



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

RECEIVED

September 9, 2011

SEP 09 2011

PUBLIC SERVICE
COMMISSION

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

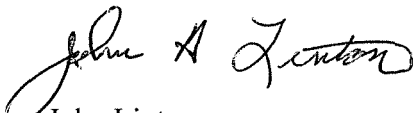
Dear Mr. Derouen:

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 October 2011 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 September 30, 2011 and the NYMEX close on September 6, 2011 for the month of October, 2011.

The above described schedules and GCA are effective with the final meter readings of District 1, October 2011 revenue month (i.e., final meter readings on and after September 30, 2011).

Duke's proposed GCA is \$5.703 per Mcf. This rate represents a decrease of \$0.163 per Mcf from the rate currently in effect for September 2011.

Very truly yours,



John Linton

Enclosure

cc: L. Schmidt

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

COMPANY NAME: DUKE ENERGY KENTUCKY, INC.
GAS COST ADJUSTMENT CLAUSE RATE CALCULATIONS
SUPPLEMENTAL MONTHLY REPORT

| PARTICULARS | UNIT | AMOUNT |
|--|--------|--------------|
| EXPECTED GAS COST (EGC) | \$/MCF | 5.641 |
| SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA) | \$/MCF | (0.004) |
| ACTUAL ADJUSTMENT (AA) | \$/MCF | 0.059 |
| BALANCE ADJUSTMENT (BA) | \$/MCF | 0.007 |
| GAS COST RECOVERY RATE (GCR) = EGC + RA + AA + BA | \$/MCF | <u>5.703</u> |

GAS COST RECOVERY RATE EFFECTIVE DATES: September 30, 2011 THROUGH October 30, 2011

EXPECTED GAS COST CALCULATION

| DESCRIPTION | UNIT | AMOUNT |
|---|--------|--------|
| TOTAL EXPECTED GAS COST COMPONENT (EGC) | \$/MCF | 5.641 |

SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

| PARTICULARS | UNIT | AMOUNT |
|--|--------|----------------|
| CURRENT QUARTERLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT | \$/MCF | (0.001) |
| PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT | \$/MCF | (0.001) |
| SECOND PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT | \$/MCF | (0.001) |
| THIRD PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT | \$/MCF | (0.001) |
| SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA) | \$/MCF | <u>(0.004)</u> |

ACTUAL ADJUSTMENT SUMMARY CALCULATION

| PARTICULARS | UNIT | AMOUNT |
|--|--------|--------------|
| CURRENT QUARTERLY ACTUAL ADJUSTMENT | \$/MCF | (0.308) |
| PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT | \$/MCF | (0.038) |
| SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT | \$/MCF | 0.372 |
| THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT | \$/MCF | 0.033 |
| ACTUAL ADJUSTMENT (AA) | \$/MCF | <u>0.059</u> |

BALANCE ADJUSTMENT SUMMARY CALCULATION

| PARTICULARS | UNIT | AMOUNT |
|--|--------|--------------|
| CURRENT QUARTERLY ACTUAL ADJUSTMENT | \$/MCF | 0.001 |
| PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT | \$/MCF | 0.011 |
| SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT | \$/MCF | (0.003) |
| THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT | \$/MCF | (0.002) |
| BALANCE ADJUSTMENT (BA) | \$/MCF | <u>0.007</u> |

THIS MONTHLY REPORT FILED PURSUANT TO CASE NO. 2003-00386
OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED November 6, 2003

DATE FILED: September 9, 2011

BY: DON WATHEN

TITLE: VICE-PRESIDENT, RATES

PURCHASED GAS ADJUSTMENT
COMPANY NAME: DUKE ENERGY KENTUCKY, INC.

SUPPLEMENTAL MONTHLY REPORT

EXPECTED GAS COST RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF
 PROJECTED VOLUME FOR THE TWELVE MONTH PERIOD ENDED

September 30, 2011
August 31, 2012

DEMAND (FIXED) COSTS:

| | |
|----------------------------------|-------------------------|
| Columbia Gas Transmission Corp. | 2,778,245 |
| Texas Gas Transmission | 895,375 |
| Columbia Gulf Transmission Corp. | 2,223,424 |
| K O Transmission Company | 307,584 |
| Gas Marketers | <u>1,533,500</u> |
| TOTAL DEMAND COST: | <u><u>7,738,128</u></u> |

PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES: 10,110,075 MCF

DEMAND (FIXED) COMPONENT OF EGC RATE \$7,738,128 / 10,110,075 MCF **\$0.765 /MCF**

COMMODITY COSTS:

| | |
|----------------------------------|-----------------------|
| Gas Marketers | \$4.824 /MCF |
| Gas Storage | /MCF |
| Columbia Gas Transmission | \$0.000 /MCF |
| Propane | <u>\$0.000 /MCF</u> |
| COMMODITY COMPONENT OF EGC RATE: | <u>\$4.824</u> |

OTHER COSTS:

Net Charge Off ⁽¹⁾ \$17,952 / 347,926 **\$0.052 /MCF**

TOTAL EXPECTED GAS COST: **\$5.641 /MCF**

⁽¹⁾ Net Charge Off amount from Case No. 2009-00202 WPD-2.15a.

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY, INC.**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : SEPTEMBER 30, 2011



GAS COMMODITY RATE FOR OCTOBER, 2011:

GAS MARKETERS :

| | | | | |
|---|----------|----------|----------------|---------------|
| WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1): | | | \$4.6158 | \$/Dth |
| DUKE ENERGY KENTUCKY FUEL | 3.400% | \$0.1569 | \$4.7727 | \$/Dth |
| DTH TO MCF CONVERSION | 1.0107 | \$0.0511 | \$4.8238 | \$/Mcf |
| ESTIMATED WEIGHTING FACTOR | 100.000% | | \$4.8238 | \$/Mcf |
| GAS MARKETERS COMMODITY RATE | | | \$4.824 | \$/Mcf |

GAS STORAGE :

| | | | | |
|--|--------|----------|----------------|---------------|
| COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE | | | \$5.4881 | \$/Dth |
| COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE | | \$0.0153 | \$5.5034 | \$/Dth |
| COLUMBIA GAS TRANS. SST FUEL | 2.229% | \$0.1227 | \$5.6261 | \$/Dth |
| COLUMBIA GAS TRANS SST COMMODITY RATE | | \$0.0303 | \$5.6564 | \$/Dth |
| KO TRANS, COMMODITY RATE | | \$0.0018 | \$5.6582 | \$/Dth |
| DUKE ENERGY KENTUCKY FUEL | 3.400% | \$0.1924 | \$5.8506 | \$/Dth |
| DTH TO MCF CONVERSION | 1.0107 | \$0.0626 | \$5.9132 | \$/Mcf |
| ESTIMATED WEIGHTING FACTOR | 0.000% | | \$0.0000 | \$/Mcf |
| GAS STORAGE COMMODITY RATE - COLUMBIA GAS | | | \$0.000 | \$/Mcf |

PROPANE :

| | | | | |
|---------------------------------|---------|----------|----------------|---------------|
| ERLANGER PROPANE INVENTORY RATE | | | \$0.44920 | \$/Gallon |
| GALLON TO MCF CONVERSION | 15.38 | \$6.4595 | \$6.9087 | \$/Mcf |
| ESTIMATED WEIGHTING FACTOR | 0.0000% | | \$0.0000 | \$/Mcf |
| PROPANE COMMODITY RATE | | | \$0.000 | \$/Mcf |

(1) Weighted average cost of gas based on NYMEX prices on 9/06/2011 and contracted hedging prices.

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 | 09/30/11 | 09/30/11 | (T) |
| Rate GS, General Service..... | 31 | 09/30/11 | 09/30/11 | (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, _____ in
 Case No. _____

Issued: _____

Issued by Julie Janson, President

Effective: September 30, 2011

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 | 07/01/11 | 07/01/11 |
| 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 | 08/31/11 | 08/31/11 |
| 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 | | |

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Issued by Julie Janson, President

Effective: September 30, 2011

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

KY.P.S.C. Gas No. 2
Sixty-First Revised Sheet No. 30
Cancelling and Superseding
Sixtieth 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 | \$0.5703 | Equals | \$094243 | (R) |

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.

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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 | \$0.5703 | Equals | \$0.7756 | (R) |

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.

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