



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

February 8, 2013

RECEIVED

FEB 08 2013

PUBLIC SERVICE
COMMISSION

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

Dear Mr. Derouen:

Enclosed for filing are an original and ten (10) conformed copies of Duke Energy Kentucky's ("Duke") "Monthly Report of Gas Cost Calculations and Tariff Schedules," for the month commencing with the March 2013 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 March 1, 2013 and the NYMEX close on February 5, 2013 for the month of March 2013.

The above described schedules and GCA are effective with the final meter readings of District 1, March 2013 revenue month (i.e., final meter readings on and after March 1, 2013).

Duke's proposed GCA is \$4.314 per Mcf. This rate represents an increase of \$0.211 per Mcf from the rate currently in effect for February 2013.

Very truly yours,

John Linton

Enclosure

cc: L. Schmidt

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

1st Quarter

DUKE ENERGY KENTUCKY, INC
GAS COST ADJUSTMENT CLAUSE

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM March 1, 2013 THROUGH April 1, 2013

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	4.361
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.016)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.027)
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.004)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	4.314

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	4.361

SUPPLIER REFUND ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ.	\$/MCF	0.000
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
SECOND PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.014)
THIRD PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.016)

ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	0.279
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.088
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.161)
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.233)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.027)

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	0.005
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.059)
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.005)
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.055
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.004)

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

DATE FILED: February 8, 2013

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 MARCH 1, 2013

		\$
<u>DEMAND (FIXED) COSTS:</u>		
Columbia Gas Transmission Corp.		2,780,149
Columbia Gulf Transmission Corp.		1,832,968
KO Transmission Company		307,584
Gas Marketers		888,904
TOTAL DEMAND COST:		5,809,605
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	10,244,025	MCF
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$5,809,605 /	10,244,025 MCF \$0.567 /MCF
 <u>COMMODITY COSTS:</u>		
Gas Marketers		\$3.289 /MCF
Gas Storage		
Columbia Gas Transmission		\$0.487 /MCF
Propane		\$0.007 /MCF
COMMODITY COMPONENT OF EGC RATE:		\$3.783 /MCF
Other Costs:		
Net Charge Off ⁽¹⁾	\$17,952 /	1,641,194 \$0.011 /MCF
TOTAL EXPECTED GAS COST:		\$4.361 /MCF

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : MARCH 1, 2013

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GAS TRANSMISSION, LLC				
TARIFF RATE EFFECTIVE DATE :		FSS: 2/1/2013		
		SST: 2/1/2013		
<u>BILLING DEMAND - TARIFF RATE - FSS</u>				
Max. Daily Withdrawl Quan.	1.5090	39,656	12	718,091
Seasonal Contract Quantity	0.0289	1,365,276	12	473,478
<u>BILLING DEMAND - TARIFF RATE - SST</u>				
Maximum Daily Quantity	4.4510	19,828	6	529,527
Maximum Daily Quantity	4.4510	39,656	6	1,059,053
CAPACITY RELEASE CREDIT				0
TOTAL COLUMBIA GAS TRANSMISSION, LLC - DEMAND CHARGES				2,780,149

Currently Effective Rates
Applicable to Rate Schedule FSS
Rate Per Dth

	Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current	Surcharge	Electric Power Costs Adjustment Current	Surcharge	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
Rate Schedule FSS								
Reservation Charge 3/ \$	1.509	-	-	-	-	-	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/ Shippers utilizing the Eastern Market Expansion (EME) facilities for FSS service will pay a total FSS MDSQ reservation charge of \$4.130 and a total FSS SCQ capacity rate of 6.80 cents. If EME customers incur an overrun for FSS services that is provided under their EME Project service agreements, they will pay a total FSS overrun rate of 23.44 cents. The additional EME demand charges and EME overrun charges above to develop the EME Total Effective Rate.

Currently Effective Rates
Applicable to Rate Schedule SST
Rate Per Dth

	Base Tariff Rate 1/	TCRA Rates	EPCA Rates	OTRA Rates	ACA 2/	Total Effective Rate	Daily Rate Rate
Rate Schedule SST Reservation Charge 3/4/	\$ 5.469	0.340	0.061	0.053	-	5.923	0.1946
Commodity							
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/	¢ 19.00	1.53	1.10	0.17	0.18	21.98	21.98

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

- 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.
- 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.
- 3/ Minimum reservation charge is \$0.00.
- 4/ Shippers utilizing the Eastern Market Expansion (EME) facilities for Rate Schedule SST service will pay a total SST reservation charge of \$17.625. If EME customers incur an overrun for SST services that is provided under their EME Project service agreements, they will pay a total overrun rate of 58.97 cents. The applicable EME demand charge and EME overrun charge can be added to the applicable surcharges above to calculate the EME Total Effective Rates.

$.0234$
 $+ .0018$

 $.0252 \text{ injection rate}$



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.

RETAINAGE PERCENTAGES

Transportation Retainage	1.963%	<i>SS + fuel</i>
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 : MARCH 1, 2013

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
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INTERSTATE PIPELINE : **COLUMBIA GULF TRANSMISSION CORP.**
TARIFF RATE EFFECTIVE DATE : FTS-1: 2/1/2012

BILLING DEMAND - TARIFF RATE - FTS-1

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

TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES 1,832,968

INTERSTATE PIPELINE : **KO TRANSMISSION COMPANY**
TARIFF RATE EFFECTIVE DATE : 4/1/2012

BILLING DEMAND - TARIFF RATE - FT

Maximum Daily Quantity	0.3560	72,000	12	307,584
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CAPACITY RELEASE CREDIT 0

TOTAL KO TRANSMISSION CO. DEMAND CHARGES 307,584

VARIOUS GAS MARKETERS FIXED (RESERVATION) CHARGES :

November - March	0.0013	12,045,572		16,104
December - February	0.036	425,000		15,300
National Energy & Trade, LP (NET)		November - March	1,000,000	<u>857,500</u>

TOTAL GAS MARKETERS FIXED CHARGES 888,904

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)
<u>Market Zone</u>				
Reservation Charge				
Maximum	4.2917	-	4.2917	0.1411
Minimum	0.000	-	0.000	0.000
Commodity				
Maximum	0.0109	0.0018	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

	Base Tariff Rate	Annual Charge Adjustment^{1/}	Total Effective Rate
RATE SCHEDULE FTS			
Reservation Charge ^{2/}			
Maximum 1	\$0.3560	--	\$0.3560
Maximum 2	\$0.3560	--	\$0.3560
Daily Rate - Maximum 1	\$0.0117	--	\$0.0117
Daily Rate - Maximum 2	\$0.0117	--	\$0.0117
Commodity			
Maximum	\$0.0000	\$0.0018	\$0.0018
Minimum	\$0.0000	\$0.0018	\$0.0018
Overrun	\$0.0117	\$0.0018	\$0.0135
RATE SCHEDULE ITS			
Commodity			
Maximum	\$0.0117	\$0.0018	\$0.0135
Minimum	\$0.0000	\$0.0018	\$0.0018

^{1/} ACA assessed where applicable pursuant to Section 154.402 of the Commission's regulations and will be charged pursuant to Section 23 of the General Terms and Conditions at such time that initial and successive annual ACA assessments applicable to Transporter are made.

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

Transportation Retainage Adjustment 0.56%

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 3/1/2013**

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

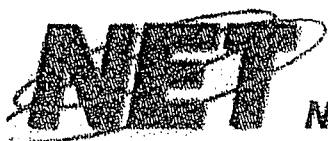
(1) Reservation charges billed by firm suppliers for 2012 - 2013.

(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			
Chevron										
Columbia (Mainline)	Base	Fixed	6,000	6,000	6,000	6,000	6,000	906,000	\$0.0000	\$0.00
Total								906,000		\$0.00
BP										
Columbia (Mainline)	Base	FOMI	0	4,000	4,000	4,000	0	360,000	\$0.0000	\$0.00
Total								360,000		\$0.00
Conoco										
Columbia (Mainline)	Base	Fixed	5,000	5,000	5,000	5,000	5,000	755,000	\$0.0000	\$0.00
Total								755,000		\$0.00
BG Energy										
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
Total								2,718,000		\$6,795.00
Shell										
Columbia (Mainline)	Swing	GD	23,972	14,772	14,872	13,672	24,072	2,767,172	\$0.0020	\$5,534.34
Total								2,767,172		\$5,534.34
Occidental										
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
Total								1,914,400		\$0.00
Sequent										
Columbia (Mainline)	Swing	GD	10,000	10,000	10,000	10,000	10,000	1,510,000	\$0.0025	\$3,775.00
Total								1,510,000		\$3,775.00
NextEra										
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
Total								1,115,000		\$0.00
Total Firm Supply								12,045,572		\$ 16,104.34
25 Day Peaking Service (North)										
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
								1,530,000		\$15,300.00
Kentucky "Faux" Storage										
NET (1)		Fixed	20,000	20,000	20,000	20,000	20,000	1,000,000		\$0.00
Total Duke Energy Kentucky								14,575,572		\$31,404.34

$$17,000 \times 25 = 425,000$$



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.

BUYER: Duke Energy Kentucky, Inc. 550 South Tryon Street 139 East Fourth St. Mail Code DE643A EX 460 Charlotte, NC 28202 Cincinnati, Ohio 45202
SELLER: National Energy & Trade, LP 5847 San Felipe Street Suite 1910 Houston, TX 77057
Attn: Steve Niederbaumer Phone: 513-287-3076 Fax: 980-373-8724 513-287-2123
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. Seller: National Energy & Trade, LP
By: [Signature] By: [Signature]
Title: Manager, Gas Resources Title: VICE PRESIDENT - NET GENERAL PARTNERS LLC
Date: 3/9/12 Date: March 8, 2012

Handwritten initials: DR, XH, GP, GR

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : MARCH 1, 2013

GAS COMMODITY RATE FOR MARCH, 2013:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$3.5749	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.900%	\$0.0679	\$3.6428	\$/Dth
DTH TO MCF CONVERSION	1.0099	\$0.0361	\$3.6789	\$/Mcf
ESTIMATED WEIGHTING FACTOR	89.400%		\$3.2889	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$3.289	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$4.3822	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$4.3975	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	1.963%	\$0.0863	\$4.4838	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0234	\$4.5072	\$/Dth
KO TRANS. COMMODITY RATE		\$0.0018	\$4.5090	\$/Dth
DUKE ENERGY KENTUCKY FUEL	1.900%	\$0.0857	\$4.5947	\$/Dth
DTH TO MCF CONVERSION	1.0099	\$0.0455	\$4.6402	\$/Mcf
ESTIMATED WEIGHTING FACTOR	10.500%		\$0.4872	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.487	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.44920	\$/Gallon
GALLON TO MCF CONVERSION	15.38	\$6.4595	\$6.9087	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.100%		\$0.0069	\$/Mcf
PROPANE COMMODITY RATE			\$0.007	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 2/05/13 and contracted hedging prices.

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
ACTUAL ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED November 30, 2012

DESCRIPTION	UNIT	SEPTEMBER	OCTOBER	NOVEMBER
<u>SUPPLY VOLUME PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	MCF	196,793	512,894	1,087,388
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	0	0	44
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	4,318	7,811	(37,860)
TOTAL SUPPLY VOLUMES	MCF	<u>201,111</u>	<u>520,705</u>	<u>1,049,572</u>
<u>SUPPLY COST PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	\$	1,189,269	2,652,478	4,688,512
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	0	0	242
OTHER COSTS (SPECIFY):				
GAS COST UNCOLLECTIBLE	\$	3,462	4,938	11,697
MANAGEMENT FEE	\$	(34,675)	(34,675)	(13,862)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	(223)	(4,048)	(617)
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>1,157,833</u>	<u>2,618,693</u>	<u>4,685,972</u>
<u>SALES VOLUMES</u>				
JURISDICTIONAL	MCF	191,066.1	291,329.5	744,035.8
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	<u>191,066.1</u>	<u>291,329.5</u>	<u>744,035.8</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.060	8.989	6.298
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>4.682</u>	<u>4.359</u>	<u>4.594</u>
DIFFERENCE	\$/MCF	1.378	4.630	1.704
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>191,066.1</u>	<u>291,329.5</u>	<u>744,035.8</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>263,289.09</u>	<u>1,348,855.59</u>	<u>1,267,837.00</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>2,879,981.68</u>
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>2,879,981.68</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>February 28, 2014</u>	MCF			10,334,448
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>0.279</u>
AAU				

**GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
BALANCE ADJUSTMENT
DETAILS FOR THE TWELVE MONTH PERIOD ENDED November 30, 2012**

DESCRIPTION	UNIT	AMOUNT
<u>RECONCILIATION OF A PREVIOUS GAS COST VARIANCE</u>		
GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE DECEMBER 1, 2011	\$	382,298.94
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ 0.038 /MCF APPLIED TO TOTAL SALES OF 8,307,625 MCF (TWELVE MONTHS ENDED November 30, 2012)	\$	<u>315,689.72</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>66,609.22</u>
<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND</u>		
SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE DECEMBER 1, 2011	\$	(14,263.22)
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ (0.001) /MCF APPLIED TO TOTAL SALES OF 8,307,625 MCF (TWELVE MONTHS ENDED November 30, 2012)	\$	<u>(8,307.64)</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>(5,955.58)</u>
<u>RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT</u>		
AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE DECEMBER 1, 2011	\$	(79,547.72)
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ (0.008) /MCF APPLIED TO TOTAL SALES OF 8,307,625 MCF (TWELVE MONTHS ENDED November 30, 2012)	\$	<u>(66,461.01)</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>(13,086.71)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>47,566.93</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED February 28, 2014	MCF	<u>10,334,448</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>	
<u>SERVICE REGULATIONS</u>				
Service Agreements.....	20	01/04/10	01/04/10	
Supplying and Taking of Service.....	21	01/04/10	01/04/10	
Customer's Installation.....	22	01/04/10	01/04/10	
Company's Installation.....	23	01/04/10	01/04/10	
Metering.....	24	01/04/10	01/04/10	
Billing and Payment.....	25	01/04/10	01/04/10	
Deposits.....	26	01/04/10	01/04/10	
Application.....	27	01/04/10	01/04/10	
Gas Space Heating Regulations.....	28	01/04/10	01/04/10	
Availability of Gas Service.....	29	01/04/10	01/04/10	
<u>FIRM SERVICE TARIFF SCHEDULES</u>				
Rate RS, Residential Service.....	30	03/01/13	03/01/13	(T)
Rate GS, General Service.....	31	03/01/13	03/01/13	(T)
Reserved for Future Use.....	32			
Reserved for Future Use.....	33			
Reserved for Future Use.....	34			
Reserved for Future Use.....	35			
Reserved for Future Use.....	36			
Reserved for Future Use.....	37			
Reserved for Future Use.....	38			
Reserved for Future Use.....	39			
Reserved for Future Use.....	40			
Reserved for Future Use.....	41			
Reserved for Future Use.....	42			
Reserved for Future Use.....	43			
Rate FRAS, Full Requirements Aggregation Service.....	44	01/04/10	01/04/10	
Reserved for Future Use.....	45			
Reserved for Future Use.....	46			
Reserved for Future Use.....	47			
Reserved for Future Use.....	48			
Reserved for Future use.....	49			
<u>TRANSPORTATION TARIFF SCHEDULE</u>				
Rate IT, Interruptible Transportation Service.....	50	01/04/10	01/04/10	
Rate FT-L, Firm Transportation Service.....	51	01/04/10	01/04/10	
Reserved for Future Use.....	52			
Rate SSIT, Spark Spread Interruptible Transportation Rate.....	53	01/04/10	01/04/10	
Reserved for Future Use.....	54			
Rate AS, Pooling Service for Interruptible Transportation.....	55	01/04/10	01/04/10	
Reserved for Future Use.....	56			
Rate GTS, Gas Trading Service.....	57	01/04/10	01/04/10	
Rate IMBS, Interruptible Monthly Balancing Service.....	58	01/04/10	01/04/10	
Rate DGS, Distributed Generation Service.....	59	01/04/10	01/04/10	

Issued by authority of an Order of the Kentucky Public Service Commission dated _____
 2013 in Case No. 2013-_____

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

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<u>RIDERS</u>				
Rider X, Main Extension Policy.....	60	01/04/10	01/04/10	
Rider DSM, Demand Side Management Cost Recovery Program	61	01/04/10	01/04/10	
Rider DSMR, Demand Side Management Rate.....	62	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			
<u>GAS COST RECOVERY RIDERS</u>				
Gas Cost Adjustment Clause.....	70	01/04/10	01/04/10	
Reserved for Future Use.....	71			
Reserved for Future Use.....	72			
Reserved for Future Use.....	73			
Reserved for Future Use.....	74			
Reserved for Future Use.....	75			
Reserved for Future Use.....	76			
Rider GCAT, Gas Cost Adjustment Transition Rider.....	77	03/01/13	03/01/13	(T)
Reserved for Future Use.....	78			
Reserved for Future Use.....	79			
<u>MISCELLANEOUS</u>				
Bad Check Charge.....	80	01/04/10	01/04/10	
Charge for Reconnection of Service.....	81	01/04/10	01/04/10	
Local Franchise Fee.....	82	01/04/10	01/04/10	
Curtailement Plan.....	83	01/04/10	01/04/10	
Rate MPS, Meter Pulse Service.....	84	01/04/10	01/04/10	
Reserved for Future Use.....	85			
Reserved for Future Use.....	86			
Reserved for Future Use.....	87			
Reserved for Future Use.....	88			
Reserved for Future Use.....	89			

Issued by authority of an Order of the Kentucky Public Service Commission dated _____
 2013 in Case No. 2013-_____

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

KY.P.S.C. Gas No. 2
Seventy-Eighth Revised Sheet No. 30
Cancelling and Superseding
Seventy-Seventh 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	\$0.4314	Equals	\$0.80353	(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 _____, 2013 in Case No. 2013-_____

Issued: _____, 2013

Effective: March 1, 2013

Issued by James P. Henning, President

RATE GS

GENERAL SERVICE

APPLICABILITY

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

NET MONTHLY BILL

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

Customer Charge per month: \$47.50

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	\$0.20530	Plus	\$0.4314	Equals	\$0.6367	(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 _____, 2013 in Case No. 2013-_____

Issued: _____, 2013

Issued by James P. Henning, President

Effective: March 1, 2013

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

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

RIDER GCAT
GAS COST ADJUSTMENT TRANSITION RIDER

APPLICABILITY

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

GCA TRANSITION RIDER

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

The amount of this charge or (credit) shall be \$(0.0047) per 100 cubic feet. This rate shall be in effect during the month of March 2013 through May 2013 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 _____ in Case No. _____

Issued: _____

Effective: March 1, 2013

Issued by James P. Henning, President

DUKE ENERGY KENTUCKY
SUPPLEMENTAL INFORMATION
FOR THE EXPECTED GAS COST (EGC) RATE CALCULATION
OF THE GAS COST RECOVERY RATE
IN EFFECT AS OF MARCH 1, 2013

1st Quarter

DUKE ENERGY Kentucky, Inc.
USED FOR GCA EFFECTIVE March 1, 2013

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

TWELVE MONTHS ENDED December 31, 2012
BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)

INTEREST RATE	-0.0033
PAYMENT	0.083184
ANNUAL TOTAL	0.9982
MONTHLY INTEREST	(0.000275)
AMOUNT	1

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	
SEPTEMBER	2012	0.12	
OCTOBER	2012	0.19	
NOVEMBER	2012	0.21	2.03
DECEMBER	2012	0.17	2.20

PRIOR ANNUAL TOTAL	2.03
PLUS CURRENT MONTHLY F	0.17
LESS YEAR AGO RATE	0.11
NEW ANNUAL TOTAL	2.09
AVERAGE ANNUAL RATE	0.17
LESS 0.5% (ADMINISTRATIVE	(0.33)

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

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,173,229.72	
adjustments	16,477.29	
IT monthly charges entered by Gas Supply	<u>(437.65)</u>	1,189,269
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 PLUS: INCLUDABLE PROPANE		
a/c 728-3 Erlanger	0.00	0
 PLUS: GAS COST UNCOLLECTIBLE	3,462.00	3,462
 <u>LESS: X-5 TARIFF</u>	0.00	0
LESS Tenaska MANAGEMENT FEE	34,675.00	(34,675)
 LESS: TOP TRANSP. RECOVERIES	0.00	0
LESS: GAS LOSSES - DAMAGED LINES	(222.78)	(223)
adjustments	0.00	
	<u>0.00</u>	0
LESS: GAS COST CREDIT	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		<u><u>1,157,833</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	263,289.09
ACCOUNT 805-10	(263,289.09)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

September 2012

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>September 2012</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	196,793
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>4,318</u>
TOTAL SUPPLY VOLUMES	MCF	<u>201,111</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,189,269
Includable Propane	\$	0
Gas Cost Uncollectible	\$	3,462
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	\$	(223)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>1,157,833</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	191,066.1
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>191,066.1</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.060
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>4.682</u>
DIFFERENCE	\$/MCF	1.378
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>191,066.1</u>
MONTHLY COST DIFFERENCE	\$	<u><u>263,289.09</u></u>

DUKE ENERGY COMPANY KENTUCKY

September 2012

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	191,066.1	894,623	4.68226975
RA		(3,276)	
AA		(34,937)	
BA		<u>8,236</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>864,646.94</u>	
TOTAL SALES VOLUME	191,066.1		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>191,066.1</u>		
 <u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	191,066.1	1,157,833.00	6.05985573
UNRECOVERED PURCHASED GAS COST		(298,225.59)	
ROUNDING(ADD/(DEDUCT))		<u>79.11</u>	
TOTAL GAS COST IN REVENUE		<u>859,686.52</u>	
TOTAL GAS COST RECOVERY(GCR)		864,646.94	
LESS: RA		(3,275.64)	
BA		<u>8,236.06</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>869,607.36</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(298,225.59)	
LESS: AA		<u>(34,936.50)</u>	
MONTHLY COST DIFFERENCE		(263,289.09)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(263,209.98)</u>	
ROUNDING		<u>79.11</u>	

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

October 2012

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>October 2012</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	512,894
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>7,811</u>
TOTAL SUPPLY VOLUMES	MCF	<u>520,705</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	2,652,478
Includable Propane	\$	0
Gas Cost Uncollectible	\$	4,938
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	\$	(4,048)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>2,618,693</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	291,329.5
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>291,329.5</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	8.989
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>4.359</u>
DIFFERENCE	\$/MCF	4.630
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>291,329.5</u>
MONTHLY COST DIFFERENCE	\$	<u><u>1,348,855.59</u></u>

DUKE ENERGY COMPANY KENTUCKY

October 2012

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	291,329.5	1,269,947	4.35914396
RA		(5,041)	
AA		(53,923)	
BA		<u>12,425</u>	
TOTAL GAS COST RECOVERY(GCR)		<u><u>1,223,408.91</u></u>	
TOTAL SALES VOLUME	291,329.5		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u><u>291,329.5</u></u>		
 <u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	291,329.5	2,618,693.00	8.98876701
UNRECOVERED PURCHASED GAS COST		(1,402,778.70)	
ROUNDING(ADD/(DEDUCT))		<u>109.82</u>	
TOTAL GAS COST IN REVENUE		<u><u>1,216,024.12</u></u>	
TOTAL GAS COST RECOVERY(GCR)		1,223,408.91	
LESS: RA		(5,040.62)	
BA		<u>12,425.41</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u> </u>	
		<u><u>1,230,793.70</u></u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(1,402,778.70)	
LESS: AA		<u>(53,923.11)</u>	
MONTHLY COST DIFFERENCE		(1,348,855.59)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(1,348,745.77)</u>	
ROUNDING		<u><u>109.82</u></u>	

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

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	4,838,961.65	
adjustments	(148,559.88)	
IT monthly charges entered by Gas Supply	<u>(1,889.99)</u>	4,688,512
 <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	241.67	242
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>	11,697.00	11,697
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS Tenaska MANAGEMENT FEE</u>	13,862.00	(13,862)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	(616.58)	(617)
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>4,685,972</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	1,267,837.00
ACCOUNT 805-10	(1,267,837.00)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

November 2012

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>November 2012</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	1,087,388
Utility Production	MCF	0
Includable Propane	MCF	44
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(37,860)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>1,049,572</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	4,688,512
Includable Propane	\$	242
Gas Cost Uncollectible	\$	11,697
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(13,862)
- Losses-Damaged Lines	\$	(617)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>4,685,972</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	744,035.8
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u></u>
TOTAL SALES VOLUME	MCF	<u>744,035.8</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.298
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>4.594</u>
DIFFERENCE	\$/MCF	1.704
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>744,035.8</u>
MONTHLY COST DIFFERENCE	\$	<u><u>1,267,837.00</u></u>

DUKE ENERGY COMPANY KENTUCKY

November 2012

	<u>Applied</u>		
	<u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	744,035.8	3,418,051	4.59393408
RA		(12,732)	
AA		(136,427)	
BA		31,456	
TOTAL GAS COST RECOVERY(GCR)		<u>3,300,347.75</u>	
TOTAL SALES VOLUME	744,035.8		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>744,035.8</u>		
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	744,035.8	4,685,972.00	6.29804641
UNRECOVERED PURCHASED GAS COST		(1,404,264.49)	
ROUNDING(ADD/(DEDUCT))		<u>(83.58)</u>	
TOTAL GAS COST IN REVENUE		<u>3,281,623.93</u>	
TOTAL GAS COST RECOVERY(GCR)		3,300,347.75	
LESS: RA		(12,732.37)	
BA		<u>31,456.19</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u> </u>	
		<u>3,319,071.57</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(1,404,264.49)	
LESS: AA		<u>(136,427.49)</u>	
MONTHLY COST DIFFERENCE		(1,267,837.00)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(1,267,920.58)</u>	
ROUNDING		<u>(83.58)</u>	

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

BILL CODE	REPORTED SALES	EGC \$	RECONCILIATION ADJUSTMENT			TOTAL RA	ACTUAL ADJUSTMENT			TOTAL AA	BALANCE ADJUSTMENT			TOTAL BA
			CURRENT (0.014)	PREVIOUS (0.001)	SEC.PREV. (0.001)		THRD.PREV. (0.001)	CURRENT (0.161)	PREVIOUS (0.233)		SEC.PREV. 0.174	THRD.PREV. 0.038	CURRENT (0.005)	
120		6.427				0.89								
140		5.540				(0.93)								
150		5.371				0.46								
160		5.433				0.25								
011		5.881				0.08								
031		5.849				0.06								
041		5.760				0.01								
061	(6.5)	5.292				0.15								
071	(10.1)	5.577				0.08								
081	11.4	6.021				0.22								
101	(22.3)	6.343				(0.72)								
111	13.5	6.041				0.08								
121	(1.9)	5.804				0.01								
141	(2.9)	5.841				0.15								
151	41.7	5.262				0.08								
161	(89.6)	5.237				(0.22)								
012	32.2	5.241				(0.72)								
032	(461.0)	4.737				(744.14)								
042	(254.2)	4.333				(744.45)								
062	(64.2)	3.795				(744.84)								
072	(62.5)	4.150				(744.45)								
082	(14.0)	4.618				0.01								
102	(152.7)	4.653				0.15								
112	(78.3)	4.753				0.08								
122	223.2	4.682				(0.22)								
142	716.4	4.358				(0.72)								
152	744,137.6	4.584				(744.14)								
TOTAL		744,035.8				(10,431.08)								
TRANSPORTATION:														
Customer Choice Program (GCAT):														
178 & 029						(3.12)								
059						(10.03)								
139						(744.14)								
179 & 020						(744.45)								
050						(744.14)								
080						(744.14)								
130						(744.14)								
170 & 021						(744.14)								
051						(744.14)								
091						(744.14)								
131						(744.14)								
171 & 022						(744.14)								
052						(744.14)								
092						(744.14)								
132						(744.14)								
FT CHOICE		3,988.2				(55.97)								
TOTAL FOR CHOICE		3,988.2				(55.97)								
TOTAL FOR GCR														
						(10,487.05)								
CONTROL CK (748.84) (748.45) (748.03) (748.03) (12,732.37) (12,732.37)														
positive=recovered=cr 25313														
negative=reduce refund=dr 25313														

JE ID -KUNIBL AMZ

Firm Transportation: 141,372.9
0.0
0.0
FT 141,372.9
Interruptible Transportation:
139,953.8
139,953.8
IT
Grand Total 1,029,360.7 ties to last pg of A
ADJUSTED EGC 4,594

