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Dianne B. Kuhnell.
Senior Paralegal

VIA FACSIMILE AND OVERNIGHT MAIL

July 2, 2009

RECEIVED

JUL 06 2009

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

Re: In the Matter of Application of Duke Energy Kentucky, Inc. For An Adjustment
of Gas Rates
Case No. 2009-00202

Dear Mr. Derouen:

Enclosed is an original and ten copies of Duke Energy Kentucky's Amended Newspaper Notice in the above-referenced case sent via overnight mail. Please note that we are requesting to file this via facsimile and are sending the original and copies via overnight mail.

Please date stamp and return the extra copies of the Amended Newspaper Notice in the enclosed self-addressed overnight envelope.

Very truly yours,

Dianne B. Kuhnell
Senior Paralegal

cc: Hon. Dennis G. Howard (w/encl.)

RECEIVED

JUL 06 2009

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF THE GAS RATES)
OF DUKE ENERGY KENTUCKY, INC,) CASE NO. 2009-00202

AMENDED NEWSPAPER NOTICE

On July 1, 2009 Duke Energy Kentucky, Inc (Duke Energy Kentucky or the Company) filed its Application, Notice and Statement (Application) in the above-styled proceeding. Duke Energy Kentucky’s Application stated that it would comply with 807 KAR 5:001, Section 8(2) and 807 KAR 5:001, Section 10(3) and (4), by delivering to newspapers of general circulation in its service territory, a copy of the Notice identified in Tab 1 of the Application for publication once a week for three consecutive weeks in a prominent manner, the first of said publications to be made within seven (7) days of July 1, 2009.¹

Shortly following the filing of its Application, the Company learned of two typographical errors in its Notice. The first typographical error resulted in a misstatement of the total rate for only those customers taking service under Duke Energy Kentucky’s General Service Rate (Rate GS). While the Notice correctly identified in the first column labeled “Base Rate” that the Company was proposing to increase the monthly customer charge from \$30.00 to \$47.50, the “Total Rate” column mistakenly stated a \$30.00 customer charge rather than the \$47.50 customer charge. The corrected Notice should read as follows:

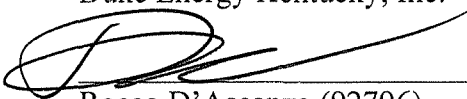
¹ The Notice was also included in Volume 1, Tab 11, Tab 15, 36, and Volume 4, Tab 63.

<u>Rate</u>	<u>Base Rate</u>	+	<u>GCA</u>	=	<u>Total Rate</u>
General Service - Rate GS					
Present Rates					
Monthly Customer Charge:	\$30.00				\$30.00
All Ccf	\$0.20949		\$0.5690		\$0.77849
Proposed Rates					
Monthly Customer Charge:	\$47.50				\$30.00 <u>\$47.50</u>
All Ccf	\$0.22786		\$0.5690		\$0.79686

The second typographical error was listed on page three (3) of the notice, under the section discussing the “Impact of Proposed Rates.” The submitted notice incorrectly stated the increase was for electric revenues when in fact it is for gas revenues. While the Company did not become aware of the typographical errors prior to filing its Application, the errors were corrected prior to publication in newspapers of general circulation. Accordingly, Duke Energy Kentucky hereby submits the attached amended notice that newspapers of general circulation will publish in the manner initially described in the Application filed on July 1, 2009.

Respectfully submitted,

Duke Energy Kentucky, Inc.



Rocco D'Ascenzo (92796)
Senior Counsel
Amy B. Spiller (85309)
Associate General Counsel
P. O. Box 960
Room 2500, Atrium II
139 East Fourth Street
Cincinnati, Ohio 45201-09 60
(513) 419-1852
(513) 419-1846 - facsimile

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing Amended Newspaper Notice has been served by hand delivery to the following parties on this 2nd day of July, 2009:

Hon. Dennis Howard
Office of Attorney General
Utility Intervention and Rate Division
1024 Capital Center Drive
Frankfort, Kentucky 40601



Rocco O. D'Ascenzo
Amy B. Spiller

NOTICE

Duke Energy Kentucky, Inc. (Duke Energy Kentucky) hereby gives notice that it seeks approval by the Kentucky Public Service Commission (Commission) of an adjustment of gas rates to become effective on and after July 31, 2009. The Commission has docketed this proceeding as Case No. 2009-00202.

The proposed gas rates are applicable to the following communities:

Alexandria	Erlanger	Melbourne
Bellevue	Fairview	Newport
Boone County	Falmouth	Park Hills
Bromley	Florence	Pendleton County
Butler	Fort Mitchell	Ryland Heights
Campbell County	Fort Thomas	Silver Grove
Cold Spring	Fort Wright-Lookout Heights	Southgate
Covington	Gallatin County	Taylor Mill
Crescent Park	Glencoe	Union
Crescent Springs	Grant County	Villa Hills
Crestview	Highland Heights	Visalia
Crestview Hills	Independence	Walton
Crittenden	Kenton County	Warsaw
Dayton	Kenton Vale	Wilder
Dry Ridge	Lakeside Park	Woodlawn
Edgewood	Latonia Lakes	Williamstown
Elsmere	Ludlow	

DUKE ENERGY KENTUCKY PRESENT AND PROPOSED RATES

The present and proposed rates charged in all territories served by Duke Energy Kentucky are as follows. The current GCA Rate in effect as of July 1, 2009, is \$0.5690 per Ccf.

<u>Rate</u>	<u>Base Rate</u>	+	<u>GCA</u>	=	<u>Total Rate</u>
Residential Service - Rate RS					
Present Rates					
Monthly Customer Charge:	\$12.00				\$12.00
All Ccf	\$0.26687		\$0.5690		\$0.83587
Proposed Rates					
Monthly Customer Charge:	\$30.00				\$30.00
All Ccf	\$0.19966		\$0.5690		\$0.76866
General Service - Rate GS					
Present Rates					
Monthly Customer Charge:	\$30.00				\$30.00
All Ccf	\$0.20949		\$0.5690		\$0.77849
Proposed Rates					
Monthly Customer Charge:	\$47.50				\$47.50
All Ccf	\$0.22786		\$0.5690		\$0.79686
Interruptible Transportation Service - Rate IT					
Present Rates					
Administrative Charge:	\$430.00				\$430.00
All Ccf	\$0.076260				\$0.076260

Proposed Rates

Administrative Charge:	\$430.00	\$430.00
All Ccf	\$0.1015	\$0.1015

**Firm Transportation Service-
Large - Rate FT-L**

Present Rates

Monthly Customer Charge:	\$430.00	\$430.00
All Ccf	\$0.17713	\$0.17713

Proposed Rates

Monthly Customer Charge:	\$430.00	\$430.00
All Ccf	\$0.19252	\$0.19252

Rate MPS, Meter Pulse Service

Proposed Rates

Monthly Charge: Variable

Rate MPS is an optional program available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. Gas meter pulse equipment connects the Company's gas meter (used for billing) to the customer's energy management system and provides an input data signal that is proportional to the amount of gas consumed during a specific time interval. Duke Energy Kentucky proposes to charge a basic one-time fee of \$500 for the installation of the gas meter pulse equipment. The Company may also charge to recover certain incremental costs, such as index replacement, meter replacement if necessary or additional service calls, as outlined in the proposed tariff sheet. The customer must provide either a regulated 24 volts DC, or 120 volts AC electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

In addition, Duke Energy Kentucky proposes to change the text of the following tariffs:

**Rider AMRP
Accelerated Main Replacement Program Rider**

Proposed Rate

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

**Rider MSR-G
Merger Savings Credit Rider-Gas**

Proposed Rate

This tariff is hereby cancelled and withdrawn. Any references on individual tariffs were deleted.

Gas Cost Adjustment Clause

Present Rate

DEFINITIONS

For purposes of this tariff:

- (A) "Average Cost" means the cost of gas supplies, including associated transportation and storage charges and propane, which results from the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the three-month period, on purchased volumes during the twelve-month period ending with the reporting period, divided by the corresponding sales volume. This includes the cost of all gas supplies acquired through hedging instruments, including the cost of the hedging

instruments themselves, acquired under a hedging plan approved by the Commission and under the terms and conditions of this tariff.

**Proposed Rate
DEFINITIONS**

For purposes of this tariff:

- (A) "Average Cost" means the cost of gas supplies, including associated transportation and storage charges and propane, which results from the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the three- month period, on purchased volumes during the twelve-month period ending with the reporting period, divided by the corresponding sales volume. This includes the cost of all gas supplies acquired through hedging instruments, including the cost of the hedging instruments themselves, acquired under a hedging plan approved by the Commission and under the terms and conditions of this tariff. Also included are carrying costs for gas stored underground. In addition net charge offs and collection fees less late payment charges related to gas costs billed to customers are included.

Rate AS, Pooling Service For Interruptible Gas Transportation

**Present Rate
LATE PAYMENT CHARGE**

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable.

**Proposed Rate
LATE PAYMENT CHARGE**

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable.

IMPACT OF PROPOSED RATES

The foregoing proposed rates designed to recover Duke Energy Kentucky's revenue deficiency reflect an increase in gas revenues of approximately \$17.5 million or 14.03% to Duke Energy Kentucky. The estimated amount of this increase per customer class is as follows:

Rate RS – Residential Service	\$14,811,787	18.38%
Rate GS – Commercial Service	\$ 1,904,380	6.13%
Rate GS – Industrial Service	\$ 117,142	3.19%
Rate GS – Other Public Authority Service	\$ 172,893	3.42%
Rate FT-L – Firm Transportation Service	\$ 178,314	7.16%
Rate IT – Interruptible Transportation Service	\$ 309,820	29.23%

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Rate RS – Residential Service	\$ 13.29	16.2%
Rate GS – Commercial Service	\$ 24.68	6.1%
Rate GS – Industrial Service	\$ 42.67	3.2%
Rate GS – Other Public Authority Service	\$ 38.83	3.4%
Rate FT-L – Firm Transportation Service	\$ 174.81	7.2%

Rate IT – Interruptible Transportation Service

\$ 1,075.75

29.2%

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

Any corporation, association, or person may, by written request, within thirty (30) days after publication of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should be submitted to the Kentucky Public Service Commission, P. O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615, and shall set forth the grounds for the request including the status and interest of the party.

Intervenors may obtain copies of the application and other filings made by the Company by contacting Ms. Dianne Kuhnell of Duke Energy Kentucky at 139 East Fourth Street, Rm 2500, AT II, Cincinnati, OH 45202 or by telephone at (513) 419-1837. A copy of the application and other filings made by the Company is available for public inspection at the Commission's office in Frankfort, Kentucky, and at the following Company offices: 1697 A Monmouth Street, Newport, KY 41071.

For further information contact:

PUBLIC SERVICE COMMISSION
COMMONWEALTH OF KENTUCKY
P. O. BOX 615
211 SOWER BOULEVARD
FRANKFORT, KENTUCKY 40602-0615
(502) 564-3940

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