



DUKE ENERGY CORPORATION
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

RECEIVED

JUN 10 2008

**PUBLIC SERVICE
COMMISSION**

June 10, 2008

Kentucky Public Service Commission
Attn: Stephanie L. Stumbo, Executive Director
211 Sower Boulevard
Frankfort, Kentucky 40602

2008 - 208

Dear Ms. Stumbo:

Enclosed for filing are an original and four (4) conformed copies of Duke Energy Kentucky's ("Duke") "Monthly Report of Gas Cost Calculations and Tariff Schedules," for the month commencing with the July 2008 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 June 30, 2008 and the NYMEX on June 6, 2008 for the month of July 2008.

The above described schedules and GCA are effective with the final meter readings of District 1, July 2008, revenue month (i.e., final meter readings on and after June 30, 2008).

Duke's proposed GCA is \$11.683 per Mcf. This rate represents an increase of \$0.060 per Mcf from the rate currently in effect for June 2008.

Please stamp "FILED" on the additional enclosed copy and return for our file. Thank you.

Very truly yours,

Lisa Steinkuhl

Enclosure

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	10/01/06	10/01/06	
Supplying and Taking of Service.....	21	10/01/06	10/01/06	
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Company's Installation.....	23	10/01/06	10/01/06	
Metering.....	24	10/01/06	10/01/06	
Billing and Payment.....	25	10/01/06	10/01/06	
Deposits.....	26	10/01/06	10/01/06	
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Rate GS, General Service.....	31	06/30/08	06/30/08	(C)
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FT Bills – With GCRT.....	51	10/01/06	10/01/06	
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Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in
 Case No. _____.

Issued:

Effective: June 30, 2008

Issued by Sandra P. Meyer, President

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>TRANSPORTATION TARIFF SCHEDULES (Contd.)</u>			
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Rate AS, Pooling Service for Interruptible Transportation.....	55	10/01/06	10/01/06
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Rate GTS, Gas Trading Service.....	57	10/01/06	10/01/06
Rate IMBS, Interruptible Monthly Balancing Service.....	58	10/01/06	10/01/06
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Cash Out – Sell to Pool.....	58	10/01/06	10/01/06
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Rate DGS, Distributed Generation Service.....	59	10/01/06	10/01/06
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Rider X, Main Extension Policy.....	60	10/01/06	10/01/06
Rider DSM, Demand Side Management Cost Recovery Program	61	10/01/06	10/01/06
Rider DSMR, Demand Side Management Rate.....	62	05/30/08	05/30/08
Rider AMRP, Accelerated Main Replacement Program Rider.....	63	10/01/06	10/01/06
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Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in
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Issued:

Effective: June 30, 2008

Issued by Sandra P. Meyer, President

Duke Energy Kentucky, Inc.
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2
Twenty-First Revised Sheet No. 30
Cancelling and Superseding
Twentieth 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: \$12.00
Plus the applicable charge per month as set forth on Sheet No. 63,
Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a commodity Charge for all CCF at	\$0.26687	plus	\$1.1683	Equals	\$1.43517	(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.

Plus, all gas delivered shall be subject to an adjustment per CCF as set forth on Sheet No. 64, Rider MSR-G, Merger Savings Credit Rider-Gas.

The "Customer Charge" shown above plus Rider AMRP 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: June 30, 2008

Issued by Sandra P. Meyer, 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: \$30.00
Plus the applicable charge per month as set forth on Sheet No. 63,
Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>
Plus a Commodity Charge for all CCF at	\$0.20949	Plus	\$1.1683	Equals	\$1.37779

(D)

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 plus Rider AMRP 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:

Issued by Sandra P. Meyer, President

Effective: June 30, 2008

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

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	11.303
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	(0.001)
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.344
BALANCE ADJUSTMENT (BA)	\$/MCF	0.037
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA + BA	\$/MCF	<u>11.683</u>

GAS COST RECOVERY RATE EFFECTIVE DATES: JUNE 30, 2008 THROUGH JULY 29, 2008

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	11.303

SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	(0.001)
PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
SECOND PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
THIRD PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	<u>(0.001)</u>

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	0.213
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.728
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.058
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	<u>(0.655)</u>
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.344

BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	0.086
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.001)
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.045)
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	<u>(0.003)</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	0.037

THIS MONTHLY REPORT FILED PURSUANT TO CASE NO.
OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED

2003-00386
November 6, 2003

DATE FILED: June 10, 2008

BY: PAUL G. SMITH

TITLE: VICE-PRESIDENT, RATES

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

SUPPLEMENTAL MONTHLY REPORT

EXPECTED GAS COST RATE CALCULATION

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

JUNE 30, 2008
MAY 31, 2009

\$

DEMAND (FIXED) COSTS:

Columbia Gas Transmission Corp.	2,606,665
Texas Gas Transmission	494,000
Tennessee Gas Pipeline	1,281,896
Columbia Gulf Transmission Corp.	925,578
K O Transmission Company	307,584
Gas Marketers	109,803
TOTAL DEMAND COST:	<u>5,725,526</u>

PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES: 10,636,245 MCF

DEMAND (FIXED) COMPONENT OF EGC RATE \$5,725,526 / 10,636,245 MCF **\$0.538 /MCF**

COMMODITY COSTS:

Gas Marketers	\$10.765 /MCF
Gas Storage	/MCF
Columbia Gas Transmission	\$0.000 /MCF
Propane	\$0.000 /MCF
COMMODITY COMPONENT OF EGC RATE:	<u>\$10.765</u>

TOTAL EXPECTED GAS COST: \$11.303 /MCF

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

DETAILS FOR THE EGC RATE IN EFFECT AS OF : JUNE 30, 2008



GAS COMMODITY RATE FOR JULY, 2008:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$10.1364	\$/Dth
DUKE ENERGY KENTUCKY FUEL	3.100%	\$0.3142	\$10.4506	\$/Dth
DTH TO MCF CONVERSION	1.0301	\$0.3146	\$10.7652	\$/Mcf
ESTIMATED WEIGHTING FACTOR	1.0000		\$10.7652	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$10.765	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$8.7231	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$8.7384	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.154%	\$0.1882	\$8.9266	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0174	\$8.9440	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0019	\$8.9459	\$/Dth
DUKE ENERGY KENTUCKY FUEL	3.100%	\$0.2773	\$9.2232	\$/Dth
DTH TO MCF CONVERSION	1.3010	\$0.2776	\$9.5008	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0000		\$0.0000	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.000	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.35230	\$/Gallon
GALLON TO MCF CONVERSION	14.84	\$4.8758	\$5.2281	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0000		\$0.0000	\$/Mcf
PROPANE COMMODITY RATE			\$0.000	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 6/06/2008 and contracted hedging prices.