



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

November 10, 2011

RECEIVED

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

NOV 10 2011

PUBLIC SERVICE
COMMISSION


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 December 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 December 1, 2011 and the NYMEX close on November 7, 2011 for the month of December, 2011.

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

Duke's proposed GCA is \$5.298 per Mcf. This rate represents a decrease \$0.026 of per Mcf from the rate currently in effect for November 2011.

Very truly yours,



John Linton

Enclosure

cc: L. Schmidt

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

DUKE ENERGY KENTUCKY, INC
GAS COST ADJUSTMENT CLAUSE

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM DECEMBER 1, 2011 THROUGH JANUARY 2, 2012

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	5.237
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.004)
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.064
BALANCE ADJUSTMENT (BA)	\$/MCF	0.001
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA + BA	\$/MCF	5.298

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	5.237

SUPPLIER REFUND ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
SECOND PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
THIRD PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.004)

ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	0.038
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.308)
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.038)
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.372
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.064

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	(0.008)
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.001
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.011
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.003)
BALANCE ADJUSTMENT (BA)	\$/MCF	0.001

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 8373 OF THE KENTUCKY PUBLIC SERVICE
COMMISSION DATED APRIL 16, 1982.DATE FILED: November 10, 2011BY: DON WATHENTITLE: VICE-PRESIDENT, RATES

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY
EXPECTED GAS COST RATE CALCULATION (EGC)**

"SUMMARY" FOR THE EGC RATE IN EFFECT AS OF DECEMBER 1, 2011

<u>DEMAND (FIXED) COSTS:</u>	<u>\$</u>
Columbia Gas Transmission Corp.	2,778,245
Columbia Gulf Transmission Corp.	1,976,288
KO Transmission Company	307,584
Tennessee Gas Pipeline	497,367
Gas Marketers	<u>1,558,049</u>
TOTAL DEMAND COST:	<u>7,117,533</u>
 PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	 9,993,514 MCF
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$7,117,533 / 9,993,514 MCF \$0.712 /MCF
 <u>COMMODITY COSTS:</u>	
Gas Marketers	\$3.834 /MCF
Gas Storage	
Columbia Gas Transmission	\$0.672 /MCF
Propane	<u>\$0.007 /MCF</u>
COMMODITY COMPONENT OF EGC RATE:	\$4.513 /MCF
 <u>OTHER COSTS:</u>	
Net Charge Off ⁽¹⁾	\$17,952 / 1,478,451 \$0.012 /MCF
TOTAL EXPECTED GAS COST:	<u><u>\$5.237 /MCF</u></u>

GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY

DETAILS FOR THE EGC RATE IN EFFECT AS OF : DECEMBER 1, 2011

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GAS TRANSMISSION, LLC				
TARIFF RATE EFFECTIVE DATE				
				FSS 2/1/2011
				SST: 10/1/2011
<u>BILLING DEMAND - TARIFF RATE - FSS</u>				
Max. Daily Withdrawl Quan.	1.5050	39,656	12	716,187
Seasonal Contract Quantity	0.0289	1,365,276	12	473,478
<u>BILLING DEMAND - TARIFF RATE - SST</u>				
Maximum Daily Quantity	4.4510	19,828	6	529,527
Maximum Daily Quantity	4.4510	39,656	6	1,059,053
CAPACITY RELEASE CREDIT				0
TOTAL COLUMBIA GAS TRANSMISSION, LLC - DEMAND CHARGES				2,778,245

INTERSTATE PIPELINE : **TENNESSEE GAS PIPELINE**
TARIFF RATE EFFECTIVE DATE : 11/1/2011

<u>BILLING DEMAND - TARIFF RATE - FT-A</u>				
Max. Daily Quantity Zone 2	4.5630	21,800	5	497,367
TOTAL TENNESSEE GAS PIPELINE - DEMAND CHARGES				497,367

Currently Effective Rates
 Applicable to Rate Schedule FSS
 Rate Per Dth

	Base Tariff Rate	Transportation Cost		Electric Power		Annual Charge Adjustment	Total Effective Rate	Daily Rate
		Rate Adjustment	Surcharge	Current Costs	Adjustment Surcharge			
Rate Schedule FSS								
Reservation Charge ^{3/}	\$ 1.505	-	-	-	-	-	1.505 ✓	0.0495
Capacity ^{3/}	¢ 2.89	-	-	-	-	-	2.89	2.89
Injection	¢ 1.53	-	-	-	-	-	1.53 ✓	1.53
Withdrawal	¢ 1.53	-	-	-	-	-	1.53	1.53
Overrun ^{3/}	¢ 10.90	-	-	-	-	-	10.90	10.90

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.

2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

3/ In addition to the above reflected Base Tariff Reservation Charge (MDSQ) and Capacity (SCQ) Rate, shippers utilizing the Eastern Market Expansion (EME) facilities for FSS service will pay an additional incremental reservation charge of \$2.625 per Dth per month, for a total FSS MDSQ reservation charge of \$4.130 and an additional 3.91 cents per Dth per month, for a total FSS SCQ capacity rate of 6.80 cents. If EME customers incur an overrun for FSS services that is provided under their EME Project service agreements, they will pay an additional 12.54 cents for such overruns, for a total FSS overrun rate of 23.44 cents. The additional EME demand charges and EME overrun charges can be added to the Total Effective Rate above to develop the EME Total Effective Rate.

Currently Effective Rates
 Applicable to Rate Schedule SST
 Rate Per Dth

Rate Schedule SST	Reservation Charge 3/4/	\$	Base Tariff Rate 1/	Transportation Cost		Electric Power		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
				Rate Adjustment Current	Surcharge	Costs Adjustment Current	Surcharge			
Commodity										
Maximum	¢		1.02	0.386	0.005	0.057	0.005	-	5.892	0.1938
Minimum	¢		1.02	0.80	0.25	0.76	0.20	0.18	3.21	3.21
Overrun 4/	¢		18.90	2.07	0.27	0.95	0.22	0.18	22.59	22.59

deducted to 4.451

.0102 + .0080 + .0025 + .0076 + .0020 = .0303 w/d

- 1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Section 5.15.
- 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.
- 3/ Minimum reservation charge is \$0.00.
- 4/ In addition to the above reflected Base Tariff SST Demand Rate, shippers utilizing the Eastern Market Expansion (EME) facilities for Rate Schedule SST service will pay an additional demand charge of \$12.186 per Dth per month, for a total SST reservation charge of \$17.625. If EME customers incur an overrun for SST services that is provided under their EME Project service agreements, they will pay an additional 40.07 cents for such overruns, for a total overrun rate of 58.97 cents. The applicable EME demand charge and EME overrun charge can be added to the Total Effective Rate above to calculate the EME Total Effective Rates.

.0303
+ .0018

.0321 injection rate



August 18, 2009

Mr. James L. Turner
Group Executive, President & COO
139 East Fourth Street
EM025
Cincinnati, OH 45202

RE: Revision 1 to SST Service Agreement No. 79977
Discount Letter Agreement

Dear Mr. Turner:

This letter shall serve as an amendment to the SST Service Agreement between Columbia Gas Transmission, LLC (Transporter) and Duke Energy Kentucky, Inc. (Shipper) designated as Transporter's Contract No. 79977.

A) Transporter and Shipper hereby agree that Section 3 of the above-referenced contract number shall be amended to include the following additional language:

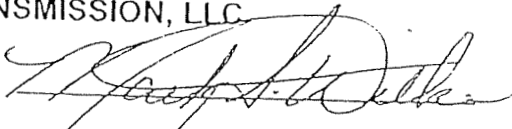
- 1) The rate for service, for the period from 11/01/09 to 3/31/10, shall include a discounted demand rate, inclusive of the base rate and all demand surcharges, of \$3.963 for deliveries to the primary delivery points: KOT DEK MLI (834696) and the following primary receipt points: MRTCO - Master Receipt TCO / RP Storage Point TCO. Shipper shall also provide the then-existing Retainage and shall pay the then-existing maximum commodity charge plus commodity surcharges as set forth in Transporter's FERC Gas Tariff from time to time.
- 2) The rate for service, for the period from 4/01/10 to 3/31/15, shall include a discounted demand rate, inclusive of the base rate and all demand surcharges, of \$4.451 for deliveries to the primary delivery points: KOT DEK MLI (834696) and the following primary receipt points: MRTCO - Master Receipt TCO / RP Storage Point TCO. Shipper shall also provide the then-existing Retainage and shall pay the then-existing maximum commodity charge plus commodity surcharges as set forth in Transporter's FERC Gas Tariff from time to time.

- 3) The discounted rate provided in paragraph one and two above is limited to the primary receipt/delivery point combinations set forth in Appendix A of the above-referenced service agreement. Except to the extent Federal Energy Regulatory Commission ("FERC") policies, rules and/or regulations, and/or Transporter's FERC Gas Tariff provide otherwise, for service under the above-referenced Service Agreement from secondary receipt points or to secondary delivery points, in lieu of the rates set forth in Paragraph 1 above, Transporter shall charge and Shipper shall pay the then existing maximum Recourse Rate set forth in Transporter's FERC Gas Tariff from time to time.
- 4) Notwithstanding the foregoing, the charge to be paid by Shipper and Transporter shall be no lower than the applicable total effective minimum charges or higher than the applicable total effective maximum charges as set forth in Transporter's FERC Gas Tariff from time to time. Rates provided for in this Discount Letter Agreement will be adjusted as necessary so that the rate will be no lower than the total effective minimum charges nor higher than the applicable total effective maximum charges as set forth in Transporter's FERC Gas Tariff from time to time. In the event that a rate component which was at or below the applicable maximum rate at the time this Discount Letter Agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. In the event the monthly Recourse Rate applicable to SST service is reduced to a level below \$3.963 or \$4.451 per Dth of Transportation Demand during the term of the above-referenced individual Service Agreement, the rates under the SST Service Agreement referenced above will be adjusted to the new monthly Recourse Rate.
- 5) This discounted transportation rate shall be apportioned in accordance with Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6) Shipper shall pay all then existing maximum overrun charges, if incurred, as set forth in Transporter's FERC Gas Tariff from time to time.

If you are in agreement with the above amendment, please execute both originals of this letter and return them to the Transporter at the address above, Attention: Sandra Dibello

Terms agreed to this 16 day of September, 2009.

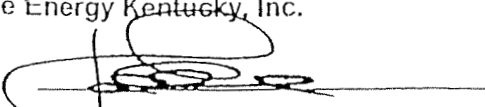
COLUMBIA GAS
TRANSMISSION, LLC

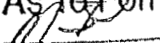
By: 
Its: Director, Commercial Services



PTB
DEF

Duke Energy Kentucky, Inc.

By: 
Its: Group Executive, President and COO
USFE+C

As To Form




RETAINAGE PERCENTAGES	
Transportation Retainage	2.229% ✓
Gathering Retainage	0.601%
Storage Gas Loss Retainage	0.030%
Ohio Storage Gas Lost Retainage	0.060%
Columbia Processing Retainage/1	0.000%

1/ The Columbia Processing Retainage shall be assessed separately from the processing retainage applicable to third party processing plants set forth in Section 25.3 (f) of the General Terms and Conditions.

GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY

DETAILS FOR THE EGC RATE IN EFFECT AS OF : DECEMBER 1, 2011

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.				
TARIFF RATE EFFECTIVE DATE	FTS-1: 5/1/2011			
	FTS-2: 5/1/2011			
<u>BILLING DEMAND - TARIFF RATE - FTS-1</u>				
Maximum Daily Quantity	5 4919	22,782	5	625,582
Maximum Daily Quantity	5 4919	17,598	7	676,525
Maximum Daily Quantity	5 4919	18,000	5	494,271
<u>BILLING DEMAND - TARIFF RATE - FTS-2</u>				
Maximum Daily Quantity	0 9995	15,000	12	179,910
CAPACITY RELEASE CREDIT FOR FTS-1				0
CAPACITY RELEASE CREDIT FOR FTS-2				0
TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES				1,976,288
INTERSTATE PIPELINE : KO TRANSMISSION COMPANY				
TARIFF RATE EFFECTIVE DATE :	10/1/2011			
<u>BILLING DEMAND - TARIFF RATE - FT</u>				
Maximum Daily Quantity	0 3560	72,000	12	307,584
CAPACITY RELEASE CREDIT				0
TOTAL KO TRANSMISSION CO. DEMAND CHARGES				307,584
VARIOUS GAS MARKETERS FIXED (RESERVATION) CHARGES :				
November - March	0 0021	12,407,425		25,764
December - February	0 0447	275,000		12,285
TENASKA STORAGE SERVICE	November - March	1,000,000		1,520,000
TOTAL GAS MARKETERS FIXED CHARGES				1,558,049

Currently Effective Rates
 Applicable to Rate Schedule FTS-1
 Rates in Dollars per Dth

Rate Schedule FTS-1	<u>Base Rate</u> (1)	<u>Annual Charge</u> <u>Adjustment 1/</u> (2)	<u>Total Effective</u> <u>Rate</u> (3)	<u>Daily Rate</u> (4)
<u>Mainline Zone</u>				
Reservation Charge 2/				
Maximum	5.4919	-	5.4919	0.1806
Minimum	0.000	-	0.000	0.000
Commodity				
Maximum	0.0142	0.0018	0.0160	0.0160
Minimum	0.0142	0.0018	0.0160	0.0160
Overrun				
Maximum	0.1948	0.0018	0.1966	0.1966
Minimum	0.0142	0.0018	0.0160	0.0160

1/ Pursuant to 18 C.F.R. § 154.402. Rate applies to all Gas delivered. When transportation involves more than one zone, rate will be applied only one time.

2/ For Service Agreements with a term of less than one year, the Maximum Rate under Reservation Charge shall not exceed 2.5 times the Maximum Rate.

Currently Effective Rates Applicable to Rate Schedule FTS-2 Rates in Dollars per Dth	<u>Base Rate</u> (1)	<u>Annual Charge Adjustment I/</u> (2)	<u>Total Effective Rate</u> (3)	<u>Daily Rate</u> (4)
Rate Schedule FTS-2				
<u>Offshore Zone</u>				
Reservation Charge 2/				
Maximum	2.6700	-	2.6700	0.0878
Minimum	0.0000	-	0.0000	0.0000
Commodity				
Maximum	0.0002	0.0018	0.0020	0.0020
Minimum	0.0002	0.0018	0.0020	0.0020
Overrun				
Maximum	0.0880	0.0018	0.0898	0.0898
Minimum	0.0002	0.0018	0.0020	0.0020
<u>Onshore Zone</u>				
Reservation Charge 2/				
Maximum	2.0365	-	2.0365	0.0670
Minimum	0.0000	-	0.0000	0.0000
Commodity				
Maximum	0.0012	0.0018	0.0030	0.0030
Minimum	0.0012	0.0018	0.0030	0.0030
Overrun				
Maximum	0.0682	0.0018	0.0700	0.0700
Minimum	0.0012	0.0018	0.0030	.00030

discounted to .9995

KO Transmission Company, Tariffs, Rate Schedules and Service Agreements			
Filing Category:	Amendment	Filing Date:	08/31/2011
FERC Docket:	RP11-02404-001	FERC Action:	Accept
FERC Order:	Delegated Letter Order	Order Date:	09/15/2011
Effective Date:	10/01/2011	Status:	Effective
Part 3, Currently Effective Rates, 4.0.0			

**CURRENTLY EFFECTIVE RATES
APPLICABLE TO RATE SCHEDULES FTS AND ITS**

RATE LEVELS - RATE PER DTH

	Base Tariff Rate	Annual Charge Adjustment^{1/}	Total Effective Rate
RATE SCHEDULE FTS			
Reservation Charge ^{2/}			
Maximum 1	\$0.3560	--	\$0.3560
Maximum 2	\$0.3560	--	\$0.3560
Daily Rate - Maximum 1	\$0.0117	--	\$0.0117
Daily Rate - Maximum 2	\$0.0117	--	\$0.0117
Commodity			
Maximum	\$0.0000	\$0.0018	\$0.0018
Minimum	\$0.0000	\$0.0018	\$0.0018
Overrun	\$0.0117	\$0.0018	\$0.0135
RATE SCHEDULE ITS			
Commodity			
Maximum	\$0.0117	\$0.0018	\$0.0135
Minimum	\$0.0000	\$0.0018	\$0.0018

^{1/} ACA assessed where applicable pursuant to Section 154.402 of the Commission's regulations and will be charged pursuant to Section 23 of the General Terms and Conditions at such time that initial and successive annual ACA assessments applicable to Transporter are made.

^{2/} Minimum reservation charge is \$0.00.

Transportation Retainage Adjustment 0.94%

NOTE: Utilizing GISB standards 5.3.22 and 5.3.23, Transporter's Rate Schedule FTS Reservation Charge can be converted to an applicable daily rate by dividing the above monthly rate by 30.4 days.

GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY

DETAILS FOR THE EGC RATE IN EFFECT AS OF : DECEMBER 1, 2011

GAS COMMODITY RATE FOR DECEMBER, 2011:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$4.1229	\$/Dth
DUKE ENERGY KENTUCKY FUEL	3.900%	\$0.1608	\$4.2837	\$/Dth
DTH TO MCF CONVERSION	1.0103	\$0.0441	\$4.3278	\$/Mcf
ESTIMATED WEIGHTING FACTOR	88.600%		\$3.8344	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$3.834	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$5.4931	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$5.5084	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.229%	\$0.1228	\$5.6312	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0303	\$5.6615	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0018	\$5.6633	\$/Dth
DUKE ENERGY KENTUCKY FUEL	3.900%	\$0.2209	\$5.8842	\$/Dth
DTH TO MCF CONVERSION	1.0103	\$0.0606	\$5.9448	\$/Mcf
ESTIMATED WEIGHTING FACTOR	11.300%		\$0.6718	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.672	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.44920	\$/Gallon
GALLON TO MCF CONVERSION	15.38	\$6.4595	\$6.9087	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.100%		\$0.0069	\$/Mcf
PROPANE COMMODITY RATE			\$0.007	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 11/7/11 and contracted hedging prices.

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
SUPPLIER REFUND ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED

AUGUST 31, 2011

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD June 1 2011 THROUGH AUGUST 31, 2011	\$	14,278.93
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		0.9989
REFUNDS INCLUDING INTEREST (\$14,278.93 x 0.9989)	\$	14,263.22
DIVIDED BY TWELVE MONTH SALES ENDED NOVEMBER 30, 2012	MCF	10,073,990
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>(0.001)</u>

DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED

AUGUST 31, 2011

DESCRIPTION	UNIT	AMOUNT
SUPPLIER _____ Tennessee Gas Pipeline Company - April 1, 2011		14,278.93
TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA	\$	<u>14,278.93</u>

RAU

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
ACTUAL ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED **AUGUST 31, 2011**

DESCRIPTION	UNIT	JUNE	JULY	AUGUST
<u>SUPPLY VOLUME PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	MCF	232,258	158,675	227,533
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	0	0	0
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	26,958	7,810	(11,478)
TOTAL SUPPLY VOLUMES	MCF	<u>259,216</u>	<u>166,485</u>	<u>216,055</u>
<u>SUPPLY COST PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	\$	1,611,145	1,061,447	1,837,458
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	0	0	0
OTHER COSTS (SPECIFY):				
GAS COST UNCOLLECTIBLE	\$	13,408	22,286	19,918
MANAGEMENT FEE	\$	(63,375)	(63,375)	(63,375)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	(2,107)	(414)	(42)
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>1,559,071</u>	<u>1,019,944</u>	<u>1,793,959</u>
<u>SALES VOLUMES</u>				
JURISDICTIONAL	MCF	263,195.3	206,317.9	179,694.9
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	<u>263,195.3</u>	<u>206,317.9</u>	<u>179,694.9</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.924	4.944	9.983
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>6.042</u>	<u>6.366</u>	<u>6.050</u>
DIFFERENCE	\$/MCF	(0.118)	(1.422)	3.933
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>263,195.3</u>	<u>206,317.9</u>	<u>179,694.9</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>(31,057.05)</u>	<u>(293,384.05)</u>	<u>706,740.04</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>382,298.94</u>
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>382,298.94</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>NOVEMBER 30, 2012</u>	MCF			10,073,989.7
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>0.038</u>
AAU				

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
BALANCE ADJUSTMENT
DETAILS FOR THE TWELVE MONTH PERIOD ENDED AUGUST 31, 2011

DESCRIPTION	UNIT	AMOUNT
<u>RECONCILIATION OF A PREVIOUS GAS COST VARIANCE</u>		
GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE SEPTEMBER 1, 2010	\$	(5,009,711.14)
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ (0.470) /MCF APPLIED TO TOTAL SALES OF 10,478,626 MCF (TWELVE MONTHS ENDED AUGUST 31, 2011)	\$	<u>(4,924,954.20)</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>(84,756.94)</u>
<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND</u>		
SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE SEPTEMBER 1, 2010	\$	(6,825.18)
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ (0.001) /MCF APPLIED TO TOTAL SALES OF 10,478,626 MCF (TWELVE MONTHS ENDED AUGUST 31, 2011)	\$	<u>(10,478.60)</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>3,653.42</u>
<u>RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT</u>		
AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE SEPTEMBER 1, 2010	\$	1,555.80
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ 0.000 /MCF APPLIED TO TOTAL SALES OF 10,478,626 MCF (TWELVE MONTHS ENDED AUGUST 31, 2011)	\$	<u>0.00</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>1,555.80</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>(79,547.72)</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED NOVEMBER 30, 2012	MCF	<u>10,073,990</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u>(0.008)</u>

Revised Tariffs

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	12/01/11	12/01/11	(T)
Rate GS, General Service.....	31	12/01/11	12/01/11	(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: December 1, 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	09/30/11	09/30/11	
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	12/01/11	12/01/11	(T)
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			

Issued by authority of an Order of the Kentucky Public Service Commission
 dated _____ in Case No. _____

Issued:

Issued by Julie Janson, President

Effective: December 1, 2011

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

KY.P.S.C. Gas No. 2
Sixty-Third Revised Sheet No. 30
Cancelling and Superseding
Sixty-Second 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	\$0.5298	Equals	\$0.90193	(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.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. _____

Issued:

Effective: December 1, 2011

Issued by Julie Janson, President

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	\$0.5298	Equals	\$0.7351	(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.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. _____

Issued:

Effective: December 1, 2011

Issued by Julie Janson, President

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

KY.P.S.C. Gas No. 2
Twenty-Second Revised Sheet No. 77
Cancelling and Superseding
Twenty-First Revised Sheet No. 77
Page 1 of 1

RIDER GCAT
GAS COST ADJUSTMENT TRANSITION RIDER

APPLICABILITY

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

GCA TRANSITION RIDER

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be \$ 0.0061 per 100 cubic feet. This rate shall be in effect during the month of December 2011 through February 2012 and shall be updated quarterly, concurrent with the Company's GCA filings. (R)
(T)

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in
Case No. _____

Issued:

Effective: December 1, 2011

Issued by Julie Janson, President

DUKE ENERGY KENTUCKY
SUPPLEMENTAL INFORMATION
FOR THE EXPECTED GAS COST (EGC) RATE CALCULATION
OF THE GAS COST RECOVERY RATE
IN EFFECT AS OF December 1, 2011

4th Quarter

DUKE ENERGY Kentucky, Inc.
 USED FOR GCA EFFECTIVE AUGUST 31, 2011

COMPUTATION OF THE INTEREST FACTOR
 FOR THE GCA CALCULATION ON SCHEDULE II

TWELVE MONTHS ENDED JUNE 31, 2011
 BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)

INTEREST RATE	-0.0021
PAYMENT	0.083239
ANNUAL TOTAL	0.9989
MONTHLY INTEREST	(0.000175)
AMOUNT	1

SEPTEMBER 2010	0.30	
OCTOBER 2010	0.30	
NOVEMBER 2010	0.31	
DECEMBER 2010	0.39	
JANUARY 2011	0.32	
FEBRUARY 2011	0.30	
MARCH 2011	0.34	
APRIL 2011	0.33	
MAY 2011	0.22	
JUNE 2011	0.24	
JULY 2011	0.23	
AUGUST 2011	0.27	3.55
SEPTEMBER 2011	0.22	3.77

PRIOR ANNUAL TOTAL	3.55
PLUS CURRENT MONTHLY RATE	0.22
LESS YEAR AGO RATE	0.30
NEW ANNUAL TOTAL	3.47
AVERAGE ANNUAL RATE	0.29
LESS 0.5% (ADMINISTRATIVE)	(0.21)

**DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF June 2011**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,481,507.20	
adjustments	125,455.55	
IT monthly charges entered by Gas Supply	<u>4,181.80</u>	1,611,145
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>	13,408.00	13,408
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS Tenaska MANAGEMENT FEE</u>	63,375.00	(63,375)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	(2,107.19)	(2,107)
	0.00	
adjustments	<u>0.00</u>	0
 <u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		<u><u>1,559,071</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	(31,057.05)
ACCOUNT 805-10	31,057.05

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

June 2011

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH June 2011</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	232,258
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>26,958</u>
TOTAL SUPPLY VOLUMES	MCF	<u>259,216</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,611,145
Includable Propane	\$	0
Gas Cost Uncollectible	\$	13,408
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(63,375)
- Losses-Damaged Lines	\$	(2,107)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>1,559,071</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	263,195.3
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>263,195.3</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.924
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.042</u>
DIFFERENCE	\$/MCF	(0.118)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>263,195.3</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(31,057.05)</u></u>

DUKE ENERGY COMPANY KENTUCKY

June 2011

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	263,195.3	1,590,318	6.04234905
RA		(1,064)	
AA		(25,798)	
BA		<u>1,556</u>	
TOTAL GAS COST RECOVERY(GCR)		<u><u>1,565,012.33</u></u>	
TOTAL SALES VOLUME	263,195.3		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u><u>263,195.3</u></u>		
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	263,195.3	1,559,071.00	5.92362782
UNRECOVERED PURCHASED GAS COST		5,259.16	
ROUNDING(ADD/(DEDUCT))		<u>189.82</u>	
TOTAL GAS COST IN REVENUE		<u><u>1,564,519.98</u></u>	
TOTAL GAS COST RECOVERY(GCR)		1,565,012.33	
LESS: RA		(1,063.85)	
BA		<u>1,556.20</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u><u>1,565,504.68</u></u>	
UNRECOVERED PURCHASED GAS COST ENTRY		5,259.16	
LESS: AA		<u>(25,797.89)</u>	
MONTHLY COST DIFFERENCE		31,057.05	
EXTENDED MONTHLY COST DIFFERENCE		<u>31,246.87</u>	
ROUNDING		<u><u>189.82</u></u>	

DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: June 2011

BILL CODE	REPORTED SALES	EGC	\$/MCF	RECONCILIATION ADJUSTMENT			TOTAL RA	ACTUAL ADJUSTMENT			TOTAL AA	BALANCE ADJUSTMENT			TOTAL BA	
				CURRENT (0.001)	PREVIOUS (0.001)	THRD.PREV. (0.001)		CURRENT (0.038)	PREVIOUS (0.372)	THRD.PREV. (0.470)		CURRENT (0.011)	PREVIOUS (0.003)	THRD.PREV. (0.002)		
169			6.277				(0.05)				(23.59)				0.00	
010	2.5	6.845	17.11				(0.11)				(50.62)				0.00	
030	0.9	7.184	6.47				(0.29)				(138.09)				0.00	
040	76.9	6.991	537.61				4.03				1,892.83				8.06	
060	2.2	6.012	13.23				0.55				257.18				1.09	
070	(7.5)	5.766	(43.25)				(0.12)				(55.08)				(0.23)	
080	101.5	6.402	649.80				(6.25)				(2,937.64)				(12.50)	
100	(42.8)	6.713	(287.32)				13.28				6,240.43				39.83	
110	109.6	6.447	706.59				(10.74)				(32.22)				(121.47)	
120	50.2	6.427	322.64				(263.25)				(263.25)				0.00	
140	107.7	5.540	596.66				(262.95)				(262.95)				0.00	
150	293.8	5.371	1,578.00				(262.95)				(262.95)				0.00	
160	(4,027.5)	5.433	(21,881.41)				(263.25)				(263.25)				0.00	
011	(847.2)	5.881	(3,216.06)				(263.25)				(263.25)				0.00	
031	117.2	5.849	685.50				(263.25)				(263.25)				0.00	
041	6,250.3	5.760	36,001.73				(263.25)				(263.25)				0.00	
061	(13,277.5)	5.292	(70,364.53)				(263.25)				(263.25)				0.00	
071	10,739.5	5.577	59,871.86				(263.25)				(263.25)				0.00	
081	263,249.5	6.021	1,585,025.24				(263.25)				(263.25)				0.00	
TOTAL	263,195.3		1,590,317.87				(1,053.66)				(1,053.66)				1,556.87	
TRANSPORTATION:																
Customer Choice Program (GCAT):																
178 & 020																
069																
089																
139																
179 & 020																
050																
080																
130																
170 & 021	2,734.9															
051	0.0															
091	0.0															
FT CHOICE	2,734.9															
FT CHOICE																
TOTAL FOR GCR																
TOTAL FOR GCR																
JE ID -KUNBIL AMZ																
Firm Transportation: 98,796.3																
0.0																
0.0																
FT 98,796.3																
Interruptible Transportation:																
116,555.4																
IT 116,555.4																
Grand Total 487,281.9 less to last pg of A																
ADJUSTED EGC 6,042																

CURRENT		PREVIOUS		THRD.PREV.		TOTAL	
0.011	(0.003)	(0.003)	(0.002)	(0.003)	(0.002)	0.000	0.000
2,895.74	(600.88)	(600.88)	(524.99)	0.00	0.00	1,556.20	1,556.20
CONTROL CK							
positive=recovered=cr 25313							
negative=reduce refund=dr25313							

**DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF July 2011**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,012,109.03	
adjustments	42,225.43	
IT monthly charges entered by Gas Supply	<u>7,112.24</u>	1,061,447
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 PLUS: INCLUDABLE PROPANE		
a/c 728-3 Erlanger	0.00	0
 PLUS: GAS COST UNCOLLECTIBLE	22,286.00	22,286
 <u>LESS: X-5 TARIFF</u>	0.00	0
LESS Tenaska MANAGEMENT FEE	63,375.00	(63,375)
 LESS: TOP TRANSP. RECOVERIES	0.00	0
LESS: GAS LOSSES - DAMAGED LINES	(414.40)	(414)
	0.00	
adjustments	<u>0.00</u>	0
LESS: GAS COST CREDIT	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		<u><u>1,019,944</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	(293,384.05)
ACCOUNT 805-10	293,384.05

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

July 2011

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>July 2011</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	158,675
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>7,810</u>
TOTAL SUPPLY VOLUMES	MCF	<u>166,485</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,061,447
Includable Propane	\$	0
Gas Cost Uncollectible	\$	22,286
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(63,375)
- Losses-Damaged Lines	\$	(414)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>1,019,944</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	206,317.9
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>206,317.9</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	4.944
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.366</u>
DIFFERENCE	\$/MCF	(1.422)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>206,317.9</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(293,384.05)</u></u>

DUKE ENERGY COMPANY KENTUCKY

July 2011

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	206,317.9	1,313,320	6.36551865
RA		(841)	
AA		(21,066)	
BA		<u>1,305</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>1,292,718.68</u>	
TOTAL SALES VOLUME	206,317.9		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>206,317.9</u>		
 <u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	206,317.9	1,019,944.00	4.94355555
UNRECOVERED PURCHASED GAS COST		272,317.99	
ROUNDING(ADD/(DEDUCT))		<u>(7.61)</u>	
TOTAL GAS COST IN REVENUE		<u>1,292,254.38</u>	
TOTAL GAS COST RECOVERY(GCR)		1,292,718.68	
LESS: RA		(840.71)	
BA		<u>1,305.01</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>1,293,182.98</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		272,317.99	
LESS: AA		<u>(21,066.06)</u>	
MONTHLY COST DIFFERENCE		293,384.05	
EXTENDED MONTHLY COST DIFFERENCE		<u>293,376.44</u>	
ROUNDING		<u>(7.61)</u>	

DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: July 2011

BILL CODE	REPORTED SALES	EGC \$	RECONCILIATION ADJUSTMENT			TOTAL RA	ACTUAL ADJUSTMENT			TOTAL AA	BALANCE ADJUSTMENT			TOTAL BA
			CURRENT	PREVIOUS	THRD PREV		CURRENT	PREVIOUS	THRD PREV		CURRENT	PREVIOUS	THRD PREV	
			(0.001)	(0.001)	(0.001)		(0.038)	0.372	(0.470)		(0.011)	(0.003)	(0.002)	
040	0.0	6,991												
060	(19.7)	(118.44)												
070	(14.1)	(81.30)												
080	12.6	80.67												
100	(38.5)	(258.45)												
110	52.0	335.24												
120	21.8	140.11												
140	37.9	209.97												
150	218.7	1,174.64												
160	(2,412.9)	(13,109.29)												
011	52.9	311.10												
031	414.3	2,423.24												
041	3,780.0	21,772.80												
061	(6,402.4)	(33,881.50)												
071	(1,027.2)	(5,728.69)												
081	7,447.3	44,840.19												
101	204,195.2	1,295,210.15												
TOTAL	206,317.9	1,313,320.44												
TRANSPORTATION: Customer Choice Program (GCAT): 178 & 029														
059														
089														
139														
178 & 020														
050														
080														
130														
170 & 021														
051	0.0													
081	2,170.1													
FT CHOICE	2,170.1													
TOTAL FOR CHOICE														
TOTAL FOR GOR														
FT														
Interruption Transportation:														
IT														
Grand Total														
ADJUSTED EGC														

JE ID -KUNBIL AMZ

Firm Transportation: 85,500.8
0.0
0.0
85,500.8
Interruption Transportation:
118,126.7
118,126.7
Grand Total 412,205.5
ADJUSTED EGC 6,365.5
lies to last pg of A

**DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF Aug 2011**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,900,947.18	
adjustments	(63,455.88)	
IT monthly charges entered by Gas Supply	<u>(32.92)</u>	1,837,458
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>	19,818.00	19,818
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS Tenaska MANAGEMENT FEE</u>	63,375.00	(63,375)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	(41.58)	(42)
	0.00	
adjustments	<u>0.00</u>	0
 <u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		<u><u>1,793,859</u></u>

<u>ACCOUNTING ENTRY FOR DEFERRAL ONLY</u>	<u>AMOUNT</u>
ACCOUNT - 191990/191400	706,740.04
ACCOUNT 805-10	(706,740.04)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

Aug 2011

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH Aug 2011</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	227,533
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(11,478)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>216,055</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,837,458
Includable Propane	\$	0
Gas Cost Uncollectible	\$	19,818
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(63,375)
- Losses-Damaged Lines	\$	(42)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>1,793,859</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	179,694.9
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u></u>
TOTAL SALES VOLUME	MCF	<u>179,694.9</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	9.983
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.050</u>
DIFFERENCE	\$/MCF	3.933
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>179,694.9</u>
MONTHLY COST DIFFERENCE	\$	<u><u>706,740.04</u></u>

DUKE ENERGY COMPANY KENTUCKY

Aug 2011

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	179,694.9	1,087,145	6.04994688
RA		(727)	
AA		(18,237)	
BA		<u>1,098</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>1,069,278.97</u>	
TOTAL SALES VOLUME	179,694.9		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>179,694.9</u>		
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	179,694.9	1,793,859.00	9.98280419
UNRECOVERED PURCHASED GAS COST		(724,977.04)	
ROUNDING(ADD)/(DEDUCT))		<u>25.64</u>	
TOTAL GAS COST IN REVENUE		<u>1,068,907.60</u>	
TOTAL GAS COST RECOVERY(GCR)		1,069,278.97	
LESS: RA		(726.63)	
BA		<u>1,098.00</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u> </u>	
		<u>1,069,650.34</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(724,977.04)	
LESS: AA		<u>(18,237.00)</u>	
MONTHLY COST DIFFERENCE		(706,740.04)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(706,714.40)</u>	
ROUNDING		<u>25.64</u>	

DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: August 2011

BILL CODE	REPORTED SALES	EGC	RECONCILIATION ADJUSTMENT			ACTUAL ADJUSTMENT			BALANCE ADJUSTMENT			TOTAL	
			CURRENT	PREVIOUS	THRD.PREV.	TOTAL	CURRENT	PREVIOUS	THRD.PREV.	TOTAL	CURRENT		PREVIOUS
		\$/MCF	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
169	6.277	0.00											
010	6.845	(478.47)											
030	7.4	53.16											
040	6.891	283.14											
060	1.71	(46.20)											
070	7.2	3.766											
080	14.6	93.47											
100	70.6	473.94											
110	57.7	371.99											
120	28.2	181.24											
140	63.4	351.24											
150	119.3	640.76											
160	(1,876.3)	5.433											
011	(76.5)	5.881											
031	476.7	2,788.22											
041	2,848.8	5.760											
061	(2,687.6)	5.292											
071	(284.2)	5.977											
081	1,552.8	6.021											
101	(2,390.3)	6.343											
111	181,778.2	6.041											
TOTAL	179,654.9	1,087,144.60											
TRANSPORTATION:													
Customer Choice Program (GCAT):													
178 & 029													
059													
099													
139													
179 & 020													
050													
090													
130													
170 & 021													
051													
091													
FT CHOICE	1,481.1												
TOTAL FOR CHOICE	1,481.1												
TOTAL FOR GCR													
TOTAL FOR GCR													
CONTROL CK													
positive=recovered-cr 25313													
negative=reduce refund-dr 25313													
CONTROL CK													
positive=recovered-cr 25313													
negative=reduce refund-dr 19140													
CONTROL CK													
positive=recovered-cr 25313													
negative=reduce refund-dr 25313													

JE ID -KUNBIL-ANZ

Firm Transportation: 77,358.6
0.0
0.0
FT 77,358.6
Interruptible Transportation:
IT 118,389.8
118,389.8
Grand Total 376,924.1
ADJUSTED EGC 8,050

DUKE ENERGY KENTUCKY
SUMMARY OF GAS COST RECOVERY COMPONENTS
BY BILLING CODE

MON/YR	BILLING CODE	ESTD. GAS COST	QUARTERLY RECONCILIATION ADJUSTMENT			QUARTERLY ACTUAL ADJUSTMENT			BALANCE ADJUSTMENT			TOTAL GCR FACTOR		
			CURRENT	PREVIOUS	2ND PREV	3RD PREV	CURRENT	PREVIOUS	2ND PREV	3RD PREV	CURRENT		PREVIOUS	2ND PREV
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Jan-10	010	6.845	(0.001)	0.000	0.000	(0.005)	(0.298)	(0.034)	0.723	(0.015)	0.004	(0.032)	0.001	7.166
Feb-10	030	7.184	(0.001)	0.000	0.000	(0.005)	(0.298)	(0.034)	0.723	(0.015)	0.004	(0.032)	0.001	7.505
Mar-10	040	6.991	0.000	(0.001)	0.000	(0.005)	(0.022)	(0.034)	0.723	0.001	(0.015)	0.004	(0.032)	6.943
Apr-10	060	6.012	0.000	(0.001)	0.000	0.000	(0.022)	(0.298)	(0.034)	0.001	(0.015)	0.004	(0.032)	5.964
May-10	070	5.766	0.000	(0.001)	0.000	0.000	(0.022)	(0.298)	(0.034)	0.001	(0.015)	0.004	(0.032)	5.718
Jun-10	080	6.402	(0.002)	0.000	(0.001)	0.000	0.104	0.349	(0.298)	(0.007)	0.001	(0.015)	0.004	6.515
Jul-10	100	6.713	(0.002)	0.000	(0.001)	0.000	0.104	0.349	(0.298)	(0.007)	0.001	(0.015)	0.004	6.826
Aug-10	110	6.447	(0.002)	0.000	(0.001)	0.000	0.104	0.349	(0.298)	(0.007)	0.001	(0.015)	0.004	6.560
Sep-10	120	6.427	(0.001)	(0.002)	0.000	(0.001)	(0.470)	0.104	0.349	0.000	(0.007)	0.001	(0.015)	6.363
Oct-10	140	5.540	(0.001)	(0.002)	0.000	(0.001)	(0.470)	0.104	0.349	0.000	(0.007)	0.001	(0.015)	5.476
Nov-10	150	5.371	(0.001)	(0.002)	0.000	(0.001)	(0.470)	0.104	0.349	0.000	(0.007)	0.001	(0.015)	5.307
Dec-10	160	5.433	(0.001)	(0.001)	(0.002)	0.000	0.033	(0.470)	0.104	(0.002)	0.000	(0.007)	0.001	5.437
Jan-11	010	5.881	(0.001)	(0.001)	(0.002)	0.000	0.033	(0.470)	0.104	(0.002)	0.000	(0.007)	0.001	5.885
Feb-11	030	5.849	(0.001)	(0.001)	(0.002)	0.000	0.033	(0.470)	0.104	(0.002)	0.000	(0.007)	0.001	5.853
Mar-11	040	5.760	(0.001)	(0.001)	(0.001)	(0.002)	0.372	0.033	0.104	(0.003)	(0.002)	0.000	(0.007)	5.782
Apr-11	060	5.292	(0.001)	(0.001)	(0.001)	(0.002)	0.372	0.033	0.104	(0.003)	(0.002)	0.000	(0.007)	5.314
May-11	070	5.577	(0.001)	(0.001)	(0.001)	(0.002)	0.372	0.033	0.104	(0.003)	(0.002)	0.000	(0.007)	5.599
Jun-11	080	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Jul-11	100	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Aug-11	110	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sep-11	120	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Oct-11	140	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Nov-11	150	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Dec-11	160	5.433	(0.001)	(0.001)	(0.002)	0.000	0.033	(0.470)	0.104	(0.002)	0.000	(0.007)	0.001	5.437