

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT	)	
FILING OF DUKE ENERGY	)	CASE NO. 2009-00217
KENTUCKY, INC.	)	

O R D E R

On February 2, 2006, in Case No. 2005-00042,<sup>1</sup> 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 June 11, 2009, Duke filed its GCA to be effective July 1, 2009. Duke previously obtained Commission approval to file its GCA within 20 days of the proposed effective date.<sup>2</sup>

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 \$6.083 per Mcf, which is a decrease of \$.702 per Mcf from its previous EGC of \$6.785 per Mcf.

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<sup>1</sup> Case No. 2005-00042, Adjustment of the Gas Rates of The Union Light, Heat and Power Company (Ky. PSC Dec. 22, 2005).

<sup>2</sup> 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 (Ky. PSC Nov. 6, 2003).

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

4. Duke's notice sets out its previously approved current quarter Actual Adjustment ("AA") of (\$.034) per Mcf and total AA of (\$.340) per Mcf, which represents no change from its previous total AA.

5. Duke's notice sets out its previously approved current quarter Balancing Adjustment ("BA") of (\$.032) per Mcf and total BA of (\$.048) per Mcf, which represents no change from its previous total BA.

6. Duke's Gas Cost Recovery Rate ("GCR") is \$5.690 per Mcf, which is a decrease of \$.702 per Mcf from its previous GCR of \$6.392 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 July 1, 2009.

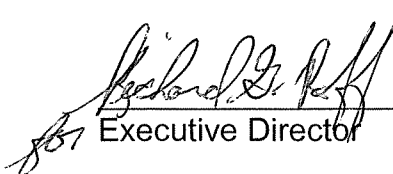
IT IS THEREFORE ORDERED that:

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

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

By the Commission

ATTEST:

  
Executive Director

ENTERED  
JUN 25 2009 *M*  
KENTUCKY PUBLIC  
SERVICE COMMISSION

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2009-00217 DATED JUN 25 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

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$ .26687	plus	\$ .5690	\$ .83587

RATE GS  
GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$ .20949		\$ .5690	\$ .77849

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.

Rocco D'Ascenzo  
Duke Energy Kentucky, Inc.  
P. O. Box 960  
139 East 4th Street  
Cincinnati, OH 45201