.174	0.038	(0.308)	(0.038)	0.000	(0.008)	0.001	0.011	4.199
Apr-12	062	3.795	(0.001)	(0.001)	(0.001)	(0.001)	0.174	0.038	(0.308)	(0.038)	0.000	(0.008)	0.001	0.011	3.661
May-12	072	4.150	(0.001)	(0.001)	(0.001)	(0.001)	0.174	0.038	(0.308)	(0.038)	0.000	(0.008)	0.001	0.011	4.016
Jun-12	082	4.618	(0.001)	(0.001)	(0.001)	(0.001)	(0.233)	0.174	0.038	(0.308)	0.055	0.000	(0.008)	0.001	4.333
Jul-12	102	4.653	(0.001)	(0.001)	(0.001)	(0.001)	(0.233)	0.174	0.038	(0.308)	0.055	0.000	(0.008)	0.001	4.368
Aug-12	112	4.753	(0.001)	(0.001)	(0.001)	(0.001)	(0.233)	0.174	0.038	(0.308)	0.055	0.000	(0.008)	0.001	4.468