



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

RECEIVED

FEB 11 2009

PUBLIC SERVICE  
COMMISSION

February 11, 2009

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

2009-00059

Dear Mr. Derouen:

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 March 2009 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 March 3, 2009 and the NYMEX on February 6, 2009 for the month of March 2009.

The above described schedules and GCA are effective with the final meter readings of District 1, March 2009 revenue month (i.e., final meter readings on and after March 3, 2009).

Duke's proposed GCA is \$7.389 per Mcf. This rate represents a decrease of \$0.882 per Mcf from the rate currently in effect for February 2009.

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

Very truly yours,

Lisa Steinkuhl

Enclosure

1ST QUARTER COVER

DUKE ENERGY KENTUCKY, INC  
GAS COST ADJUSTMENT CLAUSE

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM MARCH 3, 2009 THROUGH MARCH 31, 2009

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	7.418
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.006)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.093)
BALANCE ADJUSTMENT (BA)	\$/MCF	0.070
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	<u>7.389</u>

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	7.418

SUPPLIER REFUND ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ.	\$/MCF	(0.005)
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
SECOND PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
THIRD PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	<u>(0.006)</u>

ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	0.723
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.060)
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.969)
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.213
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>(0.093)</u>

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	0.001
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.097)
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.080
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.086
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>0.070</u>

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

DATE FILED: February 11, 2009

BY: PAUL G. SMITH

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 MARCH 3, 2009**

	\$
<b><u>DEMAND (FIXED) COSTS:</u></b>	
Columbia Gas Transmission Corp.	2,606,665
Texas Gas Transmission	490,750
Tennessee Gas Pipeline	1,059,993
Columbia Gulf Transmission Corp.	925,578
KO Transmission Company	307,584
Gas Marketers	34,019
TOTAL DEMAND COST:	5,424,589
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	10,264,326 MCF
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$5,424,589 / 10,264,326 MCF <b>\$0.528 /MCF</b>
 <b><u>COMMODITY COSTS:</u></b>	
Gas Marketers	\$5.729 /MCF
Gas Storage	
Columbia Gas Transmission	\$1.145 /MCF
Propane	\$0.016 /MCF
COMMODITY COMPONENT OF EGC RATE:	<b>\$6.890 /MCF</b>
TOTAL EXPECTED GAS COST:	<b>\$7.418 /MCF</b>

**GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF : MARCH 3, 2009**

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
<b>INTERSTATE PIPELINE : COLUMBIA GAS TRANSMISSION, LLC</b>				
TARIFF RATE EFFECTIVE DATE : FSS: 3/3/2009				
SST: 3/3/2009				
<b><u>BILLING DEMAND - TARIFF RATE - FSS</u></b>				
Max. Daily Withdrawl Quan.	1.5070	39,656	12	717,139
Seasonal Contract Quantity	0.0290	1,365,276	12	475,116
<b><u>BILLING DEMAND - TARIFF RATE - SST</u></b>				
Maximum Daily Quantity	3.9630	39,656	6	942,940
Maximum Daily Quantity	3.9630	19,828	6	471,470
CAPACITY RELEASE CREDIT				0
<b>TOTAL COLUMBIA GAS TRANSMISSION, LLC - DEMAND CHARGES</b>				<b>2,606,665</b>
<b>INTERSTATE PIPELINE : TEXAS GAS TRANSMISSION</b>				
TARIFF RATE EFFECTIVE DATE : NOT APPLICABLE				
<b><u>BILLING DEMAND - TARIFF RATE - STE</u></b>				
Max. Daily Quantity Zone 4	0.3250	10,000	151	490,750
CAPACITY RELEASE CREDIT				0
<b>TOTAL TEXAS GAS TRANSMISSION DEMAND CHARGES</b>				<b>490,750</b>
<b>INTERSTATE PIPELINE : TENNESSEE GAS PIPELINE</b>				
TARIFF RATE EFFECTIVE DATE : NOT APPLICABLE				
<b><u>BILLING DEMAND - TARIFF RATE - FT-A</u></b>				
Max. Daily Quantity Zone 1-2	6.0571	25,000	7	1,059,993
CAPACITY RELEASE CREDIT				0
<b>TOTAL TENNESSEE GAS PIPELINE DEMAND CHARGES</b>				<b>1,059,993</b>

Currently Effective Rates  
 Applicable to Rate Schedule FSS, ISS, and SIT  
 Rate Per Dth

		Transportation Cost		Electric Power		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
		Base Tariff Rate 1/	Rate Adjustment Current	Surcharge	Costs Adjustment Current			
<b>Rate Schedule FSS</b>								
Reservation Charge	\$	1.507	-	-	-	-	1.507	0.050
Capacity	c	2.90	-	-	-	-	2.90	2.90
Injection	c	1.53	-	-	-	-	1.53	1.53
Withdrawal	c	1.53	-	-	-	-	1.53	1.53
Overrun	c	10.91	-	-	-	-	10.91	10.91
<b>Rate Schedule ISS</b>								
Commodity								
Maximum	c	5.95	-	-	-	-	5.95	5.95
Minimum	c	0.00	-	-	-	-	0.00	0.00
Injection	c	1.53	-	-	-	-	1.53	1.53
Withdrawal	c	1.53	-	-	-	-	1.53	1.53
<b>Rate Schedule SIT</b>								
Commodity								
Maximum	c	4.12	-	-	-	-	4.12	4.12
Minimum	c	1.53	-	-	-	-	1.53	1.53

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.

Currently Effective Rates  
 Applicable to Rate Schedule SST and GTS  
 Rate Per Dth

	Base Tariff Rate 1/	Transportation Cost Rate Adjustment		Electric Power Costs Adjustment		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
		Current	Surcharge	Current	Surcharge			
<u>Rate Schedule SST</u>								
Reservation Charge 3/	\$ 5.466	0.323	-0.015	0.027	-0.002	-	5.799	0.1906
Commodity								
Maximum	c 1.02	0.23	0.04	0.32	0.13	0.17	1.91	1.91
Minimum	c 1.02	0.23	0.04	0.32	0.13	0.17	1.91	1.91
Overrun	c 18.99	1.29	-0.01	0.41	0.12	0.17	20.97	20.97
<u>Rate Schedule GTS</u>								
Commodity								
Maximum	c 75.10	2.35	-0.06	0.50	0.12	0.17	78.18	78.18
Minimum	c 3.08	0.23	-0.06	0.32	0.12	0.17	3.86	3.86
MFCC	c 72.02	2.12	0.00	0.18	0.00	-	74.32	74.32

*discounted to 3.963*

*w/d .0174*

- 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 Sheet No. 30A.
- 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.
- 3/ Minimum reservation charge is \$0.00.

*inj - includes ACA of .0017*

*.0174 w/d rate*  
*.0017 aca*  


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*.0191 inj. rate*

RETAINAGE PERCENTAGES

Transportation Retainage	2.154%
Gathering Retainage	0.694%
Storage Gas Loss Retainage	0.150%
Processing Retainage	---

Issued by: Claire A. Burum, SVP Regulatory Affairs

Issued on: February 3, 2009

Effective on: March 3, 2009



3800 Frederica Street  
P.O. Box 20008  
Owensboro, KY 42304-0008  
270/926-8686

May 22, 2007

Mr. Jim Henning  
Duke Energy Kentucky, Inc.  
139 E 4th Street  
Cincinnati, OH 45202-4003

Re: Discount Agreement

Dear Jim:

Texas Gas Transmission, LLC (Texas Gas) has reviewed the request of Duke Energy Kentucky, Inc. (Duke) for a discounted transportation rate for the time period listed below. Accordingly, Texas Gas is willing to offer Duke the following discount:

Contract No.:	26549
Rate Schedule:	STF
Time Period:	November 1, 2007 - March 31, 2008 November 1, 2008 - March 31, 2009 November 1, 2009 - March 31, 2010 November 1, 2010 - March 31, 2011
Contract Demand:	10,000 MMBtu per day
Qualified Delivery Points:	Duke Energy OH/Zone 4, Meter No. 1229 Duke Energy KY/Zone 4, Meter No. 1872 Lebanon-Columbia Gas/Zone 4, Meter No. 1715 Lebanon-Dominion/Zone 4, Meter No. 1247 Lebanon-Texas Eastern/Zone 4, Meter No. 1859
Discounted Demand Rate:	For each unit of its daily contract demand, Duke shall pay \$0.325 (including all surcharges).
Discounted Commodity Rate:	Texas Gas' minimum STF Commodity Rate plus ACA and applicable fuel retention.



June 16, 2008

Duke Energy Kentucky  
139 East Fourth Street  
EM 025  
Cincinnati, OH 45202

Attention: Jeff Kern

RE Firm Transportation Discount  
~~Tennessee FT-A Service Package No. 68515~~  
Open Season # 654

Dear Jeff

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

- 1 a) If Duke Energy Kentucky, its assignee(s) or its agent(s) (hereinafter collectively referred to as "Duke") violates the terms of this agreement or the terms of the above-referenced service package, Tennessee shall have the right, in its sole discretion, to immediately terminate this discount agreement and/or assess, from the date of the violation, the maximum Tennessee monthly reservation rate for the entire contract quantity and the maximum daily commodity rates on all transactions occurring under this agreement.
- b) For the period commencing ~~October 1, 2008~~, and extending ~~through April 30, 2009~~, for gas delivered by Tennessee on behalf of Duke to North Means (Meter 020049) under the above referenced service package, the applicable FT-A rates for volumes received by Tennessee from any Zone L 500 leg and Zone 1 500 Leg meters including the supply associated Supply Aggregation Pools, will be the lesser of:
  - i) A monthly reservation rate of \$6.0571 per Dth and a daily commodity rate of Tennessee's maximum applicable commodity rate. These rates are inclusive of ACA and all applicable surcharges.

or

  - ii) Tennessee's maximum monthly FT-A reservation and maximum daily commodity rates.

In addition, Duke will pay applicable fuel and lost and unaccounted for charges.

- c) Receipts and/or deliveries to points other than those listed above during the term of Duke's Service Package shall result in Duke being assessed Tennessee's maximum reservation rate for the primary path divided by the number of days in the month for the entire contract TQ on the day(s) of such deliveries and the maximum daily commodity rates under Rate Schedule FT-A as well as the applicable fuel and loss charges and surcharges. In addition, deliveries exclusive of authorized overrun on any one day during the term of Duke's Service Package in excess of 25,000

**TENNESSEE GAS  
PIPELINE**

DUKE ENERGY KENTUCKY  
JUNE 16, 2008  
PAGE 2

Dth per day shall be subject to Tennessee's maximum daily commodity rate under Rate Schedule FT-A, as well as the applicable fuel and loss charges and surcharges, for those excess volumes

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

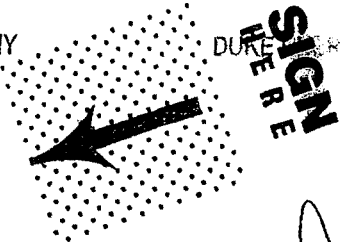
Please acknowledge your acceptance of this proposal by signing and returning via mail or facsimile to the undersigned at (713) 445-8722. A signed copy must be returned to undersigned on or before **fifteen (15)** working days from the date of the discount letter or discount is nullified and customer will be billed Tennessee's maximum FT-A reservation and commodity rates. One fully executed copy will be returned for your records.

Sincerely,

Trisha E Young  
Account Manager

TENNESSEE GAS PIPELINE COMPANY

DUKE ENERGY KENTUCKY



By:   
Heath Deneke  
Agent and Attorney-in-Fact  
mm 6-16-08

Date: 7-15-08

By:

Date: 7/11/2008

May 27, 2008

Duke Energy Kentucky  
139 East Fourth Street  
EM 025  
Cincinnati, OH 45202

RE: Pre-Arranged Discounted Letter

Dear Jeff Kern:

In order to finalize the discussions between Tennessee Gas Pipeline Company ("Tennessee") and Duke Energy Kentucky regarding Zone 2 firm transportation requirements, the following letter agreement has been drafted. In light of these discussions, Tennessee is pleased to make the following proposals:

Zone 2 Capacity Proposal

Rate Schedule: FT-A

Transportation Quantity ("TQ"): 25,000 Dth/d

Term: October 1, 2008 through April 31, 2009

Primary Receipt Points: Zone L – Shell South Timbalier Blk 26 – Meter # 012292

Secondary Receipt Point at which the Discounted Rate specified below applies:  
All Zone L 500 Leg and Zone 1 500 Leg receipt points, including the associated Supply Aggregation Pools.

Primary Delivery Point: Zone 2 – TCO North Means – Meter # 020049

Monthly Demand Rate: \$6.0571 per Dth  
The discounted demand rate is inclusive of all applicable surcharges specified in Tennessee's currently effective FERC approved gas tariff ("Tennessee Tariff").

Commodity Rate for Primary Deliveries:  
Tennessee's Maximum Applicable Commodity Rate  
The maximum commodity rate is inclusive of ACA and all applicable surcharges specified in the Tennessee Tariff.

Other Conditions: Duke Energy Kentucky shall pay the applicable fuel and loss charges.

The total amount of primary receipt point capacity and primary delivery point capacity shall be equal and the amount of each will equal the TQ described above.

Receipts and/or deliveries to points other than those listed above during the term of Duke Energy Kentucky's Service Package shall result in Duke Energy Kentucky being assessed Tennessee's maximum reservation rate for the primary path divided by the number of days in the month for the entire contract TQ on the day(s) of such deliveries and the maximum daily commodity rates under Rate Schedule FT-A as well as the applicable fuel and loss charges and surcharges. In addition, deliveries exclusive of authorized

**GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF : MARCH 3, 2009**

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
<b>INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.</b>				
TARIFF RATE EFFECTIVE DATE :		FTS-1: 10/1/2008		
		FTS-2: 10/1/2008		
<b>BILLING DEMAND - TARIFF RATE - FTS-1</b>				
Maximum Daily Quantity	3.1450	22,782	5	358,247
Maximum Daily Quantity	3.1450	17,598	7	387,420
<b>BILLING DEMAND - TARIFF RATE - FTS-2</b>				
Maximum Daily Quantity	0.9995	15,000	5	74,963
Maximum Daily Quantity	0.9995	15,000	7	104,948
CAPACITY RELEASE CREDIT FOR FTS-1				0
CAPACITY RELEASE CREDIT FOR FTS-2				0
<b>TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES</b>				<b>925,578</b>
<b>INTERSTATE PIPELINE : KO TRANSMISSION COMPANY</b>				
TARIFF RATE EFFECTIVE DATE :		10/1/2008		
<b>BILLING DEMAND - TARIFF RATE - FT</b>				
Maximum Daily Quantity	0.3560	72,000	12	307,584
CAPACITY RELEASE CREDIT				0
<b>TOTAL KO TRANSMISSION CO. DEMAND CHARGES</b>				<b>307,584</b>
<b>VARIOUS GAS MARKETERS FIXED (RESERVATION) CHARGES :</b>				
November - March	0.0014	9,506,991		13,769
December - February	0.15	135,000		20,250
<b>TOTAL GAS MARKETERS FIXED CHARGES</b>				<b>34,019</b>

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

	Base Rate (1) \$	Annual Charge Adjustment (2) \$ 1/	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Unaccounted For (6) %	Company Use and Unaccounted For (7) %
<u>Rate Schedule FTS-1</u>							
Rayne, LA To Points North Reservation Charge 2/	3.1450	-	3.1450	<u>3.1450</u>	<u>0.1034</u>		-
<u>Commodity</u>							
Maximum	0.0170	0.0017	0.0187	<u>0.0187</u>	0.0187	0.365	2.795
Minimum	0.0170	0.0017	0.0187	0.0187	0.0187	0.365	2.795
Overrun	0.1204	0.0017	0.1221	0.1221	0.1221	0.365	2.795

1/ Pursuant to Section 154.402 of the Commission's Regulations. Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more than one zone, rate will be applied only one time.

2/ The Minimum Rate under Reservation Charge is zero (0).

Currently Effective Rates  
 Applicable to Rate Schedule ETS-2  
 Rates per Dth

	Base Rate (1) \$	Annual Charge Adjustment (2) \$ 1/	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Company Use and Unaccounted For (6) ¢
<u>Rate Schedule ETS-2:</u>						
Offshore Laterals						
Reservation Charge 2/ Commodity	2.6700	-	2.6700	2.6700	0.0878	-
Maximum	0.0002	0.0017	0.0019	0.0019	0.0019	0.492
Minimum	0.0002	0.0017	0.0019	0.0019	0.0019	0.492
Overrun	0.0880	0.0017	0.0897	0.0897	0.0897	0.492
Onshore Laterals						
Reservation Charge 2/ Commodity	1.0603	-	1.0603	<u>1.0603</u> <i>discounted to .9995</i>	0.0349	-
Maximum	0.0017	0.0017	0.0034	0.0034	0.0034	0.678
Minimum	0.0017	<u>0.0017</u>	<u>0.0034</u>	0.0034	0.0034	0.678
Overrun	0.0366	0.0017	0.0383	0.0383	0.0383	0.678
Offsystem-Onshore						
Reservation Charge 2/ Commodity	2.5255	-	2.5255	2.5255	0.0830	-
Maximum	0.0070	0.0017	0.0087	0.0087	0.0087	-
Minimum	0.0070	0.0017	0.0087	0.0087	0.0087	-
Overrun	0.0900	0.0017	0.0917	0.0917	0.0917	-

1/ Pursuant to Section 154.402 of the Commission's Regulations. Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more than one zone, rate will be applied only one time.

2/ The Minimum Rate under Reservation Charge is zero (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
<b>RATE SCHEDULE FTS</b>			
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	\$0.0017	\$0.0017
Minimum	\$0.0000	\$0.0017	\$0.0017
Overrun	\$0.0117	\$0.0017	\$0.0134
<b>RATE SCHEDULE ITS</b>			
Commodity			
Maximum	\$0.0117	\$0.0017	\$0.0134
Minimum	\$0.0000	\$0.0017	\$0.0017

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      0.77%

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

2/5/2009

**DUKE ENERGY KENTUCKY  
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS  
ESTIMATED FOR EGC EFFECTIVE 03/1/2009**

**TOTAL ANNUAL RESERVATION COST:**

TOTAL DOLLARS \$ 13,769 (1)

**TOTAL ANNUAL COVERAGE:**

CITY GATE VOLUMES 9,506,991 DTH (2)

**CALCULATED RATE:** \$ 0.0014 PER DTH

(1) Reservation charges billed by firm suppliers for 2008 - 2009.

(2) Contracted volumes for the 2008 - 2009 winter season.



2/5/2009

**DUKE ENERGY KENTUCKY  
TOTAL RESERVATION COSTS FROM NEEDLE PEAKING SUPPLIERS  
ESTIMATED FOR EGC EFFECTIVE 03/1/2009**

**TOTAL ANNUAL RESERVATION COST:**

TOTAL DOLLARS \$ 20,250 (1)

**TOTAL ANNUAL COVERAGE:**

CITY GATE VOLUMES 135,000 DTH (2)

**CALCULATED RATE:** \$ 0.1500 PER DTH

(1) Reservation charges billed by needle peaking suppliers for 2008 - 2009.

(2) Contracted volumes for the 2008 - 2009 winter season.

GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY

DETAILS FOR THE EGC RATE IN EFFECT AS OF : MARCH 3, 2009

**GAS COMMODITY RATE FOR MARCH, 2009:**

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$6.0704	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.900%	\$0.1760	\$6.2464	\$/Dth
DTH TO MCF CONVERSION	1.0293	\$0.1830	\$6.4294	\$/Mcf
ESTIMATED WEIGHTING FACTOR	89.100%		\$5.7286	\$/Mcf
<b>GAS MARKETERS COMMODITY RATE</b>			<b>\$5.729</b>	<b>\$/Mcf</b>

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$9.9496	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$9.9649	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.154%	\$0.2146	\$10.1795	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0174	\$10.1969	\$/Dth
KO TRANS. COMMODITY RATE		\$0.0017	\$10.1986	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.900%	\$0.2958	\$10.4944	\$/Dth
DTH TO MCF CONVERSION	1.0293	\$0.3075	\$10.8019	\$/Mcf
ESTIMATED WEIGHTING FACTOR	10.600%		\$1.1450	\$/Mcf
<b>GAS STORAGE COMMODITY RATE - COLUMBIA GAS</b>			<b>\$1.145</b>	<b>\$/Mcf</b>

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.35230	\$/Gallon
GALLON TO MCF CONVERSION	14.84	\$4.8758	\$5.2281	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.300%		\$0.0157	\$/Mcf
<b>PROPANE COMMODITY RATE</b>			<b>\$0.016</b>	<b>\$/Mcf</b>

(1) Weighted average cost of gas based on NYMEX prices on 2/06/09 and contracted hedging prices.

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

November 30

2008

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD September 1 2008 THROUGH November 30 2008	\$	48,294.00
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		1.0119
REFUNDS INCLUDING INTEREST ( \$48,294.00 x 1.0119 )	\$	48,868.70
DIVIDED BY TWELVE MONTH SALES ENDED FEBRUARY 28, 2010	MCF	10,301,065
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>(0.005)</u>

**DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED**

November 30

2008

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		
Columbia Gas Transmission Coporation - Refund Dated November 26, 2008	\$	48,294.00
TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA	\$	<u>48,294.00</u>

RAU

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

November 30 2008

DESCRIPTION	UNIT	SEPTEMBER	OCTOBER	NOVEMBER
<b><u>SUPPLY VOLUME PER BOOKS</u></b>				
PRIMARY GAS SUPPLIERS	MCF	225,167	473,463	1,232,101
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	0	0	0
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	425	(1,999)	(1,796)
TOTAL SUPPLY VOLUMES	MCF	<u>225,592</u>	<u>471,464</u>	<u>1,230,305</u>
<b><u>SUPPLY COST PER BOOKS</u></b>				
PRIMARY GAS SUPPLIERS	\$	2,336,761	4,411,872	10,941,350
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	0	0	0
OTHER COSTS (SPECIFY):				
MANAGEMENT FEE	\$	(32,292)	(32,292)	(74,500)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	0	0	0
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>2,304,469</u>	<u>4,379,580</u>	<u>10,866,850</u>
<b><u>SALES VOLUMES</u></b>				
JURISDICTIONAL	MCF	211,519.7	229,989.1	646,990.4
NON-JURISDICTIONAL	MCF	0	0	0
OTHER VOLUMES (SPECIFY):	MCF	0	0	0
TOTAL SALES VOLUMES	MCF	<u>211,519.7</u>	<u>229,989.1</u>	<u>646,990.4</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	10.895	19.043	16.796
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>10.397</u>	<u>9.339</u>	<u>8.892</u>
DIFFERENCE	\$/MCF	0.498	9.704	7.904
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>211,519.7</u>	<u>229,989.1</u>	<u>646,990.4</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>105,336.81</u>	<u>2,231,814.23</u>	<u>5,113,812.12</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>7,450,963.16</u>
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>7,450,963.16</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>FEBRUARY 28, 2010</u>	MCF			10,301,065.0
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>0.723</u>
AAU				

**GAS COST ADJUSTMENT CLAUSE  
DUKE ENERGY KENTUCKY, INC  
BALANCE ADJUSTMENT  
DETAILS FOR THE TWELVE MONTH PERIOD ENDED NOVEMBER 30, 2008**

DESCRIPTION	UNIT	AMOUNT
<b><u>RECONCILIATION OF A PREVIOUS GAS COST VARIANCE</u></b>		
GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE DECEMBER 1 2007	\$	625,650.42
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ 0.058 /MCF APPLIED TO TOTAL SALES OF 10,514,378 MCF (TWELVE MONTHS ENDED NOVEMBER 30, 2008 )	\$	<u>609,833.90</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>15,816.52</u>
<b><u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND</u></b>		
SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE DECEMBER 1 2007	\$	0.00
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ 0.000 /MCF APPLIED TO TOTAL SALES OF 10,514,378 MCF (TWELVE MONTHS ENDED NOVEMBER 30, 2008 )	\$	<u>0.00</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>0.00</u>
<b><u>RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT</u></b>		
AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE DECEMBER 1 2007	\$	(481,001.34)
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ (0.045) /MCF APPLIED TO TOTAL SALES OF 10,514,378 MCF (TWELVE MONTHS ENDED NOVEMBER 30, 2008 )	\$	<u>(473,147.01)</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>(7,854.33)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>7,962.19</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED FEBRUARY 28, 2010	MCF	<u>10,301,065</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u><u>0.001</u></u>
BAU		

# 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>	
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Billing and Payment.....	25	10/01/06	10/01/06	
Deposits.....	26	10/01/06	10/01/06	
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Gas Space Heating Regulations.....	28	10/01/06	10/01/06	
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<b><u>FIRM SERVICE TARIFF SCHEDULES</u></b>				
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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			
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Reserved for Future Use.....	42			
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Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. \_\_\_\_\_.

Issued: \_\_\_\_\_

Effective: March 3, 2009

Issued by Julie Janson, President

**INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED (Contd.)**

	<b>Sheet No.</b>	<b>Billing Effective Date</b>	<b>Effective Date per Order</b>	
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Rider DSM, Demand Side Management Cost Recovery Program	61	10/01/06	10/01/06	
Rider DSMR, Demand Side Management Rate.....	62	10/28/08	10/28/08	
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Issued: \_\_\_\_\_

Effective: March 3, 2009

Issued by Julie Janson, President



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

KY.P.S.C. Gas No. 2  
Twenty-Ninth Revised Sheet No. 30  
Cancelling and Superseding  
Twenty-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: \$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	\$0.7389	Equals	\$1.00577	<b>(R)</b>

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: \_\_\_\_\_

Issued by Julie Janson, President

Effective: March 3, 2009

**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	\$0.7389	Equals	\$0.94839	(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 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 Julie Janson, President

Effective: March 3, 2009

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

KY.P.S.C. Gas No. 2  
Tenth Revised Sheet No. 77  
Cancelling and Superseding  
Ninth Revised Sheet No. 77  
Page 1 of 1

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**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 \$(0.0029) per 100 cubic feet. This rate shall be in effect during the month of March 2009 through May 2009 and shall be updated quarterly, concurrent with the Company's GCA filings.

**(R)**

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

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Issued: \_\_\_\_\_

Effective: March 3, 2009

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 MARCH 3, 2009

1ST QUARTER INT

DUKE ENERGY Kentucky, Inc.  
 USED FOR GCA EFFECTIVE MARCH 3, 2009

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

TWELVE MONTHS ENDED DECEMBER 31, 2007  
 BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)

INTEREST RATE 0.0219  
 PAYMENT 0.084325  
 ANNUAL TOTAL 1.0119  
 MONTHLY INTEREST 0.001825  
 AMOUNT 1

DECEMBER 2007	4.28
JANUARY 2008	2.86
FEBRUARY 2008	2.91
MARCH 2008	2.77
APRIL 2008	2.72
MAY 2008	2.54
JUNE 2008	2.67
JULY 2008	2.72
AUGUST 2008	2.73
SEPTEMBER 2008	3.90
OCTOBER 2008	3.08
NOVEMBER 2008	2.21 35.39
DECEMBER 2008	1.14 32.25

PRIOR ANNUAL TOTAL 35.39  
 PLUS CURRENT MONTHLY RATE 1.14  
 LESS YEAR AGO RATE 4.28  
 NEW ANNUAL TOTAL 32.25  
 AVERAGE ANNUAL RATE 2.69  
 LESS 0.5% (ADMINISTRATIVE) 2.19

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DUKE ENERGY COMPANY KENTUCKY  
 DETERMINATION OF TOTAL SUPPLY COST  
 MONTH OF SEPTEMBER 2008

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	2,309,894.20	
adjustments	2,043.34	
IT monthly charges entered by Gas Supply	<u>24,822.99</u>	2,336,761
 <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
 <u>LESS: X-5 TARIFF</u>	0.00	0
 LESS TENASKA MARKETING VENTURES MANAGEMENT FEE	32,292.00	(32,292)
 LESS: TOP TRANSP. RECOVERIES	0.00	0
 LESS: GAS LOSSES - DAMAGED LINES	0.00	0
 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>2,304,469</u></u>

<u>ACCOUNTING ENTRY FOR DEFERRAL ONLY</u>	<u>AMOUNT</u>
ACCOUNT 191-40	105,336.81
ACCOUNT 805-10	(105,336.81)

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

SEPTEMBER 2008

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH SEPTEMBER 2008</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	225,167
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	425
TOTAL SUPPLY VOLUMES	MCF	<u>225,592</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	2,336,761
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(32,292)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
TOTAL SUPPLY COST	\$	<u>2,304,469</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	211,519.7
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>211,519.7</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	10.895
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>10.397</u>
DIFFERENCE	\$/MCF	0.498
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>211,519.7</u>
MONTHLY COST DIFFERENCE	\$	<u><u>105,336.81</u></u>

## DUKE ENERGY COMPANY KENTUCKY

SEPTEMBER 2008

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	211,519.7	2,199,225.56	10.39726115
RA		(214.73)	
AA		6,457.66	
BA		<u>25,703.20</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>2,231,171.69</u>	
TOTAL SALES VOLUME	211,519.7		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>211,519.7</u>		

**PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY**

SUPPLIER COST - CURRENT MONTH	211,519.7	2,304,469.00	10.89481973
UNRECOVERED PURCHASED GAS COST		(98,879.15)	
ROUNDING(ADD/(DEDUCT))		<u>93.37</u>	
TOTAL GAS COST IN REVENUE		<u>2,205,683.22</u>	
TOTAL GAS COST RECOVERY(GCR)		2,231,171.69	
LESS: RA		(214.73)	
BA		<u>25,703.20</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>                    </u>	
		<u>2,205,683.22</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(98,879.15)	
LESS: AA		<u>6,457.66</u>	
MONTHLY COST DIFFERENCE		(105,336.81)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(105,243.44)</u>	
ROUNDING		<u>93.37</u>	





## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH      OCTOBER 2008

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH OCTOBER 2008</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	473,463
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	(1,999)
TOTAL SUPPLY VOLUMES	MCF	<u>471,464</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	4,411,872
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(32,292)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>4,379,580</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	229,989.1
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>229,989.1</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	19.043
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>9.339</u>
DIFFERENCE	\$/MCF	9.704
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>229,989.1</u>
MONTHLY COST DIFFERENCE	\$	<u><u>2,231,814.23</u></u>

## OCTOBER 2008

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	229,989.1	2,147,844.52	9.33889702
RA		(233.15)	
AA		3,830.08	
BA		<u>28,225.26</u>	
TOTAL GAS COST RECOVERY(GCR)		<u><u>2,179,666.71</u></u>	
TOTAL SALES VOLUME	229,989.1		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u><u>229,989.1</u></u>		

**PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY**

SUPPLIER COST - CURRENT MONTH	229,989.1	4,379,580.00	19.04255463
UNRECOVERED PURCHASED GAS COST		(2,227,984.15)	
ROUNDING(ADD/(DEDUCT))		<u>78.75</u>	
TOTAL GAS COST IN REVENUE		<u><u>2,151,674.60</u></u>	
TOTAL GAS COST RECOVERY(GCR)		2,179,666.71	
LESS: RA		(233.15)	
BA		<u>28,225.26</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>                    </u>	
		<u><u>2,151,674.60</u></u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(2,227,984.15)	
LESS: AA		<u>3,830.08</u>	
MONTHLY COST DIFFERENCE		(2,231,814.23)	
EXTENDED MONTHLY COST DIFFERENCE		<u><u>(2,231,735.48)</u></u>	
ROUNDING		<u><u>78.75</u></u>	

DUKE ENERGY COMPANY KENTUCKY  
 DETERMINATION OF TOTAL SUPPLY COST  
 MONTH OF NOVEMBER 2008

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	10,943,751.01	
adjustments	(17,026.77)	
IT monthly charges entered by Gas Supply	<u>14,626.00</u>	10,941,350
<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>LESS: X-5 TARIFF</u>	0.00	0
<u>LESS TENASKA MARKETING VENTURES MANAGEMENT FEE</u>	74,500.00	(74,500)
<u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
<u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
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>10,866,850</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	5,113,812.12
ACCOUNT 805-10	(5,113,812.12)

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

NOVEMBER 2008

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH NOVEMBER 2008</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	1,232,101
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(1,796)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>1,230,305</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	10,941,350
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(74,500)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>10,866,850</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	646,990.4
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u>                    </u>
TOTAL SALES VOLUME	MCF	<u>646,990.4</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	16.796
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>8.892</u>
DIFFERENCE	\$/MCF	7.904
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>646,990.4</u>
MONTHLY COST DIFFERENCE	\$	<u><u>5,113,812.12</u></u>

## NOVEMBER 2008

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	646,990.4	5,752,991.48	8.89192711
RA		(652.13)	
AA		18,494.73	
BA		<u>78,313.73</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>5,849,147.81</u>	
TOTAL SALES VOLUME	646,990.4		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>646,990.4</u>		

**PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY**

SUPPLIER COST - CURRENT MONTH	646,990.4	10,866,850.00	16.79599883
UNRECOVERED PURCHASED GAS COST		(5,095,317.39)	
ROUNDING(ADD/(DEDUCT))		<u>(46.40)</u>	
TOTAL GAS COST IN REVENUE		<u>5,771,486.21</u>	
TOTAL GAS COST RECOVERY(GCR)		5,849,147.81	
LESS: RA		(652.13)	
BA		<u>78,313.73</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>5,771,486.21</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(5,095,317.39)	
LESS: AA		<u>18,494.73</u>	
MONTHLY COST DIFFERENCE		(5,113,812.12)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(5,113,858.52)</u>	
ROUNDING		<u>(46.40)</u>	

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

MON/YR	BILLING CODE	EST'D. 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	3RD PREV	
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Jan-07	017	9.297	0.000	(0.002)	0.000	0.000	0.039	(0.370)	(0.073)	0.873	(0.050)	0.019	0.040	(0.004)	9.769
Feb-07	037	8.712	0.000	(0.002)	0.000	0.000	0.039	(0.370)	(0.073)	0.873	(0.050)	0.019	0.040	(0.004)	9.184
Mar-07	047	9.220	0.000	0.000	(0.002)	0.000	0.530	0.039	(0.370)	(0.073)	(0.004)	(0.050)	0.019	0.040	9.349
Apr-07	067	8.653	0.000	0.000	(0.002)	0.000	0.530	0.039	(0.370)	(0.073)	(0.004)	(0.050)	0.019	0.040	8.782
May-07	077	8.907	0.000	0.000	(0.002)	0.000	0.530	0.039	(0.370)	(0.073)	(0.004)	(0.050)	0.019	0.040	9.036
Jun-07	087	9.100	0.000	0.000	0.000	(0.002)	0.460	0.530	0.039	(0.370)	0.081	(0.004)	(0.050)	0.019	9.803
Jul-07	107	9.357	0.000	0.000	0.000	(0.002)	0.460	0.530	0.039	(0.370)	0.081	(0.004)	(0.050)	0.019	10.060
Aug-07	117	8.169	0.000	0.000	0.000	(0.002)	0.460	0.530	0.039	(0.370)	0.081	(0.004)	(0.050)	0.019	8.872
Sep-07	127	8.018	0.000	0.000	0.000	0.000	(0.655)	0.460	0.530	0.039	(0.003)	0.081	(0.004)	(0.050)	8.416
Oct-07	147	7.492	0.000	0.000	0.000	0.000	(0.655)	0.460	0.530	0.039	(0.003)	0.081	(0.004)	(0.050)	7.890
Nov-07	157	8.440	0.000	0.000	0.000	0.000	(0.655)	0.460	0.530	0.039	(0.003)	0.081	(0.004)	(0.050)	8.838
Dec-07	167	9.206	0.000	0.000	0.000	0.000	0.058	(0.655)	0.460	0.530	(0.045)	(0.003)	0.081	(0.004)	9.628
Jan-08	018	8.841	0.000	0.000	0.000	0.000	0.058	(0.655)	0.460	0.530	(0.045)	(0.003)	0.081	(0.004)	9.263
Feb-08	038	9.531	0.000	0.000	0.000	0.000	0.058	(0.655)	0.460	0.530	(0.045)	(0.003)	0.081	(0.004)	9.953
Mar-08	048	9.493	0.000	0.000	0.000	0.000	0.728	0.058	(0.655)	0.460	(0.001)	(0.045)	(0.003)	0.081	10.116
Apr-08	068	11.285	0.000	0.000	0.000	0.000	0.728	0.058	(0.655)	0.460	(0.001)	(0.045)	(0.003)	0.081	11.908
May-08	078	10.907	0.000	0.000	0.000	0.000	0.728	0.058	(0.655)	0.460	(0.001)	(0.045)	(0.003)	0.081	11.530
Jun-08	088	11.243	(0.001)	0.000	0.000	0.000	0.213	0.728	0.058	(0.655)	0.086	(0.001)	(0.045)	(0.003)	11.623
Jul-08	108	11.303	(0.001)	0.000	0.000	0.000	0.213	0.728	0.058	(0.655)	0.086	(0.001)	(0.045)	(0.003)	11.683
Aug-08	118	12.592	(0.001)	0.000	0.000	0.000	0.213	0.728	0.058	(0.655)	0.086	(0.001)	(0.045)	(0.003)	12.972
Sep-08	128	10.410	0.000	(0.001)	0.000	0.000	(0.969)	0.213	0.728	0.058	0.080	0.086	(0.001)	(0.045)	10.559
Oct-08	148	9.391	0.000	(0.001)	0.000	0.000	(0.969)	0.213	0.728	0.058	0.080	0.086	(0.001)	(0.045)	9.540
Nov-08	158	8.899	0.000	(0.001)	0.000	0.000	(0.969)	0.213	0.728	0.058	0.080	0.086	(0.001)	(0.045)	9.048
Dec-08			0.000	0.000	(0.001)	0.000	(0.060)	(0.969)	0.213	0.728	(0.097)	0.080	0.086	(0.001)	(0.021)