COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF DUKE ENERGY KENTUCKY, INC.	)))	CASE NO. 2009-00184

O R D E R

On February 2, 2006, in Case No. 2005-00042,[1] the Commission approved rates for Duke Energy Kentucky, Inc. ("Duke") and provided for their further adjustment in accordance with Duke's Gas Cost Adjustment ("GCA") clause.

On May 13, 2009, Duke filed its GCA to be effective June 2, 2009. Duke previously obtained Commission approval to file its GCA within 20 days of the proposed effective date.[2]

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Duke's notice includes rates designed to pass on to its customers its expected change in wholesale gas costs.

2. Duke's Expected Gas Cost ("EGC") is $6.785 per Mcf, which is an increase of $.908 per Mcf from its previous EGC of $5.877 per Mcf.

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[1] Case No. 2005-00042, Adjustment of the Gas Rates of The Union Light, Heat and Power Company.

[2] Case No. 2003-00386, The Application of The Union Light, Heat and Power Company for Authority to Make Monthly Adjustments to the Expected Gas Cost Component of Its Gas Cost Adjustment Rate, Order dated November 6, 2003.

3. Duke's notice sets out no current quarter Refund Adjustment ("RA"). Duke's total RA is ($.005) per Mcf, which represents an increase of $.001 per Mcf from its previous total RA of ($.006) per Mcf.

4. Duke's notice sets out a current quarter Actual Adjustment ("AA") of ($.034) per Mcf and a total AA of ($.340) per Mcf, which represents a decrease of $.247 per Mcf from its previous total AA of ($.093).

5. Duke's notice sets out a current quarter Balancing Adjustment ("BA") of ($.032) per Mcf and a total BA of ($.048) per Mcf, which represents a decrease of $.118 per Mcf from its previous total BA of $.070 per Mcf.

6. Duke's Gas Cost Recovery Rate ("GCR") is $6.392 per Mcf, which is an increase of $.544 per Mcf from its previous GCR of $5.848 per Mcf.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Duke on and after June 2, 2009.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after June 2, 2009.

2. Within 20 days from the date of this Order, Duke shall file with this Commission its revised tariffs setting out the rates authorized herein.

By the Commission

ENTERED

MAY 28 2009

KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00184 DATED MAY 28 2009

The following rates and charges are prescribed for the customers served by Duke Energy Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

GAS SERVICE RATES

RATE RS
RESIDENTIAL SERVICE

	Base Rate		Gas Cost Adjustment	Total Rate
Commodity Charge for All Ccf Consumed	$.26687	plus	$.6392	$.90607

RATE GS
GENERAL SERVICE

	Base Rate	Gas Cost Adjustment	Total Rate
Commodity Charge for All Ccf Consumed	$.20949	$.6392	$.84869

RIDER GCAT
GAS COST ADJUSTMENT TRANSITION RIDER

The amount of this charge or (credit) shall be ($.0393) per 100 cubic feet. This rate shall be in effect during the months of June 2009 through August 2009 and shall be updated quarterly, concurrent with the Company's GCA filings.

Lisa D Steinkuhl
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