



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

May 13, 2009

RECEIVED

MAY 13 2009

PUBLIC SERVICE
COMMISSION

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

Dear Mr. Derouen:

2009-00184

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 June 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 June 2, 2009 and the NYMEX on May 8, 2009 for the month of June 2009.

The above described schedules and GCA are effective with the final meter readings of District 1, June 2009 revenue month (i.e., final meter readings on and after June 2, 2009).

Duke's proposed GCA is \$6.392 per Mcf. This rate represents an increase of \$0.544 per Mcf from the rate currently in effect for May 2009.

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

Very truly yours,

Lisa Steinkuhl

Enclosure

2nd QUARTER COVER

DUKE ENERGY KENTUCKY, INC
GAS COST ADJUSTMENT CLAUSE

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM JUNE 2, 2009 THROUGH JUNE 30, 2009

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	6.785
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.005)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.340)
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.048)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	6.392

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	6.785

SUPPLIER REFUND ADJUSTMENT CALCULATION

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

ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	(0.034)
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.723
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.060)
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.969)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.340)

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	(0.032)
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.001
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.097)
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.080
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 13, 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 JUNE 2, 2009

			\$
<u>DEMAND (FIXED) COSTS:</u>			
Columbia Gas Transmission Corp.			2,604,075
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:			5,421,999
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:		10,233,165 MCF	
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$5,421,999	/	10,233,165 MCF \$0.530 /MCF
 <u>COMMODITY COSTS:</u>			
Gas Marketers			\$6.255 /MCF
Gas Storage			
Columbia Gas Transmission			\$0.000 /MCF
Propane			\$0.000 /MCF
COMMODITY COMPONENT OF EGC RATE:			\$6.255 /MCF
 TOTAL EXPECTED GAS COST:			 \$6.785 /MCF

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : JUNE 2, 2009

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GAS TRANSMISSION, LLC				
TARIFF RATE EFFECTIVE DATE : FSS: 4/1/2009				
SST: 4/1/2009				
<u>BILLING DEMAND - TARIFF RATE - FSS</u>				
Max. Daily Withdrawl Quan.	1.5050	39,656	12	716,187
Seasonal Contract Quantity	0.0289	1,365,276	12	473,478
<u>BILLING DEMAND - TARIFF RATE - SST</u>				
Maximum Daily Quantity	3.9630	39,656	6	942,940
Maximum Daily Quantity	3.9630	19,828	6	471,470
CAPACITY RELEASE CREDIT				0
TOTAL COLUMBIA GAS TRANSMISSION, LLC - DEMAND CHARGES				2,604,075
INTERSTATE PIPELINE : TEXAS GAS TRANSMISSION				
TARIFF RATE EFFECTIVE DATE : NOT APPLICABLE				
<u>BILLING DEMAND - TARIFF RATE - STE</u>				
Max. Daily Quantity Zone 4	0.3250	10,000	151	490,750
CAPACITY RELEASE CREDIT				0
TOTAL TEXAS GAS TRANSMISSION DEMAND CHARGES				490,750
INTERSTATE PIPELINE : TENNESSEE GAS PIPELINE				
TARIFF RATE EFFECTIVE DATE : NOT APPLICABLE				
<u>BILLING DEMAND - TARIFF RATE - FT-A</u>				
Max. Daily Quantity Zone 1-2	6.0571	25,000	7	1,059,993
CAPACITY RELEASE CREDIT				0
TOTAL TENNESSEE GAS PIPELINE DEMAND CHARGES				1,059,993

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

	Base Tariff Rate 1/	Transportation Cost		Electric Power Costs Adjustment		Annual Charge 2/	Total Effective Rate	Daily Rate
		Rate Current	Adjustment Surcharge	Current	Surcharge			
Rate Schedule FSS								
Reservation Charge 3/	\$ 1.505	-	-	-	-	-	1.505	0.0495
Capacity 3/	¢ 2.89	-	-	-	-	-	2.89	2.89
Injection	¢ 1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	-	1.53	1.53
Overrun 3/	¢ 10.90	-	-	-	-	-	10.90	10.90
Rate Schedule ISS								
Commodity								
Maximum	¢ 5.94	-	-	-	-	-	5.94	5.94
Minimum	¢ 0.00	-	-	-	-	-	0.00	0.00
Injection	¢ 1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	-	1.53	1.53
Rate Schedule SIT								
Commodity								
Maximum	¢ 4.12	-	-	-	-	-	4.12	4.12
Minimum	¢ 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.

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 \$2.840 per Dth per month, for a total FSS MDSQ reservation charge of \$4.345 and an additional 4.31 cents per Dth per month, for a total FSS SCQ capacity rate of 7.20 cents. If EME customers incur an overrun for FSS services that is provided under their EME Project service agreements, they will pay an additional 13.65 cents for such overruns, for a total FSS overrun rate of 24.55 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 and GTS
 Rate Per Dth

Commodity	Rate Schedule	Reservation Charge 3/ 4/\$	Base Tariff Rate 1/	Transportation Cost		Electric Power		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
				Rate Adjustment Current	Surcharge	Costs Adjustment Current	Surcharge			
Commodity	(SST)	5.442	0.341	0.023	0.042	0.002	0.002	-	5.850	0.1924
Maximum	¢	1.02	0.23	0.04	0.58	0.08	0.08	0.17	2.12	2.12
Minimum	¢	1.02	0.23	0.04	0.58	0.08	0.08	0.17	2.12	2.12
Overrun 4/	¢	18.91	1.35	0.12	0.72	0.09	0.09	0.17	21.36	21.36
Commodity	GTS									
Maximum	¢	74.77	2.47	0.19	0.86	0.09	0.09	0.17	78.55	78.55
Minimum	¢	3.08	0.35	0.19	0.68	0.09	0.09	0.17	4.56	4.56
MFCC	¢	71.69	2.12	0.00	0.18	0.00	0.00	-	73.99	73.99

discounted to 3.963

w/d

0.095

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.

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 \$13.022 per Dth per month, for a total SST reservation charge of \$18.464. If EME customers incur an overrun for SST services that is provided under their EME Project service agreements, they will pay an additional 42.81 cents for such overruns, for a total overrun rate of 61.72 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.

Inj. includes ACA of .0017
, 0195 w/d
.0017
.0212 inj rate

RETAINAGE PERCENTAGES

Transportation Retainage	2.129%
Gathering Retainage	0.758%
Storage Gas Loss Retainage	0.160%
Columbia Processing Retainage/1	0%

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.



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:

- i) 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 31, 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

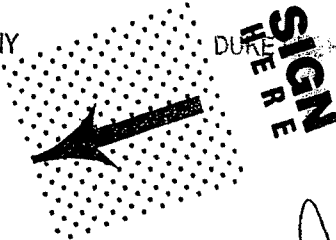
2. If any terms of this agreement are disallowed by any order, rulemaking, regulation or policy of the Federal Energy Regulatory Commission, Tennessee may immediately terminate this agreement. If any terms of this agreement are in any way modified by order, rulemaking, regulation or policy of the Federal 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

Date: 7-15-08

By: 

Date: 7/11/2008

mm 6-16-08

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 : JUNE 2, 2009

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.				
TARIFF RATE EFFECTIVE DATE :				
				FTS-1: 6/1/2008
				FTS-2: 6/1/2008
<u>BILLING DEMAND - TARIFF RATE - FTS-1</u>				
Maximum Daily Quantity	3.1450	22,782	5	358,247
Maximum Daily Quantity	3.1450	17,598	7	387,420
<u>BILLING DEMAND - TARIFF RATE - FTS-2</u>				
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
TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES				925,578
INTERSTATE PIPELINE : KO TRANSMISSION COMPANY				
TARIFF RATE EFFECTIVE DATE :				4/1/2009
<u>BILLING DEMAND - TARIFF RATE - FT</u>				
Maximum Daily Quantity	0.3560	72,000	12	307,584
CAPACITY RELEASE CREDIT				0
TOTAL KO TRANSMISSION CO. DEMAND CHARGES				307,584
VARIOUS GAS MARKETERS FIXED (RESERVATION) CHARGES :				
November - March	0.0014	9,506,991		13,769
December - February	0.15	135,000		20,250
TOTAL GAS MARKETERS FIXED CHARGES				34,019

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) %
Rate Schedule FTS-1 Rayne, LA To Points North Reservation Charge 2/	3.1450	-	3.1450	3.1450	0.1034	-	-
Commodity Maximum	0.0170	0.0017	0.0187	0.0187	0.0187	0.365	2.791
Minimum	0.0170	0.0017	0.0187	0.0187	0.0187	0.365	2.791
Overrun	0.1204	0.0017	0.1221	0.1221	0.1221	0.365	2.791

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 FTS-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 FTS-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	0.498
Minimum	0.0002	0.0017	0.0019	0.0019	0.0019	0.498
Overrun	0.0880	0.0017	0.0897	0.0897	0.0897	0.498
Onshore Laterals Reservation Charge 2/ Commodity	1.0603	-	1.0603	<u>1.0603</u>	0.0349	-
Maximum	0.0017	<u>0.0017</u>	0.0034	0.0034	0.0034	0.684
Minimum	0.0017	0.0017	0.0034	0.0034	0.0034	0.684
Overrun	0.0366	0.0017	0.0383	0.0383	0.0383	0.684
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	-

discontinued to .9995

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
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	\$0.0017	\$0.0017
Minimum	\$0.0000	\$0.0017	\$0.0017
Overrun	\$0.0117	\$0.0017	\$0.0134
RATE SCHEDULE ITS			
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 0.74%

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 06/1/2009**

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.

**DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM NEEDLE PEAKING SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 06/1/2009**

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 : JUNE 2, 2009

GAS COMMODITY RATE FOR JUNE, 2009:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$5.9095	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.900%	\$0.1714	\$6.0809	\$/Dth
DTH TO MCF CONVERSION	1.0286	\$0.1739	\$6.2548	\$/Mcf
ESTIMATED WEIGHTING FACTOR	100.000%		\$6.2548	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$6.255	\$/Mcf

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	2.129%	\$0.2122	\$10.1771	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0195	\$10.1966	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0017	\$10.1983	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.900%	\$0.2958	\$10.4941	\$/Dth
DTH TO MCF CONVERSION	1.0286	\$0.3001	\$10.7942	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$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	0.000%		\$0.0000	\$/Mcf
PROPANE COMMODITY RATE			\$0.000	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 5/08/09 and contracted hedging prices.

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

February 28 2009

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD DECEMBER 1, 2008 THROUGH February 28 2009	\$	0.00
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		1.0092
REFUNDS INCLUDING INTEREST (\$0.00 x 1.0092)	\$	0.00
DIVIDED BY TWELVE MONTH SALES ENDED May 31, 2010	MCF	10,302,101
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>0.000</u>

DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED

February 28 2009

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		-
TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA	\$	<u>0.00</u>

RAU

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

February 28 2009

DESCRIPTION	UNIT	DECEMBER	JANUARY	FEBRUARY
<u>SUPPLY VOLUME PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	MCF	2,000,059	2,488,759	1,664,031
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	2,554	15,101	1,154
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	(3,313)	(29,149)	(61,355)
TOTAL SUPPLY VOLUMES	MCF	<u>1,999,300</u>	<u>2,474,711</u>	<u>1,603,830</u>
<u>SUPPLY COST PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	\$	17,127,889	20,056,503	13,153,961
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	14,353	87,530	6,689
OTHER COSTS (SPECIFY):		0	0	0
MANAGEMENT FEE	\$	(74,500)	(74,500)	(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>17,067,742</u>	<u>20,069,533</u>	<u>13,086,150</u>
<u>SALES VOLUMES</u>				
JURISDICTIONAL	MCF	1,756,911.8	2,155,863.8	2,104,799.5
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	<u>1,756,911.8</u>	<u>2,155,863.8</u>	<u>2,104,799.5</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	9.715	9.309	6.217
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	8.804	8.197	8.284
DIFFERENCE	\$/MCF	0.911	1.112	(2.067)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,756,911.8</u>	<u>2,155,863.8</u>	<u>2,104,799.5</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>1,600,546.65</u>	<u>2,397,320.55</u>	<u>(4,350,620.57)</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>(352,753.37)</u>
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>(352,753.37)</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>May 31,</u> <u>2010</u>	MCF			10,302,101.0
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>(0.034)</u>
AAU				

**GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
BALANCE ADJUSTMENT
DETAILS FOR THE TWELVE MONTH PERIOD ENDED February 28 2009**

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, 2008	\$	7,786,853.27
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ 0.728 /MCF APPLIED TO TOTAL SALES OF 11,141,730 MCF (TWELVE MONTHS ENDED February 28 2009)	\$	<u>8,111,179.70</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>(324,326.43)</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, 2008	\$	0.00
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ 0.000 /MCF APPLIED TO TOTAL SALES OF 11,141,730 MCF (TWELVE MONTHS ENDED February 28 2009)	\$	<u>0.00</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>0.00</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, 2008	\$	(14,288.15)
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ (0.001) /MCF APPLIED TO TOTAL SALES OF 11,141,730 MCF (TWELVE MONTHS ENDED February 28 2009)	\$	<u>(11,141.76)</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>(3,146.39)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>(327,472.82)</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED <u>May 31,</u> 2010	MCF	<u>10,302,101</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u><u>(0.032)</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>	
<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	
Customer's Installation.....	22	10/01/06	10/01/06	
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	
Application.....	27	10/01/06	10/01/06	
Gas Space Heating Regulations.....	28	10/01/06	10/01/06	
Availability of Gas Service.....	29	10/01/06	10/01/06	
<u>FIRM SERVICE TARIFF SCHEDULES</u>				
Rate RS, Residential Service.....	30	06/02/09	06/02/09	(T)
Rate GS, General Service.....	31	06/02/09	06/02/09	(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	10/01/06	10/01/06	
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			
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Purchased Service.....	50	10/01/06	10/01/06	
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Unauthorized Delivery.....	50	10/01/06	10/01/06	
Rate FT-L, Firm Transportation Service.....	51	10/01/06	10/01/06	
FT Bills – No GCRT.....	51	10/01/06	10/01/06	
FT Bills – With GCRT.....	51	10/01/06	10/01/06	
FT - Interruptible Bills – No GCRT on FT over 1 Year.....	51	10/01/06	10/01/06	
FT - Interruptible Bills – GCRT on FT Under 1 Year.....	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 2, 2009

Issued by Julie Janson, 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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Reserved for Future Use.....	54			
Rate AS, Pooling Service for Interruptible Transportation.....	55	10/01/06	10/01/06	
Reserved for Future Use.....	56			
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	
Imbalance Trades.....	58	10/01/06	10/01/06	
Cash Out – Sell to Pool.....	58	10/01/06	10/01/06	
Cash Out – Buy from Pool.....	58	10/01/06	10/01/06	
Pipeline Penalty.....	58	10/01/06	10/01/06	
Rate DGS, Distributed Generation Service.....	59	10/01/06	10/01/06	
<u>RIDERS</u>				
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	10/28/08	10/28/08	
Rider AMRP, Accelerated Main Replacement Program Rider.....	63	10/01/06	10/01/06	
Rider MSR-G.....	64	10/01/06	10/01/06	
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			
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Reserved for Future Use.....	72			
Reserved for Future Use.....	73			
Reserved for Future Use.....	74			
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Reserved for Future Use.....	76			
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Reserved for Future Use.....	79			
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Local Franchise Fee.....	82	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 2, 2009

Issued by Julie Janson, President

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

KY.P.S.C. Gas No. 2
Thirty-Second Revised Sheet No. 30
Cancelling and Superseding
Thirty-First 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	\$0.6392	Equals	\$0.90607

(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 2, 2009

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: \$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	\$0.6392	Equals	\$0.84869

(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 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:

Effective: June 2, 2009

Issued by Julie Janson, President

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

KY.P.S.C. Gas No. 2
Eleventh Revised Sheet No. 77
Cancelling and Superseding
Tenth 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 \$(0.0393) per 100 cubic feet. This rate shall be in effect during the month of June 2009 through August 2009 and shall be updated quarterly, concurrent with the Company's GCA filings.

(R)
(T)

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

Issued:

Effective: June 2, 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 JUNE 2, 2009

2nd QUARTER INT

DUKE ENERGY Kentucky, Inc.
USED FOR GCA EFFECTIVE JUNE 2, 2009

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

TWELVE MONTHS ENDED SEPTEMBER 30, 2009
BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)

INTEREST RATE	0.0169
PAYMENT	0.084098
ANNUAL TOTAL	1.0092
MONTHLY INTEREST	0.001408
AMOUNT	1

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	
DECEMBER	2008	1.14	
JANUARY	2009	0.86	
FEBRUARY	2009	0.87	28.21
MARCH	2009	0.84	26.28

PRIOR ANNUAL TOTAL	28.21
PLUS CURRENT MONTHLY RATE	0.84
LESS YEAR AGO RATE	2.77
NEW ANNUAL TOTAL	26.28
AVERAGE ANNUAL RATE	2.19
LESS 0.5% (ADMINISTRATIVE)	1.69

**DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF DECEMBER 2008**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	17,141,393.25	
adjustments	(24,792.42)	
IT monthly charges entered by Gas Supply	<u>11,288.63</u>	17,127,889
<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	14,353.41	14,353
<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	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>17,067,742</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	1,600,546.65
ACCOUNT 805-10	(1,600,546.65)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

DECEMBER 2008

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH DECEMBER 2008</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	2,000,059
Utility Production	MCF	0
Includable Propane	MCF	2,554
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(3,313)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>1,999,300</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	17,127,889
Includable Propane	\$	14,353
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>17,067,742</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	1,756,911.8
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u> </u>
TOTAL SALES VOLUME	MCF	<u>1,756,911.8</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	9.715
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>8.804</u>
DIFFERENCE	\$/MCF	0.911
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,756,911.8</u>
MONTHLY COST DIFFERENCE	\$	<u><u>1,600,546.65</u></u>

DUKE ENERGY COMPANY KENTUCKY

DECEMBER 2008

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	1,756,911.8	15,467,138.55	8.80359421
RA		(1,765.53)	
AA		(152,809.17)	
BA		<u>121,465.09</u>	
TOTAL GAS COST RECOVERY(GCR)		<u><u>15,434,028.94</u></u>	
TOTAL SALES VOLUME	1,756,911.8		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u><u>1,756,911.8</u></u>		

PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY

SUPPLIER COST - CURRENT MONTH	1,756,911.8	17,067,742.00	9.71462654
UNRECOVERED PURCHASED GAS COST		(1,753,355.82)	
ROUNDING(ADD)/(DEDUCT)		<u>(56.80)</u>	
TOTAL GAS COST IN REVENUE		<u><u>15,314,329.38</u></u>	
TOTAL GAS COST RECOVERY(GCR)		15,434,028.94	
LESS: RA		(1,765.53)	
BA		<u>121,465.09</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>0.00</u>	
		<u><u>15,314,329.38</u></u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(1,753,355.82)	
LESS: AA		<u>(152,809.17)</u>	
MONTHLY COST DIFFERENCE		(1,600,546.65)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(1,600,603.45)</u>	
ROUNDING		<u><u>(56.80)</u></u>	

DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF **January 2008**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	20,383,108.25	
adjustments	(315,705.51)	
IT monthly charges entered by Gas Supply	<u>(10,899.53)</u>	20,056,503
<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	87,530.34	87,530
<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	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>20,069,533</u></u>

<u>ACCOUNTING ENTRY FOR DEFERRAL ONLY</u>	<u>AMOUNT</u>
ACCOUNT 191-40	2,397,320.55
ACCOUNT 805-10	(2,397,320.55)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH January 2008

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>January 2008</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	2,488,759
Utility Production	MCF	0
Includable Propane	MCF	15,101
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(29,149)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>2,474,711</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	20,056,503
Includable Propane	\$	87,530
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>20,069,533</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	2,155,863.8
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u> </u>
TOTAL SALES VOLUME	MCF	<u>2,155,863.8</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	9.309
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>8.197</u>
DIFFERENCE	\$/MCF	1.112
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>2,155,863.8</u>
MONTHLY COST DIFFERENCE	\$	<u><u>2,397,320.55</u></u>

DUKE ENERGY COMPANY KENTUCKY

January 2008

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	2,155,863.8	17,671,376.24	8.19688899
RA		(2,171.31)	
AA		(188,479.65)	
BA		<u>148,077.78</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>17,628,803.06</u>	
TOTAL SALES VOLUME	2,155,863.8		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>2,155,863.8</u>		

PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY

SUPPLIER COST - CURRENT MONTH	2,155,863.8	20,069,533.00	9.30927687
UNRECOVERED PURCHASED GAS COST		(2,585,800.20)	
ROUNDING(ADD/(DEDUCT))		<u>(836.21)</u>	
TOTAL GAS COST IN REVENUE		<u>17,482,896.59</u>	
TOTAL GAS COST RECOVERY(GCR)		17,628,803.06	
LESS: RA		(2,171.31)	
BA		<u>148,077.78</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u> </u>	
		<u>17,482,896.59</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(2,585,800.20)	
LESS: AA		<u>(188,479.65)</u>	
MONTHLY COST DIFFERENCE		(2,397,320.55)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(2,398,156.76)</u>	
ROUNDING		<u>(836.21)</u>	

DUKE ENERGY COMPANY KENTUCKY
 DETERMINATION OF TOTAL SUPPLY COST
 MONTH OF February 2009

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	13,806,510.08	
adjustments	(653,470.48)	
IT monthly charges entered by Gas Supply	921.30	13,153,961
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	0.00	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	6,689.12	6,689
 <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	0.00	0
<u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	0.00	0
TOTAL SUPPLY COSTS		13,086,150

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	(4,350,620.57)
ACCOUNT 805-10	4,350,620.57

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH February 2009

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>February 2009</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	1,664,031
Utility Production	MCF	0
Includable Propane	MCF	1,154
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(61,355)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>1,603,830</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	13,153,961
Includable Propane	\$	6,689
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>13,086,150</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	2,104,799.5
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u></u>
TOTAL SALES VOLUME	MCF	<u>2,104,799.5</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.217
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>8.284</u>
DIFFERENCE	\$/MCF	(2.067)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>2,104,799.5</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(4,350,620.57)</u></u>

February 2009

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	2,104,799.5	17,437,079.7	8.28443739
RA		(2,119.80)	
AA		(184,940.13)	
BA		<u>144,701.93</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>17,394,721.68</u>	
TOTAL SALES VOLUME	2,104,799.5		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>2,104,799.5</u>		

PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY

SUPPLIER COST - CURRENT MONTH	2,104,799.5	13,086,150.00	6.21729053
UNRECOVERED PURCHASED GAS COST		4,165,680.44	
ROUNDING(ADD/(DEDUCT))		<u>309.11</u>	
TOTAL GAS COST IN REVENUE		<u>17,252,139.55</u>	

TOTAL GAS COST RECOVERY(GCR)	17,394,721.68	
LESS: RA	(2,119.80)	
BA	<u>144,701.93</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		
		<u>17,252,139.55</u>

UNRECOVERED PURCHASED GAS COST ENTRY	4,165,680.44	
LESS: AA	<u>(184,940.13)</u>	
MONTHLY COST DIFFERENCE	4,350,620.57	
EXTENDED MONTHLY COST DIFFERENCE	<u>4,350,929.68</u>	

ROUNDING	<u>309.11</u>	
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DUKE ENERGY KENTUCKY
SUMMARY OF GAS COST RECOVERY COMPONENTS
BY BILLING CODE

MON/YR	BILLING CODE	ESTD. GAS COST	QUARTERLY RECONCILIATION ADJUSTMENT				QUARTERLY ACTUAL ADJUSTMENT				BALANCE ADJUSTMENT				TOTAL GCR FACTOR
			CURRENT	PREVIOUS	2ND PREV	3RD PREV	CURRENT	PREVIOUS	2ND PREV	3RD PREV	CURRENT	PREVIOUS	2ND PREV	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)	0.019	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)	0.019	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)	0.019	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	(0.655)	0.460	0.530	0.039	0.039	(0.003)	0.081	(0.004)	(0.050)	7,890
Nov-07	157	8,440	0.000	0.000	0.000	(0.655)	0.460	0.530	0.039	0.039	(0.003)	0.081	(0.004)	(0.050)	8,838
Dec-07	167	9,206	0.000	0.000	0.000	0.058	(0.655)	0.460	0.530	0.530	(0.045)	(0.003)	0.081	(0.004)	9,628
Jan-08	018	8,841	0.000	0.000	0.000	0.058	(0.655)	0.460	0.530	0.530	(0.045)	(0.003)	0.081	(0.004)	9,263
Feb-08	038	9,531	0.000	0.000	0.000	0.058	(0.655)	0.460	0.530	0.530	(0.045)	(0.003)	0.081	(0.004)	9,953
Mar-08	048	9,493	0.000	0.000	0.000	0.728	0.058	(0.655)	0.460	(0.001)	(0.045)	(0.003)	0.081	0.081	10,116
Apr-08	068	11,285	0.000	0.000	0.000	0.728	0.058	(0.655)	0.460	(0.001)	(0.045)	(0.003)	0.081	0.081	11,908
May-08	078	10,907	0.000	0.000	0.000	0.728	0.058	(0.655)	0.460	(0.001)	(0.045)	(0.003)	0.081	0.081	11,530
Jun-08	088	11,243	(0.001)	0.000	0.000	0.213	0.728	0.058	(0.655)	0.086	(0.001)	(0.045)	(0.003)	0.081	11,623
Jul-08	108	11,303	(0.001)	0.000	0.000	0.213	0.728	0.058	(0.655)	0.086	(0.001)	(0.045)	(0.003)	0.081	11,683
Aug-08	118	12,592	(0.001)	0.000	0.000	0.213	0.728	0.058	(0.655)	0.086	(0.001)	(0.045)	(0.003)	0.081	12,972
Sep-08	128	10,410	0.000	(0.001)	0.000	(0.969)	0.213	0.728	0.058	0.080	0.086	(0.001)	(0.045)	0.081	10,559
Oct-08	148	9,391	0.000	(0.001)	0.000	(0.969)	0.213	0.728	0.058	0.080	0.086	(0.001)	(0.045)	0.081	9,540
Nov-08	158	8,899	0.000	(0.001)	0.000	(0.969)	0.213	0.728	0.058	0.080	0.086	(0.001)	(0.045)	0.081	9,048
Dec-08	168	8,800	0.000	0.000	(0.001)	(0.060)	(0.969)	0.213	0.728	(0.097)	0.080	0.086	(0.001)	0.081	8,779
Jan-09	019	8,191	0.000	0.000	(0.001)	(0.060)	(0.969)	0.213	0.728	(0.097)	0.080	0.086	(0.001)	0.081	8,170
Feb-09	039	8,292	0.000	0.000	(0.001)	(0.060)	(0.969)	0.213	0.728	(0.097)	0.080	0.086	(0.001)	0.081	8,271
Mar-09	049	7,418	(0.005)	0.000	0.000	0.723	(0.060)	(0.969)	0.213	0.001	(0.097)	0.080	0.086	0.086	7,389
Apr-09	069	5,713	(0.005)	0.000	0.000	0.723	(0.060)	(0.969)	0.213	0.001	(0.097)	0.080	0.086	0.086	5,684