



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

May 11, 2012

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

RECEIVED

MAY 11 2012

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 June 2012 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 May 31, 2012 and the NYMEX close on May 8, 2012 for the month of June 2012.

The above described schedules and GCA are effective with the final meter readings of District 1, June 2012 revenue month (i.e., final meter readings on and after May 31, 2012).

Duke's proposed GCA is \$4.421 per Mcf. This rate represents an increase of \$0.405 per Mcf from the rate currently in effect for May 2012.

Very truly yours,

John Linton

Enclosure

cc: L. Schmidt

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

2nd Quarter

DUKE ENERGY KENTUCKY, INC
GAS COST ADJUSTMENT CLAUSE

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM May 31, 2012 THROUGH June 28, 2012

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	4.706
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.004)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.329)
BALANCE ADJUSTMENT (BA)	\$/MCF	0.048
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	4.421

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	4.706

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	(0.233)
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.174
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.038
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.308)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.329)

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	0.055
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.000
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.008)
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.001
BALANCE ADJUSTMENT (BA)	\$/MCF	0.048

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 8373 OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED APRIL 16, 1982.

DATE FILED: May 11, 2012

BY: DON WATHEN

TITLE: VICE-PRESIDENT, RATES

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

"SUMMARY" FOR THE EGC RATE IN EFFECT AS OF MAY 31, 2012

		\$
<u>DEMAND (FIXED) COSTS:</u>		
Columbia Gas Transmission Corp.		2,780,149
Columbia Gulf Transmission Corp.		1,403,798
KO Transmission Company		307,584
Tennessee Gas Pipeline		497,367
Gas Marketers		1,558,049
TOTAL DEMAND COST:		6,546,947
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	10,382,114	MCF
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$6,546,947 /	10,382,114 MCF \$0.631 /MCF
 <u>COMMODITY COSTS:</u>		
Gas Marketers		\$4.015 /MCF
Gas Storage		
Columbia Gas Transmission		\$0.000 /MCF
Propane		\$0.000 /MCF
COMMODITY COMPONENT OF EGC RATE:		\$4.015 /MCF
Other Costs:		
Net Charge Off ⁽¹⁾	\$17,952 /	299,848 \$0.060 /MCF
TOTAL EXPECTED GAS COST:		\$4.706 /MCF

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : MAY 31, 2012

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GAS TRANSMISSION, LLC				
TARIFF RATE EFFECTIVE DATE : FSS: 2/1/2012				
SST: 2/1/2012				
<u>BILLING DEMAND - TARIFF RATE - FSS</u>				
Max. Daily Withdrawl Quan.	1.5090	39,656	12	718,091
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				2,780,149

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	Surcharge			
Rate Schedule FSS								
Reservation Charge 3/	\$ 1.509	-	-	-	-	-	1.509	0.0496
Capacity 3/	¢ 2.89	-	-	-	-	-	2.89	2.89
Injection	¢ 1.53	-	-	-	-	-	1.53 ✓	1.53
Withdrawal	¢ 1.53	-	-	-	-	-	1.53 ✓	1.53
Overrun 3/	¢ 10.91	-	-	-	-	-	10.91	10.91

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

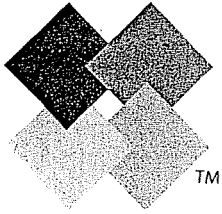
Commodity	Rate Schedule SST	Reservation Charge 3/4/ \$	Transportation Cost		Electric Power		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
			Rate Adjustment Current	Surcharge	Current	Surcharge Adjustment			
		5.467	0.386	0.005	0.064	-0.003	-	5.919	0.1946
Maximum	¢	1.02	0.80	0.25	0.84	0.06	0.18	3.15 ✓	3.15
Minimum	¢	1.02	0.80	0.25	0.84	0.06	0.18	3.15	3.15
Overrun 4/	¢	18.99	2.07	0.27	1.05	0.05	0.18	22.61	22.61

$.0102 + .0080 + .0025 + .0084 + .0006 = .0297 \text{ w/d}$

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.

$.0297 \text{ w/d}$
 $+ .0018 \text{ ACA}$

 $.0315 \text{ inject rate}$



NiSource Gas Transmission & Storage

5151 San Felipe, Suite 2500
Houston, Texas 77056

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: [Signature]
Its: Director, Commercial Services



PTB
DEF

Duke Energy Kentucky, Inc.

By: [Signature]
Its: Group Executive, President and COO
USFE+G

As To Form





June 24, 2011

Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45202

Attention: Steve Neiderbaumer

RE: Discounted Rate Agreement
Rate Schedule FT-A Service Package No. 93938
Open Season # 812

Dear Steve:

In response to the request of Duke Energy Kentucky, Inc and pursuant to Section 5.1 of Tennessee Gas Pipeline Company's ("Tennessee") Rate Schedule FT-A, Tennessee hereby agrees to adjust its then applicable Rate Schedule FT-A transportation rates for service provided under the above-referenced gas transportation agreement as follows

1. a) If Duke Energy Kentucky, Inc attempts to apply this Discounted Rate Agreement to any volumes or points not eligible for the discount and thereby fails to pay correctly invoiced and undisputed amounts, then, if such failure is not cured within thirty days of provision of notice by Tennessee to Duke Energy Kentucky, Inc of such failure, Tennessee shall have the right, in its sole discretion, to immediately terminate this Discounted Rate Agreement with Duke Energy Kentucky, Inc and/or to assess, from the date of such violation of the terms of this Discounted Rate Agreement, the applicable maximum rate on all transactions occurring under the Service Package for the month(s) in which such limits were exceeded.
- b) For the period commencing November 1, 2011, and extending through March 31, 2012, for gas delivered by Tennessee on behalf of Duke Energy Kentucky, Inc. to Zone 2, North Means Meter # 020049 under the above referenced gas transportation agreement, the applicable Rate Schedule FT-A rates for volumes received by Tennessee from all 500 and 800 Zone L/1 meters, will be the lesser of
 - i) A monthly reservation rate of \$4.563 per Dth. This rate is exclusive of ACA and all applicable surcharges specified in Tennessee's currently effective FERC Gas Tariff ("Tennessee's Tariff")

A daily commodity rate of Tennessee's minimum commodity rate per Dth. This discounted rate is exclusive of ACA and all applicable surcharges specified in Tennessee's currently effective FERC Gas Tariff ("Tennessee's Tariff")

or
 - ii) Tennessee's maximum monthly FT-A reservation and maximum daily commodity rates.In addition, Duke Energy Kentucky, Inc. will pay applicable fuel and lost and unaccounted for charges
- c) Receipts from and/or deliveries to points other than those listed above during the term of this Discounted Rate Agreement shall result in Duke Energy Kentucky, Inc being assessed Tennessee's maximum reservation rate under Rate Schedule FT-A for the

JUNE 24, 2011
DUKE ENERGY KENTUCKY, INC
STEVE NIEDERBAUMER

PAGE 2 OF 3

primary path divided by the number of days in the month for the entire gas transportation agreement TQ on the day(s) of such deliveries and Tennessee's maximum daily commodity rates under Rate Schedule FT-A as well as the applicable fuel and loss charges and surcharges under Rate Schedule FT-A.

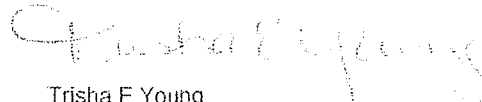
- d) Deliveries exclusive of authorized overrun on any one day during the term of this Discounted Rate Agreement in excess of the TQ shall be subject to Tennessee's maximum daily commodity rates under Rate Schedule FT-A as well as the applicable fuel and loss charges and surcharges under Rate Schedule FT-A for those excess volumes. For purposes of this Discounted Rate Agreement, "TQ" shall be defined under the above-referenced gas transportation agreement.
- e) Engaging an agent to manage Duke Energy Kentucky's utilization of its gas transportation agreement shall not, on its own, cause Duke Energy Kentucky to incur Tennessee's maximum reservation rate under Rate Schedule FT-A and Tennessee's maximum daily commodity rates under Rate Schedule FT-A; however, such agent's management of Duke Energy Kentucky's gas transportation agreement shall be subject to all of the terms and conditions of the gas transportation agreement, this Discounted Rate Agreement and Tennessee's Tariff.

2 If any terms of this Discounted Rate Agreement are disallowed by any order, rulemaking, regulation or policy of the Federal Energy Regulatory Commission, Tennessee may immediately terminate this Discounted Rate Agreement. If any terms of this Discounted Rate Agreement are in any way modified by order, rulemaking, regulation or policy of the Federal Energy Regulatory Commission, Tennessee and Duke Energy Kentucky, Inc may mutually agree to amend this Discounted Rate Agreement in order to ensure that the original commercial intent of the parties is preserved. In the event that the parties cannot achieve mutual agreement, Tennessee reserves the right to immediately terminate this Discounted Rate Agreement.

If Duke Energy Kentucky, Inc is interested in entering into the Discounted Rate Agreement for firm capacity in accordance with the terms proposed above, please have the authorized representative of Duke Energy Kentucky, Inc. execute this Discounted Rate Agreement, and return to the undersigned. This Discounted Rate Agreement will become binding upon the parties only after it then is accepted and executed by Tennessee's authorized representative on the below "Agreed to and Accepted" portion. One fully executed copy will be returned for your records.

If an executed Discounted Rate Agreement is not returned via mail or facsimile to 713-445-8722 on or before fifteen (15) working days from the date of the Discounted Rate Agreement, then the Discounted Rate Agreement is nullified, and Duke Energy Kentucky, Inc will be billed Tennessee's maximum reservation and commodity rates under Rate Schedule FT-A.

Sincerely,



Trisha E Young
Account Manager

JUNE 24, 2011
DUKE ENERGY KENTUCKY INC
STEVE NIERDERBAUMER

PAGE 3 of 3

TENNESSEE GAS PIPELINE COMPANY
AGREED TO AND ACCEPTED
THIS 30 DAY OF June, 2011.

By: [Signature]
Name: Sital Mody
Director, Marketing
Title: _____

DUKE ENERGY KENTUCKY, INC
AGREED TO AND ACCEPTED
THIS 28th DAY OF JUNE, 2011.

By: [Signature]
Name: JAMES E. MEHRING
Title: VP, OH/KY Gas Operations

As To Form
1008

RETAINAGE PERCENTAGES

Transportation Retainage	1.963%
Gathering Retainage	0.524%
Storage Gas Loss Retainage	0.230% <i>ESS Retention %</i>
Ohio Storage Gas Lost Retainage	0.180%
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 : MAY 31, 2012

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
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INTERSTATE PIPELINE : **COLUMBIA GULF TRANSMISSION CORP.**
TARIFF RATE EFFECTIVE DATE : FTS-1: 2/1/2012

BILLING DEMAND - TARIFF RATE - FTS-1

Maximum Daily Quantity	4.2917	22,782	5	488,868
Maximum Daily Quantity	4.2917	17,598	7	528,677
Maximum Daily Quantity	4.2917	18,000	5	386,253

CAPACITY RELEASE CREDIT FOR FTS-1

0

TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES

1,403,798

INTERSTATE PIPELINE : **KO TRANSMISSION COMPANY**
TARIFF RATE EFFECTIVE DATE : 10/1/2011

BILLING DEMAND - TARIFF RATE - FT

Maximum Daily Quantity	0.3560	72,000	12	307,584
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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

National Energy & Trade, LP (NET)

November - March

1,000,000

612,500

TOTAL GAS MARKETERS FIXED CHARGES

650,549

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)
Market Zone				
Reservation Charge				
Maximum	4.2917	-	4.2917	0.1411
Minimum	0.000	-	0.000	0.000
Commodity				
Maximum	0.0109	0.0018	0.0127 ✓	0.0127
Minimum	0.0109	0.0018	0.0127	0.0127
Overrun				
Maximum	0.1520	0.0018	0.1538	0.1538
Minimum	0.0109	0.0018	0.0127	0.0127

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.

Columbia Gulf Transmission Company
 FERC Tariff
 Third Revised Volume No. 1

V.2.
 Currently Effective Rates
 FTS-2 Rates
 Version 9.0.0

*longer than
 ST-2
 with track*

Currently Effective Rates
 Applicable to Rate Schedule FTS-2
 Rates in Dollars per Dth

Rate Schedule FTS-2	<u>Base Rate</u> (1)	<u>Annual Charge Adjustment 1/</u> (2)	<u>Total Effective Rate</u> (3)	<u>Daily Rate</u> (4)
<u>Offshore Zone</u>				
Reservation Charge				
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

KO Transmission Company
 Effective Date: 04/01/2012
 FERC Docket: RP12-00452-000
 FERC Order: Delegated Letter Order
 Part 3, Currently Effective Rates, 5.0.0

Status: Effective
 Order Date: 03/28/2012

**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 0.56%

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.

**DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 6/1/2012**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ 25,764 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 12,407,425 Dth (2)

CALCULATED RATE: \$ 0.0021 per Dth

- (1) Reservation charges billed by firm suppliers for 2011 - 2012.
(2) Contracted volumes for the 2011 - 2012 winter season.

**DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM NEEDLE PEAKING SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 6/1/2012**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ \$12,285.00 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 275,000 Dth (2)

CALCULATED RATE: \$ 0.0447 per Dth

- (1) Reservation charges billed by needle peaking suppliers for 2011 - 2012.
(2) Contracted volumes for the 2011 - 2012 winter season.

Duke Energy Kentucky
Gas Commercial Operations
Supply Portfolio - November 2011 - March 2012
Reservation Fees

			Dth per Day					Total Volume	Reserv. Fee	Total Cost
			Nov	Dec	Jan	Feb	Mar			
Chevron										
Columbia (Mainline)	Base	Fixed	1,700	1,700	1,700	1,700	1,700	258,400	\$0.0000	\$0.00
Columbia (Mainline)	Swing	GD+0.0025	5,000	4,000	4,000	4,000	5,000	669,000	\$0.0025	\$1,672.50
Tennessee (800 Leg)	Swing	GD	7,152	7,152	7,152	7,152	7,152	1,087,104	\$0.0025	\$2,717.76
Total								2,014,504		\$4,390.26
Iberdrola										
Columbia (Mainline)	Base	FOMI+0.002	0	5,000	5,000	5,000	5,000	610,000	\$0.0000	\$0.00
Total								610,000		\$0.00
Laclede										
Columbia (Mainline)	Base	NYMEX-.0525	3,000	5,000	5,000	5,000	3,000	638,000	\$0.0000	\$0.00
Total								638,000		\$0.00
Conoco										
Columbia (Mainline)	Base	Fixed	2,000	2,000	2,000	2,000	2,000	304,000	\$0.0000	\$0.00
Total								304,000		\$0.00
BG Energy										
Columbia (Mainline)	Base	FOMI	3,872	6,470	5,295	6,470	2,356	741,541	\$0.0000	\$0.00
Columbia (Mainline)	Swing	GD-.0025	7,904	2,306	3,481	2,306	4,419	620,380	\$0.0050	\$3,101.90
Columbia Backhaul (Leach)	Swing	GD Col Appl.	9,000	9,000	9,000	9,000	9,000	1,368,000	\$0.0025	\$3,420.00
Total								2,729,921		\$6,521.90
Shell										
Columbia (Mainline)	Base	Fixed	3,000	3,000	3,000	3,000	3,000	456,000	\$0.0000	\$0.00
Columbia (Mainline)	Swing	GD+.002	5,000	4,000	4,000	4,000	5,000	669,000	\$0.0030	\$2,007.00
Total								1,125,000		\$2,007.00
Enterprise										
Columbia (Mainline)	Swing	GD+0.0024	5,000	4,000	4,000	4,000	5,000	669,000	\$0.0025	\$1,672.50
Tennessee (800 Leg)	Swing	GD+.0024	7,000	7,000	7,000	7,000	7,000	1,064,000	\$0.0025	\$2,660.00
Total								1,733,000		\$4,332.50
Sequent										
Tennessee (800 Leg)	Swing	GD+.005	8,000	8,000	8,000	8,000	8,000	1,216,000	\$0.0000	\$0.00
Total								1,216,000		\$0.00
Total										
Columbia (Mainline)	Swing	GD+.0025	5,000	4,000	4,000	4,000	5,000	669,000	\$0.0025	\$1,672.50
Columbia Backhaul (Leach)	Swing	GD Mline +.13	9,000	9,000	9,000	9,000	9,000	1,368,000	\$0.0050	\$6,840.00
Total								2,037,000		\$8,512.50
Total Firm Supply								12,407,425		\$ 25,764.16
25 Day Peaking Service (North)										
BG Energy (Col. Appl.)		GD+.02		6,000	6,000	6,000		546,000	\$0.0100	\$5,460.00
Twin Eagle (Dom S.Pl)		GD+.10		5,000	5,000	5,000		455,000	\$0.0150	\$6,825.00
								1,001,000		\$12,285.00
Kentucky "Faux" Storage										
Tenaska (1)		Fixed	20,000	20,000	20,000	20,000	20,000	1,000,000		\$304,000.00
Total Duke Energy Kentucky								14,408,425		\$342,049.16

(1) Must take a total of 1,000,000 Dths at \$4.6596/dth.

Dollars: $6,000 \times 91 \text{ days} \times .01 = 5460$
 $5,000 \times 91 \text{ day} \times .0150 = 6825$
12,285²⁰

$11,000 \times 25 = 275,000$



National Energy & Trade, LP

Date: March 8, 2012
Transaction Confirmation #: 161576

Transaction Confirmation for Immediate Delivery

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated April 26, 2004. The terms of the Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract. For any issues regarding the confirmations, please contact Contract Administration at (713) 800-1961, (713) 800-1985 or via email at confirmations@net-lp.com.

BUYER:

Duke Energy Kentucky, Inc.
550 South Tryon Street 139 East Fourth St.
Mail Code ~~DEC43A~~ EX 460
Charlotte, NC ~~28202~~ Cincinnati, Ohio 45202

Attn: Steve Niederbaumer
Phone: 513-287-3076
Fax: 980-373-8724 513-287-2123

SELLER:

National Energy & Trade, LP
5847 San Felipe Street
Suite 1910
Houston, TX 77057

Attn: Greg Trefz
Phone: 713-800-1912
Fax: 713-871-0510

Commodity Price: The average of the *Inside FERC's Gas Market Report* price located under the heading "Upper Midwest", the row titled "Mich Con city-gate", and the column heading "Index" for the 7 months beginning April 2012 through October 2012.

Payment Terms: Duke shall pay Commodity Price for the full SQ as per the terms of the NAESB agreement when the gas is called upon and delivered during period beginning November 1, 2012 and ending March 31, 2013. Monthly demand charge will be paid per below as stated in "Monthly Demand Charge".

Delivery Period: Begin: November 01, 2012 End: March 31, 2013

Maximum Daily Quantity (Max DQ): 20,000 MMBtu/day
Minimum Daily Quantity (Min DQ): 0 MMBtu/day, however, any volume greater than 0 must be dispatched in increments of 1,000 MMBtu/day
Seasonal Quantity (SQ): 1,000,000 MMBtus

Delivery Point(s): Duke's Springboro inter-connect with ANR or TETCO

Scheduling: Duke shall notify NET of its election by 8:00 a.m. Central Time on the business day prior to flow. Duke shall not be required to take gas on a ratable basis over weekends and holidays.

Monthly Demand Charge: \$0.1225 times the SQ (\$122,500/month) to be paid each month beginning April 2012 through October 2012.

Buyer: Duke Energy Kentucky, Inc.
By:
Title: Manager, Gas Resources
Date: 3/9/12

Seller: National Energy & Trade, LP
By:
Title: VICE PRESIDENT - NET GENERAL PARTNERS LLC
Date: March 8, 2012

DR *H
GD
GR

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : MAY 31, 2012

GAS COMMODITY RATE FOR JUNE, 2012:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$3.8727	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.800%	\$0.1084	\$3.9811	\$/Dth
DTH TO MCF CONVERSION	1.0084	\$0.0334	\$4.0145	\$/Mcf
ESTIMATED WEIGHTING FACTOR	100.000%		\$4.0145	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$4.015	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$5.4619	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$5.4772	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	1.963%	\$0.1075	\$5.5847	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0297	\$5.6144	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0018	\$5.6162	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.800%	\$0.1573	\$5.7735	\$/Dth
DTH TO MCF CONVERSION	1.0084	\$0.0485	\$5.8220	\$/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	0.000%		\$0.0000	\$/Mcf
PROPANE COMMODITY RATE			\$0.000	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 5/8/12 and contracted hedging prices.

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
SUPPLIER REFUND ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED February 29, 2012

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD		
December 1, 2011 THROUGH February 29, 2012	\$	14,278.93
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		0.9984
REFUNDS INCLUDING INTEREST (\$14,278.93 x 0.9984)	\$	14,256.08
DIVIDED BY TWELVE MONTH SALES ENDED May 31, 2013	MCF	10,456,686
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>(0.001)</u>

DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED February 29, 2012

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		
Tennessee Gas Pipeline Refund - January 5, 2012		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 February 29, 2012

DESCRIPTION	UNIT	DECEMBER	JANUARY	FEBRUARY
<u>SUPPLY VOLUME PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	MCF	1,284,872	1,737,252	1,384,359
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	186	584	0
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	(5,449)	(25,281)	(12,618)
TOTAL SUPPLY VOLUMES	MCF	<u>1,279,609</u>	<u>1,712,555</u>	<u>1,371,741</u>
<u>SUPPLY COST PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	\$	6,340,455	8,120,573	6,000,206
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	1,321	3,873	0
OTHER COSTS (SPECIFY):				
GAS COST UNCOLLECTIBLE	\$	4,588	(11,833)	(51,601)
MANAGEMENT FEE	\$	(34,675)	(34,675)	(34,675)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	0	0	(270)
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>6,311,689</u>	<u>8,077,938</u>	<u>5,913,660</u>
<u>SALES VOLUMES</u>				
JURISDICTIONAL	MCF	1,183,170.4	1,697,976.1	1,606,787.9
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	<u>1,183,170.4</u>	<u>1,697,976.1</u>	<u>1,606,787.9</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.335	4.757	3.680
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>5.237</u>	<u>5.241</u>	<u>4.756</u>
DIFFERENCE	\$/MCF	0.098	(0.484)	(1.076)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,183,170.4</u>	<u>1,697,976.1</u>	<u>1,606,787.9</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>115,950.70</u>	<u>(821,820.43)</u>	<u>(1,728,903.78)</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>(2,434,773.51)</u>
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>(2,434,773.51)</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>May 31, 2013</u>	MCF			10,456,686
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>(0.233)</u>
AAU				

**GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
BALANCE ADJUSTMENT
DETAILS FOR THE TWELVE MONTH PERIOD ENDED February 29, 2012**

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 MARCH 1, 2011	\$	3,902,289.10
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ 0.372 /MCF APPLIED TO TOTAL SALES OF 8,939,903 MCF (TWELVE MONTHS ENDED February 29, 2012)	\$	<u>3,325,643.81</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>576,645.29</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 MARCH 1, 2011	\$	(6,827.23)
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ (0.001) /MCF APPLIED TO TOTAL SALES OF 8,939,903 MCF (TWELVE MONTHS ENDED February 29, 2012)	\$	<u>(8,939.92)</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>2,112.69</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 MARCH 1, 2011	\$	(29,370.72)
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ (0.003) /MCF APPLIED TO TOTAL SALES OF 8,939,903 MCF (TWELVE MONTHS ENDED February 29, 2012)	\$	<u>(26,819.76)</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>(2,550.96)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>576,207.02</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED May 31, 2013	MCF	<u>10,456,686</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u>0.055</u>

Revised Tariff Schedules

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	05/31/12	05/31/12	(T)
Rate GS, General Service.....	31	05/31/12	05/31/12	(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.2012-_____

Issued: _____

Issued by Julie Janson, President

Effective: May 31, 2012

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	05/01/12	05/01/12	
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	05/31/12	05/31/12	(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	
Curtailment 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.2012-_____

Issued: _____

Issued by Julie Janson, President

Effective: May 31, 2012

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

KY.P.S.C. Gas No. 2
Sixty-Ninth Revised Sheet No. 30
Cancelling and Superseding
Sixty-Eighth 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</u>		<u>Gas Cost</u>		<u>Total Rate</u>	
	<u>Rate</u>		<u>Adjustment</u>			
Plus a commodity Charge for all CCF at	\$0.37213	plus	\$0.4421	Equals	\$0.81423	(I)

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. 2012-

Issued: _____

Effective: May 31, 2012

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	\$0.4421	Equals	\$0.6474	(I)

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. 2012-_____

Issued: _____

Effective: May 31, 2012

Issued by Julie Janson, President

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

KY.P.S.C. Gas No. 2
Twenty-Fourth Revised Sheet No. 77
Cancelling and Superseding
Twenty-Third 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 \$(0.0285) per 100 cubic feet. This rate shall be in effect during the month of June 2012 through August 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. 2012_____

Issued: _____

Effective: May 31, 2012

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 MAY 31, 2012

2nd Quarter

DUKE ENERGY Kentucky, Inc.
 USED FOR GCA EFFECTIVE May 31, 2012

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

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

INTEREST RATE	-0.0029
PAYMENT	0.083202
ANNUAL TOTAL	0.9984
MONTHLY INTEREST	(0.000242)
AMOUNT	1

MARCH	2011	0.34	
APRIL	2011	0.33	
MAY	2011	0.22	
JUNE	2011	0.24	
JULY	2011	0.23	
AUGUST	2011	0.27	
SEPTEMBER	2011	0.22	
OCTOBER	2011	0.17	
NOVEMBER	2011	0.16	
DECEMBER	2011	0.11	
JANUARY	2012	0.19	
FEBRUARY	2012	0.18	2.66
MARCH	2012	0.16	2.82

PRIOR ANNUAL TOTAL	2.66
PLUS CURRENT MONTHLY RATE	0.16
LESS YEAR AGO RATE	0.34
NEW ANNUAL TOTAL	2.48
AVERAGE ANNUAL RATE	0.21
LESS 0.5% (ADMINISTRATIVE)	(0.29)

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

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	6,373,923.97	
adjustments	(30,745.58)	
IT monthly charges entered by Gas Supply	<u>(2,723.31)</u>	6,340,455
 <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	1,320.65	1,321
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>	4,588.00	4,588
 <u>LESS: X-5 TARIFF</u>	0.00	0
<u>LESS Tenaska MANAGEMENT FEE</u>	34,675.00	(34,675)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
<u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
adjustments	0.00	
	<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>6,311,689</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	115,950.70
ACCOUNT 805-10	(115,950.70)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

Dec 2011

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH Dec 2011</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	1,284,872
Utility Production	MCF	0
Includable Propane	MCF	186
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(5,449)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>1,279,609</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	6,340,455
Includable Propane	\$	1,321
Gas Cost Uncollectible	\$	4,588
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(34,675)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>6,311,689</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	1,183,170.4
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u></u>
TOTAL SALES VOLUME	MCF	<u>1,183,170.4</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.335
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>5.237</u>
DIFFERENCE	\$/MCF	0.098
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,183,170.4</u>
MONTHLY COST DIFFERENCE	\$	<u><u>115,950.70</u></u>

DUKE ENERGY COMPANY KENTUCKY

Dec 2011			
	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	1,183,170.4	6,196,152	5.23690608
RA		(4,759)	
AA		76,324	
BA		<u>1,224</u>	
TOTAL GAS COST RECOVERY(GCR)		<u><u>6,268,941.77</u></u>	
TOTAL SALES VOLUME	1,183,170.4		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u><u>1,183,170.4</u></u>		
 <u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	1,183,170.4	6,311,689.00	5.33455621
UNRECOVERED PURCHASED GAS COST		(39,626.21)	
ROUNDING(ADD/(DEDUCT))		<u>413.96</u>	
TOTAL GAS COST IN REVENUE		<u><u>6,272,476.75</u></u>	
TOTAL GAS COST RECOVERY(GCR)		6,268,941.77	
LESS: RA		(4,759.46)	
BA		<u>1,224.48</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u> </u>	
		<u><u>6,265,406.79</u></u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(39,626.21)	
LESS: AA		<u>76,324.49</u>	
MONTHLY COST DIFFERENCE		(115,950.70)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(115,536.74)</u>	
ROUNDING		<u><u>413.96</u></u>	

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

BILL CODE	REPORTED SALES	EGG \$	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)	(0.308)	(0.038)		(0.009)	0.011	(0.009)	
079		5,877												
089		6,785												
109		6,083												
119		6,185												
129		6,474												
149		5,200												
159		6,497												
169		6,277												
010		9,345												
030		7,184												
040		6,991												
060		6,012												
070	(3,6)	5,766												
080	5.2	6,402												
100	(26.2)	6,713												
110	23.3	6,447												
120	0.3	6,427												
140	(0.9)	5,540												
150	(7.5)	5,371												
160	(773.9)	5,433												
011	(149.9)	5,861												
031	39.4	5,948												
041	819.3	5,769												
061	(484.0)	5,292												
071	119.5	5,577												
081	377.2	6,021												
101	(470.5)	6,343												
111	486.5	6,041												
121	(164.1)	5,804												
141	(706.6)	5,647												
151	(2,384.5)	5,262												
161	1,186,510.6	5,237												
TOTAL	1,182,170.4	5,195,152.26												
TRANSPORTATION:														
Customer Choice Program (GCAT):														
178 & 028														
059														
099														
139														
179 & 020														
050														
090														
130														
170 & 021														
051														
091														
131														
171 & 022														
FT CHOICE		7,354.7												
TOTAL FOR CHOICE														
TOTAL FOR GCR														
			(1,186.51)	(1,180.61)	(1,190.93)	(1,191.41)	(4,759.46)	(4,759.46)						
			CONTROL CK			CONTROL CK			CONTROL CK			CONTROL CK		
			positive=reduce=cr 25313			positive=reduce=cr 25313			positive=reduce=cr 19140			positive=reduce=cr 25313		
			negative=reduce refund=cr 25313			negative=reduce refund=cr 25313			negative=refund=cr 19140			negative=refund=cr 25313		

JE ID -KUNBIL ANZ

Firm Transportation: 142,929.8
0.0
0.0
FT 142,929.8
Interruptible Transportation:
IT 144,363.4
144,363.4
Grand Total 1,477,818.3 less to last pg of A
ADJUSTED EGG 5,237

**DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF Jan 2012**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	8,270,011.75	
adjustments	(149,438.93)	
IT monthly charges entered by Gas Supply	<u>0.00</u>	8,120,573
 <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	3,873.45	3,873
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>	(11,833.00)	(11,833)
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS Sequent MANAGEMENT FEE</u>	34,675.00	(34,675)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
adjustments	0.00	
	<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>8,077,938</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	(821,820.43)
ACCOUNT 805-10	821,820.43

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH Jan 2012

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH Jan 2012</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	1,737,252
Utility Production	MCF	0
Includable Propane	MCF	584
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(25,281)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>1,712,555</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	8,120,573
Includable Propane	\$	3,873
Gas Cost Uncollectible	\$	(11,833)
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(34,675)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>8,077,938</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	1,697,976.1
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u></u>
TOTAL SALES VOLUME	MCF	<u>1,697,976.1</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	4.757
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>5.241</u>
DIFFERENCE	\$/MCF	(0.484)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,697,976.1</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(821,820.43)</u></u>

DUKE ENERGY COMPANY KENTUCKY

Jan 2012

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	1,697,976.1	8,899,091	5.24099870
RA		(6,836)	
AA		109,481	
BA		<u>1,700</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>9,003,435.31</u>	
TOTAL SALES VOLUME	1,697,976.1		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>1,697,976.1</u>		
 <u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	1,697,976.1	8,077,938.00	4.75739205
UNRECOVERED PURCHASED GAS COST		931,301.48	
ROUNDING(ADD/(DEDUCT))		<u>(667.90)</u>	
TOTAL GAS COST IN REVENUE		<u>9,008,571.58</u>	
TOTAL GAS COST RECOVERY(GCR)		9,003,435.31	
LESS: RA		(6,835.90)	
BA		<u>1,699.63</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u> </u>	
		<u>8,998,299.04</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		931,301.48	
LESS: AA		<u>109,481.05</u>	
MONTHLY COST DIFFERENCE		821,820.43	
EXTENDED MONTHLY COST DIFFERENCE		<u>821,152.53</u>	
ROUNDING		<u>(667.90)</u>	

DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: January 2012

BILL CODE	REPORTED SALES	EGC \$	RECONCILIATION ADJUSTMENT			TOTAL RA	ACTUAL ADJUSTMENT			TOTAL RA	BALANCE ADJUSTMENT			TOTAL BA
			CURRENT	PREVIOUS	THRD.PREV.		CURRENT	PREVIOUS	THRD.PREV.		CURRENT	PREVIOUS	THRD.PREV.	
			(0.001)	(0.001)	(0.001)		(0.001)	(0.001)	(0.001)		(0.001)	(0.001)	(0.003)	
079		5.877												
089		6.765												
109		6.083												
119		6.185												
129		6.474												
149		5.200												
159		6.497												
169		6.277												
010		6.845												
030		7.184												
040		6.991												
050		6.012												
070		5.766												
080	1.0	6.402												
100	6.713	6.711												
110	1.3	6.447												
120	0.9	6.427												
140	12.2	6.440												
150	16.1	5.371												
160	(259.2)	5.433												
011	(113.9)	5.881												
031	154.1	5.849												
041	562.9	5.760												
061	(532.8)	5.292												
071	99.1	5.577												
081	242.4	5.021												
091	(529.8)	6.343												
101	399.8	6.041												
111														
121	(147.0)	5.804												
141	(348.9)	5.641												
151	(687.3)	5.282												
161	(6,277.3)	5.237												
012	1,707,392.4	5.241												
TOTAL	1,597,376.4	8,845,443.57												
TRANSPORTATION:														
Customer Choice Program (GCAT):														
178 & 029		0.59												
059		139												
179 & 020		0.50												
090		0.90												
170 & 021		0.51												
091		131												
171 & 022		10,668.8												
FT CHOICE	10,668.8													
TOTAL FOR CHOICE														
TOTAL FOR GCR														
CONTROL CK														
positive=recovered-r 13140														
negative=refund-r 19140														
CONTROL CK														
positive=recovered-r 25313														
negative=reduce refund-r 25313														

JE ID - KUNBILANWZ

Firm Transportation: 192,208.7

0.0

0.0

192,208.7

Intermittent Transportation:

122,591.0

122,591.0

Grand Total 2,023,444.6

ADJUSTED ESC 5,241

ties to last pg of A

**DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF Feb 2012**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	6,074,796.55	
adjustments	(66,375.06)	
IT monthly charges entered by Gas Supply	<u>(8,215.75)</u>	6,000,206
 <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>	(51,601.00)	(51,601)
 <u>LESS: X-5 TARIFF</u>	0.00	0
<u>LESS Sequent MANAGEMENT FEE</u>	34,675.00	(34,675)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
<u>LESS: GAS LOSSES - DAMAGED LINES</u>	(269.81)	(270)
adjustments	0.00	
	<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>5,913,660</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	(1,728,903.78)
ACCOUNT 805-10	1,728,903.78

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

Feb 2012

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH Feb 2012</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	1,384,359
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(12,618)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>1,371,741</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	6,000,206
Includable Propane	\$	0
Gas Cost Uncollectible	\$	(51,601)
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(34,675)
- Losses-Damaged Lines	\$	(270)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>5,913,660</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	1,606,787.9
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u></u>
TOTAL SALES VOLUME	MCF	<u>1,606,787.9</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	3.680
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>4.756</u>
DIFFERENCE	\$/MCF	(1.076)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,606,787.9</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(1,728,903.78)</u></u>

DUKE ENERGY COMPANY KENTUCKY

	Feb 2012		
	<u>Applied</u>	<u>Amount</u>	<u>\$/MCF</u>
	<u>MCF Sales</u>		
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	1,606,787.9	7,641,678	4.75587246
RA		(6,486)	
AA		103,817	
BA		<u>1,620</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>7,740,629.27</u>	
TOTAL SALES VOLUME	1,606,787.9		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>1,606,787.9</u>		
 <u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	1,606,787.9	5,913,660.00	3.68042353
UNRECOVERED PURCHASED GAS COST		1,832,720.87	
ROUNDING(ADD/(DEDUCT))		<u>(885.45)</u>	
TOTAL GAS COST IN REVENUE		<u>7,745,495.42</u>	
TOTAL GAS COST RECOVERY(GCR)		7,740,629.27	
LESS: RA		(6,485.90)	
BA		<u>1,619.75</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u> </u>	
		<u>7,735,763.12</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		1,832,720.87	
LESS: AA		<u>103,817.09</u>	
MONTHLY COST DIFFERENCE		1,728,903.78	
EXTENDED MONTHLY COST DIFFERENCE		<u>1,728,018.33</u>	
ROUNDING		<u>(885.45)</u>	

DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: February 2012

BILL CODE	REPORTED SALES	E/GC \$	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)		(0.309)	(0.039)	(0.372)		(0.001)	(0.003)		
079		5.877												
089		6.785												
109		6.083												
119		6.185												
128		6.474												
148		5.200												
159		6.497												
169		6.277												
010		6.845												
030		7.184												
040		6.591												
060		6.012												
070		5.756												
080		6.402												
100		6.713												
110		6.447												
120	0.9	6.427												
140	0.6	5.540												
150	4.0	5.371												
160	(162.3)	5.433												
011	(276.8)	5.481												
031	(246.6)	5.849												
041	459.3	5.760												
051	(627.5)	5.292												
071	10.5	5.577												
081	226.4	6.021												
101	(370.4)	6.343												
111	324.0	6.041												
121	79.7	5.804												
141	(76.9)	5.471												
151	(396.1)	5.852												
161	(18,295.6)	5.237												
012	15,582.5	5.244												
032	1,610,455.2	4.757												
TOTAL	1,605,787.9	7,641,678.33												
TRANSPORTATION:														
Customer Choice Program (GCAT):														
178 & 029														
059														
089														
130														
178 & 020														
066														
080														
130														
170 & 021														
051														
091														
131														
171 & 022														
FT CHOICE	13,955.7													
FT CHOICE	13,955.7													
TOTAL FOR CHOICE														
TOTAL FOR GCR														
CONTROL CK														
positive=recovered-cr 25313														
negative=reduce refund-df25313														
JE ID -KUNBIL ANZ														
Firm Transportation:														
217,093.8														
0.0														
0.0														
FT 217,093.8														
Intermittent Transportation:														
133,985.0														
133,985.0														
IT														
Grand Total 1,571,832.4 less to last pg of A														
ADJUSTED EGC 4,756														

