

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                          |   |                     |
|--------------------------|---|---------------------|
| PURCHASED GAS ADJUSTMENT | ) |                     |
| FILING OF DUKE ENERGY    | ) | CASE NO. 2009-00332 |
| 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 August 11, 2009, Duke filed its GCA to be effective August 31, 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 \$6.474 per Mcf, which is an increase of \$.289 per Mcf from its previous EGC of \$6.185 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 a current quarter Actual Adjustment ("AA") of (\$.298) per Mcf and a total AA of \$.331 per Mcf, which represents an increase of \$.671 per Mcf from its previous total AA of (\$.340) per Mcf.

5. Duke's notice sets out a current quarter Balancing Adjustment ("BA") of \$.004 per Mcf and total BA of (\$.124) per Mcf, which represents a decrease of \$.076 per Mcf from its previous total BA (\$.048) per Mcf.

6. Duke's Gas Cost Recovery Rate ("GCR") is \$6.676 per Mcf, which is an increase of \$.884 per Mcf from its previous GCR of \$5.792 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 August 31, 2009.

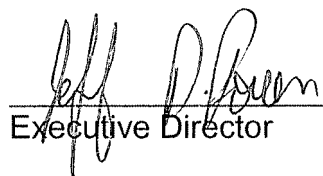
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after August 31, 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  
AUG 25 2009 *EW*  
KENTUCKY PUBLIC  
SERVICE COMMISSION

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2009-00332 DATED **AUG 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<br/>Rate</u> |      | <u>Gas Cost<br/>Adjustment</u> | <u>Total<br/>Rate</u> |
|--|----------------------|------|--------------------------------|-----------------------|
| Commodity Charge for<br>All Ccf Consumed | \$.26687             | plus | \$.6676                        | \$.93447              |

RATE GS  
GENERAL SERVICE

|  | <u>Base<br/>Rate</u> |  | <u>Gas Cost<br/>Adjustment</u> | <u>Total<br/>Rate</u> |
|--|----------------------|--|--------------------------------|-----------------------|
| Commodity Charge for<br>All Ccf Consumed | \$.20949             |  | \$.6676                        | \$.87709              |

RIDER GCAT  
GAS COST ADJUSTMENT TRANSITION RIDER

The amount of this charge or (credit) shall be \$.0202 per 100 cubic feet. This rate shall be in effect during the months of September 2009 through November 2009 and shall be updated quarterly, concurrent with the Company's GCA filings.

Dana Patten  
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