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John J. Finnigan, Jr  
Associate General Counsel

RECEIVED

NOV 13 2006

PUBLIC SERVICE  
COMMISSION

**VIA OVERNIGHT MAIL**

November 10, 2006

Ms. Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

Re: In the Matter of the Application of The Union Light, Heat and Power Company for Deviation from the Requirements of KRS 278.2207(1)(b), 278.2207(2) and 278.2219 to Allow it to Enter into a Natural Gas Asset Management Agreement with Cinergy Marketing & Trading, LP, its Affiliate, for a Two-Year Term Starting November 1, 2004 Case No. 2004-00363


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Dear Ms. O'Donnell:

I have enclosed for filing an original and twelve copies of the Gas Cost Report in the above-referenced case. Please date stamp and return the two extra copies in the enclosed envelope.

If you have questions or comments regarding this filing, please feel free to contact me.

Sincerely,

  
John J. Finnigan, Jr.  
Associate General Counsel

JJF/sew

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**RECEIVED**

NOV 13 2006

PUBLIC SERVICE  
COMMISSION

In the Matter of:

APPLICATION OF THE UNION LIGHT, HEAT )  
AND POWER COMPANY FOR DEVIATION )  
FROM THE REQUIREMENTS OF KRS )  
278.2207(1)(b), 278.2207(2) and 278.2219 )  
TO ALLOW IT TO ENTER INTO A NATURAL )  
GAS ASSET MANAGEMENT AGREEMENT )  
WITH CINERGY MARKETING & )  
TRADING, LP, ITS AFFILIATE, FOR A TWO- )  
YEAR TERM STARTING NOVEMBER 1, 2004 )

CASE NO. 2004-00363

**GAS COST REPORT**

Pursuant to Ordering Paragraph 3 of the Commission's October 28, 2004 Order in this proceeding, Duke Energy Kentucky, Inc. ("DE-Kentucky," formerly known as "The Union Light, Heat and Power Company") files the attached gas cost comparison report. The report compares: (1) the actual gas costs for gas purchased from Cinergy Marketing & Trading, LP ("CM&T") under the asset management agreement; and (2) the index price for gas.

As documented in the report, most of the gas that DE-Kentucky purchased from CM&T was at indexed prices. In a few cases, DE-Kentucky purchased gas from CM&T under other pricing arrangements, as described below:

**1. Gas Purchased under Fixed Price Hedges**

DE-Kentucky purchased some gas from CM&T at fixed prices. In these cases, the fixed price for gas differed from the index prices. These fixed price purchases were part of DE-Kentucky's gas hedging program, approved by the Commission's August 15, 2005 Order in Case No. 2005-00191. DE-Kentucky would have entered into these fixed

price hedges regardless of whether the asset manager was an affiliate. As a result, these purchases did not cause DE–Kentucky to incur any greater gas costs than it would have incurred if a non-affiliate had been the asset manager.

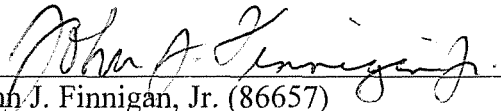
**2. Gas Purchases to Replace Supply Disruptions Caused by Hurricane Rita**

DE–Kentucky entered into agreements with multiple suppliers to obtain gas supplies during September 2005, but the suppliers were unable to deliver all of the gas due to supply disruptions caused by Hurricane Rita. DE–Kentucky procured replacement gas from CM&T for September 27 and 28 at fixed prices, to replace purchases that DE–Kentucky originally made at indexed prices. In this situation, these fixed price purchases were the only supplies reasonably available, and this caused DE–Kentucky to incur \$500 in gas costs in excess of the index price. DE–Kentucky would have entered into these replacement purchases regardless of whether the asset manager was an affiliate. As a result, these purchases did not cause DE–Kentucky to incur any greater gas costs than it would have incurred if a non-affiliate had been the asset manager.

Finally, Duke Energy Corporation recently sold CM&T to Fortis; therefore, CM&T is no longer an affiliate of DE–Kentucky. Additionally, DE–Kentucky recently conducted a competitive bidding process for a new one-year asset management agreement, and entered into a new agreement. Since DE–Kentucky is not affiliated with the new asset manager, the new agreement does not require Commission approval.

CONCLUSION

Based on the foregoing, DE-Kentucky respectfully requests that the Commission accept this Gas Cost Report for filing, and that this proceeding be closed.

  
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**Duke Energy Kentucky**  
**Gas Purchased from Cinergy Marketing & Trade**  
**November 2004 - September 2006**

Purchase Type	Pipeline Receipt Point	Volume Dth/day	Resrvtn Fee	Commdty Price	Start Date	End Date	# of Days	Total Dth	Index Comparison			
									Source	Index	Difference	
<b>November 2004</b>												
Fixed Price Hedge	Col. Gulf Onshore	5,000	\$0 0000	\$6.9766	1-Nov	30-Nov	30	150,000	Inside FERC Monthly Index	\$7.6200	(\$0.6434)	(1)
<b>December 2004</b>												
Fixed Price Hedge	Col. Gulf Onshore	5,000	\$0 0000	\$6.9766	1-Dec	31-Dec	31	155,000	Inside FERC Monthly Index	\$7.9300	(\$0.9534)	(1)
Firm Swing	Tennessee 500 Leg	17,000	\$0 0075	\$6.6750	1-Dec	1-Dec	1	17,000	Gas Daily Midpoint	\$6.6750	-	
Firm Swing	Tennessee 500 Leg	17,000	\$0 0075	\$6.7500	2-Dec	2-Dec	1	17,000	Gas Daily Midpoint	\$6.7500	-	
Firm Swing	Tennessee 500 Leg	8,500	\$0 0075	\$6.6250	3-Dec	3-Dec	1	8,500	Gas Daily Midpoint	\$6.6250	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.2500	11-Dec	13-Dec	3	73,041	Gas Daily Midpoint	\$6.2500	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.9400	14-Dec	14-Dec	1	24,347	Gas Daily Midpoint	\$6.9400	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$7.1750	15-Dec	15-Dec	1	24,347	Gas Daily Midpoint	\$7.1750	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$7.0700	16-Dec	16-Dec	1	24,347	Gas Daily Midpoint	\$7.0700	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.9100	17-Dec	17-Dec	1	24,347	Gas Daily Midpoint	\$6.9100	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$7.2900	18-Dec	20-Dec	3	73,041	Gas Daily Midpoint	\$7.2900	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$7.2650	21-Dec	21-Dec	1	24,347	Gas Daily Midpoint	\$7.2650	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.9250	22-Dec	22-Dec	1	24,347	Gas Daily Midpoint	\$6.9250	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$7.1050	23-Dec	23-Dec	1	24,347	Gas Daily Midpoint	\$7.1050	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$7.2200	24-Dec	27-Dec	4	97,388	Gas Daily Midpoint	\$7.2200	-	
Firm Peaking	Col Gas Appalachia	5,500	\$0 0700	\$7.3600	23-Dec	23-Dec	1	5,500	Gas Daily Midpoint	\$7.3600	-	
Firm Peaking	Col Gas Appalachia	5,500	\$0 0700	\$7.2850	24-Dec	27-Dec	4	22,000	Gas Daily Midpoint	\$7.2850	-	
<b>January 2005</b>												
Fixed Price Hedge	Col. Gulf Onshore	5,000	\$0 0000	\$6.9766	1-Jan	31-Jan	31	155,000	Inside FERC Monthly Index	\$6.1800	\$0.7966	(1)
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$5.8250	13-Jan	13-Jan	1	24,347	Gas Daily Midpoint	\$5.8250	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$5.9800	14-Jan	14-Jan	1	24,347	Gas Daily Midpoint	\$5.9800	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.4550	15-Jan	18-Jan	4	97,388	Gas Daily Midpoint	\$6.4550	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.6850	19-Jan	19-Jan	1	24,347	Gas Daily Midpoint	\$6.6850	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.2500	20-Jan	20-Jan	1	24,347	Gas Daily Midpoint	\$6.2500	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.3300	21-Jan	21-Jan	1	24,347	Gas Daily Midpoint	\$6.3300	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.5250	22-Jan	24-Jan	3	73,041	Gas Daily Midpoint	\$6.5250	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.5200	25-Jan	25-Jan	1	24,347	Gas Daily Midpoint	\$6.5200	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.5350	26-Jan	26-Jan	1	24,347	Gas Daily Midpoint	\$6.5350	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.5050	27-Jan	27-Jan	1	24,347	Gas Daily Midpoint	\$6.5050	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.7200	28-Jan	28-Jan	1	24,347	Gas Daily Midpoint	\$6.7200	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.3800	29-Jan	31-Jan	3	73,041	Gas Daily Midpoint	\$6.3800	-	
Firm Peaking	Col Gas Appalachia	5,500	\$0 0700	\$6.8900	19-Jan	19-Jan	1	5,500	Gas Daily Midpoint	\$6.8900	-	
Firm Peaking	Col Gas Appalachia	5,500	\$0 0700	\$6.4300	20-Jan	20-Jan	1	5,500	Gas Daily Midpoint	\$6.4300	-	
Firm Peaking	Col Gas Appalachia	5,500	\$0 0700	\$6.5150	21-Jan	21-Jan	1	5,500	Gas Daily Midpoint	\$6.5150	-	
<b>February 2005</b>												
Fixed Price Hedge	Col. Gulf Onshore	5,000	\$0 0000	\$6.9766	1-Feb	28-Feb	28	140,000	Inside FERC Monthly Index	\$6.2600	\$0.7166	(1)
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.1700	1-Feb	1-Feb	1	24,347	Gas Daily Midpoint	\$6.1700	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.2950	2-Feb	2-Feb	1	24,347	Gas Daily Midpoint	\$6.2950	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.3500	3-Feb	3-Feb	1	24,347	Gas Daily Midpoint	\$6.3500	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.3200	4-Feb	4-Feb	1	24,347	Gas Daily Midpoint	\$6.3200	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$5.8450	9-Feb	9-Feb	1	24,347	Gas Daily Midpoint	\$5.8450	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.2050	10-Feb	10-Feb	1	24,347	Gas Daily Midpoint	\$6.2050	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.2100	11-Feb	11-Feb	1	24,347	Gas Daily Midpoint	\$6.2100	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$5.9350	16-Feb	16-Feb	1	24,347	Gas Daily Midpoint	\$5.9350	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.0150	17-Feb	17-Feb	1	24,347	Gas Daily Midpoint	\$6.0150	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.0250	18-Feb	18-Feb	1	24,347	Gas Daily Midpoint	\$6.0250	-	
Firm Swing	Tennessee 500 Leg	5,000	\$0 0075	\$5.8100	23-Feb	23-Feb	1	5,000	Gas Daily Midpoint	\$5.8100	-	
Firm Swing	Tennessee 500 Leg	5,000	\$0 0075	\$5.9100	24-Feb	24-Feb	1	5,000	Gas Daily Midpoint	\$5.9100	-	
<b>March 2005</b>												
Fixed Price Hedge	Col. Gulf Onshore	5,000	\$0 0000	\$6.9766	1-Mar	31-Mar	31	155,000	Inside FERC Monthly Index	\$6.2500	\$0.7266	(1)
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.6100	1-Mar	1-Mar	1	24,347	Gas Daily Midpoint	\$6.6100	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.6500	2-Mar	2-Mar	1	24,347	Gas Daily Midpoint	\$6.6500	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.6200	3-Mar	3-Mar	1	24,347	Gas Daily Midpoint	\$6.6200	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.6250	4-Mar	4-Mar	1	24,347	Gas Daily Midpoint	\$6.6250	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.4900	5-Mar	7-Mar	3	73,041	Gas Daily Midpoint	\$6.4900	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.6650	8-Mar	8-Mar	1	24,347	Gas Daily Midpoint	\$6.6650	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.8850	9-Mar	9-Mar	1	24,347	Gas Daily Midpoint	\$6.8850	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$7.1350	10-Mar	10-Mar	1	24,347	Gas Daily Midpoint	\$7.1350	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.8800	11-Mar	11-Mar	1	24,347	Gas Daily Midpoint	\$6.8800	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.6900	12-Mar	14-Mar	3	73,041	Gas Daily Midpoint	\$6.6900	-	
Firm Swing	Tennessee 500 Leg	24,347	\$0 0075	\$6.8650	15-Mar	15-Mar	1	24,347	Gas Daily Midpoint	\$6.8650	-	
<b>April 2005</b>												
Fixed Price Hedge	Col. Gulf Onshore	2,300	\$0 0000	\$6.6242	1-Apr	30-Apr	30	69,000	Inside FERC Monthly Index	\$7.2900	(\$0.6658)	(1)
<b>May 2005</b>												
Fixed Price Hedge	Col. Gulf Onshore	2,300	\$0 0000	\$6.6242	1-May	31-May	31	71,300	Inside FERC Monthly Index	\$6.7200	(\$0.0958)	(1)
Spot Swing	Tennessee 500 Leg	10,000	\$0 0000	\$6.3600	3-May	3-May	1	10,000	Gas Daily Midpoint	\$6.3600	-	
Spot Swing	Tennessee 500 Leg	10,000	\$0 0000	\$6.4950	4-May	4-May	1	10,000	Gas Daily Midpoint	\$6.4950	-	
Spot Swing	Tennessee 500 Leg	3,000	\$0 0000	\$6.5450	13-May	13-May	1	3,000	Gas Daily Midpoint	\$6.5450	-	
Spot Swing	Tennessee 500 Leg	3,000	\$0 0000	\$6.3850	14-May	16-May	3	9,000	Gas Daily Midpoint	\$6.3850	-	
Spot Swing	Tennessee 500 Leg	3,000	\$0 0000	\$6.3950	17-May	17-May	1	3,000	Gas Daily Midpoint	\$6.3950	-	

**Duke Energy Kentucky**  
**Gas Purchased from Cinergy Marketing & Trade**  
**November 2004 - September 2006**

Purchase Type	Pipeline Receipt Point	Volume Dth/day	Resrvtn Fee	Commdty Price	Start Date	End Date	# of Days	Total Dth	Index Comparison			
									Source	Index	Difference	
Spot Swing	Tennessee 500 Leg	3,000	\$0 0000	\$6.3100	18-May	18-May	1	3,000	Gas Daily Midpoint	\$6.3100	-	
Spot Swing	Tennessee 500 Leg	3,000	\$0 0000	\$6.4000	19-May	19-May	1	3,000	Gas Daily Midpoint	\$6.4000	-	
Spot Swing	Tennessee 500 Leg	3,000	\$0 0000	\$6.2850	20-May	20-May	1	3,000	Gas Daily Midpoint	\$6.2850	-	
Spot Swing	Tennessee 500 Leg	3,000	\$0 0000	\$6.2200	21-May	23-May	3	9,000	Gas Daily Midpoint	\$6.2200	-	
Spot Swing	Tennessee 500 Leg	3,000	\$0 0000	\$6.2400	24-May	24-May	1	3,000	Gas Daily Midpoint	\$6.2400	-	
Spot Swing	Tennessee 500 Leg	3,000	\$0 0000	\$6.4000	25-May	25-May	1	3,000	Gas Daily Midpoint	\$6.4000	-	
Spot Swing	Tennessee 500 Leg	3,000	\$0 0000	\$6.2700	26-May	26-May	1	3,000	Gas Daily Midpoint	\$6.2700	-	
Spot Swing	Tennessee 500 Leg	3,000	\$0 0000	\$6.2200	27-May	27-May	1	3,000	Gas Daily Midpoint	\$6.2200	-	
<b>June 2005</b>												
Fixed Price Hedge	Col Gulf Onshore	2,300	\$0 0000	\$6.6242	1-Jun	30-Jun	30	69,000	Inside FERC Monthly Index	\$6.1500	\$0.4742 (1)	
<b>July 2005</b>												
Fixed Price Hedge	Col Gulf Onshore	2,300	\$0 0000	\$6.6242	1-Jul	31-Jul	31	71,300	Inside FERC Monthly Index	\$6.9400	(\$0.3158) (1)	
<b>August 2005</b>												
Fixed Price Hedge	Col Gulf Onshore	2,300	\$0 0000	\$6.6242	1-Aug	26-Aug	26	59,800	Inside FERC Monthly Index	\$7.6200	(\$0.9958) (1)	
Fixed Price Hedge	Col Gulf Onshore	1,721	\$0 0000	\$6.6242	27-Aug	27-Aug	1	1,721	Inside FERC Monthly Index	\$7.6200	(\$0.9958) (1)/(2)	
Fixed Price Hedge	Col Gulf Onshore	1,389	\$0 0000	\$6.6242	28-Aug	28-Aug	1	1,389	Inside FERC Monthly Index	\$7.6200	(\$0.9958) (1)/(2)	
Fixed Price Hedge	Col Gulf Onshore	927	\$0 0000	\$6.6242	29-Aug	29-Aug	1	927	Inside FERC Monthly Index	\$7.6200	(\$0.9958) (1)/(2)	
Fixed Price Hedge	Col Gulf Onshore	1,032	\$0 0000	\$6.6242	30-Aug	30-Aug	1	1,032	Inside FERC Monthly Index	\$7.6200	(\$0.9958) (1)/(2)	
Fixed Price Hedge	Col Gulf Onshore	691	\$0 0000	\$6.6242	31-Aug	31-Aug	1	691	Inside FERC Monthly Index	\$7.6200	(\$0.9958) (1)/(2)	
<b>September 2005</b>												
Fixed Price Hedge	Col Gulf Onshore	2,300	\$0 0000	\$6.6242	1-Sep	24-Sep	24	55,200	Inside FERC Monthly Index	\$10.8100	(\$4.1858) (1)	
Fixed Price Hedge	Col Gulf Onshore	262	\$0 0000	\$6.6242	25-Sep	25-Sep	1	262	Inside FERC Monthly Index	\$10.8100	(\$4.1858) (1)/(3)	
Fixed Price Hedge	Col Gulf Onshore	574	\$0 0000	\$6.6242	28-Sep	28-Sep	1	574	Inside FERC Monthly Index	\$10.8100	(\$4.1858) (1)/(3)	
Fixed Price Hedge	Col Gulf Onshore	592	\$0 0000	\$6.6242	29-Sep	29-Sep	1	592	Inside FERC Monthly Index	\$10.8100	(\$4.1858) (1)/(3)	
Fixed Price Hedge	Col Gulf Onshore	345	\$0 0000	\$6.6242	30-Sep	30-Sep	1	345	Inside FERC Monthly Index	\$10.8100	(\$4.1858) (1)/(3)	
Spot Swing	Col Gulf Onshore	4,000	\$0 0000	\$13.3000	27-Sep	27-Sep	1	4,000	Gas Daily Midpoint	\$13.3000	-	
Spot Swing	Col Gulf Onshore	4,000	\$0 0000	\$13.5000	28-Sep	28-Sep	1	4,000	Gas Daily Midpoint	\$13.3750	\$0.1250 (4)	
<b>October 2005</b>												
Fixed Price Hedge	Col Gulf Onshore	2,300	\$0 0000	\$6.6242	1-Oct	31-Oct	31	71,300	Inside FERC Monthly Index	\$12.8100	(\$6.1858) (1)	
<b>November 2005</b>												
Fixed Price Hedge	Col Gulf Onshore	1,100	\$0 0000	\$7.6744	1-Nov	30-Nov	30	33,000	Inside FERC Monthly Index	\$13.9700	(\$6.2956) (1)	
Fixed Price Hedge	Col Gulf Onshore	1,800	\$0 0000	\$7.9676	1-Nov	30-Nov	30	54,000	Inside FERC Monthly Index	\$13.9700	(\$6.0024) (1)	
Fixed Price Hedge	Col Gulf Onshore	3,700	\$0 0000	\$8.5770	1-Nov	30-Nov	30	111,000	Inside FERC Monthly Index	\$13.9700	(\$5.3930) (1)	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$9.1050	10-Nov	10-Nov	1	879	Gas Daily Midpoint	\$9.1050	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$9.6200	11-Nov	11-Nov	1	879	Gas Daily Midpoint	\$9.6200	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$9.0950	16-Nov	16-Nov	1	879	Gas Daily Midpoint	\$9.0950	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$10.9400	17-Nov	17-Nov	1	879	Gas Daily Midpoint	\$10.9400	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$11.8700	18-Nov	18-Nov	1	879	Gas Daily Midpoint	\$11.8700	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$9.9150	19-Nov	21-Nov	3	2,637	Gas Daily Midpoint	\$9.9150	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$10.3950	22-Nov	22-Nov	1	879	Gas Daily Midpoint	\$10.3950	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$11.1900	23-Nov	23-Nov	1	879	Gas Daily Midpoint	\$11.1900	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$11.1550	24-Nov	28-Nov	5	4,395	Gas Daily Midpoint	\$11.1550	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$10.8950	29-Nov	29-Nov	1	879	Gas Daily Midpoint	\$10.8950	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$11.1200	30-Nov	30-Nov	1	879	Gas Daily Midpoint	\$11.1200	-	
<b>December 2005</b>												
Fixed Price Hedge	Col Gulf Onshore	1,100	\$0 0000	\$7.6744	1-Dec	31-Dec	31	34,100	Inside FERC Monthly Index	\$11.2100	(\$3.5356) (1)	
Fixed Price Hedge	Col Gulf Onshore	1,800	\$0 0000	\$7.9676	1-Dec	31-Dec	31	55,800	Inside FERC Monthly Index	\$11.2100	(\$3.2424) (1)	
Fixed Price Hedge	Col Gulf Onshore	3,700	\$0 0000	\$8.5770	1-Dec	31-Dec	31	114,700	Inside FERC Monthly Index	\$11.2100	(\$2.6330) (1)	
Spot Swing	Tennessee 500 Leg	4,092	\$0 0000	\$14.3100	6-Dec	6-Dec	1	4,092	Gas Daily Midpoint	\$14.3100	-	
Spot Swing	Tennessee 500 Leg	4,092	\$0 0000	\$13.6400	7-Dec	7-Dec	1	4,092	Gas Daily Midpoint	\$13.6400	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$11.6550	1-Dec	1-Dec	1	879	Gas Daily Midpoint	\$11.6550	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$12.5450	2-Dec	2-Dec	1	879	Gas Daily Midpoint	\$12.5450	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$12.9000	3-Dec	5-Dec	3	2,637	Gas Daily Midpoint	\$12.9000	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$14.2600	6-Dec	6-Dec	1	879	Gas Daily Midpoint	\$14.2600	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$13.5600	7-Dec	7-Dec	1	879	Gas Daily Midpoint	\$13.5600	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$13.9600	8-Dec	8-Dec	1	879	Gas Daily Midpoint	\$13.9600	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$14.2250	9-Dec	9-Dec	1	879	Gas Daily Midpoint	\$14.2250	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$14.9500	10-Dec	12-Dec	3	2,637	Gas Daily Midpoint	\$14.9500	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$14.8250	13-Dec	13-Dec	1	879	Gas Daily Midpoint	\$14.8250	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$15.3950	14-Dec	14-Dec	1	879	Gas Daily Midpoint	\$15.3950	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$14.6900	15-Dec	15-Dec	1	879	Gas Daily Midpoint	\$14.6900	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$13.9850	16-Dec	16-Dec	1	879	Gas Daily Midpoint	\$13.9850	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$13.3450	17-Dec	19-Dec	3	2,637	Gas Daily Midpoint	\$13.3450	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$13.7400	20-Dec	20-Dec	1	879	Gas Daily Midpoint	\$13.7400	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$13.7900	21-Dec	21-Dec	1	879	Gas Daily Midpoint	\$13.7900	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$13.5250	22-Dec	22-Dec	1	879	Gas Daily Midpoint	\$13.5250	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$12.9650	23-Dec	23-Dec	1	879	Gas Daily Midpoint	\$12.9650	-	
Firm Swing	Col Gulf Onshore	879	\$0 0100	\$10.9550	24-Dec	27-Dec	4	3,516	Gas Daily Midpoint	\$10.9550	-	
<b>January 2006</b>												
Fixed Price Hedge	Col Gulf Onshore	1,100	\$0 0000	\$7.6744	1-Jan	31-Jan	31	34,100	Inside FERC Monthly Index	\$11.4600	(\$3.7856) (1)	
Fixed Price Hedge	Col Gulf Onshore	1,800	\$0 0000	\$7.9676	1-Jan	31-Jan	31	55,800	Inside FERC Monthly Index	\$11.4600	(\$3.4924) (1)	
Fixed Price Hedge	Col Gulf Onshore	3,700	\$0 0000	\$8.5770	1-Jan	31-Jan	31	114,700	Inside FERC Monthly Index	\$11.4600	(\$2.8830) (1)	

**Duke Energy Kentucky**  
**Gas Purchased from CInergy Marketing & Trade**  
**November 2004 - September 2006**

Purchase Type	Pipeline Receipt Point	Volume Dth/day	Resrvtn Fee	Commdty Price	Start Date	End Date	# of Days	Total Dth	Index Comparison			
									Source	Index	Difference	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$9.8600	4-Jan	4-Jan	1	879	Gas Daily Midpoint	\$9.8600	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$9.2350	5-Jan	5-Jan	1	879	Gas Daily Midpoint	\$9.2350	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$9.2700	6-Jan	6-Jan	1	879	Gas Daily Midpoint	\$9.2700	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$9.2850	7-Jan	9-Jan	3	2,637	Gas Daily Midpoint	\$9.2850	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$8.7250	10-Jan	10-Jan	1	879	Gas Daily Midpoint	\$8.7250	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$8.4850	11-Jan	11-Jan	1	879	Gas Daily Midpoint	\$8.4850	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$8.6150	13-Jan	13-Jan	1	879	Gas Daily Midpoint	\$8.6150	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$8.4900	14-Jan	17-Jan	4	3,516	Gas Daily Midpoint	\$8.4900	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$8.7650	18-Jan	18-Jan	1	879	Gas Daily Midpoint	\$8.7650	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$8.7950	19-Jan	19-Jan	1	879	Gas Daily Midpoint	\$8.7950	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$8.1500	20-Jan	20-Jan	1	879	Gas Daily Midpoint	\$8.1500	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$8.7600	21-Jan	23-Jan	3	2,637	Gas Daily Midpoint	\$8.7600	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$8.2300	24-Jan	24-Jan	1	879	Gas Daily Midpoint	\$8.2300	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$8.2050	25-Jan	25-Jan	1	879	Gas Daily Midpoint	\$8.2050	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$8.4400	26-Jan	26-Jan	1	879	Gas Daily Midpoint	\$8.4400	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.8450	27-Jan	27-Jan	1	879	Gas Daily Midpoint	\$7.8450	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$8.1000	28-Jan	30-Jan	3	2,637	Gas Daily Midpoint	\$8.1000	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$8.3350	31-Jan	31-Jan	1	879	Gas Daily Midpoint	\$8.3350	-	
<b>February 2006</b>												
Fixed Price Hedge	Col Gulf Onshore	1,100	\$0.0000	\$7.6744	1-Feb	28-Feb	28	30,800	Inside FERC Monthly Index	\$8.3800	(\$0.7056) (1)	
Fixed Price Hedge	Col Gulf Onshore	1,800	\$0.0000	\$7.9676	1-Feb	28-Feb	28	50,400	Inside FERC Monthly Index	\$8.3800	(\$0.4124) (1)	
Fixed Price Hedge	Col Gulf Onshore	3,700	\$0.0000	\$8.5770	1-Feb	28-Feb	28	103,600	Inside FERC Monthly Index	\$8.3800	\$0.1970 (1)	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$8.0050	4-Feb	6-Feb	3	2,637	Gas Daily Midpoint	\$8.0050	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$8.2500	7-Feb	7-Feb	1	879	Gas Daily Midpoint	\$8.2500	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.7750	8-Feb	8-Feb	1	879	Gas Daily Midpoint	\$7.7750	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.8700	9-Feb	9-Feb	1	879	Gas Daily Midpoint	\$7.8700	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.5800	10-Feb	10-Feb	1	879	Gas Daily Midpoint	\$7.5800	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.5350	11-Feb	13-Feb	3	2,637	Gas Daily Midpoint	\$7.5350	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.3000	16-Feb	16-Feb	1	879	Gas Daily Midpoint	\$7.3000	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.1300	17-Feb	17-Feb	1	879	Gas Daily Midpoint	\$7.1300	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.3650	18-Feb	21-Feb	4	3,516	Gas Daily Midpoint	\$7.3650	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.3600	22-Feb	22-Feb	1	879	Gas Daily Midpoint	\$7.3600	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.4650	23-Feb	23-Feb	1	879	Gas Daily Midpoint	\$7.4650	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.1900	24-Feb	24-Feb	1	879	Gas Daily Midpoint	\$7.1900	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.3650	25-Feb	27-Feb	3	2,637	Gas Daily Midpoint	\$7.3650	-	
<b>March 2006</b>												
Fixed Price Hedge	Col Gulf Onshore	1,100	\$0.0000	\$7.6744	1-Mar	31-Mar	31	34,100	Inside FERC Monthly Index	\$7.0800	\$0.5944 (1)	
Fixed Price Hedge	Col Gulf Onshore	1,800	\$0.0000	\$7.9676	1-Mar	31-Mar	31	55,800	Inside FERC Monthly Index	\$7.0800	\$0.8876 (1)	
Fixed Price Hedge	Col Gulf Onshore	3,700	\$0.0000	\$8.5770	1-Mar	31-Mar	31	114,700	Inside FERC Monthly Index	\$7.0800	\$1.4970 (1)	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$6.5700	2-Mar	2-Mar	1	879	Gas Daily Midpoint	\$6.5700	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$6.6700	3-Mar	3-Mar	1	879	Gas Daily Midpoint	\$6.6700	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$6.5800	4-Mar	6-Mar	3	2,637	Gas Daily Midpoint	\$6.5800	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$6.4600	7-Mar	7-Mar	1	879	Gas Daily Midpoint	\$6.4600	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$6.5200	8-Mar	8-Mar	1	879	Gas Daily Midpoint	\$6.5200	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$6.6700	14-Mar	14-Mar	1	879	Gas Daily Midpoint	\$6.6700	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.0900	15-Mar	15-Mar	1	879	Gas Daily Midpoint	\$7.0900	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.0800	16-Mar	16-Mar	1	879	Gas Daily Midpoint	\$7.0800	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.0950	17-Mar	17-Mar	1	879	Gas Daily Midpoint	\$7.0950	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.0900	18-Mar	20-Mar	3	2,637	Gas Daily Midpoint	\$7.0900	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$6.9900	21-Mar	21-Mar	1	879	Gas Daily Midpoint	\$6.9900	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$6.8050	22-Mar	22-Mar	1	879	Gas Daily Midpoint	\$6.8050	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.0550	23-Mar	23-Mar	1	879	Gas Daily Midpoint	\$7.0550	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.1150	24-Mar	24-Mar	1	879	Gas Daily Midpoint	\$7.1150	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.4300	25-Mar	27-Mar	3	2,637	Gas Daily Midpoint	\$7.4300	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$6.9850	28-Mar	28-Mar	1	879	Gas Daily Midpoint	\$6.9850	-	
Firm Swing	Col Gulf Onshore	879	\$0.0100	\$7.0900	29-Mar	29-Mar	1	879	Gas Daily Midpoint	\$7.0900	-	
<b>April 2006</b>												
Fixed Price Hedge	Col Gulf Onshore	1,500	\$0.0000	\$10.0250	1-Apr	30-Apr	30	45,000	Inside FERC Monthly Index	\$7.1800	\$2.8450 (1)	
Spot Swing	Col Gulf Onshore	4,608	\$0.0000	\$6.9100	1-Apr	3-Apr	3	13,824	Gas Daily Midpoint	\$6.9100	-	
Spot Swing	Col Gulf Onshore	4,608	\$0.0000	\$7.1000	4-Apr	4-Apr	1	4,608	Gas Daily Midpoint	\$7.1000	-	
Spot Swing	Col Gulf Onshore	4,608	\$0.0000	\$7.0850	5-Apr	5-Apr	1	4,608	Gas Daily Midpoint	\$7.0850	-	
Spot Swing	Col Gulf Onshore	4,608	\$0.0000	\$6.9300	6-Apr	6-Apr	1	4,608	Gas Daily Midpoint	\$6.9300	-	
Spot Swing	Col Gulf Onshore	4,608	\$0.0000	\$7.0650	7-Apr	7-Apr	1	4,608	Gas Daily Midpoint	\$7.0650	-	
Spot Swing	Col Gulf Onshore	4,608	\$0.0000	\$6.8050	8-Apr	10-Apr	3	13,824	Gas Daily Midpoint	\$6.8050	-	
Spot Swing	Col Gulf Onshore	4,608	\$0.0000	\$6.8300	11-Apr	11-Apr	1	4,608	Gas Daily Midpoint	\$6.8300	-	
Spot Swing	Col Gulf Onshore	4,608	\$0.0000	\$6.9350	12-Apr	12-Apr	1	4,608	Gas Daily Midpoint	\$6.9350	-	
Spot Swing	Col Gulf Onshore	4,608	\$0.0000	\$6.6800	13-Apr	13-Apr	1	4,608	Gas Daily Midpoint	\$6.6800	-	
Spot Swing	Col Gulf Onshore	4,608	\$0.0000	\$6.5650	14-Apr	17-Apr	4	18,432	Gas Daily Midpoint	\$6.5650	-	
Spot Swing	Col Gulf Onshore	4,608	\$0.0000	\$7.1550	18-Apr	18-Apr	1	4,608	Gas Daily Midpoint	\$7.1550	-	
Spot Swing	Col Gulf Onshore	4,608	\$0.0000	\$7.5300	19-Apr	19-Apr	1	4,608	Gas Daily Midpoint	\$7.5300	-	
Spot Swing	Col Gulf Onshore	4,608	\$0.0000	\$7.6250	20-Apr	20-Apr	1	4,608	Gas Daily Midpoint	\$7.6250	-	
Spot Swing	Col Gulf Onshore	4,608	\$0.0000	\$7.8800	21-Apr	21-Apr	1	4,608	Gas Daily Midpoint	\$7.8800	-	

**Duke Energy Kentucky  
Gas Purchased from Cinergy Marketing & Trade  
November 2004 - September 2006**

Purchase Type	Pipeline Receipt Point	Volume Dth/day	Resrvtn Fee	Commdty Price	Start Date	End Date	# of Days	Total Dth	Index Comparison			
									Source	Index	Difference	
Spot Swing	Col. Gulf Onshore	4,608	\$0.0000	\$7.5700	22-Apr	24-Apr	3	13,824	Gas Daily Midpoint	\$7.5700	-	
Spot Swing	Col. Gulf Onshore	4,608	\$0.0000	\$7.7100	25-Apr	25-Apr	1	4,608	Gas Daily Midpoint	\$7.7100	-	
Spot Swing	Col. Gulf Onshore	4,608	\$0.0000	\$7.3500	26-Apr	26-Apr	1	4,608	Gas Daily Midpoint	\$7.3500	-	
Spot Swing	Col. Gulf Onshore	4,608	\$0.0000	\$7.1600	27-Apr	27-Apr	1	4,608	Gas Daily Midpoint	\$7.1600	-	
Spot Swing	Col. Gulf Onshore	4,608	\$0.0000	\$6.8600	28-Apr	30-Apr	3	13,824	Gas Daily Midpoint	\$6.8600	-	
<b>May 2006</b>												
Fixed Price Hedge	Col. Gulf Onshore	1,500	\$0.0000	\$10.0250	1-May	31-May	31	46,500	Inside FERC Monthly Index	\$7.1200	\$2.9050 (1)	
Spot Swing	Col. Gulf Onshore	1,608	\$0.0000	\$5.7850	16-May	16-May	1	1,608	Gas Daily Midpoint	\$5.7850	-	
Spot Swing	Col. Gulf Onshore	1,608	\$0.0000	\$5.8750	17-May	17-May	1	1,608	Gas Daily Midpoint	\$5.8750	-	
Spot Swing	Col. Gulf Onshore	1,608	\$0.0000	\$6.0800	18-May	18-May	1	1,608	Gas Daily Midpoint	\$6.0800	-	
Spot Swing	Col. Gulf Onshore	1,608	\$0.0000	\$5.7600	19-May	19-May	1	1,608	Gas Daily Midpoint	\$5.7600	-	
Spot Swing	Col. Gulf Onshore	1,608	\$0.0000	\$5.7400	20-May	22-May	3	4,824	Gas Daily Midpoint	\$5.7400	-	
Spot Swing	Col. Gulf Onshore	1,608	\$0.0000	\$5.8700	23-May	23-May	1	1,608	Gas Daily Midpoint	\$5.8700	-	
Spot Swing	Col. Gulf Onshore	1,608	\$0.0000	\$6.2250	24-May	24-May	1	1,608	Gas Daily Midpoint	\$6.2250	-	
Spot Swing	Col. Gulf Onshore	1,608	\$0.0000	\$5.9800	25-May	25-May	1	1,608	Gas Daily Midpoint	\$5.9800	-	
Spot Swing	Col. Gulf Onshore	1,608	\$0.0000	\$5.8300	26-May	26-May	1	1,608	Gas Daily Midpoint	\$5.8300	-	
Spot Swing	Col. Gulf Onshore	1,608	\$0.0000	\$5.6950	27-May	30-May	4	6,432	Gas Daily Midpoint	\$5.6950	-	
Spot Swing	Col. Gulf Onshore	1,608	\$0.0000	\$6.1700	31-May	31-May	1	1,608	Gas Daily Midpoint	\$6.1700	-	
<b>June 2006</b>												
Fixed Price Hedge	Col. Gulf Onshore	1,500	\$0.0000	\$10.0250	1-Jun	30-Jun	30	45,000	Inside FERC Monthly Index	\$5.8700	\$4.1550 (1)	
<b>July 2006</b>												
Fixed Price Hedge	Col. Gulf Onshore	1,500	\$0.0000	\$10.0250	1-Jul	31-Jul	31	46,500	Inside FERC Monthly Index	\$5.7900	\$4.2350 (1)	
<b>August 2006</b>												
Fixed Price Hedge	Col. Gulf Onshore	1,500	\$0.0000	\$10.0250	1-Aug	31-Aug	31	46,500	Inside FERC Monthly Index	\$6.9700	\$3.0550 (1)	
<b>September 2006</b>												
Fixed Price Hedge	Col. Gulf Onshore	1,500	\$0.0000	\$10.0250	1-Sep	30-Sep	30	45,000	Inside FERC Monthly Index	\$6.7500	\$3.2750 (1)	
<b>October 2006 (5)</b>												
Fixed Price Hedge	Col. Gulf Onshore	1,500	\$0.0000	\$10.0250	1-Oct	31-Oct	31	46,500	Inside FERC Monthly Index	\$4.1100	\$5.9150 (1)	
Spot Swing	Col. Gulf Onshore	15,000	\$0.0000	\$5.6100	12-Oct	12-Oct	1	15,000	Gas Daily Midpoint	\$5.6100	-	
Spot Swing	Col. Gulf Onshore	15,000	\$0.0000	\$5.1100	13-Oct	13-Oct	1	15,000	Gas Daily Midpoint	\$5.1100	-	
Spot Swing	Col. Gulf Onshore	10,000	\$0.0000	\$6.7350	20-Oct	20-Oct	1	10,000	Gas Daily Midpoint	\$6.7350	-	
Spot Swing	Col. Gulf Onshore	15,000	\$0.0000	\$6.9100	21-Oct	23-Oct	3	45,000	Gas Daily Midpoint	\$6.9100	-	
Spot Swing	Col. Gulf Onshore	15,000	\$0.0000	\$7.3300	24-Oct	24-Oct	1	15,000	Gas Daily Midpoint	\$7.3300	-	
Spot Swing	Col. Gulf Onshore	25,000	\$0.0000	\$7.1300	25-Oct	25-Oct	1	25,000	Gas Daily Midpoint	\$7.1300	-	
Spot Swing	Col. Gulf Onshore	25,000	\$0.0000	\$7.2450	26-Oct	26-Oct	1	25,000	Gas Daily Midpoint	\$7.2450	-	
Spot Swing	Col. Gulf Onshore	25,000	\$0.0000	\$7.8650	27-Oct	27-Oct	1	25,000	Gas Daily Midpoint	\$7.8650	-	
Spot Swing	Col. Gulf Onshore	15,000	\$0.0000	\$7.3500	28-Oct	30-Oct	3	45,000	Gas Daily Midpoint	\$7.3500	-	
Spot Swing	Col. Gulf Onshore	15,000	\$0.0000	\$6.9050	31-Oct	31-Oct	1	15,000	Gas Daily Midpoint	\$6.9050	-	

(1) ULH&P locked in fixed prices with CM&T per the approved Hedging Plan. These hedged prices sometimes differ from the published index.

(2) Volumes were cut due to Hurricane Katrina.

(3) Volumes were cut due to Hurricane Rita.

(4) Due to Hurricane Rita Columbia reported that 100% of supply was being cut on September 27 & 28. Calls to suppliers resulted in only one option for acquiring additional gas. CM&T was able to pull gas out of their Jefferson Island Storage and transport it to the Columbia Onshore Pool. However, since the market was in turmoil, CM&T insisted on a fixed price rather than an index based price. On 9/27 the fixed price of \$13.30 turned out to be the same as the Gas Daily Midpoint, but on 9/28 the fixed price of \$13.50 turned out to be slightly higher. (Duke Energy Kentucky paid a total of \$500 more than the Gas Daily Midpoint)

(5) On October 1, 2006 Cinergy Marketing & Trading was acquired by Fortis Bank and became Fortis Energy Marketing & Trading GP, and no longer an affiliate of Duke Energy Kentucky.