

Duke Energy Kentucky
Case No. 2009-00202
Forecasted Test Period Filing Requirements
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Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
1	1	KRS 278.180	30 days' notice of rates to PSC.	Julia S. Janson
1	2	807 KAR 5:001 Section 8 (1)	Full name and P.O. address of applicant and reference to the particular provision of law requiring PSC approval.	Julia S. Janson
1	3	807 KAR 5:001 Section 8 (2)	The original and 10 copies of application plus copy for anyone named as interested party.	Julia S. Janson
1	4	807 KAR 5:001 Section 10 (1)(b)(1)	Reason adjustment is required.	William Don Wathen
1	5	807 KAR 5:001 Section 10 (1)(b)(2)	Statement that utility's annual reports, including the most recent calendar year, are filed with PSC. 807 KAR 5:006, Section 3 (1).	Brenda R. Melendez
1	6	807 KAR 5:001 Section 10 (1)(b)(3) and (5)	If utility is incorporated, certified copy of articles of incorporation and amendments or out of state documents of similar import. If they have already been filed with PSC refer to the style and case number of the prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed.	Julia S. Janson
1	7	807 KAR 5:001 Section 10 (1)(b)(4)	If applicant is limited partnership, certified copy of limited partnership agreement. If agreement filed with PSC refer to style and case number of prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed.	Julia S. Janson
1	8	807 KAR 5:001 Section 10 (1)(b)(6)	Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary.	Julia S. Janson
1	9	807 KAR 5:001 Section 10 (1)(b)(7)	Proposed tariff in form complying with 807 KAR 5:011 effective not less than 30 days from date application filed.	James E. Ziolkowski
1	10	807 KAR 5:001 Section 10 (1)(b)(8)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletion in current tariff.	James E. Ziolkowski
1	11	807 KAR 5:001 Section 10 (1)(b)(9)	Statement that notice given, see subsections (3) and (4) of 807 KAR 5:001, Section 10 with copy.	Julia S. Janson
1	12	807 KAR 5:001 Section 10 (2)	If gross annual revenues exceed \$1,000,000, written notice of intent filed at least 4 weeks prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period.	Julia S. Janson
1	13	807 KAR 5:001 Section 10 (4) (a)	Sewer utilities shall give the required typewritten notice by mail to all of their customers pursuant to KRS 278.185.	Julia S. Janson
1	14	807 KAR 5:001 Section 10 (4)(b)	Applicants with twenty (20) or fewer customers affected by the proposed general rate adjustment shall mail the required typewritten notice to each customer no later than the date the application is filed with the commission.	Julia S. Janson

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1	15	807 KAR 5:001 Section 10 (4)(c)	Except for sewer utilities, applicants with more than twenty (20) customers affected by the proposed general rate adjustment shall give the required notice by one (1) of the following methods: 1. A typewritten notice mailed to all customers no later than the date the application is filed with the commission; 2. Publishing the notice in a trade publication or newsletter which is mailed to all customers no later than the date on which the application is filed with the commission; or 3. Publishing the notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made within seven (7) days of the filing of the application with the commission.	Julia S. Janson
1	16	807 KAR 5:001 Section 10 (4)(d)	If notice is published, an affidavit from the publisher verifying that the notice was published, including the dates of the publication with an attached copy of the published notice, shall be filed with the Commission no later than forty-five (45) days of the filed date of the application.	Julia S. Janson
1	17	807 KAR 5:001 Section 10 (4)(e)	If notice is mailed, a written statement signed by the utility's chief officer in charge of Kentucky operations verifying the notice was mailed shall be filed with the Commission no later than thirty (30) days of the filed date of the application.	Julia S. Janson
1	18	807 KAR 5:001 Section 10 (4)(f)	All utilities, in addition to the above notification, shall post a sample copy of the required notification at their place of business no later than the date on which the application is filed which shall remain posted until the commission has finally determined the utility's rates.	Julia S. Janson
1	19	807 KAR 5:001 Section 10 (5)	Notice of hearing scheduled by the commission upon application by a utility for a general adjustment in rates shall be advertised by the utility by newspaper publication in the areas that will be affected in compliance with KRS 424.300.	Julia S. Janson
1	20	807 KAR 5:001 Section 10 (8)(a)	Financial data for forecasted period presented as pro forma adjustments to base period.	Robert M. Parsons, Jr.
1	21	807 KAR 5:001 Section 10 (8)(b)	Forecasted adjustments shall be limited to the 12 months immediately following the suspension period.	Robert M. Parsons, Jr.
1	22	807 KAR 5:001 Section 10 (8)(c)	Capitalization and net investment rate base shall be based on a 13 month average for the forecasted period.	Robert M. Parsons, Jr.

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1	23	807 KAR 5:001 Section 10 (8)(d)	After an application based on a forecasted test period is filed, there shall be no revisions to the forecast, except for the correction of mathematical errors, unless such revisions reflect statutory or regulatory enactments that could not, with reasonable diligence, have been included in the forecast on the date it was filed. There shall be no revisions filed within thirty (30) days of a scheduled hearing on the rate application.	Robert M. Parsons, Jr.
1	24	807 KAR 5:001 Section 10 (8)(e)	The commission may require the utility to prepare an alternative forecast based on a reasonable number of changes in the variables, assumptions, and other factors used as the basis for the utility's forecast.	Robert M. Parsons, Jr.
1	25	807 KAR 5:001 Section 10 (8)(f)	Reconciliation of rate base and capital used to determine revenue requirements.	Robert M. Parsons, Jr.
1	26	807 KAR 5:001 Section 10 (9)(a)	Prepared testimony of each witness supporting its application including testimony from chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program.	All witnesses
1	27	807 KAR 5:001 Section 10 (9)(b)	Most recent capital construction budget containing at minimum 3 year forecast of construction expenditures.	Gary J. Hebbeler
1	28	807 KAR 5:001 Section 10 (9)(c)	Complete description, which may be in prefiled testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.	Stephen R. Lee
1	29	807 KAR 5:001 Section 10 (9)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period.	Stephen R. Lee
1	30	807 KAR 5:001 Section 10 (9)(e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing: 1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and 2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and 3. That productivity and efficiency gains are included in the forecast.	Julia S. Janson
1	31	807 KAR 5:001 Section 10 (9)(f)	For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed: 1. Date project began or estimated starting date; 2. Estimated completion date; 3. Total estimated cost of construction by year	Gary J. Hebbeler

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			exclusive and inclusive of Allowance for Funds Used During construction ("AFUDC") or Interest During construction Credit; and 4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit.	
1	32	807 KAR 5:001 Section 10 (9)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection.	Gary J. Hebbeler
1	33	807 KAR 5:001 Section 10 (9)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information: 1. Operating income statement (exclusive of dividends per share or earnings per share); 2. Balance sheet; 3. Statement of cash flows; 4. Revenue requirements necessary to support the forecasted rate of return; 5. Load forecast including energy and demand (electric); 6. Access line forecast (telephone); 7. Mix of generation (electric); 8. Mix of gas supply (gas); 9. Employee level; 10. Labor cost changes; 11. Capital structure requirements; 12. Rate base; 13. Gallons of water projected to be sold (water); 14. Customer forecast (gas, water); 15. MCF sales forecasts (gas); 16. Toll and access forecast of number of calls and number of minutes (telephone); and 17. A detailed explanation of any other information provided.	Stephen R. Lee Stephen G. De May #6, #13, #16 & #17 Not applicable
1	34	807 KAR 5:001 Section 10 (9)(i)	Most recent FERC or FCC audit reports.	Brenda R. Melendez
1	35	807 KAR 5:001 Section 10 (9)(j)	Prospectuses of most recent stock or bond offerings.	Stephen G. De May
1	36	807 KAR 5:001 Section 10 (9)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or the Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone).	Brenda R. Melendez
2	37	807 KAR 5:001 Section 10 (9)(l)	Annual report to shareholders or members and statistical supplements for the most recent 5 years prior to application filing date.	Stephen G. De May
2	38	807 KAR 5:001 Section 10 (9)(m)	Current chart of accounts if more detailed than Uniform System of Accounts charts.	Brenda R. Melendez

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Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
2	39	807 KAR 5:001 Section 10 (9)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast.	Stephen R. Lee
2	40	807 KAR 5:001 Section 10 (9)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available.	Stephen R. Lee
3	41	807 KAR 5:001 Section 10 (9)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters.	Stephen G. De May
4	42	807 KAR 5:001 Section 10 (9)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls.	Stephen G. De May
4	43	807 KAR 5:001 Section 10 (9)(r)	Quarterly reports to the stockholders for the most recent 5 quarters.	David L. Doss
4	44	807 KAR 5:001 Section 10 (9)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style.	John J. Spanos
4	45	807 KAR 5:001 Section 10 (9)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program	Robert M. Parsons, Jr.
4	46	807 KAR 5:001 Section 10 (9)(u)	If utility had any amounts charged or allocated to it by affiliate or general or home office or paid any monies to affiliate or general or home office during the base period or during previous 3 calendar years, file: <ol style="list-style-type: none"> 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment; 2. method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period; 3. Explain how allocator for both base and forecasted test period was determined; and 4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable. 	David L. Doss

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Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
4	47	807 KAR 5:001 Section 10 (9)(v)	If gas, electric or water utility with annual gross revenues greater than \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from single time period.	Donald L. Storck
4	48	807 KAR 5:001 Section 10 (9)(w)	Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file: 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies supporting pricing of services generating annual revenue greater than \$1,000,000 except local exchange access: a. Based on current and reliable data from single time period; and b. Using generally recognized fully allocated, embedded, or incremental cost principles.	Not applicable
4	49	807 KAR 5:001 Section 10 (10)(a)	Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase.	Robert M. Parsons, Jr.
4	50	807 KAR 5:001 Section 10 (10)(b)	Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base.	Robert M. Parsons, Jr.
4	51	807 KAR 5:001 Section 10 (10)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account.	Robert M. Parsons, Jr.
4	52	807 KAR 5:001 Section 10 (10)(d)	Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors.	Robert M. Parsons, Jr.
4	53	807 KAR 5:001 Section 10 (10)(e)	Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes.	Robert M. Parsons
4	54	807 KAR 5:001 Section 10 (10)(f)	Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases.	Robert M. Parsons, Jr.
4	55	807 KAR 5:001 Section 10 (10)(g)	Analyses of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight time and overtime hours, and executive compensation by title.	Jay R. Alvaro

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Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
4	56	807 KAR 5:001 Section 10 (10)(h)	Computation of gross revenue conversion factor for forecasted period.	Robert M. Parsons, Jr.
4	57	807 KAR 5:001 Section 10 (10)(i)	Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period.	Stephen R. Lee
4	58	807 KAR 5:001 Section 10 (10)(j)	Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure.	Stephen G. De May
4	59	807 KAR 5:001 Section 10 (10)(k)	Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period.	Stephen R. Lee
4	60	807 KAR 5:001 Section 10 (10)(l)	Narrative description and explanation of all proposed tariff changes.	James E. Ziolkowski
4	61	807 KAR 5:001 Section 10 (10)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes.	James E. Ziolkowski
4	62	807 KAR 5:001 Section 10 (10)(n)	Typical bill comparison under present and proposed rates for all customer classes.	James E. Ziolkowski
4	63	807 KAR 5:001 Section (10)(3)	Amount of change requested in dollar amounts and percentage for each customer classification to which change will apply. a. Present and proposed rates for each customer class to which change would apply. b. Electric, gas, water and sewer utilities-the effect upon average bill for each customer class to which change would apply. c. Local exchange companies-include effect upon average bill for each customer class for change in basic local service.	James E. Ziolkowski
4	64	807 KAR 5:001 Section 10 (4)(c)(d)(e)(f)	If copy of public notice included, did it meet requirements?	Julia S. Janson
4	65	807 KAR 5:001 Section 6(1)	Amount and kinds of stock authorized.	Stephen G. De May
4	66	807 KAR 5:001 Section 6(2)	Amount and kinds of stock issued and outstanding.	Stephen G. De May
4	67	807 KAR 5:001 Section 6(3)	Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.	Stephen G. De May
4	68	807 KAR 5:001 Section 6(4)	Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking fund provisions.	Stephen G. De May

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4	69	807 KAR 5:001 Section 6(5)	Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year.	Stephen G. De May
4	70	807 KAR 5:001 Section 6(6)	Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.	Stephen G. De May
4	71	807 KAR 5:001 Section 6(7)	Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.	Stephen G. De May
4	72	807 KAR 5:001 Section 6(8)	Rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year.	Stephen G. De May
4	73	807 KAR 5:001 Section 6(9)	Detailed income statement and balance sheet.	Robert M. Parsons, Jr.
5	-	807 KAR 5:001 Section 10(10) (a) through (k)	Schedule Book (Schedules A-K)	Various
6	-	807 KAR 5:001 Section 10(10) (l) through (n)	Schedule Book (Schedules L-N)	Various
7	-	-	Work papers	Various
8	-	807 KAR 5:001 Section 10(9)(a)	Testimony (Volume 1 of 2)	-
9	-	807 KAR 5:001 Section 10(9)(a)	Testimony (Volume 2 of 2)	-
10	-	KRS 278.2205(6)	Cost Allocation Manual	Brenda R. Melendez
-	-	807 KAR 5:056 Section 1(7)	Coal Contracts	Not Applicable-

STANDARD FILING REQUIREMENT SCHEDULES

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2009-00202

DATE: July 1, 2009

GENERAL APPLICATION FOR CHANGE IN
GAS RATES BEFORE KENTUCKY PUBLIC
SERVICE COMMISSION

NAME: DUKE ENERGY KENTUCKY
ADDRESS: 1697-A MONMOUTH STREET
NEWPORT, KENTUCKY 41071

MAILING
ADDRESS: P. O. BOX 960
CINCINNATI, OHIO 45201

TELEPHONE: AREA CODE 513 NUMBER 419-5908

COMPANY OFFICIAL TO BE CONTACTED
PERTAINING TO RATE CASE MATTERS William Don Wathen Jr.

FILING DATE: July 1, 2009

ATTORNEYS FOR APPLICANT:

NAME: Rocco D'Ascenzo
ADDRESS: P. O. Box 960
Cincinnati, Ohio 45202
TELEPHONE: (513) 419-1852

*** FOR COMMISSION USE ONLY ***

DATE RECEIVED BY COMMISSION _____

DOCKET NUMBER ASSIGNED _____

RECEIVED BY _____

DATE ACCEPTED _____

ACCEPTED BY _____

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF THE ADJUSTMENT
OF GAS RATES OF DUKE ENERGY KENTUCKY, INC.

CASE NO. 2009-00202

FILING REQUIREMENTS

VOLUME 4

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(q)

807 KAR 5:001, SECTION 10(9)(q)

Description of Filing Requirement:

The independent auditor's annual opinion report, with any written communication from the auditors to the utility which indicates the existence of a material weakness in the utility's internal controls.

Response:

See attached.

Sponsoring Witness: Brenda R. Melendez



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder of
Duke Energy Kentucky, Inc.
Cincinnati, Ohio

We have audited the accompanying balance sheets of Duke Energy Kentucky, Inc. (the "Company") as of December 31, 2008 and 2007, and the related statements of operations, stockholder's equity and comprehensive income, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards as established by the Auditing Standards Board (United States) and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

March 26, 2009

Member of
Deloitte Touche Tohmatsu

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(r)**

807 KAR 5:001, SECTION 10(9)(r)

Description of Filing Requirement:

The quarterly reports to the stockholders for the most recent five (5) quarters.

Response:

Duke Energy Kentucky has not issued any quarterly reports to shareholders since the 2nd quarter of 2002.

Sponsoring Witness: Stephen G. De May

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(s)**

807 KAR 5:001, SECTION 10(9)(s)

Description of Filing Requirement:

The summary of the latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities that have adopted the commission's average depreciation rates shall provide a schedule that identifies the current and base period depreciation rates used by major plant accounts. If the required information has been filed in another commission case a reference to that case's number and style will be sufficient.

Response:

See attached.

Sponsoring Witness: John A. Spanos

DUKE ENERGY KENTUCKY

CINCINNATI, OHIO

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO GAS AND COMMON PLANT
AS OF DECEMBER 31, 2008

DUKE ENERGY KENTUCKY
Cincinnati, Ohio

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO GAS AND COMMON PLANT
AS OF DECEMBER 31, 2008

GANNETT FLEMING, INC. - VALUATION AND RATE DIVISION
Harrisburg, Pennsylvania

June 3, 2009

Duke Energy Kentucky
139 East Fourth Street
Cincinnati, OH 45201-0960

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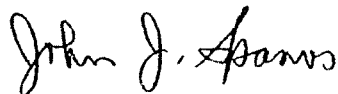
Attention Mr. Carl J. Council, Jr.
Director, Asset Accounting

Ladies and Gentlemen:

Pursuant to your request, we have conducted a depreciation study related to the gas and common plant of Duke Energy Kentucky as of December 31, 2008. The attached report presents a description of the methods used in the estimation of depreciation, the summary of annual and accrued depreciation, the statistical support for the service life and net salvage estimates, and the detailed tabulations of annual and accrued depreciation.

Respectfully submitted,

GANNETT FLEMING, INC.



JOHN J. SPANOS
Vice President
Valuation and Rate Division

JJS:krm

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PART III. RESULTS OF STUDY, cont.

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DUKE ENERGY KENTUCKY
DEPRECIATION STUDY
CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO GAS AND COMMON PLANT
AS OF DECEMBER 31, 2008

PART I. INTRODUCTION

SCOPE

This report presents the results of the depreciation study prepared for the Duke Energy Kentucky ("Company") as applied to gas and common plant in service as of December 31, 2008. It relates to the concepts, methods and basic judgments which underlie recommended annual depreciation accrual rates related to current gas and common plant in service.

The service life estimates resulting from the study were based on informed judgment which incorporated analyses of historical plant retirement data as recorded through 2008; the net salvage analyses of historical plant retirements data recorded through 2008; a review of Company practice and outlook as they relate to plant operation and retirement; and consideration of current practice in the gas industry, including knowledge of service life and salvage estimates used for other gas properties.

PLAN OF REPORT

Part I includes brief statements of the scope and basis of the study. Part II presents *descriptions of the methods used in the service life and salvage studies and the methods and procedures used in the calculation of depreciation.* Part III presents the results of the study, including summary tables, survivor curve charts and life tables resulting from the retirement rate method of analysis; tabular results of the historical net salvage analyses;

and detailed tabulations of the calculated remaining lives and annual accruals.

BASIS OF STUDY

Depreciation

For most accounts, the annual depreciation was calculated by the straight line method using the equal life group procedure and the remaining life basis. For certain General Plant accounts, the annual depreciation was based on amortization accounting. The calculated remaining lives and annual depreciation accrual rates were based on attained ages of plant in service and the estimated service life and salvage characteristics of each depreciable group.

Survivor Curve Estimates

The procedure for estimating survivor curves, which define service lives and remaining lives, consisted of compiling historical service life data for the plant accounts or other depreciable groups, analyzing the historical data base through the use of accepted techniques, and forecasting the survivor characteristics for each depreciable account or group. These forecasts were based on interpretations of the historical data analyses and the probable future. The combination of the historical data and the estimated future trend yields a complete pattern of life characteristics, i.e., a survivor curve, from which the average service life and remaining service life are derived.

The historical data analyzed for life estimation purposes were compiled through 2008 from the Company's plant accounting records. Such data included plant additions, retirements, transfers and other activity recorded by the Company for each of its plant accounts and subaccounts.

The estimates of net salvage by account incorporated a review of experienced costs of removal and salvage related to plant retirements, and consideration of trends exhibited by the historical data. Each component of net salvage, i.e., cost of removal and salvage, was stated in dollars and as a percent of retirement.

An understanding of the function of the plant and information with respect to the reasons for past retirements and the expected causes of future retirements was obtained through discussions with operating and management personnel. The supplemental information obtained in this manner was considered in the interpretation and extrapolation of the statistical analyses.

Calculation of Depreciation

The depreciation accrual rates were calculated using the straight line method, the remaining life basis and the equal life group depreciation procedure. The continuation of amortization accounting for certain accounts is recommended because of the disproportionate plant accounting effort required when compared to the minimal original cost of the large number of items in these accounts. An explanation of the calculation of annual and accrued amortization is presented on page II-34 of the report.

II-1

PART II. METHODS USED IN
THE ESTIMATION OF DEPRECIATION

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

DEPRECIATION

Depreciation, as defined in the Uniform System of Accounts, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of gas plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, requirements of public authorities, and, in the case of natural gas companies, the exhaustion of natural resources.

Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight line method of depreciation.

The calculation of annual depreciation based on the straight line method requires the estimation of average life and salvage. These subjects are discussed in the sections which follow.

SERVICE LIFE AND NET SALVAGE ESTIMATION

Average Service Life

The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages. A discussion of the general concept of survivor curves is presented. Also, the Iowa type survivor curves are reviewed.

Survivor Curves

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval and is derived by obtaining the differences between the amount of property surviving at the beginning and at the end of each interval.

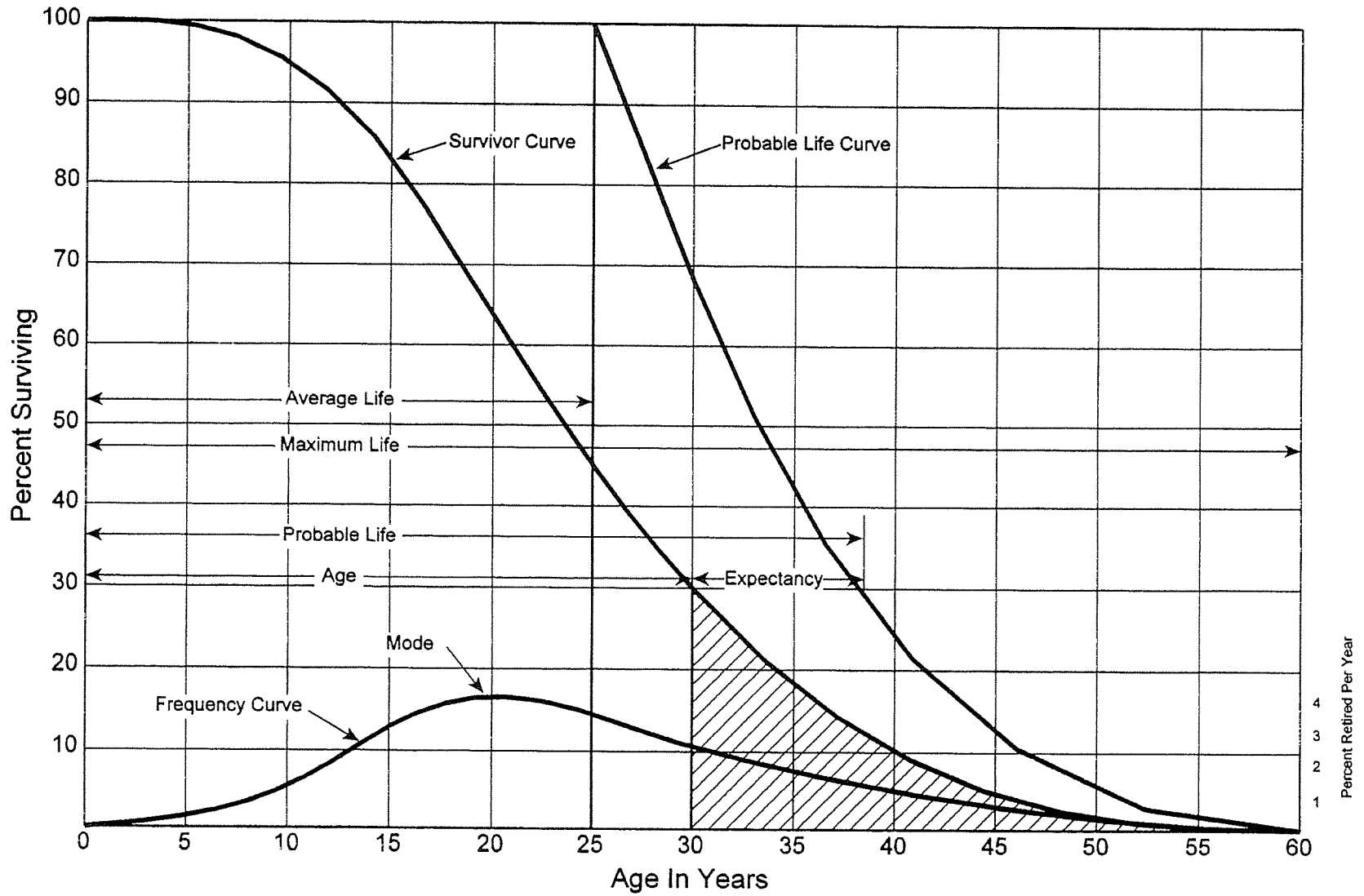


Figure 1. A Typical Survivor Curve and Derived Curves

Iowa Type Curves. The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numbers represent the relative heights of the modes of the frequency curves within each family.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves, which constitute three of the four families, was published in 1935 in the form of the Experiment Station's Bulletin 125.¹ These type curves have also been presented in subsequent Experiment Station

¹Winfrey, Robley. Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.

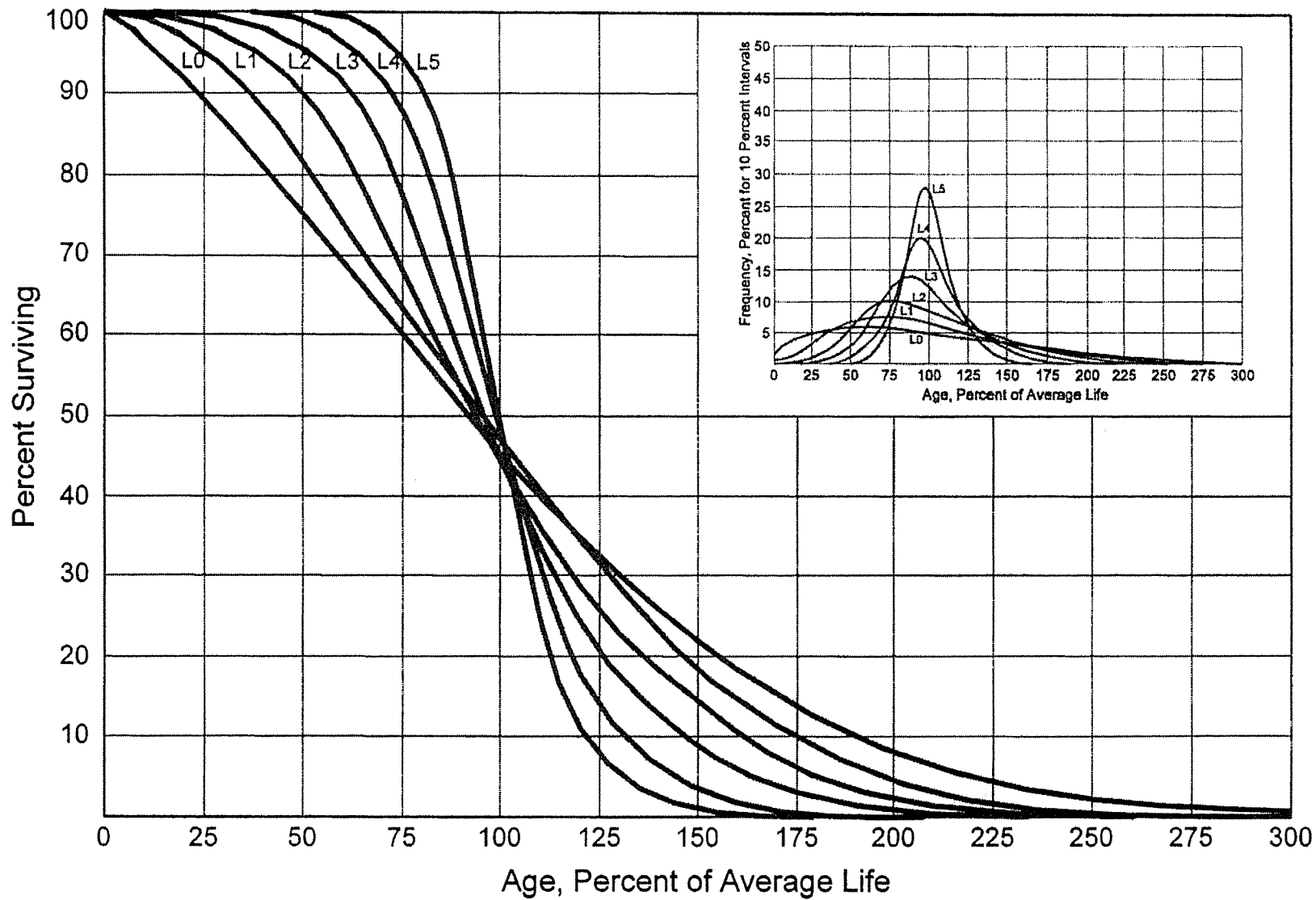


Figure 2. Left Modal or "L" Iowa Type Survivor Curves

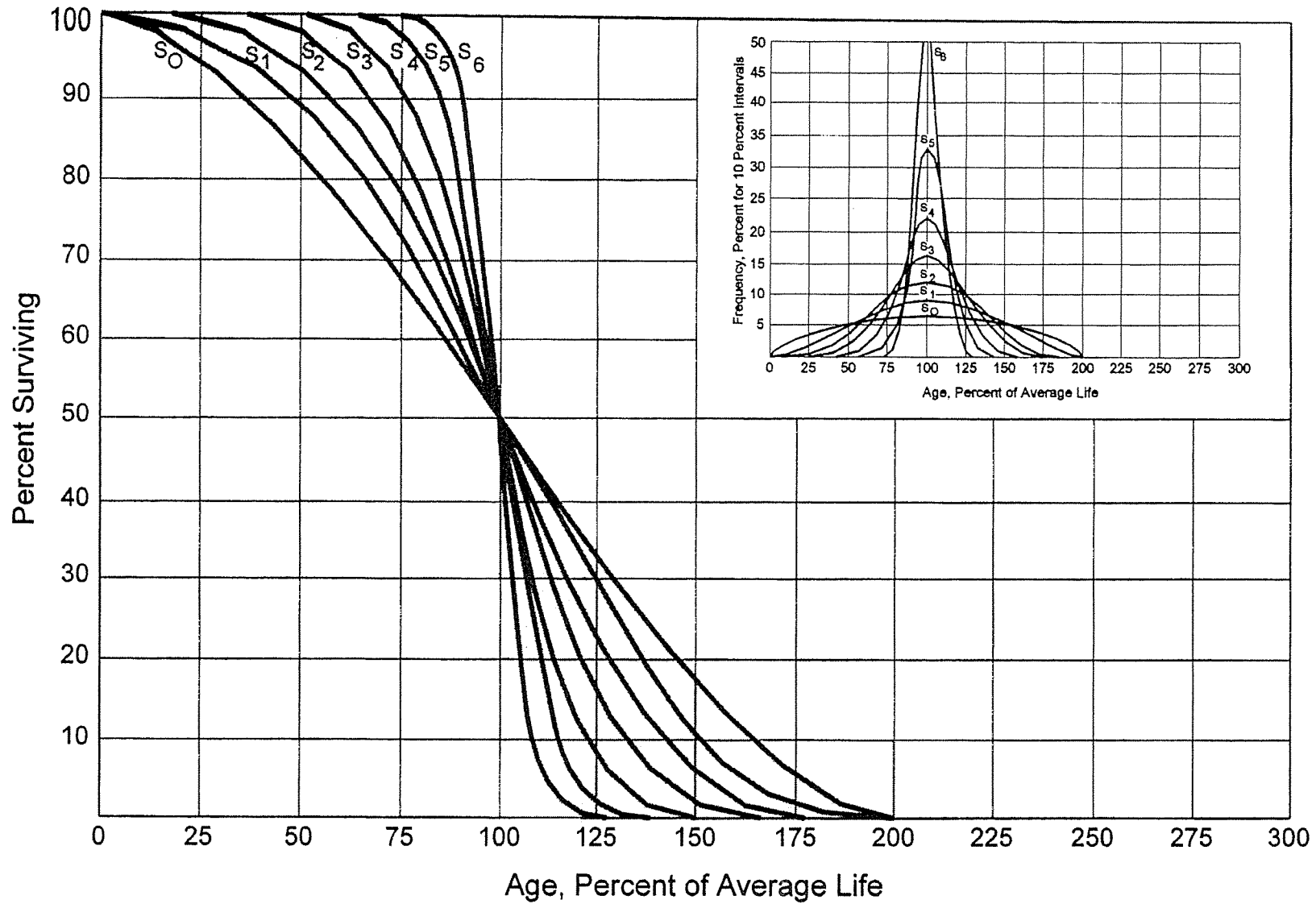


Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

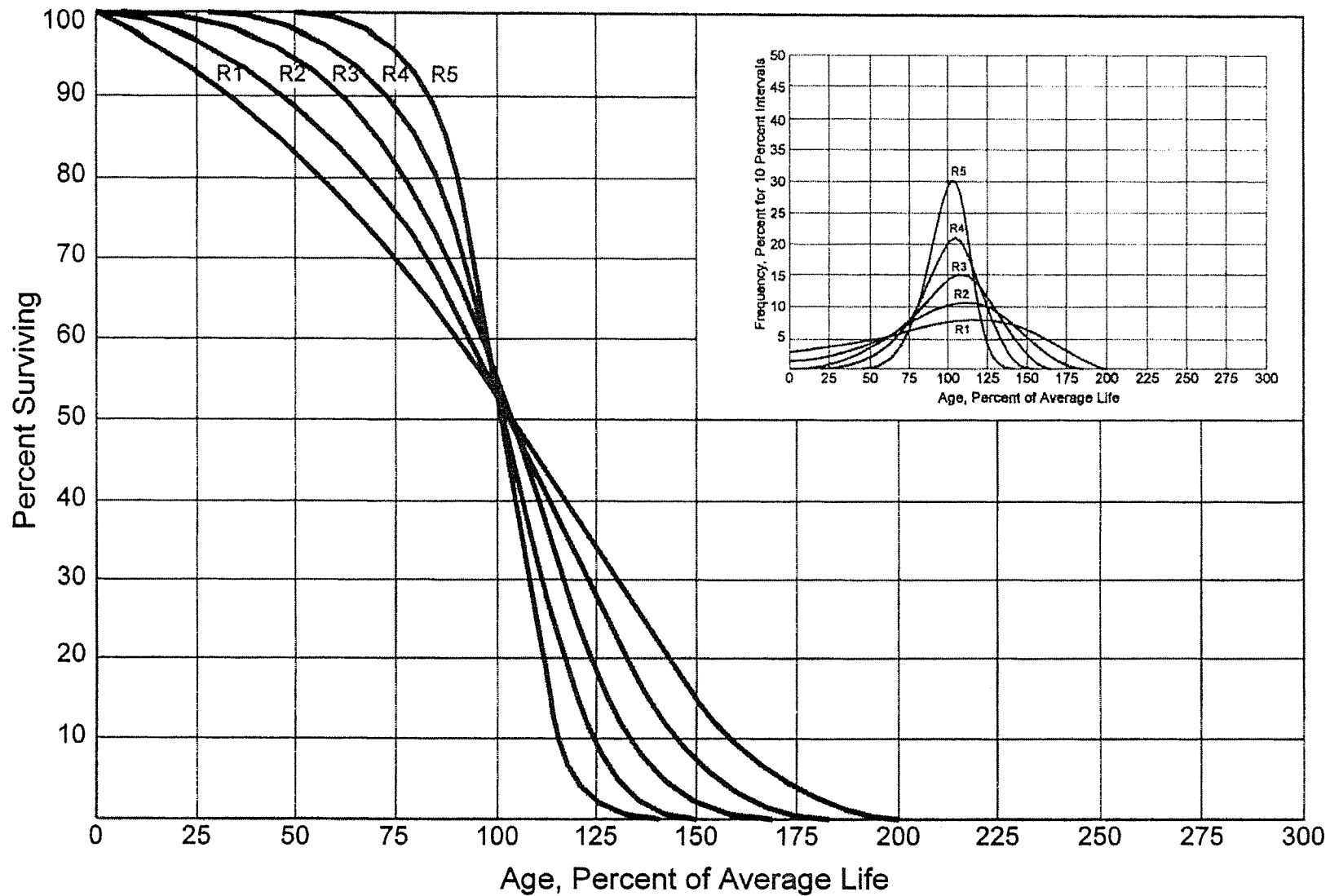


Figure 4. Right Modal or "R" Iowa Type Survivor Curves

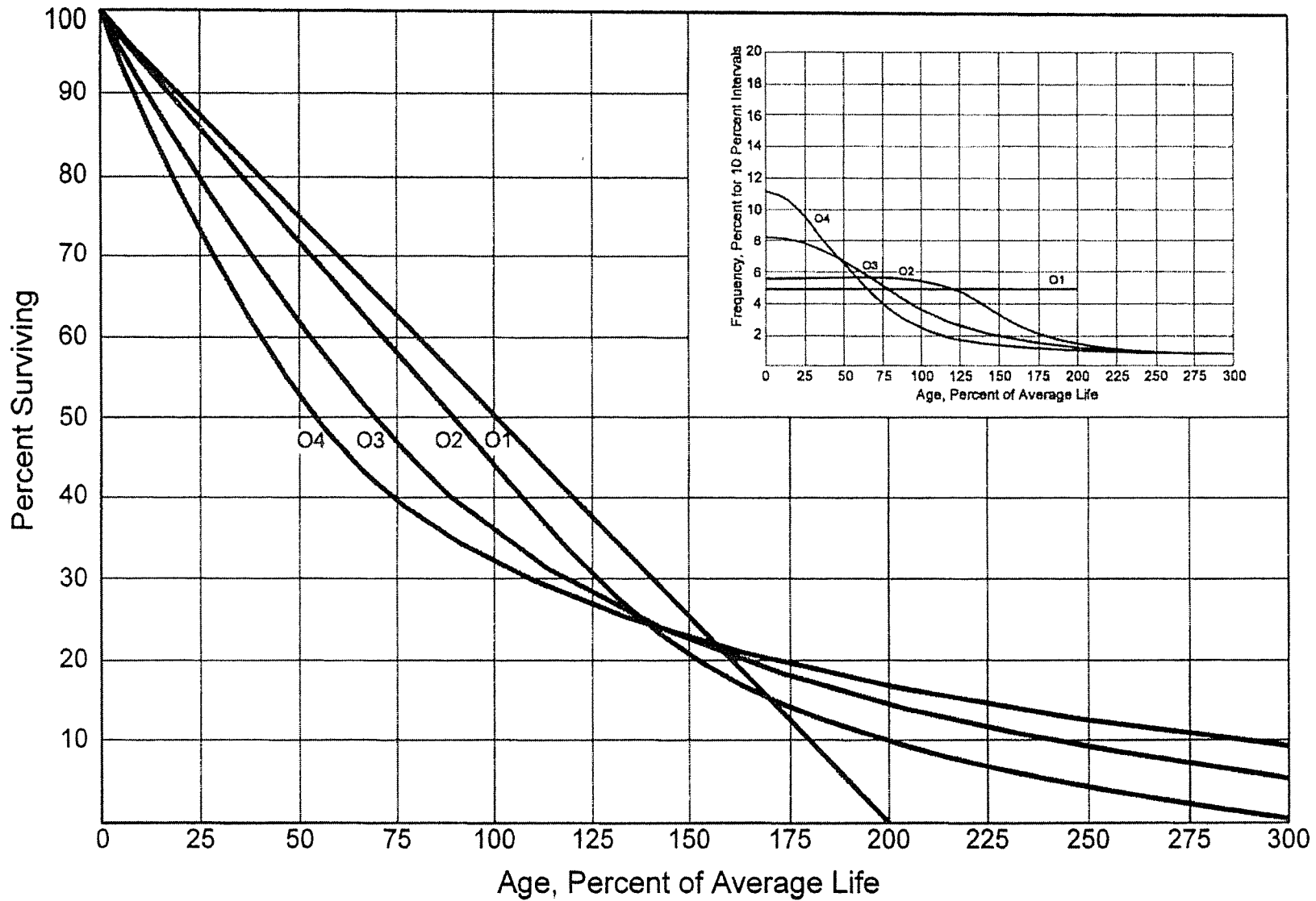


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

bulletins and in the text, "Engineering Valuation and Depreciation."² In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student, submitted a thesis³ presenting his development of the fourth family consisting of the four O type survivor curves.

Retirement Rate Method of Analysis

The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available or for which aged accounting experience is developed by statistically aging unaged amounts and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"⁴ "Engineering Valuation and Depreciation,"⁵ and "Depreciation Systems."⁶

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the

²Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

³Couch, Frank V. B., Jr. "Classification of Type O Retirement Characteristics of Industrial Property." Unpublished M.S. thesis (Engineering Valuation). Library, Iowa State College, Ames, Iowa. 1957.

⁴Winfrey, Robley, Supra Note 1.

⁵Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 2.

⁶Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994

property exposed to retirement at the beginnings of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records. The property group used to illustrate the retirement rate method is observed for the experience band 1999-2008 during which there were placements during the years 1994-2008. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Tables 1 and 2 on pages II-12 and II-13. In Table 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, \$10,000 of the dollars invested in 1994 were retired in 1999. The \$10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age

TABLE 1. RETIREMENTS FOR EACH YEAR 1999-2008
SUMMARIZED BY AGE INTERVAL

Experience Band 1999-2008

Placement Band 1994-2008

Year Placed (1)	Retirements, Thousands of Dollars										Total During Age Interval (12)	Age Interval (13)
	During Year											
	<u>1999</u> (2)	<u>2000</u> (3)	<u>2001</u> (4)	<u>2002</u> (5)	<u>2003</u> (6)	<u>2004</u> (7)	<u>2005</u> (8)	<u>2006</u> (9)	<u>2007</u> (10)	<u>2008</u> (11)		
1994	10	11	12	13	14	16	23	24	25	26	26	13½-14½
1995	11	12	13	15	16	18	20	21	22	19	44	12½-13½
1996	11	12	13	14	16	17	19	21	22	18	64	11½-12½
1997	8	9	10	11	11	13	14	15	16	17	83	10½-11½
1998	9	10	11	12	13	14	16	17	19	20	93	9½-10½
1999	4	9	10	11	12	13	14	15	16	20	105	8½-9½
2000		5	11	12	13	14	15	16	18	20	113	7½-8½
2001			6	12	13	15	16	17	19	19	124	6½-7½
2002				6	13	15	16	17	19	19	131	5½-6½
2003					7	14	16	17	19	20	143	4½-5½
2004						8	18	20	22	23	146	3½-4½
2005							9	20	22	25	150	2½-3½
2006								11	23	25	151	1½-2½
2007									11	24	153	½-1½
2008										13	80	0-½
Total	<u>53</u>	<u>68</u>	<u>86</u>	<u>106</u>	<u>128</u>	<u>157</u>	<u>196</u>	<u>231</u>	<u>273</u>	<u>308</u>	<u>1,606</u>	

TABLE 2. OTHER TRANSACTIONS FOR EACH YEAR 1999-2008
SUMMARIZED BY AGE INTERVAL

Experience Band 1999-2008

Placement Band 1994 -2008

Year Placed	Acquisitions, Transfers and Sales, Thousands of Dollars										Total During Age Interval	Age Interval
	During Year											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1994	-	-	-	-	-	-	60 ^a	-	-	-	-	13½-14½
1995	-	-	-	-	-	-	-	-	-	-	-	12½-13½
1996	-	-	-	-	-	-	-	-	-	-	-	11½-12½
1997	-	-	-	-	-	-	-	(5) ^b	-	-	60	10½-11½
1998	-	-	-	-	-	-	-	6 ^a	-	-	-	9½-10½
1999	-	-	-	-	-	-	-	-	-	-	(5)	8½-9½
2000	-	-	-	-	-	-	-	-	-	-	6	7½-8½
2001	-	-	-	-	-	-	-	-	-	-	-	6½-7½
2002	-	-	-	-	-	-	-	(12) ^b	-	-	-	5½-6½
2003	-	-	-	-	-	-	-	-	22 ^a	-	-	4½-5½
2004	-	-	-	-	-	-	-	(19) ^b	-	-	10	3½-4½
2005	-	-	-	-	-	-	-	-	-	-	-	2½-3½
2006	-	-	-	-	-	-	-	-	-	(102) ^c	(121)	1½-2½
2007	-	-	-	-	-	-	-	-	-	-	-	½-1½
2008	-	-	-	-	-	-	-	-	-	-	-	0-½
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60</u>	<u>(30)</u>	<u>22</u>	<u>(102)</u>	<u>(50)</u>	

^a Transfer Affecting Exposures at Beginning of Year

^b Transfer Affecting Exposures at End of Year

^c Sale with Continued Use

Parentheses denote Credit amount.

interval. For example, the total of \$143,000 retired for age interval 4½-5½ is the sum of the retirements entered on Table 1 immediately above the stairstep line drawn on the table beginning with the 1999 retirements of 1994 installations and ending with the 2008 retirements of the 2003 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

In Table 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

Schedule of Plant Exposed to Retirement. The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Table 3 on page II-15.

The surviving plant at the beginning of each year from 1999 through 2008 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Table 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Tables 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the

TABLE 3. PLANT EXPOSED TO RETIREMENT
 JANUARY 1 OF EACH YEAR 1999-2008
 SUMMARIZED BY AGE INTERVAL

Experience Band 1999-2008

Placement Band 1994-2008

11-15

Year Placed	Exposures, Thousands of Dollars										Total at Beginning of Age Interval	Age Interval
	Annual Survivors at the Beginning of the Year											
(1)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	(12)	(13)
1994	255	245	234	222	209	195	239	216	192	167	167	13½-14½
1995	279	268	256	243	228	212	194	174	153	131	323	12½-13½
1996	307	296	284	271	257	241	224	205	184	162	531	11½-12½
1997	338	330	321	311	300	289	276	262	242	226	823	10½-11½
1998	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½
1999	420 ^a	416	407	397	386	374	361	347	332	316	1,503	8½-9½
2000		460 ^a	455	444	432	419	405	390	374	356	1,952	7½-8½
2001			510 ^a	504	492	479	464	448	431	412	2,463	6½-7½
2002				580 ^a	574	561	546	530	501	482	3,057	5½-6½
2003					660 ^a	653	639	623	628	609	3,789	4½-5½
2004						750 ^a	742	724	685	663	4,332	3½-4½
2005							850 ^a	841	821	799	4,955	2½-3½
2006								960 ^a	949	926	5,719	1½-2½
2007									1,080 ^a	1,069	6,579	½-1½
2008										1,220 ^a	7,490	0-½
Total	<u>1,975</u>	<u>2,382</u>	<u>2,824</u>	<u>3,318</u>	<u>3,872</u>	<u>4,494</u>	<u>5,247</u>	<u>6,017</u>	<u>6,852</u>	<u>7,799</u>	<u>44,780</u>	

^a Additions during the year.

following year. Thus, the amounts of plant shown at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 2003 are calculated in the following manner:

Exposures at age 0	= amount of addition	= \$750,000
Exposures at age ½	= \$750,000 - \$ 8,000	= \$742,000
Exposures at age 1½	= \$742,000 - \$18,000	= \$724,000
Exposures at age 2½	= \$724,000 - \$20,000 - \$19,000	= \$685,000
Exposures at age 3½	= \$685,000 - \$22,000	= \$663,000

For the entire experience band 1999-2008, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Table 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

$$255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.$$

Original Life Table. The original life table, illustrated in Table 4 on page II-17, is developed from the totals shown on the schedules of retirements and exposures, Tables 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios, each of which equals one

TABLE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD

Experience Band 1999-2008

Placement Band 1994-2008

(Exposure and Retirement Amounts are in Thousands of Dollars)

<u>Age at Beginning of Interval</u> (1)	<u>Exposures at Beginning of Age Interval</u> (2)	<u>Retirements During Age Interval</u> (3)	<u>Retirement Ratio</u> (4)	<u>Survivor Ratio</u> (5)	<u>Percent Surviving at Beginning of Age Interval</u> (6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	<u>167</u>	<u>26</u>	0.1557	0.8443	42.24
					35.66
Total	<u>44,780</u>	<u>1,606</u>			

Column 2 from Table 3, Column 12, Plant Exposed to Retirement.

Column 3 from Table 1, Column 12, Retirements for Each Year.

Column 4 = Column 3 divided by Column 2.

Column 5 = 1.0000 minus Column 4.

Column 6 = Column 5 multiplied by Column 6 as of the Preceding Age Interval.

minus the retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15	
Exposures at age 4½	=	3,789,000	
Retirements from age 4½ to 5½	=	143,000	
Retirement Ratio	=	143,000 ÷ 3,789,000	= 0.0377
Survivor Ratio	=	1.000 - 0.0377	= 0.9623
Percent surviving at age 5½	=	(88.15) x (0.9623)	= 84.83

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Tables 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

The original survivor curve is plotted from the original life table (column 6, Table 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

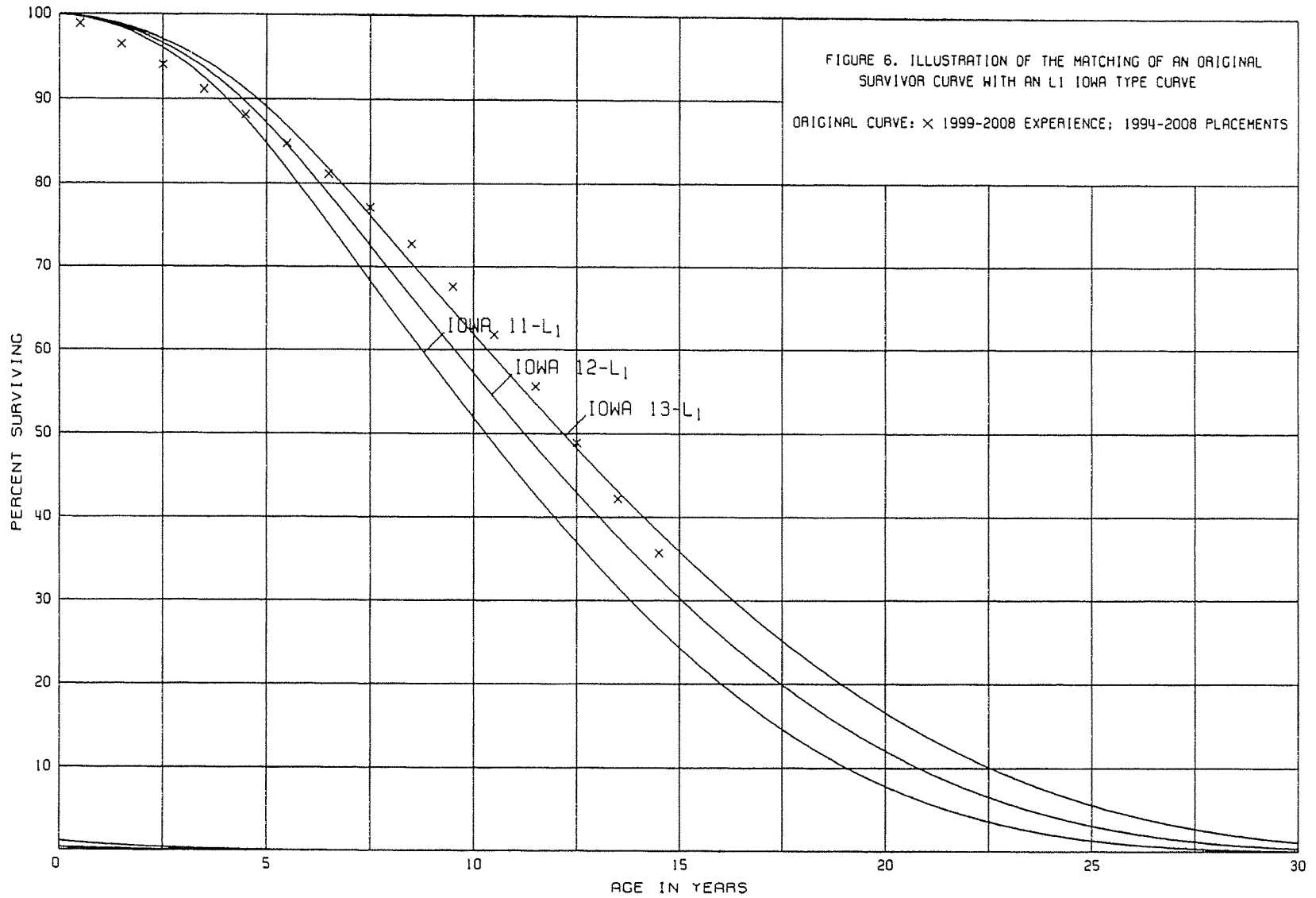
Smoothing the Original Survivor Curve. The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

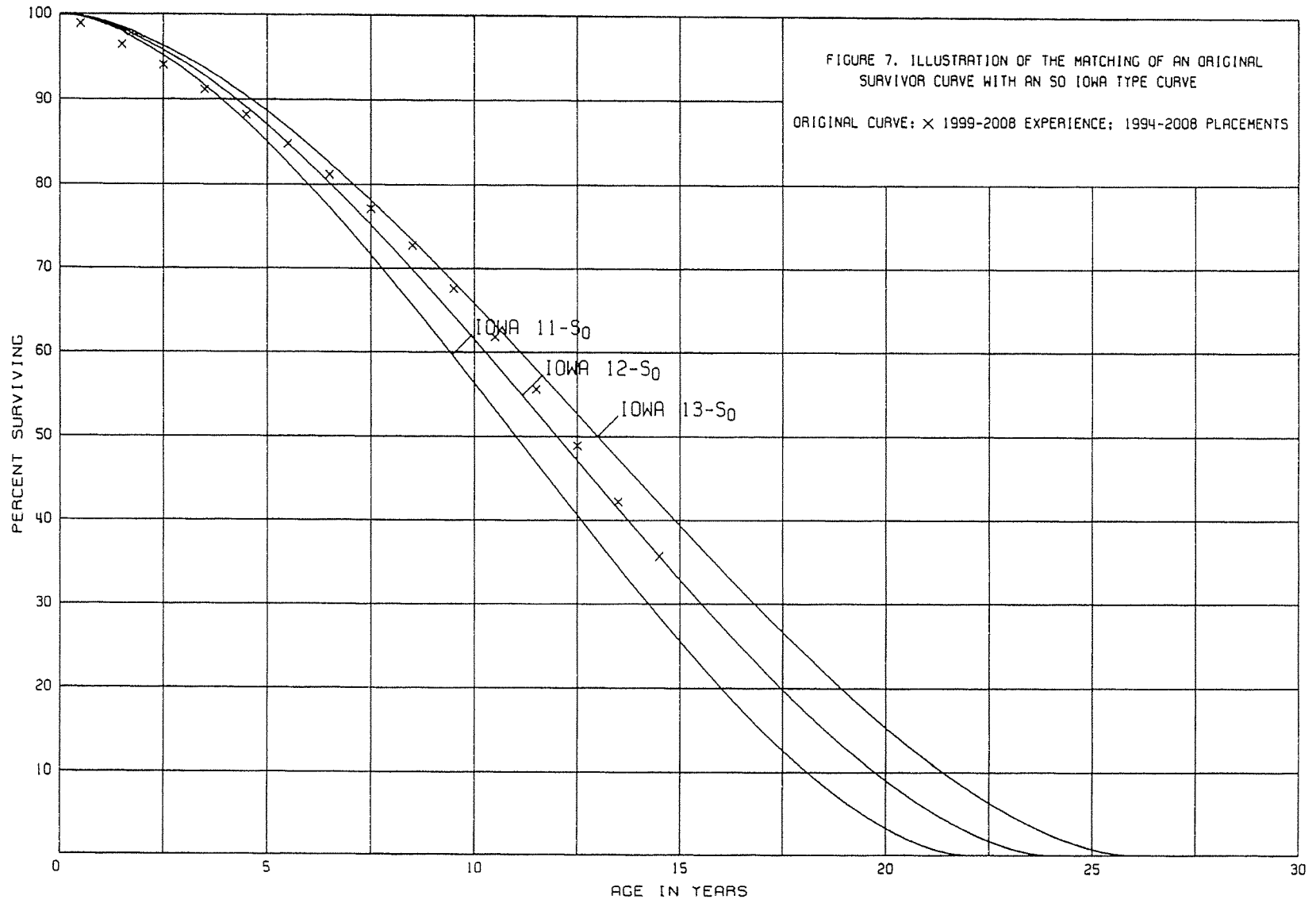
The lowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the lowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Table 4 is compared with the L, S, and R lowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0. In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 lowa curve would be selected as the most representative of the plotted survivor characteristics of the group, assuming no contrary relevant factors external to the analysis of historical data.

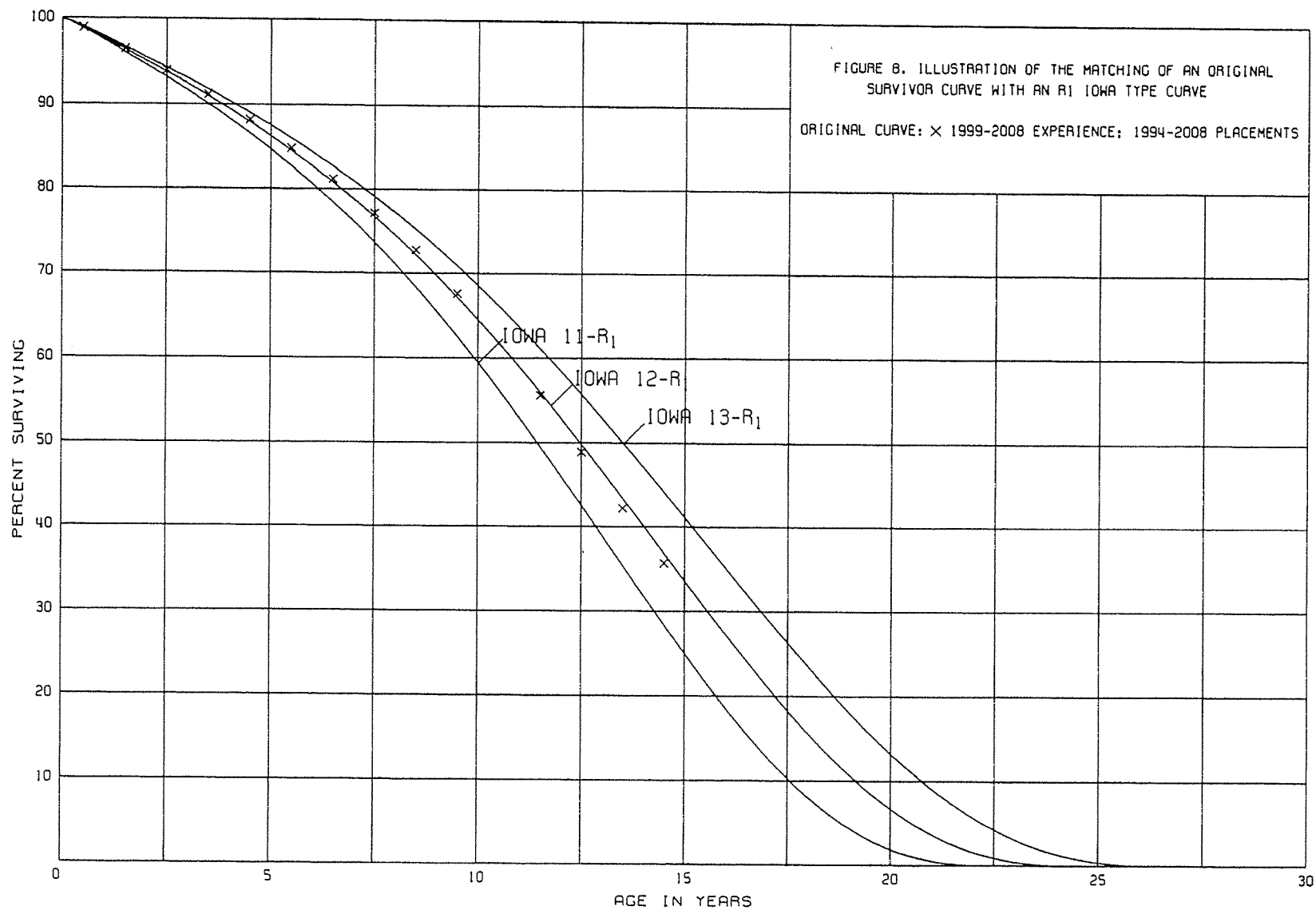
Service Life Considerations

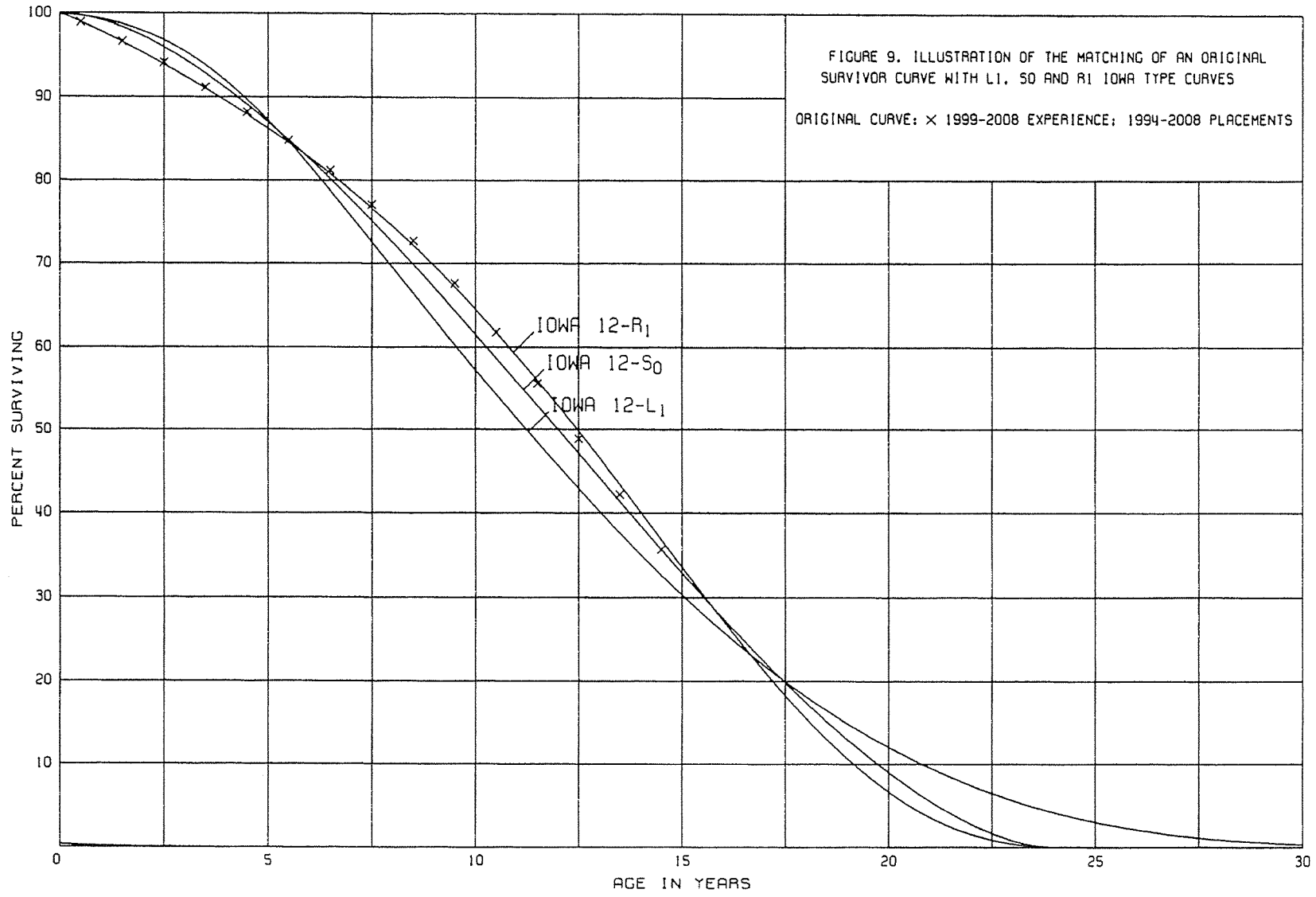
The service life estimates were based on judgment which considered a number of factors. The primary factors were the statistical analyses of data; current Company policies and outlook as determined during conversations with management; and the survivor curve estimates from previous studies of this company and other gas utility companies.

For 16 of the 39 plant accounts and subaccounts for which survivor curves were estimated, the statistical analyses resulted in good to excellent indications of the survivor patterns experienced. These accounts represent 83 percent of depreciable plant. Generally, the information external to the statistics led to no significant departure from the









indicated survivor curves for the accounts listed below. The statistical support for the service life estimates is presented in the section beginning on page III-6.

DISTRIBUTION PLANT

2761	Mains - Cast Iron, Copper and Valves
2762	Mains - Steel
2763	Mains - Plastic
2780	Measuring & Regulating - General - System Excluding Electronic Equipment
2782	Measuring & Regulating - General - District
2801	Services - Cast Iron, Copper and Valves
2802	Services - Steel
2803	Services - Plastic
2810	Meters
2820	Meter Installations
2830	House Regulators
2840	House Regulator Installations
2850	Industrial Measuring & Regulating Station Equipment
2870	Other Equipment

GENERAL PLANT

2921	Transportation Equipment - Trailers
2960	Power Operated Equipment

Account 2762, Mains - Steel, is used to illustrate the manner in which the study was conducted for the groups in the preceding list. Account 2762 represents 20 percent of the total depreciable plant. Aged plant accounting data have been compiled for the years 1956 through 2008. These data have been coded in the course of the Company's normal record keeping according to account or property group, type of transaction, year in which the transaction took place, and year in which the gas plant was placed in service. The retirements, other plant transactions, and plant additions were analyzed by the retirement rate method.

The survivor curve estimate is based on the statistical indications for the periods 1956 through 2008 and 1979 through 2008. The Iowa 55-R2.5 is an excellent fit of the original survivor curve. The 55-year service life is within the typical service life range of 45

to 60 years for mains. The 55-year life reflects the Company's plans to replace all bare steel mains, generally installed prior to 1945, within the next five years. The previous estimate was the Iowa 53-R2.

The survivor curve estimate for Account 2763, Mains - Plastic, the Iowa 55-R2.5, is based on the nature of the plant, the statistical analyses of the available retirement experience, the service lives estimated by others for plastic mains and the previous estimate used by the Company for this account.

The survivor curve estimates for Accounts 2050, Structures and Improvements, and 2110, Liquid Petroleum Gas Equipment, are based on the nature of the plant, the observed condition during a previous field review, the statistical analyses of available retirement experience of the Company and the service lives estimated by others for liquefied petroleum plants.

The survivor curve estimates for Accounts 2761, Mains - Cast Iron, Copper and Valves, and 2801, Services - Cast Iron, Copper and Valves, are based on statistical analyses of historical retirement experience of the Company and the continuation of management's plan to replace all cast iron and copper property within the next two years. The main replacement program's initial efforts were directed toward leak problems with the cast iron main and services installed during the period 1948 through 1963. The 41-R2.5 estimate for Account 2761, Mains - Cast Iron, Copper and Valves, is an excellent fit of the original survivor curve developed from historical and estimated plant retirements for the period 1956 through 2010. The 35-R1.5 survivor curve is a reasonable interpretation of the historical and estimated plant retirements for the period 1956 through 2010 for Account 2801, Services - Cast Iron, Copper and Valves.

The survivor curve estimates for the remaining accounts were based on judgment incorporating the statistical analyses and previous studies for this and other gas utilities.

Salvage Analysis

The estimates of net salvage by account were based in part on historical data compiled through 2008. Cost of removal and salvage were expressed as percents of the original cost of plant retired, both on annual and three-year moving average bases. The most recent five-year average also was calculated for consideration. The net salvage estimates by account are expressed as a percent of the original cost of plant retired.

Net Salvage Considerations

The estimates of future net salvage are expressed as percentages of surviving plant in service, i.e., all future retirements. In cases in which removal costs are expected to exceed salvage receipts, a negative net salvage percentage is estimated. The net salvage estimates were based on judgment which incorporated analyses of historical cost of removal and salvage data, expectations with respect to future removal requirements and markets for retired equipment and materials.

The analyses of historical cost of removal and salvage data are presented in the section titled "Net Salvage Statistics" for the plant accounts for which the net salvage estimate relied partially on those analyses.

Statistical analyses of historical data for the period 1980 through 2008 contributed significantly toward the net salvage estimates for 21 plant accounts, representing 96 percent of the depreciable plant, as follows:

COMMON PLANT
1900 Structures and Improvements

PRODUCTION PLANT

- 2050 Structures and Improvements
- 2110 Liquid Petroleum Gas Equipment

DISTRIBUTION PLANT

- 2761 Mains - Cast Iron, Copper & Valves
- 2762 Mains - Steel
- 2763 Mains - Plastic
- 2765 Mains - Steel - Feeder Lines
- 2780 Measuring & Regulating - General - System -
Excluding Electronic Equipment
- 2781 Measuring & Regulating - General - System
Electronic Equipment Only
- 2782 Measuring & Regulating - General - District
- 2801 Services - Cast Iron, Copper & Valves
- 2802 Services - Steel
- 2803 Services - Plastic
- 2810 Meters
- 2811 Meters - Leased
- 2820 Meter Installations
- 2821 Meter Installations - Leased
- 2830 House Regulators
- 2840 House Regulator Installations
- 2850 Industrial Measuring & Regulating - Station Equipment

GENERAL PLANT

- 2921 Transportation Equipment - Trailers

Account 2760, Mains, is used to illustrate the manner in which the study was conducted for the groups in the preceding list. Net salvage data for the period 1980 through 2008 were analyzed for this account. The data include cost of removal, gross salvage and net salvage amounts and each of these amounts is expressed as a percent of the original cost of regular retirements. Three-year moving averages for the 1980-1982 through 2006-2008 periods were computed to smooth the annual amounts.

Cost of removal was high during the early 1990s and in 1998 and 2006. Environmental concerns regarding the liquids present in natural gas resulted in significant costs to properly dispose of pipe during the early 1990s. The high removal cost in 1998 related to pipe located in areas of limited access. The high removal cost in 2006 related

to the large amount of pipe retired at a low unit cost. Cost of removal for the most recent five years averaged 23 percent.

Gross salvage has varied widely. The most recent five-year average of 0 percent gross salvage reflects recent trends of minimal salvage value for pipe.

The net salvage percent based on the overall period 1980 through 2008 is 12 percent negative net salvage which includes an unusual occurrence in 1993. The range of estimates made by other gas companies for mains is negative 20 to negative 80 percent. Because the overall statistical indication is below the lower end of the range but the most recent five year average is just above the lower end of the range, the statistical indication of negative 20 percent was selected for the Company's mains in support of the most recent 5-year trend.

The net salvage percents for the remaining accounts were based on judgment incorporating estimates of previous studies of this and other gas utilities.

CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

After the survivor curve and salvage are estimated, the annual depreciation accrual rate can be calculated. In the average service life procedure, the annual accrual rate is computed by the following equation:

$$\text{Annual Accrual Rate, Percent} = \frac{(100\% - \text{Net Salvage, Percent})}{\text{Average Service Life}}$$

The calculated accrued depreciation for each depreciable property group represents that portion of the depreciable cost of the group which will not be allocated to expense through future depreciation accruals if current forecasts of life characteristics are used as a basis for straight line depreciation accounting.

The accrued depreciation calculation consists of applying an appropriate ratio to the surviving original cost of each vintage of each account, based upon the attained age and the estimated survivor curve. The accrued depreciation ratios are calculated as follows:

$$\text{Ratio} = \left(1 - \frac{\text{Average Remaining Life Expectancy}}{\text{Average Service Life}} \right) (1 - \text{Net Salvage, Percent}).$$

The application of these procedures is described for a single unit of property and a group of property units. Salvage is omitted from the description for ease of application.

Single Unit of Property

The calculation of straight line depreciation for a single unit of property is straightforward. For example, if a \$1,000 unit of property attains an age of four years and has a life expectancy of six years, the annual accrual over the total life is:

$$\frac{\$1,000}{(4 + 6)} = \$100 \text{ per year.}$$

The accrued depreciation is:

$$\$1,000 \left(1 - \frac{6}{10} \right) = \$400.$$

Group Depreciation Procedures

When more than a single item of property is under consideration, a group procedure for depreciation is appropriate because normally all of the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, average service life and equal life group.

Average Service Life Procedure. In the average service life procedure, the rate of annual depreciation is based on the average service life of the group, and this rate is applied to the surviving balances of the group's cost. The accrued depreciation is based

on the average service life of the group and the average remaining life of each vintage within the group derived from the area under the survivor curve between the attained age of the vintage and the maximum age.

A characteristic of this procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the excess cost recouped subsequent to average life. The recovery of cost is complete at the end of the life cycle, but the distribution of capital cost to annual expense does not match the consumption of service value of plant.

Equal Life Group Procedure. In the equal life group procedure, also known as the unit summation procedure, the property group is subdivided according to service life. That is, each equal life group includes that portion of the property which experiences the life of that specific group. The relative size of each equal life group is determined from the property's life dispersion curve. The calculated depreciation for the property group is the summation of the calculated depreciation based on the service life of each equal life unit.

This procedure eliminates the need to base annual depreciation expense on average lives, inasmuch as each group has a single life. The full cost of short-lived items is accrued during their lives, leaving no deferral of accruals required to be added to the annual cost associated with long-lived items. The depreciation expense for the property group is the summation of the depreciation expense based on the service life of each equal life group.

The table below presents an illustration of calculation of equal life group depreciation using the Iowa 11-R2 survivor curve, net salvage of 0 percent and a December 31, 2008 calculation date.

In the table, each equal life group is defined by the age interval shown in columns 1 and 2. These are the ages at which the first and last retirement of each group occur, and the group's equal life, shown in column 3, is the midpoint of the interval. For purposes of the calculation, the computer is programmed to divide each vintage into equal life groups arranged so that the midpoint of each one-year age interval coincides with the calculation date, e.g., December 31 in this case. This enables the calculation of annual accruals for a twelve-month period centered on the date of calculation.

DETAILED COMPUTATION OF ANNUAL AND ACCRUED FACTORS USING THE EQUAL LIFE GROUP PROCEDURE

INPUT PARAMETERS:
 CALCULATION DATE... 12-31-2008
 SURVIVOR CURVE... 11-R2

AGE INTERVAL		RETIREMENTS	GROUP		SUMMATION	AVERAGE	ANNUAL	ACCRUED	
BEG	END	DURING	ANNUAL	YEAR	OF ANNUAL	PERCENT	FACTOR	FACTOR	
(1)	(2)	LIFE	INTERVAL	INST	ACCRUALS	SURVIVING	(9)	(10)	
		(3)	(4)	(6)	(7)	(8)			
			(5)=(4)/(3)						
0.000	1.000	0.500	0.99044	2008	12.28300690827	99.528294	0.1234	0.0617	
1.000	2.000	1.500	1.32442	2007	10.85109357493	98.347352	0.1103	0.1655	
2.000	3.000	2.500	1.73983	2006	10.06165424160	96.815228	0.1039	0.2598	
3.000	4.000	3.500	2.24950	2005	9.39233109874	94.820562	0.0991	0.3469	
4.000	5.000	4.500	2.86739	2004	8.75237506700	92.262114	0.0949	0.4271	
5.000	6.000	5.500	3.60728	2003	8.10584163265	89.024781	0.0911	0.5011	
6.000	7.000	6.500	4.48152	2002	7.43317477951	84.980382	0.0875	0.5688	
7.000	8.000	7.500	5.48964	2001	6.72246647182	79.994801	0.0840	0.6300	
8.000	9.000	8.500	6.60831	2000	5.96776635417	73.945828	0.0807	0.6860	
9.000	10.000	9.500	7.77040	1999	5.17007381547	66.756473	0.0774	0.7353	
10.000	11.000	10.500	8.84617	1998	4.33985920394	58.448187	0.0743	0.7802	
11.000	12.000	11.500	9.63963	1997	3.49949866564	49.205284	0.0711	0.8177	
12.000	13.000	12.500	9.91692	1996	2.68370751782	39.427010	0.0681	0.8513	
13.000	14.000	13.500	9.49412	1995	1.93539664374	29.721491	0.0651	0.8789	
14.000	15.000	14.500	8.34393	1994	1.29604084553	20.802464	0.0623	0.9034	
15.000	16.000	15.500	6.66484	1993	0.79332428268	13.298077	0.0597	0.9254	
16.000	17.000	16.500	4.80891	1992	0.43260489851	7.561204	0.0572	0.9438	
17.000	18.000	17.500	3.07845	1991	0.19892463877	3.617525	0.0550	0.9625	
18.000	19.000	18.500	1.59367	1990	0.06789676233	1.281466	0.0530	0.9805	
19.000	20.000	19.500	0.46938	1989	0.01278921555	0.249943	0.0512	0.9984	
20.000	20.460	20.230	0.01525	1988	0.00017338112	0.003508	0.0494	1.0000	
TOTAL		100.00000							

The retirement during the age interval, shown in column 4, is the size of each equal life group, and is derived from the Iowa 11-R2 survivor curve. It is the difference between the percents surviving at the beginning and end of the age interval.

Each equal life group's annual accrual, shown in column 5, equals the group's size (column 4) divided by its life (column 3) and multiplied by the quantity one minus the net salvage percent with the exception of 2008 installations. For 2008 installations, the group annual accrual is equal to the retirements during the interval multiplied by one minus the net salvage percent.

Columns 6 through 10 show the derivation of the annual factor and accrued factor for each vintage based on the information developed in the first five columns. The year installed is shown in column 6. For all vintages other than 2008, the summation of annual accruals for each year installed, shown in column 7, is calculated by adding one-half of the group annual accrual (column 5) for that vintage's current age interval plus the group annual accruals for all succeeding age intervals. For example, the figure 10.85109357493 for 2007 equals one-half of 0.88294666667 plus all of the succeeding figures in column 5. Only one-half of the annual accrual for the vintage's current age interval group is included in the summation because the equal life group for that interval has reached the year during which it is expected to be retired.

The summation of annual accruals (column 7) for installations during 2008 are calculated on the basis of an in-service date at the midpoint of the year, i.e., June 30. Inasmuch as the overall calculation is centered on December 31, 2008, the first figure in column 7, for vintage 2008 equals all of the group annual accrual for the first equal life group plus the accruals for all of the subsequent equal life groups.

The average percent surviving, derived from the Iowa 11-R2 survivor curve, is shown in column 8 for each age interval. The annual factor, shown in column 9, is the result of dividing the summation of annual accruals (column 7) by the average percent surviving (column 8).

The accrued factor, shown in column 10, equals the annual factor multiplied by the age of the group at December 31, 2008.

REMAINING LIFE ANNUAL ACCRUAL RATES

The annual depreciation accrual rates are calculated as of December 31, 2008, and based on the straight line remaining life method using the equal life group procedure. For the purpose of calculating the composite remaining life accrual rates as of December 31, 2008, the book reserve for each plant account is allocated among vintages in proportion to the calculated accrued depreciation for the account as of December 31, 2008. The remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the composite remaining life for the surviving original cost of that vintage. The composite remaining life is derived by compositing the individual equal life group remaining lives in accordance with the following equation:

$$\text{Composite Remaining Life} = \frac{\left(\frac{\text{Book Cost}}{\text{Life}} \times \text{Remaining Life} \right)}{\frac{\text{Book Cost}}{\text{Life}}}$$

The book costs and lives of the several equal life groups which are summed in the foregoing equation are defined by the estimated future survivor curve.

Inasmuch as book cost divided by life equals the whole life annual accrual, the foregoing equation reduces to the following form:

$$\text{Composite Remaining Life} = \frac{\text{Whole Life Future Accruals}}{\text{Whole Life Annual Accruals}}$$

or

$$\text{Composite Remaining Life} = \frac{\text{Book Cost} - \text{Calc. Reserve}}{\text{Whole Life Annual Accrual}}$$

The composite remaining life calculations were made using computer software that utilizes detailed ELG calculations of whole life future accruals and annual accruals in order to derive the vintage composite remaining lives. The annual accrual rate for each account is equal to the sum of the remaining life annual accruals divided by the total original cost. The composite remaining life is calculated by dividing the sum of the future book accruals by the sum of the remaining life annual accruals.

CALCULATION OF ANNUAL AND ACCRUED AMORTIZATION

Amortization, as defined in the Uniform System of Accounts, is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were based on judgment which incorporated a consideration of the period during which the assets will render most of their service, the amortization periods and service lives used by other utilities, and the service life estimates previously used for the asset under depreciation accounting.

Amortization accounting is appropriate for certain General Plant accounts that represent numerous units of property, but a very small portion of depreciable gas plant in service. The accounts and their amortization periods are as follows:

<u>Account</u>		<u>Amortization Period, Years</u>
COMMON PLANT		
1910	Office Furniture and Equipment	20
1930	Stores Equipment	20
1940	Tools, Shop and Garage Equipment	25
1970	Communication Equipment	15
1980	Miscellaneous Equipment	15
GAS PLANT		
2910	Office Furniture and Equipment	20
2940	Tools, Shop, Garage Equipment	25
2980	Miscellaneous Equipment	20

For the purpose of calculating annual amortization amounts as of December 31, 2008, the book or ratemaking book depreciation reserve for each plant account or subaccount is assigned or allocated to vintages. The reserve assigned to vintages with an age greater than the amortization period is equal to the vintage's original cost. The remaining reserve is allocated among vintages with an age less than the amortization period in proportion to the calculated accrued amortization. The calculated accrued amortization is equal to the original cost multiplied by the ratio of the vintage's age to its amortization period. The annual amortization amount is determined by dividing the future amortization (original cost less allocated book reserve) by the remaining period of amortization for the vintage.

PART III. RESULTS OF STUDY

QUALIFICATION OF RESULTS

The calculated annual depreciation accrual rates are the principal results of the study. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate annual depreciation accrual rates. An assumption that accrual rates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and salvage and for the change of the composition of property in service. The annual accrual rates were calculated in accordance with the straight line remaining life method of depreciation using the equal life group procedure based on estimates which reflect considerations of current historical evidence and expected future conditions.

The annual depreciation accrual rates are applicable specifically to the gas and common plant in service as of December 31, 2008. For most plant accounts, the application of such rates to future balances that reflect additions subsequent to December 31, 2008, is reasonable for a period of three to five years.

DESCRIPTION OF STATISTICAL SUPPORT

The service life and salvage estimates were based on judgment which incorporated statistical analyses of retirement data, discussions with management and consideration of estimates made for other gas utility companies. The results of the statistical analyses of service life are presented in the section titled "Service Life Statistics".

The estimated survivor curves for each account are presented in graphical form. The charts depict the estimated smooth survivor curve and original survivor curve(s), when

applicable, related to each specific group. For groups where the original survivor curve was plotted, the calculation of the original life table is also presented.

The analyses of salvage data are presented in the section titled, "Net Salvage Statistics". The tabulations present annual cost of removal and salvage data, three-year moving averages and the most recent five-year average. Data are shown in dollars and as percentages of original costs retired.

DESCRIPTION OF DEPRECIATION TABULATIONS

A summary of the results of the study, as applied to the original cost of gas and common plant at December 31, 2008, is presented on pages III-4 and III-5 of this report. The schedule sets forth the original cost, the book reserve, future accruals, the calculated annual depreciation rate and amount, and the composite remaining life related to gas and common plant.

The tables of the calculated annual depreciation accruals are presented in account sequence in the section titled "Depreciation Calculations." The tables indicate the estimated survivor curve and salvage percent for the account and set forth for each installation year the original cost, the calculated accrued depreciation, the allocated book reserve, future accruals, the remaining life and the calculated annual accrual amount.

DUKE ENERGY KENTUCKY
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND CALCULATED
ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2008

ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	CALCULATED ANNUAL ACCRUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)
DEPRECIABLE PLANT								
COMMON PLANT								
1701	AMI METERS - LEASED							
1900	STRUCTURES & IMPROVEMENTS	20-S0.5	601,512.93	28,121	573,392	42,286	7.03	13.6
	ERLANGER OPERATIONS CENTER							
	FLORENCE SERVICE BUILDING	100-R1	4,187,225.32	287,692	3,899,533	98,989	2.36	39.4
	KENTUCKY SERVICE BUILDING - 19TH & AUGUSTINE	100-R1	6,447.49	636	5,811	213	3.30	27.3
	MINOR STRUCTURES	40-R1	1,797,869.71	1,725,590	72,276	20,803	1.16	3.5
	TOTAL STRUCTURES & IMPROVEMENTS		<u>5,371.46</u>	<u>1,838</u>	<u>3,802</u>	<u>154</u>	<u>2.87</u>	<u>24.7</u>
1910	OFFICE FURNITURE AND EQUIPMENT		5,996,913.98	2,015,756	3,981,422	120,159	2.00	33.1
1930	STORES AND EQUIPMENT	20-SQ	402,555.84	276,034	126,523	57,859	14.37	2.2
1940	TOOLS, SHOP AND GARAGE EQUIPMENT	20-SQ	5,562.77	(9,314)	14,877	2,705	48.63	5.5
1970	COMMUNICATION EQUIPMENT	25-SQ	178,694.30	80,977	97,717	8,395	4.70	11.6
1980	MISCELLANEOUS EQUIPMENT	15-SQ	3,846,737.98	1,018,290	2,828,448	214,730	5.58	13.2
	TOTAL COMMON PLANT		<u>11,371.92</u>	<u>2,155</u>	<u>9,217</u>	<u>801</u>	<u>7.04</u>	<u>11.5</u>
			11,043,349.72	3,412,019	7,631,596	446,935	4.05	17.1
PRODUCTION PLANT								
2041	RIGHTS OF WAY							
2050	STRUCTURES AND IMPROVEMENTS	50-SQ	24,438.55	24,439	0	0	-	-
2110	LIQUID PETROLEUM GAS EQUIPMENT	50-R4	1,567,369.78	1,391,245	254,495	6,921	0.44	36.8
	TOTAL PRODUCTION PLANT	40-S1.5	<u>4,173,547.35</u>	<u>1,906,906</u>	<u>2,683,994</u>	<u>109,581</u>	<u>2.63</u>	<u>24.5</u>
			5,765,355.68	3,322,590	2,938,489	116,502	2.02	25.2
DISTRIBUTION PLANT								
2741	RIGHTS OF WAY - GENERAL							
2750	STRUCTURES AND IMPROVEMENTS - GENERAL	65-R4	1,084,353.52	505,277	579,075	15,020	1.39	38.6
	MAINS	50-R2.5	<u>158,514.14</u>	<u>124,818</u>	<u>41,621</u>	<u>1,417</u>	<u>0.89</u>	<u>29.4</u>
2761	CAST IRON, COPPER AND ALL VALVES							
2762	STEEL	41-R2.5	1,394,028.67	687,267	985,568	95,769	6.87	10.3
2763	PLASTIC	55-R2.5	69,705,083.01	28,963,345	54,682,756	1,688,731	2.44	32.2
2765	STEEL FEEDER LINES	80-R2.5	115,457,749.96	16,053,967	122,495,333	2,802,909	2.43	43.7
	TOTAL MAINS	55-R2.5	<u>23,784,983.14</u>	<u>11,802,361</u>	<u>16,739,618</u>	<u>535,998</u>	<u>2.25</u>	<u>31.2</u>
			210,341,844.78	57,506,940	194,903,275	5,133,407	2.44	
2780	M & R - GENERAL - SYSTEM - EXCL. ELECT. EQUIP.	40-R1.5						
2781	M & R - GENERAL - SYSTEM - ELECTRONIC EQUIPMENT	20-S1.5	3,522,723.85	1,710,171	2,340,957	98,238	2.79	23.8
2782	MEASURING & REGULATING - GENERAL - DISTRICT	53-R2	627,993.56	378,707	343,488	28,920	4.61	11.9
	SERVICES		<u>860,792.78</u>	<u>501,574</u>	<u>574,418</u>	<u>16,855</u>	<u>1.96</u>	<u>34.1</u>
2801	CAST IRON, COPPER AND VALVES							
2802	STEEL	35-R1.5	2,695,893.03	1,923,456	1,446,411	88,905	3.30	16.3
2803	PLASTIC	38-R1.5	3,689,115.08	1,896,481	2,714,912	129,165	3.50	21.0
	TOTAL SERVICES	42-R1.5	<u>81,975,187.55</u>	<u>21,670,193</u>	<u>80,798,793</u>	<u>3,112,507</u>	<u>3.80</u>	<u>26.0</u>
			88,360,195.66	25,490,130	84,960,116	3,330,577	3.77	

III-4

DUKE ENERGY KENTUCKY
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND CALCULATED
ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2008

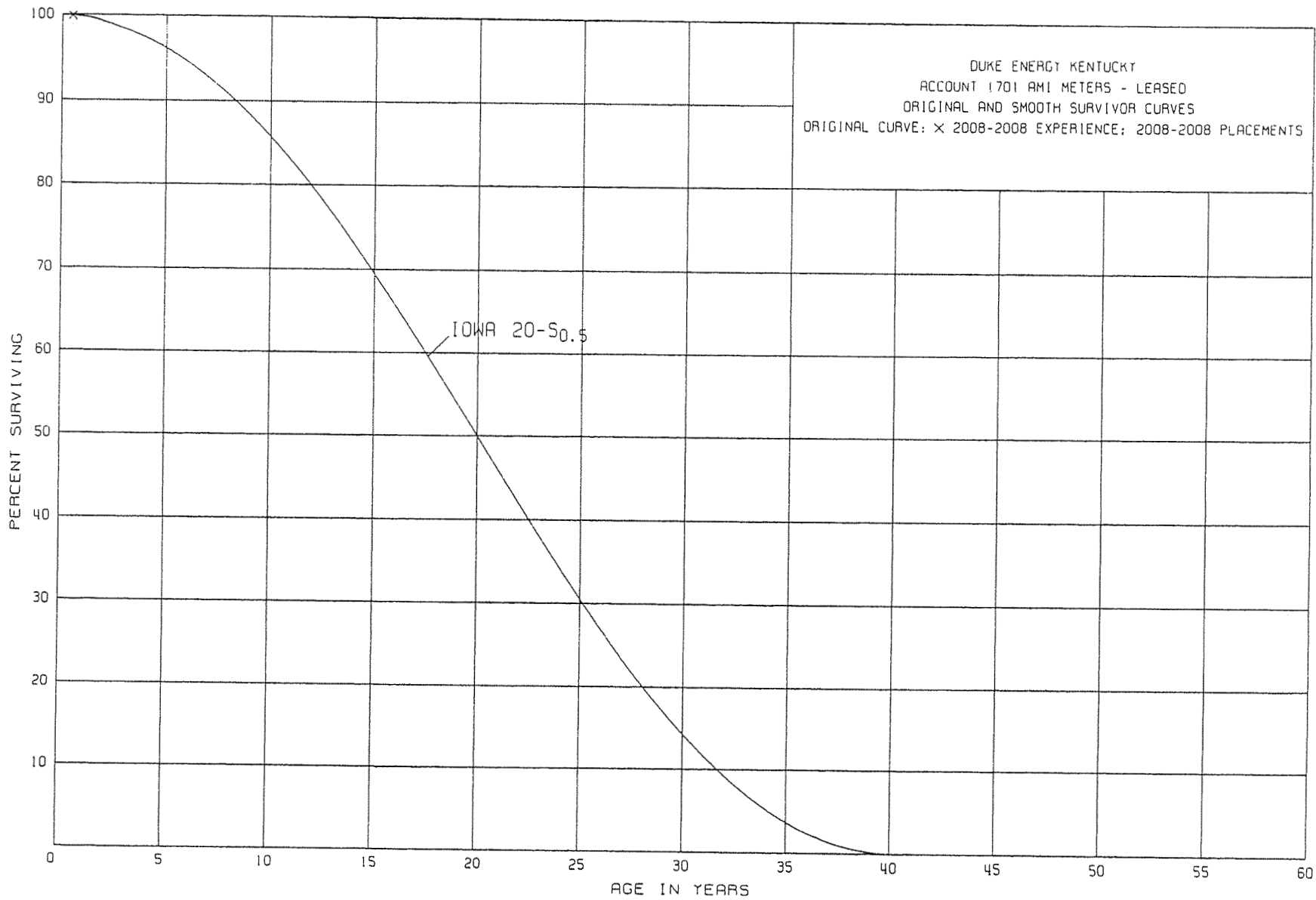
ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)	
DEPRECIABLE PLANT									
2810	METERS	37-R3	0	5,214,819.32	1,770,556	3,444,262	206,268	3.96	16.7
2811	METERS - LEASED	37-R3	0	5,530,190.56	619,688	4,910,503	176,596	3.19	27.8
2820	METER INSTALLATIONS	39-S2.5	0	4,287,338.83	1,648,044	2,639,296	123,182	2.87	21.4
2821	METER INSTALLATIONS - LEASED	39-S2.5	0	4,572,396.83	546,001	4,026,396	135,122	2.96	29.8
2830	HOUSE REGULATORS	43-R2.5	0	2,172,527.71	700,596	1,471,932	62,193	2.86	23.7
2831	HOUSE REGULATORS - LEASED	43-R2.5	0	3,192,171.22	228,898	2,963,274	92,379	2.89	32.1
2840	HOUSE REGULATOR INSTALLATIONS	48-R2	0	1,538,685.79	585,119	953,567	32,357	2.10	29.5
2841	HOUSE REGULATOR INSTALLATIONS - LEASED	48-R2	0	3,453,038.38	275,975	3,177,062	94,885	2.75	33.5
2850	INDUSTRIAL MEAS. & REG. STATION EQUIP.	35-R2	(10)	439,685.18	295,747	187,907	9,758	2.22	19.3
2851	INDUSTRIAL MEAS. & REG. STATION EQUIP. - COMM.	20-R2.5	(10)	64,790.82	32,044	39,225	3,892	6.01	10.1
2870	OTHER EQUIPMENT	15-L3	0	108,083.69	76,146	31,938	5,981	5.53	5.3
2871	OTHER EQUIPMENT - STREET LIGHTING	30-S2.5	0	30,411.24	12,620	17,791	1,096	3.60	16.2
TOTAL DISTRIBUTION PLANT				335,560,557.98	93,009,051	307,806,103	9,568,143	2.85	32.1
GENERAL PLANT									
2910	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	23,008.38	14,470	8,539	868	3.77	9.8
2921	TRAILERS	11-R2	5	96,157.81	85,268	6,081	1,532	1.59	4.0
2940	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	1,808,402.82	892,189	916,214	74,946	4.14	12.2
2960	POWER OPERATED EQUIPMENT	11-R2.5	0	47,220.92	47,221	0	0	-	-
2980	MISCELLANEOUS EQUIPMENT	20-SQ	0	125,560.68	34,550	91,011	5,872	4.68	15.5
TOTAL GENERAL PLANT				2,100,350.61	1,073,698	1,021,845	83,218	3.96	12.3
TOTAL DEPRECIABLE PLANT				354,469,613.97	100,817,358	319,198,033	10,214,798		
NONDEPRECIABLE PLANT									
1890	LAND AND LAND RIGHTS			154,248.18					
2040	LAND AND LAND RIGHTS			117,711.07					
2740	LAND AND LAND RIGHTS			42,228.92					
TOTAL NONDEPRECIABLE PLANT				314,188.17					
TOTAL COMMON AND GAS PLANT				354,783,802.14	100,817,358	319,198,033	10,214,798		

* Curve shown is interim survivor curve. Each facility in the account is assigned an individual probable retirement year.

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SERVICE LIFE STATISTICS

III-11



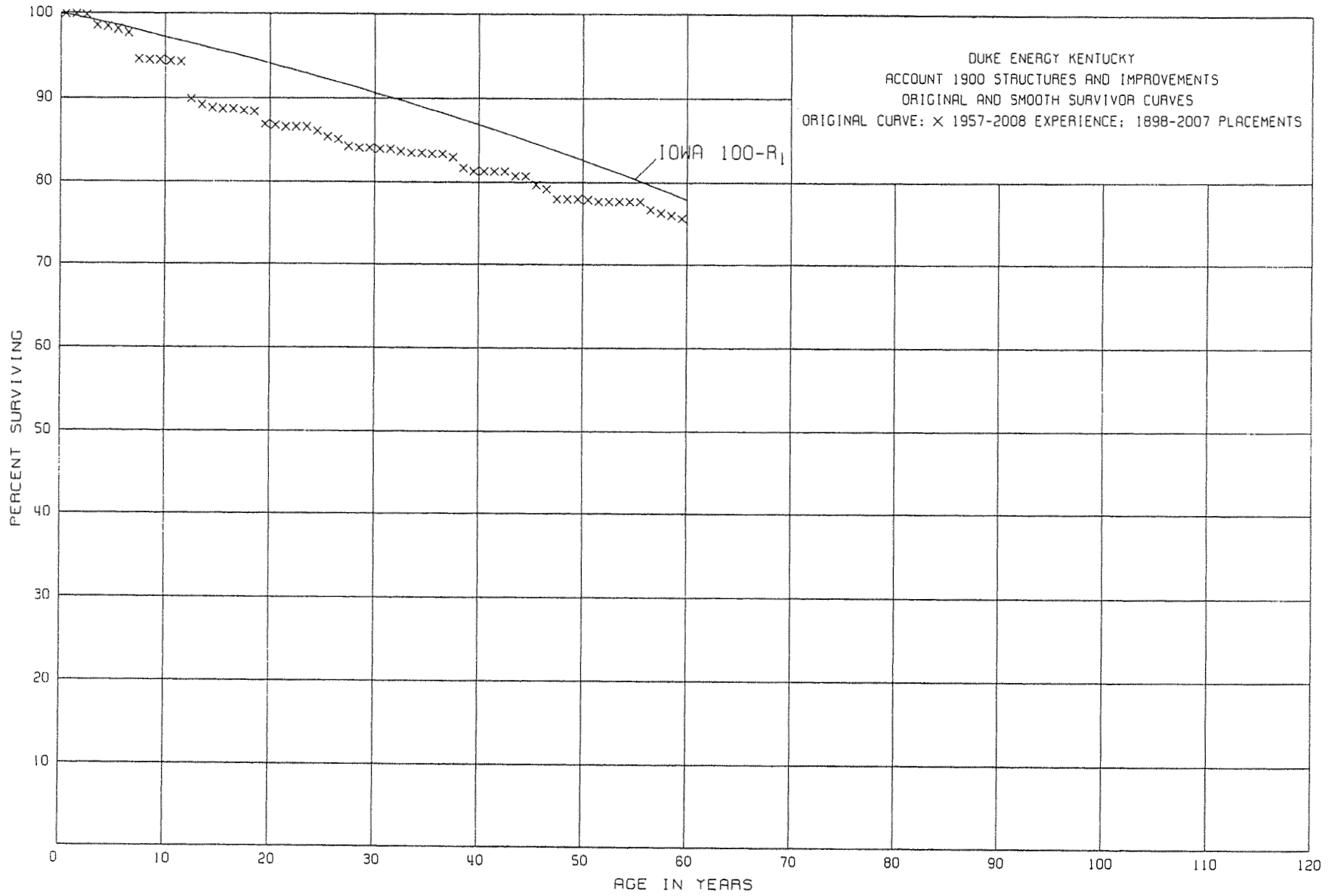
DUKE ENERGY KENTUCKY
COMMON PLANT

ACCOUNT 1701 AMI METERS - LEASED

ORIGINAL LIFE TABLE

PLACEMENT BAND 2008-2008			EXPERIENCE BAND 2008-2008			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	601,513		0.0000	1.0000	100.00	
0.5					100.00	

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DUKE ENERGY KENTUCKY
COMMON PLANT

ACCOUNT 1900 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1898-2007			EXPERIENCE BAND 1957-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	31,408,069		0.0000	1.0000	100.00
0.5	31,412,267		0.0000	1.0000	100.00
1.5	29,003,917	49,458	0.0017	0.9983	100.00
2.5	28,881,846	394,623	0.0137	0.9863	99.83
3.5	7,869,544	4,150	0.0005	0.9995	98.46
4.5	7,758,037	25,758	0.0033	0.9967	98.41
5.5	7,535,436	29,613	0.0039	0.9961	98.09
6.5	7,335,055	236,910	0.0323	0.9677	97.71
7.5	6,933,168	5,034	0.0007	0.9993	94.55
8.5	6,622,895	160	0.0000	1.0000	94.48
9.5	7,100,222	4,092	0.0006	0.9994	94.48
10.5	7,031,447	6,926	0.0010	0.9990	94.42
11.5	6,714,324	318,454	0.0474	0.9526	94.33
12.5	6,386,519	48,336	0.0076	0.9924	89.86
13.5	6,190,637	23,634	0.0038	0.9962	89.18
14.5	5,752,679	10,540	0.0018	0.9982	88.84
15.5	2,173,833	678	0.0003	0.9997	88.68
16.5	2,114,307	4,204	0.0020	0.9980	88.65
17.5	2,065,741	1,806	0.0009	0.9991	88.47
18.5	2,060,595	34,678	0.0168	0.9832	88.39
19.5	1,990,616	3,571	0.0018	0.9982	86.91
20.5	1,977,488	3,253	0.0016	0.9984	86.75
21.5	1,954,313	1,237	0.0006	0.9994	86.61
22.5	1,952,633		0.0000	1.0000	86.56
23.5	1,895,918	10,857	0.0057	0.9943	86.56
24.5	1,842,707	14,079	0.0076	0.9924	86.07
25.5	1,798,489	6,810	0.0038	0.9962	85.42
26.5	1,777,784	16,881	0.0095	0.9905	85.10
27.5	1,727,709	3,518	0.0020	0.9980	84.29
28.5	1,712,631		0.0000	1.0000	84.12
29.5	1,672,692	2,254	0.0013	0.9987	84.12
30.5	1,646,812	607	0.0004	0.9996	84.01
31.5	1,645,229	6,025	0.0037	0.9963	83.98
32.5	1,638,867	2,552	0.0016	0.9984	83.67
33.5	618,320		0.0000	1.0000	83.54
34.5	611,683	1,358	0.0022	0.9978	83.54
35.5	601,739		0.0000	1.0000	83.36
36.5	597,105	2,604	0.0044	0.9956	83.36
37.5	594,501	9,526	0.0160	0.9840	82.99
38.5	583,050	2,609	0.0045	0.9955	81.66

DUKE ENERGY KENTUCKY
COMMON PLANT

ACCOUNT 1900 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1898-2007			EXPERIENCE BAND 1957-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	576,103	154	0.0003	0.9997	81.29
40.5	575,950		0.0000	1.0000	81.27
41.5	567,761		0.0000	1.0000	81.27
42.5	567,283	3,870	0.0068	0.9932	81.27
43.5	561,003		0.0000	1.0000	80.72
44.5	559,342	7,453	0.0133	0.9867	80.72
45.5	551,890	2,847	0.0052	0.9948	79.65
46.5	549,042	8,622	0.0157	0.9843	79.24
47.5	536,659		0.0000	1.0000	78.00
48.5	536,659		0.0000	1.0000	78.00
49.5	534,754	596	0.0011	0.9989	78.00
50.5	534,068	1,586	0.0030	0.9970	77.91
51.5	531,001		0.0000	1.0000	77.68
52.5	530,688		0.0000	1.0000	77.68
53.5	530,566		0.0000	1.0000	77.68
54.5	530,566		0.0000	1.0000	77.68
55.5	525,576	6,779	0.0129	0.9871	77.68
56.5	518,798	2,420	0.0047	0.9953	76.68
57.5	515,767	2,327	0.0045	0.9955	76.32
58.5	530,886	2,650	0.0050	0.9950	75.98
59.5	520,362		0.0000	1.0000	75.60
60.5	520,362		0.0000	1.0000	75.60
61.5	21,519		0.0000	1.0000	75.60
62.5	21,519		0.0000	1.0000	75.60
63.5	21,519	1,025	0.0476	0.9524	75.60
64.5	20,494		0.0000	1.0000	72.00
65.5	20,494		0.0000	1.0000	72.00
66.5	20,494		0.0000	1.0000	72.00
67.5	20,494		0.0000	1.0000	72.00
68.5	20,494		0.0000	1.0000	72.00
69.5	20,280		0.0000	1.0000	72.00
70.5	20,280		0.0000	1.0000	72.00
71.5	20,280		0.0000	1.0000	72.00
72.5	20,280		0.0000	1.0000	72.00
73.5	20,280		0.0000	1.0000	72.00
74.5	20,280		0.0000	1.0000	72.00
75.5	20,280		0.0000	1.0000	72.00
76.5	20,280		0.0000	1.0000	72.00
77.5	20,280		0.0000	1.0000	72.00
78.5	20,280		0.0000	1.0000	72.00

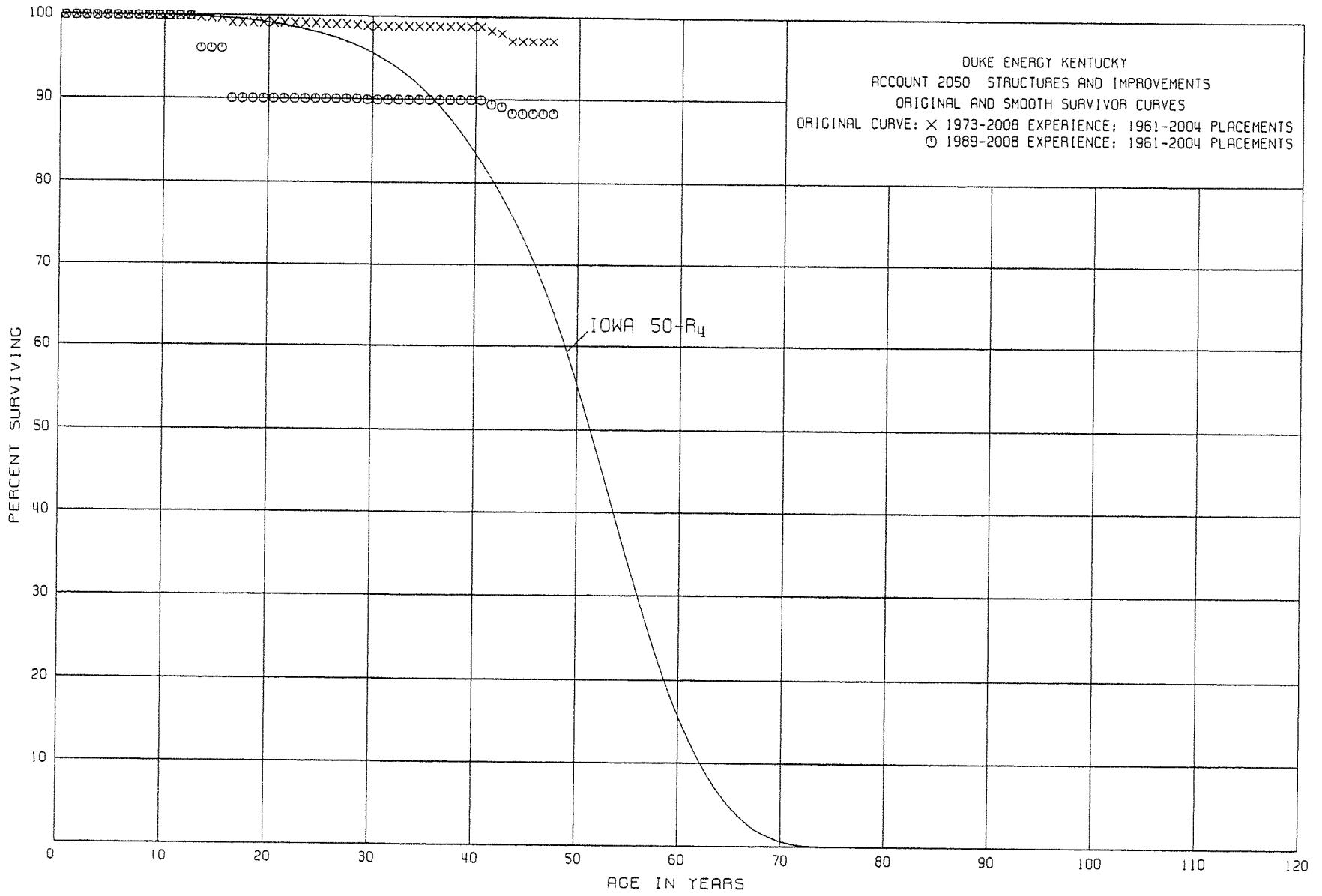
DUKE ENERGY KENTUCKY
COMMON PLANT

ACCOUNT 1900 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1898-2007			EXPERIENCE BAND 1957-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	20,280		0.0000	1.0000	72.00
80.5	20,280		0.0000	1.0000	72.00
81.5	20,280		0.0000	1.0000	72.00
82.5	20,280		0.0000	1.0000	72.00
83.5	20,280		0.0000	1.0000	72.00
84.5	20,280		0.0000	1.0000	72.00
85.5	20,280		0.0000	1.0000	72.00
86.5	20,280		0.0000	1.0000	72.00
87.5	20,280		0.0000	1.0000	72.00
88.5	20,280		0.0000	1.0000	72.00
89.5	20,280		0.0000	1.0000	72.00
90.5	20,280		0.0000	1.0000	72.00
91.5	20,280		0.0000	1.0000	72.00
92.5	20,280		0.0000	1.0000	72.00
93.5	20,280		0.0000	1.0000	72.00
94.5	20,280		0.0000	1.0000	72.00
95.5	20,280		0.0000	1.0000	72.00
96.5	20,280		0.0000	1.0000	72.00
97.5	20,280		0.0000	1.0000	72.00
98.5	20,280		0.0000	1.0000	72.00
99.5	20,280		0.0000	1.0000	72.00
100.5	20,280		0.0000	1.0000	72.00
101.5	20,280		0.0000	1.0000	72.00
102.5	20,280		0.0000	1.0000	72.00
103.5	20,280		0.0000	1.0000	72.00
104.5	20,280		0.0000	1.0000	72.00
105.5	20,280		0.0000	1.0000	72.00
106.5					72.00

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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2050 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1961-2004			EXPERIENCE BAND 1973-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	340,670		0.0000	1.0000	100.00
0.5	347,312		0.0000	1.0000	100.00
1.5	370,976		0.0000	1.0000	100.00
2.5	378,315		0.0000	1.0000	100.00
3.5	378,315		0.0000	1.0000	100.00
4.5	243,066		0.0000	1.0000	100.00
5.5	246,163		0.0000	1.0000	100.00
6.5	194,673		0.0000	1.0000	100.00
7.5	186,841		0.0000	1.0000	100.00
8.5	160,374		0.0000	1.0000	100.00
9.5	151,276		0.0000	1.0000	100.00
10.5	146,769		0.0000	1.0000	100.00
11.5	1,367,768	610	0.0004	0.9996	100.00
12.5	1,367,158	3,739	0.0027	0.9973	99.96
13.5	1,363,420		0.0000	1.0000	99.69
14.5	1,363,420		0.0000	1.0000	99.69
15.5	1,363,420	6,368	0.0047	0.9953	99.69
16.5	1,357,052		0.0000	1.0000	99.22
17.5	1,353,727	368	0.0003	0.9997	99.22
18.5	1,304,347		0.0000	1.0000	99.19
19.5	1,303,021		0.0000	1.0000	99.19
20.5	1,303,021		0.0000	1.0000	99.19
21.5	1,303,021		0.0000	1.0000	99.19
22.5	1,296,792		0.0000	1.0000	99.19
23.5	1,296,792		0.0000	1.0000	99.19
24.5	1,296,792	1,479	0.0011	0.9989	99.19
25.5	1,295,313		0.0000	1.0000	99.08
26.5	1,295,313		0.0000	1.0000	99.08
27.5	1,294,933	524	0.0004	0.9996	99.08
28.5	1,294,410	1,958	0.0015	0.9985	99.04
29.5	1,288,879		0.0000	1.0000	98.89
30.5	1,288,879		0.0000	1.0000	98.89
31.5	1,273,217		0.0000	1.0000	98.89
32.5	1,273,217		0.0000	1.0000	98.89
33.5	1,271,490		0.0000	1.0000	98.89
34.5	1,266,810		0.0000	1.0000	98.89
35.5	1,258,620		0.0000	1.0000	98.89
36.5	1,251,978		0.0000	1.0000	98.89
37.5	1,228,315		0.0000	1.0000	98.89
38.5	1,217,879		0.0000	1.0000	98.89

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2050 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1961-2004			EXPERIENCE BAND 1973-2008			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	1,217,879		0.0000	1.0000	98.89	
40.5	1,217,879	5,862	0.0048	0.9952	98.89	
41.5	1,212,017	4,143	0.0034	0.9966	98.42	
42.5	1,207,874	12,100	0.0100	0.9900	98.09	
43.5	1,195,774		0.0000	1.0000	97.11	
44.5	1,195,774		0.0000	1.0000	97.11	
45.5	1,194,033		0.0000	1.0000	97.11	
46.5	1,194,033		0.0000	1.0000	97.11	
47.5					97.11	

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2050 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

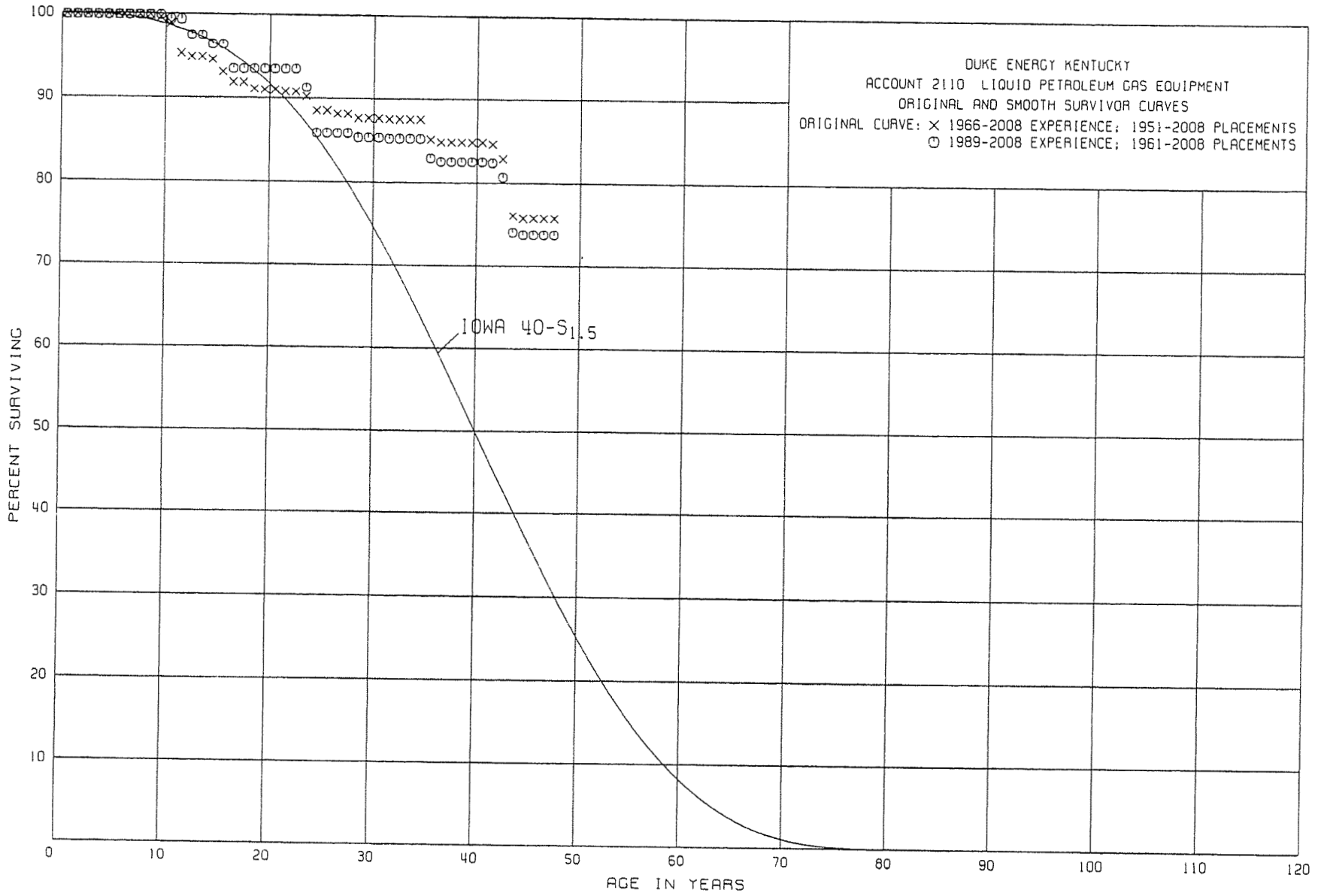
PLACEMENT BAND 1961-2004			EXPERIENCE BAND 1989-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	293,862		0.0000	1.0000	100.00
0.5	293,862		0.0000	1.0000	100.00
1.5	293,862		0.0000	1.0000	100.00
2.5	306,459		0.0000	1.0000	100.00
3.5	306,459		0.0000	1.0000	100.00
4.5	171,211		0.0000	1.0000	100.00
5.5	171,211		0.0000	1.0000	100.00
6.5	119,720		0.0000	1.0000	100.00
7.5	112,269		0.0000	1.0000	100.00
8.5	85,802		0.0000	1.0000	100.00
9.5	78,167		0.0000	1.0000	100.00
10.5	73,660		0.0000	1.0000	100.00
11.5	89,322		0.0000	1.0000	100.00
12.5	89,322	3,448	0.0386	0.9614	100.00
13.5	87,601		0.0000	1.0000	96.14
14.5	92,281		0.0000	1.0000	96.14
15.5	100,470	6,368	0.0634	0.9366	96.14
16.5	100,745		0.0000	1.0000	90.04
17.5	121,084		0.0000	1.0000	90.04
18.5	82,508		0.0000	1.0000	90.04
19.5	81,182		0.0000	1.0000	90.04
20.5	81,182		0.0000	1.0000	90.04
21.5	81,182		0.0000	1.0000	90.04
22.5	74,952		0.0000	1.0000	90.04
23.5	74,952		0.0000	1.0000	90.04
24.5	74,952		0.0000	1.0000	90.04
25.5	76,693		0.0000	1.0000	90.04
26.5	76,693		0.0000	1.0000	90.04
27.5	1,294,933	524	0.0004	0.9996	90.04
28.5	1,294,410	1,958	0.0015	0.9985	90.00
29.5	1,288,879		0.0000	1.0000	89.87
30.5	1,288,879		0.0000	1.0000	89.87
31.5	1,273,217		0.0000	1.0000	89.87
32.5	1,273,217		0.0000	1.0000	89.87
33.5	1,271,490		0.0000	1.0000	89.87
34.5	1,266,810		0.0000	1.0000	89.87
35.5	1,258,620		0.0000	1.0000	89.87
36.5	1,251,978		0.0000	1.0000	89.87
37.5	1,228,315		0.0000	1.0000	89.87
38.5	1,217,879		0.0000	1.0000	89.87

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2050 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1961-2004			EXPERIENCE BAND 1989-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,217,879		0.0000	1.0000	89.87
40.5	1,217,879	5,862	0.0048	0.9952	89.87
41.5	1,212,017	4,143	0.0034	0.9966	89.44
42.5	1,207,874	12,100	0.0100	0.9900	89.14
43.5	1,195,774		0.0000	1.0000	88.25
44.5	1,195,774		0.0000	1.0000	88.25
45.5	1,194,033		0.0000	1.0000	88.25
46.5	1,194,033		0.0000	1.0000	88.25
47.5					88.25



DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2110 LIQUID PETROLEUM GAS EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1951-2008

EXPERIENCE BAND 1966-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,283,886		0.0000	1.0000	100.00
0.5	3,249,283		0.0000	1.0000	100.00
1.5	3,251,310		0.0000	1.0000	100.00
2.5	2,795,638		0.0000	1.0000	100.00
3.5	2,673,256		0.0000	1.0000	100.00
4.5	3,426,524	3,235	0.0009	0.9991	100.00
5.5	2,964,568	644	0.0002	0.9998	99.91
6.5	2,461,716		0.0000	1.0000	99.89
7.5	2,461,716	515	0.0002	0.9998	99.89
8.5	2,103,225	5,075	0.0024	0.9976	99.87
9.5	2,052,386	13,904	0.0068	0.9932	99.63
10.5	1,997,332	71,731	0.0359	0.9641	98.95
11.5	1,895,195	7,838	0.0041	0.9959	95.40
12.5	1,813,987		0.0000	1.0000	95.01
13.5	1,812,836	5,511	0.0030	0.9970	95.01
14.5	1,810,481	28,691	0.0158	0.9842	94.72
15.5	1,770,909	25,272	0.0143	0.9857	93.22
16.5	1,719,996		0.0000	1.0000	91.89
17.5	1,719,996	15,248	0.0089	0.9911	91.89
18.5	1,704,748	1,767	0.0010	0.9990	91.07
19.5	1,642,882		0.0000	1.0000	90.98
20.5	1,642,882	3,155	0.0019	0.9981	90.98
21.5	1,612,539		0.0000	1.0000	90.81
22.5	1,612,539	10,907	0.0068	0.9932	90.81
23.5	1,601,632	29,612	0.0185	0.9815	90.19
24.5	1,560,989		0.0000	1.0000	88.52
25.5	1,560,989	7,716	0.0049	0.9951	88.52
26.5	1,553,273		0.0000	1.0000	88.09
27.5	1,546,111	8,627	0.0056	0.9944	88.09
28.5	1,479,130		0.0000	1.0000	87.60
29.5	1,413,575		0.0000	1.0000	87.60
30.5	1,408,596	925	0.0007	0.9993	87.60
31.5	1,400,045		0.0000	1.0000	87.54
32.5	1,385,661		0.0000	1.0000	87.54
33.5	1,279,555		0.0000	1.0000	87.54
34.5	1,257,668	34,828	0.0277	0.9723	87.54
35.5	1,222,840	5,162	0.0042	0.9958	85.12
36.5	1,190,652		0.0000	1.0000	84.76
37.5	1,111,919		0.0000	1.0000	84.76
38.5	1,111,919		0.0000	1.0000	84.76

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2110 LIQUID PETROLEUM GAS EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1951-2008			EXPERIENCE BAND 1966-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,111,919		0.0000	1.0000	84.76
40.5	1,108,456	1,722	0.0016	0.9984	84.76
41.5	1,106,734	22,398	0.0202	0.9798	84.62
42.5	1,073,814	88,343	0.0823	0.9177	82.91
43.5	983,451	4,430	0.0045	0.9955	76.09
44.5	976,994		0.0000	1.0000	75.75
45.5	976,994		0.0000	1.0000	75.75
46.5	976,994		0.0000	1.0000	75.75
47.5					75.75

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2110 LIQUID PETROLEUM GAS EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1961-2008			EXPERIENCE BAND 1989-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,754,932		0.0000	1.0000	100.00
0.5	2,718,310		0.0000	1.0000	100.00
1.5	2,759,623		0.0000	1.0000	100.00
2.5	2,303,951		0.0000	1.0000	100.00
3.5	2,182,802		0.0000	1.0000	100.00
4.5	1,675,227		0.0000	1.0000	100.00
5.5	1,216,506		0.0000	1.0000	100.00
6.5	714,298		0.0000	1.0000	100.00
7.5	721,460		0.0000	1.0000	100.00
8.5	432,743		0.0000	1.0000	100.00
9.5	479,575	2,720	0.0057	0.9943	100.00
10.5	440,686		0.0000	1.0000	99.43
11.5	417,905	7,838	0.0188	0.9812	99.43
12.5	351,081		0.0000	1.0000	97.56
13.5	456,036	4,958	0.0109	0.9891	97.56
14.5	472,966		0.0000	1.0000	96.50
15.5	462,085	14,125	0.0306	0.9694	96.50
16.5	449,346		0.0000	1.0000	93.55
17.5	528,079		0.0000	1.0000	93.55
18.5	528,079		0.0000	1.0000	93.55
19.5	467,979		0.0000	1.0000	93.55
20.5	471,442		0.0000	1.0000	93.55
21.5	444,254		0.0000	1.0000	93.55
22.5	454,777	10,907	0.0240	0.9760	93.55
23.5	445,890	27,041	0.0606	0.9394	91.30
24.5	409,844		0.0000	1.0000	85.77
25.5	409,844		0.0000	1.0000	85.77
26.5	409,844		0.0000	1.0000	85.77
27.5	1,546,111	8,627	0.0056	0.9944	85.77
28.5	1,479,130		0.0000	1.0000	85.29
29.5	1,413,575		0.0000	1.0000	85.29
30.5	1,408,596	925	0.0007	0.9993	85.29
31.5	1,400,045		0.0000	1.0000	85.23
32.5	1,385,661		0.0000	1.0000	85.23
33.5	1,279,555		0.0000	1.0000	85.23
34.5	1,257,668	34,828	0.0277	0.9723	85.23
35.5	1,222,840	5,162	0.0042	0.9958	82.87
36.5	1,190,652		0.0000	1.0000	82.52
37.5	1,111,919		0.0000	1.0000	82.52
38.5	1,111,919		0.0000	1.0000	82.52

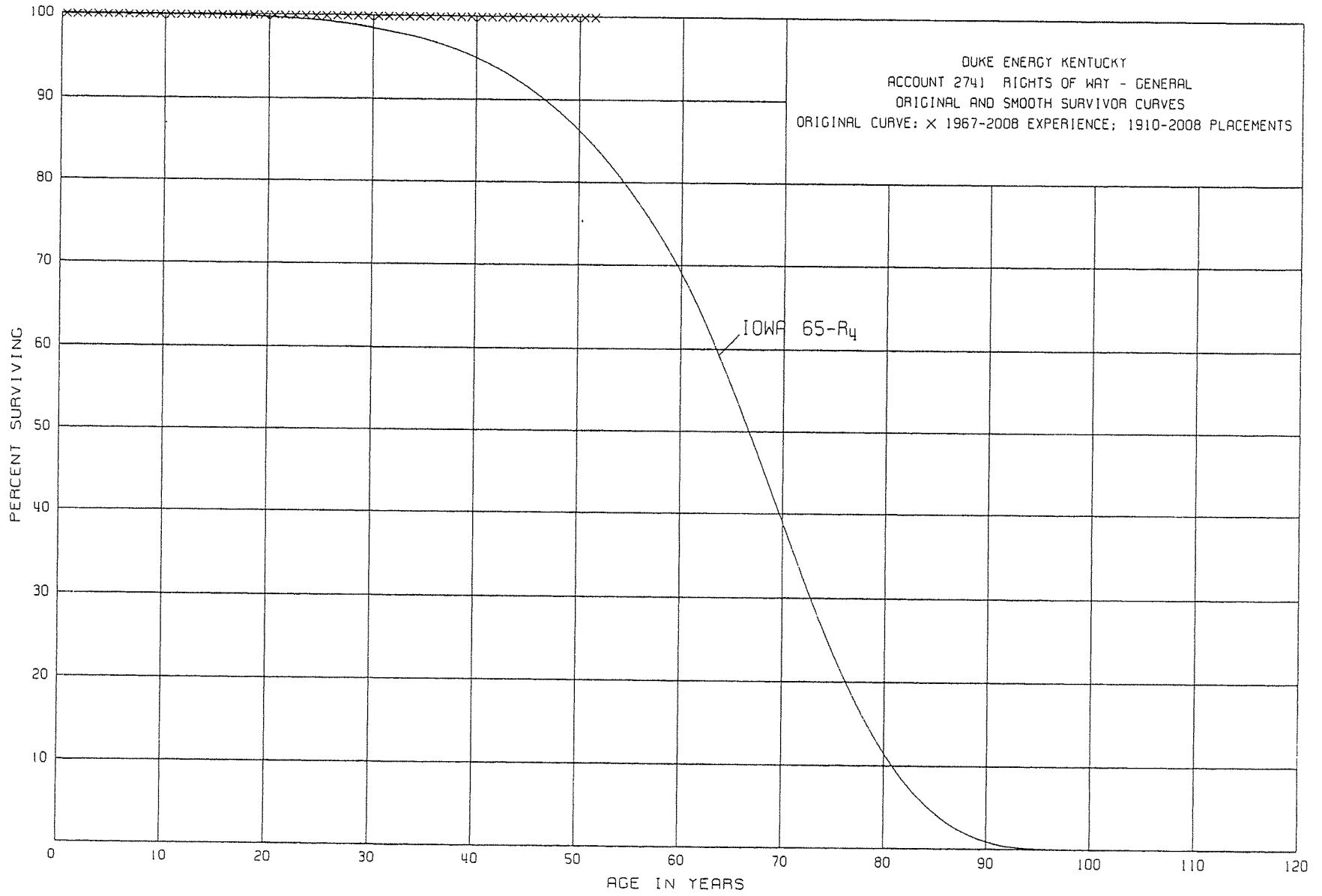
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2110 LIQUID PETROLEUM GAS EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1961-2008			EXPERIENCE BAND 1989-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,111,919		0.0000	1.0000	82.52
40.5	1,108,456	1,722	0.0016	0.9984	82.52
41.5	1,106,734	22,398	0.0202	0.9798	82.39
42.5	1,073,814	88,343	0.0823	0.9177	80.73
43.5	983,451	4,430	0.0045	0.9955	74.09
44.5	976,994		0.0000	1.0000	73.76
45.5	976,994		0.0000	1.0000	73.76
46.5	976,994		0.0000	1.0000	73.76
47.5					73.76

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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2741 RIGHTS OF WAY - GENERAL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1910-2008			EXPERIENCE BAND 1967-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	841,558		0.0000	1.0000	100.00
0.5	832,465		0.0000	1.0000	100.00
1.5	967,081	152	0.0002	0.9998	100.00
2.5	917,561		0.0000	1.0000	99.98
3.5	916,701		0.0000	1.0000	99.98
4.5	935,774		0.0000	1.0000	99.98
5.5	942,793		0.0000	1.0000	99.98
6.5	943,902		0.0000	1.0000	99.98
7.5	945,848		0.0000	1.0000	99.98
8.5	946,157		0.0000	1.0000	99.98
9.5	961,288		0.0000	1.0000	99.98
10.5	961,468		0.0000	1.0000	99.98
11.5	989,109		0.0000	1.0000	99.98
12.5	963,943		0.0000	1.0000	99.98
13.5	964,860		0.0000	1.0000	99.98
14.5	861,104		0.0000	1.0000	99.98
15.5	851,339		0.0000	1.0000	99.98
16.5	670,342		0.0000	1.0000	99.98
17.5	640,851		0.0000	1.0000	99.98
18.5	603,756		0.0000	1.0000	99.98
19.5	533,842		0.0000	1.0000	99.98
20.5	518,497		0.0000	1.0000	99.98
21.5	497,452		0.0000	1.0000	99.98
22.5	473,093		0.0000	1.0000	99.98
23.5	463,054		0.0000	1.0000	99.98
24.5	460,029		0.0000	1.0000	99.98
25.5	453,070		0.0000	1.0000	99.98
26.5	408,615		0.0000	1.0000	99.98
27.5	403,503		0.0000	1.0000	99.98
28.5	387,618		0.0000	1.0000	99.98
29.5	386,676		0.0000	1.0000	99.98
30.5	382,944		0.0000	1.0000	99.98
31.5	360,837		0.0000	1.0000	99.98
32.5	352,254		0.0000	1.0000	99.98
33.5	329,403		0.0000	1.0000	99.98
34.5	312,443		0.0000	1.0000	99.98
35.5	305,508		0.0000	1.0000	99.98
36.5	269,899		0.0000	1.0000	99.98
37.5	251,948		0.0000	1.0000	99.98
38.5	264,087		0.0000	1.0000	99.98

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2741 RIGHTS OF WAY - GENERAL

ORIGINAL LIFE TABLE, CONT.

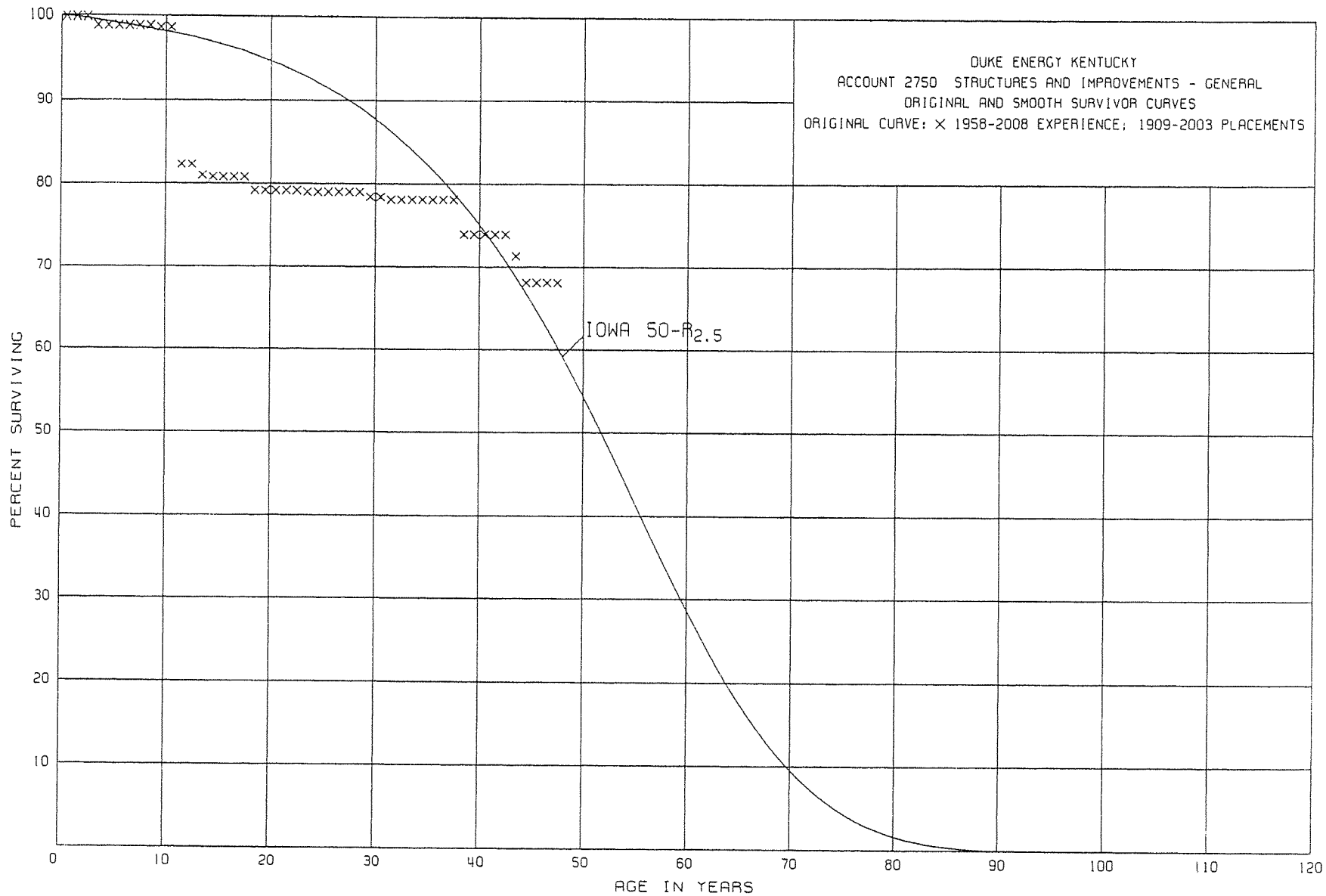
PLACEMENT BAND 1910-2008			EXPERIENCE BAND 1967-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	260,606		0.0000	1.0000	99.98
40.5	255,519		0.0000	1.0000	99.98
41.5	242,796		0.0000	1.0000	99.98
42.5	241,725		0.0000	1.0000	99.98
43.5	106,736		0.0000	1.0000	99.98
44.5	104,745		0.0000	1.0000	99.98
45.5	102,930		0.0000	1.0000	99.98
46.5	83,857		0.0000	1.0000	99.98
47.5	76,838		0.0000	1.0000	99.98
48.5	75,729		0.0000	1.0000	99.98
49.5	73,783		0.0000	1.0000	99.98
50.5	73,475		0.0000	1.0000	99.98
51.5	58,344		0.0000	1.0000	99.98
52.5	58,163		0.0000	1.0000	99.98
53.5	30,522		0.0000	1.0000	99.98
54.5	30,497		0.0000	1.0000	99.98
55.5	28,670		0.0000	1.0000	99.98
56.5	27,328		0.0000	1.0000	99.98
57.5	27,328		0.0000	1.0000	99.98
58.5	27,328		0.0000	1.0000	99.98
59.5	27,328		0.0000	1.0000	99.98
60.5	27,328		0.0000	1.0000	99.98
61.5	27,328		0.0000	1.0000	99.98
62.5	27,328		0.0000	1.0000	99.98
63.5	27,328		0.0000	1.0000	99.98
64.5	27,328		0.0000	1.0000	99.98
65.5	27,328		0.0000	1.0000	99.98
66.5	27,328		0.0000	1.0000	99.98
67.5	27,328		0.0000	1.0000	99.98
68.5	27,328		0.0000	1.0000	99.98
69.5	27,328		0.0000	1.0000	99.98
70.5	5,569		0.0000	1.0000	99.98
71.5	5,569		0.0000	1.0000	99.98
72.5	5,569		0.0000	1.0000	99.98
73.5	6,247		0.0000	1.0000	99.98
74.5	15,071		0.0000	1.0000	99.98
75.5	9,502		0.0000	1.0000	99.98
76.5	9,502		0.0000	1.0000	99.98
77.5	9,502		0.0000	1.0000	99.98
78.5	9,502		0.0000	1.0000	99.98

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2741 RIGHTS OF WAY - GENERAL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2008			EXPERIENCE BAND 1967-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	11,123		0.0000	1.0000	99.98
80.5	11,123		0.0000	1.0000	99.98
81.5	11,123		0.0000	1.0000	99.98
82.5	11,123		0.0000	1.0000	99.98
83.5	10,445		0.0000	1.0000	99.98
84.5	1,621		0.0000	1.0000	99.98
85.5	1,621		0.0000	1.0000	99.98
86.5	1,621		0.0000	1.0000	99.98
87.5	1,621		0.0000	1.0000	99.98
88.5	12,257		0.0000	1.0000	99.98
89.5	10,635		0.0000	1.0000	99.98
90.5	10,635		0.0000	1.0000	99.98
91.5	10,635		0.0000	1.0000	99.98
92.5	10,635		0.0000	1.0000	99.98
93.5	10,635		0.0000	1.0000	99.98
94.5	10,635		0.0000	1.0000	99.98
95.5	10,635		0.0000	1.0000	99.98
96.5	10,635		0.0000	1.0000	99.98
97.5	10,635		0.0000	1.0000	99.98
98.5					99.98



DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2750 STRUCTURES AND IMPROVEMENTS - GENERAL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1909-2003			EXPERIENCE BAND 1958-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	371,150		0.0000	1.0000	100.00
0.5	371,150		0.0000	1.0000	100.00
1.5	371,150		0.0000	1.0000	100.00
2.5	371,150	3,870	0.0104	0.9896	100.00
3.5	367,279		0.0000	1.0000	98.96
4.5	306,247		0.0000	1.0000	98.96
5.5	180,168		0.0000	1.0000	98.96
6.5	180,168		0.0000	1.0000	98.96
7.5	180,168		0.0000	1.0000	98.96
8.5	150,509	246	0.0016	0.9984	98.96
9.5	146,578		0.0000	1.0000	98.80
10.5	146,578	24,504	0.1672	0.8328	98.80
11.5	122,075		0.0000	1.0000	82.28
12.5	122,075	1,847	0.0151	0.9849	82.28
13.5	120,227	323	0.0027	0.9973	81.04
14.5	119,904		0.0000	1.0000	80.82
15.5	119,904		0.0000	1.0000	80.82
16.5	120,187		0.0000	1.0000	80.82
17.5	120,187	2,372	0.0197	0.9803	80.82
18.5	117,815		0.0000	1.0000	79.23
19.5	117,815		0.0000	1.0000	79.23
20.5	117,815		0.0000	1.0000	79.23
21.5	118,140		0.0000	1.0000	79.23
22.5	108,683	325	0.0030	0.9970	79.23
23.5	108,557		0.0000	1.0000	78.99
24.5	108,557		0.0000	1.0000	78.99
25.5	108,557		0.0000	1.0000	78.99
26.5	108,557		0.0000	1.0000	78.99
27.5	107,704		0.0000	1.0000	78.99
28.5	86,404	661	0.0077	0.9923	78.99
29.5	85,897		0.0000	1.0000	78.38
30.5	87,979	283	0.0032	0.9968	78.38
31.5	87,696		0.0000	1.0000	78.13
32.5	87,696		0.0000	1.0000	78.13
33.5	87,696		0.0000	1.0000	78.13
34.5	84,273		0.0000	1.0000	78.13
35.5	57,371		0.0000	1.0000	78.13
36.5	44,030		0.0000	1.0000	78.13
37.5	3,697	199	0.0538	0.9462	78.13
38.5	3,497		0.0000	1.0000	73.93

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2750 STRUCTURES AND IMPROVEMENTS - GENERAL

ORIGINAL LIFE TABLE, CONT.

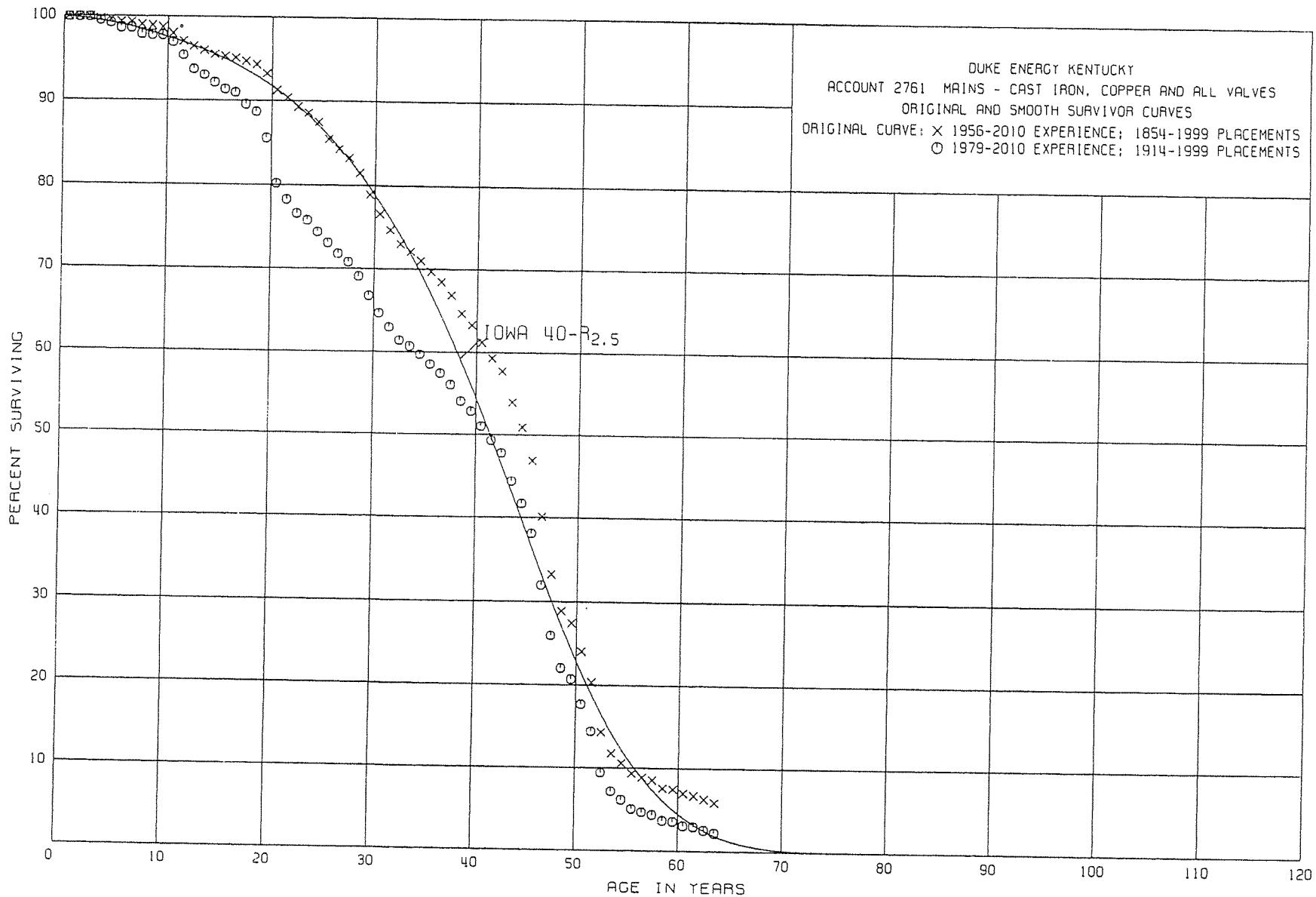
PLACEMENT BAND 1909-2003			EXPERIENCE BAND 1958-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	3,497		0.0000	1.0000	73.93
40.5	3,497		0.0000	1.0000	73.93
41.5	3,497		0.0000	1.0000	73.93
42.5	3,497	123	0.0352	0.9648	73.93
43.5	3,375	155	0.0459	0.9541	71.33
44.5	3,220		0.0000	1.0000	68.06
45.5	3,220		0.0000	1.0000	68.06
46.5	3,220		0.0000	1.0000	68.06
47.5	3,220		0.0000	1.0000	68.06
48.5	8,473		0.0000	1.0000	68.06
49.5	8,473	1,510	0.1782	0.8218	68.06
50.5	6,963		0.0000	1.0000	55.93
51.5	6,963		0.0000	1.0000	55.93
52.5	6,963		0.0000	1.0000	55.93
53.5	6,963		0.0000	1.0000	55.93
54.5	6,963		0.0000	1.0000	55.93
55.5	6,782		0.0000	1.0000	55.93
56.5	6,782		0.0000	1.0000	55.93
57.5	6,782		0.0000	1.0000	55.93
58.5	6,782		0.0000	1.0000	55.93
59.5	6,782		0.0000	1.0000	55.93
60.5	6,782		0.0000	1.0000	55.93
61.5	6,782		0.0000	1.0000	55.93
62.5	6,782	3,387	0.4994	0.5006	55.93
63.5	3,395		0.0000	1.0000	28.00
64.5	3,395		0.0000	1.0000	28.00
65.5	3,395		0.0000	1.0000	28.00
66.5	3,395		0.0000	1.0000	28.00
67.5	3,395		0.0000	1.0000	28.00
68.5	3,395		0.0000	1.0000	28.00
69.5	3,395		0.0000	1.0000	28.00
70.5	3,395		0.0000	1.0000	28.00
71.5	3,395		0.0000	1.0000	28.00
72.5	3,395		0.0000	1.0000	28.00
73.5	3,288		0.0000	1.0000	28.00
74.5	3,288		0.0000	1.0000	28.00
75.5	3,288		0.0000	1.0000	28.00
76.5	3,288		0.0000	1.0000	28.00
77.5	3,288		0.0000	1.0000	28.00
78.5	3,288		0.0000	1.0000	28.00

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2750 STRUCTURES AND IMPROVEMENTS - GENERAL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1909-2003			EXPERIENCE BAND 1958-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	3,288		0.0000	1.0000	28.00
80.5	3,288		0.0000	1.0000	28.00
81.5	838		0.0000	1.0000	28.00
82.5	838		0.0000	1.0000	28.00
83.5	838		0.0000	1.0000	28.00
84.5	838		0.0000	1.0000	28.00
85.5	838		0.0000	1.0000	28.00
86.5	838		0.0000	1.0000	28.00
87.5	838		0.0000	1.0000	28.00
88.5	838		0.0000	1.0000	28.00
89.5	838		0.0000	1.0000	28.00
90.5	838		0.0000	1.0000	28.00
91.5	838		0.0000	1.0000	28.00
92.5	838		0.0000	1.0000	28.00
93.5	838		0.0000	1.0000	28.00
94.5	838		0.0000	1.0000	28.00
95.5	838		0.0000	1.0000	28.00
96.5	838		0.0000	1.0000	28.00
97.5	838		0.0000	1.0000	28.00
98.5	838		0.0000	1.0000	28.00
99.5					28.00



DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2761 MAINS - CAST IRON, COPPER AND ALL VALVES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1854-1999

EXPERIENCE BAND 1956-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,116,462		0.0000	1.0000	100.00
0.5	3,549,979		0.0000	1.0000	100.00
1.5	3,835,807	4,021	0.0010	0.9990	100.00
2.5	3,997,732	9,029	0.0023	0.9977	99.90
3.5	4,101,219	4,888	0.0012	0.9988	99.67
4.5	4,337,744	11,877	0.0027	0.9973	99.55
5.5	4,464,430	736	0.0002	0.9998	99.28
6.5	4,518,302	12,478	0.0028	0.9972	99.26
7.5	4,573,311	4,556	0.0010	0.9990	98.98
8.5	4,632,202	8,052	0.0017	0.9983	98.88
9.5	4,547,832	26,289	0.0058	0.9942	98.71
10.5	4,526,145	45,369	0.0100	0.9900	98.14
11.5	4,430,864	27,825	0.0063	0.9937	97.16
12.5	4,355,748	19,657	0.0045	0.9955	96.55
13.5	4,336,133	21,554	0.0050	0.9950	96.12
14.5	4,323,383	11,598	0.0027	0.9973	95.64
15.5	4,327,456	9,376	0.0022	0.9978	95.38
16.5	4,312,767	19,149	0.0044	0.9956	95.17
17.5	4,311,497	16,283	0.0038	0.9962	94.75
18.5	4,291,861	52,026	0.0121	0.9879	94.39
19.5	4,254,202	91,156	0.0214	0.9786	93.25
20.5	4,120,601	38,538	0.0094	0.9906	91.25
21.5	4,083,788	47,532	0.0116	0.9884	90.39
22.5	4,035,687	34,219	0.0085	0.9915	89.34
23.5	3,973,957	50,193	0.0126	0.9874	88.58
24.5	3,919,746	89,223	0.0228	0.9772	87.46
25.5	3,838,748	53,617	0.0140	0.9860	85.47
26.5	3,770,738	44,762	0.0119	0.9881	84.27
27.5	3,712,466	80,563	0.0217	0.9783	83.27
28.5	3,600,945	113,102	0.0314	0.9686	81.46
29.5	3,487,976	102,148	0.0293	0.9707	78.90
30.5	3,332,429	80,795	0.0242	0.9758	76.59
31.5	3,250,772	76,196	0.0234	0.9766	74.74
32.5	3,174,498	37,048	0.0117	0.9883	72.99
33.5	3,111,138	47,969	0.0154	0.9846	72.14
34.5	3,063,169	57,364	0.0187	0.9813	71.03
35.5	3,005,805	51,848	0.0172	0.9828	69.70
36.5	2,953,958	69,451	0.0235	0.9765	68.50
37.5	2,881,054	95,969	0.0333	0.9667	66.89
38.5	2,785,661	58,322	0.0209	0.9791	64.66

DUKE ENERGY KENTUCKY
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ACCOUNT 2761 MAINS - CAST IRON, COPPER AND ALL VALVES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1854-1999			EXPERIENCE BAND 1956-2010		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,727,369	91,405	0.0335	0.9665	63.31
40.5	2,747,956	86,607	0.0315	0.9685	61.19
41.5	2,704,025	72,875	0.0270	0.9730	59.26
42.5	2,631,150	172,691	0.0656	0.9344	57.66
43.5	2,409,383	132,926	0.0552	0.9448	53.88
44.5	2,271,221	178,902	0.0788	0.9212	50.91
45.5	2,092,319	304,036	0.1453	0.8547	46.90
46.5	1,788,522	302,655	0.1692	0.8308	40.09
47.5	1,485,867	195,104	0.1313	0.8687	33.31
48.5	1,290,763	67,844	0.0526	0.9474	28.94
49.5	1,222,918	152,393	0.1246	0.8754	27.42
50.5	1,068,901	164,460	0.1539	0.8461	24.00
51.5	904,441	263,155	0.2910	0.7090	20.31
52.5	641,286	114,859	0.1791	0.8209	14.40
53.5	526,427	52,823	0.1003	0.8997	11.82
54.5	473,604	60,388	0.1275	0.8725	10.63
55.5	413,216	20,026	0.0485	0.9515	9.27
56.5	393,190	14,947	0.0380	0.9620	8.82
57.5	378,243	43,204	0.1142	0.8858	8.48
58.5	335,039	5,958	0.0178	0.9822	7.51
59.5	329,081	23,371	0.0710	0.9290	7.38
60.5	305,710	12,128	0.0397	0.9603	6.86
61.5	293,582	19,831	0.0675	0.9325	6.59
62.5	273,751	15,824	0.0578	0.9422	6.15
63.5	257,927	14,054	0.0545	0.9455	5.79
64.5	243,873	8,523	0.0349	0.9651	5.47
65.5	234,915	25,441	0.1083	0.8917	5.28
66.5	209,474	17,580	0.0839	0.9161	4.71
67.5	191,418	9,841	0.0514	0.9486	4.31
68.5	181,577	10,380	0.0572	0.9428	4.09
69.5	171,197	5,950	0.0348	0.9652	3.86
70.5	163,212	16,081	0.0985	0.9015	3.73
71.5	147,131	9,435	0.0641	0.9359	3.36
72.5	137,696	8,714	0.0633	0.9367	3.14
73.5	128,982	3,234	0.0251	0.9749	2.94
74.5	125,748	1,940	0.0154	0.9846	2.87
75.5	123,809	15,867	0.1282	0.8718	2.83
76.5	107,942	630	0.0058	0.9942	2.47
77.5	107,312	2,381	0.0222	0.9778	2.46
78.5	104,931	1,715	0.0163	0.9837	2.41

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2761 MAINS - CAST IRON, COPPER AND ALL VALVES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1854-1999			EXPERIENCE BAND 1956-2010			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	103,216	296	0.0029	0.9971	2.37	
80.5	102,920	221	0.0021	0.9979	2.36	
81.5	102,699	1,106	0.0108	0.9892	2.36	
82.5	101,593	116	0.0011	0.9989	2.33	
83.5	101,477	32	0.0003	0.9997	2.33	
84.5	101,445	1,517	0.0150	0.9850	2.33	
85.5	99,929	8,359	0.0836	0.9164	2.30	
86.5	91,569	5,628	0.0615	0.9385	2.11	
87.5	85,942	15,698	0.1827	0.8173	1.98	
88.5	70,243	12,580	0.1791	0.8209	1.62	
89.5	57,664		0.0000	1.0000	1.33	
90.5	57,664		0.0000	1.0000	1.33	
91.5	57,664		0.0000	1.0000	1.33	
92.5	57,664		0.0000	1.0000	1.33	
93.5	57,664	57,664	1.0000	0.0000	1.33	
94.5	639		0.0000	1.0000	0.00	
95.5	1,342		0.0000	1.0000	0.00	
96.5	2,294		0.0000	1.0000	0.00	
97.5	3,500		0.0000	1.0000	0.00	
98.5	4,706		0.0000	1.0000	0.00	
99.5	5,962		0.0000	1.0000	0.00	
100.5	7,268		0.0000	1.0000	0.00	
101.5	8,473	639	0.0754	0.9246	0.00	
102.5	7,834	2,319	0.2960	0.7040	0.00	
103.5	5,515	3,297	0.5978	0.4022	0.00	
104.5	2,218	1,206	0.5437	0.4563	0.00	
105.5	1,012	1,012	1.0000	0.0000	0.00	
106.5					0.00	

DUKE ENERGY KENTUCKY
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ACCOUNT 2761 MAINS - CAST IRON, COPPER AND ALL VALVES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1914-1999			EXPERIENCE BAND 1979-2010		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,092,141		0.0000	1.0000	100.00
0.5	1,200,243		0.0000	1.0000	100.00
1.5	1,228,063		0.0000	1.0000	100.00
2.5	1,239,426	6,667	0.0054	0.9946	100.00
3.5	1,287,450	3,421	0.0027	0.9973	99.46
4.5	1,333,414	5,988	0.0045	0.9955	99.19
5.5	1,345,082		0.0000	1.0000	98.74
6.5	1,259,609	9,076	0.0072	0.9928	98.74
7.5	1,284,184	1,262	0.0010	0.9990	98.03
8.5	1,320,939		0.0000	1.0000	97.93
9.5	1,236,320	10,395	0.0084	0.9916	97.93
10.5	1,290,268	21,006	0.0163	0.9837	97.11
11.5	1,207,537	22,229	0.0184	0.9816	95.53
12.5	1,143,929	7,626	0.0067	0.9933	93.77
13.5	1,161,096	11,728	0.0101	0.9899	93.14
14.5	1,143,008	9,472	0.0083	0.9917	92.20
15.5	1,222,594	6,205	0.0051	0.9949	91.43
16.5	1,238,743	18,829	0.0152	0.9848	90.96
17.5	1,279,692	13,332	0.0104	0.9896	89.58
18.5	1,251,900	42,401	0.0339	0.9661	88.65
19.5	1,340,380	84,929	0.0634	0.9366	85.64
20.5	1,538,852	36,448	0.0237	0.9763	80.21
21.5	1,924,788	42,589	0.0221	0.9779	78.31
22.5	2,213,180	21,885	0.0099	0.9901	76.58
23.5	2,573,422	47,224	0.0184	0.9816	75.82
24.5	2,779,874	48,419	0.0174	0.9826	74.42
25.5	2,880,685	51,424	0.0179	0.9821	73.13
26.5	2,916,730	42,432	0.0145	0.9855	71.82
27.5	3,040,303	70,580	0.0232	0.9768	70.78
28.5	3,053,375	102,927	0.0337	0.9663	69.14
29.5	3,110,552	98,427	0.0316	0.9684	66.81
30.5	3,020,728	79,845	0.0264	0.9736	64.70
31.5	2,996,698	74,580	0.0249	0.9751	62.99
32.5	2,932,224	34,868	0.0119	0.9881	61.42
33.5	2,881,032	47,819	0.0166	0.9834	60.69
34.5	2,848,849	57,044	0.0200	0.9800	59.68
35.5	2,792,856	51,175	0.0183	0.9817	58.49
36.5	2,749,922	67,823	0.0247	0.9753	57.42
37.5	2,704,080	95,417	0.0353	0.9647	56.00
38.5	2,628,769	58,061	0.0221	0.9779	54.02

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ACCOUNT 2761 MAINS - CAST IRON, COPPER AND ALL VALVES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1914-1999			EXPERIENCE BAND 1979-2010		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,582,683	88,221	0.0342	0.9658	52.83
40.5	2,516,275	86,460	0.0344	0.9656	51.02
41.5	2,462,379	72,491	0.0294	0.9706	49.26
42.5	2,411,605	172,406	0.0715	0.9285	47.81
43.5	2,196,757	132,926	0.0605	0.9395	44.39
44.5	2,064,656	178,607	0.0865	0.9135	41.70
45.5	1,892,310	303,957	0.1606	0.8394	38.09
46.5	1,589,688	302,565	0.1903	0.8097	31.97
47.5	1,301,498	194,852	0.1497	0.8503	25.89
48.5	1,113,978	67,729	0.0608	0.9392	22.01
49.5	1,050,861	152,393	0.1450	0.8550	20.67
50.5	908,630	164,444	0.1810	0.8190	17.67
51.5	745,406	263,122	0.3530	0.6470	14.47
52.5	482,418	114,592	0.2375	0.7625	9.36
53.5	367,913	52,531	0.1428	0.8572	7.14
54.5	315,382	60,182	0.1908	0.8092	6.12
55.5	255,236	19,915	0.0780	0.9220	4.95
56.5	235,321	13,923	0.0592	0.9408	4.56
57.5	221,398	37,092	0.1675	0.8325	4.29
58.5	184,306	5,361	0.0291	0.9709	3.57
59.5	178,945	22,648	0.1266	0.8734	3.47
60.5	156,297	9,528	0.0610	0.9390	3.03
61.5	147,344	19,736	0.1339	0.8661	2.85
62.5	127,639	12,858	0.1007	0.8993	2.47
63.5	226,421	13,004	0.0574	0.9426	2.22
64.5	243,592	8,523	0.0350	0.9650	2.09
65.5	234,634	25,441	0.1084	0.8916	2.02
66.5	209,193	17,299	0.0827	0.9173	1.80
67.5	191,418	9,841	0.0514	0.9486	1.65
68.5	181,577	10,380	0.0572	0.9428	1.57
69.5	171,197	5,950	0.0348	0.9652	1.48
70.5	163,212	16,081	0.0985	0.9015	1.43
71.5	147,131	9,435	0.0641	0.9359	1.29
72.5	137,696	8,714	0.0633	0.9367	1.21
73.5	128,982	3,234	0.0251	0.9749	1.13
74.5	125,748	1,940	0.0154	0.9846	1.10
75.5	123,809	15,867	0.1282	0.8718	1.08
76.5	107,942	630	0.0058	0.9942	0.94
77.5	107,312	2,381	0.0222	0.9778	0.93
78.5	104,931	1,715	0.0163	0.9837	0.91

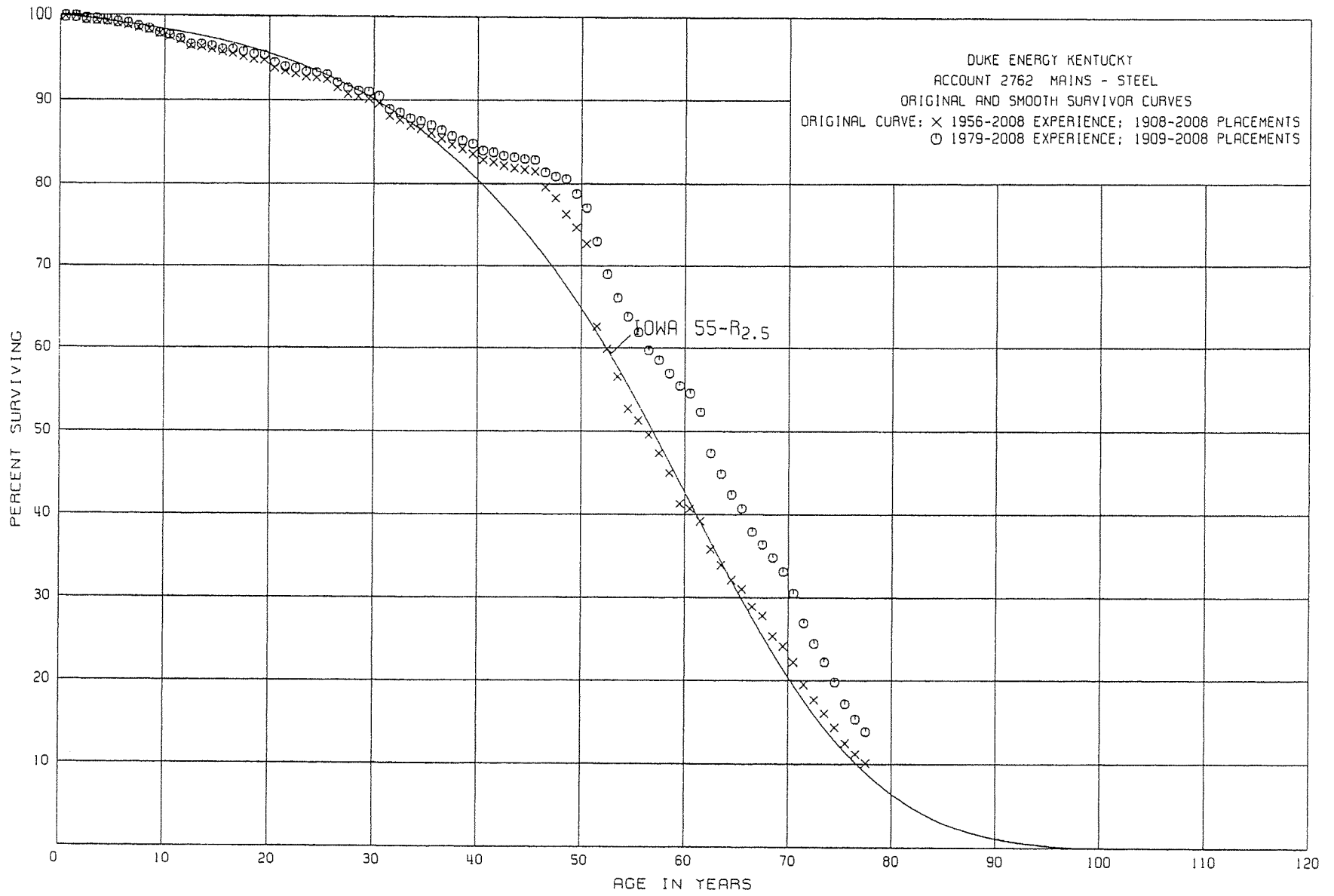
DUKE ENERGY KENTUCKY
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ACCOUNT 2761 MAINS - CAST IRON, COPPER AND ALL VALVES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1914-1999			EXPERIENCE BAND 1979-2010			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	103,216	296	0.0029	0.9971	0.90	
80.5	102,920	221	0.0021	0.9979	0.90	
81.5	102,699	1,106	0.0108	0.9892	0.90	
82.5	101,593	116	0.0011	0.9989	0.89	
83.5	101,477	32	0.0003	0.9997	0.89	
84.5	101,445	1,517	0.0150	0.9850	0.89	
85.5	99,929	8,359	0.0836	0.9164	0.88	
86.5	91,569	5,628	0.0615	0.9385	0.81	
87.5	85,942	15,698	0.1827	0.8173	0.76	
88.5	70,243	12,580	0.1791	0.8209	0.62	
89.5	57,664		0.0000	1.0000	0.51	
90.5	57,664		0.0000	1.0000	0.51	
91.5	57,664		0.0000	1.0000	0.51	
92.5	57,664		0.0000	1.0000	0.51	
93.5	57,664	57,664	1.0000	0.0000	0.51	
94.5					0.00	

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ACCOUNT 2762 MAINS - STEEL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1908-2008			EXPERIENCE BAND 1956-2008			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	72,572,678		0.0000	1.0000	100.00	
0.5	72,744,417	16,845	0.0002	0.9998	100.00	
1.5	72,656,292	254,205	0.0035	0.9965	99.98	
2.5	71,416,324	75,157	0.0011	0.9989	99.63	
3.5	67,887,336	112,311	0.0017	0.9983	99.52	
4.5	66,659,308	87,164	0.0013	0.9987	99.35	
5.5	64,743,149	147,718	0.0023	0.9977	99.22	
6.5	62,616,853	185,813	0.0030	0.9970	98.99	
7.5	58,842,849	131,567	0.0022	0.9978	98.69	
8.5	58,544,097	303,273	0.0052	0.9948	98.47	
9.5	56,157,216	210,029	0.0037	0.9963	97.96	
10.5	55,210,580	208,966	0.0038	0.9962	97.60	
11.5	54,855,268	387,594	0.0071	0.9929	97.23	
12.5	54,253,734	52,787	0.0010	0.9990	96.54	
13.5	54,142,963	178,047	0.0033	0.9967	96.44	
14.5	53,872,549	207,045	0.0038	0.9962	96.12	
15.5	52,548,990	74,985	0.0014	0.9986	95.75	
16.5	50,015,398	241,025	0.0048	0.9952	95.62	
17.5	44,720,265	116,896	0.0026	0.9974	95.16	
18.5	35,459,724	53,786	0.0015	0.9985	94.91	
19.5	30,560,558	288,341	0.0094	0.9906	94.77	
20.5	25,335,549	111,931	0.0044	0.9956	93.88	
21.5	22,014,410	55,921	0.0025	0.9975	93.47	
22.5	19,944,170	91,486	0.0046	0.9954	93.24	
23.5	18,192,753	27,949	0.0015	0.9985	92.81	
24.5	17,387,925	33,048	0.0019	0.9981	92.67	
25.5	15,687,131	163,363	0.0104	0.9896	92.49	
26.5	14,167,218	127,146	0.0090	0.9910	91.53	
27.5	12,967,092	48,218	0.0037	0.9963	90.71	
28.5	10,734,831	28,109	0.0026	0.9974	90.37	
29.5	9,449,078	60,246	0.0064	0.9936	90.14	
30.5	8,800,476	145,678	0.0166	0.9834	89.56	
31.5	8,613,381	49,859	0.0058	0.9942	88.07	
32.5	8,318,951	66,307	0.0080	0.9920	87.56	
33.5	7,887,950	32,307	0.0041	0.9959	86.86	
34.5	7,474,792	41,173	0.0055	0.9945	86.50	
35.5	7,183,162	51,995	0.0072	0.9928	86.02	
36.5	6,584,211	56,244	0.0085	0.9915	85.40	
37.5	6,122,565	33,041	0.0054	0.9946	84.67	
38.5	5,556,950	42,156	0.0076	0.9924	84.21	

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ACCOUNT 2762 MAINS - STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1908-2008			EXPERIENCE BAND 1956-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	4,873,977	39,221	0.0080	0.9920	83.57
40.5	4,213,456	17,872	0.0042	0.9958	82.90
41.5	3,946,457	16,306	0.0041	0.9959	82.55
42.5	3,528,830	13,681	0.0039	0.9961	82.21
43.5	2,966,876	8,491	0.0029	0.9971	81.89
44.5	2,662,034	5,737	0.0022	0.9978	81.65
45.5	2,215,880	51,088	0.0231	0.9769	81.47
46.5	2,064,791	33,915	0.0164	0.9836	79.59
47.5	1,769,588	44,243	0.0250	0.9750	78.28
48.5	1,354,916	28,306	0.0209	0.9791	76.32
49.5	1,138,692	30,164	0.0265	0.9735	74.72
50.5	834,048	116,186	0.1393	0.8607	72.74
51.5	666,952	29,025	0.0435	0.9565	62.61
52.5	586,622	32,960	0.0562	0.9438	59.89
53.5	533,307	36,428	0.0683	0.9317	56.52
54.5	481,997	12,148	0.0252	0.9748	52.66
55.5	436,356	14,881	0.0341	0.9659	51.33
56.5	419,784	18,580	0.0443	0.9557	49.58
57.5	400,268	20,007	0.0500	0.9500	47.38
58.5	375,267	30,696	0.0818	0.9182	45.01
59.5	344,452	5,434	0.0158	0.9842	41.33
60.5	338,839	12,141	0.0358	0.9642	40.68
61.5	325,545	28,385	0.0872	0.9128	39.22
62.5	294,800	15,839	0.0537	0.9463	35.80
63.5	278,940	14,329	0.0514	0.9486	33.88
64.5	264,368	9,649	0.0365	0.9635	32.14
65.5	254,510	16,997	0.0668	0.9332	30.97
66.5	233,890	8,895	0.0380	0.9620	28.90
67.5	225,464	20,609	0.0914	0.9086	27.80
68.5	204,855	9,666	0.0472	0.9528	25.26
69.5	195,189	15,308	0.0784	0.9216	24.07
70.5	181,915	21,690	0.1192	0.8808	22.18
71.5	160,225	14,726	0.0919	0.9081	19.54
72.5	145,499	13,232	0.0909	0.9091	17.74
73.5	131,985	14,162	0.1073	0.8927	16.13
74.5	117,823	15,641	0.1327	0.8673	14.40
75.5	102,076	10,656	0.1044	0.8956	12.49
76.5	91,420	8,877	0.0971	0.9029	11.19
77.5	73,996	5,930	0.0801	0.9199	10.10
78.5	68,060	8,536	0.1254	0.8746	9.29

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ACCOUNT 2762 MAINS - STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1908-2008			EXPERIENCE BAND 1956-2008			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	44,939	9,349	0.2080	0.7920	8.13	
80.5	27,809	2,597	0.0934	0.9066	6.44	
81.5	14,798	2,852	0.1927	0.8073	5.84	
82.5	8,529	1,910	0.2239	0.7761	4.71	
83.5	6,458	2,927	0.4532	0.5468	3.66	
84.5	3,184	2,401	0.7541	0.2459	2.00	
85.5	626	222	0.3546	0.6454	0.49	
86.5	403	21	0.0521	0.9479	0.32	
87.5	136	7	0.0515	0.9485	0.30	
88.5	130		0.0000	1.0000	0.28	
89.5	55		0.0000	1.0000	0.28	
90.5	55		0.0000	1.0000	0.28	
91.5					0.28	

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2762 MAINS - STEEL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1909-2008			EXPERIENCE BAND 1979-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	62,922,354		0.0000	1.0000	100.00
0.5	63,542,498	13,560	0.0002	0.9998	100.00
1.5	63,711,940	211,702	0.0033	0.9967	99.98
2.5	62,733,120	45,161	0.0007	0.9993	99.65
3.5	59,605,299	64,887	0.0011	0.9989	99.58
4.5	58,772,389	74,865	0.0013	0.9987	99.47
5.5	57,192,990	109,846	0.0019	0.9981	99.34
6.5	55,693,399	152,759	0.0027	0.9973	99.15
7.5	52,596,174	128,528	0.0024	0.9976	98.88
8.5	52,913,072	272,942	0.0052	0.9948	98.64
9.5	51,244,584	198,125	0.0039	0.9961	98.13
10.5	51,025,439	174,196	0.0034	0.9966	97.75
11.5	51,155,921	365,022	0.0071	0.9929	97.42
12.5	51,000,251	22,726	0.0004	0.9996	96.73
13.5	51,081,315	128,214	0.0025	0.9975	96.69
14.5	51,176,196	164,957	0.0032	0.9968	96.45
15.5	50,356,495	37,902	0.0008	0.9992	96.14
16.5	48,133,182	150,133	0.0031	0.9969	96.06
17.5	43,231,949	115,739	0.0027	0.9973	95.76
18.5	34,445,912	36,661	0.0011	0.9989	95.50
19.5	29,773,797	285,131	0.0096	0.9904	95.39
20.5	24,897,079	111,931	0.0045	0.9955	94.47
21.5	21,647,617	47,372	0.0022	0.9978	94.04
22.5	19,648,588	90,061	0.0046	0.9954	93.83
23.5	17,995,704	27,677	0.0015	0.9985	93.40
24.5	17,175,816	33,025	0.0019	0.9981	93.26
25.5	15,500,804	163,139	0.0105	0.9895	93.08
26.5	13,812,661	92,977	0.0067	0.9933	92.10
27.5	12,494,648	45,747	0.0037	0.9963	91.48
28.5	10,231,767	17,960	0.0018	0.9982	91.14
29.5	8,968,255	51,676	0.0058	0.9942	90.98
30.5	8,316,985	142,636	0.0171	0.9829	90.45
31.5	7,934,790	38,442	0.0048	0.9952	88.90
32.5	7,646,437	61,431	0.0080	0.9920	88.47
33.5	7,217,056	18,195	0.0025	0.9975	87.76
34.5	6,816,727	40,426	0.0059	0.9941	87.54
35.5	6,523,377	46,603	0.0071	0.9929	87.02
36.5	5,933,532	51,672	0.0087	0.9913	86.40
37.5	5,476,515	26,702	0.0049	0.9951	85.65
38.5	4,911,491	26,280	0.0054	0.9946	85.23

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2762 MAINS - STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1909-2008			EXPERIENCE BAND 1979-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	4,239,750	36,725	0.0087	0.9913	84.77
40.5	3,563,147	11,678	0.0033	0.9967	84.03
41.5	3,242,531	13,465	0.0042	0.9958	83.75
42.5	2,828,280	8,314	0.0029	0.9971	83.40
43.5	2,272,023	5,699	0.0025	0.9975	83.16
44.5	1,970,257	1,797	0.0009	0.9991	82.95
45.5	1,526,986	26,878	0.0176	0.9824	82.88
46.5	1,321,783	8,448	0.0064	0.9936	81.42
47.5	1,081,068	3,626	0.0034	0.9966	80.90
48.5	730,813	16,382	0.0224	0.9776	80.62
49.5	679,663	15,046	0.0221	0.9779	78.81
50.5	506,259	27,012	0.0534	0.9466	77.07
51.5	462,849	25,353	0.0548	0.9452	72.95
52.5	390,880	16,192	0.0414	0.9586	68.95
53.5	366,027	12,750	0.0348	0.9652	66.10
54.5	353,237	10,748	0.0304	0.9696	63.80
55.5	319,558	11,425	0.0358	0.9642	61.86
56.5	309,415	6,073	0.0196	0.9804	59.65
57.5	304,421	8,409	0.0276	0.9724	58.48
58.5	293,651	7,583	0.0258	0.9742	56.87
59.5	289,426	4,729	0.0163	0.9837	55.40
60.5	284,518	11,278	0.0396	0.9604	54.50
61.5	277,014	26,227	0.0947	0.9053	52.34
62.5	252,101	13,379	0.0531	0.9469	47.38
63.5	251,173	14,034	0.0559	0.9441	44.86
64.5	251,911	9,649	0.0383	0.9617	42.35
65.5	242,053	16,800	0.0694	0.9306	40.73
66.5	221,629	8,895	0.0401	0.9599	37.90
67.5	213,203	9,392	0.0441	0.9559	36.38
68.5	203,811	9,666	0.0474	0.9526	34.78
69.5	195,189	15,308	0.0784	0.9216	33.13
70.5	181,915	21,690	0.1192	0.8808	30.53
71.5	160,225	14,726	0.0919	0.9081	26.89
72.5	145,499	13,232	0.0909	0.9091	24.42
73.5	131,985	14,162	0.1073	0.8927	22.20
74.5	117,823	15,641	0.1327	0.8673	19.82
75.5	102,076	10,656	0.1044	0.8956	17.19
76.5	91,420	8,877	0.0971	0.9029	15.40
77.5	73,996	5,930	0.0801	0.9199	13.90
78.5	68,060	8,536	0.1254	0.8746	12.79

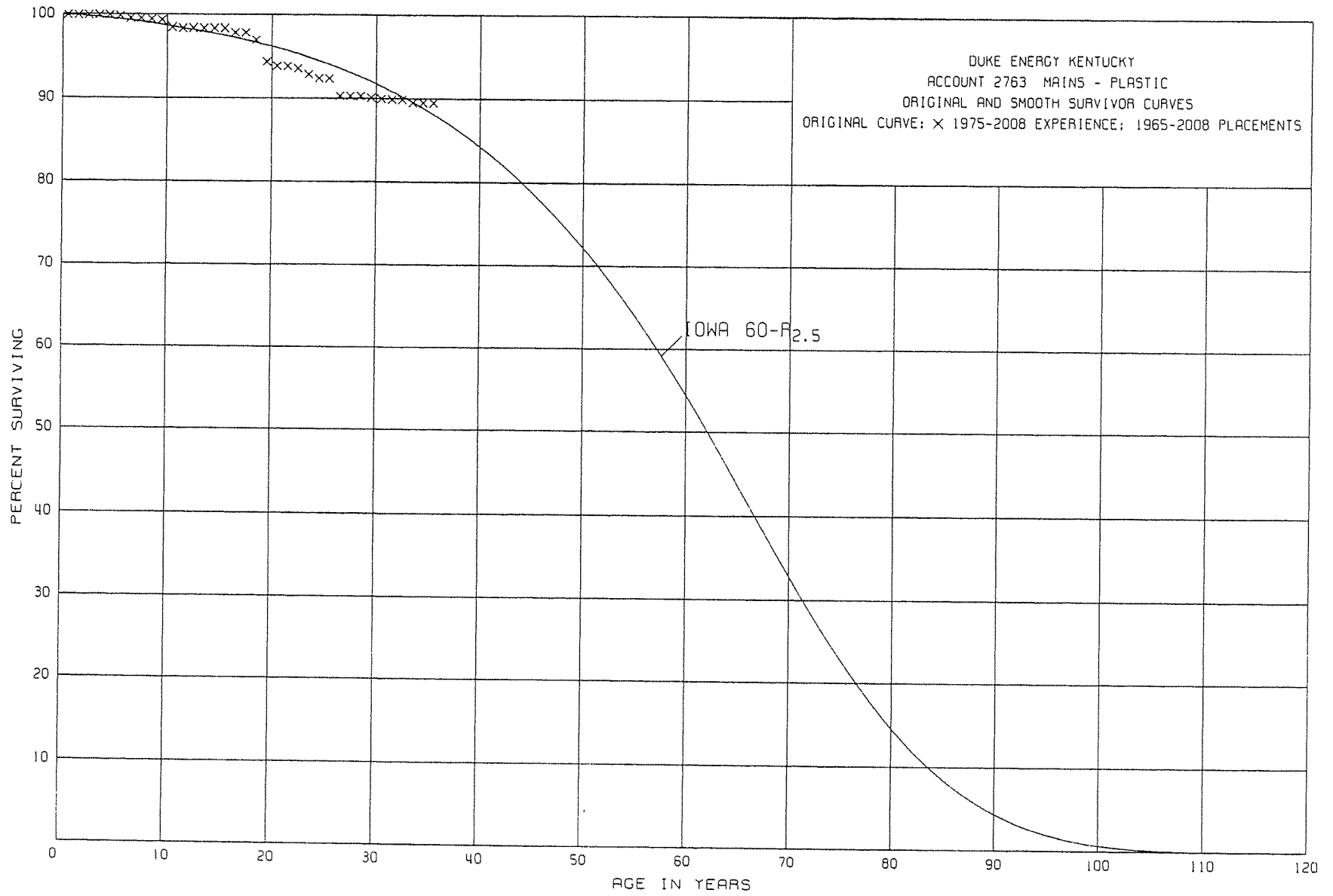
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2762 MAINS - STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1909-2008			EXPERIENCE BAND 1979-2008			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	44,939	9,349	0.2080	0.7920	11.19	
80.5	27,809	2,597	0.0934	0.9066	8.86	
81.5	14,798	2,852	0.1927	0.8073	8.03	
82.5	8,529	1,910	0.2239	0.7761	6.48	
83.5	6,458	2,927	0.4532	0.5468	5.03	
84.5	3,184	2,401	0.7541	0.2459	2.75	
85.5	626	222	0.3546	0.6454	0.68	
86.5	403	21	0.0521	0.9479	0.44	
87.5	136	7	0.0515	0.9485	0.42	
88.5	130		0.0000	1.0000	0.40	
89.5	55		0.0000	1.0000	0.40	
90.5	55		0.0000	1.0000	0.40	
91.5					0.40	

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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2763 MAINS - PLASTIC

ORIGINAL LIFE TABLE

PLACEMENT BAND 1965-2008

EXPERIENCE BAND 1975-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	115,476,776		0.0000	1.0000	100.00
0.5	102,878,057	14,319	0.0001	0.9999	100.00
1.5	94,117,572	75,387	0.0008	0.9992	99.99
2.5	84,258,581	36,363	0.0004	0.9996	99.91
3.5	73,707,143	11,484	0.0002	0.9998	99.87
4.5	58,323,043	46,020	0.0008	0.9992	99.85
5.5	48,005,459	144,973	0.0030	0.9970	99.77
6.5	36,689,540	8,092	0.0002	0.9998	99.47
7.5	29,867,992	23,854	0.0008	0.9992	99.45
8.5	26,504,352	24,190	0.0009	0.9991	99.37
9.5	23,851,978	180,549	0.0076	0.9924	99.28
10.5	20,154,629	19,019	0.0009	0.9991	98.53
11.5	15,858,749	56	0.0000	1.0000	98.44
12.5	12,297,719	5,024	0.0004	0.9996	98.44
13.5	9,210,268	864	0.0001	0.9999	98.40
14.5	5,354,847	1,342	0.0003	0.9997	98.39
15.5	2,957,410	14,766	0.0050	0.9950	98.36
16.5	1,681,794	377	0.0002	0.9998	97.87
17.5	1,509,031	13,025	0.0086	0.9914	97.85
18.5	1,436,715	38,883	0.0271	0.9729	97.01
19.5	1,326,476	7,265	0.0055	0.9945	94.38
20.5	1,307,097		0.0000	1.0000	93.86
21.5	1,247,756	3,983	0.0032	0.9968	93.86
22.5	1,215,864	9,049	0.0074	0.9926	93.56
23.5	1,206,815	6,280	0.0052	0.9948	92.87
24.5	1,159,967	68	0.0001	0.9999	92.39
25.5	1,150,242	25,474	0.0221	0.9779	92.38
26.5	1,124,768	952	0.0008	0.9992	90.34
27.5	1,087,738	234	0.0002	0.9998	90.27
28.5	919,955	1,411	0.0015	0.9985	90.25
29.5	818,579	875	0.0011	0.9989	90.11
30.5	757,351	796	0.0011	0.9989	90.01
31.5	749,019	430	0.0006	0.9994	89.91
32.5	719,871	2,865	0.0040	0.9960	89.86
33.5	649,456		0.0000	1.0000	89.50
34.5	586,936		0.0000	1.0000	89.50
35.5	468,351		0.0000	1.0000	89.50
36.5	286,920		0.0000	1.0000	89.50
37.5	112,329		0.0000	1.0000	89.50
38.5	7,912		0.0000	1.0000	89.50

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2763 MAINS - PLASTIC

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1965-2008			EXPERIENCE BAND 1975-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	7,912		0.0000	1.0000	89.50
40.5	1,139		0.0000	1.0000	89.50
41.5	1,139		0.0000	1.0000	89.50
42.5	1,139		0.0000	1.0000	89.50
43.5					89.50

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2763 MAINS - PLASTIC

ORIGINAL LIFE TABLE

PLACEMENT BAND 1965-2008			EXPERIENCE BAND 1989-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	114,800,820		0.0000	1.0000	100.00
0.5	102,127,697	14,319	0.0001	0.9999	100.00
1.5	93,306,212	73,518	0.0008	0.9992	99.99
2.5	83,292,402	36,363	0.0004	0.9996	99.91
3.5	72,509,289	10,217	0.0001	0.9999	99.87
4.5	57,061,907	46,020	0.0008	0.9992	99.86
5.5	46,753,979	137,190	0.0029	0.9971	99.78
6.5	35,438,251	8,044	0.0002	0.9998	99.49
7.5	28,659,945	23,664	0.0008	0.9992	99.47
8.5	25,467,657	22,163	0.0009	0.9991	99.39
9.5	22,916,008	178,952	0.0078	0.9922	99.30
10.5	19,296,197	13,327	0.0007	0.9993	98.53
11.5	15,014,207	22	0.0000	1.0000	98.46
12.5	11,498,643		0.0000	1.0000	98.46
13.5	8,487,277	702	0.0001	0.9999	98.46
14.5	4,716,017	1,342	0.0003	0.9997	98.45
15.5	2,438,277	14,701	0.0060	0.9940	98.42
16.5	1,347,431	377	0.0003	0.9997	97.83
17.5	1,394,431	13,025	0.0093	0.9907	97.80
18.5	1,427,168	38,883	0.0272	0.9728	96.89
19.5	1,316,929	7,265	0.0055	0.9945	94.25
20.5	1,305,141		0.0000	1.0000	93.73
21.5	1,245,800	3,983	0.0032	0.9968	93.73
22.5	1,213,908	9,049	0.0075	0.9925	93.43
23.5	1,206,815	6,280	0.0052	0.9948	92.73
24.5	1,159,967	68	0.0001	0.9999	92.25
25.5	1,150,242	25,474	0.0221	0.9779	92.24
26.5	1,124,768	952	0.0008	0.9992	90.20
27.5	1,087,738	234	0.0002	0.9998	90.13
28.5	919,955	1,411	0.0015	0.9985	90.11
29.5	818,579	875	0.0011	0.9989	89.97
30.5	757,351	796	0.0011	0.9989	89.87
31.5	749,019	430	0.0006	0.9994	89.77
32.5	719,871	2,865	0.0040	0.9960	89.72
33.5	649,456		0.0000	1.0000	89.36
34.5	586,936		0.0000	1.0000	89.36
35.5	468,351		0.0000	1.0000	89.36
36.5	286,920		0.0000	1.0000	89.36
37.5	112,329		0.0000	1.0000	89.36
38.5	7,912		0.0000	1.0000	89.36

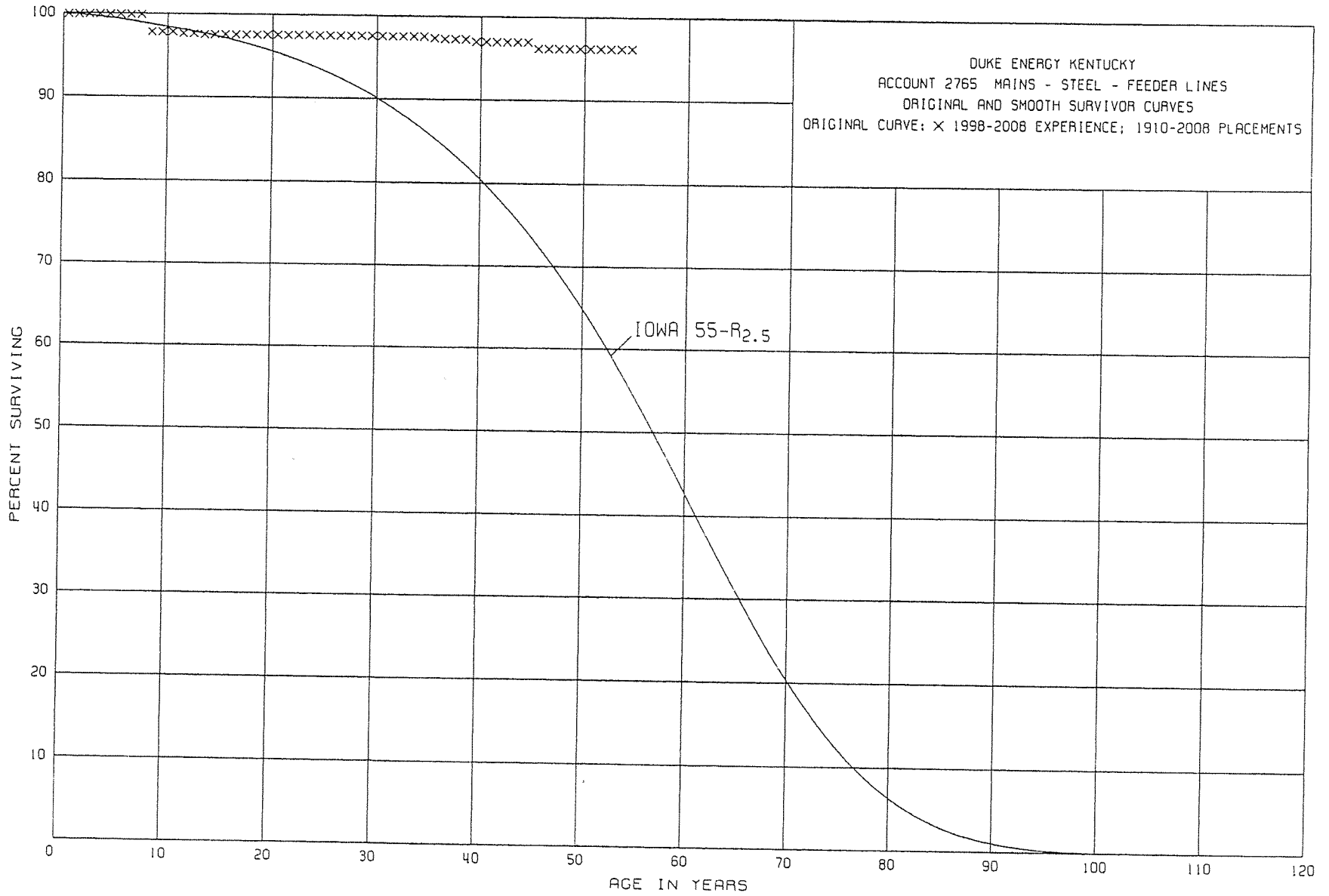
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2763 MAINS - PLASTIC

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1965-2008			EXPERIENCE BAND 1989-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	7,912		0.0000	1.0000	89.36
40.5	1,139		0.0000	1.0000	89.36
41.5	1,139		0.0000	1.0000	89.36
42.5	1,139		0.0000	1.0000	89.36
43.5					89.36

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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2765 MAINS - STEEL - FEEDER LINES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1910-2008			EXPERIENCE BAND 1998-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	6,917,990		0.0000	1.0000	100.00
0.5	5,222,056		0.0000	1.0000	100.00
1.5	3,874,578		0.0000	1.0000	100.00
2.5	2,894,790		0.0000	1.0000	100.00
3.5	3,001,633		0.0000	1.0000	100.00
4.5	3,296,340		0.0000	1.0000	100.00
5.5	2,860,225		0.0000	1.0000	100.00
6.5	4,238,322		0.0000	1.0000	100.00
7.5	4,214,028	88,177	0.0209	0.9791	100.00
8.5	6,620,898		0.0000	1.0000	97.91
9.5	6,459,784		0.0000	1.0000	97.91
10.5	6,700,836	12,340	0.0018	0.9982	97.91
11.5	7,185,634		0.0000	1.0000	97.73
12.5	7,224,292	6,889	0.0010	0.9990	97.73
13.5	7,291,012		0.0000	1.0000	97.63
14.5	6,881,207		0.0000	1.0000	97.63
15.5	6,863,237		0.0000	1.0000	97.63
16.5	6,034,151		0.0000	1.0000	97.63
17.5	4,682,786		0.0000	1.0000	97.63
18.5	4,836,131		0.0000	1.0000	97.63
19.5	2,157,988		0.0000	1.0000	97.63
20.5	2,245,385		0.0000	1.0000	97.63
21.5	1,967,706		0.0000	1.0000	97.63
22.5	2,052,377		0.0000	1.0000	97.63
23.5	3,040,516		0.0000	1.0000	97.63
24.5	2,980,025		0.0000	1.0000	97.63
25.5	3,671,696		0.0000	1.0000	97.63
26.5	4,239,743		0.0000	1.0000	97.63
27.5	4,713,040		0.0000	1.0000	97.63
28.5	4,767,157		0.0000	1.0000	97.63
29.5	5,354,880	2,460	0.0005	0.9995	97.63
30.5	5,209,426		0.0000	1.0000	97.58
31.5	4,935,960		0.0000	1.0000	97.58
32.5	6,385,942		0.0000	1.0000	97.58
33.5	5,760,185		0.0000	1.0000	97.58
34.5	4,727,250	10,544	0.0022	0.9978	97.58
35.5	4,691,672	4,654	0.0010	0.9990	97.37
36.5	4,023,138		0.0000	1.0000	97.27
37.5	3,168,141		0.0000	1.0000	97.27
38.5	2,798,732	7,089	0.0025	0.9975	97.27

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2765 MAINS - STEEL - FEEDER LINES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2008			EXPERIENCE BAND 1998-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,634,257		0.0000	1.0000	97.03
40.5	1,982,899		0.0000	1.0000	97.03
41.5	1,831,771		0.0000	1.0000	97.03
42.5	3,060,492		0.0000	1.0000	97.03
43.5	1,620,676		0.0000	1.0000	97.03
44.5	1,801,966	15,952	0.0089	0.9911	97.03
45.5	1,771,649		0.0000	1.0000	96.17
46.5	1,771,271		0.0000	1.0000	96.17
47.5	1,737,121		0.0000	1.0000	96.17
48.5	1,722,164		0.0000	1.0000	96.17
49.5	1,677,064		0.0000	1.0000	96.17
50.5	1,627,045		0.0000	1.0000	96.17
51.5	1,523,873		0.0000	1.0000	96.17
52.5	1,523,873		0.0000	1.0000	96.17
53.5	255,460		0.0000	1.0000	96.17
54.5	244,895		0.0000	1.0000	96.17
55.5	63,605		0.0000	1.0000	96.17
56.5	61,882		0.0000	1.0000	96.17
57.5	61,882		0.0000	1.0000	96.17
58.5	61,882		0.0000	1.0000	96.17
59.5	59,282		0.0000	1.0000	96.17
60.5	495		0.0000	1.0000	96.17
61.5	495		0.0000	1.0000	96.17
62.5	495		0.0000	1.0000	96.17
63.5	495		0.0000	1.0000	96.17
64.5	495		0.0000	1.0000	96.17
65.5	978		0.0000	1.0000	96.17
66.5	1,523		0.0000	1.0000	96.17
67.5	1,028		0.0000	1.0000	96.17
68.5	1,028		0.0000	1.0000	96.17
69.5	1,028		0.0000	1.0000	96.17
70.5	1,028		0.0000	1.0000	96.17
71.5	1,028		0.0000	1.0000	96.17
72.5	1,028		0.0000	1.0000	96.17
73.5	3,055		0.0000	1.0000	96.17
74.5	3,055		0.0000	1.0000	96.17
75.5	2,572		0.0000	1.0000	96.17
76.5	2,572		0.0000	1.0000	96.17
77.5	2,027		0.0000	1.0000	96.17
78.5	2,027		0.0000	1.0000	96.17

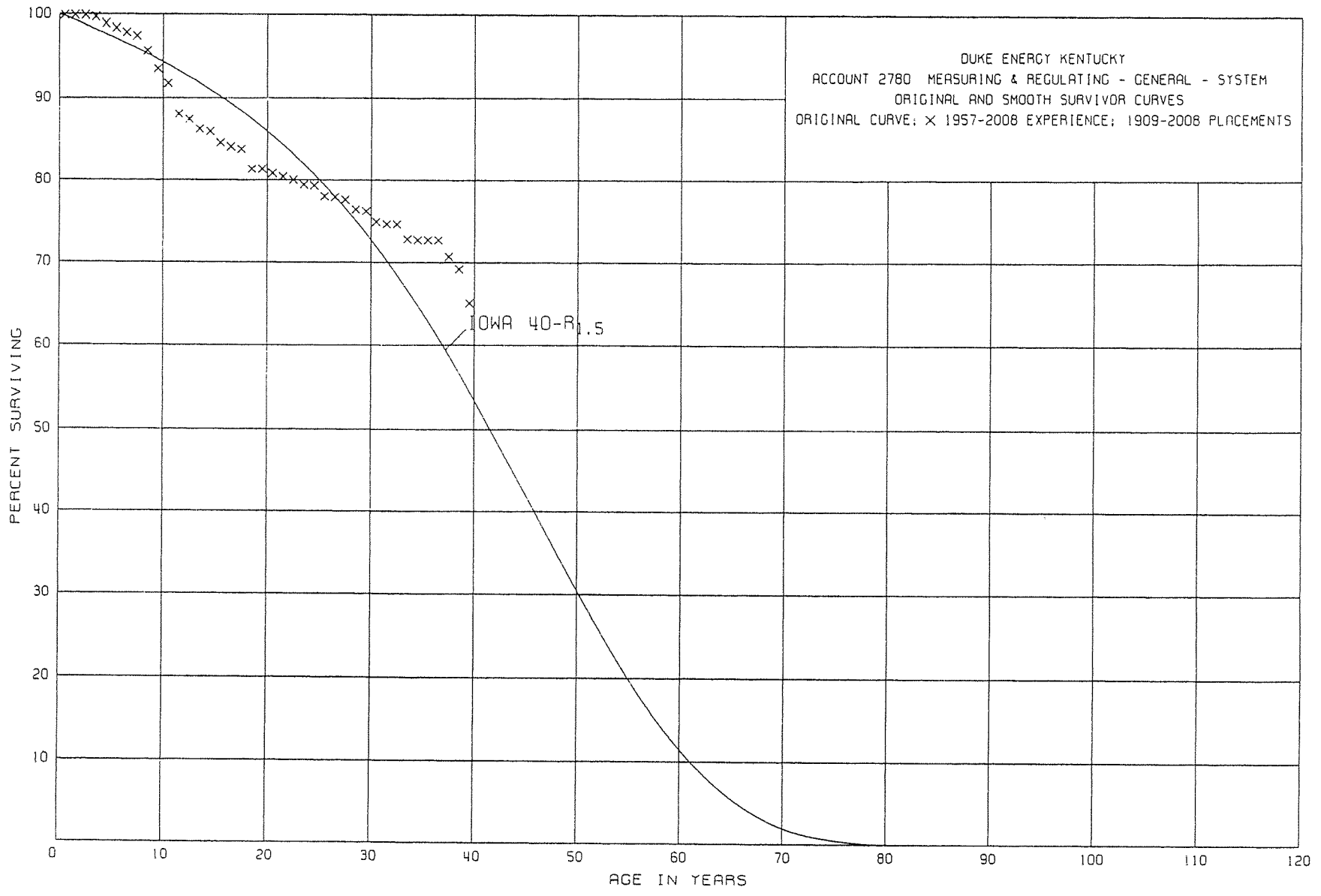
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2765 MAINS - STEEL - FEEDER LINES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2008			EXPERIENCE BAND 1998-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	2,027		0.0000	1.0000	96.17
80.5	2,602		0.0000	1.0000	96.17
81.5	2,602		0.0000	1.0000	96.17
82.5	2,602		0.0000	1.0000	96.17
83.5	2,602		0.0000	1.0000	96.17
84.5	575		0.0000	1.0000	96.17
85.5	575		0.0000	1.0000	96.17
86.5	575		0.0000	1.0000	96.17
87.5	856		0.0000	1.0000	96.17
88.5	856		0.0000	1.0000	96.17
89.5	856		0.0000	1.0000	96.17
90.5	856		0.0000	1.0000	96.17
91.5	281		0.0000	1.0000	96.17
92.5	281		0.0000	1.0000	96.17
93.5	281		0.0000	1.0000	96.17
94.5	281		0.0000	1.0000	96.17
95.5	281		0.0000	1.0000	96.17
96.5	281		0.0000	1.0000	96.17
97.5	281		0.0000	1.0000	96.17
98.5					

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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2780 MEASURING & REGULATING - GENERAL - SYSTEM
EXCLUDING ELECTRONIC EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1909-2008			EXPERIENCE BAND 1957-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,923,167		0.0000	1.0000	100.00
0.5	3,894,781	1,626	0.0004	0.9996	100.00
1.5	3,566,128	1,743	0.0005	0.9995	99.96
2.5	3,255,017	8,061	0.0025	0.9975	99.91
3.5	3,127,882	20,123	0.0064	0.9936	99.66
4.5	3,035,466	14,787	0.0049	0.9951	99.02
5.5	2,889,926	14,761	0.0051	0.9949	98.53
6.5	2,825,506	13,517	0.0048	0.9952	98.03
7.5	2,733,318	50,968	0.0186	0.9814	97.56
8.5	1,974,750	45,224	0.0229	0.9771	95.75
9.5	1,883,972	34,909	0.0185	0.9815	93.56
10.5	1,774,540	73,527	0.0414	0.9586	91.83
11.5	1,677,728	12,983	0.0077	0.9923	88.03
12.5	1,666,126	21,081	0.0127	0.9873	87.35
13.5	1,623,510	6,528	0.0040	0.9960	86.24
14.5	1,590,977	25,491	0.0160	0.9840	85.90
15.5	1,527,574	9,945	0.0065	0.9935	84.53
16.5	1,477,919	5,777	0.0039	0.9961	83.98
17.5	1,373,817	38,590	0.0281	0.9719	83.65
18.5	1,326,914		0.0000	1.0000	81.30
19.5	1,196,850	6,877	0.0057	0.9943	81.30
20.5	1,099,773	6,376	0.0058	0.9942	80.84
21.5	1,078,280	5,625	0.0052	0.9948	80.37
22.5	904,214	6,389	0.0071	0.9929	79.95
23.5	865,411	733	0.0008	0.9992	79.38
24.5	759,691	12,602	0.0166	0.9834	79.32
25.5	734,953	1,238	0.0017	0.9983	78.00
26.5	701,876	2,216	0.0032	0.9968	77.87
27.5	684,757	11,047	0.0161	0.9839	77.62
28.5	611,212	1,435	0.0023	0.9977	76.37
29.5	511,410	8,790	0.0172	0.9828	76.19
30.5	467,474	2,006	0.0043	0.9957	74.88
31.5	458,804		0.0000	1.0000	74.56
32.5	442,532	10,683	0.0241	0.9759	74.56
33.5	411,891	479	0.0012	0.9988	72.76
34.5	387,111		0.0000	1.0000	72.67
35.5	363,012		0.0000	1.0000	72.67
36.5	258,191	6,888	0.0267	0.9733	72.67
37.5	107,577	2,393	0.0222	0.9778	70.73
38.5	93,785	5,449	0.0581	0.9419	69.16

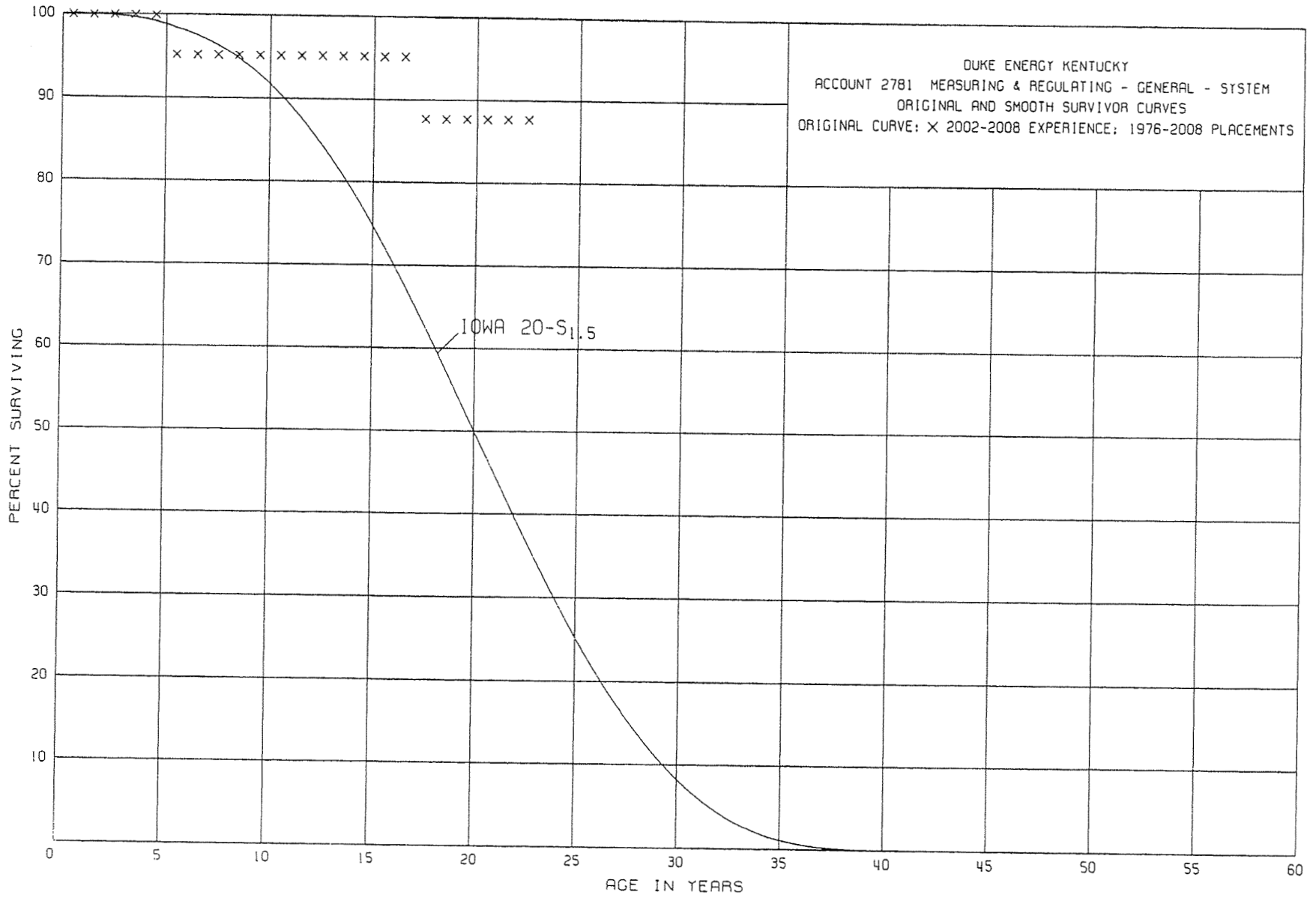
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2780 MEASURING & REGULATING - GENERAL - SYSTEM
EXCLUDING ELECTRONIC EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1909-2008			EXPERIENCE BAND 1957-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	77,527		0.0000	1.0000	65.14
40.5	67,658		0.0000	1.0000	65.14
41.5	67,658		0.0000	1.0000	65.14
42.5	67,084		0.0000	1.0000	65.14
43.5	60,290	294	0.0049	0.9951	65.14
44.5	59,996		0.0000	1.0000	64.82
45.5	57,589		0.0000	1.0000	64.82
46.5	57,589		0.0000	1.0000	64.82
47.5	48,194		0.0000	1.0000	64.82
48.5	47,417		0.0000	1.0000	64.82
49.5	31,290		0.0000	1.0000	64.82
50.5	30,339	2,313	0.0762	0.9238	64.82
51.5	25,559	401	0.0157	0.9843	59.88
52.5	21,492	86	0.0040	0.9960	58.94
53.5	17,190	111	0.0065	0.9935	58.70
54.5	17,079		0.0000	1.0000	58.32
55.5	10,760		0.0000	1.0000	58.32
56.5	10,760	4,287	0.3984	0.6016	58.32
57.5	6,473		0.0000	1.0000	35.09
58.5	6,473		0.0000	1.0000	35.09
59.5	1,332		0.0000	1.0000	35.09
60.5	1,332		0.0000	1.0000	35.09
61.5	1,294		0.0000	1.0000	35.09
62.5	1,294		0.0000	1.0000	35.09
63.5	1,294		0.0000	1.0000	35.09
64.5	1,294		0.0000	1.0000	35.09
65.5	1,294	323	0.2496	0.7504	35.09
66.5	971		0.0000	1.0000	26.33
67.5	971		0.0000	1.0000	26.33
68.5	971		0.0000	1.0000	26.33
69.5	971		0.0000	1.0000	26.33
70.5	971	131	0.1349	0.8651	26.33
71.5	840		0.0000	1.0000	22.78
72.5	840		0.0000	1.0000	22.78
73.5	288		0.0000	1.0000	22.78
74.5	288		0.0000	1.0000	22.78
75.5	288	288	1.0000	0.0000	22.78
76.5					0.00

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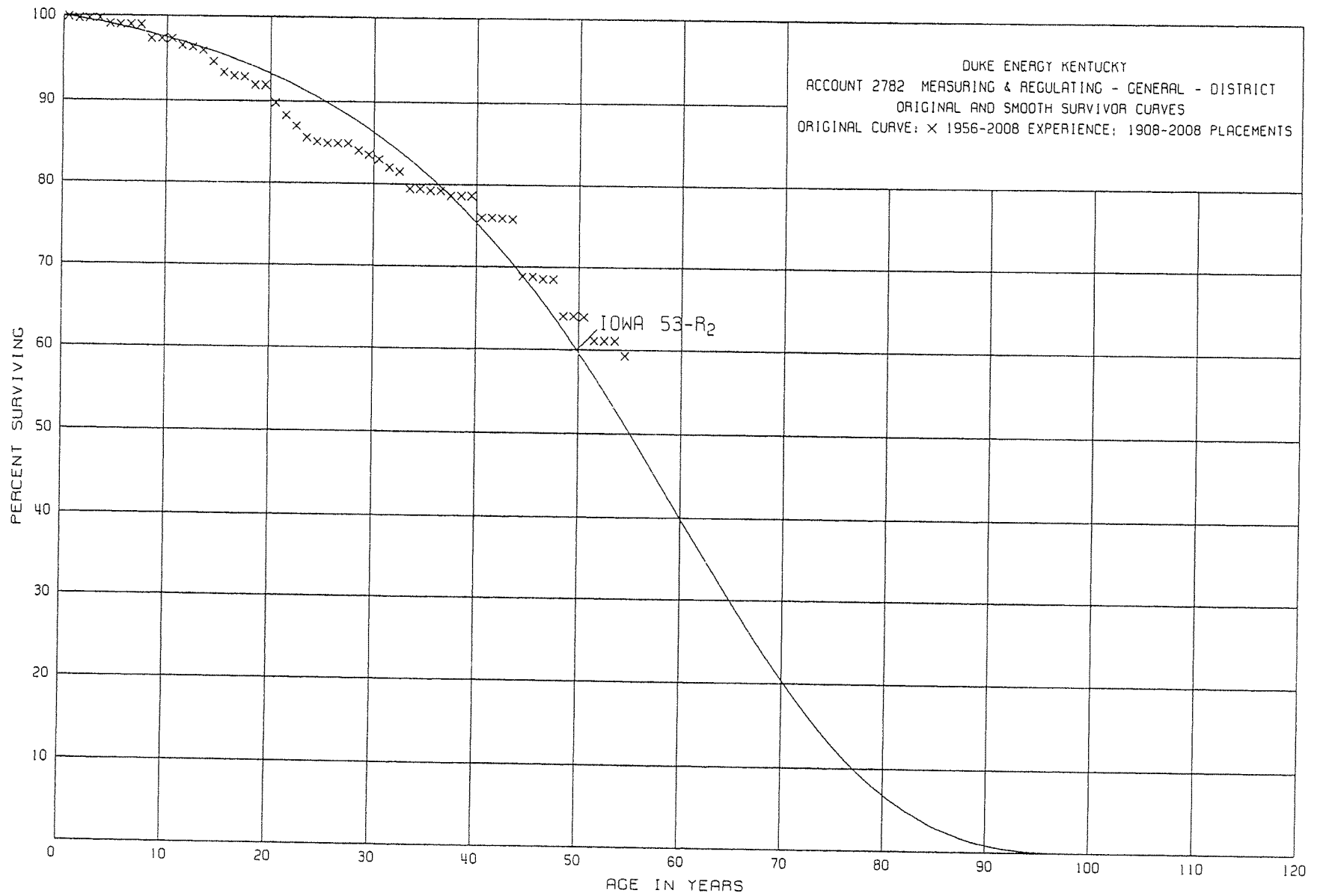
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2781 MEASURING & REGULATING - GENERAL - SYSTEM
ELECTRONIC EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1976-2008			EXPERIENCE BAND 2002-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	296,813		0.0000	1.0000	100.00
0.5	268,466		0.0000	1.0000	100.00
1.5	194,543		0.0000	1.0000	100.00
2.5	95,332		0.0000	1.0000	100.00
3.5	50,934		0.0000	1.0000	100.00
4.5	70,968	3,399	0.0479	0.9521	100.00
5.5	76,115		0.0000	1.0000	95.21
6.5	73,644		0.0000	1.0000	95.21
7.5	127,694		0.0000	1.0000	95.21
8.5	127,694		0.0000	1.0000	95.21
9.5	127,694		0.0000	1.0000	95.21
10.5	114,565		0.0000	1.0000	95.21
11.5	85,934		0.0000	1.0000	95.21
12.5	57,850		0.0000	1.0000	95.21
13.5	81,733		0.0000	1.0000	95.21
14.5	58,736		0.0000	1.0000	95.21
15.5	210,792		0.0000	1.0000	95.21
16.5	210,792	16,626	0.0789	0.9211	95.21
17.5	194,165		0.0000	1.0000	87.70
18.5	194,165		0.0000	1.0000	87.70
19.5	194,165		0.0000	1.0000	87.70
20.5	166,482		0.0000	1.0000	87.70
21.5	135,429		0.0000	1.0000	87.70
22.5					87.70
23.5					
24.5					
25.5	9,322		0.0000		
26.5	9,322		0.0000		
27.5	9,322		0.0000		
28.5	9,322		0.0000		
29.5	9,322		0.0000		
30.5	9,322		0.0000		
31.5	9,322		0.0000		
32.5					

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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2782 MEASURING & REGULATING - GENERAL - DISTRICT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1908-2008 EXPERIENCE BAND 1956-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	887,451		0.0000	1.0000	100.00
0.5	727,158	2,516	0.0035	0.9965	100.00
1.5	601,741		0.0000	1.0000	99.65
2.5	620,591		0.0000	1.0000	99.65
3.5	606,265	3,499	0.0058	0.9942	99.65
4.5	583,726	413	0.0007	0.9993	99.07
5.5	541,150		0.0000	1.0000	99.00
6.5	546,348		0.0000	1.0000	99.00
7.5	550,200	8,829	0.0160	0.9840	99.00
8.5	541,371		0.0000	1.0000	97.42
9.5	541,435		0.0000	1.0000	97.42
10.5	541,435	4,590	0.0085	0.9915	97.42
11.5	536,846	982	0.0018	0.9982	96.59
12.5	524,281	2,102	0.0040	0.9960	96.42
13.5	522,179	7,252	0.0139	0.9861	96.03
14.5	514,936	7,361	0.0143	0.9857	94.70
15.5	507,575	1,849	0.0036	0.9964	93.35
16.5	492,062	836	0.0017	0.9983	93.01
17.5	492,644	5,092	0.0103	0.9897	92.85
18.5	468,149	43	0.0001	0.9999	91.89
19.5	424,064	9,603	0.0226	0.9774	91.88
20.5	414,870	6,997	0.0169	0.9831	89.80
21.5	408,215	5,869	0.0144	0.9856	88.28
22.5	382,955	6,135	0.0160	0.9840	87.01
23.5	355,200	2,397	0.0067	0.9933	85.62
24.5	335,707	623	0.0019	0.9981	85.05
25.5	326,209		0.0000	1.0000	84.89
26.5	315,489		0.0000	1.0000	84.89
27.5	284,616	2,931	0.0103	0.9897	84.89
28.5	257,055	1,516	0.0059	0.9941	84.02
29.5	235,352	1,492	0.0063	0.9937	83.52
30.5	183,997	2,194	0.0119	0.9881	82.99
31.5	179,546	1,149	0.0064	0.9936	82.00
32.5	160,164	4,004	0.0250	0.9750	81.48
33.5	135,159		0.0000	1.0000	79.44
34.5	124,733	316	0.0025	0.9975	79.44
35.5	97,751	104	0.0011	0.9989	79.24
36.5	95,769	638	0.0067	0.9933	79.15
37.5	90,569	65	0.0007	0.9993	78.62
38.5	82,558		0.0000	1.0000	78.56

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2782 MEASURING & REGULATING - GENERAL - DISTRICT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1908-2008 EXPERIENCE BAND 1956-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	82,796	2,661	0.0321	0.9679	78.56
40.5	80,580	79	0.0010	0.9990	76.04
41.5	80,502	88	0.0011	0.9989	75.96
42.5	74,023	83	0.0011	0.9989	75.88
43.5	71,719	6,659	0.0928	0.9072	75.80
44.5	60,582		0.0000	1.0000	68.77
45.5	60,340	217	0.0036	0.9964	68.77
46.5	61,949	62	0.0010	0.9990	68.52
47.5	57,424	3,729	0.0649	0.9351	68.45
48.5	50,862		0.0000	1.0000	64.01
49.5	48,342	100	0.0021	0.9979	64.01
50.5	48,242	2,097	0.0435	0.9565	63.88
51.5	46,145		0.0000	1.0000	61.10
52.5	46,145		0.0000	1.0000	61.10
53.5	41,929	1,211	0.0289	0.9711	61.10
54.5	40,718	410	0.0101	0.9899	59.33
55.5	28,301	907	0.0320	0.9680	58.73
56.5	12,375	267	0.0216	0.9784	56.85
57.5	12,107	212	0.0175	0.9825	55.62
58.5	11,895	115	0.0097	0.9903	54.65
59.5	10,356	130	0.0126	0.9874	54.12
60.5	8,824	211	0.0239	0.9761	53.44
61.5	8,613	124	0.0144	0.9856	52.16
62.5	8,489	290	0.0342	0.9658	51.41
63.5	8,199	107	0.0131	0.9869	49.65
64.5	8,092		0.0000	1.0000	49.00
65.5	8,092	217	0.0268	0.9732	49.00
66.5	7,875	806	0.1023	0.8977	47.69
67.5	7,069	233	0.0330	0.9670	42.81
68.5	6,836		0.0000	1.0000	41.40
69.5	6,834	134	0.0196	0.9804	41.40
70.5	5,348	39	0.0073	0.9927	40.59
71.5	3,181		0.0000	1.0000	40.29
72.5	3,181		0.0000	1.0000	40.29
73.5	3,181		0.0000	1.0000	40.29
74.5	3,181		0.0000	1.0000	40.29
75.5	3,181		0.0000	1.0000	40.29
76.5	3,181	109	0.0343	0.9657	40.29
77.5	3,072	273	0.0889	0.9111	38.91
78.5	2,115		0.0000	1.0000	35.45

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2782 MEASURING & REGULATING - GENERAL - DISTRICT

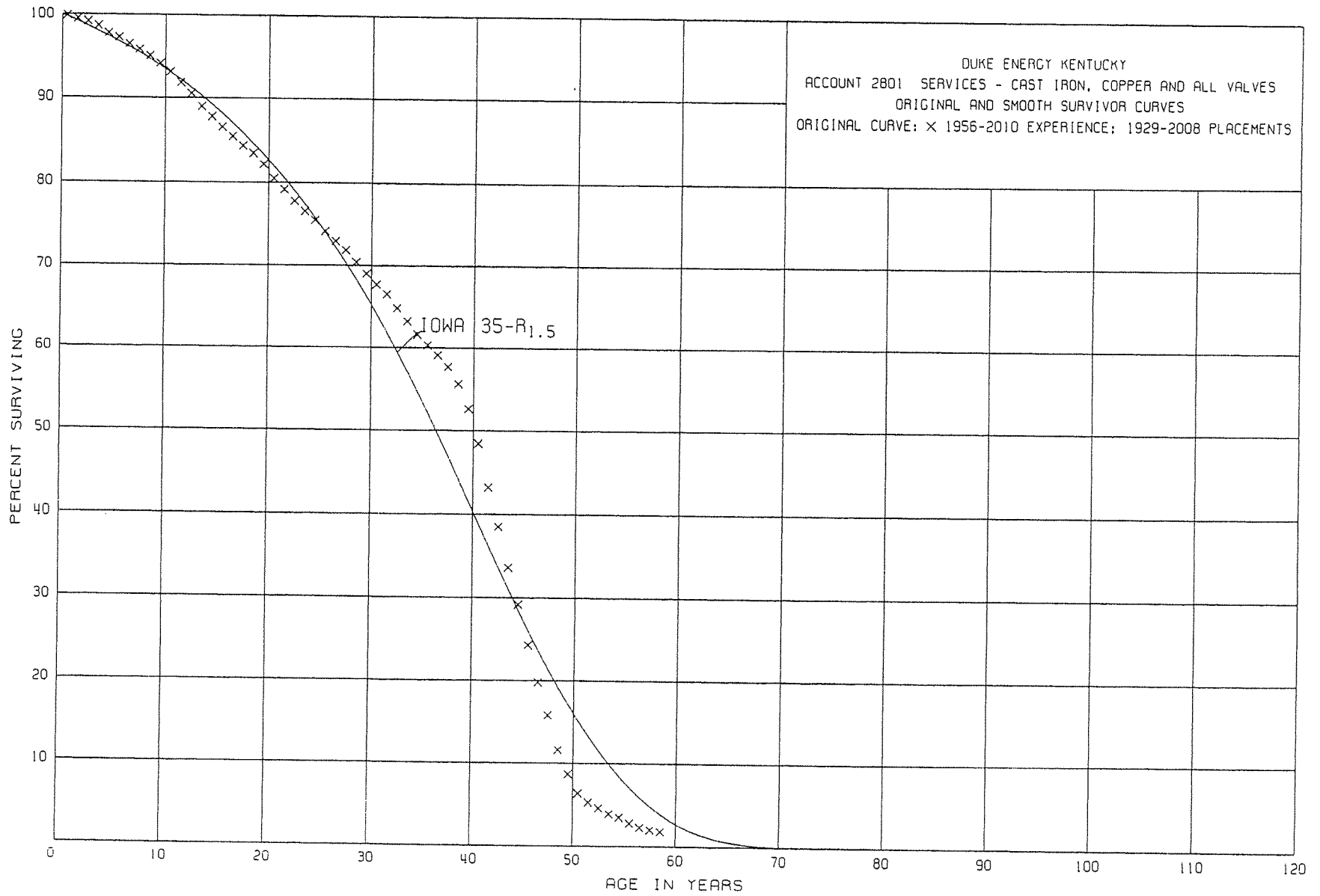
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1908-2008

EXPERIENCE BAND 1956-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	2,115		0.0000	1.0000	35.45
80.5	2,115		0.0000	1.0000	35.45
81.5	2,115		0.0000	1.0000	35.45
82.5	2,115		0.0000	1.0000	35.45
83.5	2,115		0.0000	1.0000	35.45
84.5	2,115		0.0000	1.0000	35.45
85.5	2,115		0.0000	1.0000	35.45
86.5	2,115		0.0000	1.0000	35.45
87.5	2,115		0.0000	1.0000	35.45
88.5	2,115		0.0000	1.0000	35.45
89.5	2,115		0.0000	1.0000	35.45
90.5	2,115		0.0000	1.0000	35.45
91.5	2,115		0.0000	1.0000	35.45
92.5	2,115		0.0000	1.0000	35.45
93.5	2,115		0.0000	1.0000	35.45
94.5	2,115		0.0000	1.0000	35.45
95.5	2,115		0.0000	1.0000	35.45
96.5	2,115		0.0000	1.0000	35.45
97.5	2,115		0.0000	1.0000	35.45
98.5	1,324		0.0000	1.0000	35.45
99.5					35.45

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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2801 SERVICES - CAST IRON, COPPER AND ALL VALVES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1929-2008

EXPERIENCE BAND 1956-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,219,004	3,851	0.0009	0.9991	100.00
0.5	4,241,774	15,671	0.0037	0.9963	99.91
1.5	4,281,512	12,796	0.0030	0.9970	99.54
2.5	3,380,209	19,089	0.0056	0.9944	99.24
3.5	3,316,298	30,001	0.0090	0.9910	98.68
4.5	3,315,140	17,694	0.0053	0.9947	97.79
5.5	3,351,195	26,306	0.0078	0.9922	97.27
6.5	3,374,155	24,906	0.0074	0.9926	96.51
7.5	3,394,514	29,314	0.0086	0.9914	95.80
8.5	3,389,189	30,214	0.0089	0.9911	94.98
9.5	3,369,805	35,304	0.0105	0.9895	94.13
10.5	3,338,618	47,202	0.0141	0.9859	93.14
11.5	3,291,338	47,177	0.0143	0.9857	91.83
12.5	3,246,535	55,055	0.0170	0.9830	90.52
13.5	3,191,946	43,290	0.0136	0.9864	88.98
14.5	3,156,443	43,000	0.0136	0.9864	87.77
15.5	3,125,259	38,263	0.0122	0.9878	86.58
16.5	3,092,969	39,623	0.0128	0.9872	85.52
17.5	3,063,603	34,156	0.0111	0.9889	84.43
18.5	3,048,121	47,479	0.0156	0.9844	83.49
19.5	3,007,855	60,563	0.0201	0.9799	82.19
20.5	2,942,891	49,040	0.0167	0.9833	80.54
21.5	2,898,860	52,364	0.0181	0.9819	79.19
22.5	2,844,373	40,976	0.0144	0.9856	77.76
23.5	2,801,477	43,387	0.0155	0.9845	76.64
24.5	2,757,301	47,453	0.0172	0.9828	75.45
25.5	2,708,826	43,013	0.0159	0.9841	74.15
26.5	2,663,858	39,991	0.0150	0.9850	72.97
27.5	2,622,023	55,872	0.0213	0.9787	71.88
28.5	2,564,264	50,922	0.0199	0.9801	70.35
29.5	2,508,713	44,677	0.0178	0.9822	68.95
30.5	2,458,316	44,926	0.0183	0.9817	67.72
31.5	2,413,255	59,571	0.0247	0.9753	66.48
32.5	2,346,949	60,747	0.0259	0.9741	64.84
33.5	2,282,459	57,532	0.0252	0.9748	63.16
34.5	2,224,592	44,356	0.0199	0.9801	61.57
35.5	2,178,146	45,841	0.0210	0.9790	60.34
36.5	2,130,282	50,923	0.0239	0.9761	59.07
37.5	2,072,811	75,060	0.0362	0.9638	57.66
38.5	1,977,379	105,151	0.0532	0.9468	55.57

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2801 SERVICES - CAST IRON, COPPER AND ALL VALVES

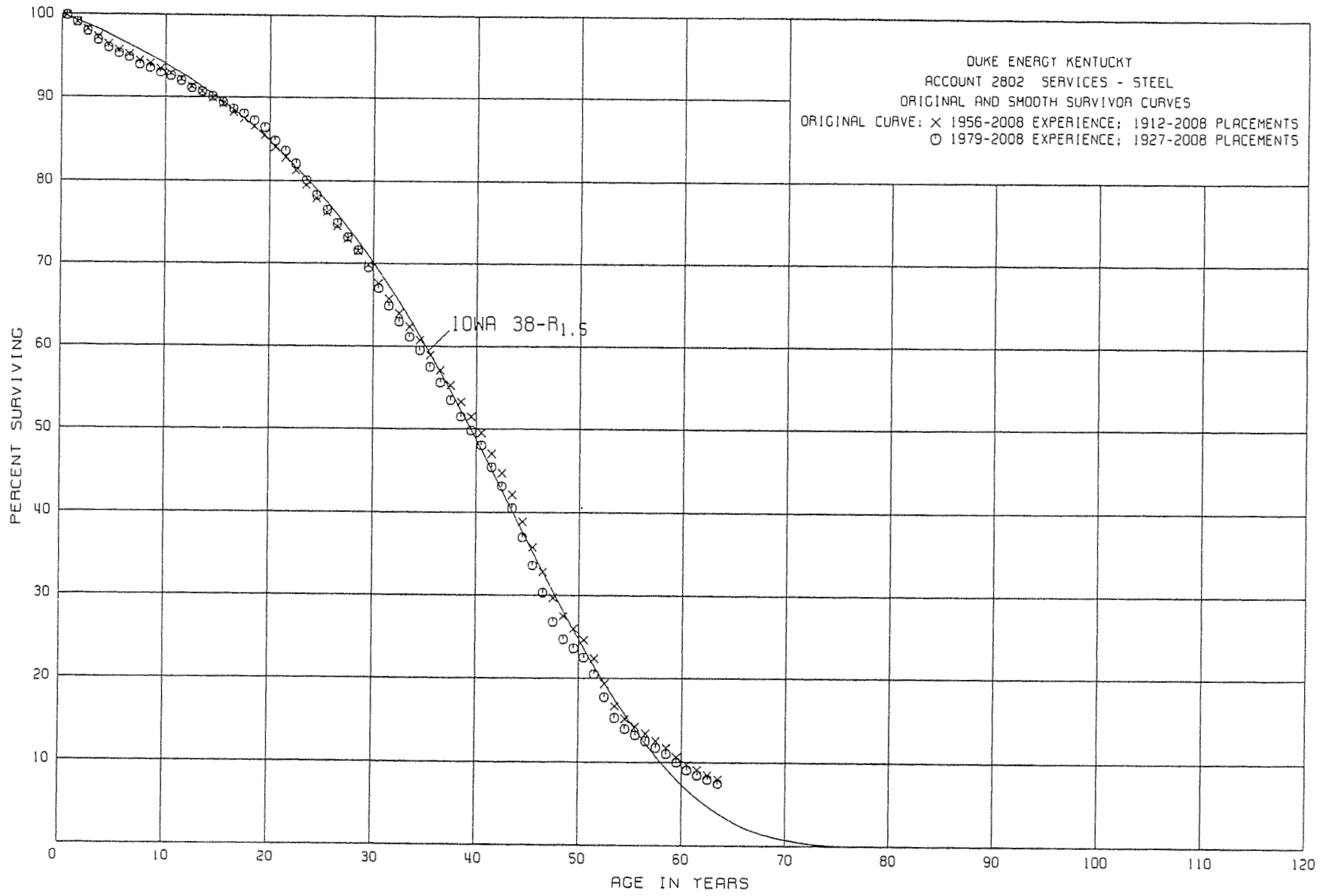
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1929-2008

EXPERIENCE BAND 1956-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,822,609	144,837	0.0795	0.9205	52.61
40.5	1,629,464	174,788	0.1073	0.8927	48.43
41.5	1,428,656	155,730	0.1090	0.8910	43.23
42.5	1,272,925	161,654	0.1270	0.8730	38.52
43.5	1,111,271	145,671	0.1311	0.8689	33.63
44.5	965,600	163,199	0.1690	0.8310	29.22
45.5	802,401	148,801	0.1854	0.8146	24.28
46.5	653,600	132,641	0.2029	0.7971	19.78
47.5	520,959	137,378	0.2637	0.7363	15.77
48.5	383,582	95,377	0.2486	0.7514	11.61
49.5	288,204	76,869	0.2667	0.7333	8.72
50.5	211,361	36,338	0.1719	0.8281	6.39
51.5	175,022	21,884	0.1250	0.8750	5.29
52.5	153,138	23,337	0.1524	0.8476	4.63
53.5	129,801	15,655	0.1206	0.8794	3.92
54.5	114,147	22,120	0.1938	0.8062	3.45
55.5	92,027	14,456	0.1571	0.8429	2.78
56.5	77,570	11,253	0.1451	0.8549	2.34
57.5	66,317	7,088	0.1069	0.8931	2.00
58.5	59,229	10,296	0.1738	0.8262	1.79
59.5	48,933	9,811	0.2005	0.7995	1.48
60.5	39,122	8,769	0.2241	0.7759	1.18
61.5	30,362	4,706	0.1550	0.8450	0.92
62.5	25,656	3,921	0.1528	0.8472	0.78
63.5	21,742	3,552	0.1634	0.8366	0.66
64.5	18,190	1,289	0.0709	0.9291	0.55
65.5	16,901	1,966	0.1163	0.8837	0.51
66.5	14,936	2,352	0.1575	0.8425	0.45
67.5	12,584	1,295	0.1029	0.8971	0.38
68.5	11,289	3,933	0.3484	0.6516	0.34
69.5	7,355	953	0.1296	0.8704	0.22
70.5	6,402	1,969	0.3076	0.6924	0.19
71.5	4,433	4,029	0.9089	0.0911	0.13
72.5	403	193	0.4789	0.5211	0.01
73.5	211	211	1.0000	0.0000	0.01
74.5					0.00

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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2802 SERVICES - STEEL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1912-2008			EXPERIENCE BAND 1956-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,483,430	3,084	0.0007	0.9993	100.00
0.5	4,306,140	34,014	0.0079	0.9921	99.93
1.5	4,293,784	41,180	0.0096	0.9904	99.14
2.5	3,618,617	33,230	0.0092	0.9908	98.19
3.5	3,625,993	28,723	0.0079	0.9921	97.29
4.5	3,624,063	25,460	0.0070	0.9930	96.52
5.5	3,611,722	22,260	0.0062	0.9938	95.84
6.5	3,591,246	29,921	0.0083	0.9917	95.25
7.5	3,559,592	14,502	0.0041	0.9959	94.46
8.5	3,494,384	22,768	0.0065	0.9935	94.07
9.5	3,398,717	21,008	0.0062	0.9938	93.46
10.5	3,296,345	25,220	0.0077	0.9923	92.88
11.5	3,167,694	30,377	0.0096	0.9904	92.16
12.5	3,036,788	19,929	0.0066	0.9934	91.28
13.5	2,915,539	25,520	0.0088	0.9912	90.68
14.5	2,755,515	22,158	0.0080	0.9920	89.88
15.5	2,463,240	25,394	0.0103	0.9897	89.16
16.5	2,334,702	21,906	0.0094	0.9906	88.24
17.5	2,048,967	20,778	0.0101	0.9899	87.41
18.5	1,796,239	21,484	0.0120	0.9880	86.53
19.5	1,582,345	28,169	0.0178	0.9822	85.49
20.5	1,475,119	20,410	0.0138	0.9862	83.97
21.5	1,389,806	24,639	0.0177	0.9823	82.81
22.5	1,281,363	28,511	0.0223	0.9777	81.34
23.5	1,182,610	24,477	0.0207	0.9793	79.53
24.5	1,096,865	24,188	0.0221	0.9779	77.88
25.5	1,085,874	23,223	0.0214	0.9786	76.16
26.5	1,090,967	23,071	0.0211	0.9789	74.53
27.5	1,023,742	20,576	0.0201	0.9799	72.96
28.5	944,420	23,027	0.0244	0.9756	71.49
29.5	877,543	26,936	0.0307	0.9693	69.75
30.5	844,600	24,056	0.0285	0.9715	67.61
31.5	817,312	22,102	0.0270	0.9730	65.68
32.5	790,943	20,377	0.0258	0.9742	63.91
33.5	769,222	19,420	0.0252	0.9748	62.26
34.5	747,148	22,128	0.0296	0.9704	60.69
35.5	721,440	21,461	0.0297	0.9703	58.89
36.5	683,129	22,398	0.0328	0.9672	57.14
37.5	646,102	23,319	0.0361	0.9639	55.27
38.5	607,627	19,684	0.0324	0.9676	53.27

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2802 SERVICES - STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1912-2008			EXPERIENCE BAND 1956-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	560,449	22,406	0.0400	0.9600	51.54
40.5	527,562	26,714	0.0506	0.9494	49.48
41.5	487,329	23,724	0.0487	0.9513	46.98
42.5	448,549	25,977	0.0579	0.9421	44.69
43.5	389,700	29,831	0.0765	0.9235	42.10
44.5	354,138	27,871	0.0787	0.9213	38.88
45.5	323,948	27,529	0.0850	0.9150	35.82
46.5	293,994	27,717	0.0943	0.9057	32.78
47.5	255,866	19,050	0.0745	0.9255	29.69
48.5	218,545	11,607	0.0531	0.9469	27.48
49.5	192,154	10,443	0.0543	0.9457	26.02
50.5	164,941	14,887	0.0903	0.9097	24.61
51.5	137,476	19,127	0.1391	0.8609	22.39
52.5	109,568	15,433	0.1409	0.8591	19.28
53.5	91,061	7,920	0.0870	0.9130	16.56
54.5	81,385	4,798	0.0590	0.9410	15.12
55.5	75,671	4,698	0.0621	0.9379	14.23
56.5	68,302	4,600	0.0673	0.9327	13.35
57.5	62,972	3,720	0.0591	0.9409	12.45
58.5	59,251	5,529	0.0933	0.9067	11.71
59.5	53,722	4,655	0.0866	0.9134	10.62
60.5	48,913	3,045	0.0623	0.9377	9.70
61.5	45,852	3,078	0.0671	0.9329	9.10
62.5	42,766	2,710	0.0634	0.9366	8.49
63.5	40,048	3,415	0.0853	0.9147	7.95
64.5	36,564	3,550	0.0971	0.9029	7.27
65.5	32,667	2,459	0.0753	0.9247	6.56
66.5	29,634	2,004	0.0676	0.9324	6.07
67.5	27,196	3,304	0.1215	0.8785	5.66
68.5	22,699	1,600	0.0705	0.9295	4.97
69.5	21,036	653	0.0310	0.9690	4.62
70.5	20,221	533	0.0264	0.9736	4.48
71.5	18,810	1,259	0.0669	0.9331	4.36
72.5	16,709	1,803	0.1079	0.8921	4.07
73.5	13,417	4,663	0.3475	0.6525	3.63
74.5	8,511		0.0000	1.0000	2.37
75.5	8,417		0.0000	1.0000	2.37
76.5	8,323		0.0000	1.0000	2.37
77.5	8,245		0.0000	1.0000	2.37
78.5					2.37

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2802 SERVICES - STEEL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1927-2008			EXPERIENCE BAND 1979-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,679,367	1,892	0.0005	0.9995	100.00
0.5	3,466,403	29,254	0.0084	0.9916	99.95
1.5	3,449,519	37,832	0.0110	0.9890	99.11
2.5	2,764,192	28,711	0.0104	0.9896	98.02
3.5	2,741,844	25,063	0.0091	0.9909	97.00
4.5	2,724,546	20,432	0.0075	0.9925	96.12
5.5	2,723,011	15,016	0.0055	0.9945	95.40
6.5	2,738,001	26,217	0.0096	0.9904	94.88
7.5	2,738,363	10,192	0.0037	0.9963	93.97
8.5	2,702,996	17,571	0.0065	0.9935	93.62
9.5	2,650,992	10,875	0.0041	0.9959	93.01
10.5	2,570,271	17,952	0.0070	0.9930	92.63
11.5	2,463,217	22,684	0.0092	0.9908	91.98
12.5	2,362,836	11,853	0.0050	0.9950	91.13
13.5	2,273,121	15,546	0.0068	0.9932	90.67
14.5	2,132,160	15,338	0.0072	0.9928	90.05
15.5	1,853,242	16,142	0.0087	0.9913	89.40
16.5	1,720,788	12,856	0.0075	0.9925	88.62
17.5	1,459,678	12,894	0.0088	0.9912	87.96
18.5	1,265,017	12,065	0.0095	0.9905	87.19
19.5	1,094,457	20,264	0.0185	0.9815	86.36
20.5	1,052,306	13,906	0.0132	0.9868	84.76
21.5	1,032,685	19,407	0.0188	0.9812	83.64
22.5	987,230	23,952	0.0243	0.9757	82.07
23.5	932,522	20,353	0.0218	0.9782	80.08
24.5	861,579	20,301	0.0236	0.9764	78.33
25.5	818,753	17,469	0.0213	0.9787	76.48
26.5	794,992	17,535	0.0221	0.9779	74.85
27.5	750,472	16,375	0.0218	0.9782	73.20
28.5	675,943	19,454	0.0288	0.9712	71.60
29.5	612,936	22,193	0.0362	0.9638	69.54
30.5	583,909	19,556	0.0335	0.9665	67.02
31.5	560,039	16,495	0.0295	0.9705	64.77
32.5	541,085	15,230	0.0281	0.9719	62.86
33.5	528,711	13,621	0.0258	0.9742	61.09
34.5	516,151	17,541	0.0340	0.9660	59.51
35.5	497,673	16,809	0.0338	0.9662	57.49
36.5	468,671	17,098	0.0365	0.9635	55.55
37.5	444,728	17,208	0.0387	0.9613	53.52
38.5	419,119	13,696	0.0327	0.9673	51.45

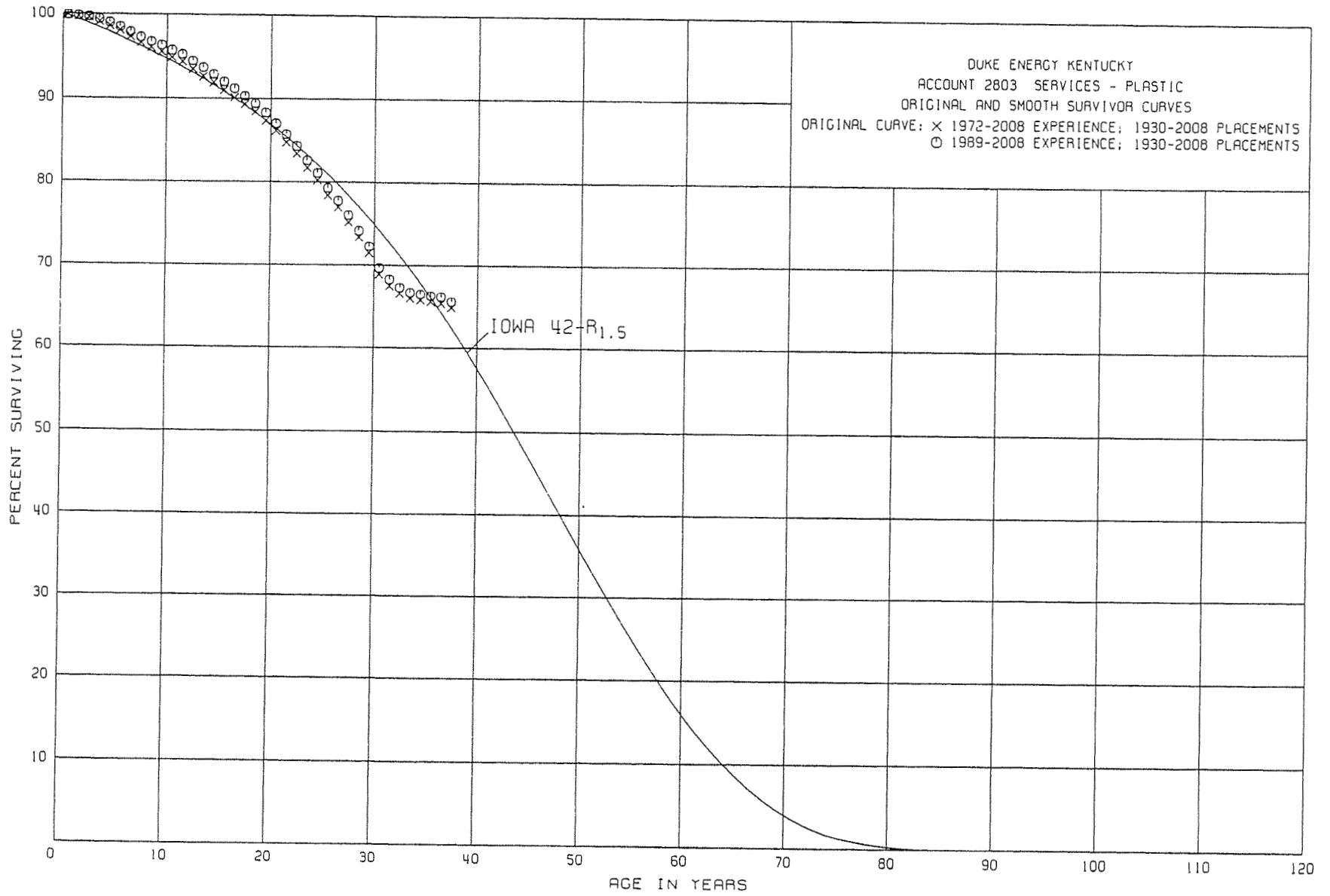
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2802 SERVICES - STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1927-2008			EXPERIENCE BAND 1979-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	393,492	14,302	0.0363	0.9637	49.77
40.5	374,592	20,011	0.0534	0.9466	47.96
41.5	344,560	17,208	0.0499	0.9501	45.40
42.5	324,306	19,515	0.0602	0.9398	43.13
43.5	272,186	23,742	0.0872	0.9128	40.53
44.5	246,030	22,608	0.0919	0.9081	37.00
45.5	223,144	22,205	0.0995	0.9005	33.60
46.5	200,447	22,748	0.1135	0.8865	30.26
47.5	170,950	13,881	0.0812	0.9188	26.83
48.5	186,872	7,650	0.0409	0.9591	24.65
49.5	187,482	9,419	0.0502	0.9498	23.64
50.5	161,294	14,073	0.0873	0.9127	22.45
51.5	134,670	18,533	0.1376	0.8624	20.49
52.5	107,356	14,930	0.1391	0.8609	17.67
53.5	89,353	7,471	0.0836	0.9164	15.21
54.5	80,126	4,357	0.0544	0.9456	13.94
55.5	74,854	3,881	0.0518	0.9482	13.18
56.5	68,302	4,600	0.0673	0.9327	12.50
57.5	62,972	3,720	0.0591	0.9409	11.66
58.5	59,251	5,529	0.0933	0.9067	10.97
59.5	53,722	4,655	0.0866	0.9134	9.95
60.5	48,913	3,045	0.0623	0.9377	9.09
61.5	45,852	3,078	0.0671	0.9329	8.52
62.5	42,766	2,710	0.0634	0.9366	7.95
63.5	40,048	3,415	0.0853	0.9147	7.45
64.5	36,564	3,550	0.0971	0.9029	6.81
65.5	32,667	2,459	0.0753	0.9247	6.15
66.5	29,634	2,004	0.0676	0.9324	5.69
67.5	27,196	3,304	0.1215	0.8785	5.31
68.5	22,699	1,600	0.0705	0.9295	4.66
69.5	21,036	653	0.0310	0.9690	4.33
70.5	20,221	533	0.0264	0.9736	4.20
71.5	18,810	1,259	0.0669	0.9331	4.09
72.5	16,709	1,803	0.1079	0.8921	3.82
73.5	13,417	4,663	0.3475	0.6525	3.41
74.5	8,511		0.0000	1.0000	2.23
75.5	8,417		0.0000	1.0000	2.23
76.5	8,323		0.0000	1.0000	2.23
77.5	8,245		0.0000	1.0000	2.23
78.5					2.23

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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2803 SERVICES - PLASTIC

ORIGINAL LIFE TABLE

PLACEMENT BAND 1930-2008			EXPERIENCE BAND 1972-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	86,017,581	81,388	0.0009	0.9991	100.00
0.5	82,561,785	136,948	0.0017	0.9983	99.91
1.5	78,296,314	148,602	0.0019	0.9981	99.74
2.5	39,851,755	194,616	0.0049	0.9951	99.55
3.5	39,465,389	173,785	0.0044	0.9956	99.06
4.5	38,891,007	225,314	0.0058	0.9942	98.62
5.5	36,487,911	251,565	0.0069	0.9931	98.05
6.5	32,931,156	238,633	0.0072	0.9928	97.37
7.5	31,928,601	185,059	0.0058	0.9942	96.67
8.5	30,976,759	178,670	0.0058	0.9942	96.11
9.5	28,845,570	184,151	0.0064	0.9936	95.55
10.5	26,097,377	155,759	0.0060	0.9940	94.94
11.5	23,917,322	228,930	0.0096	0.9904	94.37
12.5	22,121,790	194,438	0.0088	0.9912	93.46
13.5	20,253,962	172,472	0.0085	0.9915	92.64
14.5	17,969,088	166,525	0.0093	0.9907	91.85
15.5	15,753,332	149,823	0.0095	0.9905	91.00
16.5	13,852,187	136,622	0.0099	0.9901	90.14
17.5	11,673,409	113,896	0.0098	0.9902	89.25
18.5	9,409,574	112,237	0.0119	0.9881	88.38
19.5	7,837,633	113,623	0.0145	0.9855	87.33
20.5	6,672,590	103,369	0.0155	0.9845	86.06
21.5	5,731,663	92,730	0.0162	0.9838	84.73
22.5	5,072,375	101,832	0.0201	0.9799	83.36
23.5	4,508,484	80,241	0.0178	0.9822	81.68
24.5	4,093,794	93,400	0.0228	0.9772	80.23
25.5	3,669,122	67,598	0.0184	0.9816	78.40
26.5	3,143,830	70,078	0.0223	0.9777	76.96
27.5	2,604,216	63,545	0.0244	0.9756	75.24
28.5	1,963,899	51,201	0.0261	0.9739	73.40
29.5	1,502,845	54,169	0.0360	0.9640	71.48
30.5	1,299,844	26,412	0.0203	0.9797	68.91
31.5	1,102,559	15,177	0.0138	0.9862	67.51
32.5	960,043	9,165	0.0095	0.9905	66.58
33.5	764,186	2,320	0.0030	0.9970	65.95
34.5	593,989	1,603	0.0027	0.9973	65.75
35.5	391,836	912	0.0023	0.9977	65.57
36.5	154,303	1,326	0.0086	0.9914	65.42
37.5	62,360		0.0000	1.0000	64.86
38.5	38,233	330	0.0086	0.9914	64.86

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2803 SERVICES - PLASTIC

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1930-2008			EXPERIENCE BAND 1972-2008			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	23,723	475	0.0200	0.9800	64.30	
40.5	8,895		0.0000	1.0000	63.01	
41.5	7,517	386	0.0514	0.9486	63.01	
42.5	6,324	205	0.0324	0.9676	59.77	
43.5	374	216	0.5775	0.4225	57.83	
44.5	158	158	1.0000	0.0000	24.43	
45.5					0.00	
46.5						
47.5						
48.5						
49.5						
50.5						
51.5						
52.5						
53.5						
54.5						
55.5						
56.5						
57.5						
58.5						
59.5						
60.5						
61.5						
62.5						
63.5						
64.5						
65.5						
66.5						
67.5						
68.5	16		0.0000			
69.5	16		0.0000			
70.5	16	8	0.5000			
71.5	8		0.0000			
72.5	8	8	1.0000			
73.5						

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2803 SERVICES - PLASTIC

ORIGINAL LIFE TABLE

PLACEMENT BAND 1930-2008			EXPERIENCE BAND 1989-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	76,517,312	50,702	0.0007	0.9993	100.00
0.5	74,169,302	70,534	0.0010	0.9990	99.93
1.5	70,961,872	70,834	0.0010	0.9990	99.83
2.5	33,256,808	109,845	0.0033	0.9967	99.73
3.5	33,512,325	119,407	0.0036	0.9964	99.40
4.5	33,467,568	168,521	0.0050	0.9950	99.04
5.5	31,530,158	192,222	0.0061	0.9939	98.54
6.5	28,615,117	179,337	0.0063	0.9937	97.94
7.5	28,246,671	141,577	0.0050	0.9950	97.32
8.5	28,085,125	126,051	0.0045	0.9955	96.83
9.5	26,574,297	153,818	0.0058	0.9942	96.39
10.5	24,107,177	132,167	0.0055	0.9945	95.83
11.5	22,268,655	196,502	0.0088	0.9912	95.30
12.5	20,728,999	175,507	0.0085	0.9915	94.46
13.5	19,160,495	158,383	0.0083	0.9917	93.66
14.5	17,175,582	159,129	0.0093	0.9907	92.88
15.5	15,254,487	144,335	0.0095	0.9905	92.02
16.5	13,648,496	135,460	0.0099	0.9901	91.15
17.5	11,588,106	112,099	0.0097	0.9903	90.25
18.5	9,359,413	112,009	0.0120	0.9880	89.37
19.5	7,805,281	112,790	0.0145	0.9855	88.30
20.5	6,661,590	103,369	0.0155	0.9845	87.02
21.5	5,722,302	92,730	0.0162	0.9838	85.67
22.5	5,064,850	101,832	0.0201	0.9799	84.28
23.5	4,507,007	80,241	0.0178	0.9822	82.59
24.5	4,093,260	93,400	0.0228	0.9772	81.12
25.5	3,668,588	67,598	0.0184	0.9816	79.27
26.5	3,143,504	70,078	0.0223	0.9777	77.81
27.5	2,603,890	63,545	0.0244	0.9756	76.07
28.5	1,963,574	51,201	0.0261	0.9739	74.21
29.5	1,502,798	54,169	0.0360	0.9640	72.27
30.5	1,299,798	26,412	0.0203	0.9797	69.67
31.5	1,102,512	15,177	0.0138	0.9862	68.26
32.5	959,996	9,165	0.0095	0.9905	67.32
33.5	764,139	2,320	0.0030	0.9970	66.68
34.5	593,942	1,603	0.0027	0.9973	66.48
35.5	391,789	912	0.0023	0.9977	66.30
36.5	154,256	1,326	0.0086	0.9914	66.15
37.5	62,313		0.0000	1.0000	65.58
38.5	38,187	330	0.0086	0.9914	65.58

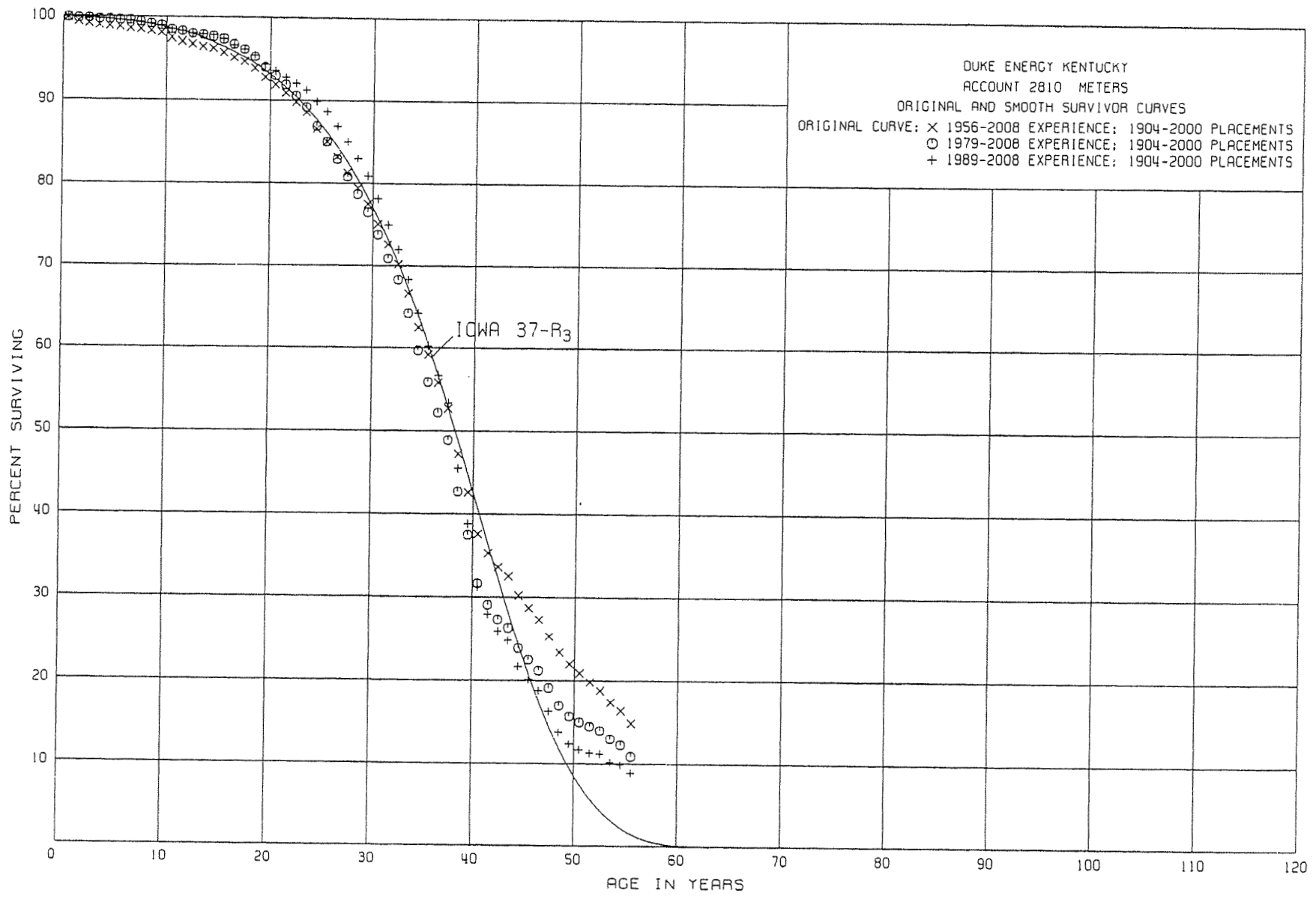
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2803 SERVICES - PLASTIC

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1930-2008		EXPERIENCE BAND 1989-2008				
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	23,677	475	0.0201	0.9799	65.02	
40.5	8,848		0.0000	1.0000	63.71	
41.5	7,517	386	0.0514	0.9486	63.71	
42.5	6,324	205	0.0324	0.9676	60.44	
43.5	374	216	0.5775	0.4225	58.48	
44.5	158	158	1.0000	0.0000	24.71	
45.5					0.00	
46.5						
47.5						
48.5						
49.5						
50.5						
51.5						
52.5						
53.5						
54.5						
55.5						
56.5						
57.5						
58.5						
59.5						
60.5						
61.5						
62.5						
63.5						
64.5						
65.5						
66.5						
67.5						
68.5	16		0.0000			
69.5	16		0.0000			
70.5	16	8	0.5000			
71.5	8		0.0000			
72.5	8	8	1.0000			
73.5						

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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2810 METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1904-2000

EXPERIENCE BAND 1956-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	7,032,860	1,086	0.0002	0.9998	100.00
0.5	7,154,293	41,557	0.0058	0.9942	99.98
1.5	6,131,298	14,501	0.0024	0.9976	99.40
2.5	6,158,150	9,720	0.0016	0.9984	99.16
3.5	6,197,299	5,975	0.0010	0.9990	99.00
4.5	6,243,168	6,706	0.0011	0.9989	98.90
5.5	6,282,710	9,639	0.0015	0.9985	98.79
6.5	6,381,459	11,161	0.0017	0.9983	98.64
7.5	6,380,830	13,663	0.0021	0.9979	98.47
8.5	6,357,250	13,097	0.0021	0.9979	98.26
9.5	6,341,404	35,233	0.0056	0.9944	98.05
10.5	5,718,698	21,993	0.0038	0.9962	97.50
11.5	5,084,800	18,900	0.0037	0.9963	97.13
12.5	4,593,669	11,719	0.0026	0.9974	96.77
13.5	4,379,648	11,292	0.0026	0.9974	96.52
14.5	4,089,007	19,074	0.0047	0.9953	96.27
15.5	3,771,167	22,887	0.0061	0.9939	95.82
16.5	3,641,237	21,581	0.0059	0.9941	95.24
17.5	3,230,656	27,864	0.0086	0.9914	94.68
18.5	2,774,581	32,859	0.0118	0.9882	93.87
19.5	2,398,036	22,057	0.0092	0.9908	92.76
20.5	2,260,553	23,882	0.0106	0.9894	91.91
21.5	2,225,177	27,170	0.0122	0.9878	90.94
22.5	2,109,744	29,649	0.0141	0.9859	89.83
23.5	2,005,843	44,468	0.0222	0.9778	88.56
24.5	1,915,584	35,424	0.0185	0.9815	86.59
25.5	1,797,752	38,725	0.0215	0.9785	84.99
26.5	1,728,830	38,715	0.0224	0.9776	83.16
27.5	1,577,827	36,759	0.0233	0.9767	81.30
28.5	1,411,364	34,577	0.0245	0.9755	79.41
29.5	1,301,179	39,074	0.0300	0.9700	77.46
30.5	1,257,380	42,540	0.0338	0.9662	75.14
31.5	1,209,819	40,860	0.0338	0.9662	72.60
32.5	1,166,376	59,844	0.0513	0.9487	70.15
33.5	1,105,598	66,536	0.0602	0.9398	66.55
34.5	1,024,988	55,563	0.0542	0.9458	62.54
35.5	940,277	53,602	0.0570	0.9430	59.15
36.5	858,805	47,461	0.0553	0.9447	55.78
37.5	745,515	77,552	0.1040	0.8960	52.70
38.5	629,196	61,276	0.0974	0.9026	47.22

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2810 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2000 EXPERIENCE BAND 1956-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	539,998	64,261	0.1190	0.8810	42.62
40.5	444,457	26,242	0.0590	0.9410	37.55
41.5	402,239	19,614	0.0488	0.9512	35.33
42.5	378,713	12,540	0.0331	0.9669	33.61
43.5	334,351	23,730	0.0710	0.9290	32.50
44.5	314,875	16,018	0.0509	0.9491	30.19
45.5	306,812	15,042	0.0490	0.9510	28.65
46.5	285,671	20,157	0.0706	0.9294	27.25
47.5	266,152	20,105	0.0755	0.9245	25.33
48.5	247,761	14,611	0.0590	0.9410	23.42
49.5	237,747	12,530	0.0527	0.9473	22.04
50.5	221,197	11,465	0.0518	0.9482	20.88
51.5	217,116	10,645	0.0490	0.9510	19.80
52.5	198,059	15,288	0.0772	0.9228	18.83
53.5	182,771	10,469	0.0573	0.9427	17.38
54.5	170,067	15,567	0.0915	0.9085	16.38
55.5	152,200	18,772	0.1233	0.8767	14.88
56.5	129,848	15,335	0.1181	0.8819	13.05
57.5	114,513	5,775	0.0504	0.9496	11.51
58.5	108,291	6,673	0.0616	0.9384	10.93
59.5	99,487	5,693	0.0572	0.9428	10.26
60.5	93,794	5,680	0.0606	0.9394	9.67
61.5	87,013	4,824	0.0554	0.9446	9.08
62.5	82,031	3,669	0.0447	0.9553	8.58
63.5	78,362	5,601	0.0715	0.9285	8.20
64.5	72,761	2,415	0.0332	0.9668	7.61
65.5	70,174	3,119	0.0444	0.9556	7.36
66.5	66,440	2,816	0.0424	0.9576	7.03
67.5	63,608	4,437	0.0698	0.9302	6.73
68.5	56,528	12,080	0.2137	0.7863	6.26
69.5	39,422	4,048	0.1027	0.8973	4.92
70.5	32,451	5,467	0.1685	0.8315	4.41
71.5	21,511	928	0.0431	0.9569	3.67
72.5	19,512	1,176	0.0603	0.9397	3.51
73.5	14,032	986	0.0703	0.9297	3.30
74.5	11,627	404	0.0347	0.9653	3.07
75.5	10,666	656	0.0615	0.9385	2.96
76.5	9,908	837	0.0845	0.9155	2.78
77.5	8,013	84	0.0105	0.9895	2.55
78.5	7,045	403	0.0572	0.9428	2.52

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2810 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2000			EXPERIENCE BAND 1956-2008			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	5,629	322	0.0572	0.9428	2.38	
80.5	5,189	85	0.0164	0.9836	2.24	
81.5	5,104		0.0000	1.0000	2.20	
82.5	4,820	15	0.0031	0.9969	2.20	
83.5	4,743	51	0.0108	0.9892	2.19	
84.5	4,327	24	0.0055	0.9945	2.17	
85.5	4,303	7	0.0016	0.9984	2.16	
86.5	4,287	327	0.0763	0.9237	2.16	
87.5	3,960	9	0.0023	0.9977	2.00	
88.5	3,767	80	0.0212	0.9788	2.00	
89.5	3,663		0.0000	1.0000	1.96	
90.5	3,663		0.0000	1.0000	1.96	
91.5	3,618		0.0000	1.0000	1.96	
92.5	2,264		0.0000	1.0000	1.96	
93.5	2,264		0.0000	1.0000	1.96	
94.5	2,258		0.0000	1.0000	1.96	
95.5	2,194		0.0000	1.0000	1.96	
96.5	2,194		0.0000	1.0000	1.96	
97.5	1,915		0.0000	1.0000	1.96	
98.5	1,528		0.0000	1.0000	1.96	
99.5	1,306	17	0.0130	0.9870	1.96	
100.5	1,184		0.0000	1.0000	1.93	
101.5	1,184		0.0000	1.0000	1.93	
102.5	1,184		0.0000	1.0000	1.93	
103.5	979		0.0000	1.0000	1.93	
104.5					1.93	

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2810 METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1904-2000 EXPERIENCE BAND 1979-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	5,928,440	1,074	0.0002	0.9998	100.00
0.5	6,007,738	8,581	0.0014	0.9986	99.98
1.5	4,983,164	3,897	0.0008	0.9992	99.84
2.5	4,972,011	1,867	0.0004	0.9996	99.76
3.5	4,954,876	2,181	0.0004	0.9996	99.72
4.5	4,971,615	4,050	0.0008	0.9992	99.68
5.5	5,013,097	2,464	0.0005	0.9995	99.60
6.5	5,110,886	7,060	0.0014	0.9986	99.55
7.5	5,197,299	10,754	0.0021	0.9979	99.41
8.5	5,198,150	9,730	0.0019	0.9981	99.20
9.5	5,243,605	26,733	0.0051	0.9949	99.01
10.5	4,676,690	9,555	0.0020	0.9980	98.51
11.5	4,100,097	12,353	0.0030	0.9970	98.31
12.5	3,639,157	5,333	0.0015	0.9985	98.02
13.5	3,442,545	4,514	0.0013	0.9987	97.87
14.5	3,203,713	12,087	0.0038	0.9962	97.74
15.5	2,927,138	18,530	0.0063	0.9937	97.37
16.5	2,841,109	17,588	0.0062	0.9938	96.76
17.5	2,480,376	21,491	0.0087	0.9913	96.16
18.5	2,072,272	28,095	0.0136	0.9864	95.32
19.5	1,728,629	17,893	0.0104	0.9896	94.02
20.5	1,632,907	20,096	0.0123	0.9877	93.04
21.5	1,658,804	23,113	0.0139	0.9861	91.90
22.5	1,607,794	24,894	0.0155	0.9845	90.62
23.5	1,561,959	41,455	0.0265	0.9735	89.22
24.5	1,526,017	32,581	0.0214	0.9786	86.86
25.5	1,458,433	35,791	0.0245	0.9755	85.00
26.5	1,418,216	36,066	0.0254	0.9746	82.92
27.5	1,292,085	34,338	0.0266	0.9734	80.81
28.5	1,150,452	32,349	0.0281	0.9719	78.66
29.5	1,080,330	37,236	0.0345	0.9655	76.45
30.5	1,028,661	40,350	0.0392	0.9608	73.81
31.5	1,006,200	37,733	0.0375	0.9625	70.92
32.5	969,180	57,898	0.0597	0.9403	68.26
33.5	912,544	63,752	0.0699	0.9301	64.18
34.5	834,184	52,563	0.0630	0.9370	59.69
35.5	755,547	49,924	0.0661	0.9339	55.93
36.5	687,535	44,386	0.0646	0.9354	52.23
37.5	590,347	74,368	0.1260	0.8740	48.86
38.5	479,907	58,649	0.1222	0.8778	42.70

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2810 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2000 EXPERIENCE BAND 1979-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	381,054	60,110	0.1577	0.8423	37.48
40.5	295,856	23,323	0.0788	0.9212	31.57
41.5	270,014	16,542	0.0613	0.9387	29.08
42.5	246,306	9,035	0.0367	0.9633	27.30
43.5	205,413	18,892	0.0920	0.9080	26.30
44.5	186,242	10,978	0.0589	0.9411	23.88
45.5	169,050	9,637	0.0570	0.9430	22.47
46.5	146,843	14,612	0.0995	0.9005	21.19
47.5	133,638	14,879	0.1113	0.8887	19.08
48.5	121,807	8,985	0.0738	0.9262	16.96
49.5	128,787	5,880	0.0457	0.9543	15.71
50.5	137,913	4,945	0.0359	0.9641	14.99
51.5	130,842	4,212	0.0322	0.9678	14.45
52.5	119,509	8,832	0.0739	0.9261	13.98
53.5	115,416	6,228	0.0540	0.9460	12.95
54.5	110,775	12,046	0.1087	0.8913	12.25
55.5	98,324	15,778	0.1605	0.8395	10.92
56.5	79,005	11,407	0.1444	0.8556	9.17
57.5	68,227	2,884	0.0423	0.9577	7.85
58.5	65,622	2,420	0.0369	0.9631	7.52
59.5	61,110	2,672	0.0437	0.9563	7.24
60.5	58,444	3,041	0.0520	0.9480	6.92
61.5	55,297	2,171	0.0393	0.9607	6.56
62.5	60,216	1,923	0.0319	0.9681	6.30
63.5	58,464	4,346	0.0743	0.9257	6.10
64.5	54,150	1,065	0.0197	0.9803	5.65
65.5	53,731	2,069	0.0385	0.9615	5.54
66.5	51,771	1,492	0.0288	0.9712	5.33
67.5	51,199	3,637	0.0710	0.9290	5.18
68.5	46,394	11,139	0.2401	0.7599	4.81
69.5	30,734	2,919	0.0950	0.9050	3.66
70.5	25,106	4,791	0.1908	0.8092	3.31
71.5	15,005	459	0.0306	0.9694	2.68
72.5	16,090	1,014	0.0630	0.9370	2.60
73.5	11,032	632	0.0573	0.9427	2.44
74.5	11,627	404	0.0347	0.9653	2.30
75.5	10,666	656	0.0615	0.9385	2.22
76.5	9,908	837	0.0845	0.9155	2.08
77.5	8,013	84	0.0105	0.9895	1.90
78.5	7,045	403	0.0572	0.9428	1.88

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2810 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2000

EXPERIENCE BAND 1979-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	5,629	322	0.0572	0.9428	1.77
80.5	5,189	85	0.0164	0.9836	1.67
81.5	5,104		0.0000	1.0000	1.64
82.5	4,820	15	0.0031	0.9969	1.64
83.5	4,743	51	0.0108	0.9892	1.63
84.5	4,327	24	0.0055	0.9945	1.61
85.5	4,303	7	0.0016	0.9984	1.60
86.5	4,287	327	0.0763	0.9237	1.60
87.5	3,960	9	0.0023	0.9977	1.48
88.5	3,767	80	0.0212	0.9788	1.48
89.5	3,663		0.0000	1.0000	1.45
90.5	3,663		0.0000	1.0000	1.45
91.5	3,618		0.0000	1.0000	1.45
92.5	2,264		0.0000	1.0000	1.45
93.5	2,264		0.0000	1.0000	1.45
94.5	2,258		0.0000	1.0000	1.45
95.5	2,194		0.0000	1.0000	1.45
96.5	2,194		0.0000	1.0000	1.45
97.5	1,915		0.0000	1.0000	1.45
98.5	1,528		0.0000	1.0000	1.45
99.5	1,306	17	0.0130	0.9870	1.45
100.5	1,184		0.0000	1.0000	1.43
101.5	1,184		0.0000	1.0000	1.43
102.5	1,184		0.0000	1.0000	1.43
103.5	979		0.0000	1.0000	1.43
104.5					1.43

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ACCOUNT 2810 METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1904-2000

EXPERIENCE BAND 1989-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,908,582	929	0.0002	0.9998	100.00
0.5	5,086,949	8,107	0.0016	0.9984	99.98
1.5	4,122,465	3,709	0.0009	0.9991	99.82
2.5	4,182,721	1,780	0.0004	0.9996	99.73
3.5	4,245,387	1,239	0.0003	0.9997	99.69
4.5	4,301,825	3,316	0.0008	0.9992	99.66
5.5	4,389,599	2,329	0.0005	0.9995	99.58
6.5	4,502,483	6,558	0.0015	0.9985	99.53
7.5	4,659,506	9,310	0.0020	0.9980	99.38
8.5	4,781,797	7,059	0.0015	0.9985	99.18
9.5	4,866,045	24,128	0.0050	0.9950	99.03
10.5	4,273,094	8,665	0.0020	0.9980	98.53
11.5	3,672,864	10,830	0.0029	0.9971	98.33
12.5	3,202,131	4,822	0.0015	0.9985	98.04
13.5	2,987,966	3,848	0.0013	0.9987	97.89
14.5	2,719,361	10,700	0.0039	0.9961	97.76
15.5	2,440,034	16,663	0.0068	0.9932	97.38
16.5	2,341,976	13,258	0.0057	0.9943	96.72
17.5	2,016,065	14,802	0.0073	0.9927	96.17
18.5	1,611,498	19,898	0.0123	0.9877	95.47
19.5	1,309,643	9,756	0.0074	0.9926	94.30
20.5	1,219,676	10,287	0.0084	0.9916	93.60
21.5	1,189,749	8,806	0.0074	0.9926	92.81
22.5	1,119,378	10,175	0.0091	0.9909	92.12
23.5	1,089,731	16,579	0.0152	0.9848	91.28
24.5	1,071,986	14,446	0.0135	0.9865	89.89
25.5	994,595	19,640	0.0197	0.9803	88.68
26.5	949,282	21,282	0.0224	0.9776	86.93
27.5	829,289	19,526	0.0235	0.9765	84.98
28.5	707,644	17,388	0.0246	0.9754	82.98
29.5	634,250	21,805	0.0344	0.9656	80.94
30.5	623,948	25,147	0.0403	0.9597	78.16
31.5	630,806	25,328	0.0402	0.9598	75.01
32.5	637,862	33,103	0.0519	0.9481	71.99
33.5	640,595	37,697	0.0588	0.9412	68.25
34.5	619,721	39,311	0.0634	0.9366	64.24
35.5	587,724	33,982	0.0578	0.9422	60.17
36.5	576,454	33,190	0.0576	0.9424	56.69
37.5	480,123	71,365	0.1486	0.8514	53.42
38.5	386,352	56,614	0.1465	0.8535	45.48

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2810 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2000 EXPERIENCE BAND 1989-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	299,084	58,853	0.1968	0.8032	38.82
40.5	210,460	21,955	0.1043	0.8957	31.18
41.5	201,555	14,896	0.0739	0.9261	27.93
42.5	183,386	7,763	0.0423	0.9577	25.87
43.5	139,053	17,512	0.1259	0.8741	24.78
44.5	120,032	8,502	0.0708	0.9292	21.66
45.5	108,876	7,372	0.0677	0.9323	20.13
46.5	97,174	12,613	0.1298	0.8702	18.77
47.5	94,873	14,508	0.1529	0.8471	16.33
48.5	82,940	8,402	0.1013	0.8987	13.83
49.5	74,679	4,298	0.0576	0.9424	12.43
50.5	68,761	2,535	0.0369	0.9631	11.71
51.5	68,581	389	0.0057	0.9943	11.28
52.5	61,376	5,877	0.0958	0.9042	11.22
53.5	60,362	1,432	0.0237	0.9763	10.15
54.5	58,328	5,968	0.1023	0.8977	9.91
55.5	50,636	3,620	0.0715	0.9285	8.90
56.5	43,613	8,183	0.1876	0.8124	8.26
57.5	36,707	358	0.0098	0.9902	6.71
58.5	37,030	879	0.0237	0.9763	6.64
59.5	50,760	1,817	0.0358	0.9642	6.48
60.5	56,602	2,816	0.0498	0.9502	6.25
61.5	52,694	1,430	0.0271	0.9729	5.94
62.5	51,398	26	0.0005	0.9995	5.78
63.5	51,443	2,984	0.0580	0.9420	5.78
64.5	48,824	96	0.0020	0.9980	5.44
65.5	48,556	409	0.0084	0.9916	5.43
66.5	47,541	22	0.0005	0.9995	5.38
67.5	47,519	3,117	0.0656	0.9344	5.38
68.5	41,944	10,392	0.2478	0.7522	5.03
69.5	26,550	2,313	0.0871	0.9129	3.78
70.5	21,331	4,327	0.2029	0.7971	3.45
71.5	11,575	76	0.0066	0.9934	2.75
72.5	11,788	6	0.0005	0.9995	2.73
73.5	7,478		0.0000	1.0000	2.73
74.5	6,065		0.0000	1.0000	2.73
75.5	5,572		0.0000	1.0000	2.73
76.5	5,471		0.0000	1.0000	2.73
77.5	4,692		0.0000	1.0000	2.73
78.5	4,247		0.0000	1.0000	2.73

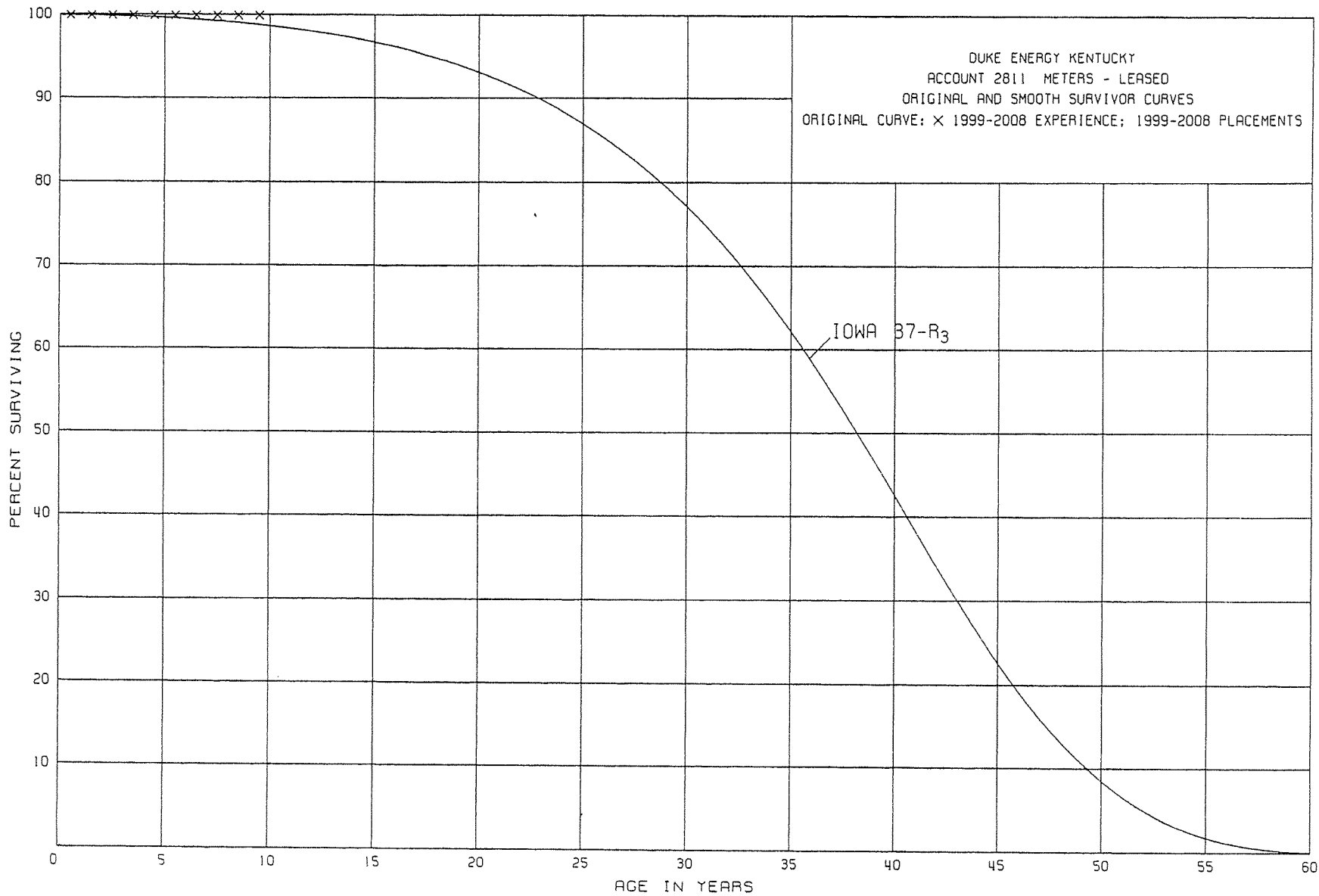
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2810 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2000			EXPERIENCE BAND 1989-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	3,480		0.0000	1.0000	2.73
80.5	3,466		0.0000	1.0000	2.73
81.5	3,487		0.0000	1.0000	2.73
82.5	3,516		0.0000	1.0000	2.73
83.5	3,668	51	0.0139	0.9861	2.73
84.5	4,327	24	0.0055	0.9945	2.69
85.5	4,303	7	0.0016	0.9984	2.68
86.5	4,287	327	0.0763	0.9237	2.68
87.5	3,960	9	0.0023	0.9977	2.48
88.5	3,767	80	0.0212	0.9788	2.47
89.5	3,663		0.0000	1.0000	2.42
90.5	3,663		0.0000	1.0000	2.42
91.5	3,618		0.0000	1.0000	2.42
92.5	2,264		0.0000	1.0000	2.42
93.5	2,264		0.0000	1.0000	2.42
94.5	2,258		0.0000	1.0000	2.42
95.5	2,194		0.0000	1.0000	2.42
96.5	2,194		0.0000	1.0000	2.42
97.5	1,915		0.0000	1.0000	2.42
98.5	1,528		0.0000	1.0000	2.42
99.5	1,306	17	0.0130	0.9870	2.42
100.5	1,184		0.0000	1.0000	2.39
101.5	1,184		0.0000	1.0000	2.39
102.5	1,184		0.0000	1.0000	2.39
103.5	979		0.0000	1.0000	2.39
104.5					2.39

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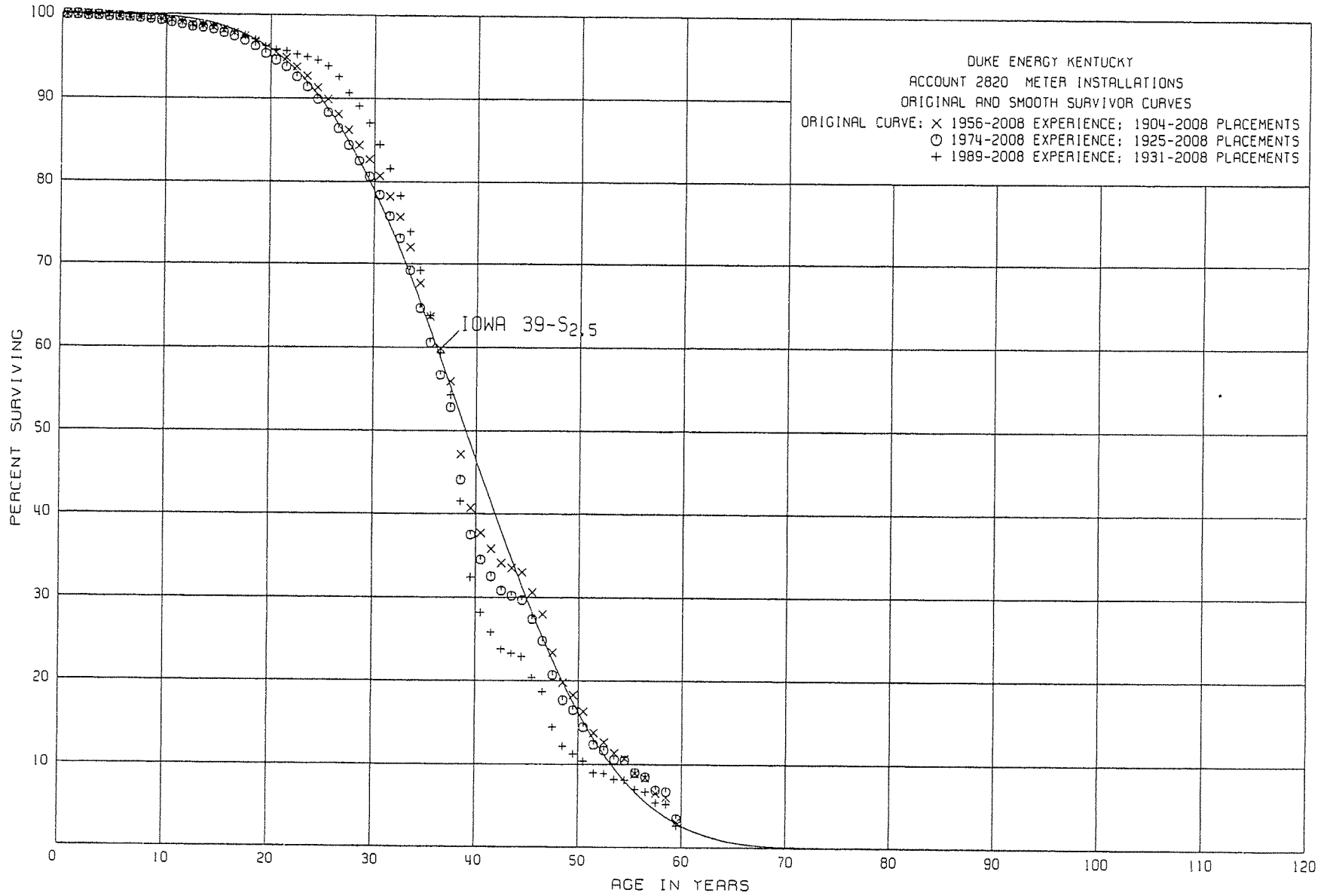


DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2811 METERS - LEASED

ORIGINAL LIFE TABLE

PLACEMENT BAND 1999-2008			EXPERIENCE BAND 1999-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	5,207,312		0.0000	1.0000	100.00
0.5	4,442,435	56	0.0000	1.0000	100.00
1.5	3,871,397	121	0.0000	1.0000	100.00
2.5	3,536,120		0.0000	1.0000	100.00
3.5	3,399,927	236	0.0001	0.9999	100.00
4.5	2,442,828	2,842	0.0012	0.9988	99.99
5.5	2,151,965		0.0000	1.0000	99.87
6.5	1,865,137		0.0000	1.0000	99.87
7.5	1,663,481		0.0000	1.0000	99.87
8.5	499,802		0.0000	1.0000	99.87
9.5					99.87



DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2820 METER INSTALLATIONS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1904-2008			EXPERIENCE BAND 1956-2008			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	3,718,609		0.0000	1.0000	100.00	
0.5	3,648,908	2,061	0.0006	0.9994	100.00	
1.5	4,643,171	4,334	0.0009	0.9991	99.94	
2.5	4,689,062	2,822	0.0006	0.9994	99.85	
3.5	4,724,550	2,046	0.0004	0.9996	99.79	
4.5	4,762,928	2,163	0.0005	0.9995	99.75	
5.5	4,799,228	2,750	0.0006	0.9994	99.70	
6.5	4,842,840	3,071	0.0006	0.9994	99.64	
7.5	4,859,315	4,674	0.0010	0.9990	99.58	
8.5	4,868,966	3,358	0.0007	0.9993	99.48	
9.5	4,874,270	7,984	0.0016	0.9984	99.41	
10.5	4,366,939	7,973	0.0018	0.9982	99.25	
11.5	3,408,829	10,149	0.0030	0.9970	99.07	
12.5	2,754,448	1,909	0.0007	0.9993	98.77	
13.5	2,411,111	4,125	0.0017	0.9983	98.70	
14.5	2,135,906	7,018	0.0033	0.9967	98.53	
15.5	1,881,405	5,908	0.0031	0.9969	98.20	
16.5	1,815,615	7,988	0.0044	0.9956	97.90	
17.5	1,669,443	9,905	0.0059	0.9941	97.47	
18.5	1,488,391	11,977	0.0080	0.9920	96.89	
19.5	1,407,323	9,139	0.0065	0.9935	96.11	
20.5	1,304,850	8,558	0.0066	0.9934	95.49	
21.5	1,223,208	13,870	0.0113	0.9887	94.86	
22.5	1,166,995	13,904	0.0119	0.9881	93.79	
23.5	1,107,669	16,625	0.0150	0.9850	92.67	
24.5	1,060,313	16,177	0.0153	0.9847	91.28	
25.5	1,022,137	19,923	0.0195	0.9805	89.88	
26.5	982,052	21,420	0.0218	0.9782	88.13	
27.5	929,097	19,361	0.0208	0.9792	86.21	
28.5	865,959	17,311	0.0200	0.9800	84.42	
29.5	826,083	20,420	0.0247	0.9753	82.73	
30.5	804,986	24,587	0.0305	0.9695	80.69	
31.5	780,685	25,071	0.0321	0.9679	78.23	
32.5	756,921	36,752	0.0486	0.9514	75.72	
33.5	716,816	43,189	0.0603	0.9397	72.04	
34.5	664,863	39,119	0.0588	0.9412	67.70	
35.5	596,153	35,433	0.0594	0.9406	63.72	
36.5	534,643	35,744	0.0669	0.9331	59.94	
37.5	479,209	74,602	0.1557	0.8443	55.93	
38.5	384,777	53,187	0.1382	0.8618	47.22	

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2820 METER INSTALLATIONS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2008			EXPERIENCE BAND 1956-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	309,699	22,653	0.0731	0.9269	40.69
40.5	268,891	13,771	0.0512	0.9488	37.72
41.5	240,464	11,326	0.0471	0.9529	35.79
42.5	216,398	3,908	0.0181	0.9819	34.10
43.5	205,771	3,061	0.0149	0.9851	33.48
44.5	198,228	14,184	0.0716	0.9284	32.98
45.5	174,872	15,116	0.0864	0.9136	30.62
46.5	156,795	25,682	0.1638	0.8362	27.97
47.5	128,443	19,986	0.1556	0.8444	23.39
48.5	102,953	7,405	0.0719	0.9281	19.75
49.5	98,234	11,148	0.1135	0.8865	18.33
50.5	87,547	13,374	0.1528	0.8472	16.25
51.5	77,857	6,240	0.0801	0.9199	13.77
52.5	71,602	7,350	0.1027	0.8973	12.67
53.5	63,945	4,032	0.0631	0.9369	11.37
54.5	59,464	9,893	0.1664	0.8336	10.65
55.5	48,761	2,899	0.0595	0.9405	8.88
56.5	45,862	9,951	0.2170	0.7830	8.35
57.5	35,911	2,762	0.0769	0.9231	6.54
58.5	32,131	16,401	0.5104	0.4896	6.04
59.5	12,619	944	0.0748	0.9252	2.96
60.5	10,321		0.0000	1.0000	2.74
61.5	9,787		0.0000	1.0000	2.74
62.5	9,561		0.0000	1.0000	2.74
63.5	8,163		0.0000	1.0000	2.74
64.5	6,239	230	0.0369	0.9631	2.74
65.5	5,193		0.0000	1.0000	2.64
66.5	4,631	65	0.0140	0.9860	2.64
67.5	2,072		0.0000	1.0000	2.60
68.5	1,801		0.0000	1.0000	2.60
69.5	1,801		0.0000	1.0000	2.60
70.5	1,018		0.0000	1.0000	2.60
71.5					2.60

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2820 METER INSTALLATIONS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1925-2008			EXPERIENCE BAND 1974-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,146,561		0.0000	1.0000	100.00
0.5	3,062,748	2,061	0.0007	0.9993	100.00
1.5	4,042,709	4,334	0.0011	0.9989	99.93
2.5	4,065,021	2,822	0.0007	0.9993	99.82
3.5	4,087,563	2,046	0.0005	0.9995	99.75
4.5	4,122,106	2,163	0.0005	0.9995	99.70
5.5	4,147,434	2,750	0.0007	0.9993	99.65
6.5	4,187,877	3,071	0.0007	0.9993	99.58
7.5	4,210,984	4,674	0.0011	0.9989	99.51
8.5	4,227,184	3,358	0.0008	0.9992	99.40
9.5	4,262,153	7,984	0.0019	0.9981	99.32
10.5	3,783,825	7,690	0.0020	0.9980	99.13
11.5	2,849,839	10,064	0.0035	0.9965	98.93
12.5	2,211,786	1,909	0.0009	0.9991	98.58
13.5	1,898,837	3,949	0.0021	0.9979	98.49
14.5	1,640,654	6,559	0.0040	0.9960	98.28
15.5	1,419,898	5,271	0.0037	0.9963	97.89
16.5	1,392,803	7,988	0.0057	0.9943	97.53
17.5	1,287,311	9,415	0.0073	0.9927	96.97
18.5	1,142,430	10,377	0.0091	0.9909	96.26
19.5	1,107,670	9,088	0.0082	0.9918	95.38
20.5	1,053,094	8,440	0.0080	0.9920	94.60
21.5	1,007,762	13,634	0.0135	0.9865	93.84
22.5	990,078	12,533	0.0127	0.9873	92.57
23.5	963,539	16,331	0.0169	0.9831	91.39
24.5	941,541	15,918	0.0169	0.9831	89.85
25.5	918,965	19,677	0.0214	0.9786	88.33
26.5	884,935	21,280	0.0240	0.9760	86.44
27.5	835,065	19,055	0.0228	0.9772	84.37
28.5	773,878	17,130	0.0221	0.9779	82.45
29.5	737,575	20,192	0.0274	0.9726	80.63
30.5	717,798	24,258	0.0338	0.9662	78.42
31.5	698,937	24,713	0.0354	0.9646	75.77
32.5	686,859	36,418	0.0530	0.9470	73.09
33.5	653,217	42,898	0.0657	0.9343	69.22
34.5	612,354	38,929	0.0636	0.9364	64.67
35.5	557,115	35,193	0.0632	0.9368	60.56
36.5	507,172	35,534	0.0701	0.9299	56.73
37.5	452,011	74,508	0.1648	0.8352	52.75
38.5	358,146	53,164	0.1484	0.8516	44.06

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2820 METER INSTALLATIONS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1925-2008			EXPERIENCE BAND 1974-2008			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	278,479	22,563	0.0810	0.9190	37.52	
40.5	237,720	13,512	0.0568	0.9432	34.48	
41.5	209,680	10,975	0.0523	0.9477	32.52	
42.5	185,170	3,736	0.0202	0.9798	30.82	
43.5	174,461	2,744	0.0157	0.9843	30.20	
44.5	172,619	13,495	0.0782	0.9218	29.73	
45.5	151,235	14,396	0.0952	0.9048	27.41	
46.5	135,183	22,390	0.1656	0.8344	24.80	
47.5	110,240	15,823	0.1435	0.8565	20.69	
48.5	88,361	6,248	0.0707	0.9293	17.72	
49.5	82,113	9,929	0.1209	0.8791	16.47	
50.5	72,183	10,378	0.1438	0.8562	14.48	
51.5	61,783	3,506	0.0567	0.9433	12.40	
52.5	58,263	5,376	0.0923	0.9077	11.70	
53.5	52,579	698	0.0133	0.9867	10.62	
54.5	51,432	7,193	0.1399	0.8601	10.48	
55.5	43,429	2,258	0.0520	0.9480	9.01	
56.5	41,171	7,718	0.1875	0.8125	8.54	
57.5	33,453	1,300	0.0389	0.9611	6.94	
58.5	31,135	15,405	0.4948	0.5052	6.67	
59.5	12,619	944	0.0748	0.9252	3.37	
60.5	10,321		0.0000	1.0000	3.12	
61.5	9,787		0.0000	1.0000	3.12	
62.5	9,561		0.0000	1.0000	3.12	
63.5	8,163		0.0000	1.0000	3.12	
64.5	6,239	230	0.0369	0.9631	3.12	
65.5	5,193		0.0000	1.0000	3.00	
66.5	4,631	65	0.0140	0.9860	3.00	
67.5	2,072		0.0000	1.0000	2.96	
68.5	1,801		0.0000	1.0000	2.96	
69.5	1,801		0.0000	1.0000	2.96	
70.5	1,018		0.0000	1.0000	2.96	
71.5					2.96	

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2820 METER INSTALLATIONS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1931-2008			EXPERIENCE BAND 1989-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,647,525		0.0000	1.0000	100.00
0.5	2,626,614	1,692	0.0006	0.9994	100.00
1.5	3,661,495	3,882	0.0011	0.9989	99.94
2.5	3,701,283	2,680	0.0007	0.9993	99.83
3.5	3,744,956	1,455	0.0004	0.9996	99.76
4.5	3,780,231	1,584	0.0004	0.9996	99.72
5.5	3,802,825	2,244	0.0006	0.9994	99.68
6.5	3,852,324	2,683	0.0007	0.9993	99.62
7.5	3,888,776	4,267	0.0011	0.9989	99.55
8.5	3,940,855	2,615	0.0007	0.9993	99.44
9.5	3,963,516	5,570	0.0014	0.9986	99.37
10.5	3,457,845	6,005	0.0017	0.9983	99.23
11.5	2,500,101	8,617	0.0034	0.9966	99.06
12.5	1,843,334	893	0.0005	0.9995	98.72
13.5	1,497,241	1,435	0.0010	0.9990	98.67
14.5	1,223,562	3,887	0.0032	0.9968	98.57
15.5	999,069	2,459	0.0025	0.9975	98.25
16.5	955,142	3,690	0.0039	0.9961	98.00
17.5	824,434	4,496	0.0055	0.9945	97.62
18.5	659,202	5,126	0.0078	0.9922	97.08
19.5	619,420	2,805	0.0045	0.9955	96.32
20.5	541,829	1,199	0.0022	0.9978	95.89
21.5	487,798	2,128	0.0044	0.9956	95.68
22.5	465,860	1,413	0.0030	0.9970	95.26
23.5	434,007	1,795	0.0041	0.9959	94.97
24.5	432,454	3,230	0.0075	0.9925	94.58
25.5	429,419	6,043	0.0141	0.9859	93.87
26.5	414,911	8,175	0.0197	0.9803	92.55
27.5	386,201	7,011	0.0182	0.9818	90.73
28.5	358,123	8,320	0.0232	0.9768	89.08
29.5	345,664	9,922	0.0287	0.9713	87.01
30.5	358,739	12,301	0.0343	0.9657	84.51
31.5	379,556	15,596	0.0411	0.9589	81.61
32.5	396,743	22,275	0.0561	0.9439	78.26
33.5	403,463	25,320	0.0628	0.9372	73.87
34.5	395,182	30,787	0.0779	0.9221	69.23
35.5	368,726	26,086	0.0707	0.9293	63.84
36.5	346,534	29,646	0.0856	0.9144	59.33
37.5	305,648	72,089	0.2359	0.7641	54.25
38.5	235,306	51,587	0.2192	0.7808	41.45

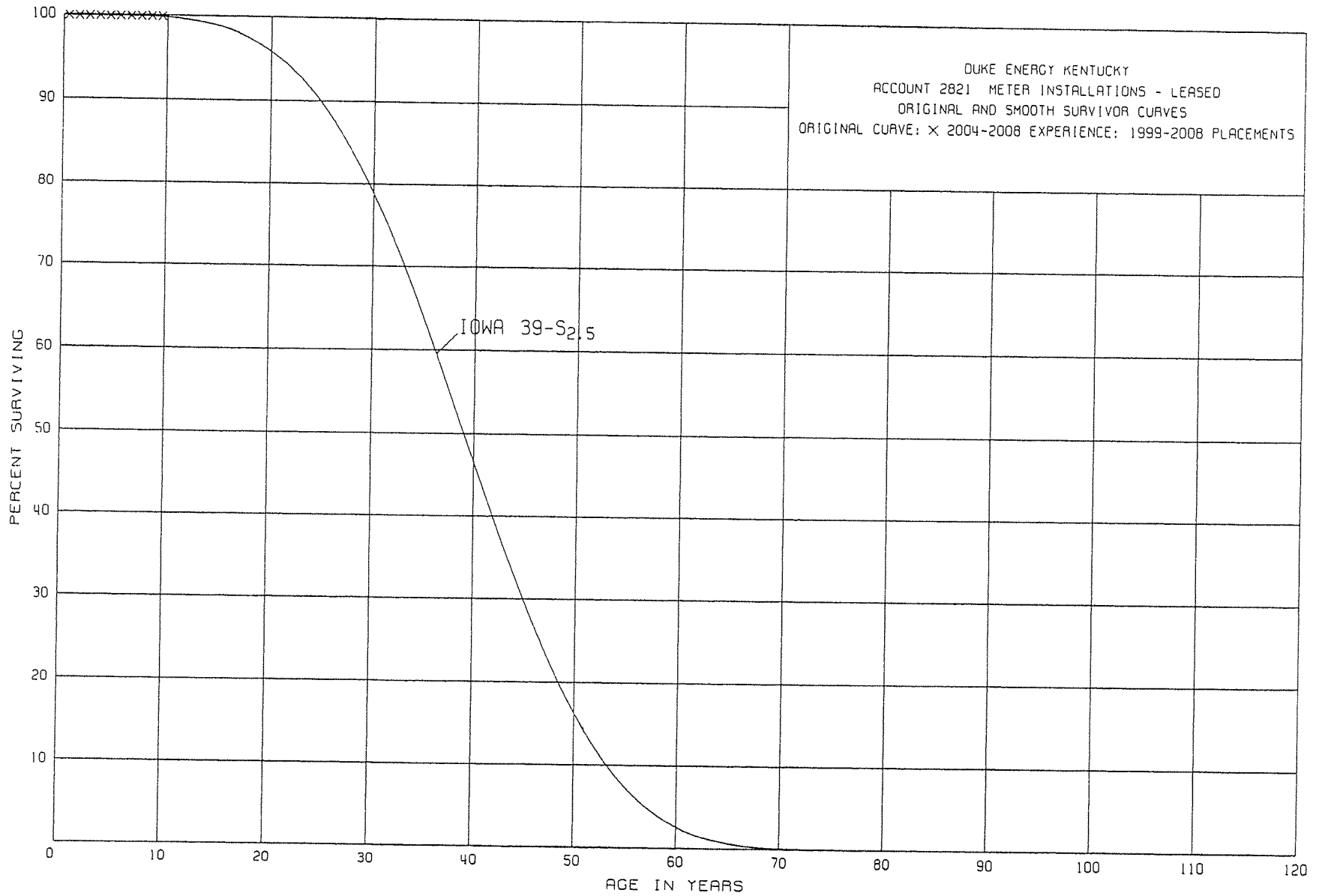
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2820 METER INSTALLATIONS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1931-2008			EXPERIENCE BAND 1989-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	169,632	21,709	0.1280	0.8720	32.36
40.5	146,257	12,558	0.0859	0.9141	28.22
41.5	129,287	10,033	0.0776	0.9224	25.80
42.5	112,109	2,274	0.0203	0.9797	23.80
43.5	106,027	1,791	0.0169	0.9831	23.32
44.5	101,886	11,228	0.1102	0.8898	22.93
45.5	81,619	6,714	0.0823	0.9177	20.40
46.5	76,982	17,425	0.2264	0.7736	18.72
47.5	67,973	10,772	0.1585	0.8415	14.48
48.5	55,612	4,111	0.0739	0.9261	12.18
49.5	60,787	4,733	0.0779	0.9221	11.28
50.5	64,473	8,523	0.1322	0.8678	10.40
51.5	57,010	789	0.0138	0.9862	9.03
52.5	56,207	4,223	0.0751	0.9249	8.91
53.5	51,676	693	0.0134	0.9866	8.24
54.5	50,921	7,101	0.1395	0.8605	8.13
55.5	43,087	2,011	0.0467	0.9533	7.00
56.5	41,076	7,631	0.1858	0.8142	6.67
57.5	33,453	1,300	0.0389	0.9611	5.43
58.5	31,135	15,405	0.4948	0.5052	5.22
59.5	12,619	944	0.0748	0.9252	2.64
60.5	10,321		0.0000	1.0000	2.44
61.5	9,787		0.0000	1.0000	2.44
62.5	9,561		0.0000	1.0000	2.44
63.5	8,163		0.0000	1.0000	2.44
64.5	6,239	230	0.0369	0.9631	2.44
65.5	5,193		0.0000	1.0000	2.35
66.5	4,631	65	0.0140	0.9860	2.35
67.5	2,072		0.0000	1.0000	2.32
68.5	1,801		0.0000	1.0000	2.32
69.5	1,801		0.0000	1.0000	2.32
70.5	1,018		0.0000	1.0000	2.32
71.5					2.32

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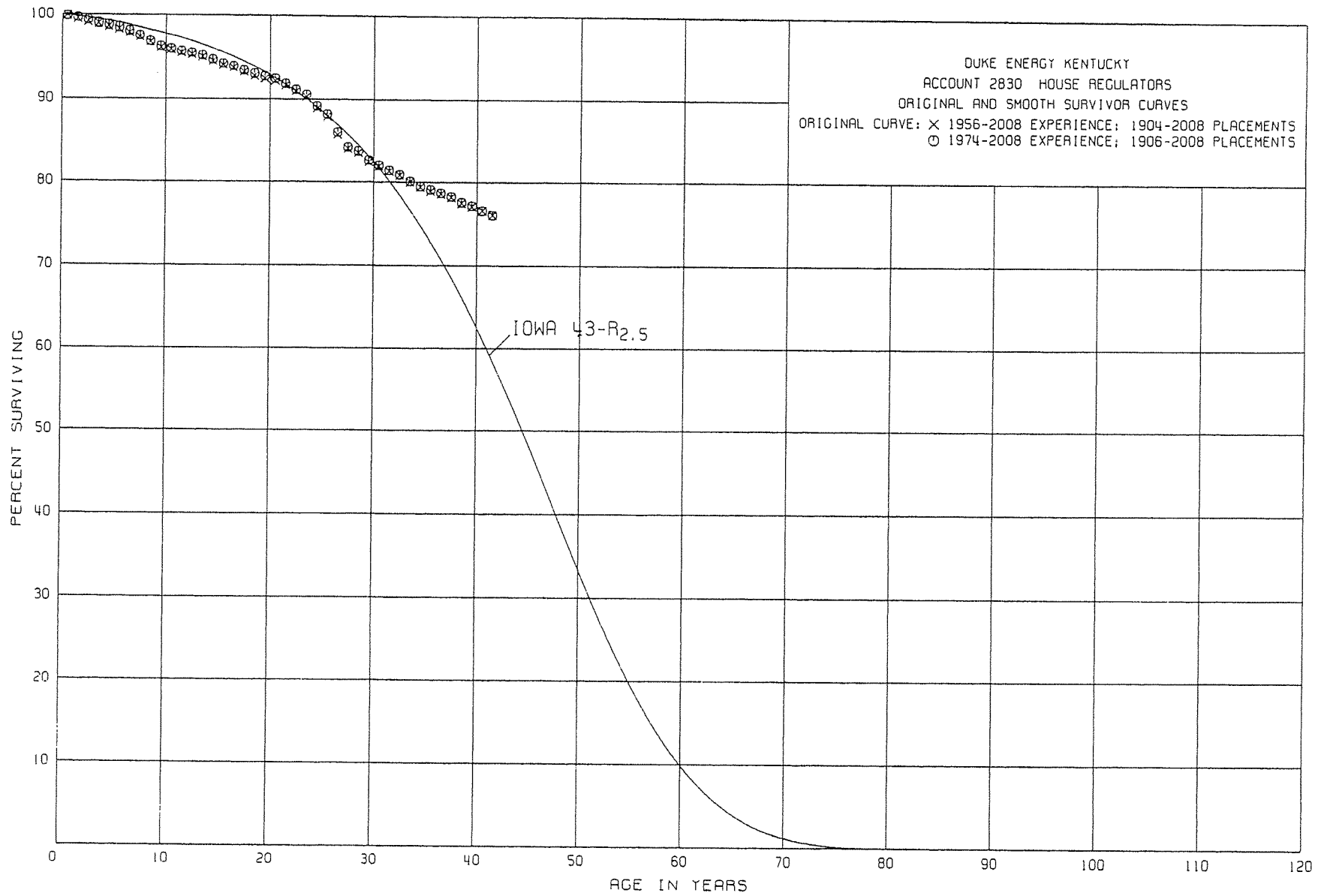
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2821 METER INSTALLATIONS - LEASED

ORIGINAL LIFE TABLE

PLACEMENT BAND 1999-2008			EXPERIENCE BAND 2004-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,269,748		0.0000	1.0000	100.00
0.5	2,455,800		0.0000	1.0000	100.00
1.5	1,998,507		0.0000	1.0000	100.00
2.5	1,642,918		0.0000	1.0000	100.00
3.5	2,133,004		0.0000	1.0000	100.00
4.5	2,270,406		0.0000	1.0000	100.00
5.5	2,004,483		0.0000	1.0000	100.00
6.5	1,975,277		0.0000	1.0000	100.00
7.5	1,903,265		0.0000	1.0000	100.00
8.5	765,507		0.0000	1.0000	100.00
9.5					100.00

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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2830 HOUSE REGULATORS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1904-2008			EXPERIENCE BAND 1956-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,357,351	1,244	0.0005	0.9995	100.00
0.5	2,401,070	10,216	0.0043	0.9957	99.95
1.5	2,286,864	6,330	0.0028	0.9972	99.52
2.5	2,285,060	6,077	0.0027	0.9973	99.24
3.5	2,286,173	5,911	0.0026	0.9974	98.97
4.5	1,829,051	4,974	0.0027	0.9973	98.71
5.5	1,835,491	8,969	0.0049	0.9951	98.44
6.5	1,835,211	8,163	0.0044	0.9956	97.96
7.5	1,828,969	12,537	0.0069	0.9931	97.53
8.5	1,816,482	11,827	0.0065	0.9935	96.86
9.5	1,592,394	4,326	0.0027	0.9973	96.23
10.5	1,406,276	5,189	0.0037	0.9963	95.97
11.5	1,305,570	2,782	0.0021	0.9979	95.61
12.5	1,241,884	4,381	0.0035	0.9965	95.41
13.5	1,139,481	5,406	0.0047	0.9953	95.08
14.5	1,023,880	5,759	0.0056	0.9944	94.63
15.5	964,519	3,586	0.0037	0.9963	94.10
16.5	920,523	4,339	0.0047	0.9953	93.75
17.5	845,267	4,209	0.0050	0.9950	93.31
18.5	755,687	2,429	0.0032	0.9968	92.84
19.5	633,056	2,118	0.0033	0.9967	92.54
20.5	582,012	3,548	0.0061	0.9939	92.23
21.5	542,369	4,290	0.0079	0.9921	91.67
22.5	492,308	3,815	0.0077	0.9923	90.95
23.5	477,093	6,982	0.0146	0.9854	90.25
24.5	460,968	5,182	0.0112	0.9888	88.93
25.5	439,459	11,098	0.0253	0.9747	87.93
26.5	428,227	8,448	0.0197	0.9803	85.71
27.5	400,758	2,431	0.0061	0.9939	84.02
28.5	323,287	4,182	0.0129	0.9871	83.51
29.5	294,051	2,053	0.0070	0.9930	82.43
30.5	288,286	2,018	0.0070	0.9930	81.85
31.5	285,530	1,849	0.0065	0.9935	81.28
32.5	282,841	2,733	0.0097	0.9903	80.75
33.5	278,686	1,975	0.0071	0.9929	79.97
34.5	267,116	1,574	0.0059	0.9941	79.40
35.5	257,818	1,072	0.0042	0.9958	78.93
36.5	243,218	1,173	0.0048	0.9952	78.60
37.5	220,215	2,152	0.0098	0.9902	78.22
38.5	197,604	910	0.0046	0.9954	77.45

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2830 HOUSE REGULATORS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2008 EXPERIENCE BAND 1956-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	177,203	1,231	0.0069	0.9931	77.09
40.5	167,017	1,123	0.0067	0.9933	76.56
41.5	155,991	897	0.0058	0.9942	76.05
42.5	140,141	634	0.0045	0.9955	75.61
43.5	131,543	369	0.0028	0.9972	75.27
44.5	117,686	384	0.0033	0.9967	75.06
45.5	106,787	788	0.0074	0.9926	74.81
46.5	95,700	486	0.0051	0.9949	74.26
47.5	88,729	271	0.0031	0.9969	73.88
48.5	82,427	250	0.0030	0.9970	73.65
49.5	75,328	305	0.0040	0.9960	73.43
50.5	66,367	251	0.0038	0.9962	73.14
51.5	63,632	109	0.0017	0.9983	72.86
52.5	57,615	389	0.0068	0.9932	72.74
53.5	51,165	135	0.0026	0.9974	72.25
54.5	46,647	281	0.0060	0.9940	72.06
55.5	41,066	715	0.0174	0.9826	71.63
56.5	35,090	149	0.0042	0.9958	70.38
57.5	24,365	84	0.0034	0.9966	70.08
58.5	17,045	119	0.0070	0.9930	69.84
59.5	12,380	233	0.0188	0.9812	69.35
60.5	9,367	274	0.0293	0.9707	68.05
61.5	8,265	192	0.0232	0.9768	66.06
62.5	7,386	111	0.0150	0.9850	64.53
63.5	7,269	229	0.0315	0.9685	63.56
64.5	7,040	79	0.0112	0.9888	61.56
65.5	6,919	13	0.0019	0.9981	60.87
66.5	6,578	88	0.0134	0.9866	60.75
67.5	6,279	9	0.0014	0.9986	59.94
68.5	6,130	9	0.0015	0.9985	59.86
69.5	5,796	43	0.0074	0.9926	59.77
70.5	5,249	107	0.0204	0.9796	59.33
71.5	4,843		0.0000	1.0000	58.12
72.5	4,674		0.0000	1.0000	58.12
73.5	4,639		0.0000	1.0000	58.12
74.5	4,639	85	0.0183	0.9817	58.12
75.5	4,554		0.0000	1.0000	57.06
76.5	4,540		0.0000	1.0000	57.06
77.5	4,326		0.0000	1.0000	57.06
78.5	4,115		0.0000	1.0000	57.06

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2830 HOUSE REGULATORS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2008 EXPERIENCE BAND 1956-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	24		0.0000	1.0000	57.06
80.5	24		0.0000	1.0000	57.06
81.5	21		0.0000	1.0000	57.06
82.5					57.06

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2830 HOUSE REGULATORS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1906-2008			EXPERIENCE BAND 1974-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,097,929	1,237	0.0006	0.9994	100.00
0.5	2,142,948	6,269	0.0029	0.9971	99.94
1.5	2,041,578	5,338	0.0026	0.9974	99.65
2.5	2,062,297	5,204	0.0025	0.9975	99.39
3.5	2,081,841	5,670	0.0027	0.9973	99.14
4.5	1,634,739	3,730	0.0023	0.9977	98.87
5.5	1,644,387	7,856	0.0048	0.9952	98.64
6.5	1,649,692	7,883	0.0048	0.9952	98.17
7.5	1,650,701	11,928	0.0072	0.9928	97.70
8.5	1,637,833	10,879	0.0066	0.9934	97.00
9.5	1,450,568	4,023	0.0028	0.9972	96.36
10.5	1,277,893	4,481	0.0035	0.9965	96.09
11.5	1,190,571	1,916	0.0016	0.9984	95.75
12.5	1,135,779	3,788	0.0033	0.9967	95.60
13.5	1,041,168	4,914	0.0047	0.9953	95.28
14.5	934,066	5,440	0.0058	0.9942	94.83
15.5	885,041	2,814	0.0032	0.9968	94.28
16.5	846,006	3,961	0.0047	0.9953	93.98
17.5	778,553	3,863	0.0050	0.9950	93.54
18.5	696,469	2,161	0.0031	0.9969	93.07
19.5	579,365	1,779	0.0031	0.9969	92.78
20.5	535,043	3,305	0.0062	0.9938	92.49
21.5	501,645	3,709	0.0074	0.9926	91.92
22.5	465,599	3,504	0.0075	0.9925	91.24
23.5	459,701	6,835	0.0149	0.9851	90.56
24.5	450,048	5,059	0.0112	0.9888	89.21
25.5	432,787	11,073	0.0256	0.9744	88.21
26.5	417,385	8,385	0.0201	0.9799	85.95
27.5	390,971	2,392	0.0061	0.9939	84.22
28.5	313,535	4,140	0.0132	0.9868	83.71
29.5	284,320	2,014	0.0071	0.9929	82.61
30.5	278,679	1,995	0.0072	0.9928	82.02
31.5	276,515	1,822	0.0066	0.9934	81.43
32.5	274,492	2,699	0.0098	0.9902	80.89
33.5	270,711	1,933	0.0071	0.9929	80.10
34.5	259,634	1,561	0.0060	0.9940	79.53
35.5	250,958	1,057	0.0042	0.9958	79.05
36.5	236,673	1,172	0.0050	0.9950	78.72
37.5	213,896	2,148	0.0100	0.9900	78.33
38.5	191,320	910	0.0048	0.9952	77.55

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2830 HOUSE REGULATORS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1906-2008			EXPERIENCE BAND 1974-2008			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	170,886	1,223	0.0072	0.9928	77.18	
40.5	160,706	1,103	0.0069	0.9931	76.62	
41.5	149,713	710	0.0047	0.9953	76.09	
42.5	134,291	499	0.0037	0.9963	75.73	
43.5	126,108	362	0.0029	0.9971	75.45	
44.5	117,612	374	0.0032	0.9968	75.23	
45.5	106,679	771	0.0072	0.9928	74.99	
46.5	95,590	459	0.0048	0.9952	74.45	
47.5	88,662	243	0.0027	0.9973	74.09	
48.5	82,372	229	0.0028	0.9972	73.89	
49.5	74,980	287	0.0038	0.9962	73.68	
50.5	65,996	237	0.0036	0.9964	73.40	
51.5	62,869	96	0.0015	0.9985	73.14	
52.5	56,865	362	0.0064	0.9936	73.03	
53.5	50,442	120	0.0024	0.9976	72.56	
54.5	45,939	276	0.0060	0.9940	72.39	
55.5	40,363	712	0.0176	0.9824	71.96	
56.5	34,390	144	0.0042	0.9958	70.69	
57.5	23,670	79	0.0033	0.9967	70.39	
58.5	16,355	119	0.0073	0.9927	70.16	
59.5	11,690	199	0.0170	0.9830	69.65	
60.5	8,711	195	0.0224	0.9776	68.47	
61.5	7,687	105	0.0137	0.9863	66.94	
62.5	6,896	64	0.0093	0.9907	66.02	
63.5	6,827	58	0.0085	0.9915	65.41	
64.5	6,769	16	0.0024	0.9976	64.85	
65.5	6,710	13	0.0019	0.9981	64.69	
66.5	6,375	19	0.0030	0.9970	64.57	
67.5	6,279	9	0.0014	0.9986	64.38	
68.5	6,130	9	0.0015	0.9985	64.29	
69.5	5,796	43	0.0074	0.9926	64.19	
70.5	5,249	107	0.0204	0.9796	63.71	
71.5	4,843		0.0000	1.0000	62.41	
72.5	4,674		0.0000	1.0000	62.41	
73.5	4,639		0.0000	1.0000	62.41	
74.5	4,639	85	0.0183	0.9817	62.41	
75.5	4,554		0.0000	1.0000	61.27	
76.5	4,540		0.0000	1.0000	61.27	
77.5	4,326		0.0000	1.0000	61.27	
78.5	4,115		0.0000	1.0000	61.27	

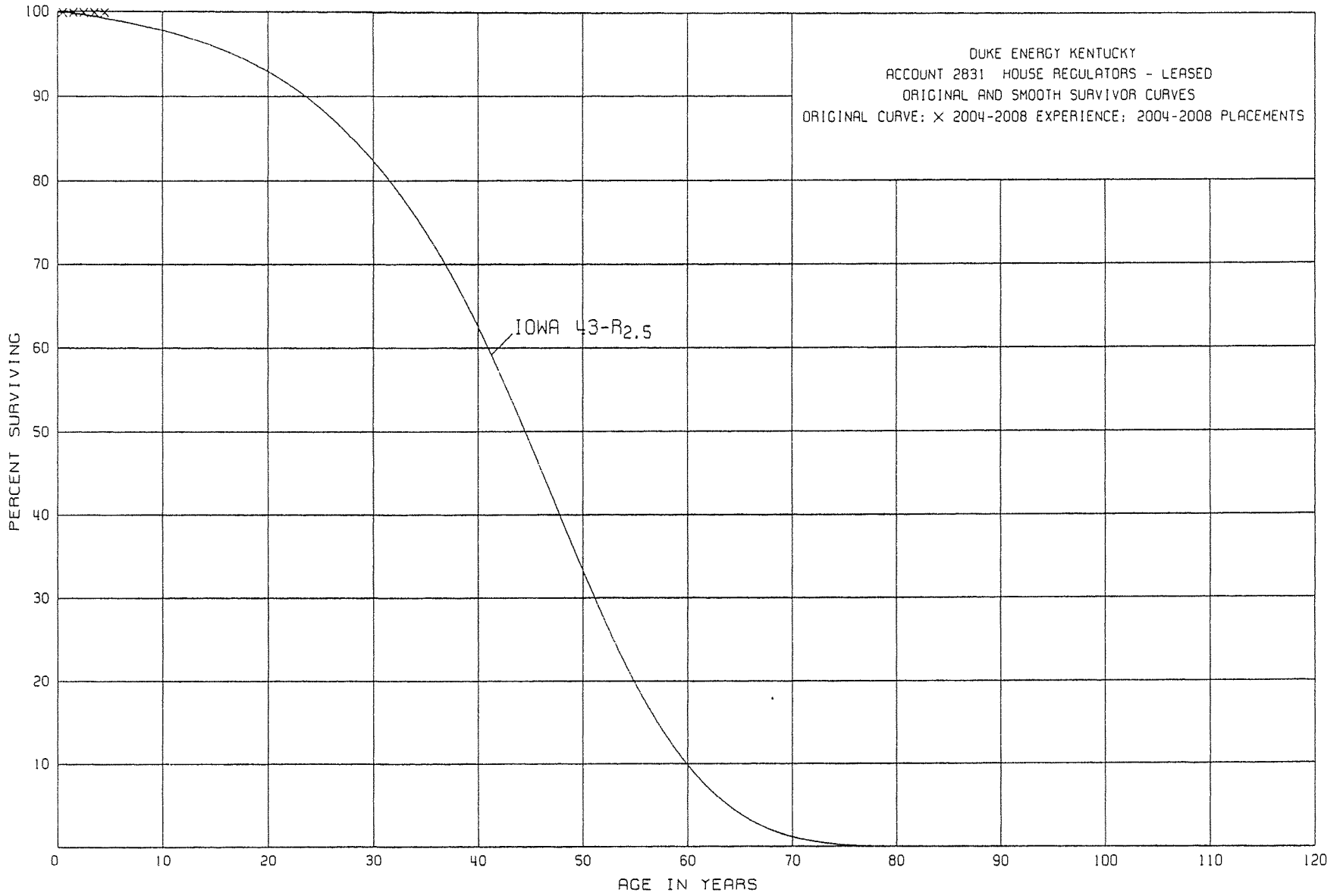
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2830 HOUSE REGULATORS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1906-2008			EXPERIENCE BAND 1974-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	24		0.0000	1.0000	61.27
80.5	24		0.0000	1.0000	61.27
81.5	21		0.0000	1.0000	61.27
82.5					61.27

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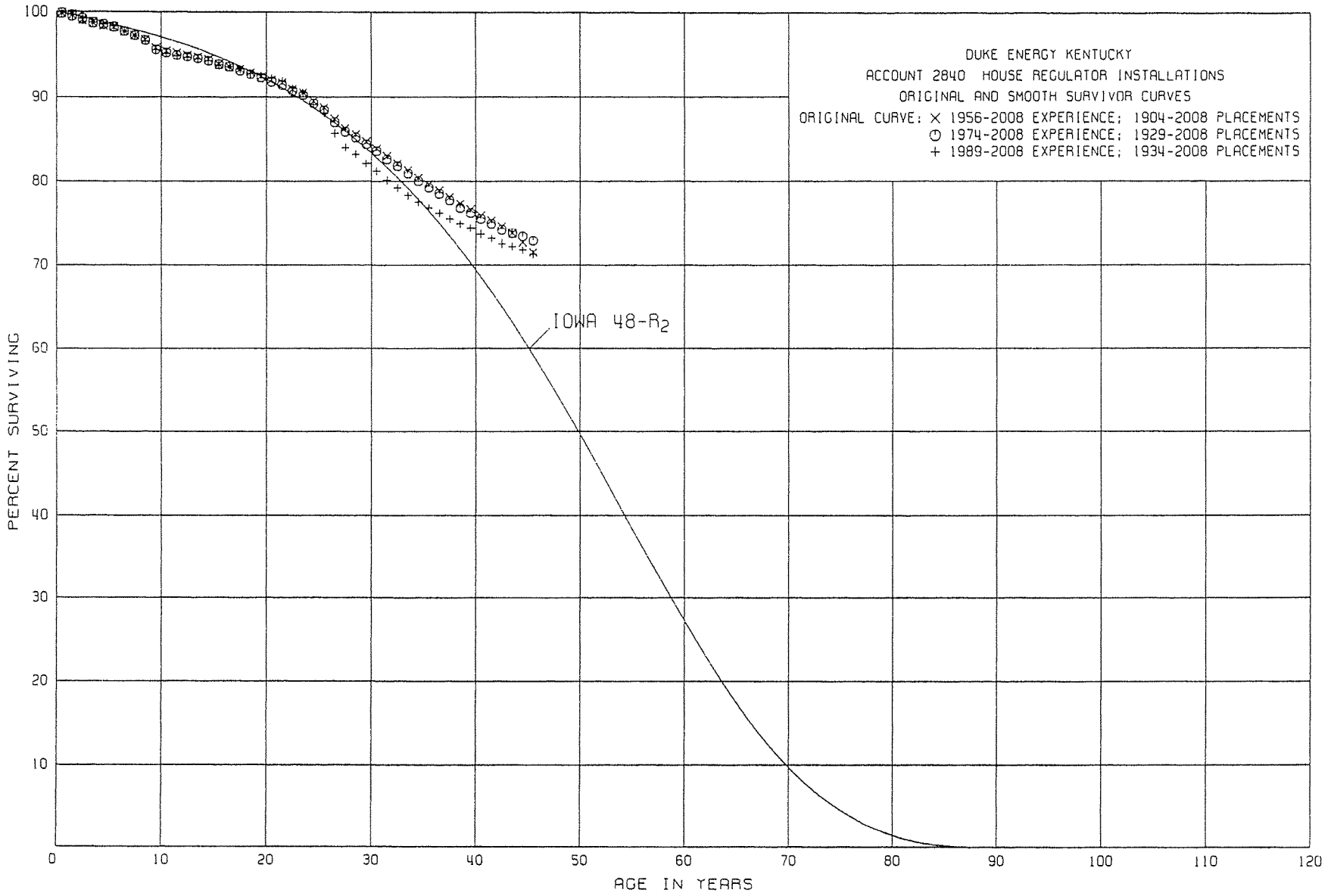


DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2831 HOUSE REGULATORS - LEASED

ORIGINAL LIFE TABLE

PLACEMENT BAND 2004-2008			EXPERIENCE BAND 2004-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,192,171		0.0000	1.0000	100.00
0.5	2,494,447		0.0000	1.0000	100.00
1.5	1,948,976		0.0000	1.0000	100.00
2.5	1,554,191		0.0000	1.0000	100.00
3.5	1,012,231		0.0000	1.0000	100.00
4.5					100.00



DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2840 HOUSE REGULATOR INSTALLATIONS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1904-2008

EXPERIENCE BAND 1956-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,508,695		0.0000	1.0000	100.00
0.5	1,397,652	4,717	0.0034	0.9966	100.00
1.5	1,498,970	6,367	0.0042	0.9958	99.66
2.5	1,499,108	5,584	0.0037	0.9963	99.24
3.5	1,499,899	4,309	0.0029	0.9971	98.87
4.5	1,501,970	2,970	0.0020	0.9980	98.58
5.5	1,504,656	7,938	0.0053	0.9947	98.38
6.5	1,501,509	6,544	0.0044	0.9956	97.86
7.5	1,429,947	8,447	0.0059	0.9941	97.43
8.5	1,277,758	12,614	0.0099	0.9901	96.86
9.5	1,163,311	5,054	0.0043	0.9957	95.90
10.5	1,039,853	2,521	0.0024	0.9976	95.49
11.5	945,202	2,152	0.0023	0.9977	95.26
12.5	872,260	2,149	0.0025	0.9975	95.04
13.5	750,104	2,335	0.0031	0.9969	94.80
14.5	623,920	3,919	0.0063	0.9937	94.51
15.5	567,371	1,693	0.0030	0.9970	93.91
16.5	475,500	1,915	0.0040	0.9960	93.63
17.5	439,620	1,864	0.0042	0.9958	93.26
18.5	393,977	1,914	0.0049	0.9951	92.87
19.5	294,424	1,253	0.0043	0.9957	92.41
20.5	261,625	999	0.0038	0.9962	92.01
21.5	226,873	1,927	0.0085	0.9915	91.66
22.5	209,300	934	0.0045	0.9955	90.88
23.5	205,962	2,193	0.0106	0.9894	90.47
24.5	198,629	1,863	0.0094	0.9906	89.51
25.5	194,606	2,775	0.0143	0.9857	88.67
26.5	191,681	2,518	0.0131	0.9869	87.40
27.5	184,587	1,520	0.0082	0.9918	86.26
28.5	168,621	1,671	0.0099	0.9901	85.55
29.5	160,351	1,454	0.0091	0.9909	84.70
30.5	159,255	1,859	0.0117	0.9883	83.93
31.5	157,681	1,559	0.0099	0.9901	82.95
32.5	156,249	1,662	0.0106	0.9894	82.13
33.5	153,692	1,708	0.0111	0.9889	81.26
34.5	151,786	1,518	0.0100	0.9900	80.36
35.5	146,322	1,170	0.0080	0.9920	79.56
36.5	140,862	1,423	0.0101	0.9899	78.92
37.5	133,849	1,474	0.0110	0.9890	78.12
38.5	129,833	1,120	0.0086	0.9914	77.26

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2840 HOUSE REGULATOR INSTALLATIONS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2008			EXPERIENCE BAND 1956-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	124,839	1,145	0.0092	0.9908	76.60
40.5	121,181	1,000	0.0083	0.9917	75.90
41.5	116,694	1,062	0.0091	0.9909	75.27
42.5	112,023	1,118	0.0100	0.9900	74.59
43.5	109,599	1,739	0.0159	0.9841	73.84
44.5	104,027	1,663	0.0160	0.9840	72.67
45.5	100,252	939	0.0094	0.9906	71.51
46.5	90,145	670	0.0074	0.9926	70.84
47.5	87,806	656	0.0075	0.9925	70.32
48.5	83,429	575	0.0069	0.9931	69.79
49.5	67,250	735	0.0109	0.9891	69.31
50.5	52,002	799	0.0154	0.9846	68.55
51.5	47,684	443	0.0093	0.9907	67.49
52.5	41,777	660	0.0158	0.9842	66.86
53.5	35,363	951	0.0269	0.9731	65.80
54.5	28,666	874	0.0305	0.9695	64.03
55.5	23,543	740	0.0314	0.9686	62.08
56.5	17,054	360	0.0211	0.9789	60.13
57.5	13,344	412	0.0309	0.9691	58.86
58.5	10,194	257	0.0252	0.9748	57.04
59.5	7,394	10	0.0014	0.9986	55.60
60.5	5,607	21	0.0037	0.9963	55.52
61.5	3,471	46	0.0133	0.9867	55.31
62.5	2,310	16	0.0069	0.9931	54.57
63.5	2,295	16	0.0070	0.9930	54.19
64.5	2,279	5	0.0022	0.9978	53.81
65.5	2,264		0.0000	1.0000	53.69
66.5	1,813	62	0.0342	0.9658	53.69
67.5	1,471		0.0000	1.0000	51.85
68.5	1,264		0.0000	1.0000	51.85
69.5	860		0.0000	1.0000	51.85
70.5	280		0.0000	1.0000	51.85
71.5					51.85

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2840 HOUSE REGULATOR INSTALLATIONS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1929-2008			EXPERIENCE BAND 1974-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,382,660		0.0000	1.0000	100.00
0.5	1,268,865	4,717	0.0037	0.9963	100.00
1.5	1,366,612	5,082	0.0037	0.9963	99.63
2.5	1,368,683	4,758	0.0035	0.9965	99.26
3.5	1,367,657	3,592	0.0026	0.9974	98.91
4.5	1,369,992	2,970	0.0022	0.9978	98.65
5.5	1,370,233	7,938	0.0058	0.9942	98.43
6.5	1,366,829	6,544	0.0048	0.9952	97.86
7.5	1,296,117	8,447	0.0065	0.9935	97.39
8.5	1,142,885	12,614	0.0110	0.9890	96.76
9.5	1,035,471	4,742	0.0046	0.9954	95.70
10.5	916,208	2,428	0.0027	0.9973	95.26
11.5	833,750	1,818	0.0022	0.9978	95.00
12.5	763,386	1,551	0.0020	0.9980	94.79
13.5	646,826	1,748	0.0027	0.9973	94.60
14.5	539,609	2,645	0.0049	0.9951	94.34
15.5	500,917	1,693	0.0034	0.9966	93.88
16.5	413,999	1,915	0.0046	0.9954	93.56
17.5	384,591	1,763	0.0046	0.9954	93.13
18.5	346,245	1,693	0.0049	0.9951	92.70
19.5	255,136	1,253	0.0049	0.9951	92.25
20.5	227,774	961	0.0042	0.9958	91.80
21.5	199,196	1,651	0.0083	0.9917	91.41
22.5	187,509	874	0.0047	0.9953	90.65
23.5	188,880	2,055	0.0109	0.9891	90.22
24.5	186,052	1,863	0.0100	0.9900	89.24
25.5	184,928	2,754	0.0149	0.9851	88.35
26.5	183,969	2,398	0.0130	0.9870	87.03
27.5	177,924	1,500	0.0084	0.9916	85.90
28.5	161,503	1,557	0.0096	0.9904	85.18
29.5	153,256	1,413	0.0092	0.9908	84.36
30.5	151,762	1,810	0.0119	0.9881	83.58
31.5	150,571	1,538	0.0102	0.9898	82.59
32.5	149,396	1,634	0.0109	0.9891	81.75
33.5	147,208	1,615	0.0110	0.9890	80.86
34.5	145,861	1,463	0.0100	0.9900	79.97
35.5	141,133	1,133	0.0080	0.9920	79.17
36.5	136,073	1,416	0.0104	0.9896	78.54
37.5	129,512	1,460	0.0113	0.9887	77.72
38.5	125,506	1,118	0.0089	0.9911	76.84

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2840 HOUSE REGULATOR INSTALLATIONS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1929-2008			EXPERIENCE BAND 1974-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	119,943	1,118	0.0093	0.9907	76.16
40.5	116,295	934	0.0080	0.9920	75.45
41.5	111,891	954	0.0085	0.9915	74.85
42.5	107,261	544	0.0051	0.9949	74.21
43.5	105,882	567	0.0054	0.9946	73.83
44.5	101,730	770	0.0076	0.9924	73.43
45.5	98,394	795	0.0081	0.9919	72.87
46.5	88,220	524	0.0059	0.9941	72.28
47.5	85,962	490	0.0057	0.9943	71.85
48.5	81,671	486	0.0060	0.9940	71.44
49.5	65,247	671	0.0103	0.9897	71.01
50.5	50,009	285	0.0057	0.9943	70.28
51.5	45,750	217	0.0047	0.9953	69.88
52.5	40,069	461	0.0115	0.9885	69.55
53.5	33,854	702	0.0207	0.9793	68.75
54.5	27,406	444	0.0162	0.9838	67.33
55.5	22,714	603	0.0265	0.9735	66.24
56.5	16,362	239	0.0146	0.9854	64.48
57.5	12,772	78	0.0061	0.9939	63.54
58.5	9,957	20	0.0020	0.9980	63.15
59.5	7,394	10	0.0014	0.9986	63.02
60.5	5,607	21	0.0037	0.9963	62.93
61.5	3,471	46	0.0133	0.9867	62.70
62.5	2,310	16	0.0069	0.9931	61.87
63.5	2,295	16	0.0070	0.9930	61.44
64.5	2,279	5	0.0022	0.9978	61.01
65.5	2,264		0.0000	1.0000	60.88
66.5	1,813	62	0.0342	0.9658	60.88
67.5	1,471		0.0000	1.0000	58.80
68.5	1,264		0.0000	1.0000	58.80
69.5	860		0.0000	1.0000	58.80
70.5	280		0.0000	1.0000	58.80
71.5					58.80

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2840 HOUSE REGULATOR INSTALLATIONS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1934-2008 EXPERIENCE BAND 1989-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,244,565		0.0000	1.0000	100.00
0.5	1,161,763	4,114	0.0035	0.9965	100.00
1.5	1,292,583	4,988	0.0039	0.9961	99.65
2.5	1,306,647	4,687	0.0036	0.9964	99.26
3.5	1,304,928	3,158	0.0024	0.9976	98.90
4.5	1,308,422	2,776	0.0021	0.9979	98.66
5.5	1,309,112	7,762	0.0059	0.9941	98.45
6.5	1,303,115	6,449	0.0049	0.9951	97.87
7.5	1,233,065	8,234	0.0067	0.9933	97.39
8.5	1,094,575	12,496	0.0114	0.9886	96.74
9.5	985,626	4,584	0.0047	0.9953	95.64
10.5	862,715	2,386	0.0028	0.9972	95.19
11.5	768,129	1,690	0.0022	0.9978	94.92
12.5	695,667	1,349	0.0019	0.9981	94.71
13.5	575,183	1,328	0.0023	0.9977	94.53
14.5	449,879	2,404	0.0053	0.9947	94.31
15.5	398,908	1,133	0.0028	0.9972	93.81
16.5	312,437	991	0.0032	0.9968	93.55
17.5	283,004	1,252	0.0044	0.9956	93.25
18.5	240,849	756	0.0031	0.9969	92.84
19.5	147,070	585	0.0040	0.9960	92.55
20.5	117,528	327	0.0028	0.9972	92.18
21.5	87,517	910	0.0104	0.9896	91.92
22.5	75,283	367	0.0049	0.9951	90.96
23.5	74,346	1,150	0.0155	0.9845	90.51
24.5	76,243	902	0.0118	0.9882	89.11
25.5	75,766	2,061	0.0272	0.9728	88.06
26.5	83,509	1,636	0.0196	0.9804	85.66
27.5	78,666	754	0.0096	0.9904	83.98
28.5	67,153	897	0.0134	0.9866	83.17
29.5	77,598	802	0.0103	0.9897	82.06
30.5	92,760	1,257	0.0136	0.9864	81.21
31.5	96,776	1,140	0.0118	0.9882	80.11
32.5	102,268	1,065	0.0104	0.9896	79.16
33.5	106,869	1,145	0.0107	0.9893	78.34
34.5	112,715	1,093	0.0097	0.9903	77.50
35.5	112,371	853	0.0076	0.9924	76.75
36.5	113,159	977	0.0086	0.9914	76.17
37.5	111,107	856	0.0077	0.9923	75.51
38.5	111,305	841	0.0076	0.9924	74.93

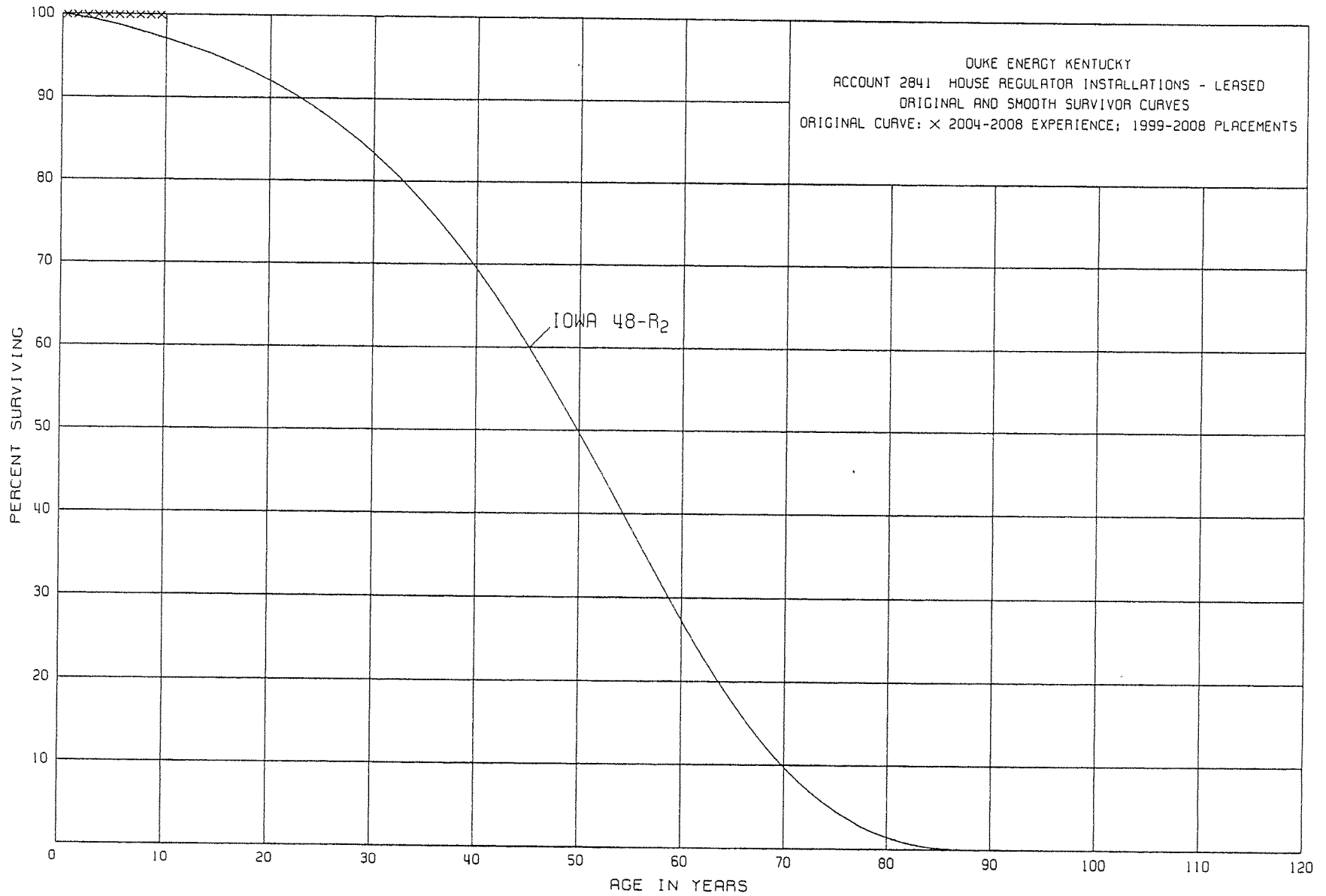
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2840 HOUSE REGULATOR INSTALLATIONS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1934-2008			EXPERIENCE BAND 1989-2008			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	109,306	962	0.0088	0.9912	74.36	
40.5	108,668	820	0.0075	0.9925	73.71	
41.5	106,901	925	0.0087	0.9913	73.16	
42.5	103,634	507	0.0049	0.9951	72.52	
43.5	101,602	541	0.0053	0.9947	72.16	
44.5	97,015	672	0.0069	0.9931	71.78	
45.5	93,788	510	0.0054	0.9946	71.28	
46.5	84,463	447	0.0053	0.9947	70.90	
47.5	82,620	387	0.0047	0.9953	70.52	
48.5	78,717	331	0.0042	0.9958	70.19	
49.5	62,889	567	0.0090	0.9910	69.90	
50.5	48,401	197	0.0041	0.9959	69.27	
51.5	44,593	114	0.0026	0.9974	68.99	
52.5	39,432	399	0.0101	0.9899	68.81	
53.5	33,372	557	0.0167	0.9833	68.12	
54.5	27,126	381	0.0140	0.9860	66.98	
55.5	22,497	432	0.0192	0.9808	66.04	
56.5	16,315	193	0.0118	0.9882	64.77	
57.5	12,772	78	0.0061	0.9939	64.01	
58.5	9,957	20	0.0020	0.9980	63.62	
59.5	7,394	10	0.0014	0.9986	63.49	
60.5	5,607	21	0.0037	0.9963	63.40	
61.5	3,471	46	0.0133	0.9867	63.17	
62.5	2,310	16	0.0069	0.9931	62.33	
63.5	2,295	16	0.0070	0.9930	61.90	
64.5	2,279	5	0.0022	0.9978	61.47	
65.5	2,264		0.0000	1.0000	61.33	
66.5	1,813	62	0.0342	0.9658	61.33	
67.5	1,471		0.0000	1.0000	59.23	
68.5	1,264		0.0000	1.0000	59.23	
69.5	860		0.0000	1.0000	59.23	
70.5	280		0.0000	1.0000	59.23	
71.5					59.23	

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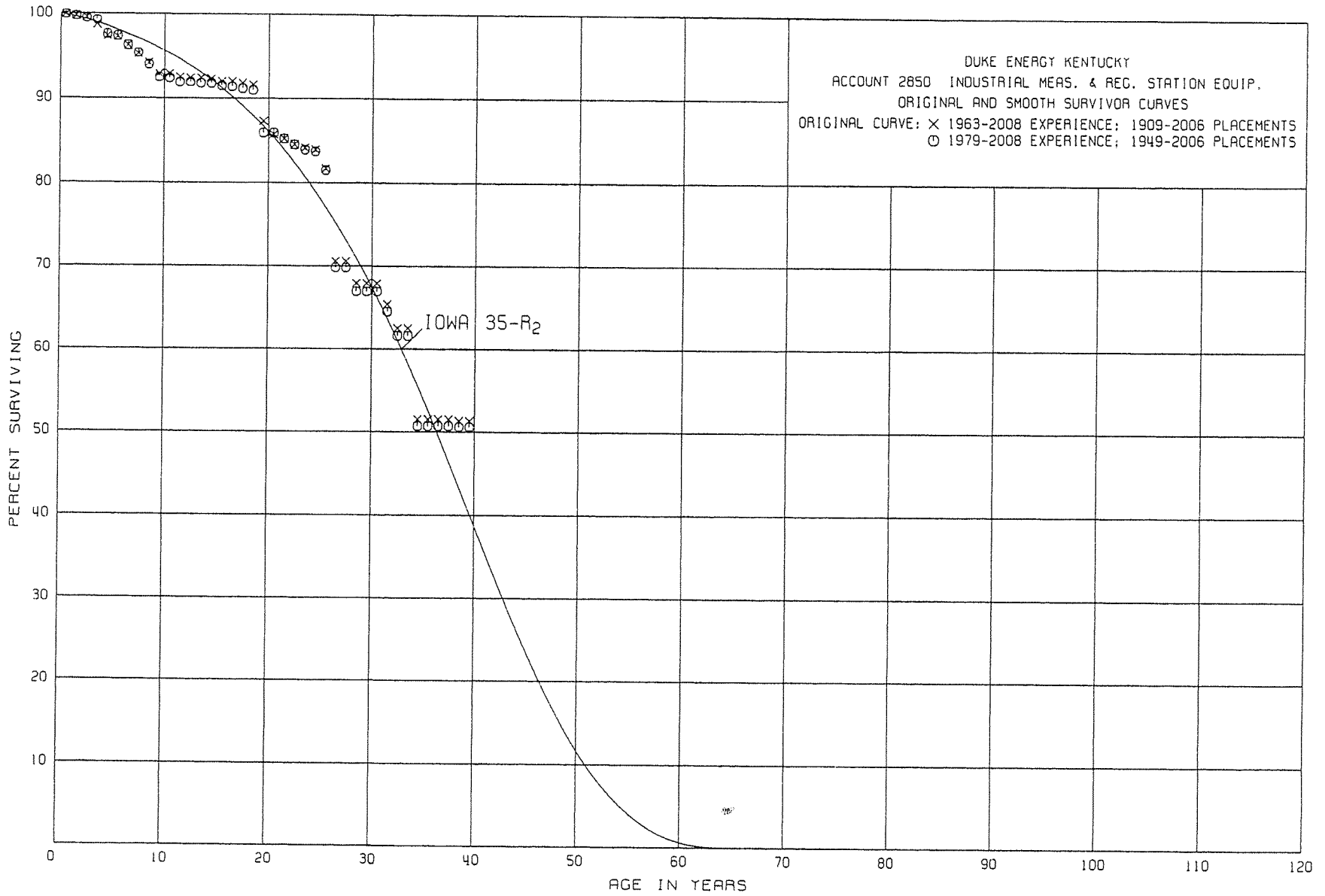


DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2841 HOUSE REGULATOR INSTALLATIONS - LEASED

ORIGINAL LIFE TABLE

PLACEMENT BAND 1999-2008			EXPERIENCE BAND 2004-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,108,953		0.0000	1.0000	100.00
0.5	2,990,089		0.0000	1.0000	100.00
1.5	2,274,252		0.0000	1.0000	100.00
2.5	1,988,779		0.0000	1.0000	100.00
3.5	1,449,088		0.0000	1.0000	100.00
4.5	344,085		0.0000	1.0000	100.00
5.5	344,085		0.0000	1.0000	100.00
6.5	344,085		0.0000	1.0000	100.00
7.5	344,085		0.0000	1.0000	100.00
8.5	344,085		0.0000	1.0000	100.00
9.5					100.00



DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2850 INDUSTRIAL MEAS. & REG. STATION EQUIP.

ORIGINAL LIFE TABLE

PLACEMENT BAND 1909-2006

EXPERIENCE BAND 1963-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	485,514		0.0000	1.0000	100.00
0.5	487,081	1,247	0.0026	0.9974	100.00
1.5	487,729	1,102	0.0023	0.9977	99.74
2.5	479,467	3,911	0.0082	0.9918	99.51
3.5	474,747	6,364	0.0134	0.9866	98.69
4.5	462,538	562	0.0012	0.9988	97.37
5.5	458,925	4,490	0.0098	0.9902	97.25
6.5	464,848	4,833	0.0104	0.9896	96.30
7.5	452,999	5,500	0.0121	0.9879	95.30
8.5	440,568	5,664	0.0129	0.9871	94.15
9.5	398,149	320	0.0008	0.9992	92.94
10.5	378,857	1,717	0.0045	0.9955	92.87
11.5	369,404	25	0.0001	0.9999	92.45
12.5	359,111	195	0.0005	0.9995	92.44
13.5	347,270	200	0.0006	0.9994	92.39
14.5	330,238	1,026	0.0031	0.9969	92.33
15.5	307,614	86	0.0003	0.9997	92.04
16.5	291,171	661	0.0023	0.9977	92.01
17.5	265,249	512	0.0019	0.9981	91.80
18.5	195,805	9,183	0.0469	0.9531	91.63
19.5	180,502	3,332	0.0185	0.9815	87.33
20.5	165,381	1,045	0.0063	0.9937	85.71
21.5	172,678	1,307	0.0076	0.9924	85.17
22.5	161,557	870	0.0054	0.9946	84.52
23.5	152,118	381	0.0025	0.9975	84.06
24.5	139,009	3,500	0.0252	0.9748	83.85
25.5	115,154	15,635	0.1358	0.8642	81.74
26.5	99,519		0.0000	1.0000	70.64
27.5	99,519	3,924	0.0394	0.9606	70.64
28.5	81,690		0.0000	1.0000	67.86
29.5	80,355		0.0000	1.0000	67.86
30.5	80,355	2,886	0.0359	0.9641	67.86
31.5	77,469	3,422	0.0442	0.9558	65.42
32.5	74,047		0.0000	1.0000	62.53
33.5	74,047	13,088	0.1768	0.8232	62.53
34.5	60,959		0.0000	1.0000	51.47
35.5	60,801		0.0000	1.0000	51.47
36.5	58,658		0.0000	1.0000	51.47
37.5	53,763	195	0.0036	0.9964	51.47
38.5	52,192		0.0000	1.0000	51.28

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2850 INDUSTRIAL MEAS. & REG. STATION EQUIP.

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1909-2006			EXPERIENCE BAND 1963-2008			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	14,974		0.0000	1.0000	51.28	
40.5	14,421	5,666	0.3929	0.6071	51.28	
41.5	7,410		0.0000	1.0000	31.13	
42.5	6,874		0.0000	1.0000	31.13	
43.5	4,847		0.0000	1.0000	31.13	
44.5	4,847		0.0000	1.0000	31.13	
45.5	4,103		0.0000	1.0000	31.13	
46.5	3,098		0.0000	1.0000	31.13	
47.5	3,098		0.0000	1.0000	31.13	
48.5	3,098		0.0000	1.0000	31.13	
49.5	2,069		0.0000	1.0000	31.13	
50.5	2,069		0.0000	1.0000	31.13	
51.5	2,069		0.0000	1.0000	31.13	
52.5	2,069		0.0000	1.0000	31.13	
53.5	2,002		0.0000	1.0000	31.13	
54.5	1,896		0.0000	1.0000	31.13	
55.5	492		0.0000	1.0000	31.13	
56.5	242		0.0000	1.0000	31.13	
57.5	242		0.0000	1.0000	31.13	
58.5	242		0.0000	1.0000	31.13	
59.5	242	242	1.0000	0.0000	31.13	
60.5					0.00	

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2850 INDUSTRIAL MEAS. & REG. STATION EQUIP.

ORIGINAL LIFE TABLE

PLACEMENT BAND 1949-2006			EXPERIENCE BAND 1979-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	410,773		0.0000	1.0000	100.00
0.5	411,335	1,247	0.0030	0.9970	100.00
1.5	411,983	1,102	0.0027	0.9973	99.70
2.5	400,849	1,039	0.0026	0.9974	99.43
3.5	397,972	6,364	0.0160	0.9840	99.17
4.5	381,216	562	0.0015	0.9985	97.58
5.5	377,760	4,490	0.0119	0.9881	97.43
6.5	377,103	3,617	0.0096	0.9904	96.27
7.5	373,308	5,500	0.0147	0.9853	95.35
8.5	355,754	5,664	0.0159	0.9841	93.95
9.5	355,140	320	0.0009	0.9991	92.46
10.5	336,873	1,717	0.0051	0.9949	92.38
11.5	330,904	25	0.0001	0.9999	91.91
12.5	321,613	195	0.0006	0.9994	91.90
13.5	309,632	200	0.0006	0.9994	91.84
14.5	296,147	1,026	0.0035	0.9965	91.78
15.5	274,266	86	0.0003	0.9997	91.46
16.5	258,828	661	0.0026	0.9974	91.43
17.5	232,906	512	0.0022	0.9978	91.19
18.5	163,463	9,183	0.0562	0.9438	90.99
19.5	149,188		0.0000	1.0000	85.88
20.5	137,399	1,045	0.0076	0.9924	85.88
21.5	144,696	1,307	0.0090	0.9910	85.23
22.5	142,843	870	0.0061	0.9939	84.46
23.5	137,255	381	0.0028	0.9972	83.94
24.5	131,493	3,500	0.0266	0.9734	83.70
25.5	109,041	15,635	0.1434	0.8566	81.47
26.5	93,657		0.0000	1.0000	69.79
27.5	93,657	3,924	0.0419	0.9581	69.79
28.5	76,024		0.0000	1.0000	66.87
29.5	80,355		0.0000	1.0000	66.87
30.5	80,355	2,886	0.0359	0.9641	66.87
31.5	77,469	3,422	0.0442	0.9558	64.47
32.5	74,047		0.0000	1.0000	61.62
33.5	74,047	13,088	0.1768	0.8232	61.62
34.5	60,959		0.0000	1.0000	50.73
35.5	60,801		0.0000	1.0000	50.73
36.5	58,658		0.0000	1.0000	50.73
37.5	53,763	195	0.0036	0.9964	50.73
38.5	52,192		0.0000	1.0000	50.55

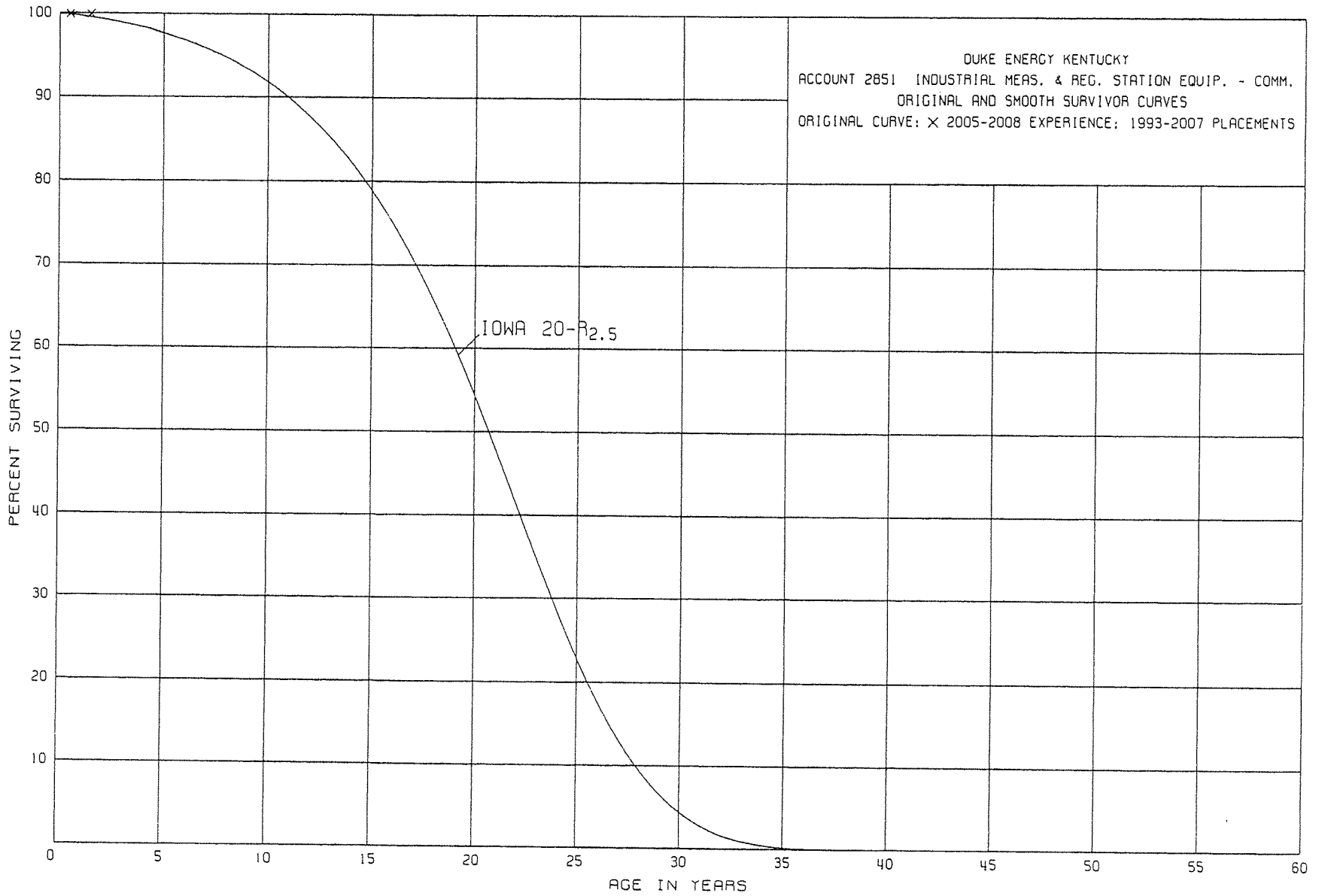
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2850 INDUSTRIAL MEAS. & REG. STATION EQUIP.

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1949-2006			EXPERIENCE BAND 1979-2008			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	14,974		0.0000	1.0000	50.55	
40.5	14,421	5,666	0.3929	0.6071	50.55	
41.5	7,410		0.0000	1.0000	30.69	
42.5	6,874		0.0000	1.0000	30.69	
43.5	4,847		0.0000	1.0000	30.69	
44.5	4,847		0.0000	1.0000	30.69	
45.5	4,103		0.0000	1.0000	30.69	
46.5	3,098		0.0000	1.0000	30.69	
47.5	3,098		0.0000	1.0000	30.69	
48.5	3,098		0.0000	1.0000	30.69	
49.5	2,069		0.0000	1.0000	30.69	
50.5	2,069		0.0000	1.0000	30.69	
51.5	2,069		0.0000	1.0000	30.69	
52.5	2,069		0.0000	1.0000	30.69	
53.5	1,760		0.0000	1.0000	30.69	
54.5	1,654		0.0000	1.0000	30.69	
55.5	251		0.0000	1.0000	30.69	
56.5					30.69	

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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2851 INDUSTRIAL MEAS. & REG. STATION EQUIP. - COMM.

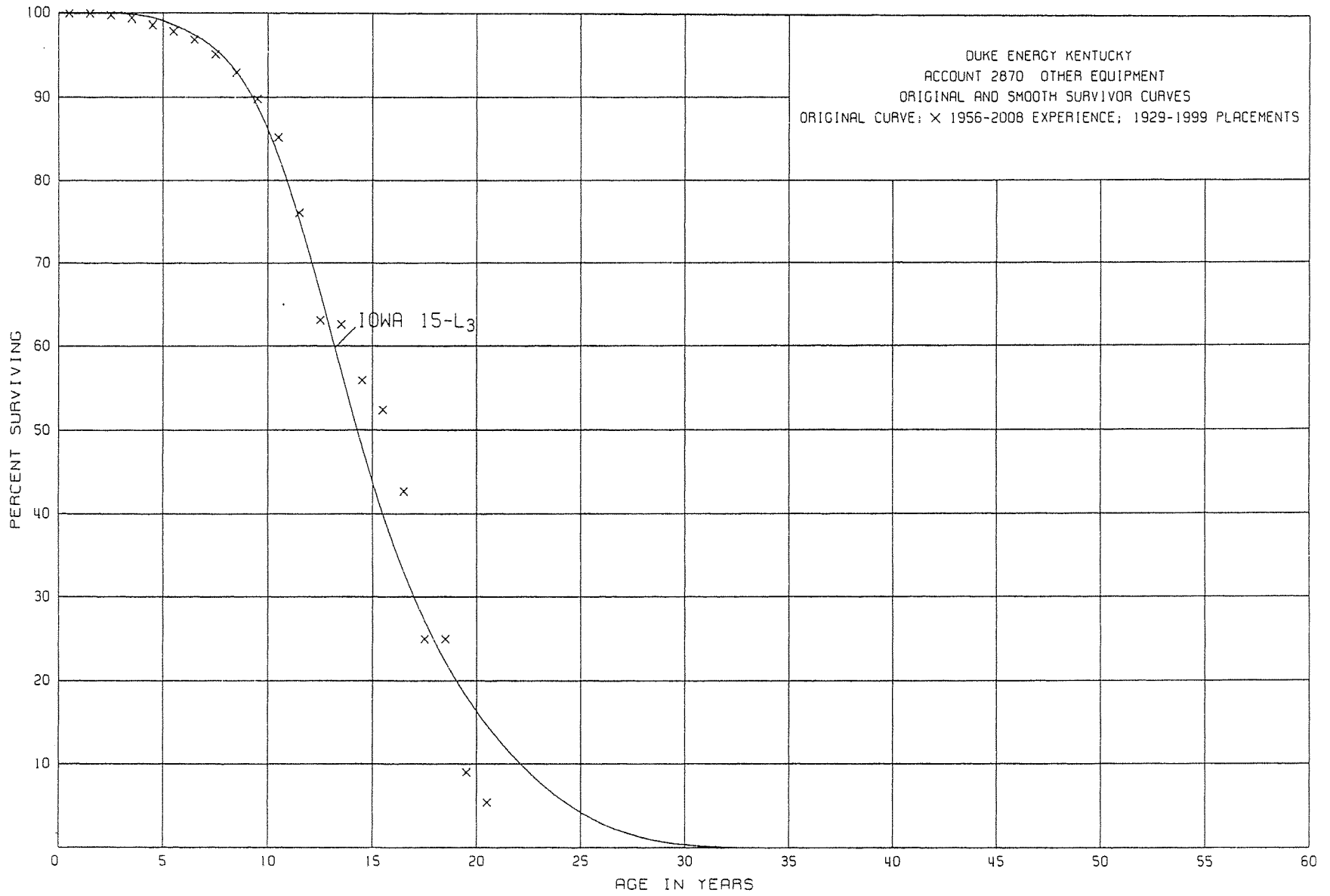
ORIGINAL LIFE TABLE

PLACEMENT BAND 1993-2007

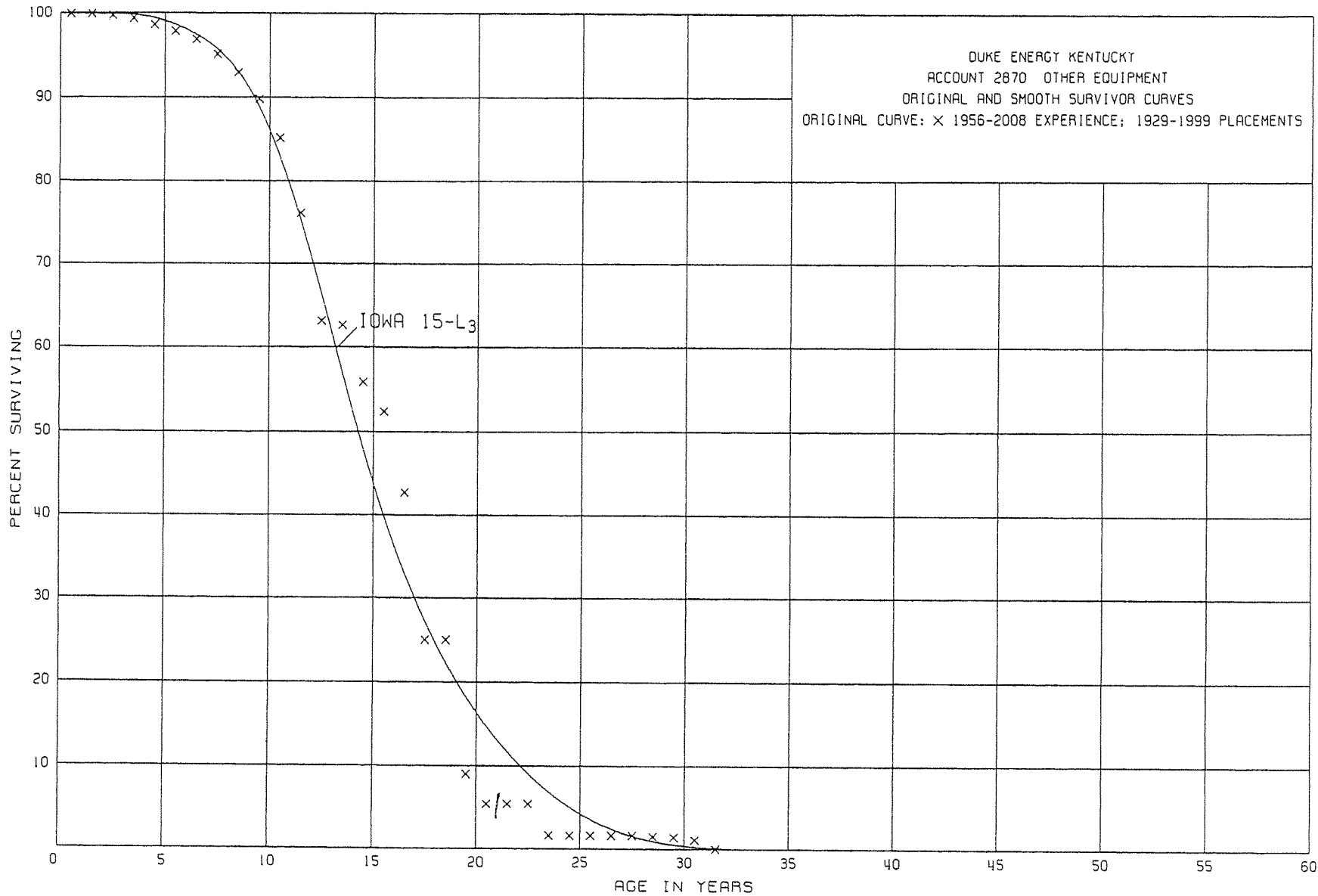
EXPERIENCE BAND 2005-2008

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	23,064		0.0000	1.0000	100.00
0.5	23,064		0.0000	1.0000	100.00
1.5					100.00
2.5					
3.5					
4.5					
5.5					
6.5					
7.5					
8.5					
9.5	12,620		0.0000		
10.5	12,620		0.0000		
11.5	41,727		0.0000		
12.5	41,727		0.0000		
13.5	29,107		0.0000		
14.5	29,107		0.0000		
15.5					

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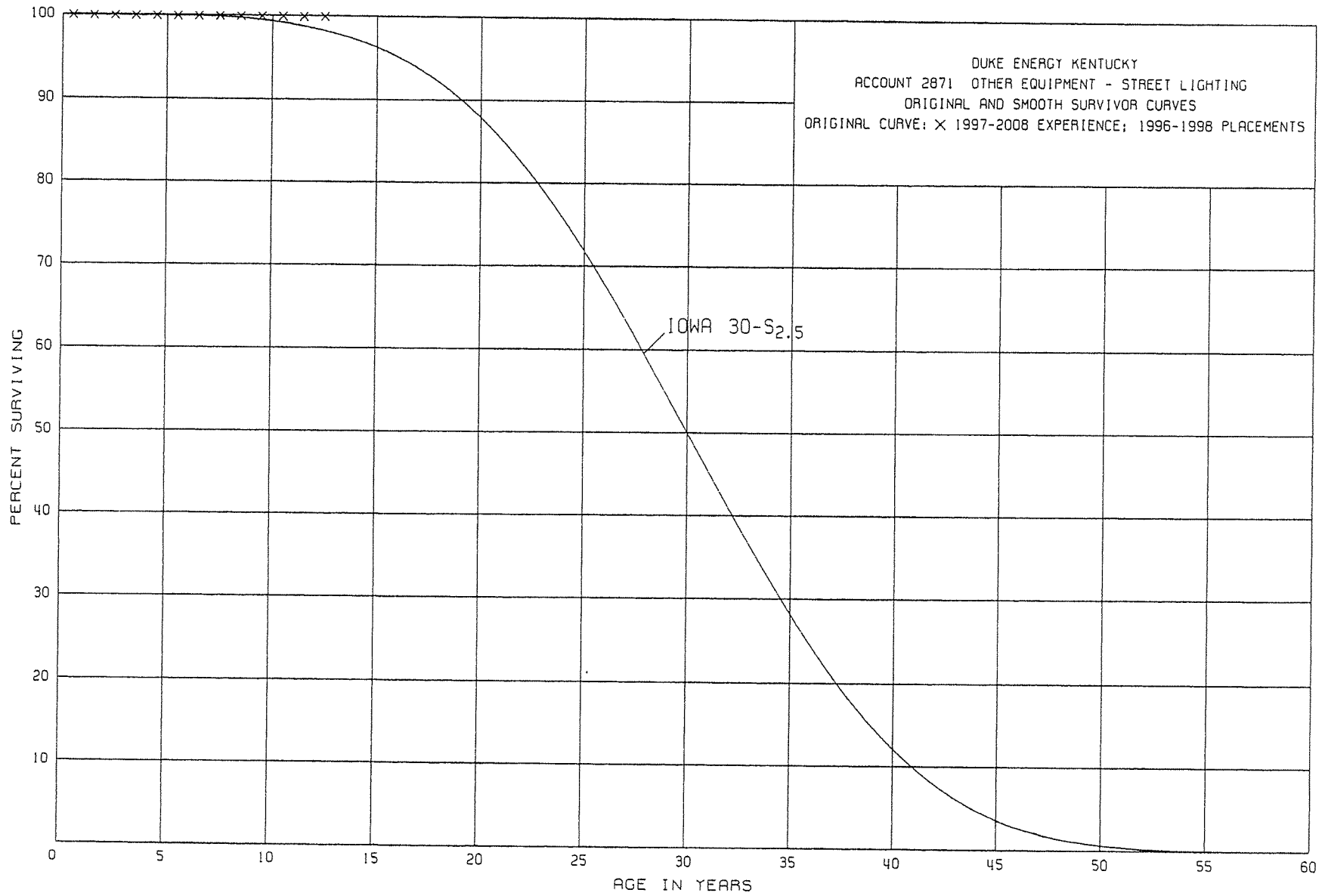
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2870 OTHER EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1929-1999			EXPERIENCE BAND 1956-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	121,298		0.0000	1.0000	100.00
0.5	121,298		0.0000	1.0000	100.00
1.5	121,960	355	0.0029	0.9971	100.00
2.5	122,120	389	0.0032	0.9968	99.71
3.5	124,026	866	0.0070	0.9930	99.39
4.5	126,404	898	0.0071	0.9929	98.69
5.5	125,506	1,233	0.0098	0.9902	97.99
6.5	128,819	2,399	0.0186	0.9814	97.03
7.5	127,368	2,952	0.0232	0.9768	95.23
8.5	124,416	4,340	0.0349	0.9651	93.02
9.5	12,369	637	0.0515	0.9485	89.77
10.5	12,133	1,286	0.1060	0.8940	85.15
11.5	10,846	1,854	0.1709	0.8291	76.12
12.5	9,060	77	0.0085	0.9915	63.11
13.5	9,046	966	0.1068	0.8932	62.57
14.5	8,251	515	0.0624	0.9376	55.89
15.5	7,736	1,426	0.1843	0.8157	52.40
16.5	6,310	2,620	0.4152	0.5848	42.74
17.5	3,690		0.0000	1.0000	24.99
18.5	3,690	2,369	0.6420	0.3580	24.99
19.5	1,321	520	0.3936	0.6064	8.95
20.5	801		0.0000	1.0000	5.43
21.5	801		0.0000	1.0000	5.43
22.5	801	570	0.7116	0.2884	5.43
23.5	232		0.0000	1.0000	1.57
24.5	232		0.0000	1.0000	1.57
25.5	232		0.0000	1.0000	1.57
26.5	252		0.0000	1.0000	1.57
27.5	252	20	0.0794	0.9206	1.57
28.5	232	16	0.0690	0.9310	1.45
29.5	216	45	0.2083	0.7917	1.35
30.5	170	170	1.0000	0.0000	1.07
31.5					0.00

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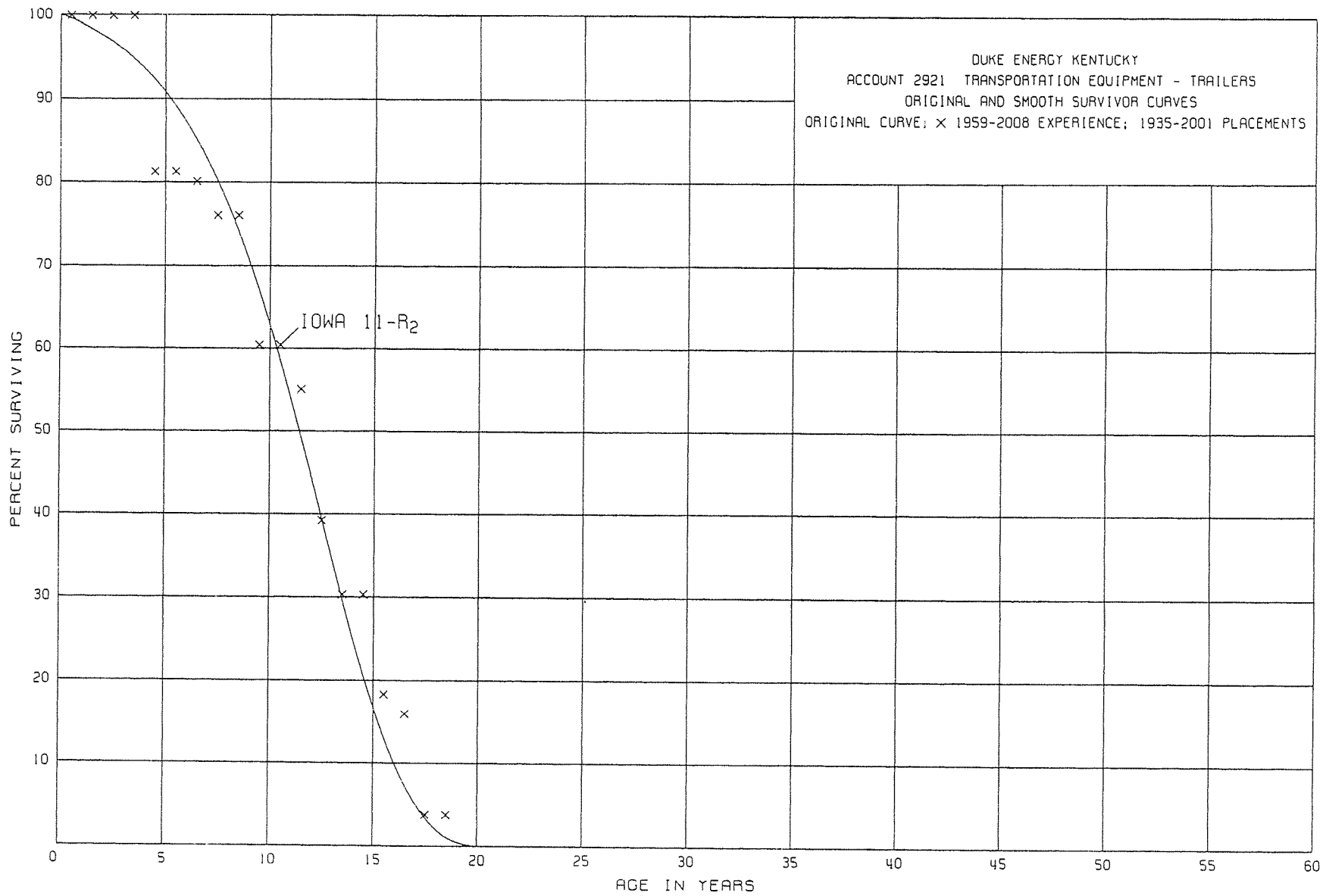
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2871 OTHER EQUIPMENT - STREET LIGHTING

ORIGINAL LIFE TABLE

PLACEMENT BAND 1996-1998			EXPERIENCE BAND 1997-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	20,794		0.0000	1.0000	100.00
0.5	29,953		0.0000	1.0000	100.00
1.5	30,411		0.0000	1.0000	100.00
2.5	30,411		0.0000	1.0000	100.00
3.5	30,411		0.0000	1.0000	100.00
4.5	30,411		0.0000	1.0000	100.00
5.5	30,411		0.0000	1.0000	100.00
6.5	30,411		0.0000	1.0000	100.00
7.5	30,411		0.0000	1.0000	100.00
8.5	30,411		0.0000	1.0000	100.00
9.5	30,411		0.0000	1.0000	100.00
10.5	25,243		0.0000	1.0000	100.00
11.5	9,617		0.0000	1.0000	100.00
12.5					100.00

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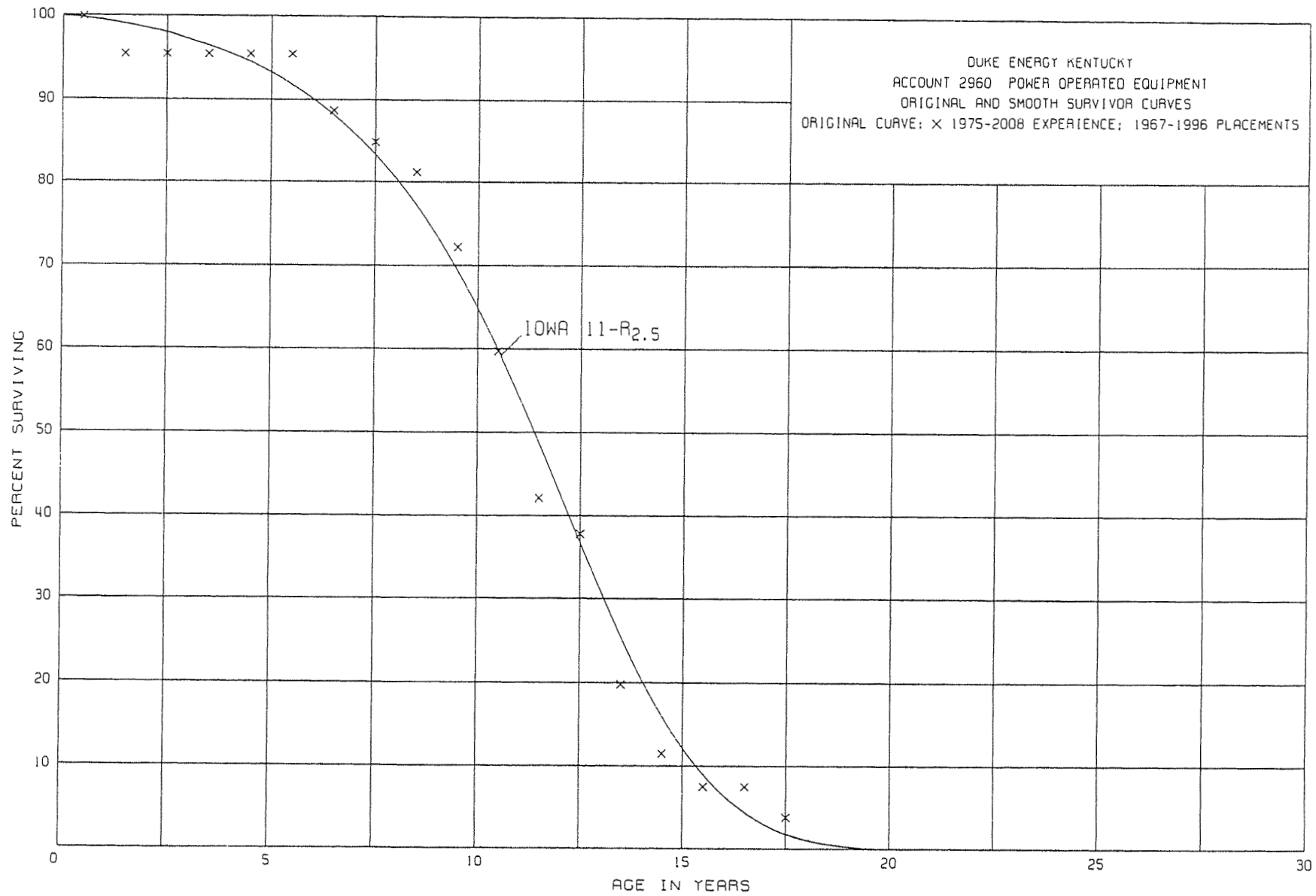
DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2921 TRANSPORTATION EQUIPMENT - TRAILERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1935-2001			EXPERIENCE BAND 1959-2008			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	180,049		0.0000	1.0000	100.00	
0.5	180,049		0.0000	1.0000	100.00	
1.5	181,172		0.0000	1.0000	100.00	
2.5	181,172		0.0000	1.0000	100.00	
3.5	181,172	33,976	0.1875	0.8125	100.00	
4.5	147,196		0.0000	1.0000	81.25	
5.5	147,196	2,061	0.0140	0.9860	81.25	
6.5	145,388	7,476	0.0514	0.9486	80.11	
7.5	119,375		0.0000	1.0000	75.99	
8.5	115,989	23,806	0.2052	0.7948	75.99	
9.5	66,036		0.0000	1.0000	60.40	
10.5	60,325	5,269	0.0873	0.9127	60.40	
11.5	26,073	7,541	0.2892	0.7108	55.13	
12.5	15,621	3,529	0.2259	0.7741	39.19	
13.5	10,625		0.0000	1.0000	30.34	
14.5	10,625	4,227	0.3978	0.6022	30.34	
15.5	6,398	843	0.1318	0.8682	18.27	
16.5	5,554	4,227	0.7611	0.2389	15.86	
17.5	1,328		0.0000	1.0000	3.79	
18.5	1,328		0.0000	1.0000	3.79	
19.5	1,328		0.0000	1.0000	3.79	
20.5	1,328		0.0000	1.0000	3.79	
21.5	1,328		0.0000	1.0000	3.79	
22.5	1,328		0.0000	1.0000	3.79	
23.5	1,705		0.0000	1.0000	3.79	
24.5	1,705		0.0000	1.0000	3.79	
25.5	1,705		0.0000	1.0000	3.79	
26.5	1,705	1,328	0.7789	0.2211	3.79	
27.5	378		0.0000	1.0000	0.84	
28.5	378		0.0000	1.0000	0.84	
29.5	378		0.0000	1.0000	0.84	
30.5	378	378	1.0000	0.0000	0.84	
31.5					0.00	

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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2960 POWER OPERATED EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1967-1996			EXPERIENCE BAND 1975-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	721,601		0.0000	1.0000	100.00
0.5	735,809	33,205	0.0451	0.9549	100.00
1.5	702,604		0.0000	1.0000	95.49
2.5	702,604		0.0000	1.0000	95.49
3.5	717,070		0.0000	1.0000	95.49
4.5	804,379		0.0000	1.0000	95.49
5.5	804,379	57,106	0.0710	0.9290	95.49
6.5	747,273	31,876	0.0427	0.9573	88.71
7.5	732,503	31,843	0.0435	0.9565	84.92
8.5	700,660	77,663	0.1108	0.8892	81.23
9.5	622,997	108,409	0.1740	0.8260	72.23
10.5	514,588	151,357	0.2941	0.7059	59.66
11.5	363,231	37,075	0.1021	0.8979	42.11
12.5	278,936	133,182	0.4775	0.5225	37.81
13.5	145,754	60,650	0.4161	0.5839	19.76
14.5	85,104	29,719	0.3492	0.6508	11.54
15.5	55,385		0.0000	1.0000	7.51
16.5	55,385	27,736	0.5008	0.4992	7.51
17.5	27,650		0.0000	1.0000	3.75
18.5	27,650		0.0000	1.0000	3.75
19.5	27,650		0.0000	1.0000	3.75
20.5	27,650		0.0000	1.0000	3.75
21.5	27,650		0.0000	1.0000	3.75
22.5	27,650	27,650	1.0000	0.0000	3.75
23.5					0.00

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NET SALVAGE STATISTICS

DUKE ENERGY KENTUCKY
COMMON PLANT

ACCOUNT 1900 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1990		204,571				204,571-	
1991	10,904	93,952	862	156	1	93,796-	860-
1992	44,601	33,254	75		0	33,254-	75-
1993	3,829	2,179	57		0	2,179-	57-
1994	8,622	107,169			0	107,169-	
1995		46,859				46,859-	
1996	20,300	22,697	112		0	22,697-	112-
1997							
1998	236,952	1,816	1		0	1,816-	1-
1999							
2000							
2001							
2002	466,414	124,993	27		0	124,993-	27-
2003	360,388	117,298	33		0	117,298-	33-
2004	1,563,054	14,188	1		0	14,188-	1-
2005	67,932	23,891	35		0	23,891-	35-
2006	5,259	7,978	152		0	7,978-	152-
2007							
2008	95		0		0		0
TOTAL	2,788,350	800,845	29	156	0	800,689-	29-

THREE-YEAR MOVING AVERAGES

90-92	18,502	110,592	598	52	0	110,540-	597-
91-93	19,778	43,128	218	52	0	43,076-	218-
92-94	19,017	47,534	250		0	47,534-	250-
93-95	4,150	52,069			0	52,069-	
94-96	9,641	58,908	611		0	58,908-	611-
95-97	6,767	23,185	343		0	23,185-	343-
96-98	85,751	8,171	10		0	8,171-	10-
97-99	78,984	605	1		0	605-	1-
98-00	78,984	605	1		0	605-	1-
99-01							
00-02	155,471	41,664	27		0	41,664-	27-
01-03	275,601	80,764	29		0	80,764-	29-
02-04	796,619	85,493	11		0	85,493-	11-
03-05	663,791	51,792	8		0	51,792-	8-
04-06	545,415	15,352	3		0	15,352-	3-
05-07	24,397	10,623	44		0	10,623-	44-

DUKE ENERGY KENTUCKY
COMMON PLANT

ACCOUNT 1900 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT PCT	GROSS SALVAGE AMOUNT PCT	NET SALVAGE AMOUNT PCT
THREE-YEAR MOVING AVERAGES				
06-08	1,785	2,659 149	0	2,659-149-
FIVE-YEAR AVERAGE				
04-08	327,268	9,211 3	0	9,211- 3-

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2050 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1981	368		0		0		0
1982							
1983							
1984							
1985							
1986	1,479	860	58	0		860-	58-
1987							
1988							
1989	524		0	0			0
1990	1,958	660	34	0		660-	34-
1991							
1992							
1993							
1994							
1995							
1996							
1997							
1998							
1999							
2000							
2001							
2002	12,230		0	0			0
2003	7,590		0	0			0
2004	12,100		0	0			0
2005							
2006							
2007							
2008							
TOTAL	36,249	1,520	4	0		1,520-	4-

THREE-YEAR MOVING AVERAGES

81-83	123		0		0		0
82-84							
83-85							
84-86	493	287	58	0		287-	58-
85-87	493	287	58	0		287-	58-
86-88	493	287	58	0		287-	58-
87-89	175		0		0		0

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2050 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT PCT	GROSS SALVAGE AMOUNT PCT	NET SALVAGE AMOUNT PCT
THREE-YEAR MOVING AVERAGES				
88-90	827	220 27	0	220- 27-
89-91	827	220 27	0	220- 27-
90-92	653	220 34	0	220- 34-
91-93				
92-94				
93-95				
94-96				
95-97				
96-98				
97-99				
98-00				
99-01				
00-02	4,077	0	0	0
01-03	6,607	0	0	0
02-04	10,640	0	0	0
03-05	6,563	0	0	0
04-06	4,033	0	0	0
05-07				
06-08				
FIVE-YEAR AVERAGE				
04-08	2,420	0	0	0

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2110 LIQUID PETROLEUM GAS EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1980	1,767	32	2	0		32-	2-
1981	11,185	1,007	9	0		1,007-	9-
1982							
1983							
1984							
1985	2,570	708	28	0		708-	28-
1986							
1987	19,808	2,210	11	0		2,210-	11-
1988							
1989	8,627		0	0			0
1990		538				538-	
1991							
1992	925		0	0			0
1993		338				338-	
1994							
1995	1,234	226	18	0		226-	18-
1996	42,666	766	2	0		766-	2-
1997	5,162		0	125-	2-	125-	2-
1998							
1999							
2000							
2001							
2002	1,722		0	0			0
2003	79,428		0	0			0
2004	89,828	343	0	0		343-	0
2005	37,208	22,715	61	0		22,715-	61-
2006	35,465	2,422	7	0		2,422-	7-
2007							
2008							
TOTAL	337,595	31,305	9	125-	0	31,430-	9-

THREE-YEAR MOVING AVERAGES

80-82	4,317	346	8	0		346-	8-
81-83	3,728	336	9	0		336-	9-
82-84							
83-85	857	236	28	0		236-	28-
84-86	857	236	28	0		236-	28-
85-87	7,460	973	13	0		973-	13-

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2110 LIQUID PETROLEUM GAS EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
86-88	6,603	737	11	0		737-	11-
87-89	9,478	737	8	0		737-	8-
88-90	2,876	179	6	0		179-	6-
89-91	2,876	179	6	0		179-	6-
90-92	308	179	58	0		179-	58-
91-93	308	113	37	0		113-	37-
92-94	308	113	37	0		113-	37-
93-95	411	188	46	0		188-	46-
94-96	14,633	331	2	0		331-	2-
95-97	16,354	331	2	42-	0	373-	2-
96-98	15,942	255	2	42-	0	297-	2-
97-99	1,721		0	42-	2-	42-	2-
98-00							
99-01							
00-02	574		0	0			0
01-03	27,050		0	0			0
02-04	56,993	114	0	0		114-	0
03-05	68,822	7,686	11	0		7,686-	11-
04-06	54,167	8,493	16	0		8,493-	16-
05-07	24,225	8,379	35	0		8,379-	35-
06-08	11,822	807	7	0		807-	7-
FIVE-YEAR AVERAGE							
04-08	32,500	5,096	16	0		5,096-	16-

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2760 MAINS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1980	297,448	63,990	22	226,938	76	162,948	55
1981	96,963	31,862	33	137-	0	31,999-	33-
1982	101,423	42,201	42	87,935	87	45,734	45
1983	56,366	50,631	90	175,712	312	125,081	222
1984	69,904	27,581	39	21,909	31	5,672-	8-
1985	99,714	27,067	27	126,424	127	99,357	100
1986	162,431	47,728	29	15,840	10	31,888-	20-
1987	208,624	47,610	23	9,107	4	38,503-	18-
1988	74,281	62,808	85	199,126	268	136,318	184
1989	144,904	152,404	105	215,651	149	63,247	44
1990	374,020	257,462	69	92,061	25	165,401-	44-
1991	325,319	210,093	65	1,374	0	208,719-	64-
1992	309,776	229,016	74	43,084-	14-	272,100-	88-
1993	401,462	57,958	14	655,817	163	597,859	149
1994	145,620	43,617	30	17,369	12	26,248-	18-
1995	169,197	80,946	48	159,250	94	78,304	46
1996	379,558	70,301	19	7,734	2	62,567-	16-
1997	280,831	82,481	29	20,990	7	61,491-	22-
1998	120,612	129,207	107	5,348	4	123,859-	103-
1999	478,232	97,369	20	14,793	3	82,576-	17-
2000	309,772	31,208-	10-	2,048	1	33,256	11
2001	951,780	380,571	40	342	0	380,229-	40-
2002	911,154	263,744	29		0	263,744-	29-
2003	496,164	74,211-	15-		0	74,211	15
2004	1,153,525	20,143	2		0	20,143-	2-
2005	535,014	12,886	2		0	12,886-	2-
2006	1,044,020	820,972	79		0	820,972-	79-
2007	464,868	178,746	38		0	178,746-	38-
2008	902,897	78,631-	9-		0	78,631	9
TOTAL	11,065,879	3,305,344	30	2,012,547	18	1,292,797-	12-

THREE-YEAR MOVING AVERAGES

80-82	165,278	46,018	28	104,912	63	58,894	36
81-83	84,917	41,565	49	87,837	103	46,272	54
82-84	75,898	40,138	53	95,185	125	55,047	73
83-85	75,328	35,093	47	108,015	143	72,922	97
84-86	110,683	34,125	31	54,724	49	20,599	19
85-87	156,923	40,802	26	50,457	32	9,655	6

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2760 MAINS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
86-88	148,445	52,715	36	74,691	50	21,976	15
87-89	142,603	87,607	61	141,295	99	53,688	38
88-90	197,735	157,558	80	168,946	85	11,388	6
89-91	281,414	206,653	73	103,029	37	103,624-	37-
90-92	336,371	232,190	69	16,784	5	215,406-	64-
91-93	345,519	165,689	48	204,702	59	39,013	11
92-94	285,619	110,197	39	210,034	74	99,837	35
93-95	238,760	60,840	25	277,479	116	216,639	91
94-96	231,458	64,955	28	61,451	27	3,504-	2-
95-97	276,528	77,909	28	62,658	23	15,251-	6-
96-98	260,333	93,996	36	11,357	4	82,639-	32-
97-99	293,225	103,019	35	13,710	5	89,309-	30-
98-00	302,872	65,123	22	7,396	2	57,727-	19-
99-01	579,928	148,911	26	5,728	1	143,183-	25-
00-02	724,235	204,369	28	797	0	203,572-	28-
01-03	786,366	190,034	24	114	0	189,920-	24-
02-04	853,614	69,892	8		0	69,892-	8-
03-05	728,234	13,728-	2-		0	13,728	2
04-06	910,853	284,667	31		0	284,667-	31-
05-07	681,301	337,535	50		0	337,535-	50-
06-08	803,928	307,029	38		0	307,029-	38-
FIVE-YEAR AVERAGE							
04-08	820,065	190,823	23		0	190,823-	23-

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNTS 2780 AND 2781 MEASURING & REGULATING
GENERAL - SYSTEM

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1980	25,901	14,529	56	1,441	6	13,088	51-
1981	1,913	930	49	2,031	106	1,101	58
1982	65-	3,167		50	77-	3,117-	
1983				11		11	
1984							
1985	12,087	3,716	31	409	3	3,307-	27-
1986	44,778	2,356	5	3,776	8	1,420	3
1987	42,349	10,457	25	6,680	16	3,777-	9-
1988	8,059	5,502	68	765	9	4,737-	59-
1989	54,330	6,734	12	1,198	2	5,536-	10-
1990		6,389		3,604		2,785-	
1991	7,057	7,981	113	49	1	7,932-	112-
1992	2,007	566	28	3	0	563-	28-
1993	16,129	273	2	48	0	225-	1-
1994	20,980		0	19	0	19	0
1995							
1996	30,954	2,672	9		0	2,672-	9-
1997				90-		90-	
1998							
1999							
2000							
2001							
2002	14,005		0		0		0
2003	24,878		0		0		0
2004	4,363		0		0		0
2005	5,278	5,939	113		0	5,939-	113-
2006	28,480	6,131	22		0	6,131-	22-
2007	54,620	2,738	5		0	2,738-	5-
2008							
TOTAL	398,103	80,080	20	19,994	5	60,086-	15-

THREE-YEAR MOVING AVERAGES

80-82	9,250	6,209	67	1,174	13	5,035-	54-
81-83	616	1,366	222	697	113	669-	109-
82-84	22-	1,056		20	91-	1,036-	
83-85	4,029	1,239	31	140	3	1,099-	27-
84-86	18,955	2,024	11	1,395	7	629-	3-

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNTS 2780 AND 2781 MEASURING & REGULATING
GENERAL - SYSTEM

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
85-87	33,072	5,509	17	3,622	11	1,887-	6-
86-88	31,729	6,105	19	3,740	12	2,365-	7-
87-89	34,913	7,564	22	2,881	8	4,683-	13-
88-90	20,797	6,209	30	1,856	9	4,353-	21-
89-91	20,462	7,035	34	1,617	8	5,418-	26-
90-92	3,021	4,979	165	1,219	40	3,760-	124-
91-93	8,398	2,940	35	33	0	2,907-	35-
92-94	13,038	280	2	23	0	257-	2-
93-95	12,369	91	1	22	0	69-	1-
94-96	17,311	891	5	6	0	885-	5-
95-97	10,318	891	9	30-	0	921-	9-
96-98	10,318	891	9	30-	0	921-	9-
97-99				30-		30-	
98-00							
99-01							
00-02	4,668		0		0		0
01-03	12,961		0		0		0
02-04	14,415		0		0		0
03-05	11,507	1,980	17		0	1,980-	17-
04-06	12,707	4,023	32		0	4,023-	32-
05-07	29,460	4,936	17		0	4,936-	17-
06-08	27,700	2,956	11		0	2,956-	11-
FIVE-YEAR AVERAGE							
04-08	18,548	2,962	16		0	2,962-	16-

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2782 MEASURING & REGULATING - GENERAL - DISTRICT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1980	2,308	416	18	486	21	70	3
1981	5,034	2,740	54	199	4	2,541-	50-
1982	1,629		0		0		0
1983	1,002	109	11	125	12	16	2
1984	14,822	2,250	15	344	2	1,906-	13-
1985	3,257	8,900	273	1,259	39	7,641-	235-
1986	5,959	6,689	112	482	8	6,207-	104-
1987				301		301	
1988	2,724	5,590	205	389	14	5,201-	191-
1989	4,437		0	137	3	137	3
1990		7,121		291		6,830-	
1991	5,557	3,153	57	48	1	3,105-	56-
1992	6,941	4,239	61	4	0	4,235-	61-
1993				13		13	
1994							
1995	2,924	5,160	176	26	1	5,134-	176-
1996							
1997	8,705	4,876	56		0	4,876-	56-
1998							
1999							
2000							
2001							
2002							
2003							
2004	5,462		0		0		0
2005							
2006							
2007	123,301		0		0		0
2008							
TOTAL	194,062	51,243	26	4,104	2	47,139-	24-

THREE-YEAR MOVING AVERAGES

80-82	2,990	1,052	35	228	8	824-	28-
81-83	2,555	950	37	108	4	842-	33-
82-84	5,818	787	14	156	3	631-	11-
83-85	6,361	3,753	59	576	9	3,177-	50-
84-86	8,013	5,946	74	695	9	5,251-	66-
85-87	3,072	5,196	169	681	22	4,515-	147-

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2782 MEASURING & REGULATING - GENERAL - DISTRICT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
86-88	2,894	4,093	141	390	13	3,703	128-
87-89	2,387	1,863	78	276	12	1,587	66-
88-90	2,387	4,237	178	272	11	3,965	166-
89-91	3,331	3,425	103	159	5	3,266	98-
90-92	4,166	4,838	116	114	3	4,724	113-
91-93	4,166	2,464	59	22	1	2,442	59-
92-94	2,314	1,413	61	6	0	1,407	61-
93-95	975	1,720	176	13	1	1,707	175-
94-96	975	1,720	176	9	1	1,711	175-
95-97	3,877	3,345	86	9	0	3,336	86-
96-98	2,902	1,625	56		0	1,625	56-
97-99	2,902	1,625	56		0	1,625	56-
98-00							
99-01							
00-02							
01-03							
02-04	1,821		0		0		0
03-05	1,821		0		0		0
04-06	1,821		0		0		0
05-07	41,100		0		0		0
06-08	41,100		0		0		0
FIVE-YEAR AVERAGE							
04-08	25,753		0		0		0

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2800 SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1980	135,656	50,083	37	18,509	14	31,574-	23-
1981	302,302	62,979	21	37,075	12	25,904-	9-
1982	149,937	64,940	43	43,970	29	20,970-	14-
1983	238,055	76,514	32	24,929	10	51,585-	22-
1984	112,911	65,364	58	39,679	35	25,685-	23-
1985	106,308	64,400	61	21,039	20	43,361-	41-
1986	140,701	80,731	57	20,432	15	60,299-	43-
1987	147,848	74,281	50	30,561	21	43,720-	30-
1988	157,350	143,746	91	25,861	16	117,885-	75-
1989	186,402	84,688	45	22,024	12	62,664-	34-
1990	265,841	97,991	37	37,664	14	60,327-	23-
1991	204,646	113,540	55	36,078	18	77,462-	38-
1992	217,280	73,083	34	11,764	5	61,319-	28-
1993	166,165	82,826	50	15,233	9	67,593-	41-
1994	164,178	68,270	42	15,698	10	52,572-	32-
1995	223,270	70,646	32	20,634	9	50,012-	22-
1996	218,739	84,035	38	24,112	11	59,923-	27-
1997	172,654	62,567	36	17,057	10	45,510-	26-
1998	285,837	127,759	45	9,132	3	118,627-	42-
1999	390,999	136,649	35	39,352	10	97,297-	25-
2000							
2001	298,851		0		0		0
2002	748,583	180,819	24		0	180,819-	24-
2003	751,729	491,114	65	2,439	0	488,675-	65-
2004	1,175,885	126,107	11		0	126,107-	11-
2005	1,326,366	767-	0		0	767	0
2006	2,016,660	994,460	49		0	994,460-	49-
2007	1,207,953	141,491	12		0	141,491-	12-
2008	1,910,520	1,937	0		0	1,937-	0
TOTAL	13,423,626	3,620,253	27	513,242	4	3,107,011-	23-

THREE-YEAR MOVING AVERAGES

80-82	195,965	59,334	30	33,185	17	26,149-	13-
81-83	230,098	68,144	30	35,325	15	32,819-	14-
82-84	166,968	68,939	41	36,193	22	32,746-	20-
83-85	152,425	68,759	45	28,549	19	40,210-	26-
84-86	119,973	70,165	58	27,050	23	43,115-	36-
85-87	131,619	73,137	56	24,011	18	49,126-	37-

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2800 SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
86-88	148,633	99,586	67	25,618	17	73,968	50-
87-89	163,867	100,905	62	26,149	16	74,756	46-
88-90	203,198	108,809	54	28,516	14	80,293	40-
89-91	218,963	98,740	45	31,922	15	66,818	31-
90-92	229,256	94,871	41	28,502	12	66,369	29-
91-93	196,030	89,816	46	21,025	11	68,791	35-
92-94	182,541	74,727	41	14,232	8	60,495	33-
93-95	184,538	73,914	40	17,188	9	56,726	31-
94-96	202,062	74,317	37	20,148	10	54,169	27-
95-97	204,888	72,416	35	20,601	10	51,815	25-
96-98	225,743	91,454	41	16,767	7	74,687	33-
97-99	283,163	108,992	38	21,847	8	87,145	31-
98-00	225,612	88,136	39	16,161	7	71,975	32-
99-01	229,950	45,550	20	13,117	6	32,433	14-
00-02	349,145	60,273	17		0	60,273	17-
01-03	599,721	223,978	37	813	0	223,165	37-
02-04	892,066	266,013	30	813	0	265,200	30-
03-05	1,084,660	205,485	19	813	0	204,672	19-
04-06	1,506,304	373,267	25		0	373,267	25-
05-07	1,516,993	378,395	25		0	378,395	25-
06-08	1,711,711	379,296	22		0	379,296	22-

FIVE-YEAR AVERAGE

04-08	1,527,477	252,646	17		0	252,646	17-
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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2810 METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1980	44,360	769	2	15,015	34	14,246	32
1981	24,426	905	4	8,646	35	7,741	32
1982	34,256	1,091	3	12,800	37	11,709	34
1983	58,836	1,673	3	15,702	27	14,029	24
1984	63,821	738	1	10,694	17	9,956	16
1985	34,017	678	2	7,340	22	6,662	20
1986	49,461	1,064	2	9,448	19	8,384	17
1987	58,238	1,086	2	3,347	6	2,261	4
1988	46,074	1,034-	2-	6,303	14	7,337	16
1989	28,598	1,010	4	8,864	31	7,854	27
1990	77,800	1,889	2	1,666	2	223-	0
1991	85,222	1,321	2		0	1,321-	2-
1992	72,432	6,450	9	841	1	5,609-	8-
1993	50,387	12,835	25	2,612	5	10,223-	20-
1994	60,429	18,042	30	19,727	33	1,685	3
1995	89,728	4,369	5	18,263	20	13,894	15
1996	85,011	40	0	18,808	22	18,768	22
1997	69,582	406	1	29,350	42	28,944	42
1998	176,137	1,510	1	33,876	19	32,366	18
1999	190,950	1,815	1	38,022	20	36,207	19
2000		1,879		1,685		194-	
2001		3,117		2,244		873-	
2002		2,666		2,330		336-	
2003		1,402		4,371		2,969	
2004	102,135	296	0	6,885	7	6,589	6
2005	131,239		0		0		0
2006	265,830		0		0		0
2007	359,876		0		0		0
2008	356,538		0		0		0
TOTAL	2,615,383	66,017	3	278,839	11	212,822	8

THREE-YEAR MOVING AVERAGES

80-82	34,347	922	3	12,154	35	11,232	33
81-83	39,173	1,223	3	12,383	32	11,160	28
82-84	52,304	1,167	2	13,066	25	11,899	23
83-85	52,225	1,030	2	11,245	22	10,215	20
84-86	49,100	827	2	9,161	19	8,334	17
85-87	47,239	943	2	6,712	14	5,769	12

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2810 METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT PCT	GROSS SALVAGE AMOUNT PCT	NET SALVAGE AMOUNT PCT
THREE-YEAR MOVING AVERAGES				
86-88	51,258	372 1	6,366 12	5,994 12
87-89	44,303	354 1	6,171 14	5,817 13
88-90	50,824	622 1	5,611 11	4,989 10
89-91	63,873	1,407 2	3,510 5	2,103 3
90-92	78,485	3,220 4	835 1	2,385- 3-
91-93	69,347	6,869 10	1,151 2	5,718- 8-
92-94	61,083	12,442 20	7,726 13	4,716- 8-
93-95	66,848	11,749 18	13,534 20	1,785 3
94-96	78,389	7,484 10	18,933 24	11,449 15
95-97	81,440	1,605 2	22,141 27	20,536 25
96-98	110,243	652 1	27,345 25	26,693 24
97-99	145,556	1,244 1	33,750 23	32,506 22
98-00	122,362	1,735 1	24,528 20	22,793 19
99-01	63,650	2,270 4	13,984 22	11,714 18
00-02		2,554	2,086	468-
01-03		2,395	2,981	586
02-04	34,045	1,455 4	4,528 13	3,073 9
03-05	77,791	566 1	3,752 5	3,186 4
04-06	166,401	99 0	2,295 1	2,196 1
05-07	252,315	0	0	0
06-08	327,415	0	0	0

FIVE-YEAR AVERAGE

04-08	243,124	59 0	1,377 1	1,318 1
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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2811 METERS - LEASED

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2004	1,663		0		0		0
2005	28,313		0		0		0
2006	69,712		0		0		0
2007	67,007		0		0		0
2008							
TOTAL	166,695		0		0		0

THREE-YEAR MOVING AVERAGES

04-06	33,229		0		0		0
05-07	55,011		0		0		0
06-08	45,573		0		0		0

FIVE-YEAR AVERAGE

04-08	33,339		0		0		0
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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2820 METER INSTALLATIONS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1980	23,536	564	2	2,805	12	2,241	10
1981	14,897	6	0	3,134	21	3,128	21
1982	17,381	8	0	1,084	6	1,076	6
1983	31,237	2-	0	2,050	7	2,052	7
1984	33,973	68	0	2,486	7	2,418	7
1985	20,584		0	2,846	14	2,846	14
1986	17,419		0	1,618	9	1,618	9
1987	32,090	10	0	3,044	9	3,034	9
1988	20,095		0	2,581	13	2,581	13
1989	18,351		0	1,204	7	1,204	7
1990	57,234		0	1,969	3	1,969	3
1991	62,824	36	0	1,128	2	1,092	2
1992	52,537		0	33	0	33	0
1993	36,728	738	2	292	1	446-	1-
1994	32,931	6	0	89	0	83	0
1995	48,587	283	1	531	1	248	1
1996	25,275		0		0		0
1997	38,151		0		0		0
1998	80,727		0		0		0
1999	57,346		0		0		0
2000							
2001							
2002							
2003							
2004	44,579		0		0		0
2005	57,269		0		0		0
2006	199,280		0		0		0
2007							
2008							
TOTAL	1,023,031	1,717	0	26,894	3	25,177	2

THREE-YEAR MOVING AVERAGES

80-82	18,605	193	1	2,341	13	2,148	12
81-83	21,172	4	0	2,089	10	2,085	10
82-84	27,530	25	0	1,873	7	1,848	7
83-85	28,598	22	0	2,461	9	2,439	9
84-86	23,992	23	0	2,317	10	2,294	10
85-87	23,365	3	0	2,503	11	2,500	11

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2820 METER INSTALLATIONS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
86-88	23,202	3	0	2,414	10	2,411	10
87-89	23,512	3	0	2,276	10	2,273	10
88-90	31,893		0	1,918	6	1,918	6
89-91	46,136	12	0	1,434	3	1,422	3
90-92	57,532	12	0	1,043	2	1,031	2
91-93	50,697	258	1	484	1	226	0
92-94	40,732	248	1	138	0	110-	0
93-95	39,416	342	1	304	1	38-	0
94-96	35,598	96	0	207	1	111	0
95-97	37,338	94	0	177	0	83	0
96-98	48,051		0		0		0
97-99	58,741		0		0		0
98-00	46,024		0		0		0
99-01	19,115		0		0		0
00-02							
01-03							
02-04	14,860		0		0		0
03-05	33,949		0		0		0
04-06	100,376		0		0		0
05-07	85,516		0		0		0
06-08	66,427		0		0		0
FIVE-YEAR AVERAGE							
04-08	60,225		0		0		0

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2821 METER INSTALLATIONS - LEASED

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2005	20,028		0		0		0
2006	35,684		0		0		0
2007							
2008							
TOTAL	55,712		0		0		0
THREE-YEAR MOVING AVERAGES							
05-07	18,571		0		0		0
06-08	11,895		0		0		0
FIVE-YEAR AVERAGE							
04-08	11,143		0		0		0

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2830 HOUSE REGULATORS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1980	4,614	29	1	974	21	945	20
1981	4,743	455	10	3,040	64	2,585	55
1982	3,216	435	14	2,072	64	1,637	51
1983	2,492		0	1,035	42	1,035	42
1984	1,898	28	1	700	37	672	35
1985	4,371	41	1	2,873	66	2,832	65
1986	5,467	155	3	3,675	67	3,520	64
1987	6,521	39	1	2,449	38	2,410	37
1988	5,541	67	1	2,707	49	2,640	48
1989	9,307	885	10	2,755	30	1,870	20
1990	15,816	1,006	6	198	1	808-	5-
1991	12,354	683	6	913	7	230	2
1992	13,129	928	7	6,142	47	5,214	40
1993	19,067	1,135	6	4,544	24	3,409	18
1994	17,868	437	2	4,374	24	3,937	22
1995	11,977	752	6	5,395	45	4,643	39
1996	16,188		0	9,988	62	9,988	62
1997	16,522	272	2	5,557	34	5,285	32
1998	20,252		0	7,232	36	7,232	36
1999	5,002	1,294	26	1,486	30	192	4
2000		1,169				1,169-	
2001		843				843-	
2002		3,303				3,303-	
2003		8,199				8,199-	
2004	38,322	2,049	5		0	2,049-	5-
2005	13,807		0		0		0
2006	29,210		0		0		0
2007							
2008							
TOTAL	277,684	24,204	9	68,109	25	43,905	16

THREE-YEAR MOVING AVERAGES

80-82	4,191	306	7	2,029	48	1,723	41
81-83	3,483	297	9	2,049	59	1,752	50
82-84	2,535	154	6	1,269	50	1,115	44
83-85	2,920	23	1	1,536	53	1,513	52
84-86	3,912	75	2	2,416	62	2,341	60
85-87	5,453	79	1	2,999	55	2,920	54

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2830 HOUSE REGULATORS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
86-88	5,843	87	1	2,943	50	2,856	49
87-89	7,123	330	5	2,637	37	2,307	32
88-90	10,222	653	6	1,887	18	1,234	12
89-91	12,492	858	7	1,289	10	431	3
90-92	13,766	872	6	2,418	18	1,546	11
91-93	14,850	915	6	3,866	26	2,951	20
92-94	16,688	833	5	5,020	30	4,187	25
93-95	16,304	775	5	4,771	29	3,996	25
94-96	15,344	397	3	6,586	43	6,189	40
95-97	14,896	341	2	6,980	47	6,639	45
96-98	17,654	91	1	7,592	43	7,501	42
97-99	13,925	522	4	4,758	34	4,236	30
98-00	8,418	821	10	2,906	35	2,085	25
99-01	1,667	1,102	66	495	30	607-	36-
00-02		1,772				1,772-	
01-03		4,115				4,115-	
02-04	12,774	4,517	35		0	4,517-	35-
03-05	17,376	3,416	20		0	3,416-	20-
04-06	27,113	683	3		0	683-	3-
05-07	14,339		0		0		0
06-08	9,737		0		0		0

FIVE-YEAR AVERAGE

04-08	16,268	410	3		0	410-	3-
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DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2840 HOUSE REGULATOR INSTALLATIONS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1980	978	122	12	154	16	32	3
1981	1,881	1	0	134	7	133	7
1982	1,242		0	191	15	191	15
1983	885		0	109	12	109	12
1984	1,356	16	1	63	5	47	3
1985	1,373		0	133	10	133	10
1986	1,389		0	104	7	104	7
1987	1,590	1	0	213	13	212	13
1988	1,863		0	163	9	163	9
1989	4,144		0	223	5	223	5
1990	4,359		0	255	6	255	6
1991	3,797		0	73	2	73	2
1992	3,957		0	4	0	4	0
1993	8,943	499	6	42	0	457-	5-
1994	6,023	26	0	19	0	7-	0
1995	3,549	36	1	46	1	10	0
1996	4,700		0		0		0
1997	14,562		0		0		0
1998	10,239		0		0		0
1999	2,701		0		0		0
2000							
2001							
2002							
2003							
2004	34,397		0		0		0
2005	17,871		0		0		0
2006	35,211		0		0		0
2007							
2008							
TOTAL	167,010	701	0	1,926	1	1,225	1

THREE-YEAR MOVING AVERAGES

80-82	1,367	41	3	159	12	118	9
81-83	1,336		0	144	11	144	11
82-84	1,161	5	0	121	10	116	10
83-85	1,205	5	0	102	8	97	8
84-86	1,373	5	0	100	7	95	7
85-87	1,450		0	150	10	150	10

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2840 HOUSE REGULATOR INSTALLATIONS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
86-88	1,614		0	160	10	160	10
87-89	2,532		0	200	8	200	8
88-90	3,455		0	214	6	214	6
89-91	4,100		0	184	4	184	4
90-92	4,037		0	111	3	111	3
91-93	5,565	166	3	40	1	126-	2-
92-94	6,308	175	3	22	0	153-	2-
93-95	6,172	187	3	36	1	151-	2-
94-96	4,757	20	0	22	0	2	0
95-97	7,604	12	0	15	0	3	0
96-98	9,833		0		0		0
97-99	9,167		0		0		0
98-00	4,313		0		0		0
99-01	900		0		0		0
00-02							
01-03							
02-04	11,466		0		0		0
03-05	17,423		0		0		0
04-06	29,160		0		0		0
05-07	17,694		0		0		0
06-08	11,737		0		0		0
FIVE-YEAR AVERAGE							
04-08	17,496		0		0		0

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2850 INDUSTRIAL MEAS. & REG. STATION EQUIP.

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1980	452		0	18	4	18	4
1981	661	226	34	39	6	187-	28-
1982							
1983	3,542		0		0		0
1984		569		290		279-	
1985							
1986	4,743	622	13	331	7	291-	6-
1987	1,602	95	6	329	21	234	15
1988	7,866	1,009	13	470	6	539-	7-
1989	2,149	799	37	356	17	443-	21-
1990	22,374	2,351	11	22	0	2,329-	10-
1991	23,687	1,921	8	389	2	1,532-	6-
1992	3,001	161	5	8	0	153-	5-
1993	6,490	1,252	19	36	1	1,216-	19-
1994	1,746		0	7	0	7	0
1995	4,370	1,800	41	52	1	1,748-	40-
1996	1,367	501	37		0	501-	37-
1997							
1998	5,041	207	4		0	207-	4-
1999	6,340	214	3		0	214-	3-
2000							
2001							
2002							
2003							
2004							
2005							
2006							
2007							
2008							
TOTAL	95,431	11,727	12	2,347	2	9,380-	10-

THREE-YEAR MOVING AVERAGES

80-82	371	75	20	19	5	56-	15-
81-83	1,401	75	5	13	1	62-	4-
82-84	1,181	190	16	97	8	93-	8-
83-85	1,181	190	16	97	8	93-	8-
84-86	1,581	397	25	207	13	190-	12-
85-87	2,115	239	11	220	10	19-	1-

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2850 INDUSTRIAL MEAS. & REG. STATION EQUIP.

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
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THREE-YEAR MOVING AVERAGES

86-88	4,737	576	12	376	8	200-	4-
87-89	3,872	634	16	385	10	249-	6-
88-90	10,796	1,386	13	283	3	1,103-	10-
89-91	16,070	1,690	11	256	2	1,434-	9-
90-92	16,354	1,478	9	140	1	1,338-	8-
91-93	11,059	1,111	10	144	1	967-	9-
92-94	3,746	471	13	17	0	454-	12-
93-95	4,202	1,017	24	32	1	985-	23-
94-96	2,494	767	31	20	1	747-	30-
95-97	1,913	767	40	17	1	750-	39-
96-98	2,136	236	11		0	236-	11-
97-99	3,794	141	4		0	141-	4-
98-00	3,794	141	4		0	141-	4-
99-01	2,113	71	3		0	71-	3-
00-02							
01-03							
02-04							
03-05							
04-06							
05-07							
06-08							

FIVE-YEAR AVERAGE

04-08

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2921 TRANSPORTATION EQUIPMENT - TRAILERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1980	6,372		0		0		0
1981							
1982	4,767		0	1,545	32	1,545	32
1983							
1984							
1985							
1986	3,073	91	3	1,850	60	1,759	57
1987							
1988							
1989	1,328		0		0		0
1990							
1991							
1992				67		67	
1993							
1994							
1995							
1996							
1997	19,604		0		0		0
1998							
1999							
2000							
2001							
2002							
2003							
2004							
2005							
2006							
2007							
2008							
TOTAL	35,144	91	0	3,462	10	3,371	10

THREE-YEAR MOVING AVERAGES

80-82	3,713		0	515	14	515	14
81-83	1,589		0	515	32	515	32
82-84	1,589		0	515	32	515	32
83-85							
84-86	1,024	30	3	617	60	587	57
85-87	1,024	30	3	617	60	587	57

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2921 TRANSPORTATION EQUIPMENT - TRAILERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT PCT	GROSS SALVAGE AMOUNT PCT	NET SALVAGE AMOUNT PCT
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THREE-YEAR MOVING AVERAGES

86-88	1,024	30 3	617 60	587 57
87-89	443	0	0	0
88-90	443	0	0	0
89-91	443	0	0	0
90-92			22	22
91-93			22	22
92-94			22	22
93-95				
94-96				
95-97	6,535	0	0	0
96-98	6,535	0	0	0
97-99	6,535	0	0	0
98-00				
99-01				
00-02				
01-03				
02-04				
03-05				
04-06				
05-07				
06-08				

FIVE-YEAR AVERAGE

04-08

III-160

DEPRECIATION CALCULATIONS

DUKE ENERGY KENTUCKY
COMMON PLANT

ACCOUNT 1701 AMI METERS - LEASED

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-S0.5						
NET SALVAGE PERCENT.. 0						
2008	601,512.93	21,414	28,121	573,392	13.56	42,286
	601,512.93	21,414	28,121	573,392		42,286
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					13.6	7.03

DUKE ENERGY KENTUCKY
COMMON PLANT

ACCOUNT 1900 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
FLORENCE SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2041						
NET SALVAGE PERCENT.. 0						
2006	6,447.49	542	636	5,811	27.26	213
KENTUCKY SERVICE BUILDING - 19TH & AUGUSTINE						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2012						
NET SALVAGE PERCENT.. 0						
1939	213.98	204	214			
1947	498,843.32	472,455	498,843			
1949	7,874.04	7,450	7,874			
1950	2,833.13	2,669	2,833			
1951	610.66	576	611			
1953	4,989.45	4,708	4,989			
1955	121.96	115	122			
1956	313.02	294	313			
1957	1,480.66	1,388	1,481			
1958	91.02	85	91			
1959	1,905.03	1,782	1,905			
1961	3,761.02	3,502	3,761			
1964	1,660.34	1,537	1,660			
1965	2,410.30	2,233	2,410			
1966	478.18	443	478			
1967	8,188.75	7,544	8,189			
1969	4,337.05	3,992	4,337			
1970	1,925.44	1,764	1,925			
1972	4,634.39	4,229	4,634			
1973	8,585.30	7,833	8,585			
1974	6,637.72	6,023	6,638			
1975	6,319.85	5,716	6,320			
1976	337.18	305	337			
1977	975.57	879	976			
1978	23,626.36	21,186	23,626			
1979	39,938.23	35,701	39,938			
1980	11,560.66	10,313	11,561			
1981	33,194.05	29,486	33,194			

DUKE ENERGY KENTUCKY
COMMON PLANT

ACCOUNT 1900 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
KENTUCKY SERVICE BUILDING - 19TH & AUGUSTINE INTERIM SURVIVOR CURVE.. IOWA 100-R1 PROBABLE RETIREMENT YEAR.. 6-2012 NET SALVAGE PERCENT.. 0						
1982	12,516.21	11,078	12,516			
1983	14,035.96	12,349	14,036			
1984	42,353.87	37,047	42,354			
1985	24,798.14	21,621	24,798			
1986	443.45	384	443			
1987	12,451.85	10,709	12,452			
1988	593.39	507	593			
1989	35,301.47	29,946	35,301			
1990	3,340.07	2,812	3,340			
1991	38,025.34	31,744	38,025			
1992	58,847.35	48,649	58,847			
1993	59,866.03	48,905	59,866			
1994	230,910.34	186,160	230,910			
1995	2,711.75	2,156	2,712			
1996	3,182.30	2,490	3,182			
1998	26,943.53	20,229	26,464	480	3.49	138
1999	105,835.05	77,524	101,419	4,416	3.47	1,273
2000	208,595.64	148,061	193,699	14,897	3.48	4,281
2001	50,200.30	34,302	44,875	5,325	3.48	1,530
2002	65,033.55	42,356	55,411	9,623	3.48	2,765
2003	8,358.45	5,121	6,699	1,659	3.48	477
2004	61,373.12	34,633	45,308	16,065	3.47	4,630
2005	43,769.17	21,968	28,740	15,029	3.47	4,331
2006	10,412.19	4,361	5,705	4,707	3.47	1,356
2007	124.53	38	50	75	3.47	22
	1,797,869.71	1,469,562	1,725,590	72,276		20,803

ERLANGER OPERATIONS CENTER
INTERIM SURVIVOR CURVE.. IOWA 100-R1
PROBABLE RETIREMENT YEAR.. 6-2065
NET SALVAGE PERCENT.. 0

2005	2,100,000.00	166,110	195,050	1,904,950	40.75	46,747
2007	2,087,225.32	78,897	92,642	1,994,583	38.18	52,242
	4,187,225.32	245,007	287,692	3,899,533		98,989

DUKE ENERGY KENTUCKY
COMMON PLANT

ACCOUNT 1900 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MINOR STRUCTURES						
	SURVIVOR CURVE.. IOWA 40-R1					
	NET SALVAGE PERCENT.. -5					
1999	5,371.46	1,565	1,838	3,802	24.75	154
	5,996,913.98	1,716,676	2,015,756	3,981,422		120,159
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					33.1	2.00

DUKE ENERGY KENTUCKY
COMMON PLANT

ACCOUNT 1910 OFFICE FURNITURE AND EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1989	172,316.50	168,009	138,899	33,418	0.50	33,418
1990	74,248.83	68,680	56,780	17,469	1.50	11,646
1991	70,008.65	61,258	50,644	19,365	2.50	7,746
1992	6,353.10	5,241	4,333	2,020	3.50	577
1994	3,835.01	2,780	2,298	1,537	5.50	279
2000	33,068.30	14,054	11,619	21,449	11.50	1,865
2001	36,555.84	13,708	11,334	25,222	12.50	2,018
2008	6,169.61	154	127	6,043	19.50	310
	402,555.84	333,884	276,034	126,523		57,859
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					2.2	14.37

DUKE ENERGY KENTUCKY
COMMON PLANT

ACCOUNT 1930 STORES EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1994	5,562.77	4,033	9,314-	14,877	5.50	2,705
	5,562.77	4,033	9,314-	14,877		2,705
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					5.5	48.63

DUKE ENERGY KENTUCKY
COMMON PLANT

ACCOUNT 1940 TOOLS, SHOP AND GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1984	3,301.79	3,236	3,001	301	0.50	301
1985	7,445.60	6,999	6,490	956	1.50	637
1986	3,691.35	3,322	3,080	611	2.50	244
1987	786.43	676	627	159	3.50	45
1988	7,153.00	5,865	5,438	1,715	4.50	381
1989	1,337.96	1,044	968	370	5.50	67
1990	2,813.16	2,082	1,930	883	6.50	136
1991	35,487.06	24,841	23,033	12,454	7.50	1,661
1992	18,669.09	12,322	11,425	7,244	8.50	852
1993	12,732.47	7,894	7,320	5,412	9.50	570
1994	8,260.17	4,791	4,442	3,818	10.50	364
1996	2,992.80	1,496	1,387	1,606	12.50	128
2002	4,465.70	1,161	1,077	3,389	18.50	183
2003	46,509.55	10,232	9,488	37,022	19.50	1,899
2005	2,964.11	415	385	2,579	21.50	120
2007	13,853.41	831	770	13,083	23.50	557
2008	6,230.65	125	116	6,115	24.50	250
	178,694.30	87,332	80,977	97,717		8,395
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					11.6	4.70

DUKE ENERGY KENTUCKY
COMMON PLANT

ACCOUNT 1970 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
2000	39,252.18	22,244	39,252			
2006	1,347,260.59	224,588	467,223	880,038	12.50	70,403
2007	2,460,225.21	246,023	511,815	1,948,410	13.50	144,327
	3,846,737.98	492,855	1,018,290	2,828,448		214,730
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					13.2	5.58

DUKE ENERGY KENTUCKY
COMMON PLANT

ACCOUNT 1980 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
2005	11,371.92	2,653	2,155	9,217	11.50	801
	11,371.92	2,653	2,155	9,217		801
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					11.5	7.04

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2041 RIGHTS OF WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 50-SQUARE						
NET SALVAGE PERCENT.. 0						
1961	16,886.85	16,043	16,887			
1972	7,551.70	5,513	7,552			
	24,438.55	21,556	24,439			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					0.0	0.00

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2050 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R4						
NET SALVAGE PERCENT.. -5						
1961	1,194,033.14	1,071,943	1,253,735			
1963	1,741.01	1,522	1,828			
1970	10,435.91	8,143	10,033	925	13.31	69
1971	23,663.21	18,076	22,272	2,574	14.05	183
1972	6,642.53	4,965	6,118	857	14.78	58
1973	8,189.23	5,983	7,372	1,227	15.52	79
1974	4,680.08	3,340	4,115	799	16.26	49
1975	1,727.21	1,203	1,482	332	17.01	20
1977	15,661.74	10,413	12,831	3,614	18.25	198
1979	3,572.65	2,235	2,754	997	20.00	50
1981	379.83	224	276	123	21.52	6
1986	6,229.14	3,047	3,754	2,787	25.81	108
1989	1,326.34	568	700	693	28.34	24
1990	49,012.04	19,901	24,521	26,942	29.34	918
1991	3,324.02	1,283	1,581	1,909	30.12	63
1998	4,507.34	1,054	1,299	3,434	36.67	94
1999	11,206.91	2,370	2,920	8,847	37.67	235
2000	26,467.14	5,008	6,171	21,619	38.67	559
2001	7,831.50	1,307	1,610	6,613	39.67	167
2002	51,490.30	7,450	9,180	44,885	40.67	1,104
2004	135,248.51	13,548	16,693	125,318	42.67	2,937
	1,567,369.78	1,183,583	1,391,245	254,495		6,921
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					36.8	0.44

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2110 LIQUID PETROLEUM GAS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-S1.5						
NET SALVAGE PERCENT.. -10						
1961	976,993.87	918,863	972,908	101,785	8.06	12,628
1964	2,027.28	1,856	1,965	265	8.97	30
1965	2,019.79	1,836	1,944	278	9.13	30
1966	10,522.69	9,445	10,001	1,574	9.58	164
1968	3,462.69	3,039	3,218	591	10.26	58
1971	78,732.83	66,903	70,838	15,768	11.04	1,428
1972	27,026.69	22,571	23,899	5,830	11.58	503
1974	21,887.44	17,775	18,820	5,256	12.23	430
1975	106,105.55	84,853	89,844	26,872	12.58	2,136
1976	14,383.85	11,313	11,978	3,844	12.95	297
1977	7,625.84	5,893	6,240	2,148	13.34	161
1978	4,979.82	3,776	3,998	1,480	13.75	108
1979	65,554.96	48,718	51,583	20,527	14.17	1,449
1980	58,352.96	42,441	44,937	19,251	14.60	1,319
1981	7,162.06	5,113	5,414	2,464	14.87	166
1984	11,031.84	7,285	7,713	4,422	16.31	271
1987	27,187.85	16,398	17,363	12,544	17.71	708
1989	60,099.34	33,650	35,629	30,480	18.81	1,620
1992	25,640.82	12,565	13,304	14,901	20.54	725
1993	10,880.49	5,065	5,363	6,606	21.13	313
1995	1,150.30	475	503	762	22.47	34
1996	73,370.31	28,352	30,020	50,687	23.09	2,195
1997	30,406.78	10,924	11,567	21,880	23.71	923
1998	41,149.54	13,593	14,392	30,872	24.47	1,262
1999	45,764.19	13,773	14,583	35,758	25.22	1,418
2000	357,976.15	97,065	102,774	291,000	25.98	11,201
2002	502,208.14	105,569	111,778	440,651	27.51	16,018
2003	458,720.78	82,148	86,980	417,613	28.28	14,767
2004	526,445.47	77,424	81,978	497,112	29.17	17,042
2005	122,382.62	14,095	14,924	119,697	29.94	3,998
2006	455,671.93	37,593	39,804	461,435	30.83	14,967
2008	36,622.48	608	644	39,641	32.72	1,212
	4,173,547.35	1,800,977	1,906,906	2,683,994		109,581

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 24.5 2.63

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2741 RIGHTS OF WAY - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R4						
NET SALVAGE PERCENT.. 0						
1910	10,635.46	10,635	10,635			
1919	1,621.43	1,582	1,621			
1924	8,823.50	8,500	8,824			
1925	678.47	652	678			
1933	5,568.76	5,213	5,569			
1952	1,342.39	1,085	1,211	131	13.43	10
1953	1,826.75	1,460	1,630	197	13.94	14
1954	25.70	20	22	4	14.46	
1955	27,640.73	21,444	23,938	3,703	15.46	240
1956	180.45	138	154	26	15.99	2
1957	15,131.04	11,456	12,788	2,343	16.52	142
1958	308.05	230	257	51	17.07	3
1959	1,946.26	1,436	1,603	343	17.61	19
1960	1,108.84	801	894	215	18.61	12
1961	7,019.04	5,001	5,583	1,436	19.17	75
1962	19,073.27	13,393	14,951	4,122	19.72	209
1963	1,814.75	1,247	1,392	423	20.72	20
1964	1,991.19	1,347	1,504	487	21.29	23
1965	134,989.37	89,849	100,299	34,690	21.86	1,587
1966	1,070.30	696	777	293	22.86	13
1967	12,722.90	8,131	9,077	3,646	23.44	156
1968	5,087.66	3,173	3,542	1,546	24.44	63
1969	3,480.98	2,131	2,379	1,102	25.01	44
1970	9,619.27	5,777	6,449	3,170	25.60	124
1971	17,951.13	10,501	11,722	6,229	26.60	234
1972	35,609.14	20,408	22,781	12,828	27.19	472
1973	6,934.62	3,865	4,315	2,620	28.19	93
1974	16,960.64	9,245	10,320	6,641	28.79	231
1975	28,419.62	15,043	16,793	11,627	29.79	390
1976	8,582.46	4,407	4,920	3,662	30.79	119
1977	22,107.90	11,074	12,362	9,746	31.39	310
1978	3,731.10	1,810	2,020	1,711	32.39	53
1979	941.95	442	493	449	33.39	13
1980	15,885.32	7,244	8,086	7,799	34.00	229
1981	5,112.34	2,249	2,511	2,601	35.00	74
1982	44,454.50	18,849	21,041	23,414	36.00	650
1983	6,959.60	2,858	3,190	3,770	36.61	103

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2741 RIGHTS OF WAY - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R4						
NET SALVAGE PERCENT.. 0						
1984	3,024.89	1,193	1,332	1,693	37.61	45
1985	10,039.09	3,799	4,241	5,798	38.61	150
1986	24,359.25	8,825	9,851	14,508	39.61	366
1987	21,569.99	7,513	8,387	13,183	40.23	328
1988	15,344.70	5,096	5,689	9,656	41.23	234
1989	69,914.21	22,086	24,655	45,259	42.23	1,072
1990	37,094.33	11,117	12,410	24,684	43.23	571
1991	29,490.94	8,361	9,333	20,158	44.23	456
1992	180,997.49	48,381	54,008	126,989	45.23	2,808
1993	9,764.91	2,452	2,737	7,028	46.23	152
1994	105,098.80	24,845	27,734	77,365	46.85	1,651
1995	909.60	200	223	687	47.85	14
1996	25,191.12	5,134	5,731	19,460	48.85	398
2005	2,674.77	153	171	2,504	57.85	43
2006	51,359.23	2,106	2,351	49,008	58.48	838
2008	10,163.32	83	93	10,070	60.48	167
	1,084,353.52	454,736	505,277	579,075		15,020
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					38.6	1.39

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2750 STRUCTURES AND IMPROVEMENTS - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2.5						
NET SALVAGE PERCENT.. -5						
1909	838.18	880	880			
1927	2,450.16	2,474	2,573			
1935	106.66	105	112			
1953	181.28	164	190			
1960	481.63	410	506			
1971	40,333.78	29,222	41,126	1,224	16.85	73
1972	13,340.47	9,459	13,312	695	17.55	40
1973	26,902.59	18,754	26,394	1,854	17.97	103
1974	3,422.20	2,331	3,281	312	18.69	17
1978	369.00	229	322	65	21.05	3
1980	22,083.46	13,020	18,323	4,865	22.26	219
1981	853.89	491	691	206	22.75	9
1986	9,563.62	4,654	6,550	3,492	26.04	134
1999	3,684.93	835	1,175	2,694	34.55	78
2000	30,027.79	6,139	8,640	22,889	35.17	651
2003	3,874.50	528	743	3,325	36.87	90
	158,514.14	89,695	124,818	41,621		1,417
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					29.4	0.89

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2761 MAINS - CAST IRON, COPPER AND ALL VALVES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 41-R2.5						
NET SALVAGE PERCENT.. -20						
1915	57,663.56	69,196	69,196			
1923	36.54	44	44			
1925	31.63	38	38			
1926	115.57	139	139			
1927	1,106.38	1,328	1,328			
1928	221.31	266	266			
1929	295.51	355	355			
1930	1,521.94	1,826	1,826			
1931	1,769.39	2,123	2,123			
1932	189.23	227	227			
1933	1,381.45	1,652	936	722	0.26	722
1934	389.90	467	265	203	0.13	203
1935	1,680.60	2,001	1,134	883	0.57	883
1936	58.03	69	39	31	1.03	30
1937	4,188.17	4,959	2,811	2,215	0.96	2,215
1938	10,248.14	12,052	6,832	5,466	1.44	3,796
1939	1,742.55	2,035	1,154	937	1.93	485
1940	1,279.16	1,493	846	689	1.92	359
1941	1,423.35	1,649	935	773	2.43	318
1942	902.18	1,044	592	491	2.46	200
1943	204.96	237	134	112	2.52	44
1944	92.66	106	60	51	3.07	17
1947	98.69	112	63	55	3.44	16
1948	60.82	69	39	34	3.60	9
1949	14,832.41	16,733	9,485	8,314	3.79	2,194
1950	2,893.92	3,250	1,842	1,631	4.00	408
1951	26,302.39	29,401	16,666	14,897	4.23	3,522
1952	3,364.35	3,741	2,121	1,916	4.48	428
1953	2,625.52	2,903	1,646	1,505	4.74	318
1954	19,228.06	21,126	11,976	11,098	5.02	2,211
1955	13,714.81	14,968	8,485	7,973	5.32	1,499
1956	31,497.74	34,331	19,461	18,336	5.30	3,460
1957	118,252.72	127,897	72,500	69,403	5.64	12,305
1958	94,217.64	101,065	57,290	55,771	5.99	9,311
1959	52,106.75	55,713	31,582	30,946	6.06	5,107
1960	13,149.59	13,929	7,896	7,884	6.45	1,222
1961	10,354.06	10,859	6,156	6,269	6.85	915

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2761 MAINS - CAST IRON, COPPER AND ALL VALVES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 41-R2.5						
NET SALVAGE PERCENT.. -20						
1962	8,515.35	8,886	5,037	5,181	6.97	743
1963	10,946.39	11,297	6,404	6,732	7.41	909
1964	8,078.28	8,282	4,695	4,999	7.58	659
1965	3,417.21	3,461	1,962	2,139	8.05	266
1966	5,820.53	5,848	3,315	3,670	8.26	444
1967	617.76	612	347	394	8.75	45
1968	4,580.67	4,475	2,537	2,960	9.25	320
1969	4,786.47	4,628	2,623	3,121	9.52	328
1970	6,332.36	6,027	3,416	4,183	10.04	417
1971	7,566.23	7,116	4,034	5,045	10.34	488
1972	11,648.43	10,766	6,103	7,875	10.89	723
1973	10,051.27	9,121	5,170	6,892	11.45	602
1974	28,422.68	25,417	14,408	19,699	11.80	1,669
1975	25,251.13	22,129	12,544	17,757	12.37	1,435
1976	2,592.82	2,225	1,261	1,850	12.95	143
1977	21,405.44	17,963	10,183	15,504	13.55	1,144
1978	48,406.97	39,866	22,598	35,490	13.94	2,546
1979	43,431.50	34,903	19,785	32,333	14.55	2,222
1980	74,471.63	58,329	33,065	56,301	15.17	3,711
1981	46,421.90	35,390	20,061	35,645	15.79	2,257
1982	39,631.38	29,491	16,717	30,841	16.24	1,899
1983	26,032.21	18,799	10,656	20,583	16.87	1,220
1984	38,499.45	26,939	15,271	30,928	17.52	1,765
1985	38,166.46	25,831	14,643	31,157	18.17	1,715
1986	42,282.42	27,627	15,661	35,078	18.82	1,864
1987	12,620.73	7,978	4,522	10,623	19.31	550
1988	40,038.59	24,331	13,792	34,254	19.98	1,714
1989	19,529.91	11,380	6,451	16,985	20.66	822
1990	85,267.90	47,518	26,936	75,385	21.34	3,533
1991	34,654.48	18,485	10,479	31,106	21.87	1,422
1992	12,115.32	6,141	3,481	11,057	22.56	490
1993	16,723.67	8,025	4,549	15,519	23.26	667
1994	9,537.02	4,315	2,446	8,998	23.96	376
1995	11,765.39	5,013	2,842	11,276	24.52	460
1996	16,194.08	6,438	3,649	15,784	25.23	626
1997	14,476.97	5,354	3,035	14,337	25.81	555
1998	58,388.34	19,864	11,260	58,806	26.54	2,216

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2761 MAINS - CAST IRON, COPPER AND ALL VALVES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 41-R2.5						
NET SALVAGE PERCENT.. -20						
1999	16,097.65	5,011	2,841	16,476	27.13	607
	1,394,028.67	1,154,684	687,267	985,568		95,769
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					10.3	6.87

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2762 MAINS - STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2.5						
NET SALVAGE PERCENT.. -20						
1917	54.79	64	60	6	2.84	2
1919	75.05	87	82	8	3.09	3
1921	246.11	284	267	28	3.41	8
1922	1.10	1	1			
1923	157.30	181	170	19	3.79	5
1924	347.45	398	374	43	3.99	11
1925	161.25	184	173	21	4.22	5
1926	3,416.40	3,890	3,660	440	4.45	99
1927	10,414.93	11,816	11,117	1,381	4.71	293
1928	7,780.58	8,794	8,274	1,063	4.97	214
1929	14,585.40	16,419	15,447	2,055	5.25	391
1930	6.81	8	8			
1931	8,546.06	9,537	8,973	1,282	5.83	220
1933	106.31	118	111	17	6.47	3
1935	280.69	309	291	46	6.50	7
1941	6.97	7	7	1	8.26	
1942	3,623.99	3,875	3,646	703	8.13	86
1943	161.24	171	161	32	8.57	4
1944	242.15	255	240	51	9.03	6
1945	21.58	23	22	4	8.96	
1946	2,359.61	2,460	2,314	518	9.44	55
1947	1,151.70	1,190	1,120	262	9.93	26
1948	179.20	185	174	41	9.92	4
1949	118.78	121	114	29	10.43	3
1950	4,994.31	5,084	4,783	1,210	10.46	116
1951	936.26	943	887	237	10.99	22
1952	1,691.63	1,686	1,586	444	11.52	39
1953	33,492.53	33,238	31,271	8,920	11.61	768
1954	14,883.00	14,600	13,736	4,124	12.17	339
1955	20,354.47	19,733	18,565	5,860	12.72	461
1956	51,305.74	49,457	46,530	15,037	12.86	1,169
1957	50,908.98	48,451	45,584	15,507	13.44	1,154
1958	274,480.68	257,836	242,576	86,801	14.01	6,196
1959	187,917.56	175,259	164,887	60,614	14.19	4,272
1960	370,428.72	340,631	320,471	124,043	14.79	8,387
1961	268,523.63	243,379	228,975	93,253	15.39	6,059
1962	178,647.25	159,496	150,056	64,321	16.00	4,020

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2762 MAINS - STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2.5						
NET SALVAGE PERCENT.. -20						
1963	441,650.82	390,649	367,529	162,452	16.23	10,009
1964	301,586.77	262,525	246,988	114,916	16.85	6,820
1965	548,272.54	469,365	441,586	216,341	17.48	12,376
1966	401,321.07	337,736	317,748	163,837	18.10	9,052
1967	312,105.37	259,584	244,221	130,305	18.38	7,089
1968	639,987.27	522,537	491,611	276,374	19.02	14,531
1969	645,731.67	517,309	486,693	288,185	19.67	14,651
1970	538,404.61	422,863	397,836	248,250	20.32	12,217
1971	408,854.12	316,453	297,724	192,901	20.64	9,346
1972	551,509.51	417,934	393,199	268,612	21.30	12,611
1973	253,940.34	188,231	177,091	127,637	21.97	5,810
1974	383,126.88	277,598	261,169	198,583	22.64	8,771
1975	395,616.66	281,521	264,860	209,880	22.99	9,129
1976	255,768.24	177,554	167,046	139,876	23.68	5,907
1977	244,491.98	165,443	155,652	137,738	24.36	5,654
1978	653,751.10	430,691	405,201	379,300	25.06	15,136
1979	1,262,492.11	813,398	765,258	749,733	25.45	29,459
1980	2,260,824.39	1,415,095	1,331,345	1,381,644	26.14	52,856
1981	1,270,387.85	771,380	725,727	798,738	26.85	29,748
1982	1,549,781.28	911,829	857,864	1,001,874	27.55	36,366
1983	1,694,758.11	964,589	907,501	1,126,209	28.26	39,852
1984	840,945.67	464,807	437,298	571,837	28.69	19,932
1985	1,689,370.42	900,502	847,207	1,180,038	29.41	40,124
1986	2,021,968.88	1,037,270	975,881	1,450,482	30.13	48,141
1987	3,691,803.13	1,828,772	1,720,539	2,709,625	30.58	88,608
1988	4,986,688.56	2,367,879	2,227,740	3,756,286	31.31	119,971
1989	4,857,202.04	2,204,975	2,074,477	3,754,165	32.05	117,135
1990	9,183,352.62	3,976,024	3,740,709	7,279,314	32.78	222,066
1991	5,054,311.09	2,091,272	1,967,503	4,097,670	33.26	123,201
1992	2,473,567.11	969,737	912,344	2,055,937	34.01	60,451
1993	1,127,314.63	417,332	392,633	960,145	34.75	27,630
1994	100,534.25	35,167	33,086	87,555	35.25	2,484
1995	67,159.85	21,977	20,676	59,916	36.00	1,664
1996	238,056.33	72,845	68,534	217,134	36.52	5,946
1997	209,312.00	59,227	55,722	195,452	37.28	5,243
1998	750,806.14	195,870	184,278	716,689	37.81	18,955
1999	2,189,164.73	519,095	488,373	2,138,625	38.58	55,434

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2762 MAINS - STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2.5						
NET SALVAGE PERCENT.. -20						
2000	177,928.65	38,112	35,856	177,658	39.12	4,541
2001	3,620,995.02	690,886	649,997	3,695,197	39.67	93,148
2002	2,171,316.77	362,436	340,986	2,264,594	40.23	56,291
2003	1,871,688.84	266,828	251,036	1,994,991	40.80	48,897
2004	1,178,197.73	139,404	131,154	1,282,683	41.16	31,163
2005	3,462,549.63	322,848	303,740	3,851,320	41.55	92,691
2006	1,058,398.25	71,759	67,512	1,202,566	41.75	28,804
2007	131,607.54	5,496	5,171	152,758	41.60	3,672
2008	23,870.23	352	331	28,313	40.31	702
	69,705,083.01	30,785,326	28,963,345	54,682,756		1,698,731
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					32.2	2.44

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2763 MAINS - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R2.5						
NET SALVAGE PERCENT.. -20						
1965	1,138.83	921	890	477	21.01	23
1968	6,773.29	5,201	5,028	3,100	22.79	136
1970	104,417.04	77,185	74,616	50,684	24.00	2,112
1971	174,591.00	126,502	122,291	87,218	24.61	3,544
1972	181,430.57	128,736	124,451	93,266	25.23	3,697
1973	118,585.66	82,351	79,610	62,693	25.85	2,425
1974	62,519.56	42,448	41,035	33,988	26.48	1,284
1975	67,549.70	44,810	43,318	37,742	27.10	1,393
1976	28,717.99	18,592	17,973	16,489	27.74	594
1977	7,535.44	4,757	4,599	4,444	28.38	157
1978	60,352.85	37,110	35,875	36,548	29.02	1,259
1979	99,965.21	59,811	57,820	62,138	29.67	2,094
1980	167,549.18	97,413	94,170	106,889	30.32	3,525
1981	36,078.51	20,361	19,683	23,611	30.98	762
1983	9,656.60	5,113	4,943	6,645	32.30	206
1984	40,567.85	20,753	20,062	28,619	32.97	868
1986	27,908.80	13,339	12,895	20,596	33.99	606
1987	59,341.10	27,252	26,345	44,864	34.68	1,294
1988	12,114.41	5,335	5,157	9,380	35.36	265
1989	71,356.28	30,055	29,055	56,573	36.06	1,569
1990	59,290.45	23,828	23,035	48,114	36.75	1,309
1991	172,385.94	65,886	63,693	143,170	37.45	3,823
1992	1,260,850.95	456,932	441,722	1,071,299	38.14	28,089
1993	2,396,094.53	820,039	792,743	2,082,570	38.85	53,605
1994	3,854,557.84	1,247,489	1,205,964	3,419,505	39.26	87,099
1995	3,082,427.32	933,975	902,886	2,796,027	39.97	69,953
1996	3,560,973.36	1,004,194	970,768	3,302,400	40.69	81,160
1997	4,276,861.35	1,115,748	1,078,608	4,053,626	41.41	97,890
1998	3,516,801.19	846,564	818,385	3,401,776	41.85	81,285
1999	2,630,140.44	575,685	556,522	2,599,647	42.58	61,053
2000	3,339,785.16	660,877	638,878	3,368,864	43.05	78,255
2001	6,813,455.97	1,196,170	1,156,353	7,019,794	43.78	160,342
2002	11,178,538.09	1,718,365	1,661,166	11,753,080	44.26	265,546
2003	10,271,564.26	1,349,684	1,304,757	11,021,120	44.75	246,282
2004	15,477,732.97	1,688,311	1,632,113	16,941,167	45.00	376,470
2005	10,748,535.56	920,935	890,280	12,007,963	45.52	263,795
2006	9,969,661.51	622,107	601,399	11,362,195	45.58	249,280

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2763 MAINS - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R2.5						
NET SALVAGE PERCENT.. -20						
2007	8,866,507.04	340,474	329,141	10,310,667	45.45	226,857
2008	12,643,436.16	171,445	165,738	15,006,385	43.75	343,003
	115,457,749.96	16,606,753	16,053,967	122,495,333		2,802,909
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					43.7	2.43

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2765 MAINS - STEEL - FEEDER LINES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2.5						
NET SALVAGE PERCENT.. -20						
1910	280.88	335	337			
1917	575.29	670	690			
1924	2,027.03	2,323	2,396	36	3.99	9
1931	545.02	608	627	27	5.83	5
1933	482.94	534	551	29	6.47	4
1941	494.82	529	546	48	8.26	6
1948	58,787.56	60,605	62,505	8,040	9.92	810
1949	2,599.74	2,655	2,738	382	10.43	37
1952	2,217.47	2,210	2,279	382	11.52	33
1953	181,290.46	179,913	185,554	31,995	11.61	2,756
1954	10,565.19	10,364	10,689	1,989	12.17	163
1955	1,268,412.13	1,229,700	1,268,253	253,842	12.72	19,956
1957	103,172.26	98,191	101,269	22,538	13.44	1,677
1958	50,018.88	46,986	48,459	11,564	14.01	825
1959	103,888.28	96,890	99,928	24,738	14.19	1,743
1960	17,556.33	16,144	16,650	4,418	14.79	299
1961	34,149.53	30,952	31,922	9,057	15.39	588
1962	378.20	338	349	105	16.00	7
1963	16,583.27	14,668	15,128	4,772	16.23	294
1965	1,450,381.46	1,241,643	1,280,571	459,887	17.48	26,309
1966	55,642.70	46,827	48,295	18,476	18.10	1,021
1967	151,128.22	125,696	129,637	51,717	18.38	2,814
1968	754,530.17	616,059	635,374	270,062	19.02	14,199
1969	207,404.98	166,156	171,365	77,521	19.67	3,941
1970	473,297.22	371,728	383,382	184,575	20.32	9,083
1971	872,553.68	675,357	696,531	350,533	20.64	16,983
1972	698,029.84	528,967	545,551	292,085	21.30	13,713
1973	25,412.14	18,836	19,427	11,068	21.97	504
1974	1,049,518.39	760,439	784,280	475,142	22.64	20,987
1975	625,756.86	445,289	459,250	291,658	22.99	12,686
1976	13,686.47	9,501	9,799	6,625	23.68	280
1977	329,108.36	222,701	229,683	165,247	24.36	6,784
1978	297,173.39	195,778	201,916	154,692	25.06	6,173
1979	168,226.15	108,385	111,783	90,088	25.45	3,540
1980	157,817.66	98,781	101,878	87,503	26.14	3,347
1982	304,506.14	179,159	184,776	180,631	27.55	6,556
1983	6,359.69	3,620	3,733	3,899	28.26	138

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2765 MAINS - STEEL - FEEDER LINES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2.5						
NET SALVAGE PERCENT.. -20						
1984	85,903.13	47,480	48,969	54,115	28.69	1,886
1985	61,378.46	32,717	33,743	39,911	29.41	1,357
1986	543,546.90	278,840	287,582	364,674	30.13	12,103
1987	291,365.54	144,331	148,856	200,783	30.58	6,566
1988	241,711.23	114,774	118,372	171,681	31.31	5,483
1989	2,975,315.65	1,350,674	1,393,021	2,177,358	32.05	67,936
1990	14,881.18	6,443	6,645	11,212	32.78	342
1991	1,509,182.77	624,439	644,016	1,167,003	33.26	35,087
1992	829,086.79	325,035	335,226	659,678	34.01	19,397
1993	322,475.21	119,380	123,123	263,847	34.75	7,593
1994	416,165.13	145,575	150,139	349,259	35.25	9,908
1995	12,293.53	4,023	4,149	10,603	36.00	295
1996	22,720.37	6,952	7,170	20,094	36.52	550
1997	46,408.75	13,132	13,544	42,147	37.28	1,131
1998	50,313.62	13,126	13,538	46,838	37.81	1,239
1999	402,825.52	95,518	98,513	384,878	38.58	9,976
2000	492,608.82	105,517	108,825	482,306	39.12	12,329
2001	39,174.95	7,475	7,709	39,301	39.67	991
2002	137,974.83	23,031	23,753	141,817	40.23	3,525
2003	1,353,379.73	192,938	198,987	1,425,069	40.80	34,928
2004	27,767.86	3,285	3,388	29,933	41.16	727
2005	315,688.70	29,435	30,358	348,468	41.55	8,387
2006	992,081.04	67,263	69,372	1,121,125	41.75	26,853
2007	1,363,831.72	56,954	58,739	1,577,859	41.60	37,929
2008	1,742,342.91	25,717	26,523	2,064,288	40.31	51,210
	23,784,983.14	11,443,591	11,802,361	16,739,618		535,998
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					31.2	2.25

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2780 MEASURING & REGULATING - GENERAL - SYSTEM
EXCLUDING ELECTRONIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R1.5						
NET SALVAGE PERCENT.. -15						
1935	551.98	616	635			
1947	38.20	41	44			
1949	5,140.75	5,417	5,912			
1953	6,318.91	6,494	7,267			
1955	4,215.97	4,280	4,848			
1956	3,666.39	3,697	4,216			
1957	2,466.84	2,469	2,837			
1958	950.62	944	1,093			
1959	16,126.69	15,883	18,546			
1960	777.63	759	894			
1961	14,423.75	13,947	16,587			
1963	2,407.00	2,292	2,768			
1965	6,794.54	6,322	7,642	172	10.26	17
1966	573.66	527	637	23	10.69	2
1968	9,868.62	8,871	10,724	625	11.31	55
1969	10,808.68	9,575	11,575	855	11.78	73
1970	11,399.90	9,944	12,021	1,089	12.26	89
1971	143,726.16	123,964	149,855	15,430	12.50	1,234
1972	104,820.96	88,877	107,439	13,105	13.00	1,008
1973	24,099.46	20,171	24,384	3,330	13.28	251
1974	24,300.67	19,959	24,128	3,818	13.81	276
1975	19,958.63	16,071	19,428	3,524	14.34	246
1976	16,271.59	12,893	15,586	3,126	14.67	213
1977	6,663.34	5,166	6,245	1,418	15.23	93
1978	35,146.27	26,753	32,340	8,078	15.58	518
1979	102,232.20	76,301	92,237	25,330	15.95	1,588
1980	62,660.23	45,592	55,114	16,945	16.55	1,024
1981	15,708.74	11,179	13,514	4,551	16.94	269
1982	31,839.46	22,028	26,629	9,986	17.55	569
1983	12,135.23	8,185	9,894	4,062	17.98	226
1984	104,987.92	68,928	83,324	37,412	18.42	2,031
1985	32,413.91	20,673	24,991	12,285	18.87	651
1986	168,441.53	104,176	125,934	67,774	19.34	3,504
1987	17,871.30	10,693	12,926	7,626	19.82	385
1988	91,972.57	53,127	64,223	41,545	20.31	2,046
1989	130,358.56	72,498	87,639	62,273	20.82	2,991

DUKE ENERGY KENTUCKY
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ACCOUNT 2780 MEASURING & REGULATING - GENERAL - SYSTEM
EXCLUDING ELECTRONIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R1.5						
NET SALVAGE PERCENT.. -15						
1990	8,312.92	4,440	5,367	4,193	21.34	196
1991	98,325.65	50,262	60,759	52,315	21.87	2,392
1992	39,710.09	19,440	23,500	22,167	22.26	996
1993	51,130.83	23,791	28,760	30,040	22.81	1,317
1994	26,094.62	11,532	13,941	16,068	23.23	692
1995	21,534.86	8,995	10,874	13,891	23.67	587
1997	23,285.48	8,561	10,349	16,429	24.47	671
1998	76,364.82	26,100	31,551	56,269	24.83	2,266
1999	46,330.76	14,578	17,623	35,657	25.22	1,414
2000	708,154.11	202,861	245,229	569,148	25.63	22,206
2001	87,520.20	22,646	27,376	73,272	25.83	2,837
2002	52,988.25	12,163	14,703	46,233	26.07	1,773
2003	135,076.69	26,920	32,542	122,796	26.24	4,680
2004	79,222.14	13,329	16,113	74,992	26.27	2,855
2005	131,278.90	17,754	21,462	129,509	26.26	4,932
2006	309,856.07	31,357	37,906	318,428	25.91	12,290
2007	340,100.24	22,059	26,667	364,448	25.10	14,520
2008	45,298.36	1,136	1,373	50,720	22.49	2,255
	3,522,723.85	1,417,236	1,710,171	2,340,957		98,238
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					23.8	2.79

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2781 MEASURING & REGULATING - GENERAL - SYSTEM
ELECTRONIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-S1.5						
NET SALVAGE PERCENT.. -15						
1976	9,321.74	10,139	10,720			
1986	135,429.25	130,357	145,877	9,867	4.38	2,253
1987	31,052.72	29,329	32,821	2,890	4.68	618
1988	27,683.04	25,583	28,629	3,206	5.01	640
1994	54,049.86	41,639	46,596	15,561	7.15	2,176
1995	3,799.69	2,796	3,129	1,241	7.60	163
1996	28,084.62	19,663	22,004	10,293	8.03	1,282
1997	28,631.08	18,932	21,186	11,740	8.50	1,381
1998	13,128.47	8,117	9,083	6,015	9.03	666
2002	6,270.87	2,621	2,933	4,279	11.39	376
2003	19,539.19	7,044	7,883	14,587	12.04	1,212
2004	11,995.27	3,595	4,023	9,772	12.77	765
2005	57,526.67	13,595	15,213	50,943	13.53	3,765
2006	99,210.95	16,943	18,960	95,133	14.34	6,634
2007	73,922.63	7,642	8,552	76,459	15.19	5,034
2008	28,347.51	981	1,098	31,502	16.11	1,955
	627,993.56	338,976	378,707	343,488		28,920
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					11.9	4.61

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2782 MEASURING & REGULATING - GENERAL - DISTRICT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE . . IOWA 53-R2						
NET SALVAGE PERCENT. . -25						
1909	1,324.10	1,655	1,655			
1910	790.42	988	988			
1930	683.94	799	855			
1937	2,128.52	2,416	2,661			
1938	1,351.39	1,524	1,689			
1939	1.99	2	2			
1948	1,403.07	1,496	1,754			
1949	1,423.51	1,503	1,779			
1952	15,020.07	15,488	18,775			
1953	12,006.48	12,245	15,008			
1955	4,216.45	4,230	5,271			
1959	2,520.47	2,433	3,151			
1960	2,832.87	2,697	3,541			
1961	4,752.05	4,458	5,940			
1963	2,049.31	1,877	2,562			
1964	4,478.32	4,036	5,598			
1965	2,336.22	2,083	2,920			
1966	6,971.70	6,112	8,715			
1969	172.23	145	215			
1970	8,163.68	6,719	10,205			
1971	4,561.64	3,678	5,693	9	20.64	
1972	1,878.25	1,491	2,308	40	20.97	2
1973	26,665.90	20,709	32,054	1,278	21.64	59
1974	10,564.00	8,064	12,482	723	21.99	33
1975	21,000.40	15,653	24,228	2,023	22.68	89
1976	18,501.10	13,529	20,940	2,186	23.06	95
1977	2,257.00	1,609	2,490	331	23.75	14
1978	50,274.91	35,079	54,296	8,548	24.14	354
1979	20,187.49	13,697	21,200	4,034	24.85	162
1980	24,713.69	16,376	25,347	5,545	25.26	220
1981	31,356.29	20,158	31,201	7,994	25.97	308
1982	11,678.95	7,312	11,318	3,281	26.41	124
1983	10,848.54	6,570	10,169	3,392	27.13	125
1984	17,235.44	10,134	15,685	5,859	27.58	212
1985	21,620.50	12,321	19,071	7,955	28.05	284
1986	19,391.30	10,636	16,462	7,777	28.78	270
1989	44,358.02	21,735	33,642	21,806	30.25	721

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2782 MEASURING & REGULATING - GENERAL - DISTRICT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 53-R2						
NET SALVAGE PERCENT.. -25						
1990	24,859.96	11,613	17,975	13,100	31.00	423
1992	13,666.49	5,807	8,988	8,095	32.04	253
1996	11,583.38	3,873	5,995	8,484	34.23	248
2003	44,747.25	7,199	11,143	44,791	37.24	1,203
2004	26,197.41	3,524	5,454	27,293	37.34	731
2005	36,565.03	3,903	6,041	39,665	37.48	1,058
2007	125,470.12	6,148	9,516	147,322	36.81	4,002
2008	165,982.93	2,967	4,592	202,887	34.59	5,865
	860,792.78	336,691	501,574	574,418		16,855
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					34.1	1.96

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2801 SERVICES - CAST IRON, COPPER AND VALVES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R1.5						
NET SALVAGE PERCENT.. -25						
1935	108.87	136	136			
1936	99.29	124	124			
1937	3,988.66	4,986	4,986			
1938	1,953.29	2,442	2,442			
1939	953.16	1,191	1,191			
1940	3,933.40	4,884	4,917			
1941	369.96	456	462			
1946	520.96	627	651			
1947	3,269.25	3,921	4,087			
1948	8,004.06	9,564	10,005			
1949	9,054.80	10,775	11,319			
1950	9,444.73	11,188	11,801	5	3.23	2
1951	3,626.75	4,275	4,509	24	3.48	7
1952	3,424.30	4,015	4,235	45	3.74	12
1953	8,195.37	9,552	10,075	169	4.02	42
1954	11,712.76	13,565	14,308	333	4.32	77
1955	5,711.41	6,608	6,970	169	4.30	39
1956	12,987.46	14,916	15,733	501	4.64	108
1957	12,533.40	14,282	15,064	603	4.99	121
1958	25,774.07	29,125	30,719	1,499	5.36	280
1959	61,296.46	69,027	72,806	3,815	5.45	700
1960	73,717.28	82,232	86,734	5,413	5.85	925
1961	102,169.55	113,447	119,658	8,054	5.97	1,349
1962	85,932.52	94,408	99,576	7,840	6.41	1,223
1963	111,693.68	121,969	128,646	10,971	6.58	1,667
1964	120,393.73	130,597	137,747	12,745	6.78	1,880
1965	129,228.46	138,436	146,015	15,521	7.26	2,138
1966	103,835.93	110,326	116,366	13,429	7.50	1,791
1967	128,923.56	135,773	143,206	17,948	7.76	2,313
1968	111,912.74	116,711	123,101	16,790	8.04	2,088
1969	171,723.51	176,360	186,015	28,639	8.58	3,338
1970	143,070.96	145,289	153,243	25,596	8.89	2,879
1971	111,073.18	111,420	117,520	21,321	9.23	2,310
1972	39,305.96	38,918	41,049	8,083	9.58	844
1973	11,554.75	11,280	11,897	2,546	9.95	256
1974	2,869.36	2,760	2,911	676	10.34	65
1975	2,974.24	2,815	2,969	749	10.75	70

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2801 SERVICES - CAST IRON, COPPER AND VALVES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R1.5						
NET SALVAGE PERCENT.. -25						
1976	488.56	455	480	131	11.17	12
1977	5,243.72	4,790	5,052	1,503	11.60	130
1978	9,482.39	8,532	8,999	2,854	11.87	240
1980	7,111.09	6,131	6,467	2,422	12.82	189
1981	5,626.67	4,739	4,998	2,035	13.31	153
1982	1,848.80	1,525	1,608	703	13.66	51
1983	2,214.57	1,779	1,876	892	14.18	63
1984	2,067.74	1,615	1,703	882	14.71	60
1985	1,596.18	1,214	1,281	714	15.11	47
1986	1,436.93	1,059	1,117	679	15.67	43
1987	1,365.30	976	1,029	678	16.09	42
1988	2,132.49	1,475	1,556	1,110	16.54	67
1989	4,017.71	2,674	2,820	2,202	17.13	129
1990	4,389.31	2,812	2,966	2,521	17.60	143
1993	999.46	562	593	656	18.98	35
1998	1,996.68	826	871	1,625	21.24	77
1999	1,021.27	389	410	867	21.65	40
2003	356.81	87	92	354	22.83	16
2006	2,128.22	263	277	2,383	22.82	104
2007	71,323.84	5,661	5,971	83,184	22.14	3,757
2008	931,703.47	28,533	30,097	1,134,532	19.91	56,983
	2,695,893.03	1,824,497	1,923,456	1,446,411		88,905
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					16.3	3.30

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2802 SERVICES - STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 38-R1.5						
NET SALVAGE PERCENT.. -25						
1930	8,244.78	10,306	10,306			
1931	77.96	97	97			
1932	94.70	118	118			
1933	93.44	116	117			
1934	243.63	302	305			
1935	1,489.09	1,833	1,861			
1936	842.15	1,038	1,053			
1937	878.15	1,075	1,098			
1938	162.72	198	203			
1939	1,009.24	1,219	1,262			
1940	1,178.29	1,423	1,473			
1941	433.64	520	539	3	2.92	1
1942	572.86	686	712	4	2.94	1
1943	348.33	416	432	3	2.99	1
1944	68.36	81	84	1	3.52	
1948	153.92	179	186	6	4.44	1
1951	730.21	840	871	42	5.00	8
1952	2,671.31	3,056	3,170	169	5.23	32
1953	915.68	1,042	1,081	64	5.48	12
1954	1,756.13	1,986	2,060	135	5.74	24
1955	3,073.24	3,453	3,582	260	6.02	43
1956	8,780.61	9,796	10,162	814	6.32	129
1957	12,578.47	13,928	14,449	1,274	6.64	192
1958	16,744.13	18,391	19,079	1,851	6.97	266
1959	14,784.09	16,192	16,798	1,682	6.99	241
1960	18,271.23	19,829	20,571	2,268	7.36	308
1961	10,410.90	11,189	11,608	1,406	7.75	181
1962	2,425.09	2,580	2,677	354	8.14	43
1963	2,318.58	2,453	2,545	353	8.26	43
1964	5,730.95	5,993	6,217	947	8.69	109
1965	39,298.00	40,816	42,343	6,780	8.85	766
1966	14,979.83	15,360	15,935	2,790	9.31	300
1967	13,338.08	13,493	13,998	2,675	9.78	274
1968	10,480.31	10,505	10,898	2,202	10.01	220
1969	28,270.55	27,917	28,961	6,377	10.50	607
1970	15,608.87	15,250	15,820	3,691	10.76	343
1971	15,243.84	14,649	15,197	3,858	11.28	342

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2802 SERVICES - STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 38-R1.5						
NET SALVAGE PERCENT.. -25						
1972	17,458.25	16,568	17,188	4,635	11.58	400
1973	4,039.49	3,782	3,923	1,126	11.89	95
1974	3,355.56	3,083	3,198	996	12.45	80
1975	2,342.66	2,119	2,198	730	12.80	57
1976	5,739.15	5,106	5,297	1,877	13.16	143
1977	4,579.66	3,985	4,134	1,591	13.75	116
1978	7,300.44	6,235	6,468	2,658	14.14	188
1979	45,075.30	37,734	39,145	17,199	14.55	1,182
1980	60,606.42	49,659	51,517	24,241	14.98	1,618
1981	47,010.68	37,656	39,065	19,698	15.42	1,277
1982	36,651.71	28,533	29,600	16,215	16.05	1,010
1983	41,016.40	31,116	32,280	18,991	16.52	1,150
1984	65,943.18	48,674	50,495	31,934	16.99	1,880
1985	73,867.56	52,945	54,925	37,409	17.48	2,140
1986	88,458.41	61,700	64,008	46,565	17.82	2,613
1987	100,536.05	67,824	70,361	55,309	18.34	3,016
1988	97,972.25	63,768	66,153	56,312	18.87	2,984
1989	218,493.65	136,886	142,006	131,111	19.41	6,755
1990	238,117.54	143,734	149,111	148,536	19.81	7,498
1991	274,124.69	158,307	164,229	178,427	20.38	8,755
1992	129,494.95	71,578	74,255	87,614	20.81	4,210
1993	281,060.00	148,119	153,660	197,665	21.26	9,298
1994	147,721.19	73,898	76,662	107,989	21.73	4,970
1995	111,689.80	52,773	54,747	84,865	22.21	3,821
1996	106,895.11	47,608	49,389	84,230	22.59	3,729
1997	110,475.32	45,902	47,619	90,475	23.10	3,917
1998	87,899.98	34,039	35,312	74,563	23.40	3,186
1999	75,282.61	26,819	27,822	66,281	23.83	2,781
2000	50,966.23	16,570	17,190	46,518	24.18	1,924
2001	3,214.79	944	979	3,039	24.45	124
2003	1,070.42	242	251	1,087	24.89	44
2005	311.18	48	50	339	24.91	14
2006	656,184.70	75,461	78,284	741,947	24.67	30,075
2008	239,858.39	6,836	7,092	292,731	21.48	13,628
	3,689,115.08	1,828,576	1,896,481	2,714,912		129,165
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					21.0	3.50

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2803 SERVICES - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 42-R1.5						
NET SALVAGE PERCENT.. -25						
1965	5,744.92	5,685	5,899	1,282	11.45	112
1966	884.05	864	897	208	11.85	18
1967	1,470.39	1,419	1,472	366	12.26	30
1968	14,352.85	13,660	14,174	3,767	12.69	297
1969	14,338.48	13,451	13,957	3,966	13.13	302
1970	24,563.08	22,696	23,550	7,154	13.58	527
1971	90,616.54	82,404	85,506	27,765	14.05	1,976
1972	236,888.78	212,933	220,949	75,162	14.26	5,271
1973	200,703.48	177,246	183,918	66,961	14.75	4,540
1974	167,878.05	145,529	151,007	58,841	15.25	3,858
1975	186,691.04	158,711	164,685	68,679	15.76	4,358
1976	127,061.33	106,334	110,337	48,490	16.04	3,023
1977	170,873.76	139,946	145,214	68,378	16.58	4,124
1978	148,984.24	119,281	123,771	62,459	17.12	3,648
1979	409,853.93	321,940	334,059	178,258	17.45	10,215
1980	576,771.58	441,807	458,438	262,526	18.01	14,577
1981	469,535.40	350,273	363,459	223,460	18.58	12,027
1982	458,282.28	333,973	346,545	226,308	18.95	11,942
1983	331,279.64	234,422	243,247	170,853	19.55	8,739
1984	334,494.88	230,509	239,186	178,933	19.94	8,974
1985	462,335.78	309,649	321,305	256,615	20.36	12,604
1986	566,558.68	366,493	380,289	327,909	20.98	15,630
1987	840,993.04	526,672	546,498	504,743	21.42	23,564
1988	1,051,645.15	635,982	659,923	654,633	21.87	29,933
1989	1,459,704.30	850,460	882,475	942,155	22.34	42,173
1990	2,149,938.34	1,203,159	1,248,451	1,438,972	22.82	63,057
1991	2,042,952.68	1,095,023	1,136,244	1,417,447	23.31	60,809
1992	1,751,322.52	895,801	929,522	1,259,631	23.82	52,881
1993	2,049,230.81	996,695	1,034,214	1,527,325	24.34	62,750
1994	2,112,657.64	976,576	1,013,338	1,627,484	24.71	65,863
1995	1,673,390.05	731,481	759,017	1,332,721	25.11	53,075
1996	1,572,275.18	646,205	670,531	1,294,813	25.52	50,737
1997	2,024,295.74	777,077	806,329	1,724,041	25.95	66,437
1998	2,566,636.33	913,081	947,453	2,260,842	26.40	85,638
1999	1,957,989.09	641,731	665,888	1,781,598	26.73	66,652
2000	768,973.33	230,404	239,077	722,140	26.96	26,786
2001	769,139.62	207,668	215,485	745,940	27.22	27,404

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2803 SERVICES - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 42-R1.5						
NET SALVAGE PERCENT.. -25						
2002	3,320,774.91	793,250	823,111	3,327,858	27.51	120,969
2003	2,206,147.05	458,051	475,294	2,282,390	27.61	82,665
2004	415,226.21	72,665	75,400	443,633	27.65	16,045
2005	223,518.82	31,600	32,790	246,609	27.46	8,981
2006	38,321,551.32	4,038,133	4,190,144	43,711,795	27.17	1,608,826
2007	4,168,375.05	281,365	291,957	4,918,512	26.28	187,158
2008	3,528,287.21	91,735	95,188	4,315,171	23.54	183,312
	81,975,187.55	20,884,039	21,670,193	80,798,793		3,112,507
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					26.0	3.80

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2810 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 37-R3						
NET SALVAGE PERCENT.. 0						
1904	978.82	979	979			
1905	205.40	205	205			
1908	104.98	105	105			
1909	222.55	223	223			
1910	386.18	386	386			
1911	279.35	279	279			
1913	64.45	64	64			
1914	5.43	5	5			
1916	1,353.74	1,354	1,354			
1917	45.37	45	45			
1919	24.23	24	24			
1920	184.39	184	184			
1922	9.06	9	9			
1924	365.11	365	365			
1925	62.65	63	63			
1926	283.40	283	283			
1928	118.88	119	119			
1929	1,012.98	1,013	1,013			
1930	883.01	883	883			
1931	1,058.04	1,058	1,058			
1932	101.52	102	102			
1933	557.39	557	557			
1934	1,417.97	1,418	1,418			
1935	4,304.39	4,304	4,304			
1936	1,070.55	1,071	1,071			
1937	5,473.81	5,474	5,474			
1938	2,906.16	2,906	2,906			
1939	5,026.14	5,026	5,026			
1940	2,642.63	2,643	2,643			
1942	615.55	616	616			
1943	171.81	172	172			
1946	157.91	158	158			
1947	1,100.23	1,096	749	351	0.23	351
1949	2,131.82	2,106	1,440	692	0.74	692
1950	438.15	431	295	143	1.02	140
1952	3,580.68	3,500	2,393	1,188	1.30	914
1953	2,299.59	2,234	1,527	773	1.64	471

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2810 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 37-R3						
NET SALVAGE PERCENT.. 0						
1954	2,235.22	2,156	1,474	761	1.99	382
1956	8,411.70	8,037	5,494	2,918	2.45	1,191
1957	7,979.02	7,602	5,197	2,782	2.55	1,091
1958	5,998.43	5,665	3,872	2,126	2.97	716
1959	5,944.24	5,591	3,822	2,122	3.13	678
1960	1,656.43	1,551	1,060	596	3.31	180
1961	4,636.00	4,316	2,950	1,686	3.52	479
1962	13,234.83	12,248	8,372	4,863	3.75	1,297
1963	7,844.86	7,210	4,929	2,916	4.00	729
1964	4,245.25	3,873	2,647	1,598	4.28	373
1965	39,722.78	35,941	24,568	15,155	4.58	3,309
1966	11,751.30	10,539	7,204	4,547	4.89	930
1967	17,179.76	15,257	10,429	6,751	5.23	1,291
1968	31,957.13	28,087	19,200	12,757	5.58	2,286
1969	48,358.71	42,024	28,727	19,632	5.95	3,299
1970	42,611.07	36,586	25,009	17,602	6.34	2,776
1971	66,303.01	56,192	38,412	27,891	6.75	4,132
1972	28,173.81	23,550	16,098	12,076	7.17	1,684
1973	30,947.60	25,488	17,423	13,525	7.60	1,780
1974	16,241.32	13,168	9,001	7,240	8.05	899
1975	651.35	519	355	296	8.52	35
1976	7,625.83	5,973	4,083	3,543	8.99	394
1977	15,295.30	11,756	8,036	7,259	9.48	766
1978	17,183.00	12,892	8,813	8,370	10.15	825
1979	78,562.67	57,712	39,451	39,112	10.66	3,669
1980	142,664.05	102,461	70,040	72,624	11.18	6,496
1981	141,942.13	99,147	67,774	74,168	11.87	6,248
1982	62,058.70	42,268	28,893	33,166	12.41	2,673
1983	87,491.24	58,007	39,652	47,839	12.96	3,691
1984	48,363.22	31,044	21,221	27,142	13.67	1,986
1985	73,832.83	45,983	31,433	42,400	14.23	2,980
1986	88,432.85	53,130	36,318	52,115	14.95	3,486
1987	56,529.55	32,697	22,351	34,179	15.67	2,181
1988	120,325.25	67,093	45,863	74,462	16.26	4,579
1989	346,957.41	185,379	126,721	220,236	17.00	12,955
1990	442,479.55	225,930	154,440	288,040	17.73	16,246
1991	396,728.43	193,722	132,424	264,304	18.34	14,411

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2810 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 37-R3						
NET SALVAGE PERCENT.. 0						
1992	122,629.96	56,864	38,871	83,759	19.09	4,388
1993	310,304.05	136,130	93,055	217,249	19.83	10,956
1994	293,695.98	121,385	82,976	210,720	20.59	10,234
1995	213,266.43	82,641	56,491	156,775	21.34	7,347
1996	480,815.51	173,719	118,750	362,066	22.10	16,383
1997	604,809.11	202,430	138,377	466,432	22.86	20,404
1998	579,221.73	178,227	121,832	457,390	23.63	19,356
1999	1,745.30	489	334	1,411	24.40	58
2000	44,131.10	11,143	7,617	36,514	25.17	1,451
	5,214,819.32	2,575,282	1,770,556	3,444,262		206,268
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					16.7	3.96

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2811 METERS - LEASED

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 37-R3						
NET SALVAGE PERCENT.. 0						
1999	499,801.84	140,094	103,702	396,100	24.40	16,234
2000	1,163,679.46	293,829	217,502	946,177	25.17	37,591
2001	201,655.86	45,231	33,481	168,175	25.94	6,483
2002	286,827.74	56,132	41,551	245,277	26.72	9,180
2003	330,468.17	54,891	40,632	289,836	27.61	10,498
2004	1,174,386.11	160,656	118,923	1,055,463	28.39	37,177
2005	173,007.23	18,529	13,716	159,291	29.18	5,459
2006	391,299.66	30,247	22,390	368,910	29.86	12,355
2007	541,405.90	25,338	18,756	522,650	30.55	17,108
2008	767,658.59	12,206	9,035	758,624	30.95	24,511
	5,530,190.56	837,153	619,688	4,910,503		176,596
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					27.8	3.19

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2820 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-S2.5						
NET SALVAGE PERCENT.. 0						
1937	1,018.35	1,005	944	74	0.96	74
1938	782.66	767	720	63	1.44	44
1940	270.69	265	249	22	1.43	15
1941	2,494.92	2,425	2,277	218	1.94	112
1942	561.63	545	512	50	1.99	25
1943	815.87	791	743	73	2.07	35
1944	1,923.36	1,849	1,736	187	2.61	72
1945	1,398.09	1,341	1,259	139	2.72	51
1946	226.60	217	204	23	2.86	8
1947	533.17	508	477	56	3.01	19
1948	1,354.46	1,287	1,209	145	3.19	45
1949	3,111.06	2,943	2,764	347	3.39	102
1950	1,017.67	959	901	117	3.61	32
1953	809.58	755	709	101	4.02	25
1954	448.83	416	391	58	4.32	13
1955	307.42	285	268	39	4.30	9
1956	14.75	14	13	2	4.64	
1957	22.45	21	20	2	4.68	
1960	6,182.60	5,548	5,210	973	5.55	175
1961	3,187.47	2,846	2,673	514	5.69	90
1962	4,704.80	4,179	3,924	781	5.85	134
1963	12,967.83	11,447	10,750	2,218	6.05	367
1964	6,197.98	5,406	5,077	1,121	6.52	172
1965	8,492.18	7,352	6,904	1,588	6.75	235
1966	14,363.80	12,331	11,580	2,784	7.00	398
1967	14,697.50	12,505	11,743	2,955	7.28	406
1968	18,291.73	15,409	14,470	3,822	7.58	504
1969	26,889.26	22,412	21,047	5,842	7.89	740
1970	20,570.50	16,948	15,915	4,656	8.23	566
1971	19,705.26	16,036	15,059	4,646	8.58	541
1972	26,085.20	21,043	19,761	6,324	8.75	723
1973	30,024.12	23,875	22,420	7,604	9.14	832
1974	9,264.28	7,256	6,814	2,450	9.55	257
1975	3,338.90	2,573	2,416	923	9.98	92
1977	2,267.12	1,685	1,582	685	10.87	63
1978	3,980.28	2,902	2,725	1,255	11.34	111
1979	23,262.25	16,607	15,595	7,667	11.82	649

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2820 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-S2.5						
NET SALVAGE PERCENT.. 0						
1980	47,092.87	32,885	30,881	16,212	12.31	1,317
1981	37,124.39	25,319	23,776	13,348	12.82	1,041
1982	27,788.62	18,485	17,359	10,430	13.34	782
1983	23,710.54	15,357	14,421	9,290	13.87	670
1984	31,546.88	19,865	18,655	12,892	14.41	895
1985	45,613.85	27,765	26,073	19,541	15.11	1,293
1986	42,270.07	24,918	23,400	18,870	15.67	1,204
1987	74,118.56	42,070	39,507	34,612	16.38	2,113
1988	94,859.93	51,926	48,762	46,098	16.95	2,720
1989	69,595.99	36,510	34,286	35,310	17.67	1,998
1990	184,343.24	92,430	86,799	97,544	18.40	5,301
1991	151,877.25	72,294	67,890	83,987	19.26	4,361
1992	71,300.40	32,235	30,271	41,029	20.00	2,051
1993	253,813.60	108,581	101,966	151,848	20.73	7,325
1994	283,878.19	114,034	107,086	176,792	21.60	8,185
1995	349,569.78	131,194	123,201	226,369	22.47	10,074
1996	649,484.44	226,540	212,738	436,746	23.34	18,712
1997	954,176.47	307,245	288,527	665,649	24.21	27,495
1998	504,167.75	148,780	139,715	364,453	25.09	14,526
1999	134.30	36	34	100	26.09	4
2004	422.51	54	51	372	30.83	12
2008	118,864.68	1,688	1,585	117,280	34.83	3,367
	4,287,338.93	1,754,964	1,648,044	2,639,296		123,182
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					21.4	2.87

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2821 METER INSTALLATIONS - LEASED

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-S2.5						
NET SALVAGE PERCENT.. 0						
1999	765,507.29	204,390	156,362	609,145	26.09	23,348
2000	1,137,757.77	272,721	208,636	929,122	26.96	34,463
2001	72,012.01	15,231	11,652	60,360	27.96	2,159
2002	29,205.99	5,374	4,111	25,095	28.83	870
2003	295,391.59	45,992	35,185	260,207	29.83	8,723
2004	276,065.86	35,171	26,906	249,160	30.83	8,082
2005	466,657.36	46,246	35,379	431,278	31.83	13,549
2006	951,690.49	67,380	51,547	900,143	32.83	27,418
2007	459,243.77	19,518	14,932	444,312	33.83	13,134
2008	118,864.70	1,688	1,291	117,574	34.83	3,376
	4,572,396.83	713,711	546,001	4,026,396		135,122
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					29.8	2.96

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2830 HOUSE REGULATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 43-R2.5						
NET SALVAGE PERCENT.. 0						
1926	21.13	21	21			
1927	3.20	3	3			
1929	4,090.71	4,091	4,091			
1930	210.99	210	176	35	0.24	35
1931	214.25	213	178	36	0.63	36
1932	13.55	13	11	3	1.02	3
1935	35.25	34	28	7	1.68	4
1936	169.10	164	137	32	2.13	15
1937	299.27	291	243	56	2.03	28
1938	503.33	486	406	97	2.49	39
1939	325.13	314	262	63	2.44	26
1940	139.15	133	111	28	2.93	10
1941	471.74	452	378	94	2.92	32
1942	327.90	312	261	67	3.43	20
1943	42.85	41	34	9	3.46	3
1945	5.52	5	4	2	4.07	
1946	686.60	644	538	149	4.17	36
1947	828.72	775	648	181	4.29	42
1948	2,779.78	2,590	2,165	615	4.44	139
1949	4,546.24	4,220	3,527	1,019	4.60	222
1950	7,236.11	6,688	5,590	1,646	4.79	344
1951	10,576.43	9,730	8,132	2,444	5.00	489
1952	5,261.09	4,815	4,024	1,237	5.23	237
1953	5,299.47	4,824	4,032	1,267	5.48	231
1954	4,382.49	3,965	3,314	1,068	5.74	186
1955	6,061.27	5,448	4,553	1,508	6.02	250
1956	5,907.70	5,273	4,407	1,501	6.32	238
1957	2,889.36	2,559	2,139	750	6.64	113
1958	8,696.80	7,642	6,387	2,310	6.97	331
1959	7,162.93	6,276	5,245	1,918	6.99	274
1960	6,047.15	5,250	4,388	1,659	7.36	225
1961	6,390.04	5,494	4,592	1,798	7.75	232
1962	10,018.13	8,525	7,125	2,893	8.14	355
1963	10,557.69	8,887	7,427	3,131	8.55	366
1964	13,506.13	11,299	9,443	4,063	8.69	468
1965	7,931.76	6,556	5,479	2,453	9.13	269
1966	15,030.11	12,265	10,250	4,780	9.58	499

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2830 HOUSE REGULATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 43-R2.5						
NET SALVAGE PERCENT.. 0						
1967	9,903.57	7,973	6,663	3,241	10.05	322
1968	8,990.11	7,136	5,964	3,026	10.52	288
1969	19,524.50	15,270	12,762	6,763	11.01	614
1970	20,555.15	15,908	13,295	7,260	11.25	645
1971	21,829.60	16,619	13,889	7,941	11.76	675
1972	13,527.35	10,123	8,460	5,067	12.28	413
1973	7,710.11	5,666	4,735	2,975	12.81	232
1974	9,506.23	6,855	5,729	3,777	13.34	283
1975	1,393.63	985	823	571	13.89	41
1976	1,018.32	705	589	429	14.45	30
1977	753.01	510	426	327	15.01	22
1978	4,054.31	2,684	2,243	1,811	15.58	116
1979	24,554.24	15,864	13,258	11,296	16.16	699
1980	75,103.07	47,307	39,537	35,566	16.75	2,123
1981	19,076.59	11,700	9,778	9,299	17.34	536
1982	6,029.97	3,596	3,005	3,025	17.94	169
1983	16,639.13	9,632	8,050	8,589	18.55	463
1984	9,829.07	5,515	4,609	5,220	19.17	272
1985	12,307.18	6,682	5,585	6,722	19.79	340
1986	45,826.84	24,027	20,081	25,746	20.42	1,261
1987	44,998.50	22,738	19,003	25,996	21.05	1,235
1988	54,922.57	26,687	22,304	32,619	21.69	1,504
1989	120,324.93	56,083	46,872	73,453	22.34	3,288
1990	85,190.32	37,986	31,747	53,443	22.99	2,325
1991	71,843.71	30,677	25,638	46,206	23.48	1,968
1992	39,960.72	16,220	13,556	26,405	24.15	1,093
1993	53,085.43	20,406	17,054	36,031	24.82	1,452
1994	109,838.18	39,816	33,276	76,562	25.50	3,002
1995	99,894.90	33,984	28,402	71,493	26.18	2,731
1996	60,709.68	19,275	16,109	44,601	26.87	1,660
1997	96,589.37	28,436	23,766	72,823	27.56	2,642
1998	182,708.66	49,697	41,535	141,174	28.11	5,022
1999	212,445.70	52,687	44,033	168,413	28.81	5,846
2004	463,094.83	57,516	48,069	415,026	31.73	13,080
2008	119.16	2	2	117	31.76	4
	2,172,527.71	837,475	700,596	1,471,932		62,193

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 23.7 2.86

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2831 HOUSE REGULATORS - LEASED

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 43-R2.5						
NET SALVAGE PERCENT.. 0						
2004	1,012,230.79	125,719	119,013	893,218	31.73	28,151
2005	541,960.53	53,112	50,279	491,682	32.21	15,265
2006	394,784.93	28,148	26,647	368,138	32.59	11,296
2007	545,470.81	24,001	22,721	522,750	32.63	16,021
2008	697,724.16	10,815	10,238	687,486	31.76	21,646
	3,192,171.22	241,795	228,898	2,963,274		92,379
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					32.1	2.89

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2840 HOUSE REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 48-R2						
NET SALVAGE PERCENT.. 0						
1937	279.72	262	280			
1938	580.16	544	580			
1939	404.04	376	404			
1940	207.20	192	207			
1941	279.72	257	280			
1942	450.66	414	451			
1943	10.36	9	10			
1946	1,113.85	1,002	1,114			
1947	2,115.82	1,887	2,116			
1948	1,777.05	1,581	1,777			
1949	2,542.42	2,239	2,542			
1950	2,737.62	2,402	2,738			
1951	3,349.98	2,909	3,320	30	8.72	3
1952	5,749.72	4,971	5,673	77	8.86	9
1953	4,248.15	3,631	4,144	104	9.44	11
1954	5,746.17	4,885	5,575	171	9.60	18
1955	5,754.15	4,833	5,515	239	10.19	23
1956	5,463.62	4,561	5,205	259	10.39	25
1957	3,974.00	3,295	3,760	214	10.61	20
1958	14,567.32	11,918	13,600	967	11.23	86
1959	15,937.62	12,938	14,764	1,174	11.48	102
1960	3,801.55	3,061	3,493	309	11.74	26
1961	1,733.03	1,375	1,569	164	12.38	13
1962	9,379.48	7,371	8,412	967	12.67	76
1963	2,565.74	1,996	2,278	288	12.98	22
1964	4,045.32	3,096	3,533	512	13.64	38
1965	1,524.47	1,154	1,317	207	13.97	15
1966	3,810.53	2,850	3,252	559	14.32	39
1967	3,495.84	2,568	2,931	565	14.99	38
1968	2,529.49	1,834	2,093	436	15.36	28
1969	4,559.49	3,260	3,720	839	15.75	53
1970	2,644.82	1,853	2,115	530	16.45	32
1971	5,590.65	3,858	4,403	1,188	16.85	71
1972	4,290.07	2,913	3,324	966	17.26	56
1973	4,010.09	2,676	3,054	956	17.69	54
1974	255.53	167	191	65	18.41	4
1975	895.84	573	654	242	18.85	13

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2840 HOUSE REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 48-R2						
NET SALVAGE PERCENT.. 0						
1976	51.59	32	37	15	19.31	1
1977	48.49	30	34	14	19.78	1
1978	92.60	56	64	29	20.26	1
1979	6,689.45	3,907	4,459	2,230	21.01	106
1980	14,921.49	8,505	9,706	5,215	21.50	243
1981	5,334.23	2,963	3,381	1,953	22.00	89
1982	1,198.48	648	739	459	22.52	20
1983	2,927.66	1,538	1,755	1,173	23.04	51
1984	5,274.24	2,688	3,067	2,207	23.58	94
1985	2,429.75	1,199	1,368	1,062	24.12	44
1986	15,646.19	7,463	8,517	7,129	24.67	289
1987	33,874.35	15,514	17,704	16,170	25.45	635
1988	31,678.10	14,027	16,007	15,671	25.80	607
1989	98,092.50	41,699	47,585	50,508	26.37	1,915
1990	44,208.10	17,993	20,533	23,675	26.95	878
1991	34,711.13	13,485	15,389	19,322	27.55	701
1992	90,701.02	33,523	38,255	52,446	28.14	1,864
1993	52,980.28	18,559	21,179	31,801	28.75	1,106
1994	124,271.55	41,271	47,097	77,175	29.17	2,646
1995	120,757.75	37,664	42,981	77,777	29.79	2,611
1996	70,840.36	20,721	23,646	47,194	30.24	1,561
1997	92,249.31	25,036	28,570	63,679	30.87	2,063
1998	118,457.75	29,733	33,930	84,528	31.34	2,697
1999	103,519.68	23,799	27,159	76,361	31.82	2,400
2000	134,278.60	27,970	31,919	102,360	32.31	3,168
2001	82,165.15	15,348	17,515	64,650	32.66	1,979
2008	118,864.70	1,866	2,129	116,736	31.45	3,712
	1,538,685.79	512,948	585,119	953,567		32,357

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 29.5 2.10

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2841 HOUSE REGULATOR INSTALLATIONS - LEASED

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 48-R2						
NET SALVAGE PERCENT.. 0						
1999	344,085.08	79,105	62,011	282,074	31.82	8,865
2004	1,449,088.43	170,268	133,475	1,315,613	33.81	38,912
2005	539,690.40	50,461	39,557	500,133	33.95	14,731
2006	285,473.32	19,641	15,397	270,076	33.86	7,976
2007	715,836.45	30,709	24,072	691,764	33.47	20,668
2008	118,864.70	1,866	1,463	117,402	31.45	3,733
	3,453,038.38	352,050	275,975	3,177,062		94,885
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					33.5	2.75

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2850 INDUSTRIAL MEAS. & REG. STATION EQUIP.

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R2						
NET SALVAGE PERCENT.. -10						
1952	250.87	265	276			
1953	1,403.07	1,473	1,543			
1954	106.00	111	117			
1955	309.42	322	340			
1959	1,029.10	1,042	1,132			
1962	1,004.94	997	1,105			
1963	743.50	733	818			
1965	2,026.70	1,969	2,229			
1966	536.44	517	590			
1967	1,344.27	1,283	1,479			
1968	553.04	520	608			
1969	37,218.79	34,607	40,941			
1970	1,375.85	1,264	1,513			
1971	4,894.93	4,463	5,384			
1972	2,142.73	1,927	2,357			
1973	157.82	140	173	1	8.55	
1979	1,335.60	1,066	1,321	148	11.15	13
1980	13,904.37	10,855	13,450	1,845	11.66	158
1983	20,354.71	14,789	18,325	4,065	13.11	310
1984	12,728.85	8,988	11,137	2,865	13.67	210
1985	8,568.64	5,870	7,273	2,153	14.23	151
1986	9,813.01	6,534	8,096	2,698	14.67	184
1987	5,535.59	3,561	4,412	1,677	15.26	110
1988	11,789.80	7,312	9,060	3,909	15.86	246
1989	6,120.05	3,663	4,539	2,193	16.34	134
1990	68,931.92	39,558	49,015	26,810	16.96	1,581
1991	25,260.80	13,907	17,232	10,555	17.47	604
1992	16,357.02	8,610	10,669	7,324	17.98	407
1993	21,598.41	10,791	13,371	10,387	18.63	558
1994	16,831.84	7,974	9,880	8,635	19.17	450
1995	17,312.42	7,739	9,589	9,455	19.72	479
1996	10,462.79	4,388	5,437	6,072	20.29	299
1997	7,822.30	3,068	3,802	4,803	20.76	231
1998	19,439.49	7,050	8,735	12,648	21.35	592
1999	38,358.37	12,789	15,847	26,347	21.85	1,206
2000	14,472.84	4,372	5,417	10,503	22.46	468
2001	10,892.69	2,957	3,664	8,318	22.89	363

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2850 INDUSTRIAL MEAS. & REG. STATION EQUIP.

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R2						
NET SALVAGE PERCENT.. -10						
2002	118.73	28	35	96	23.44	4
2003	3,371.40	696	862	2,847	23.82	120
2004	11,015.52	1,898	2,352	9,765	24.24	403
2005	2,158.71	296	367	2,008	24.59	82
2006	10,031.84	1,013	1,255	9,780	24.75	395
	439,685.18	241,405	295,747	187,907		9,758
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					19.3	2.22

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2851 INDUSTRIAL MEAS. & REG. STATION EQUIP. - COMM.

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-R2.5						
NET SALVAGE PERCENT.. -10						
1993	29,106.64	22,582	21,439	10,578	6.48	1,632
1995	12,620.37	8,865	8,416	5,466	7.64	715
2007	23,063.81	2,306	2,189	23,181	15.00	1,545
	64,790.82	33,753	32,044	39,225		3,892
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					10.1	6.01

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2870 OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 15-L3						
NET SALVAGE PERCENT.. 0						
1999	108,083.69	69,206	76,146	31,938	5.34	5,981
	108,083.69	69,206	76,146	31,938		5,981
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					5.3	5.53

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2871 OTHER EQUIPMENT - STREET LIGHTING

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-S2.5						
NET SALVAGE PERCENT.. 0						
1996	9,616.81	4,292	4,264	5,353	15.51	345
1997	15,626.37	6,452	6,410	9,216	16.35	564
1998	5,168.06	1,959	1,946	3,222	17.20	187
	30,411.24	12,703	12,620	17,791		1,096
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					16.2	3.60

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2910 OFFICE FURNITURE AND EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE . . 20-SQUARE						
NET SALVAGE PERCENT . . 0						
1987	3,298.66	3,299	3,299			
1990	439.86	407	432	8	1.50	5
1991	1,549.87	1,356	1,439	111	2.50	44
1992	757.64	625	663	95	3.50	27
1994	3,100.88	2,248	2,386	715	5.50	130
2000	13,861.47	5,891	6,251	7,610	11.50	662
	23,008.38	13,826	14,470	8,539		868
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT. .					9.8	3.77

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2921 TRANSPORTATION EQUIPMENT - TRAILERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 11-R2						
NET SALVAGE PERCENT.. +5						
1995	2,620.51	2,188	2,489			
1996	3,852.04	3,115	3,659			
1997	32,725.30	25,422	31,089			
1998	8,890.83	6,590	8,296	150	2.96	51
1999	26,146.76	18,264	22,991	1,848	3.42	540
2000	3,385.80	2,207	2,778	439	3.89	113
2001	18,536.57	11,094	13,966	3,644	4.40	828
	96,157.81	68,880	85,268	6,081		1,532
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					4.0	1.59

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2940 TOOLS, SHOP AND GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1984	30,942.21	30,323	29,716	1,226	0.50	1,226
1985	35,194.82	33,083	32,420	2,775	1.50	1,850
1986	36,427.26	32,785	32,128	4,299	2.50	1,720
1987	29,595.19	25,452	24,942	4,653	3.50	1,329
1988	65,725.50	53,895	52,816	12,910	4.50	2,869
1989	70,750.82	55,186	54,081	16,670	5.50	3,031
1990	155,656.54	115,186	112,879	42,778	6.50	6,581
1991	81,130.64	56,791	55,653	25,478	7.50	3,397
1992	77,467.87	51,129	50,105	27,363	8.50	3,219
1993	106,967.79	66,320	64,992	41,976	9.50	4,419
1994	106,202.42	61,597	60,363	45,839	10.50	4,366
1995	52,706.44	28,461	27,891	24,815	11.50	2,158
1996	61,434.72	30,717	30,102	31,333	12.50	2,507
1997	109,714.40	50,469	49,458	60,256	13.50	4,463
1998	193.10	81	79	114	14.50	8
1999	440,538.41	167,405	164,052	276,486	15.50	17,838
2001	57,006.96	17,102	16,760	40,247	17.50	2,300
2002	42,172.04	10,965	10,745	31,427	18.50	1,699
2003	18,721.21	4,119	4,037	14,684	19.50	753
2004	46,609.77	8,390	8,222	38,388	20.50	1,873
2005	54,739.69	7,664	7,510	47,230	21.50	2,197
2007	18,357.55	1,101	1,079	17,279	23.50	735
2008	110,147.47	2,203	2,159	107,988	24.50	4,408
	1,808,402.82	910,424	892,189	916,214		74,946

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 12.2 4.14

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2960 POWER OPERATED EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 11-R2.5						
NET SALVAGE PERCENT.. 0						
1996	47,220.92	41,144	47,221			
	47,220.92	41,144	47,221			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					0.0	0.00

DUKE ENERGY KENTUCKY
GAS PLANT

ACCOUNT 2980 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
2004	125,560.68	28,251	34,550	91,011	15.50	5,872
	125,560.68	28,251	34,550	91,011		5,872
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					15.5	4.68

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(t)

807 KAR 5:001, SECTION 10(9)(t)

Description of Filing Requirement:

A list of all commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of the utility's application. That list shall include each software, program or model; what the software, program or model was used for; a brief description of the software, program or model; the specifications for the computer hardware and the operating system required to run the program.

Response:

- Microsoft Office 2007. This suite of products includes Excel, Word and Access which were used to prepare various documents utilized in this filing. Access was also used for capital modeling.
- Hyperion. This application suite was used to create the budget data and forecast data used in the development of the base and forecasted test year.
- PowerPlant and PowerTax. The applications are used to maintain records of fixed assets including book and tax depreciation and associated deferred taxes. The vendor is PowerPlan Consultants.
- Business Objects. This application is used to query accounting data from the Company's accounting system.
- PeopleSoft. This Application is used for the Company's accounting system.

Sponsoring Witness: Robert M. Parsons

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(u)**

807 KAR 5:001, SECTION 10(9)(u)

Description of Filing Requirement:

If the utility had any amounts charged or allocated to it by an affiliate or general or home office during the base period or during the previous three (3) calendar years, the utility shall file:

1. A detailed description of the method and amounts allocated or charged to that utility by the affiliate or general or home office for each allocation;
2. The method and amounts allocated during the base period and the method and estimated amounts to be allocated during the forecasted test period;
3. An explanation of how the allocator for both the base period and the forecasted period test period were determined; and
4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated, or paid during the test period was reasonable.

Response:

See attached.

Sponsoring Witness: David L. Doss

DUKE ENERGY KENTUCKY

Basis for Allocating Duke Energy Business Services, Inc.'s Costs To Affiliates
For Those Items Which Cannot Be Charged Direct

Prior to the merger of Cinergy Corp (Cinergy) and Duke Energy Corp (Duke Energy) on April 3, 2006, Cinergy had one service company, Cinergy Services, Inc., which was approved and audited by the SEC. Duke Energy was not a holding company and had no SEC-approved service company, but it did have a subsidiary, Duke Energy Business Services, LLC (DEBS), that provided certain non-power goods and services to Duke Energy affiliates. On the merger date Duke Energy Corporation became a holding company, and from April 3, 2006 until June 30, 2008, Duke Energy's service company was actually composed of two entities: Duke Energy Shared Services, Inc. (f/ka/ Cinergy Services, Inc.), and DEBS. On July 1, 2008 these two entities merged with the surviving entity being DEBS. DEBS provides a variety of administrative, management, and support services to Duke Energy and its affiliates pursuant to two agreements: the Utility Service Agreement and the Non-Utility Service Agreement. Under the Utility Service Agreement, DEBS provides services to and on behalf of Duke Energy's utility operating companies, including Duke Energy Kentucky. Under the Non-Utility Service Agreement, DEBS provides services to and on behalf of Duke Energy's non-utility companies. These affiliate companies receiving services from DEBS are referred to as "Client Companies."

Under the provisions of these agreements (as amended September 1, 2008), the services that DEBS may provide to the Client Companies are grouped into the following Functions:

Utility Service Agreement

Information Systems
Meters
Transportation
System Maintenance
Marketing and Customer Relations
Transmission & Distr. Engineering & Constr.
Power Engineering and Construction
Human Resources
Materials Management
Facilities
Accounting
Power and Gas Planning and Operations
Public Affairs
Legal
Rates
Finance
Rights of Way
Internal Auditing
Environmental, Health and Safety
Fuels
Investor Relations
Planning
Executive

Non-Utility Service Agreement

Information Systems
Meters
Transportation
Human Resources
Facilities
Accounting
Public Affairs
Legal
Finance
Internal Audit
Investor Relations
Planning
Executive
Energy-Related Facility Maintenance
Engineering and Construction
Marketing and Customer Relations
Materials Management
Fuels
Environmental, Health and Safety
Rates
Rights of Way
Energy-Related System Operations

The above mentioned service agreements provide the basis for how costs for services will be assigned, distributed or allocated between companies. To the extent costs are allocated, these agreements specify the appropriate allocation methods for services provided by each of the above mentioned Functions. The current allocation methods (Ratios) include:

Utility Service Agreement

Sales Ratio
Electric Peak Load Ratio
Number of Customers Ratio
Number of Employees Ratio
Construction Expenditures Ratio
Miles of Distribution Lines Ratio
Circuit Miles of Electric Trans. Lines Ratio
Number of CPU Seconds Ratio
Revenues Ratio
Inventory Ratio
Procurement Spending Ratio
Square Footage Ratio
Gross Margin Ratio
Labor Dollars Ratio
Number of PC Work Stations Ratio
Number of Information Servers Ratio
Total Property, Plant and Equipment Ratio
Generating Unit MW Capability Ratio
Number of Meters Ratio
O&M Expenditures Ratio

Non-Utility Service Agreement

Revenues Ratio
Number of Employees Ratio
Construction Expenditures Ratio
Number of CPU Seconds Ratio
Sales Ratio
Electric Peak Load Ratio
Number of Customers Ratio
Inventory Ratio
Procurement Spending Ratio
Square Footage Ratio
Gross Margin Ratio
Labor Dollars Ratio
Number of PC Work Stations Ratio
Number of Information Servers Ratio
Total Property, Plant and Equipment Ratio
Generating Unit MW Capability Ratio

Depending on the type of service provided, the cost may be allocated using a single Ratio, or it may be allocated using a weighted average of two or more Ratios. Each of the service agreements provides an example of how a weighted average ratio is calculated.

Supplemental Information

Amounts assigned to DE-Kentucky from the service companies during the years ended December 31, 2006, 2007, 2008, the base period, and forecasted test period are provided by method of assignment in the attached Schedule FR9-u-2(a) of 4.

Duke Energy Kentucky

Analysis of Amounts Allocated to Duke Energy Kentucky from Service Company (DEBS & DESS)
 Summarized by Allocation Basis
 For the Years Ended December 31, 2006, 2007 and 2008, Base Period, and Forecasted Test Period

Allocation Basis	Years Ended December 31,			Base Period (1)	Forecasted Test Period (2)
	2006	2007	2008		
Construction	\$ 568,234	\$ 601,290	\$ 928,642	\$ 1,601,321	\$ 1,649,361
Circuit Miles	27,637	157,393	200,959	449,264	462,742
Electric Peak Load	663,749	361,066	313,305	304,744	313,887
Generation Capacity	657,883	1,088,280	1,114,902	1,247,121	1,284,535
Interest	51,432	476,573	154,309	121,087	124,720
Inventory	825	2	1,525	-	-
Workstations	56,384	129,472	360,729	491,008	505,739
CPU Seconds	21,603	100,166	166,284	475,419	489,681
Customers	4,102,241	3,534,193	4,182,896	5,306,831	5,466,036
Employees	4,562,456	3,733,145	4,314,692	3,739,779	3,851,973
Servers	432,113	1,226,473	1,200,447	1,020,244	1,050,851
Procurement	143,926	198,215	428,366	531,521	547,467
Sales	742,935	1,398,307	1,243,378	1,118,141	1,151,686
Square Footage	1,004,423	2,110,921	2,034,204	2,548,399	2,624,851
Three Factor	16,694,116	17,195,162	17,048,288	16,750,542	17,253,058
Customers & Employees	6,634	87,373	80,532	82,980	85,469
Circuit Miles and Electric Peak Load	38,728	57,776	82,715	26,723	27,525
Misc	48,860	25,646	18,625	-	-
	\$ 29,824,181	\$ 32,481,452	\$ 33,874,800	\$ 35,815,127	\$ 36,889,580

(1) Base period represents October 2008 - March 2009 Actuals and April 2009 - September 2009 Budget

(2) Forecasted test period represents February 2010 - January 2011

DUKE ENERGY KENTUCKY

Basis for Allocating Charges Between Duke Energy Ohio
and Duke Energy Kentucky for Those Items Which Cannot Be Charged Direct

Certain of Duke Energy Ohio departments provide services to Duke Energy Ohio and Duke Energy Kentucky. To the extent that the charges from those departments cannot be direct charged to a particular company, they are allocated. The bases for such allocations are determined by a review of the work activities performed by each department. The costs associated with each activity are distributed to the appropriate company based on a quantitative measure related to the work being performed. The primary quantitative measures include:

1. Number of Customers Ratio.
2. Sales Ratio.

Various departments of Duke Energy Ohio provide services to Duke Energy Ohio and Duke Energy Kentucky. Whenever possible, the costs of these services are charged direct to the company for which the services were performed. In some cases, however, there is no reasonable basis for direct charging an expense to either Duke Energy Ohio or Duke Energy Kentucky, so the expense must be allocated between the two companies. Examples of such expenses are the Marketing Department's expense for preparing bill inserts for both Duke Energy Ohio and Duke Energy Kentucky customers and the Customer Services Department's expense for credit and collection activity provided to both Duke Energy Ohio and Duke Energy Kentucky. These are activities that benefit both Duke Energy Ohio and Duke Energy Kentucky, but cannot be directly charged to either one, so the cost of these activities is allocated between the two companies.

Most costs can be directly charged, such that the need to allocate costs only arises for a small percentage of Duke Energy Kentucky's total costs. When costs must be allocated, the functional activities of each department are matched with the allocation method that most closely relates to the nature of the work performed. Departments are provided an allocation code to pool the costs to be allocated. The various pools will be allocated between gas and electric based on the above methods when costs cannot be directly charged. The amounts allocated by Duke Energy Ohio to Duke Energy Kentucky during the year ended December 31, 2008, 2007 and 2006, the base period and forecasted test period are provided by allocation code in the attached Schedule FR9-u-3(a) of 4.

The allocation codes provided in the attached Schedule FR9-u-3(a) of 4 are based on the two primary quantitative measures listed above. Each department is responsible for periodically reviewing the activities it performs and for determining a quantitative measure for allocating its common costs, based on the nature of the work being performed. In so doing, the goal is to select the quantitative measure that most closely relates to the nature of the work performed, such that the quantitative measure used to allocate common costs is reasonable.

For the majority of costs, Duke Energy Ohio department general managers select the Number of Retail Gas and Electric Customers as the method for allocating common costs, which as of December 31, 2008 was split approximately 83% - Duke Energy Ohio and 17% Duke Energy Kentucky.

Duke Energy Kentucky

Analysis of Amounts Allocated to Duke Energy Kentucky from Duke Energy Ohio
For the Years Ended December 31, 2006, 2007 and 2008, Base Period, and Forecasted Test Period

<u>Allocation Code (1)</u>	<u>Years Ended</u> <u>December 31,</u>			<u>Base Period (2)</u>	<u>Forecasted Test</u> <u>Period (3)</u>
	<u>2006</u>	<u>2007</u>	<u>2008</u>		
CCU	\$ 1,433,167	\$ 534,829	\$ 123,721		
MCU	411,807	545,132	305,434		
SCU	131	152	-	35,305	36,365
COK1			119,770	152,167	156,732
COK3			21,466	102,826	105,910
MOK4			100,707		
	<u>\$ 1,845,105</u>	<u>\$ 1,080,113</u>	<u>\$ 671,098</u>	<u>\$ 290,298</u>	<u>\$ 299,007</u>

(1) These codes allocate between Duke Energy Ohio and Duke Energy Kentucky based on number of gas & electric customers (CCU, COK1 and COK3) and total gas sales (SCU, MCU and MOK4).

(2) Base period represents October 2008 - March 2009 Actuals and April 2009 - September 2009 Budget.

(3) Forecasted test period represents February 2010 - January 2011

DUKE ENERGY KENTUCKY

**Basis for Allocating Customer and Administrative and General Charges Between Gas and Electric Expense
For Those Items Which Cannot Be Charged Direct**

To the extent that Duke Energy Kentucky's Customer and Administrative and General (A&G) costs cannot be directly charged to gas and/or electric expense, they are allocated using a subset of the bases specified in the Utility Service Agreement. Department costs are then distributed based on quantitative measures associated with the activity performed. The allocation methods utilized during the year ended December 31, 2008 are as follows:

1. Labor Dollars Ratio.
2. Number of Customers Ratio.
3. Total Property, Plant and Equipment Ratio (PPE).
4. Three Factor Formula.
5. Revenues Ratio.

The Three Factor Formula uses a weighted average of three ratios. The Three Factor Formula shown above uses 34% PPE, 33% Labor Dollars Ratio and 33% Gross Margin Ratio to allocate gas and electric charges.

The functional activities of each department are matched with the allocation method that most closely relates to the nature of the work performed. Departments are provided an allocation code to pool the cost to be allocated. The various pools will be allocated between gas and electric based on the above methods when costs cannot be directly charged. The amounts allocated by Duke Energy Kentucky to gas and electric during the year ended December 31, 2008, 2007 and 2006, the base period and forecast test period are provided by allocation code in the attached Schedule FR9-u-4(a) of 4.

Examples of Customer and A&G departments that could allocate gas / electric costs include: Meter Reading and Planning.

Duke Energy Kentucky

Customer and Administrative and General Charges Allocated between Gas and Electric Expense Accounts
For the Years Ended December 31, 2006, 2007 and 2008, Base Period, and Forecasted Test Period

Account Number	Account Description	12/31/2006			12/31/2007			12/31/2008			Base Period (1)			Forecasted Test Period (2)		
		Electric	Gas	Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas	Total
901000	Supervision-Cust Accts	32,096	22,561	54,658	24,798	17,561	42,359	11,261	7,967	19,228	88	62	150	90	64	155
902000	Meter Reading Expense	1,081,142	483,640	1,564,781	933,492	562,531	1,496,022	937,412	648,699	1,586,111	1,418,434	1,004,866	2,423,300	1,460,987	1,035,012	2,495,999
903000	Cust Records & Collection Exp	3,332,632	1,939,573	5,272,205	3,247,759	2,125,486	5,373,245	2,074,471	1,373,890	3,448,362	568,097	401,969	970,066	585,140	414,028	999,168
903100	Cust Contracts & Orders-Local	-	-	-	-	-	-	27,390	19,350	46,740	140,257	99,383	239,640	144,464	102,364	246,829
903200	Cust Billing & Acct	-	-	-	-	-	-	20,807	29,451	50,257	140,373	99,459	239,833	144,585	102,443	247,028
903300	Cust Collecting-Local	-	-	-	-	-	-	67,068	47,255	114,322	186,840	132,350	319,190	192,445	136,321	328,766
903400	Cust Recelv & Collect Exp-Edp	-	-	-	-	-	-	-	-	-	18,197	12,898	31,095	18,743	13,285	32,028
904000	Cust Acctg - Uncoll'd Accounts Exp	137,707	1,555	139,262	77,574	1,700	79,274	46,271	-	46,271	-	-	-	-	-	-
904003	Cust Acctg-Loss On Sale-A/R	2,205,559	1,401,963	3,607,522	2,625,915	1,450,817	4,076,732	1,279,121	567,509	1,846,630	1,137,836	806,518	1,944,354	1,171,971	830,714	2,002,685
905000	Cust Retlms Bill/Coil	6,343	(28,349)	(22,006)	75,852	67,590	143,443	(46,241)	(14,990)	(61,231)	-	-	-	-	-	-
908000	Corporate Planning Cust Asst	102,387	184,049	286,436	374,142	293,662	667,803	140,017	78,415	218,432	-	-	-	-	-	-
908160	Cust Asslst Exp-General	-	-	-	-	-	-	8,185	5,783	13,968	-	-	-	-	-	-
909000	Misc Cust Serv and Info	68,309	48,046	116,355	75,167	58,269	133,435	1,260	-	1,260	-	-	-	-	-	-
910000	Misc Cust Serv/Inform Exp	418,539	252,337	670,877	431,955	368,674	800,629	353,797	274,605	628,402	313,181	221,850	535,030	322,576	228,505	551,081
911000	Supv Marketing Operations	10,711	3,326	14,037	2,572	53	2,625	555	20	574	-	-	-	-	-	-
913000	Advs Exp-Mrkting/Cust Retlms	301	212	513	-	-	-	-	-	-	-	-	-	-	-	-
916000	Misc Sales Exp	1,630,702	1,543,147	3,173,849	(2,606)	-	(2,606)	-	-	-	-	-	-	-	-	-
920000	A&G Salaries	6,789,308	2,691,047	9,480,355	8,399,165	4,734,769	13,133,933	3,882,429	1,944,281	5,826,710	99,495	53,044	152,539	102,480	54,635	157,115
920450	A&G Labor - Elec - Billed DPL	(59,232)	-	(59,232)	-	-	-	-	-	-	-	-	-	-	-	-
921000	A&G Office Supplies and Exp	4,260,858	2,234,017	6,494,875	3,622,318	2,986,509	6,608,827	1,570,085	674,655	2,244,740	-	-	-	-	-	-
921100	Employee Expenses	(76,865)	(37,259)	(114,124)	162,614	112,087	274,702	228,824	110,778	339,602	34,223	24,230	58,453	35,250	24,957	60,206
921110	Relocation Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
921200	Office Expenses	-	-	-	-	-	-	19,879	13,881	33,760	39,286	27,814	67,100	40,464	28,649	69,113
921450	A&G Mat/Exp-Elec - Billed DPL	(377,738)	-	(377,738)	(455,142)	-	(455,142)	(235,108)	2,016	3,440	3,492	2,458	5,949	3,596	2,531	6,128
921540	Computer Rent (GO only)	(5,956)	-	(5,956)	-	-	-	1,424	(50,459)	(203,590)	-	-	-	-	-	-
922000	Admin Exp Transfer	(27,975)	(5,956)	(33,931)	(6,805)	1,129	(5,675)	(153,131)	(50,459)	(203,590)	-	-	-	-	-	-
923000	Outside Services Employed	1,910,471	1,075,581	2,986,052	2,393,027	1,494,703	3,887,730	3,003,440	902,850	3,906,289	23,801	16,848	40,650	24,515	17,354	41,869
923200	Commissions/Brokerage Expense	18,625	-	18,625	-	-	-	-	-	-	-	-	-	-	-	-
924000	Property Insurance	147,000	-	147,000	(58,011)	72,739	14,729	26,588	54,987	81,575	-	-	-	-	-	-
924500	Property Insurance- DPL CCD	(120,730)	-	(120,730)	-	-	-	-	-	-	-	-	-	-	-	-
924503	Property Insurance- Dena I/C	632,494	-	632,494	285,714	286,286	572,000	387,000	387,000	774,000	-	-	-	-	-	-
925000	Injuries and Damages	4,432	112,241	116,673	(72,825)	5,704	(67,122)	200,053	59,690	259,742	8,475	4,025	12,500	8,729	4,146	12,875
925503	I/C I&D Insurance Amortization - Duke	705,904	-	705,904	284,987	-	284,987	-	-	-	-	-	-	-	-	-
925990	Genl Frng Benfts Frm PSI-Joint	1,115	32	1,147	3,493	397	3,891	3,989	364	4,353	-	-	-	-	-	-
926000	Employee Pensions and Benefits	794,927	589,993	1,384,919	509,352	88,489	597,842	1,404,932	555,815	1,960,746	3,982,087	1,822,951	5,805,038	4,101,549	1,877,640	5,979,189
926110	Employee Fringe Benefits Load	9,122,488	2,657,546	11,780,034	9,943,105	2,957,749	12,900,854	3,890,451	1,191,136	5,081,587	-	-	-	-	-	-
926590	Empl Benft Lbr Billed DPL CSP	(917,751)	-	(917,751)	(719,772)	-	(719,772)	(440,896)	-	(440,896)	-	-	-	-	-	-
928000	State Reg Comm Proceeding	1,054,901	337,366	1,392,266	1,880,761	646,947	2,527,708	924,580	309,667	1,234,246	-	-	-	-	-	-
928020	Fed Energy Reg Com Proceed	241,486	16,954	258,440	240,045	-	240,045	83,343	-	83,343	-	-	-	-	-	-
929000	Service Used Own Dept Cr	(247,277)	-	(247,277)	(122,985)	-	(122,985)	(83,526)	-	(83,526)	-	-	-	-	-	-
929030	Jobbing Overheads	(1,122)	(121)	(1,243)	(1,186)	(317)	(1,504)	(635)	(127)	(762)	-	-	-	-	-	-
930100	General Advertising Expenses	1,664	725	2,389	-	-	-	2,543	-	2,543	-	-	-	-	-	-
930200	Misc. General Expenses	397,337	272,908	670,245	-	-	-	-	-	-	-	-	-	-	-	-
930202	A/G Misc General Expense	-	-	-	507,546	160,002	667,547	366,995	113,043	480,038	-	-	-	-	-	-
930940	General Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
931001	Rents - A&G	1,751,105	667,726	2,418,831	2,268,999	1,142,109	3,411,108	1,249,324	596,858	1,846,182	(153,864)	(108,816)	(262,680)	(158,480)	(112,081)	(270,561)
931011	Rent Expense I/C	30,225	-	30,225	120,901	-	120,901	20,150	-	20,150	-	-	-	-	-	-
931200	Rents - Interco	107,484	80,268	187,752	107,484	80,268	187,752	53,742	40,134	93,876	-	-	-	-	-	-
931400	Rents - Electric - Billed DPL	(5,338)	-	(5,338)	-	-	-	-	-	-	-	-	-	-	-	-
931500	Rents - Affiliated Companies	24,633	17,273	41,906	-	-	-	-	-	-	-	-	-	-	-	-
935000	Maint of General Plant	381,701	77,397	459,098	461,024	115,621	576,645	250,268	61,554	311,823	-	-	-	-	-	-
		\$ 35,570,557	\$ 16,639,799	\$ 52,210,357	\$ 37,620,427	\$ 19,831,535	\$ 57,451,963	\$ 21,587,350	\$ 9,610,067	\$ 31,197,417	\$ 7,960,297	\$ 4,621,910	\$ 12,582,207	\$ 8,199,106	\$ 4,760,567	\$ 12,959,673

(1) Base Period represents October 2008 - March 2009 Actuals and April 2009 - September 2009 Budget

(2) Forecasted Test Period represents February 2010 - January 2011

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(v)**

807 KAR 5:001, SECTION 10(9)(v)

Description of Filing Requirement:

If the utility provides electric, gas or water utility service and has annual gross revenues greater than \$5,000,000, a cost of service study based on a methodology generally accepted within the industry and based on current and reliable data from a single time period.

Response:

See attached FR 10(9)v-1 through FR 10(9)v-5 for an Average and Excess cost of service study by rate class. See attached WPFR 10(9)v-6 for workpapers supporting the cost of service study.

Sponsoring Witness: Donald L. Storck

DUKE ENERGY KENTUCKY
COST OF SERVICE STUDY
TWELVE MONTHS ENDING JANUARY 31, 2011
GAS CASE NO: 2009-00202

	ITEM	ALLO	TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE
SUMMARY OF RESULTS								
NET INCOME COMPUTATION		Schedule 1	388,986,305	277,183,024	87,505,785	16,720,073	7,577,423	388,986,305
GROSS GAS PLANT IN SERVICE	GP11		(106,403,991)	(75,808,174)	(23,725,982)	(4,680,525)	(2,189,310)	(106,403,991)
TOTAL DEPRECIATION RESERVE	DR11		(29,456,349)	(20,777,257)	(6,947,127)	(1,264,357)	(467,608)	(29,456,349)
TOTAL RATE BASE ADJUSTMENTS	RB71		253,125,965	180,597,593	56,832,676	10,775,191	4,920,505	253,125,965
TOTAL RATE BASE	RB91		253,750,235	181,043,179	56,972,003	10,802,148	4,932,905	253,750,235
CAPITALIZATION ALLOC TO GAS OPER	GCAP							
OPERATING EXPENSES			97,956,713	64,324,114	32,324,667	797,954	509,978	97,956,713
TOTAL O&M EXPENSE	OM31		11,657,827	8,320,709	2,612,051	496,773	228,294	11,657,827
TOTAL DEPRECIATION EXPENSE	DE41		4,089,172	2,927,570	903,726	174,632	83,244	4,089,172
TOTAL OTHER TAX & MISC EXPENSE	L591		113,703,712	75,572,393	35,840,444	1,469,359	821,516	113,703,712
TOTAL OP EXP EXC INC & R TAX	OP61		7,848,516	5,601,847	1,758,134	335,573	152,961	7,848,515
NET FED INCOME TAX EXP ALLOWABLE	I879		1,447,800	1,033,455	324,185	61,900	28,260	1,447,800
NET STATE INCOME TAX EXP ALLOWABLE	J979		(289,745)	(206,391)	(65,216)	(12,534)	(5,604)	(289,745)
AFUDC OFFSET	LO33	CW29	122,710,283	82,001,304	37,857,547	1,854,298	997,133	122,710,282
TOTAL OPERATING EXPENSE	OPEX		19,465,181	13,887,823	4,370,322	828,633	378,403	19,465,181
RETURN ON CAPITALIZATION	RC51		(743,924)	(501,779)	(222,651)	(13,679)	(5,815)	(743,924)
TOTAL OTHER OPERATING REVENUES	QO27		141,431,540	95,387,348	42,005,218	2,669,252	1,369,721	141,431,539
TOTAL GAS COST OF SERVICE	CS05		141,431,759	95,387,592	42,005,213	2,669,206	1,369,748	141,431,759
PROPOSED REVENUES	R602		219	244	(5)	(46)	27	220
EXCESS REVENUES	XREV		19,465,315	13,887,973	4,370,319	828,605	378,419	19,465,316
TOTAL RETURN EARNED	RETE		0.076710	0.076710	0.076710	0.076710	0.076710	0.076710
RATE OF RETURN EARNED ON CAP	RORE		0.076710	0.076710	0.076710	0.076710	0.076710	0.076710
TOTAL RATE OF RETURN ALLOWABLE	RORA		0.110000	0.110000	0.110000	0.110000	0.110000	0.110000
RETURN EARNED ON COMMON EQUITY	REOE		0.110000	0.110000	0.110000	0.110000	0.110000	0.110000
ALLOWED RETURN ON COMMON EQUITY	AROE		123,937,423	80,575,805	39,810,798	2,490,892	1,059,928	123,937,423
PRESENT REVENUES	R600		17,494,117	14,811,543	2,194,420	178,360	309,793	17,494,116
REVENUE INCREASE JUSTIFIED	RIJD		0.141115	0.18382	0.05512	0.07160	0.29228	0.141115
PER UNIT PRES REV	RIJP		17,494,336	14,811,787	2,194,415	178,314	309,820	17,494,336
REVENUE INCREASE REQUESTED	RIRD		0.141115	0.18382	0.05512	0.07159	0.29230	0.141115
PER UNIT PRES REV	RIRP							

DUKE ENERGY KENTUCKY
COST OF SERVICE STUDY
TWELVE MONTHS ENDING JANUARY 31, 2011
GAS CASE NO: 2009-00202

	ITEM	ALLO	TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE
Schedule 2								
GROSS GAS PLT IN SERVICE								2,094,949
PRODUCTION PLANT	P100	K205	2,094,949	1,368,295	726,654	0	0	2,094,949
PRODUCTION PLANT	P121		2,094,949	1,368,295	726,654	0	0	2,094,949
PRODUCTION PLANT IN SERVICE								0
TRANSMISSION PLANT	T100		0	0	0	0	0	0
TRANSMISSION PLANT	T121		0	0	0	0	0	0
TRANSMISSION PLANT IN SERVICE								2,094,949
TOTAL PROD & TRANS PLANT	PT21		2,094,949	1,368,295	726,654	0	0	2,094,949
DISTRIBUTION PLANT	D100	K203	4,272,913	2,504,781	1,331,867	308,291	127,974	4,272,913
SYSTEM M&R - (2780, 2781)	D102	K203	1,107,447	649,186	345,191	79,902	33,168	1,107,447
DIST REG - 2782	D104	K595	504,476	(5)	53,989	237,124	213,368	504,476
LARGE IND M&R - (2850, 2851)	D106	K203	196,666,446	115,285,871	61,300,931	14,189,484	5,890,160	196,666,446
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)	D107	K401	34,705,843	32,145,246	2,527,974	23,947	8,676	34,705,843
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)	D108	K403	101,262,272	93,466,089	7,056,968	459,731	279,484	101,262,272
SERVICES - (2801, 2802, 2803, 2804, 2805-2807)	D110	K413	21,006,025	14,261,830	5,526,475	633,332	584,388	21,006,025
MTRS & MTR INST (2810, 2811, 2820, 2821)	D112	K203	1,126,490	660,349	351,127	81,276	33,738	1,126,490
LAND, R OF W STRUCT & IMPROV, OTH, SL (274,275,2)	D114	K417	12,534,431	6,929,534	5,449,595	113,938	41,364	12,534,431
HOUSE REG & INSTALL (2830-2831, 2840-2841)	D118	K415	1,014,039	646,136	279,753	62,292	25,858	1,014,039
ASSET RETIREMENT COST FOR DISTRIBUTION PLANT	D141		374,200,382	266,549,017	84,223,870	16,189,317	7,238,178	374,200,382
DISTRIBUTION PLANT IN SERVICE								374,200,382
TOTAL TRANS & DIST PLANT	TD21		374,200,382	266,549,017	84,223,870	16,189,317	7,238,178	374,200,382
TOTAL GROSS PTD PLANT	PD21		376,295,331	267,917,312	84,950,524	16,189,317	7,238,178	376,295,331
GENERAL & INTANGIBLE PLANT	G100	K419	142,219	90,854	51,365	0	0	142,219
PRODUCTION PLANT	G102	K421	175,243	111,951	63,292	0	0	175,243
PRODUCTION PLANT COMMODITY	G104	K423	1,869,166	1,228,209	427,946	131,029	81,982	1,869,166
DISTRIBUTION PLANT	G106	K425	956,786	831,533	111,580	7,243	6,430	956,786
CUSTOMER ACCOUNTING	G108	K427	165,547	153,334	12,058	114	41	165,547
CUSTOMER SERVICE & INFORMATION	G110	K429	0	0	0	0	0	0
SALES	G121		3,308,961	2,415,881	666,241	138,386	88,453	3,308,961
GEN & INTANG PLANT IN SERVICE								0
COMMON & OTHER PLANT	C100	K419	403,239	257,601	145,638	0	0	403,239
PRODUCTION PLANT	C102	K421	496,871	317,416	179,455	0	0	496,871
PRODUCTION PLANT COMMODITY	C104	K423	5,299,712	3,482,388	1,213,369	371,510	232,445	5,299,712
DISTRIBUTION PLANT	C106	K425	2,712,809	2,357,675	316,368	20,536	18,230	2,712,809
CUSTOMER ACCOUNTING	C108	K427	469,382	434,751	34,190	324	117	469,382
CUSTOMER SERVICE & INFORMATION	C110	K429	0	0	0	0	0	0
SALES	C121		9,382,013	6,849,831	1,889,020	392,370	250,792	9,382,013
COMMON & OTHER PLT IN SERVICE								9,382,013
GROSS GAS PLT IN SERVICE	GP11		388,986,305	277,183,024	87,505,785	16,720,073	7,577,423	388,986,305

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
 GAS CASE NO: 2009-00202

	ITEM	ALLO	TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE
DEPRECIATION RESERVE			Schedule 3					
PRODUCTION PLANT								
PRODUCTION PLANT	P150	K205	1,215,841	794,114	421,727	0	0	1,215,841
TOTAL PROD DEPREC RESERVE	P171		1,215,841	794,114	421,727	0	0	1,215,841
TRANSMISSION PLANT								
TRANSMISSION PLANT	T168							
TOTAL TRANS DEPREC RESERVE	T171		0	0	0	0	0	0
DISTRIBUTION PLANT								
SYSTEM M&R - (2780, 2781)	D150	K203	1,800,852	1,055,659	561,326	129,931	53,936	1,800,852
DIST REG - 2782	D152	K203	564,368	330,832	175,914	40,719	16,903	564,368
LARGE IND M&R - (2850, 2851)	D154	K595	355,267	(4)	38,021	166,990	150,260	355,267
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)	D156	K203	51,715,904	30,315,864	16,119,847	3,731,302	1,548,891	51,715,904
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)	D157	K401	9,126,336	8,452,995	664,762	6,297	2,282	9,126,336
SERVICES - (2801, 2802, 2803, 2804, 2805-2807)	D158	K403	27,067,013	24,983,124	1,886,300	122,884	74,705	27,067,013
MTRS & MTR INST (2810, 2811, 2820, 2821)	D160	K413	5,057,978	3,434,064	1,330,703	152,498	140,713	5,057,978
LAND, R OF W STRUCT & IMPROV, OTH, SL (274,275,2	D162	K203	593,117	347,685	184,875	42,793	17,764	593,117
HOUSE REG & INSTALL (2830-2831, 2840-2841)	D164	K417	2,373,116	1,311,953	1,031,760	21,572	7,831	2,373,116
GAS DISTRIBUTION - RWIP	D168	D149	(751,231)	(535,117)	(169,087)	(32,498)	(14,529)	(751,231)
TOTAL DIST DEPREC RESERVE	D191		97,902,720	69,697,055	21,824,421	4,382,488	1,998,756	97,902,720
GENERAL & INTANGIBLE PLANT								
PRODUCTION PLANT	G150	K419	69,755	44,562	25,193	0	0	69,755
PRODUCTION PLANT COMMODITY	G152	K421	85,952	54,909	31,043	0	0	85,952
DISTRIBUTION PLANT	G154	K423	900,951	592,005	206,273	63,157	39,516	900,951
CUSTOMER ACCOUNTING	G156	K425	477,002	414,558	55,628	3,611	3,205	477,002
CUSTOMER SERVICE & INFORMATION	G158	K427	87,895	81,410	6,402	61	22	87,895
SALES	G160	K429	1,402	1,402	0	0	0	1,402
TOTAL GEN DEPREC RESERVE	G171		1,622,957	1,188,846	324,539	66,829	42,743	1,622,957
COMMON & OTHER PLANT								
PRODUCTION PLANT	C150	K419	347,680	222,109	125,571	0	0	347,680
PRODUCTION PLANT COMMODITY	C152	K421	294,113	187,888	106,225	0	0	294,113
DISTRIBUTION PLANT	C154	K423	3,121,226	2,050,926	714,605	218,798	136,897	3,121,226
CUSTOMER ACCOUNTING	C156	K425	1,613,513	1,402,288	188,168	12,214	10,843	1,613,513
CUSTOMER SERVICE & INFORMATION	C158	K427	284,539	263,546	20,726	196	71	284,539
SALES	C160	K429	1,402	1,402	0	0	0	1,402
TOTAL COM & OTHER PLT RESERVE	C171		5,662,473	4,128,159	1,155,295	231,208	147,811	5,662,473
TOTAL DEPRECIATION RESERVE	DR11		106,403,991	75,808,174	23,725,982	4,680,525	2,189,310	106,403,991

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
 GAS CASE NO: 2009-00202

FR-10(9)v-1
 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE
NET GAS PLANT	Schedule 4							
PRODUCTION PLANT								
PRODUCTION PLANT IN SERVICE	P121		2,094,949	1,368,295	726,654	0	0	2,094,949
TOTAL PROD DEPRC RESERVE	P171		(1,215,841)	(794,114)	(421,727)	0	0	(1,215,841)
NET PRODUCTION PLANT	P221		879,108	574,181	304,927	0	0	879,108
TRANSMISSION PLANT								
TRANSMISSION PLANT IN SERVICE	T121		0	0	0	0	0	0
TOTAL TRANS DEPREC RESERVE	T171		0	0	0	0	0	0
NET TRANSMISSION PLANT	T221		0	0	0	0	0	0
DISTRIBUTION PLANT								
DISTRIBUTION PLANT IN SERVICE	D141		374,200,382	266,549,017	84,223,870	16,189,317	7,238,178	374,200,382
TOTAL DIST DEPREC RESERVE	D191		(97,902,720)	(69,697,055)	(21,824,421)	(4,382,488)	(1,998,756)	(97,902,720)
NET DISTRIBUTION PLANT	D241		276,297,662	196,851,962	62,399,449	11,806,829	5,239,422	276,297,662
NET PTD PALNT	NT31		277,176,770	197,426,143	62,704,376	11,806,829	5,239,422	277,176,770
NET TRANS & DIST PLANT	NT21		276,297,662	196,851,962	62,399,449	11,806,829	5,239,422	276,297,662
GENERAL & INTANGIBLE PLANT								
GEN & INTANG PLANT IN SERVICE	G121		3,308,961	2,415,881	666,241	138,386	88,453	3,308,961
TOTAL GEN & INTG DEPREC RESERVE	G171		(1,622,957)	(1,188,846)	(324,539)	(66,829)	(42,743)	(1,622,957)
NET GENERAL & INTANG PLANT	G221		1,686,004	1,227,035	341,702	71,557	45,710	1,686,004
COMMON & OTHER PLANT								
COMMON & OTH PLT IN SERVICE	C121		9,382,013	6,849,831	1,889,020	392,370	250,792	9,382,013
TOTAL COM & OTH DEPREC RESERVE	C171		(5,662,473)	(4,128,159)	(1,155,295)	(231,208)	(147,811)	(5,662,473)
NET COMMON & OTHER PLANT	C221		3,719,540	2,721,672	733,725	161,162	102,981	3,719,540
NET GAS PLANT IN SERVICE	NP21		282,582,314	201,374,850	63,779,803	12,039,548	5,388,113	282,582,314

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
 GAS CASE NO: 2009-00202

FR-10(9)v-1
 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE
RATE BASE	Schedule 5							
RATE BASE ADJUSTMENTS								
SUBTRACTIVE ADJUSTMENTS								
ACCUM DEF INC TAXES (282)								
LIBERALIZED DEPRECIATION	B200	NP29	42,242,421	30,102,794	9,534,114	1,799,950	805,563	42,242,421
OTHER - CIAC, CAP INT	B202	NP29	1,566,332	1,116,200	353,521	66,741	29,870	1,566,332
TOTAL ACCOUNT 282	B221		43,808,753	31,218,994	9,887,635	1,866,691	835,433	43,808,753
ACCUM DEF INC TAXES (283)								
MISC DEFERRALS	B222	K411	2,942,665	2,148,470	592,476	123,062	78,657	2,942,665
UNRECOVERED PURCHASED GAS COST	B224	K301	295,400	188,710	106,690	0	0	295,400
TOTAL ACCOUNT 283	B243		3,238,065	2,337,180	699,166	123,062	78,657	3,238,065
OTHER SUBTRACTIVE ADJUSTMENTS								
CUSTOMER ADV FOR CONSTR (ACCT 252)	B244	NP29	1,638,646	1,167,732	369,842	69,823	31,249	1,638,646
ITC (ACCT 255)	B246	NP29	8,280	5,900	1,869	353	158	8,280
TOTAL OTHER SUBTRACTIVE ADJS	B285		1,646,926	1,173,632	371,711	70,176	31,407	1,646,926
TOTAL SUBTRACTIVE ADJUSTMENTS	B287		48,693,744	34,729,806	10,958,512	2,059,929	945,497	48,693,744
ADDITIVE ADJUSTMENTS								
ACCUM DEF INC TAXES (190)								
VAC PAY ACC, POST RET, PEN BEN, DEF COMP	V200	K411	12,828,932	9,366,532	2,582,977	536,506	342,917	12,828,932
TOTAL ACCOUNT 190	V221		12,828,932	9,366,532	2,582,977	536,506	342,917	12,828,932
OTHER								
OTHER	V233		0	0	0	0	0	0

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
 GAS CASE NO: 2009-00202

	ITEM	ALLO	TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE
RATE BASE								
Schedule 5 2								
CONSTRUCTION WORK IN PROGRESS	V234	P129	0	0	0	0	0	0
PRODUCTION - CWIP	V236	D149	3,777,154	2,690,542	850,162	163,400	73,050	3,777,154
DISTRIBUTION - CWIP	V238	C129	0	0	0	0	0	0
COMMON - CWIP (GAS)	V240	G129	0	0	850,162	163,400	73,050	3,777,154
GENERAL - CWIP	V255		3,777,154	2,690,542				
TOTAL RATE BASE CWIP			16,606,086	12,057,074	3,433,139	699,906	415,967	16,606,086
TOTAL ADDITIVE ADJUSTMENTS	V289		16,606,086	12,057,074				
NET ORIGINAL COST RATE BASE	RB21		250,494,656	178,702,118	56,254,430	10,679,525	4,858,583	250,494,656
WORKING CAPITAL								
MATERIALS & SUPPLIES								
FUEL SUPPLIES								
TOTAL FUEL STOCKS	W641		0	0	0	0	0	0
PLANT MATERIALS & SUPPLIES	W642	K205	355,804	232,390	123,414	0	0	355,804
PROPANE	W644	NP29	(95,694)	(68,193)	(21,598)	(4,078)	(1,825)	(95,694)
OTHER SUPPLIES	W659		260,110	164,197	101,816	(4,078)	(1,825)	260,110
TOTAL PLANT MATS. & SUPPLIES	W661		260,110	164,197	101,816	(4,078)	(1,825)	260,110
TOTAL MATERIALS & SUPPLIES								
PREPAYMENTS	W674	K901	0	0	0	0	0	0
TOTAL PREPAYMENTS	W687		0	0	0	0	0	0
CASH WORKING CAPITAL	W705		0	0	0	0	0	0
TOTAL GAS, PP & OTHER	W711		2,371,199	1,731,278	476,430	99,744	63,747	2,371,199
AUTO CALC (O&M-GAS COST)/8	W721		2,371,199	1,731,278	476,430	99,744	63,747	2,371,199
TOTAL WORKING CASH								
MISCELLANEOUS WORKING CAPITAL	W730	K205	0	0	0	0	0	0
GAS STORED UNDERGROUND	W747		0	0	0	0	0	0
TOTAL MISC WORK CAPITAL	WC71		2,631,309	1,895,475	578,246	95,666	61,922	2,631,309
TOTAL WORKING CAPITAL								
PRELIMINARY SUMMARY	B287		(48,693,744)	(34,729,806)	(10,958,512)	(2,059,929)	(945,497)	(48,693,744)
TOTAL SUBTRACTIVE ADJUSTMENTS	V289		16,606,086	12,057,074	3,433,139	699,906	415,967	16,606,086
TOTAL ADDITIVE ADJUSTMENTS	W289		2,631,309	1,895,475	578,246	95,666	61,922	2,631,309
TOTAL WORKING CAPITAL	WC71		(29,456,349)	(20,777,257)	(6,947,127)	(1,264,357)	(467,608)	(29,456,349)
TOTAL RATE BASE ADJUSTMENTS	RB71							
RATE BASE CALCULATION	NP21		282,582,314	201,374,850	63,779,803	12,039,548	5,388,113	282,582,314
NET GAS PLANT IN SERVICE	RB71		(29,456,349)	(20,777,257)	(6,947,127)	(1,264,357)	(467,608)	(29,456,349)
TOTAL RATE BASE ADJUSTMENTS	RB91		253,125,965	180,597,593	56,832,676	10,775,191	4,920,505	253,125,965
TOTAL RATE BASE	RB99		253,750,235	181,043,179	56,972,003	10,802,148	4,932,905	253,750,235
CAPITALIZATION ALLOC TO GAS OPER	RCAP		0.0767100000	0.0767100000	0.0767100000	0.0767100000	0.0767100000	0.0767100000
TOTAL RATE OF RETURN ALLOWABLE	RORA		19,465,181	13,887,823	4,370,322	828,633	378,403	19,465,181
RETURN ON CAPITALIZATION	RC51							

DUKE ENERGY KENTUCKY
COST OF SERVICE STUDY
TWELVE MONTHS ENDING JANUARY 31, 2011
GAS CASE NO: 2009-00202

			TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE
O&M EXPENSES								
PRODUCTION O&M								
COMMODITY RELATED O&M	P300	K301	72,785,458	46,497,534	26,287,924	0	0	72,785,458
NATURAL GAS FIELD LINE PURCHASES (801)	P302	K301	589,496	376,588	212,908	0	0	589,496
PURCHASED GAS EXPENSE (807)	P341		73,374,954	46,874,122	26,500,832	0	0	73,374,954
TOTAL ENERGY RELATED						0	0	6,153,909
DEMAND RELATED PROD O&M	P352	K301	6,153,909	3,931,302	2,222,607	0	0	6,153,909
ANNUALIZED GAS COST	P391		6,153,909	3,931,302	2,222,607	0	0	6,153,909
TOTAL DEMAND RELATED						0	0	350,697
OTHER THAN COM/DEM RELATED	P400	K205	350,697	229,054	121,643	0	0	(32,821)
PRODUCTION EXPENSES (711, 712, 717,728, 735, 736,7	P402	K205	(32,821)	(21,437)	(11,384)	0	0	317,876
ELIM OTHER THAN DE-KY PORTION	P441		317,876	207,617	110,259	0	0	79,846,739
TOTAL PROD OTHER THAN COM/DEM	P451		79,846,739	51,013,041	28,833,698	0	0	79,846,739
TOTAL PRODUCTION O&M								
TRANSMISSION O & M	T318		0	0	0	0	0	0
TRANSMISSION O & M	T341							
TOTAL TRANSMISSION O & M								
DISTRIBUTION O & M	D300	K300	494,675	246,986	139,632	56,878	51,179	494,675
LOAD DISPATCH, RENTS (871, 881)	D302	K667	1,643,396	1,189,589	350,635	72,605	30,567	1,643,396
MAINS & SERVICES OPER (874)	D304	K203	87,270	51,157	27,202	6,297	2,614	87,270
M & R STATION (875, 889)	D306	K415	1,439,732	917,383	397,193	88,443	36,713	1,439,732
CUSTOMER INST & OTHER (879, 880)	D308	K697	192,641	121,340	63,552	4,228	3,521	192,641
METERS & HOUSE REG (878, 893)	D310	K203	837,340	490,849	260,999	60,414	25,078	837,340
MAINS (887)	D311	K401	147,766	136,864	10,763	102	37	147,766
MAINS (887)	D312	K403	708,338	653,803	49,364	3,216	1,955	708,338
SERVICES (892)	D314	D249	153,640	109,464	34,698	6,565	2,913	153,640
SUPV, ENG & OTHER (870, 885, 894)	D316	K595	236,847	(2)	25,347	111,328	100,174	236,847
M & R, INDUSTRIAL (876, 890)	D318	D149	(239,604)	(170,675)	(53,930)	(10,365)	(4,634)	(239,604)
ELIM OTHER THAN DE-KY PORTION (874, 887)	D341		5,702,041	3,746,758	1,305,455	399,711	250,117	5,702,041
TOTAL DISTRIBUTION O & M								
CUSTOMER ACCOUNTING	C300	K405	2,714,400	2,346,354	326,814	21,851	19,381	2,714,400
TOT CUST ACCT EXP EXCLUD UNCOLL EXP	C302	K406	1,403,255	1,323,985	79,270	0	0	1,403,255
UNCOLLECTIBLE EXP (904)	C304	K406	(1,280,335)	(1,208,009)	(72,326)	0	0	(1,280,335)
ANNUALIZED UNCOLL EXP ADJ			47,758	45,060	2,698	0	0	47,758
UNCOLLECTIBLES ON INCREASE	C317	K406	2,885,078	2,507,390	336,456	21,851	19,381	2,885,078
TOTAL CUSTOMER ACCT EXPENSE								

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O&M EXPENSES		Schedule 6 2						532,529
CUSTOMER SERVICE & INFORMATION	C320	K407	532,529	493,240	38,789	367	133	(855)
TOTAL CUST SERVICE & INFO	C322	K407	(855)	(792)	(62)	(1)	0	
ELIMINATION OF EXPENSE	C331		531,674	492,448	38,727	366	133	531,674
TOTAL CUSTOMER SERV. & INFO.								0
SALES	S300	K408	0	0	0	0	0	0
SALES EXPENSE	S302	K408	0	0	0	0	0	0
ELIMINATION OF EXPENSE	S317		0	0	0	0	0	0
TOTAL SALES EXPENSE								0
ADMINISTRATIVE & GENERAL								423,843
ADMINISTRATIVE & GENERAL	A300	K302	423,843	270,764	153,079	0	0	522,260
PRODUCTION PLANT DEMAND	A302	K303	522,260	333,635	188,625	0	244,323	5,570,510
PRODUCTION PLANT COMMODITY	A304	K304	5,570,510	3,660,326	1,275,368	390,493	19,162	2,851,425
DISTRIBUTION PLANT	A306	K305	2,851,425	2,478,145	332,533	21,585	123	493,366
CUSTOMER ACCOUNTING	A308	K306	493,366	456,966	35,937	340	0	0
CUSTOMER SERVICE & INFORMATION	A310	K307	0	0	0	0	263,608	9,861,405
SALES	A312		9,861,405	7,199,837	1,985,542	412,418	2,317	86,667
TOT ADMIN & GEN LESS REG EXP	A314	K411	86,667	63,276	17,450	3,624	(57)	(2,139)
RATE CASE EXPENSE	A316	K411	(2,139)	(1,562)	(431)	(89)	(16,479)	(616,501)
ELIMINATE VARIOUS EXPENSES	A318	K411	(616,501)	(450,114)	(124,126)	(25,782)	(1,285)	(48,067)
INCENTIVE COMPENSATION	A319	K411	(48,067)	(35,094)	(9,678)	(2,010)	(7,757)	(290,184)
ANNUALIZE KYPSK MAINT TAX	A320	K411	(290,184)	(211,866)	(58,426)	(12,135)	240,347	8,991,181
ELIM MERGER CREDITS & AMORT	A337		8,991,181	6,564,477	1,810,331	376,026	509,978	97,956,713
TOTAL ADMIN. & GENERAL	OM31		97,956,713	64,324,114	32,324,667	797,954		
TOTAL O & M EXPENSE								

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DEPRECIATION EXPENSE	Schedule 7							
PRODUCTION DEPRECIATION								
PRODUCTION DEPRECIATION	P460	P229	41,775	27,285	14,490	0	0	41,775
TOTAL PRODUCTION DEPREC EXP.	P481		41,775	27,285	14,490	0	0	41,775
TRANSMISSION DEPRECIATION								
TOTAL TRANSMISSION DEP. EXP.	T481		0	0	0	0	0	0
DISTRIBUTION DEPRECIATION								
DISTRIBUTION DEPRECIATION	D460	D249	8,621,123	6,142,292	1,946,994	368,381	163,456	8,621,123
DEPRECIATION EXP ADJ	D462	D249	2,061,951	1,469,078	465,671	88,107	39,095	2,061,951
TOTAL DIST. DEPREC EXP.	D481		10,683,074	7,611,370	2,412,665	456,488	202,551	10,683,074
GENERAL DEPRECIATION								
GENERAL DEPRECIATION	G460	G229	158,383	115,268	32,099	6,722	4,294	158,383
GENERAL DEPRECIATION EXP ADJ	G476	G229	0	0	0	0	0	0
TOTAL GENERAL DEPREC EXP.	G481		158,383	115,268	32,099	6,722	4,294	158,383
COMMON AND OTHER DEPRECIATION								
COMMON DEPRECIATION	C460	C229	774,595	566,786	152,797	33,563	21,449	774,595
COMMON DEPRECIATION EXP ADJ	C476	C229	0	0	0	0	0	0
TOTAL COM & OTHER DEPREC EXP.	C481		774,595	566,786	152,797	33,563	21,449	774,595
TOTAL DEPRECIATION EXPENSE	DE41		11,657,827	8,320,709	2,612,051	496,773	228,294	11,657,827

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	ITEM	ALLO	TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE
OTHER TAXES & MISC EXPENSES			Schedule 8					
TAXES OTHER THAN INC & REV								
STATE AND OTHER TAXES								
PROPERTY TAX & KY HIGHWAY USE	L500	NP29	4,390,640	3,128,858	990,967	187,085	83,730	4,390,640
ANNUALIZE PROPERTY TAX	L502	NP29	(894,566)	(637,486)	(201,904)	(38,117)	(17,059)	(894,566)
TOTAL REAL EST & PROP TAX	L521		3,496,074	2,491,372	789,063	148,968	66,671	3,496,074
INSURANCE CONTRIBUTION	L560	K411	637,163	465,200	128,286	26,646	17,031	637,163
ELIM OTHER THAN DE-KY PORTION	L562	K411	(4,440)	(3,241)	(894)	(186)	(119)	(4,440)
ELIM OTHER THAN DE-KY PORTION	L564	K901	(67,616)	(43,959)	(21,720)	(1,359)	(578)	(67,616)
TOTAL MISCELLANEOUS TAXES	L581		565,107	418,000	105,672	25,101	16,334	565,107
MISCELLANEOUS EXPENSES								
KYPSC ON INCREASE	L560	K901	27,991	18,198	8,991	563	239	27,991
TOTAL MISCELLANEOUS EXPENSES	L581		27,991	18,198	8,991	563	239	27,991
TOTAL OTHER TAX & MISC EXPENSE			4,089,172	2,927,570	903,726	174,632	83,244	4,089,172
PRELIMINARY SUMMARY								
TOTAL O&M EXPENSE	OM31		97,956,713	64,324,114	32,324,667	797,954	509,978	97,956,713
TOTAL DEPRECIATION EXPENSE	DE41		11,657,827	8,320,709	2,612,051	496,773	228,294	11,657,827
TOTAL OTHER TAX & MISC EXPENSE	L591		4,089,172	2,927,570	903,726	174,632	83,244	4,089,172
TOTAL OP EXP EXC IT & REV TAX	OP61		113,703,712	75,572,393	35,840,444	1,469,359	821,516	113,703,712

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INCOME TAX BASED ON RETURN			Schedule 9					
FEDERAL INCOME TAX DEDUCTIONS								
INTEREST DED	Y751	RB99	4,388,840	3,131,306	985,382	186,833	85,319	4,388,840
TOTAL INTEREST EXPENSE	Y783		4,388,840	3,131,306	985,382	186,833	85,319	4,388,840
OTHER DEDUCTIONS								
DEPREC EXCESS TAX-BOOK	Y790	DE49	5,349,903	3,818,494	1,198,699	227,959	104,751	5,349,903
AMORT OF LOSS ON REACQUIRED DEBT	Y792	NP29	(122,590)	(87,359)	(27,669)	(5,224)	(2,338)	(122,590)
PERMANENT DIFFERENCES	Y794	K301	68,552	43,793	24,759	0	0	68,552
OTHER	Y796	NP29	(1,311,530)	(934,623)	(296,012)	(55,884)	(25,011)	(1,311,530)
TOTAL OTHER DEDUCTIONS	Y823		3,984,335	2,840,305	899,777	166,851	77,402	3,984,335
NET DEDUCTIONS AND ADDITIONS	Y871		8,373,175	5,971,611	1,885,159	353,684	162,721	8,373,175
FEDERAL INCOME TAX ADJUSTMENTS								
FED PROV DEF INC TAX (410.1)								
LIB DEPRECIATION	Z750	DE49	1,277,249	911,636	286,180	54,424	25,009	1,277,249
AMORT OF LOSS ON REACQUIRED DEBT	Z752	NP29	0	0	0	0	0	0
DEFERRED FUEL COST - PGA	Z754	K301	0	0	0	0	0	0
TOTAL FED PROV DEF IT (410.1)	Z781		1,277,249	911,636	286,180	54,424	25,009	1,277,249

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	ITEM	ALLO	TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE
INCOME TAX BASED ON RETURN								
FED PROV DEF INC TAX (411.1)	Schedule 9 2							
TOTAL FED PROV DEF IT (411.1)	Z811		0	0	0	0	0	0
AMORT INV TAX CREDIT & SERV CO. ALLOC TAX CR.		NP29	72,657	51,776	16,399	3,096	1,386	72,657
TOTAL AMORTIZED ITC & SERV CO ALLOC	Z815		72,657	51,776	16,399	3,096	1,386	72,657
TEST YEAR INV TAX CREDIT								
TEST YEAR INV TAX CREDIT	Z823		0	0	0	0	0	0
PRELIMINARY SUMMARY								
TOTAL FED PROV DEF IT (410.1)	Z781		1,277,249	911,636	286,180	54,424	25,009	1,277,249
TOTAL FED PROV DEF IT (411.1)	Z811		0	0	0	0	0	0
TOTAL AMORTIZED ITC & ALLOC SERV CO CR	Z815		(72,657)	(51,776)	(16,399)	(3,096)	(1,386)	(72,657)
TOTAL FEDERAL TAX ADJUSTMENTS	Z863		1,204,592	859,860	269,781	51,328	23,623	1,204,592
FEDERAL INCOME TAX COMPUTATION								
RETURN ON CAPITALIZATION	RC51		19,465,181	13,887,823	4,370,322	828,633	378,403	19,465,181
NET DEDUCTIONS AND ADDITIONS	Y871		(8,373,175)	(5,971,611)	(1,885,159)	(353,684)	(162,721)	(8,373,175)
TOTAL FEDERAL TAX ADJUSTMENTS	Z863		1,204,592	859,860	269,781	51,328	23,623	1,204,592
TOTAL STATE PROV DEF IT (410.1 & 411.1)	Z911		331,863	236,867	74,357	14,141	6,498	331,863
AFUDC OFFSET	Z933		(289,745)	(206,391)	(65,216)	(12,534)	(5,604)	(289,745)
BASE FOR FIT COMPUTATION	I865		12,338,716	8,806,548	2,764,085	527,884	240,199	12,338,716
FIT FACTOR K190/(1-K190)	I867		0.53846	0.53846	0.53846	0.53846	0.53846	0.53846
PRELIM FED INCOME TAX	I869		6,643,924	4,741,987	1,488,353	284,245	129,338	6,643,923
TOTAL FEDERAL TAX ADJUSTMENTS	Z863		1,204,592	859,860	269,781	51,328	23,623	1,204,592
NET FED INCOME TAX ALLOWABLE	I879		7,848,516	5,601,847	1,758,134	335,573	152,961	7,848,515

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INCOME TAX BASED ON RETURN			Schedule 9 3					
FEDERAL INCOME TAX PAYABLE			6,643,924	4,741,987	1,488,353	284,245	129,338	6,643,923
PRELIM FEDERAL INCOME TAX	1869		6,643,924	4,741,987	1,488,353	284,245	129,338	6,643,923
NET FED INCOME TAX PAYABLE	1889							
STATE INCOME TAX								
KY TAXABLE INCOME ADJUSTMENT		NP29	1,499,627	1,068,664	338,466	63,899	28,598	1,499,627
DEDUCTIONS IN ADD TO Y871	Y911		1,499,627	1,068,664	338,466	63,899	28,598	1,499,627
STATE INCOME TAX ADJUSTMENTS								
STATE PROV DEF INC TAX (410.1)	Z890	DE49	331,863	236,867	74,357	14,141	6,498	331,863
LIB DEPRECIATION	Z892	NP29	0	0	0	0	0	0
AMORT OF LOSS ON REACQUIRED DEBT	Z896	K301	0	0	0	0	0	0
DEFERRED FUEL COST - PGA	Z896		0	0	74,357	14,141	6,498	331,863
TOT STATE PROV DEF IT (410.1)	Z915		331,863	236,867	74,357	14,141	6,498	331,863
STATE PROV DEF INC TAX (411.1)								
TOT STATE PROV DEF IT (411.1)	Z939		0	0	0	0	0	0
OTHER SIT ADJUSTMENTS								
OTHER SIT ADJUSTMENTS	Z941		0	0	0	0	0	0
TOTAL STATE INC TAX ADJUSTMENT	Z951		331,863	236,867	74,357	14,141	6,498	331,863

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INCOME TAX BASED ON RETURN	Schedule 9 4							
SUMMARY OF SIT CALCULATION								
RETURN ON CAPITALIZATION	RC51		19,465,181	13,887,823	4,370,322	828,633	378,403	19,465,181
NET FED INCOME TAX ALLOWABLE	I879		7,848,516	5,601,847	1,758,134	335,573	152,961	7,848,515
NET FED. AND STATE DED. AND ADDITIONS	Y871		(9,872,802)	(7,040,275)	(2,223,625)	(417,583)	(191,319)	(9,872,802)
AFUDC OFFSET	Y911		(289,745)	(206,391)	(65,216)	(12,534)	(5,604)	(289,745)
TOTAL STATE INC TAX ADJ	Z957		331,863	236,867	74,357	14,141	6,498	331,863
BASE FOR SIT COMPUTATION	J965		17,483,013	12,479,871	3,913,972	748,230	340,939	17,483,012
SIT FACTOR K192/(1-K192)	J967		0.063830	0.063830	0.063830	0.063830	0.063830	0.063830
PRELIMINARY STATE INCOME TAX	J969		1,115,937	796,588	249,828	47,759	21,762	1,115,937
TOTAL STATE INCOME TAX ADJ.	Z957		331,863	236,867	74,357	14,141	6,498	331,863
NET STATE INC TAX EXP ALLOWABLE	J979		1,447,800	1,033,455	324,185	61,900	28,260	1,447,800
STATE INCOME TAX PAYABLE								
PRELIMINARY STATE INCOME TAX	J969		1,115,937	796,588	249,828	47,759	21,762	1,115,937
OTHER SIT ADJUSTMENTS	Z955		0	0	0	0	0	0
NET STATE INCOME TAX PAYABLE	J989		1,115,937	796,588	249,828	47,759	21,762	1,115,937
COMPOSITE TAX RATE	CTAX		0.38900	0.38900	0.38900	0.38900	0.38900	0.38900

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	ITEM	ALLO	TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE
COST OF SERVICE COMPUTATION			Schedule 10					
OTHER OPERATING REVENUES								
INTERDEPARTMENTAL	Q000	K901	43,376	28,200	13,933	872	371	43,376
MISC SERVICE REVENUE	Q002	K401	0	0	0	0	0	0
BAD CHECK, FIELD COLLEC & RECONNCTION CHARG	Q004	K401	35,832	33,188	2,610	25	9	35,832
OTHER MISC REV	Q006	K401	29,844	27,642	2,174	21	7	29,844
REVENUE TRANSP OF GAS ASSOC COS	Q008	K901	600,696	390,530	192,956	12,074	5,136	600,696
RENT LAND & BUILDINGS - ASSOC	Q024	K901	34,176	22,219	10,978	687	292	34,176
TOTAL OTHER OPERATING REVS	Q027		743,924	501,779	222,651	13,679	5,815	743,924
COST OF SERVICE COMPUTATION								
TOTAL OP EXP EXC INC & REV TAX	OP61		113,703,712	75,572,393	35,840,444	1,469,359	821,516	113,703,712
RETURN ON CAPITALIZATION	RC51		19,465,181	13,887,823	4,370,322	828,633	378,403	19,465,181
NET FED INCOME TAX ALLOWABLE	I879		7,848,516	5,601,847	1,758,134	335,573	152,961	7,848,516
NET STATE INCOME TAX ALLOWABLE	J979		1,447,800	1,033,455	324,185	61,900	28,260	1,447,800
TOTAL OTHER OPERATING REVENUES	Q027		(743,924)	(501,779)	(222,651)	(13,679)	(5,815)	(743,924)
SUBTOTAL B	CS03		141,721,285	95,593,739	42,070,434	2,681,786	1,375,325	141,721,284
TOTAL OTHER OPERATING REVENUES	Q027		743,924	501,779	222,651	13,679	5,815	743,924
LESS: REVS EXCL FROM REV TAX CALC	REXC		0	0	0	0	0	0
OTHER OPERATING REVS TO BE TAXED	OORT		743,924	501,779	222,651	13,679	5,815	743,924
REVENUE TAX FACTOR	L030		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REVENUE TAX ON OTHER OPER. REVS	L031		0	0	0	0	0	0
AFUDC OFFSET	L032	CW29	(289,745)	(206,391)	(65,216)	(12,534)	(5,604)	(289,745)
OTHER DEDUCTION COST TO SERVICE	L033		(289,745)	(206,391)	(65,216)	(12,534)	(5,604)	(289,745)
TOTAL GAS COST OF SERVICE	CS05		141,431,540	95,387,348	42,005,218	2,669,252	1,369,721	141,431,539
PROPOSED REVENUES	R602		141,431,759	95,387,592	42,005,213	2,669,206	1,369,748	141,431,759
TOTAL GAS COST OF SERVICE	CS05		(141,431,540)	(95,387,348)	(42,005,218)	(2,669,252)	(1,369,721)	(141,431,539)
EXCESS REVENUES	XREV		219	244	(5)	(46)	27	220
COMPOSITE TAX RATE	CTAX		0.38900	0.38900	0.38900	0.38900	0.38900	0.38900
EXCESS TAX	XTAX		85	94	(2)	(18)	11	85
EXCESS RETURN	XRET		134	150	(3)	(28)	16	135

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
 GAS CASE NO: 2009-00202

FR-10(9)v-1
 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE
ROR, TAX RATES & SPEC FACTORS			Schedule 11					
RATE OF RETURN				RATIO	RATIO	RATIO	RATIO	RATIO
CAPITALIZATION AMOUNTS								
LONG TERM DEBT	K100		367,408,791	0.4459	0.4459	0.4459	0.4459	0.4459
PREFERRED STOCK	K102		0	0.0000	0.0000	0.0000	0.0000	0.0000
COMMON STOCK	K104		411,218,278	0.49901	0.4990	0.4990	0.4990	0.4990
SHORT TERM DEBT	K106		45,441,090	0.05514	0.0551	0.0551	0.0551	0.0551
UNAMORTIZED DISCOUNT	K108		0	0.0000	0.0000	0.0000	0.0000	0.0000
TOTAL	K115		824,068,159	1.0000	1.0000	1.0000	1.0000	1.0000
COST OF CAPITAL								
LONG TERM DEBT	K120		0.04657	0.04657	0.04657	0.04657	0.04657	0.04657
PREFERRED STOCK	K122		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
COMMON STOCK	K124		0.11000	0.11000	0.11000	0.11000	0.11000	0.11000
SHORT TERM DEBT	K126		0.01928	0.01928	0.01928	0.01928	0.01928	0.01928
UNAMORTIZED DISCOUNT	K128		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
WEIGHTED COST OF CAPITAL								
LONG TERM DEBT	K141		0.02076	0.02076	0.02076	0.02076	0.02076	0.02076
PREFERRED STOCK	K143		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
COMMON STOCK	K145		0.05489	0.05489	0.05489	0.05489	0.05489	0.05489
SHORT TERM DEBT	K147		0.00106	0.00106	0.00106	0.00106	0.00106	0.00106
UNAMORTIZED DISCOUNT	K149		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
TOT RATE OF RETURN ALLOWABLE	RORA		0.07671	0.07671	0.07671	0.07671	0.07671	0.07671
TAX RATES AND SPECIAL FACTORS								
SHORT TERM DEBT COST	K180		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
FEDERAL INCOME TAX RATE	K190		0.35000	0.35000	0.35000	0.35000	0.35000	0.35000
STATE INCOME TAX RATE	K192		0.06000	0.06000	0.06000	0.06000	0.06000	0.06000
REVENUE TAX RATE	K196		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

DUKE ENERGY KENTUCKY
COST OF SERVICE STUDY
TWELVE MONTHS ENDING JANUARY 31, 2011
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	ITEM	ALLO	TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE
INCOME TAX BASED ON REVENUES			Schedule 12					
NET INCOME COMPUTATION								
TOTAL GAS COST OF SERVICE	CS05		141,431,540	95,387,348	42,005,218	2,669,252	1,369,721	141,431,539
TOTAL OTHER OPERATING REVENUES	Q027		743,924	501,779	222,651	13,679	5,815	743,924
TOTAL GAS REVENUE	CS07		142,175,464	95,889,127	42,227,869	2,682,931	1,375,536	142,175,463
TOTAL OP EXP EX INC & REV TAX	OP61		(113,703,712)	(75,572,393)	(35,840,444)	(1,469,359)	(821,516)	(113,703,712)
FIRM SERVICE REVENUE TAX	RTXP		0	0	0	0	0	0
NET INCOME	NI01		28,471,752	20,316,734	6,387,425	1,213,572	554,020	28,471,751
ADJUSTMENTS TO NET INCOME								
TOTAL INTEREST EXPENSE	Y783		(4,388,840)	(3,131,306)	(985,382)	(186,833)	(85,319)	(4,388,840)
TOTAL OTHER DEDUCTIONS	Y823		(3,984,335)	(2,840,305)	(899,777)	(166,851)	(77,402)	(3,984,335)
PRELIMINARY TAXABLE INCOME	TI01		20,098,577	14,345,123	4,502,266	859,888	391,299	20,098,576
STATE INCOME TAX COMPUTATION								
PRELIMINARY TAX ABLE INCOME (INCL AFUDC)	TI01		20,098,577	14,345,123	4,502,266	859,888	391,299	20,098,576
DEDUCTIONS IN ADD TO Y871	Y911		(1,499,627)	(1,068,664)	(338,466)	(63,899)	(28,598)	(1,499,627)
STATE TAXABLE INCOME	SI01		18,598,950	13,276,459	4,163,800	795,989	362,701	18,598,949
STATE INCOME TAX PAYABLE								
STATE INCOME TAX RATE	K192		0.06000	0.06000	0.06000	0.06000	0.06000	0.06000
PRELIM SIT = SI01 * K192	ST01		1,115,937	796,588	249,828	47,759	21,762	1,115,937
OTHER SIT ADJUSTMENTS	Z955		0	0	0	0	0	0
STATE INCOME TAX PAYABLE	SP01		1,115,937	796,588	249,828	47,759	21,762	1,115,937
SIT ALLOWABLE								
STATE INCOME TAX PAYABLE	SP01		1,115,937	796,588	249,828	47,759	21,762	1,115,937
TOTAL STATE PROV DEF IT(410.1)	Z911		331,863	236,867	74,357	14,141	6,498	331,863
TOTAL STATE PROV DEF IT(411.1)	Z933		0	0	0	0	0	0
NET STATE INC TAX ALLOWABLE	SA01		1,447,800	1,033,455	324,185	61,900	28,260	1,447,800

DUKE ENERGY KENTUCKY
COST OF SERVICE STUDY
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	ITEM	ALLO	TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE
<u>INCOME TAX BASED ON REVENUES</u>			Schedule 12 2					
<u>FEDERAL INCOME TAX COMPUTATION</u>								
PRELIMINARY TAXABLE INCOME (INCL AFUDC)	TI01		20,098,577	14,345,123	4,502,266	859,888	391,299	20,098,576
STATE INC TAX PAYABLE	SP01		(1,115,937)	(796,588)	(249,828)	(47,759)	(21,762)	(1,115,937)
<u>NET FEDERAL TAXABLE INCOME</u>	FI01		18,982,640	13,548,535	4,252,438	812,129	369,537	18,982,639
FEDERAL INCOME TAX RATE	K190		0.35000	0.35000	0.35000	0.35000	0.35000	0.35000
PRELIMINARY FIT = FI01 * K190	FT01		6,643,924	4,741,988	1,488,353	284,245	129,338	6,643,924
TOTAL FED PROV DEF IT (410.1)	Z781		1,277,249	911,636	286,180	54,424	25,009	1,277,249
TOTAL FED PROV DEF IT (411.1)	Z803		0	0	0	0	0	0
TOTAL AMORTIZED ITC & SERV CO ALLOC CR	Z813		(72,657)	(51,776)	(16,399)	(3,096)	(1,386)	(72,657)
<u>NET FED INC TAX ALLOWABLE</u>	FA01		7,848,516	5,601,848	1,758,134	335,573	152,961	7,848,516
<u>FEDERAL INCOME TAX PAYABLE</u>								
PRELIM FIT	FT01		6,643,924	4,741,988	1,488,353	284,245	129,338	6,643,924
TEST YEAR INV TAX CREDIT	Z823		0	0	0	0	0	0
<u>FED INC TAX PAYABLE</u>	FP01		6,643,924	4,741,988	1,488,353	284,245	129,338	6,643,924
<u>PRELIMINARY SUMMARY</u>								
NET INCOME (EXCL AFUDC OFFSET)	NI01		28,761,497	20,523,125	6,452,641	1,226,106	559,624	28,761,496
NET FED INC TAX ALLOWABLE	FA01		(7,848,516)	(5,601,848)	(1,758,134)	(335,573)	(152,961)	(7,848,516)
NET STATE INC TAX ALLOWABLE	SA01		(1,447,800)	(1,033,455)	(324,185)	(61,900)	(28,260)	(1,447,800)
<u>OVERALL RETURN EARNED-SCH 12</u>	RETU		19,465,181	13,887,822	4,370,322	828,633	378,403	19,465,180
RATE OF RETURN EARNED-SCH 12	RORX		0.07671	0.07671	0.07671	0.07671	0.07671	0.07671

DUKE ENERGY KENTUCKY
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ALLOCATORS	ALLO	TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE	ALL OTHER
Schedule 13 2							100.000	0.000
BLENDED CUSTOMER-DEMAND AVG & EXCESS		100.000	63.719	27.588	6.143	2.550	100.000	0.0000
RATIO TO TOTAL GAS	K415	1.00000	0.63719	0.27588	0.06143	0.02550	1.00000	0.00000
WEIGHTED CUST - REGULATORS		159,808	88,348	69,480	1,452	528	159,808	0
RATIO TO TOTAL GAS	K417	1.00000	0.55284	0.43477	0.00909	0.00330	1.00000	0.00000
A & G PROD-DEMAND EXCL REG EXP		423,843	270,764	153,079	0	0	423,843	0
RATIO TO TOTAL GAS	K419	1.00000	0.63883	0.36117	0.00000	0.00000	1.00000	0.00000
A & G PROD-COMMODITY EXCL REG EXP		522,260	333,635	188,625	0	0	522,260	0
RATIO TO TOTAL GAS	K421	1.00000	0.63883	0.36117	0.00000	0.00000	1.00000	0.00000
A & G PROD-DISTRIBUTION EXCL REG EXP		5,570,510	3,660,326	1,275,368	390,493	244,323	5,570,510	0
RATIO TO TOTAL GAS	K423	1.00000	0.65709	0.22895	0.07010	0.04386	1.00000	0.00000
A & G PROD-CUST ACCTG EXCL REG EXP		2,851,425	2,478,145	332,533	21,585	19,162	2,851,425	0
RATIO TO TOTAL GAS	K425	1.00000	0.86909	0.11662	0.00757	0.00672	1.00000	0.00000
A & G PROD-CUST SERV & INFO EXCL REG EXP		493,366	456,966	35,937	340	123	493,366	0
RATIO TO TOTAL GAS	K427	1.00000	0.92622	0.07284	0.00069	0.00025	1.00000	0.00000
A & G PROD-SALES EXCL REG EXP		0	0	0	0	0	0	0
RATIO TO TOTAL GAS	K429	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
LARGE CUSTOMERS		7,038	0	6,948	66	24	7,038	0
RATIO TO TOTAL GAS	K431	1.00000	0.00000	0.98721	0.00938	0.00341	1.00000	0.00000
ASSIGN 100% TO TRANSPORTATION		90	0	0	66	24	90	0
RATIO TO TOTAL GAS	K433	1.00000	0.00000	0.00000	0.73333	0.26667	1.00000	0.00000
GS INDUST, FT IT TRANSP		3,371,622	0	360,818	1,584,782	1,426,022	3,371,622	0
RATIO TO TOTAL GAS	K595	1.00000	0.00000	0.10702	0.47004	0.42295	1.00001	(0.00001)
ASSIGN 100% TO IT		1	0	0	0	1	1	0
RATIO TO TOTAL GAS	K597	1.00000	0.00000	0.00000	0.00000	1.00000	1.00000	0.00000
PLANT ACCTS 2761-2763, 2765 & 2801- 2803		244,725,308	177,145,223	52,214,964	10,812,679	4,552,442	244,725,308	0
RATIO TO TOTAL GAS	K667	1.00000	0.72386	0.21336	0.04418	0.01860	1.00000	0.00000
PLANT ACCTS 2810, 2811, 2820, 2821, 2830, 2840		26,109,362	16,445,347	8,613,607	573,200	477,208	26,109,362	0
RATIO TO TOTAL GAS	K697	1.00000	0.62987	0.32990	0.02195	0.01828	1.00000	0.00000
PRESENT REVENUES		123,937,423	80,575,805	39,810,798	2,490,892	1,059,928	123,937,423	0
RATIO TO TOTAL GAS	K901	1.00000	0.65013	0.32122	0.02010	0.00855	1.00000	0.00000
DSM REV & COST ALLOC - RESIDENTIAL		1	1	0	0	0	1	0
RATIO TO TOTAL GAS	K902	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000
PRESENT REVENUES-HARD CODED FROM SCHEDULE M		123,937,423	80,575,805	39,810,798	2,490,892	1,059,928	123,937,423	0
PROPOSED REVENUES	R600	141,431,759	95,387,592	42,005,213	2,669,206	1,369,748	141,431,759	0
PROPOSED INCREASE	R602	17,494,336	14,811,787	2,194,415	178,314	309,820	17,494,336	0

DUKE ENERGY KENTUCKY
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 WITNESS RESPONSIBLE:
 DONALD L. STORCK

ALLOCATORS	ALLO	TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE	ALL OTHER
Schedule 13 3								
WEIGHTED ALLOCATORS								
SPECIAL ALLOCATOR INFO FOR K667		231,372,289	147,431,117	63,828,905	14,213,431	5,898,836	231,372,289	0
MAINS GROSS PLANT		101,262,272	93,466,089	7,056,968	459,731	279,484	101,262,272	0
SERVICES GROSS PLANT		(60,842,240)	(38,768,859)	(16,784,609)	(3,737,599)	(1,551,173)	(60,842,240)	0
MAINS ACCUM RESERVE		(27,067,013)	(24,983,124)	(1,886,300)	(122,884)	(74,705)	(27,067,013)	0
SERVICE ACCUM RESERVE								0
TOTAL		244,725,308	177,145,223	52,214,964	10,812,679	4,552,442	244,725,308	0
SPECIAL ALLOCATOR INFO FOR K697		21,006,025	14,261,830	5,526,475	633,332	584,388	21,006,025	0
MTRS & MTR INST PLANT		12,534,431	6,929,534	5,449,595	113,938	41,364	12,534,431	0
HOUSE REG & INST PLANT		(5,057,978)	(3,434,064)	(1,330,703)	(152,498)	(140,713)	(5,057,978)	0
MTRS & MTR INST ACCUM RES		(2,373,116)	(1,311,953)	(1,031,760)	(21,572)	(7,831)	(2,373,116)	0
HOUSE REG & INST ACCUM RES								0
TOTAL		26,109,362	16,445,347	8,613,607	573,200	477,208	26,109,362	0
GROSS GAS PLANT IN SERVICE								
WTD GROSS PROD PLANT RATIOS	P129	1.00000	0.65314	0.34686	0.00000	0.00000	1.00000	0.00000
WTD GROSS TRANS PLANT RATIOS	T129	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000
WTD GROSS P & T PLT RATIOS	PT29	1.00000	0.65314	0.34686	0.00000	0.00000	1.00000	0.00000
WTD GROSS DIST PLANT RATIOS	D149	1.00000	0.71232	0.22508	0.04326	0.01934	1.00000	0.00000
WTD GROSS TRANS & DIST RATIOS	TD29	1.00000	0.71232	0.22508	0.04326	0.01934	1.00000	0.00000
WTD GROSS PTD PLT RATIOS	PD29	1.00000	0.71199	0.22575	0.04302	0.01924	1.00000	0.00000
WTD GROSS G & I PLT RATIOS	G129	1.00000	0.73011	0.20134	0.04182	0.02673	1.00000	0.00000
WTD GROSS C & O PLANT RATIOS	C129	1.00000	0.73011	0.20134	0.04182	0.02673	1.00000	0.00000
WTD GROSS PLANT RATIOS	GP19	1.00000	0.71258	0.22496	0.04298	0.01948	1.00000	0.00000
WTD DISTR ACCUM RESERVE	D199	1.00000	0.71190	0.22292	0.04476	0.02042	1.00000	0.00000
WTD TOTAL DEPRC RES RATIOS	DR19	1.00000	0.71245	0.22298	0.04399	0.02058	1.00000	0.00000
NET GAS PLANT								
WTD NET PROD PLANT RATIOS	P229	1.00000	0.65314	0.34686	0.00000	0.00000	1.00000	0.00000
WTD NET TRANS PLANT RATIOS	T229	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
WTD NET DIST PLANT RATIOS	D249	1.00000	0.71247	0.22584	0.04273	0.01896	1.00000	0.00000
WTD NET TRANS & DIST RATIOS	NT29	-1.00000	0.71247	0.22584	0.04273	0.01896	1.00000	0.00000
WTD NET G & I PLT RATIOS	G229	1.00000	0.72778	0.20267	0.04244	0.02711	1.00000	0.00000
WTD NET C & O PLANT RATIOS	C229	1.00000	0.73172	0.19726	0.04333	0.02769	1.00000	0.00000
WTD NET PLANT RATIOS	NP29	1.00000	0.71262	0.22570	0.04261	0.01907	1.00000	0.00000

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ALLOCATORS	ALLO	TOTAL GAS	RS RESIDENTIAL	GS GENERAL SERV	FT FIRM TRANS	IT INTERRUPT TRANS	TOTAL AT ISSUE	ALL OTHER
Schedule 13.4								
RATE BASE ADJUSTMENTS								
WORKING CAPITAL								
WTD MATERIAL & SUPPLY RATIOS	W669	1.00000	0.63127	0.39143	(0.01568)	(0.00702)	1.00000	0.00000
WTD PREPAYMENTS RATIOS	W689	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
WTD CASH WORKING CAP RATIOS	W719	1.00000	0.73014	0.20092	0.04206	0.02688	1.00000	0.00000
WTD TOTAL WORKING CASH RATIOS	W729	1.00000	0.73014	0.20092	0.04206	0.02688	1.00000	0.00000
WTD TOTAL MISC WRKNG CAP RATIO	W749	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000
WTD TOTAL WRKNG CAP RATIOS	WC79	1.00000	0.72035	0.21976	0.03636	0.02353	1.00000	0.00000
RATE BASE								
WTD NET OCRB RATIOS	RB29	1.00000	0.71340	0.22457	0.04263	0.01940	1.00000	0.00000
WTD TOTAL RATE BASE RATIOS	RB99	1.00000	0.71347	0.22452	0.04257	0.01944	1.00000	0.00000
WTD CWIP RATIO	CW29	1.00000	0.71232	0.22508	0.04326	0.01934	1.00000	0.00000
WEIGHTED RATIOS								
O & M EXPENSES								
WTD PROD ENERGY EXP RATIOS	P349	1.00000	0.63883	0.36117	0.00000	0.00000	1.00000	0.00000
WTD TRANS O&M EXP RATIOS	T349	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
WTD DIST O&M EXP RATIOS	D349	1.00000	0.65709	0.22895	0.07010	0.04386	1.00000	0.00000
WTD CUST ACCT EXP RATIOS	C319	1.00000	0.86909	0.11662	0.00757	0.00672	1.00000	0.00000
WTD SALES EXP RATIOS	S319	1.00000	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000
WTD A&G EXP RATIOS	A339	1.00000	0.73010	0.20135	0.04182	0.02673	1.00000	0.00000
WTD O&M EXP RATIOS	OM39	1.00000	0.65665	0.32999	0.00815	0.00521	1.00000	0.00000
DEPRECIATION EXPENSES								
WTD PRODUCTION DEPREC RATIOS	P489	1.00000	0.65314	0.34686	0.00000	0.00000	1.00000	0.00000
WTD TRANS DEPREC RATIOS	T489	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
WTD DIST DEPREC RATIOS	D489	1.00000	0.71247	0.22584	0.04273	0.01896	1.00000	0.00000
WTD GENERAL DEPREC EXP RATIOS	G489	1.00000	0.72778	0.20267	0.04244	0.02711	1.00000	0.00000
WTD COM & OTHER DEP EXP RATIOS	C489	1.00000	0.73172	0.19726	0.04333	0.02769	1.00000	0.00000
WTD TOT DEPREC EXP RATIOS	DE49	1.00000	0.71375	0.22406	0.04261	0.01958	1.00000	0.00000
OTHER TAXES & MISC EXPENSES								
WTD R. E. & PROP TAX RATIOS	L529	1.00000	0.71262	0.22570	0.04261	0.01907	1.00000	0.00000
WTD MISC TAX RATIOS	L589	1.00000	0.73969	0.18699	0.04442	0.02890	1.00000	0.00000
WTD OTHER TAX RATIOS	L599	1.00000	0.71593	0.22100	0.04271	0.02036	1.00000	0.00000
WTD OP EXP EX IT & REV RATIOS	OP69	1.00000	0.66464	0.31521	0.01292	0.00723	1.00000	0.00000
INCOME TAXES								
WTD TOTAL GAS REVENUE	CS09	1.00000	0.67445	0.29700	0.01887	0.00968	1.00000	0.00000
OPERATING EXPENSES								
WTD PROD O&M EXP RATIOS	P459	1.00000	0.63889	0.36111	0.00000	0.00000	1.00000	0.00000
WTD TRANS O&M EXP RATIOS	T349	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
WTD DIST O&M EXP RATIOS	D349	1.00000	0.65709	0.22895	0.07010	0.04386	1.00000	0.00000
WTD C S & I EXPENSE RATIOS	C331	1.00000	0.92622	0.07284	0.00069	0.00025	1.00000	0.00000

**DUKE ENERGY KENTUCKY
COMPUTATION OF THE RATE INCREASE AMOUNT BY RATE CLASS
INTERCLASS SUBSIDY CALCULATION
TWELVE MONTHS ENDING JANUARY 31, 2011
GAS CASE NO: 2009-00202**

FR-10(9)v-1
WITNESS RESPONSIBLE:
DONALD L. STORCK

Line No.	Rate Class	Capitalization (A)	Present Revenues (B)	Present Net Operating Income (C) <small>Sched 1 COS net present revenues + proposed revenues, total return earned</small>	Present ROR (D)	Gross Revenues At Average ROR (E)	Interclass Subsidization Overcollected (Undercollected)* (F)	Interclass Subsidization Times 100% (G)	Rate Increase Allocated on Capitalization (H)	Proposed Revenues Reflecting Elimination of 100% of Interclass Subsidies (I)	Proposed Percent Increase (J)	Proposed Increase Reflecting Elimination of 100% of Interclass Subsidization (L)	ROR At Proposed Rates (K)	Revenue Distribution (M)
		Schedule 1 COS	Schedule 1 COS		(C) / (A)	(((A) * (A) Line B) - (C)) / ((A) Line 11) + (B)	(B) - (E)	(F) * 100%	((A) / (A) Line 6)) * ((H) Line 6)	(H)-(G)+(B)	((J)-(B))/(B)	(H) - (G)	(((L)/(Line 11)+(C)))/(A)	((J)/(I) Line 6)
1	Rate RS	181,043,179	80,575,805	4,837,972	2.6723000%	82,905,852	(2,330,047)	(2,330,047)	12,481,528	95,387,380	18.38220%	14,811,575	7.67100%	67.44420%
2	Rate GS	58,972,003	39,810,798	3,029,531	5.3176000%	38,077,415	1,733,383	1,733,383	3,927,779	42,005,194	5.51210%	2,194,396	7.67100%	29.70000%
3	Rate FT-L	10,802,148	2,490,892	719,655	6.6621000%	1,824,522	566,370	568,370	744,725	2,668,247	7.16030%	178,355	7.67100%	1.88730%
4	Rate IT	4,932,905	1,059,928	189,119	3.8338000%	1,029,634	30,294	30,294	340,086	1,368,720	29.22760%	309,782	7.67100%	0.96850%
5														
6	Total	253,750,235	123,937,423	8,776,277	3.4586000%	123,937,423	0	0	17,494,117	141,431,540	14.11530%	17,494,117	7.6710%	100.000%
7														
8	Avg. Present Rate of Return	3.4586000%												
9														
10														
11	Tax Complement	61.100000%	(1-composite tax rate)											

* (Undercollected) means that class is being subsidized by other classes. Overcollected means that class is subsidizing other classes.

DUKE ENERGY KENTUCKY
COST OF SERVICE STUDY
TWELVE MONTHS ENDING JANUARY 31, 2011
GAS CASE NO: 2009-00202

	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
SUMMARY OF RESULTS							
Schedule 1							
NET INCOME COMPUTATION			277,183,024	429,367	123,579,304	153,174,353	277,183,024
GROSS GAS PLANT IN SERVICE	GP11		(75,808,174)	(242,796)	(34,057,757)	(41,507,621)	(75,808,174)
TOTAL DEPRECIATION RESERVE	DR11		(20,777,257)	307,057	(10,022,331)	(11,061,983)	(20,777,257)
TOTAL RATE BASE ADJUSTMENTS	RB71		180,597,593	493,628	79,499,216	100,604,749	180,597,593
TOTAL RATE BASE	RB91		181,043,179	494,248	79,695,207	100,853,724	181,043,179
CAPITALIZATION ALLOC TO GAS OPER	GCAP						
OPERATING EXPENSES			64,324,114	47,277,881	7,735,395	9,310,838	64,324,114
TOTAL O&M EXPENSE	OM31		8,320,709	32,332	3,599,869	4,688,508	8,320,709
TOTAL DEPRECIATION EXPENSE	DE41		2,927,570	7,798	1,224,704	1,695,068	2,927,570
TOTAL OTHER TAX & MISC EXPENSE	L591		75,572,393	47,318,011	12,559,968	15,694,414	75,572,393
TOTAL OP EXP EXC INC & R TAX	OP61		5,601,847	(9,376)	2,481,331	3,129,892	5,601,847
NET FED INCOME TAX EXP ALLOWABLE	I879		1,033,455	(1,489)	456,945	577,999	1,033,455
NET STATE INCOME TAX EXP ALLOWABLE	J979		(206,391)	0	(92,721)	(113,670)	(206,391)
AFUDC OFFSET	LO33	KNET_CWIP	82,001,305	47,307,146	15,405,523	19,288,635	82,001,304
TOTAL OPERATING EXPENSE	OPEX						
RETURN ON CAPITALIZATION	RC51		13,887,823	37,915	6,113,419	7,736,489	13,887,823
TOTAL OTHER OPERATING REVENUES	QO27		(501,779)	(310,244)	(111,345)	(80,190)	(501,779)
TOTAL GAS COST OF SERVICE	CS05		95,387,349	47,034,817	21,407,597	26,944,934	95,387,348
PROPOSED REVENUES	R602		95,387,592	49,819,246	13,377,026	32,191,320	95,387,592
EXCESS REVENUES	XREV		243	2,784,429	(8,030,571)	5,246,386	244
TOTAL RETURN EARNED	RETE		13,887,973	1,739,202	1,206,740	10,942,031	13,887,973
RATE OF RETURN EARNED ON CAP	RORE		0.076710	3.518880	0.015140	0.108490	0.07671
TOTAL RATE OF RETURN ALLOWABLE	RORA		0.076710	0.076710	0.076710	0.076710	0.07671
RETURN EARNED ON COMMON EQUITY	REOE		0.11000	7.00800	(0.01340)	0.17368	0.11000
ALLOWED RETURN ON COMMON EQUITY	AROE		0.11000	0.11000	0.11000	0.11000	0.11000
PRESENT REVENUES	R600		80,575,805	49,819,246	17,880,031	12,876,528	80,575,805
REVENUE INCREASE JUSTIFIED	RIJD		14,811,544	(2,784,429)	3,527,566	14,068,406	14,811,543
PER UNIT PRES REV	RIJP		0.18382	(0.05589)	0.19729	1.09256	0.18382
REVENUE INCREASE REQUESTED	RIRD		14,811,787	0	(4,503,005)	19,314,792	14,811,787
PER UNIT PRES REV	RIRP		0.18382	0.00000	(0.25185)	1.50000	0.18382

DUKE ENERGY KENTUCKY
COST OF SERVICE STUDY
TWELVE MONTHS ENDING JANUARY 31, 2011
GAS CASE NO: 2009-00202

	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
	Schedule 2		1,368,295	0	1,368,295	0	1,368,295
GROSS GAS PLT IN SERVICE	P100	KPROD	1,368,295	0	1,368,295	0	1,368,295
PRODUCTION PLANT	P121						0
PRODUCTION PLANT IN SERVICE			0	0	0	0	0
TRANSMISSION PLANT	T100						1,368,295
TRANSMISSION PLANT	T121		1,368,295	0	1,368,295	0	1,368,295
TRANSMISSION PLANT IN SERVICE	PT21						0
TOTAL PROD & TRANS PLANT			2,504,781	0	2,504,781	0	2,504,781
DISTRIBUTION PLANT	D100	KDIST_STR_D	649,186	0	649,186	0	649,186
SYSTEM M&R - (2780, 2781)	D102	KDIST_STR_D	(5)	0	(5)	0	(5)
DIST REG - 2782	D104	KDIST_LRGIND_D	115,285,871	0	115,285,871	32,145,246	115,285,871
LARGE IND M&R - (2850, 2851)	D106	KDIST_MA_D	32,145,246	0	0	14,261,830	32,145,246
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)	D107	KDIST_MA_C	93,466,089	0	0	14,261,830	93,466,089
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)	D108	KSERV_CUS	14,261,830	0	660,349	0	14,261,830
SERVICES - (2801, 2802, 2803, 2804, 2805-2807)	D110	KMTRS_CUS	660,349	0	0	6,929,534	660,349
MTRS & MTR INST (2810, 2811, 2820, 2821)	D112	KDIST_STR_D	6,929,534	0	0	0	6,929,534
LAND, R OF W STRUCT & IMPROV, OTH, SL	D114	KMTRS_CUS	646,136	0	646,136	0	646,136
HOUSE REG & INSTALL (2830-2831, 2840-2841)	D118	KDIST_STR_D	266,549,017	0	119,746,318	146,802,699	266,549,017
GAS DISTRIBUTION - COMPLETED NOT CLASS	D141	KDIST_MA_D	267,917,312	0	121,114,613	146,802,699	267,917,312
DISTRIBUTION PLANT IN SERVICE	TD21						90,854
TOTAL TRANS & DIST PLANT	PD21		90,854	0	90,854	0	90,854
TOTAL GROSS PTD PLANT			111,951	111,951	551,773	676,436	111,951
GENERAL & INTANGIBLE PLANT	G100	KA&G_PROD	1,228,209	(0)	0	831,533	1,228,209
PRODUCTION PLANT	G102	KA&G_PROD_C	831,533	0	0	153,334	831,533
PRODUCTION PLANT COMMODITY	G104	KA&G_DIST	153,334	0	0	0	153,334
DISTRIBUTION PLANT	G106	KA&G_CA	0	0	0	0	0
CUSTOMER ACCOUNTING	G108	KA&G_CS_INF	0	0	0	0	0
CUSTOMER SERVICE & INFORMATION	G110	KA&G_SALES	2,415,881	111,951	642,627	1,661,303	2,415,881
SALES	G121						257,601
GEN & INTANG PLANT IN SERVICE			257,601	(0)	257,601	0	257,601
COMMON & OTHER PLANT	C100	KA&G_PROD	3,482,388	317,416	1,564,463	1,917,925	3,482,388
PRODUCTION PLANT	C102	KA&G_PROD_C	2,357,675	(0)	0	434,751	2,357,675
PRODUCTION PLANT COMMODITY	C104	KA&G_DIST	434,751	0	0	0	434,751
DISTRIBUTION PLANT	C106	KA&G_CA	0	0	0	0	0
CUSTOMER ACCOUNTING	C108	KA&G_CS_INF	0	0	0	0	0
CUSTOMER SERVICE & INFORMATION	C110	KA&G_SALES	6,849,831	317,416	1,822,064	4,710,351	6,849,831
SALES	C121						277,183,024
COMMON & OTHER PLT IN SERVICE	GP11		277,183,024	429,367	123,579,304	153,174,353	277,183,024
GROSS GAS PLT IN SERVICE							

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
 GAS CASE NO: 2009-00202

FR-10(9)v-2
 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
DEPRECIATION RESERVE							
Schedule 3							
PRODUCTION PLANT							
PRODUCTION PLANT	P150	KPROD	794,114	0	794,114	0	794,114
TOTAL PROD DEPREC RESERVE	P171		794,114	0	794,114	0	794,114
TRANSMISSION PLANT							
TRANSMISSION PLANT	T168		0	0	0	0	0
TOTAL TRANS DEPREC RESERVE	T171		0	0	0	0	0
DISTRIBUTION PLANT							
SYSTEM M&R - (2780, 2781)	D150	KDIST_STR_D	1,055,659	0	1,055,659	0	1,055,659
DIST REG - 2782	D152	KDIST_STR_D	330,832	0	330,832	0	330,832
LARGE IND M&R - (2850, 2851)	D154	KDIST_LRGIN_D	(4)	0	(4)	0	(4)
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)	D156	KDIST_MA_D	30,315,864	0	30,315,864	0	30,315,864
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)	D157	KDIST_MA_C	8,452,995	0	0	8,452,995	8,452,995
SERVICES - (2801, 2802, 2803, 2804, 2805-2807)	D158	KSERV_CUS	24,983,124	0	0	24,983,124	24,983,124
MTRS & MTR INST (2810, 2811, 2820, 2821)	D160	KMTRS_CUS	3,434,064	0	0	3,434,064	3,434,064
LAND, R OF W STRUCT & IMPROV, OTH, SL	D162	KDIST_STR_D	347,685	0	347,685	0	347,685
HOUSE REG & INSTALL (2830-2831, 2840-2841)	D164	KMTRS_CUS	1,311,953	0	0	1,311,953	1,311,953
GAS DISTRIBUTION - RWIP	D168	KGROS_DIST	(535,117)	0	(240,401)	(294,716)	(535,117)
TOTAL DIST DEPREC RESERVE	D191		69,697,055	0	31,809,635	37,887,420	69,697,055
GENERAL & INTANGIBLE PLANT							
PRODUCTION PLANT	G150	KA&G_PROD	44,562	(0)	44,562	0	44,562
PRODUCTION PLANT COMMODITY	G152	KA&G_PROD_C	54,909	54,909	0	0	54,909
DISTRIBUTION PLANT	G154	KA&G_DIST	592,005	0	265,958	326,047	592,005
CUSTOMER ACCOUNTING	G156	KA&G_CA	414,558	(0)	0	414,558	414,558
CUSTOMER SERVICE & INFORMATION	G158	KA&G_CS_INF	81,410	(0)	0	81,410	81,410
SALES	G160	KA&G_SALES	1,402	0	0	1,402	1,402
TOTAL GEN DEPREC RESERVE	G171		1,188,846	54,909	310,520	823,417	1,188,846
COMMON & OTHER PLANT							
PRODUCTION PLANT	C150	KA&G_PROD	222,109	(0)	222,109	0	222,109
PRODUCTION PLANT COMMODITY	C152	KA&G_PROD_C	187,888	187,888	0	0	187,888
DISTRIBUTION PLANT	C154	KA&G_DIST	2,050,926	(1)	921,379	1,129,548	2,050,926
CUSTOMER ACCOUNTING	C156	KA&G_CA	1,402,288	0	0	1,402,288	1,402,288
CUSTOMER SERVICE & INFORMATION	C158	KA&G_CS_INF	263,546	0	0	263,546	263,546
SALES	C160	KA&G_SALES	1,402	0	0	1,402	1,402
TOTAL COM & OTHER PLT RESERVE	C171		4,128,159	187,887	1,143,488	2,796,784	4,128,159
DEPRECIATION EXPENSE ANNUALIZATION ADJUSTMENT		KDEPREC_EXP	0	0	0	0	0
TOTAL DEPRECIATION RESERVE	DR11		75,808,174	242,796	34,057,757	41,507,621	75,808,174

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
 GAS CASE NO: 2009-00202

FR-10(9)v-2
 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
NET GAS PLANT	Schedule 4						
PRODUCTION PLANT							
PRODUCTION PLANT IN SERVICE	P121		1,368,295	0	1,368,295	0	1,368,295
TOTAL PROD DEPRC RESERVE	P171		(794,114)	0	(794,114)	0	(794,114)
NET PRODUCTION PLANT	P221		574,181	0	574,181	0	574,181
TRANSMISSION PLANT							
TRANSMISSION PLANT IN SERVICE	T121		0	0	0	0	0
TOTAL TRANS DEPREC RESERVE	T171		0	0	0	0	0
NET TRANSMISSION PLANT	T221		0	0	0	0	0
DISTRIBUTION PLANT							
DISTRIBUTION PLANT IN SERVICE	D141		266,549,017	0	119,746,318	146,802,699	266,549,017
TOTAL DIST DEPREC RESERVE	D191		(69,697,055)	0	(31,809,635)	(37,887,420)	(69,697,055)
NET DISTRIBUTION PLANT	D241		196,851,962	0	87,936,683	108,915,279	196,851,962
NET PTD PALNT	NT31		197,426,143	0	88,510,864	108,915,279	197,426,143
NET TRANS & DIST PLANT	NT21		196,851,962	0	87,936,683	108,915,279	196,851,962
GENERAL & INTANGIBLE PLANT							
GEN & INTANG PLANT IN SERVICE	G121		2,415,881	111,951	642,627	1,661,303	2,415,881
TOTAL GEN & INTG DEPREC RESERVE	G171		(1,188,846)	(54,909)	(310,520)	(823,417)	(1,188,846)
NET GENERAL & INTANG PLANT	G221		1,227,035	57,042	332,107	837,886	1,227,035
COMMON & OTHER PLANT							
COMMON & OTH PLT IN SERVICE	C121		6,849,831	317,416	1,822,064	4,710,351	6,849,831
TOTAL COM & OTH DEPREC RESERVE	C171		(4,128,159)	(187,887)	(1,143,488)	(2,796,784)	(4,128,159)
NET COMMON & OTHER PLANT	C221		2,721,672	129,529	678,576	1,913,567	2,721,672
NET GAS PLANT IN SERVICE	NP21		201,374,850	186,571	89,521,547	111,666,732	201,374,850

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 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
RATE BASE	Schedule 5						
RATE BASE ADJUSTMENTS							
SUBTRACTIVE ADJUSTMENTS							
ACCUM DEF INC TAXES (282)							
LIBERALIZED DEPRECIATION	B200	KNET_PLNT	30,102,794	27,996	13,382,197	16,692,601	30,102,794
OTHER - CIAC, CAP INT	B202	KNET_PLNT	1,116,200	1,038	496,207	618,955	1,116,200
TOTAL ACCOUNT 282	B221		31,218,994	29,034	13,878,404	17,311,556	31,218,994
ACCUM DEF INC TAXES (283)							
MISC DEFERRALS	B222	KA&G_CA	2,148,470	0	0	2,148,470	2,148,470
UNRECOVERED PURCHASED GAS COST	B224	KPROD_COM	188,710	188,710	0	0	188,710
TOTAL ACCOUNT 283	B243		2,337,180	188,710	0	2,148,470	2,337,180
OTHER SUBTRACTIVE ADJUSTMENTS							
CUSTOMER ADV FOR CONSTR (ACCT 252)	B244	KNET_PLNT	1,167,732	1,086	519,115	647,531	1,167,732
ITC (ACCT 255)	B246	KNET_PLNT	5,900	5	2,623	3,272	5,900
TOTAL OTHER SUBTRACTIVE ADJS	B285		1,173,632	1,091	521,738	650,803	1,173,632
TOTAL SUBTRACTIVE ADJUSTMENTS	B287		34,729,806	218,835	14,400,142	20,110,829	34,729,806
ADDITIVE ADJUSTMENTS							
ACCUM DEF INC TAXES (190)							
VAC PAY ACC, POST RET, PEN BEN, DEF COMP	V200	KA&G_FUNCT	9,366,532	434,045	2,491,498	6,440,989	9,366,532
TOTAL ACCOUNT 190	V221		9,366,532	434,045	2,491,498	6,440,989	9,366,532
OTHER							
OTHER	V233		0	0	0	0	0

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 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
Schedule 5 2							
RATE BASE							
CONSTRUCTION WORK IN PROGRESS							
PRODUCTION - CWIP	V234	KGROS_PROD	0	0	0	0	0
DISTRIBUTION - CWIP	V236	KGROS_DIST	2,690,542	0	1,208,726	1,481,816	2,690,542
COMMON - CWIP (GAS)	V238	KGROS_COM	0	0	0	0	0
GENERAL - CWIP	V240	KGROS_GEN	0	0	0	0	0
TOTAL RATE BASE CWIP	V255		2,690,542	0	1,208,726	1,481,816	2,690,542
TOTAL ADDITIVE ADJUSTMENTS	V289		12,057,074	434,045	3,700,224	7,922,805	12,057,074
NET ORIGINAL COST RATE BASE	RB21		178,702,118	401,781	78,821,629	99,478,708	178,702,118
WORKING CAPITAL							
MATERIALS & SUPPLIES							
FUEL SUPPLIES							
TOTAL FUEL STOCKS	W641		0	0	0	0	0
PLANT MATERIALS & SUPPLIES							
GAS ENRICHER LIQUID	W642	KPROD	232,390	0	232,390	0	232,390
OTHER SUPPLIES	W644	KNET_PLNT	(68,193)	(64)	(30,315)	(37,814)	(68,193)
TOTAL PLANT MATS. & SUPPLIES	W659		164,197	(64)	202,075	(37,814)	164,197
TOTAL MATERIALS & SUPPLIES	W661		164,197	(64)	202,075	(37,814)	164,197
PREPAYMENTS							
KY. PSC MAINTENANCE TAX	W674	KFUNC_REV	0	0	0	0	0
TOTAL PREPAYMENTS	W687		0	0	0	0	0
CASH WORKING CAPITAL							
TOTAL GAS, PP & OTHER	W705		0	0	0	0	0
AUTO CALC (O&M-GAS COST)/8	W711		1,731,278	91,911	475,512	1,163,855	1,731,278
TOTAL WORKING CASH	W721		1,731,278	91,911	475,512	1,163,855	1,731,278
MISCELLANEOUS WORKING CAPITAL							
GAS STORED UNDERGROUND	W730	KPROD	0	0	0	0	0
TOTAL MISC WORK CAPITAL	W747		0	0	0	0	0
TOTAL WORKING CAPITAL	WC71		1,895,475	91,847	677,587	1,126,041	1,895,475
PRELIMINARY SUMMARY							
TOTAL SUBTRACTIVE ADJUSTMENTS	B287		(34,729,806)	(218,835)	(14,400,142)	(20,110,829)	(34,729,806)
TOTAL ADDITIVE ADJUSTMENTS	V289		12,057,074	434,045	3,700,224	7,922,805	12,057,074
TOTAL WORKING CAPITAL	WC71		1,895,475	91,847	677,587	1,126,041	1,895,475
TOTAL RATE BASE ADJUSTMENTS	RB71		(20,777,257)	307,057	(10,022,331)	(11,061,983)	(20,777,257)
RATE BASE CALCULATION							
NET GAS PLANT IN SERVICE	NP21		201,374,850	186,571	89,521,547	111,666,732	201,374,850
TOTAL RATE BASE ADJUSTMENTS	RB71		(20,777,257)	307,057	(10,022,331)	(11,061,983)	(20,777,257)
TOTAL RATE BASE	RB91		180,597,593	493,628	79,499,216	100,604,749	180,597,593
CAPITALIZATION ALLOC TO GAS OPER	GCAP	KRATE_BASE	181,043,179	494,248	79,695,207	100,853,724	181,043,179
TOTAL RATE OF RETURN ALLOWABLE	RORA		0.0767100000	0.0767100000	0.0767100000	0.0767100000	0.0767100000
RETURN ON CAPITALIZATION	RC51		13,887,823	37,915	6,113,419	7,736,489	13,887,823

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WITNESS RESPONSIBLE:
DONALD L. STORCK

DUKE ENERGY KENTUCKY
COST OF SERVICE STUDY
TWELVE MONTHS ENDING JANUARY 31, 2011
GAS CASE NO: 2009-00202

	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
		Schedule 6					
O&M EXPENSES			46,497,534	46,497,534	0	0	46,497,534
PRODUCTION O&M			376,588	376,588	0	0	376,588
COMMODITY RELATED O&M	P300	KPROD_COM	46,874,122	46,874,122	0	0	46,874,122
ANNUALIZED GAS COST - COMMODITY	P302	KPROD_COM					
PURCHASED GAS & OTHER	P341						
TOTAL ENERGY RELATED			3,931,302	(0)	3,931,302	0	3,931,302
DEMAND RELATED PROD O&M	P352	KPROD	3,931,302	(0)	3,931,302	0	3,931,302
ANNUALIZED GAS COST - DEMAND	P391						
TOTAL DEMAND RELATED			229,054	0	229,054	0	229,054
OTHER THAN COM/DEM RELATED	P400	KPROD	(21,437)	0	(21,437)	0	(21,437)
PRODUCTION EXPENSES	P402	KPROD	207,617	0	207,617	0	207,617
ELIM OTHER THAN ULH&P PORTION	P441						
TOTAL PROD OTHER THAN COM/DEM	P451		51,013,041	46,874,122	4,138,919	0	51,013,041
TOTAL PRODUCTION O&M			0	0	0	0	0
TRANSMISSION O & M	T318						
TRANSMISSION O & M	T341						
TOTAL TRANSMISSION O & M			246,986	0	110,331	136,655	246,986
DISTRIBUTION O & M	D300	KNET_PLNT_DIST	1,189,589	0	1,189,589	0	1,189,589
LOAD DISPATCH, RENTS	D302	KDIST_MA_D	51,157	0	51,157	0	51,157
MAINS & SERVICES OPER	D304	KDIST_STR_D	917,383	0	0	917,383	917,383
M & R STATION	D306	KMTRS_CUS	121,340	0	0	121,340	121,340
CUSTOMER INST & OTHER	D308	KMTRS_CUS	490,849	0	490,849	0	490,849
METERS & HOUSE REG	D310	KDIST_MA_D	136,864	0	0	136,864	136,864
MAINS	D311	KDIST_MA_C	653,803	0	0	653,803	653,803
MAINS	D312	KSERV_CUS	109,464	0	48,899	60,565	109,464
SERVICES	D314	KNET_PLNT_DIST	(2)	0	(2)	0	(2)
SUPV, ENG & OTHER	D316	KDIST_LRGIND_D	(170,675)	0	(76,242)	(94,433)	(170,675)
M & R, INDUSTRIAL	D318	KNET_PLNT_DIST	3,746,758	0	1,814,581	1,932,177	3,746,758
ELIM OTHER THAN ULH&P PORTION	D341						
TOTAL DISTRIBUTION O & M			2,346,354	0	0	2,346,354	2,346,354
CUSTOMER ACCOUNTING	C300	KCUST_ACCTG	1,323,985	818,607	293,792	211,586	1,323,985
TOT CUST ACCT EXP EXCLUD UNCOLL EXP	C302	KFUNC_REV	(1,208,009)	(746,900)	(268,057)	(193,052)	(1,208,009)
UNCOLLECTIBLE EXP	C304	KFUNC_REV	45,060	27,860	9,999	7,201	45,060
ANNUALIZED UNCOLL EXP ADJ			2,507,390	99,567	35,734	2,372,089	2,507,390
UNCOLLECTIBLES ON INCREASE	C317						
TOTAL CUSTOMER ACCT EXPENSE							

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	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
		Schedule 6 2					
O&M EXPENSES			493,240	0	0	493,240	493,240
CUSTOMER SERVICE & INFORMATION	C320	KCUST_INFO	(792)	0	0	(792)	(792)
TOTAL CUST SERVICE & INFO	C322	KCUST_INFO	492,448	0	0	492,448	492,448
ELIMIN OTHER THAN ULH&P PORTION	C331						
TOTAL CUSTOMER SERV. & INFO.			0	0	0	0	0
SALES	S300	KCUST_SALES	0	0	0	0	0
SALES EXPENSE	S302	KCUST_SALES	0	0	0	0	0
ELIMINATION OF EXPENSE	S317						
TOTAL SALES EXPENSE			0	0	0	0	0
ADMINISTRATIVE & GENERAL			270,764	0	270,764	0	270,764
ADMINISTRATIVE & GENERAL	A300	KA&G_PROD	333,635	333,635	0	0	333,635
PRODUCTION PLANT	A302	KA&G_PROD_C	3,660,326	(1)	1,644,402	2,015,925	3,660,326
PRODUCTION PLANT COMMODITY	A304	KA&G_DIST	2,478,145	0	0	2,478,145	2,478,145
DISTRIBUTION PLANT	A306	KA&G_CA	456,966	0	0	456,966	456,966
CUSTOMER ACCOUNTING	A308	KA&G_CS_INF	0	0	0	0	0
CUSTOMER SERVICE & INFORMATION	A310	KA&G_SALES	7,199,837	333,635	1,915,166	4,951,036	7,199,837
SALES	A312		63,276	2,933	16,831	43,512	63,276
TOT ADMIN & GEN LESS REG EXP	A314	KA&G_FUNCT	(1,562)	(73)	(415)	(1,074)	(1,562)
RATE CASE EXPENSE	A316	KA&G_FUNCT	(450,114)	(20,859)	(119,730)	(309,525)	(450,114)
ELIMINATE VARIOUS EXPENSES	A318	KA&G_FUNCT	(35,094)	(1,626)	(9,335)	(24,133)	(35,094)
INCENTIVE COMPENSATION	A319	KA&G_FUNCT	(211,866)	(9,818)	(56,356)	(145,692)	(211,866)
ANNUALIZE KYPSC MAINT TAX	A320	KA&G_FUNCT	6,564,477	304,192	1,746,161	4,514,124	6,564,477
ELIM MERGER CREDITS & AMORT	A337						
TOTAL ADMIN. & GENERAL			64,324,114	47,277,881	7,735,395	9,310,838	64,324,114
TOTAL O & M EXPENSE	OM31						

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	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
DEPRECIATION EXPENSE							
Schedule 7							
PRODUCTION DEPRECIATION							
PRODUCTION DEPRECIATION	P460	KNET_PLNT_PROD	27,285	0	27,285	0	27,285
TOTAL PRODUCTION DEPREC EXP.	P481		27,285	0	27,285	0	27,285
TRANSMISSION DEPRECIATION			0	0	0	0	0
TOTAL TRANSMISSION DEP. EXP.	T481		0	0	0	0	0
DISTRIBUTION DEPRECIATION							
DISTRIBUTION DEPRECIATION	D460	KNET_PLNT_DIST	6,142,292	0	2,743,823	3,398,469	6,142,292
DISTRIBUTION DEPRECIATION EXP ADJ	D462	KNET_PLNT_DIST	1,469,078	0	656,252	812,826	1,469,078
TOTAL DIST. DEPREC EXP.	D481		7,611,370	0	3,400,075	4,211,295	7,611,370
GENERAL DEPRECIATION							
GENERAL DEPRECIATION	G460	KNET_PLNT_GEN	115,268	5,359	31,198	78,711	115,268
GENERAL DEPRECIATION EXP ADJ	G476	KNET_PLNT_GEN	0	0	0	0	0
TOTAL GENERAL DEPREC EXP.	G481		115,268	5,359	31,198	78,711	115,268
COMMON AND OTHER DEPRECIATION							
COMMON DEPRECIATION	C460	KNET_PLNT_COM	566,786	26,973	141,311	398,502	566,786
COMMON DEPRECIATION EXP ADJ	C476	KNET_PLNT_COM	0	0	0	0	0
TOTAL COM & OTHER DEPREC EXP.	C481		566,786	26,973	141,311	398,502	566,786
TOTAL DEPRECIATION EXPENSE	DE41		8,320,709	32,332	3,599,869	4,688,508	8,320,709

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	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
OTHER TAXES & MISC EXPENSES	Schedule 8						
TAXES OTHER THAN INC & REV							
REAL ESTATE & PROPERTY TAX							
REAL ESTATE & PROPERTY TAX	L500	KNET_PLNT	3,128,858	2,910	1,390,934	1,735,014	3,128,858
ANNUALIZE PROPERTY TAX	L502	KNET_PLNT	(637,486)	(593)	(283,394)	(353,499)	(637,486)
TOTAL REAL EST & PROP TAX	L521		2,491,372	2,317	1,107,540	1,381,515	2,491,372
MISCELLANEOUS TAXES							
PAYROLL & HIGHWAY	L560	KA&G_FUNCT	465,200	21,558	123,743	319,899	465,200
ANNUALIZED PAYROLL TAXES	L562	KA&G_FUNCT	(3,241)	(150)	(862)	(2,229)	(3,241)
KYPSK MAINTENANCE ADJ	L564	KFUNC_REV	(43,959)	(27,179)	(9,755)	(7,025)	(43,959)
TOTAL MISCELLANEOUS TAXES	L581		418,000	(5,771)	113,126	310,645	418,000
MISCELLANEOUS EXPENSES							
KYPSK ON INCREASE	L560	KFUNC_REV	18,198	11,252	4,038	2,908	18,198
TOTAL MISCELLANEOUS EXPENSES	L581		18,198	11,252	4,038	2,908	18,198
TOTAL OTHER TAX & MISC EXPENSE			2,927,570	7,798	1,224,704	1,695,068	2,927,570
PRELIMINARY SUMMARY							
TOTAL O&M EXPENSE	OM31		64,324,114	47,277,881	7,735,395	9,310,838	64,324,114
TOTAL DEPRECIATION EXPENSE	DE41		8,320,709	32,332	3,599,869	4,688,508	8,320,709
TOTAL OTHER TAX & MISC EXPENSE	L591		2,927,570	7,798	1,224,704	1,695,068	2,927,570
TOTAL OP EXP EXC IT & REV TAX	OP61		75,572,393	47,318,011	12,559,968	15,694,414	75,572,393

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	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
INCOME TAX BASED ON RETURN	Schedule 9						
FEDERAL INCOME TAX DEDUCTIONS							
AUTOMATIC INTEREST CALCULATION							
AUTO PROC INTEREST DED	Y751	KRATE_BASE	3,131,306	8,548	1,378,401	1,744,357	3,131,306
TOTAL INTEREST EXPENSE	Y783		3,131,306	8,548	1,378,401	1,744,357	3,131,306
OTHER DEDUCTIONS							
DEPREC EXCESS TAX-BOOK	Y790	KDEPREC_EXP	3,818,494	14,854	1,652,033	2,151,607	3,818,494
AMORT OF LOSS ON REACQUIRED DEBT	Y792	KNET_PLNT	(87,359)	(82)	(38,835)	(48,442)	(87,359)
DEFERRED FUEL COST - PGA	Y794	KPROD_COM	43,793	43,793	0	0	43,793
ADJUSTMENT FOR NON JURISDICTIONAL ACCT	Y796	KNET_PLNT	(934,623)	(869)	(415,487)	(518,267)	(934,623)
TOTAL OTHER DEDUCTIONS	Y823		2,840,305	57,696	1,197,711	1,584,898	2,840,305
NET DEDUCTIONS AND ADDITIONS	Y871		5,971,611	66,244	2,576,112	3,329,255	5,971,611
FEDERAL INCOME TAX ADJUSTMENTS							
FED PROV DEF INC TAX (410.1)							
LIB DEPRECIATION	Z750	KDEPREC_EXP	911,636	3,546	394,410	513,680	911,636
AMORT OF LOSS ON REACQUIRED DEBT	Z752	KNET_PLNT	0	0	0	0	0
DEFERRED FUEL COST - PGA	Z754	KPROD_COM	0	0	0	0	0
TOTAL FED PROV DEF IT (410.1)	Z781		911,636	3,546	394,410	513,680	911,636

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	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
INCOME TAX BASED ON RETURN		Schedule 9 2	0	0	0	0	0
FED PROV DEF INC TAX (411.1)	Z811		51,776	48	23,017	28,711	51,776
TOTAL FED PROV DEF IT (411.1)			51,776	48	23,017	28,711	51,776
AMORT INV TAX CREDIT & SERV CO. ALLOC TAX CR.	Z815	KNET_PLNT	0	0	0	0	0
TOTAL AMORTIZED ITC & SERV CO ALLOC			0	0	0	0	0
TEST YEAR INV TAX CREDIT	Z823		911,636	3,546	394,410	513,680	911,636
TEST YEAR INV TAX CREDIT			0	0	0	0	0
PRELIMINARY SUMMARY	Z781		0	0	0	0	0
TOTAL FED PROV DEF IT (410.1)	Z811		(51,776)	(48)	(23,017)	(28,711)	(51,776)
TOTAL FED PROV DEF IT (411.1)	Z815		859,860	3,498	371,393	484,969	859,860
TOTAL AMORTIZED ITC & ALLOC SERV CO CR	Z863		13,887,823	37,915	6,113,419	7,736,489	13,887,823
TOTAL FEDERAL TAX ADJUSTMENTS			(5,971,611)	(66,244)	(2,576,112)	(3,329,255)	(5,971,611)
FEDERAL INCOME TAX COMPUTATION	RC51		859,860	3,498	371,393	484,969	859,860
RETURN ON CAPITALIZATION	Y871		236,867	922	102,478	133,467	236,867
NET DEDUCTIONS AND ADDITIONS	Z863		(206,391)	0	(92,721)	(113,670)	(206,391)
TOTAL FEDERAL TAX ADJUSTMENTS	Z911		8,806,548	(23,909)	3,918,457	4,912,000	8,806,548
TOTAL STATE PROV DEF IT (410.1 & 411.1)	Z933		0.53846	0.53846	0.53846	0.53846	4,741,987
AFUDC OFFSET	1865		4,741,987	(12,874)	2,109,938	2,644,923	4,741,987
BASE FOR FIT COMPUTATION	1867		859,860	3,498	371,393	484,969	859,860
FIT FACTOR K190/(1-K190)	1869		5,601,847	(9,376)	2,481,331	3,129,892	5,601,847
PRELIM FED INCOME TAX	Z863						
TOTAL FEDERAL TAX ADJUSTMENTS	Z863						
NET FED INCOME TAX ALLOWABLE	1879						

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	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
INCOME TAX BASED ON RETURN							
Schedule 9 3							
FEDERAL INCOME TAX PAYABLE							
PRELIM FEDERAL INCOME TAX	1869		4,741,987	(12,874)	2,109,938	2,644,923	4,741,987
TEST YEAR INV TAX CREDIT	Z823		0	0	0	0	0
NET FED INCOME TAX PAYABLE	1889		4,741,987	(12,874)	2,109,938	2,644,923	4,741,987
STATE INCOME TAX							
KY TAXABLE INCOME ADJUSTMENT		KNET_PLNT	1,068,664	993	475,075	592,596	1,068,664
DEDUCTIONS IN ADD TO Y871	Y911		1,068,664	993	475,075	592,596	1,068,664
STATE INCOME TAX ADJUSTMENTS							
STATE PROV DEF INC TAX (410.1)							
LIB DEPRECIATION	Z890	KDEPREC_EXP	236,867	922	102,478	133,467	236,867
AMORT OF LOSS ON REACQUIRED DEBT	Z892	KNET_PLNT	0	0	0	0	0
DEFERRED FUEL COST - PGA	Z896	KPROD_COM	0	0	0	0	0
TOT STATE PROV DEF IT (410.1)	Z915		236,867	922	102,478	133,467	236,867
STATE PROV DEF INC TAX (411.1)							
TOT STATE PROV DEF IT (411.1)	Z939		0	0	0	0	0
OTHER SIT ADJUSTMENTS							
OTHER SIT ADJUSTMENTS	Z941		0	0	0	0	0
TOTAL STATE INC TAX ADJUSTMENT	Z951		236,867	922	102,478	133,467	236,867

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	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>INCOME TAX BASED ON RETURN</u>							
Schedule 9 4							
<u>SUMMARY OF SIT CALCULATION</u>							
RETURN ON CAPITALIZATION	RC51		13,887,823	37,915	6,113,419	7,736,489	13,887,823
NET FED INCOME TAX ALLOWABLE	I879		5,601,847	(9,376)	2,481,331	3,129,892	5,601,847
NET FED. AND STATE DED. AND ADDITIONS	Y871		(7,040,275)	(67,237)	(3,051,187)	(3,921,851)	(7,040,275)
AFUDC OFFSET	Y911		(206,391)	0	(92,721)	(113,670)	(206,391)
TOTAL STATE INC TAX ADJ	Z957		236,867	922	102,478	133,467	236,867
BASE FOR SIT COMPUTATION	J965		12,479,871	(37,776)	5,553,320	6,964,327	12,479,871
SIT FACTOR K192/(1-K192)	J967		0.063830	0.063830	0.063830	0.063830	0.063830
PRELIMINARY STATE INCOME TAX	J969		796,588	(2,411)	354,467	444,532	796,588
TOTAL STATE INCOME TAX ADJ.	Z957		236,867	922	102,478	133,467	236,867
NET STATE INC TAX EXP ALLOWABLE	J979		1,033,455	(1,489)	456,945	577,999	1,033,455
STATE INCOME TAX PAYABLE	J969		796,588	(2,411)	354,467	444,532	796,588
PRELIMINARY STATE INCOME TAX	Z955		0	0	0	0	0
OTHER SIT ADJUSTMENTS	J989		796,588	(2,411)	354,467	444,532	796,588
NET STATE INCOME TAX PAYABLE							
COMPOSITE TAX RATE	CTAX		0.38900	0.38900	0.38900	0.38900	0.38900

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	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>COST OF SERVICE COMPUTATION</u>							
Schedule 10							
OTHER OPERATING REVENUES	Q000	KFUNC_REV	28,200	17,435	6,258	4,507	28,200
LATE PAYMENT CHARGES	Q002	KFUNC_REV	0	0	0	0	0
MISC SERVICE REVENUE	Q004	KFUNC_REV	33,188	20,520	7,364	5,304	33,188
BAD CHECK & RECONNECTION CHARGES	Q006	KFUNC_REV	27,642	17,091	6,134	4,417	27,642
OTHER MISC REV	Q008	KFUNC_REV	390,530	241,460	86,659	62,411	390,530
REVENUE TRANSP OF GAS ASSOC COS	Q024	KFUNC_REV	22,219	13,738	4,930	3,551	22,219
INTERDEPARTMENTAL	Q027		501,779	310,244	111,345	80,190	501,779
<u>TOTAL OTHER OPERATING REVS</u>							
COST OF SERVICE COMPUTATION	OP61		75,572,393	47,318,011	12,559,968	15,694,414	75,572,393
TOTAL OP EXP EXC INC & REV TAX	RC51		13,887,823	37,915	6,113,419	7,736,489	13,887,823
RETURN ON CAPITALIZATION	1879		5,601,847	(9,376)	2,481,331	3,129,892	5,601,847
NET FED INCOME TAX ALLOWABLE	J979		1,033,455	(1,489)	456,945	577,999	1,033,455
NET STATE INCOME TAX ALLOWABLE	Q027		(501,779)	(310,244)	(111,345)	(80,190)	(501,779)
<u>TOTAL OTHER OPERATING REVENUES</u>	CS03		95,593,740	47,034,817	21,500,318	27,058,604	95,593,739
<u>SUBTOTAL B</u>							
TOTAL OTHER OPERATING REVENUES	Q027		501,779	310,244	111,345	80,190	501,779
LESS: REVS EXCL FROM REV TAX CALC	REXC		0	0	0	0	0
<u>OTHER OPERATING REVS TO BE TAXED</u>	Q027		501,779	310,244	111,345	80,190	501,779
REVENUE TAX FACTOR	L030		0.00000	0.00000	0.00000	0.00000	0.00000
REVENUE TAX ON OTHER OPER. REVS	L031		0	0	0	0	0
AFUDC OFFSET	L032		(206,391)	0	(92,721)	(113,670)	(206,391)
<u>OTHER DEDUCTION COST TO SERVICE</u>	L033		(206,391)	0	(92,721)	(113,670)	(206,391)
<u>TOTAL GAS COST OF SERVICE</u>	CS05		95,387,349	47,034,817	21,407,597	26,944,934	95,387,348
PROPOSED REVENUES	R602		95,387,592	49,819,246	13,377,026	32,191,320	95,387,592
TOTAL GAS COST OF SERVICE	CS05		(95,387,349)	(47,034,817)	(21,407,597)	(26,944,934)	(95,387,348)
EXCESS REVENUES	XREV		243	2,784,429	(8,030,571)	5,246,386	244
COMPOSITE TAX RATE	CTAX		0.38900	0.38900	0.38900	0.38900	0.38900
EXCESS TAX	XTAX		94	1,083,142	(3,123,892)	2,040,844	94
EXCESS RETURN	XRET		150	1,701,287	(4,906,679)	3,205,542	150

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 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
ROR, TAX RATES & SPEC FACTORS							
	Schedule 11						
RATE OF RETURN							
CAPITALIZATION AMOUNTS							
				RATIO	RATIO	RATIO	RATIO
LONG TERM DEBT	K100		367,408,791	0.4459	0.4459	0.4459	0.4459
PREFERRED STOCK	K102		0	0.0000	0.0000	0.0000	0.0000
COMMON STOCK	K104		411,218,278	0.49901	0.4990	0.4990	0.4990
SHORT TERM DEBT	K106		45,441,090	0.05514	0.0551	0.0551	0.0551
UNAMORTIZED DISCOUNT	K108		0	0.0000	0.0000	0.0000	0.0000
TOTAL	K115		824,068,159	1.0000	1.0000	1.0000	1.0000
COST OF CAPITAL							
LONG TERM DEBT	K120		0.04657	0.04657	0.04657	0.04657	0.04657
PREFERRED STOCK	K122		0.00000	0.00000	0.00000	0.00000	0.00000
COMMON STOCK	K124		0.11000	0.11000	0.11000	0.11000	0.11000
SHORT TERM DEBT	K126		0.01928	0.01928	0.01928	0.01928	0.01928
UNAMORTIZED DISCOUNT	K128		0.00000	0.00000	0.00000	0.00000	0.00000
WEIGHTED COST OF CAPITAL							
LONG TERM DEBT	K141		0.02076	0.02076	0.02076	0.02076	0.02076
PREFERRED STOCK	K143		0.00000	0.00000	0.00000	0.00000	0.00000
COMMON STOCK	K145		0.05488	0.05488	0.05488	0.05488	0.05488
SHORT TERM DEBT	K147		0.00106	0.00106	0.00106	0.00106	0.00106
UNAMORTIZED DISCOUNT	K149		0.00000	0.00000	0.00000	0.00000	0.00000
TOT RATE OF RETURN ALLOWABLE	HARD CODE RORA		0.076710	0.07671	0.07671	0.07671	0.07671
TAX RATES AND SPECIAL FACTORS							
SHORT TERM DEBT COST	K180		0.00000	0.00000	0.00000	0.00000	0.00000
FEDERAL INCOME TAX RATE	K190		0.35000	0.35000	0.35000	0.35000	0.35000
STATE INCOME TAX RATE	K192		0.06000	0.06000	0.06000	0.06000	0.06000
REVENUE TAX RATE	K196		0.00000	0.00000	0.00000	0.00000	0.00000

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
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 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>INCOME TAX BASED ON REVENUES</u>							
Schedule 12							
<u>NET INCOME COMPUTATION</u>							
TOTAL GAS COST OF SERVICE	CS05		95,387,349	47,034,817	21,407,597	26,944,934	95,387,348
TOTAL OTHER OPERATING REVENUES	Q027		501,779	310,244	111,345	80,190	501,779
TOTAL GAS REVENUE	CS07		95,889,128	47,345,061	21,518,942	27,025,124	95,889,127
TOTAL OP EXP EX INC & REV TAX	OP61		(75,572,393)	(47,318,011)	(12,559,968)	(15,694,414)	(75,572,393)
FIRM SERVICE REVENUE TAX	RTXP		0	0	0	0	0
NET INCOME	NI01		20,316,734	27,050	8,958,974	11,330,710	20,316,734
<u>ADJUSTMENTS TO NET INCOME</u>							
TOTAL INTEREST EXPENSE	Y783		(3,131,306)	(8,548)	(1,378,401)	(1,744,357)	(3,131,306)
TOTAL OTHER DEDUCTIONS	Y823		(2,840,305)	(57,696)	(1,197,711)	(1,584,898)	(2,840,305)
PRELIMINARY TAXABLE INCOME	TI01		14,345,123	(39,194)	6,382,862	8,001,455	14,345,123
<u>STATE INCOME TAX COMPUTATION</u>							
PRELIMINARY TAX ABLE INCOME (INCL AFUDC)	TI01		14,345,123	(39,194)	6,382,862	8,001,455	14,345,123
DEDUCTIONS IN ADD TO Y871	Y911		(1,068,664)	(993)	(475,075)	(592,596)	(1,068,664)
STATE TAXABLE INCOME	SI01		13,276,459	(40,187)	5,907,787	7,408,859	13,276,459
<u>STATE INCOME TAX PAYABLE</u>							
STATE INCOME TAX RATE	K192		0.06000	0.06000	0.06000	0.06000	0.06000
PRELIM SIT = SI01 * K192	ST01		796,588	(2,411)	354,467	444,532	796,588
OTHER SIT ADJUSTMENTS	Z955		0	0	0	0	0
STATE INCOME TAX PAYABLE	SP01		796,588	(2,411)	354,467	444,532	796,588
<u>SIT ALLOWABLE</u>							
STATE INCOME TAX PAYABLE	SP01		796,588	(2,411)	354,467	444,532	796,588
TOTAL STATE PROV DEF IT(410.1)	Z911		236,867	922	102,478	133,467	236,867
TOTAL STATE PROV DEF IT(411.1)	Z933		0	0	0	0	0
NET STATE INC TAX ALLOWABLE	SA01		1,033,455	(1,489)	456,945	577,999	1,033,455

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 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS RS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>INCOME TAX BASED ON REVENUES</u>							
Schedule 12 2							
<u>FEDERAL INCOME TAX COMPUTATION</u>							
PRELIMINARY TAXABLE INCOME (INCL AFUDC)	TI01		14,345,123	(39,194)	6,382,862	8,001,455	14,345,123
STATE INC TAX PAYABLE	SP01		(796,588)	2,411	(354,467)	(444,532)	(796,588)
<u>NET FEDERAL TAXABLE INCOME</u>	FI01		13,548,535	(36,783)	6,028,395	7,556,923	13,548,535
FEDERAL INCOME TAX RATE	K190		0.35000	0.35000	0.35000	0.35000	0.35000
PRELIMINARY FIT = FI01 * K190	FT01		4,741,987	(12,874)	2,109,938	2,644,923	4,741,987
TOTAL FED PROV DEF IT (410.1)	Z781		911,636	3,546	394,410	513,680	911,636
TOTAL FED PROV DEF IT (411.1)	Z803		0	0	0	0	0
TOTAL AMORTIZED ITC & SERV CO ALLOC CR	Z813		(51,776)	(48)	(23,017)	(28,711)	(51,776)
<u>NET FED INC TAX ALLOWABLE</u>	FA01		5,601,847	(9,376)	2,481,331	3,129,892	5,601,847
<u>FEDERAL INCOME TAX PAYABLE</u>							
PRELIM FIT	FT01		4,741,987	(12,874)	2,109,938	2,644,923	4,741,987
TEST YEAR INV TAX CREDIT	Z823		0	0	0	0	0
<u>FED INC TAX PAYABLE</u>	FP01		4,741,987	(12,874)	2,109,938	2,644,923	4,741,987
<u>PRELIMINARY SUMMARY</u>							
NET INCOME (EXCL AFUDC OFFSET)	NI01		20,523,125	27,050	9,051,695	11,444,380	20,523,125
NET FED INC TAX ALLOWABLE	FA01		(5,601,847)	9,376	(2,481,331)	(3,129,892)	(5,601,847)
NET STATE INC TAX ALLOWABLE	SA01		(1,033,455)	1,489	(456,945)	(577,999)	(1,033,455)
<u>OVERALL RETURN EARNED-SCH 12</u>	RETU		13,887,823	37,915	6,113,419	7,736,489	13,887,823
<u>RATE OF RETURN EARNED-SCH 12</u>	RORX		0.07671	0.07671	0.07671	0.07671	0.07671

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ALLOCATORS	ALLO	TOTAL	COMMODITY	DEMAND	CUSTOMER	TOTAL
		GAS				
		1	2	3	4	5
Schedule 13						
PRODUCTION DEM		1	0	1	0	1
RATIO TO TOTAL GAS	KPROD	1.00000	0.00000	1.00000	0.00000	1.00000
PRODUCTION COM		1	1	0	0	1
RATIO TO TOTAL GAS	KPROD_COM	1.00000	1.00000	0.00000	0.00000	1.00000
DISTR LAND, STRUC & EQUIP DEM		1.00	0.00	1.00	0.00	1
RATIO TO TOTAL GAS	KDIST_STR_D	1.00000	0.00000	1.00000	0.00000	1.00000
DISTR LAND, STRUC & EQUIP CUS		1	0	0	1	1
RATIO TO TOTAL GAS	KDIST_STR_C	1.00000	0.00000	0.00000	1.00000	1.00000
LARGE IND M & R		1.00	0.00	1.00	0.00	1
RATIO TO TOTAL GAS	KDIST_LRGIND_D	1.00000	0.00000	1.00000	0.00000	1.00000
DISTRIBUTION MAINS DEMAND		1.00	0.00	1.00	0.00	1
RATIO TO TOTAL GAS	KDIST_MA_D	1.00000	0.00000	1.00000	0.00000	1.00000
DISTRUBUTION MAINS CUSTOMER		1	0	0	1	1
RATIO TO TOTAL GAS	KDIST_MA_C	1.00000	0.00000	0.00000	1.00000	1.00000
SERVICES		1	0	0	1	1
RATIO TO TOTAL GAS	KSERV_CUS	1.00000	0.00000	0.00000	1.00000	1.00000
METERS & HOUSE REG		1	0	0	1	1
RATIO TO TOTAL GAS	KMTRS_CUS	1.00000	0.00000	0.00000	1.00000	1.00000
CUSTOMER ACCOUNTING		1	0	0	1	1
RATIO TO TOTAL GAS	KCUST_ACCTG	1.00000	0.00000	0.00000	1.00000	1.00000
CUSTOMER SERV & INFOR SYSTEMS		1	0	0	1	1
RATIO TO TOTAL GAS	KCUST_INFO	1.00000	0.00000	0.00000	1.00000	1.00000
CUSTOMER SALES		1	0	0	1	1
RATIO TO TOTAL GAS	KCUST_SALES	1.00000	0.00000	0.00000	1.00000	1.00000
A & G PRODUCTION		1	1	0	0	1
RATIO TO TOTAL GAS	KA&G_PROD	1.00000	0.00000	1.00000	0.00000	1.00000
A & G PRODUCTION COM		1	1	0	0	1
RATIO TO TOTAL GAS	KA&G_PROD_C	1.00000	1.00000	0.00000	0.00000	1.00000
A & G DISTRIBUTION		266,549,017	0	119,746,318	146,802,699	266,549,017
RATIO TO TOTAL GAS	KA&G_DIST	1.00000	0.00000	0.44925	0.55075	1.00000
A & G CUST ACCOUNTING		1	0	0	1	1
RATIO TO TOTAL GAS	KA&G_CA	1.00000	0.00000	0.00000	1.00000	1.00000
A & G CUST SERV & INFO SYS		1	0	0	1	1
RATIO TO TOTAL GAS	KA&G_CS_INF	1.00000	0.00000	0.00000	1.00000	1.00000
A & G SALES		1	0	0	1	1
RATIO TO TOTAL GAS	KA&G_SALES	1.00000	0.00000	0.00000	1.00000	1.00000
FUNCTIONAL A & G		7,199,837	333,635	1,915,166	4,951,036	7,199,837
RATIO TO TOTAL GAS	KA&G_FUNCT	1.00000	0.04634	0.26600	0.68766	1.00000
CUST ACCTG, BILLING & COLLECTION SERV		1.000	0.000	0.000	1.000	1
RATIO TO TOTAL GAS	KCA_BIL_COL	1.00000	0.00000	0.00000	1.00000	1.00000
PRESENT REVENUES BY FUNCTION	SCHEDULE M-2.2 P.2	80,575,805	49,819,246	17,880,031	12,876,528	80,575,805
RATIO TO TOTAL GAS	KFUNC_REV	1.00000	0.61829	0.22190	0.15981	1.00000
PROPOSED REVENUES BY FUNCTION	SCHEDULE M-2.3 P.2	95,387,592	49,819,246	13,377,026	32,191,320	95,387,592
RATIO TO TOTAL GAS	KFUNC_PROREV	1.00000	0.52228	0.14024	0.33748	1.00000

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ALLOCATORS	ALLO	TOTAL GAS	COMMODITY	DEMAND	CUSTOMER	TOTAL
Schedule 13 2						
WEIGHTED FUNCTIONAL ALLOCATORS						
GROSS PLANT	KGROS_COM	1.00000	0.04634	0.26600	0.68766	1
WTD GROSS C & O PLANT RATIOS	KGROS_DIST	1.00000	0.00000	0.44925	0.55075	1
WTD GROSS DIST PLANT RATIOS	KGROS_GEN	1.00000	0.04634	0.26600	0.68766	1
WTD GROSS G & I PLT RATIOS	KGROS_GEN	1.00000	0.00000	1.00000	0.00000	1
WTD GROSS PROD PLANT RATIOS	KGROS_PROD					
NET PLANT	KCOS	1.00000	0.49309	0.22443	0.28248	1
COST OF SERVICE	KDEPREC_EXP	1.00000	0.00389	0.43264	0.56347	1
WTD TOT DEPREC EXP RATIOS	KNET_CWIP	1.00000	0.00000	0.44925	0.55075	1
WTD TOTAL CWIP RB RATIOS	KNET_PLNT	1.00000	0.00093	0.44455	0.55452	1
RATIO TOTAL NP GAS	KNET_PLNT	1.00000	0.04759	0.24932	0.70309	1
WTD NET C & O PLANT RATIOS	KNET_PLNT_COM	1.00000	0.00000	0.44671	0.55329	1
WTD NET DIST PLANT RATIOS	KNET_PLNT_DIST	1.00000	0.04649	0.27066	0.68285	1
WTD NET G & I PLT RATIOS	KNET_PLNT_GEN	1.00000	0.00000	1.00000	0.00000	1
WTD NET PROD PLANT RATIOS	KNET_PLNT_PROD	1.00000	0.00273	0.44020	0.55707	1
WTD TOTAL RATE BASE RATIOS	KRATE_BASE					

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 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
SUMMARY OF RESULTS							
Schedule 1							
NET INCOME COMPUTATION			87,505,785	242,747	65,827,152	21,435,886	87,505,785
GROSS GAS PLANT IN SERVICE	GP11		(23,725,982)	(137,268)	(18,220,739)	(5,367,975)	(23,725,982)
TOTAL DEPRECIATION RESERVE	DR11		(6,947,127)	170,382	(5,218,997)	(1,898,512)	(6,947,127)
TOTAL RATE BASE ADJUSTMENTS	RB71		56,832,676	275,861	42,387,416	14,169,399	56,832,676
TOTAL RATE BASE	RB91		56,972,003	276,314	42,491,429	14,204,260	56,972,003
CAPITALIZATION ALLOC TO GAS OPER	GCAP						
OPERATING EXPENSES			32,324,667	26,679,857	4,107,689	1,537,121	32,324,667
TOTAL O&M EXPENSE	OM31		2,612,051	18,280	1,921,451	672,320	2,612,051
TOTAL DEPRECIATION EXPENSE	DE41		903,726	4,104	658,026	241,596	903,726
TOTAL OTHER TAX & MISC EXPENSE	L591		35,840,444	26,702,241	6,687,166	2,451,037	35,840,444
TOTAL OP EXP EXC INC & R TAX	OP61		1,758,134	(5,404)	1,322,636	440,902	1,758,134
NET FED INCOME TAX EXP ALLOWABLE	I879		324,185	(862)	243,623	81,424	324,185
NET STATE INCOME TAX EXP ALLOWABLE	J979		(65,216)	0	(49,295)	(15,921)	(65,216)
AFUDC OFFSET	LO33	KNET_CWIP	37,857,547	26,695,975	8,204,130	2,957,442	37,857,547
TOTAL OPERATING EXPENSE	OPEX		4,370,322	21,195	3,259,518	1,089,609	4,370,322
RETURN ON CAPITALIZATION	RC51		(222,651)	(162,672)	(45,830)	(14,149)	(222,651)
TOTAL OTHER OPERATING REVENUES	QO27		42,005,218	26,554,498	11,417,818	4,032,902	42,005,218
TOTAL GAS COST OF SERVICE	CS05		42,005,213	29,086,273	8,913,075	4,005,865	42,005,213
PROPOSED REVENUES	R602		(5)	2,531,775	(2,504,743)	(27,037)	(5)
EXCESS REVENUES	XREV						
TOTAL RETURN EARNED	RETE		4,370,319	1,568,110	1,729,120	1,073,089	4,370,319
RATE OF RETURN EARNED ON CAP	RORE		0.07671	5.67510	0.04069	0.07555	0.07671
TOTAL RATE OF RETURN ALLOWABLE	RORA		0.07671	0.07671	0.07671	0.07671	0.07671
RETURN EARNED ON COMMON EQUITY	REOE		0.11000	11.32900	0.03780	0.10767	0.11000
ALLOWED RETURN ON COMMON EQUITY	AROE		0.11000	0.11000	0.11000	0.11000	0.11000
PRESENT REVENUES	R600		39,810,798	29,086,273	8,194,505	2,530,020	39,810,798
REVENUE INCREASE JUSTIFIED	RIJD		2,194,420	(2,531,775)	3,223,313	1,502,882	2,194,420
PER UNIT PRES REV	RIJP		0.05512	(0.08704)	0.39335	0.59402	0.05512
REVENUE INCREASE REQUESTED	RIRD		2,194,415	0	718,570	1,475,845	2,194,415
PER UNIT PRES REV	RIRP		0.05512	0.00000	0.08769	0.58333	0.05512

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	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
GROSS GAS PLT IN SERVICE	Schedule 2						
PRODUCTION PLANT							
PRODUCTION PLANT	P100	KPROD	726,654	0	726,654	0	726,654
PRODUCTION PLANT IN SERVICE	P121		726,654	0	726,654	0	726,654
TRANSMISSION PLANT							
TRANSMISSION PLANT	T100						
TRANSMISSION PLANT IN SERVICE	T121		0	0	0	0	0
TOTAL PROD & TRANS PLANT	PT21		726,654	0	726,654	0	726,654
DISTRIBUTION PLANT							
SYSTEM M&R - (2780, 2781)	D100	KDIST_STR_D	1,331,867	0	1,331,867	0	1,331,867
DIST REG - 2782	D102	KDIST_STR_D	345,191	0	345,191	0	345,191
LARGE IND M&R - (2850, 2851)	D104	KDIST_LRGIND_D	53,989	0	53,989	0	53,989
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)	D106	KDIST_MA_D	61,300,931	0	61,300,931	0	61,300,931
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)	D107	KDIST_MA_C	2,527,974	0	0	2,527,974	2,527,974
SERVICES - (2801, 2802, 2803, 2804, 2805-2807)	D108	KSERV_CUS	7,056,968	0	0	7,056,968	7,056,968
MTRS & MTR INST (2810, 2811, 2820, 2821)	D110	KMTRS_CUS	5,526,475	0	0	5,526,475	5,526,475
LAND, R OF W STRUCT & IMPROV, OTH, SL	D112	KDIST_STR_D	351,127	0	351,127	0	351,127
HOUSE REG & INSTALL (2830-2831, 2840-2841)	D114	KMTRS_CUS	5,449,595	0	0	5,449,595	5,449,595
GAS DISTRIBUTION - COMPLETED NOT CLASS	D118	KDIST_MA_D	279,753	0	279,753	0	279,753
DISTRIBUTION PLANT IN SERVICE	D141		84,223,870	0	63,662,858	20,561,012	84,223,870
TOTAL TRANS & DIST PLANT	TD21		84,223,870	0	63,662,858	20,561,012	84,223,870
TOTAL GROSS PTD PLANT	PD21		84,950,524	0	64,389,512	20,561,012	84,950,524
GENERAL & INTANGIBLE PLANT							
PRODUCTION PLANT	G100	KA&G_PROD	51,365	0	51,365	0	51,365
PRODUCTION PLANT COMMODITY	G102	KA&G_PROD_C	63,292	63,292	0	0	63,292
DISTRIBUTION PLANT	G104	KA&G_DIST	427,946	0	323,476	104,470	427,946
CUSTOMER ACCOUNTING	G106	KA&G_CA	111,580	0	0	111,580	111,580
CUSTOMER SERVICE & INFORMATION	G108	KA&G_CS_INF	12,058	0	0	12,058	12,058
SALES	G110	KA&G_SALES	0	0	0	0	0
GEN & INTANG PLANT IN SERVICE	G121		666,241	63,292	374,841	228,108	666,241
COMMON & OTHER PLANT							
PRODUCTION PLANT	C100	KA&G_PROD	145,638	0	145,638	0	145,638
PRODUCTION PLANT COMMODITY	C102	KA&G_PROD_C	179,455	179,455	0	0	179,455
DISTRIBUTION PLANT	C104	KA&G_DIST	1,213,369	0	917,161	296,208	1,213,369
CUSTOMER ACCOUNTING	C106	KA&G_CA	316,368	0	0	316,368	316,368
CUSTOMER SERVICE & INFORMATION	C108	KA&G_CS_INF	34,190	0	0	34,190	34,190
SALES	C110	KA&G_SALES	0	0	0	0	0
COMMON & OTHER PLT IN SERVICE	C121		1,889,020	179,455	1,062,799	646,766	1,889,020
GROSS GAS PLT IN SERVICE	GP11		87,505,785	242,747	65,827,152	21,435,886	87,505,785

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	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
DEPRECIATION RESERVE	Schedule 3						
PRODUCTION PLANT							
PRODUCTION PLANT	P150	KPROD	421,727	0	421,727	0	421,727
TOTAL PROD DEPREC RESERVE	P171		421,727	0	421,727	0	421,727
TRANSMISSION PLANT							
TRANSMISSION PLANT	T168						
TOTAL TRANS DEPREC RESERVE	T171		0	0	0	0	0
DISTRIBUTION PLANT							
SYSTEM M&R - (2780, 2781)	D150	KDIST_STR_D	561,326	0	561,326	0	561,326
DIST REG - 2782	D152	KDIST_STR_D	175,914	0	175,914	0	175,914
LARGE IND M&R - (2850, 2851)	D154	KDIST_LRGIND_D	38,021	0	38,021	0	38,021
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)		KDIST_MA_D	16,119,847	0	16,119,847	0	16,119,847
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)		KDIST_MA_C	664,762	0	0	664,762	664,762
SERVICES - (2801, 2802, 2803, 2804, 2805-2807)	D158	KSERV_CUS	1,886,300	0	0	1,886,300	1,886,300
MTRS & MTR INST (2810, 2811, 2820, 2821)	D160	KMTRS_CUS	1,330,703	0	0	1,330,703	1,330,703
LAND, R OF W STRUCT & IMPROV, OTH, SL	D162	KDIST_STR_D	184,875	0	184,875	0	184,875
HOUSE REG & INSTALL (2830-2831, 2840-2841)	D164	KMTRS_CUS	1,031,760	0	0	1,031,760	1,031,760
GAS DISTRIBUTION - RWIP	D168	KGROS_DIST	(169,087)	0	(127,809)	(41,278)	(169,087)
TOTAL DIST DEPREC RESERVE	D191		21,824,421	0	16,952,174	4,872,247	21,824,421
GENERAL & INTANGIBLE PLANT							
PRODUCTION PLANT	G150	KA&G_PROD	25,193	0	25,193	0	25,193
PRODUCTION PLANT COMMODITY	G152	KA&G_PROD_C	31,043	31,043	0	0	31,043
DISTRIBUTION PLANT	G154	KA&G_DIST	206,273	0	155,918	50,355	206,273
CUSTOMER ACCOUNTING	G156	KA&G_CA	55,628	0	0	55,628	55,628
CUSTOMER SERVICE & INFORMATION	G158	KA&G_CS_INF	6,402	0	0	6,402	6,402
SALES	G160	KA&G_SALES	0	0	0	0	0
TOTAL GEN DEPREC RESERVE	G171		324,539	31,043	181,111	112,385	324,539
COMMON & OTHER PLANT							
PRODUCTION PLANT	C150	KA&G_PROD	125,571	0	125,571	0	125,571
PRODUCTION PLANT COMMODITY	C152	KA&G_PROD_C	106,225	106,225	0	0	106,225
DISTRIBUTION PLANT	C154	KA&G_DIST	714,605	0	540,156	174,449	714,605
CUSTOMER ACCOUNTING	C156	KA&G_CA	188,168	0	0	188,168	188,168
CUSTOMER SERVICE & INFORMATION	C158	KA&G_CS_INF	20,726	0	0	20,726	20,726
SALES	C160	KA&G_SALES	0	0	0	0	0
TOTAL COM & OTHER PLT RESERVE	C171		1,155,295	106,225	665,727	383,343	1,155,295
DEPRECIATION EXPENSE ANNUALIZATION ADJUSTMENT		KDEPREC_EXP	0	0	0	0	0
TOTAL DEPRECIATION RESERVE	DR11		23,725,982	137,268	18,220,739	5,367,975	23,725,982

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 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
NET GAS PLANT	Schedule 4						
PRODUCTION PLANT							
PRODUCTION PLANT IN SERVICE	P121		726,654	0	726,654	0	726,654
TOTAL PROD DEPREC RESERVE	P171		(421,727)	0	(421,727)	0	(421,727)
NET PRODUCTION PLANT	P221		304,927	0	304,927	0	304,927
TRANSMISSION PLANT							
TRANSMISSION PLANT IN SERVICE	T121		0	0	0	0	0
TOTAL TRANS DEPREC RESERVE	T171		0	0	0	0	0
NET TRANSMISSION PLANT	T221		0	0	0	0	0
DISTRIBUTION PLANT							
DISTRIBUTION PLANT IN SERVICE	D141		84,223,870	0	63,662,858	20,561,012	84,223,870
TOTAL DIST DEPREC RESERVE	D191		(21,824,421)	0	(16,952,174)	(4,872,247)	(21,824,421)
NET DISTRIBUTION PLANT	D241		62,399,449	0	46,710,684	15,688,765	62,399,449
NET PTD PLANT	NT31		62,704,376	0	47,015,611	15,688,765	62,704,376
NET TRANS & DIST PLANT	NT21		62,399,449	0	46,710,684	15,688,765	62,399,449
GENERAL & INTANGIBLE PLANT							
GEN & INTANG PLANT IN SERVICE	G121		666,241	63,292	374,841	228,108	666,241
TOTAL GEN & INTG DEPREC RESERVE	G171		(324,539)	(31,043)	(181,111)	(112,385)	(324,539)
NET GENERAL & INTANG PLANT	G221		341,702	32,249	193,730	115,723	341,702
COMMON & OTHER PLANT							
COMMON & OTH PLT IN SERVICE	C121		1,889,020	179,455	1,062,799	646,766	1,889,020
TOTAL COM & OTH DEPREC RESERVE	C171		(1,155,295)	(106,225)	(665,727)	(383,343)	(1,155,295)
NET COMMON & OTHER PLANT	C221		733,725	73,230	397,072	263,423	733,725
NET GAS PLANT IN SERVICE	NP21		63,779,803	105,479	47,606,413	16,067,911	63,779,803

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	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
RATE BASE	Schedule 5						
RATE BASE ADJUSTMENTS							
SUBTRACTIVE ADJUSTMENTS							
ACCUM DEF INC TAXES (282)							
LIBERALIZED DEPRECIATION	B200	KNET_PLNT	9,534,114	15,732	7,116,453	2,401,929	9,534,114
OTHER - CIAC, CAP INT	B202	KNET_PLNT	353,521	583	263,875	89,063	353,521
TOTAL ACCOUNT 282	B221		9,887,635	16,315	7,380,328	2,490,992	9,887,635
ACCUM DEF INC TAXES (283)							
MISC DEFERRALS	B222	KA&G_CA	592,476	0	0	592,476	592,476
UNRECOVERED PURCHASED GAS COST	B224	KPROD_COM	106,690	106,690	0	0	106,690
TOTAL ACCOUNT 283	B243		699,166	106,690	0	592,476	699,166
OTHER SUBTRACTIVE ADJUSTMENTS							
CUSTOMER ADV FOR CONSTR (ACCT 252)	B244	KNET_PLNT	369,842	611	276,057	93,174	369,842
ITC (ACCT 255)	B246	KNET_PLNT	1,869	3	1,395	471	1,869
TOTAL OTHER SUBTRACTIVE ADJS	B285		371,711	614	277,452	93,645	371,711
TOTAL SUBTRACTIVE ADJUSTMENTS	B287		10,958,512	123,619	7,657,780	3,177,113	10,958,512
ADDITIVE ADJUSTMENTS							
ACCUM DEF INC TAXES (190)							
VAC PAY ACC, POST RET, PEN BEN, DEF COMP	V200	KA&G_FUNCT	2,582,977	245,382	1,453,235	884,360	2,582,977
TOTAL ACCOUNT 190	V221		2,582,977	245,382	1,453,235	884,360	2,582,977
OTHER							
OTHER	V233		0	0	0	0	0

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	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
Schedule 5 2							
RATE BASE							
CONSTRUCTION WORK IN PROGRESS							
PRODUCTION - CWIP	V234	KGROS_PROD	0	0	0	0	0
DISTRIBUTION - CWIP	V236	KGROS_DIST	850,162	0	642,620	207,542	850,162
COMMON - CWIP (GAS)	V238	KGROS_COM	0	0	0	0	0
GENERAL - CWIP	V240	KGROS_GEN	0	0	0	0	0
TOTAL RATE BASE CWIP	V255		850,162	0	642,620	207,542	850,162
TOTAL ADDITIVE ADJUSTMENTS	V289		3,433,139	245,382	2,095,855	1,091,902	3,433,139
NET ORIGINAL COST RATE BASE	RB21		56,254,430	227,242	42,044,488	13,982,700	56,254,430
WORKING CAPITAL							
MATERIALS & SUPPLIES							
FUEL SUPPLIES							
TOTAL FUEL STOCKS	W641		0	0	0	0	0
PLANT MATERIALS & SUPPLIES							
GAS ENRICHER LIQUID	W642	KPROD	123,414	0	123,414	0	123,414
OTHER SUPPLIES	W644	KNET_PLNT	(21,598)	(36)	(16,121)	(5,441)	(21,598)
TOTAL PLANT MATS. & SUPPLIES	W659		101,816	(36)	107,293	(5,441)	101,816
TOTAL MATERIALS & SUPPLIES	W661		101,816	(36)	107,293	(5,441)	101,816
PREPAYMENTS							
KY_PSC MAINTENANCE TAX	W674	KFUNC_REV	0	0	0	0	0
TOTAL PREPAYMENTS	W687		0	0	0	0	0
CASH WORKING CAPITAL							
TOTAL GAS, PP & OTHER	W705		0	0	0	0	0
AUTO CALC (O&M-GAS COST)/8	W711		476,430	48,655	235,635	192,140	476,430
TOTAL WORKING CASH	W721		476,430	48,655	235,635	192,140	476,430
MISCELLANEOUS WORKING CAPITAL							
GAS STORED UNDERGROUND	W730	KPROD	0	0	0	0	0
TOTAL MISC WORK CAPITAL	W747		0	0	0	0	0
TOTAL WORKING CAPITAL	WC71		578,246	48,619	342,928	186,699	578,246
PRELIMINARY SUMMARY							
TOTAL SUBTRACTIVE ADJUSTMENTS	B287		(10,958,512)	(123,619)	(7,657,780)	(3,177,113)	(10,958,512)
TOTAL ADDITIVE ADJUSTMENTS	V289		3,433,139	245,382	2,095,855	1,091,902	3,433,139
TOTAL WORKING CAPITAL	WC71		578,246	48,619	342,928	186,699	578,246
TOTAL RATE BASE ADJUSTMENTS	RB71		(6,947,127)	170,382	(5,218,997)	(1,898,512)	(6,947,127)
RATE BASE CALCULATION							
NET GAS PLANT IN SERVICE	NP21		63,779,803	105,479	47,606,413	16,067,911	63,779,803
TOTAL RATE BASE ADJUSTMENTS	RB71		(6,947,127)	170,382	(5,218,997)	(1,898,512)	(6,947,127)
TOTAL RATE BASE	RB91		56,832,676	275,861	42,387,416	14,169,399	56,832,676
CAPITALIZATION ALLOC TO GAS OPER	GCAP	KRATE_BASE	56,972,003	276,314	42,491,429	14,204,260	56,972,003
TOTAL RATE OF RETURN ALLOWABLE	RORA		0.0767100000	0.0767100000	0.0767100000	0.0767100000	0.0767100000
RETURN ON CAPITALIZATION	RC51		4,370,322	21,195	3,259,518	1,089,609	4,370,322

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	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
O&M EXPENSES	Schedule 6						
PRODUCTION O&M							
COMMODITY RELATED O&M							
ANNUALIZED GAS COST - COMMODITY	P300	KPROD_COM	26,287,924	26,287,924	0	0	26,287,924
PURCHASED GAS & OTHER	P302	KPROD_COM	212,908	212,908	0	0	212,908
TOTAL ENERGY RELATED	P341		26,500,832	26,500,832	0	0	26,500,832
DEMAND RELATED PROD O&M							
ANNUALIZED GAS COST - DEMAND	P352	KPROD	2,222,607	0	2,222,607	0	2,222,607
TOTAL DEMAND RELATED	P391		2,222,607	0	2,222,607	0	2,222,607
OTHER THAN COM/DEM RELATED							
PRODUCTION EXPENSES	P400	KPROD	121,643	0	121,643	0	121,643
ELIM OTHER THAN ULH&P PORTION	P402	KPROD	(11,384)	0	(11,384)	0	(11,384)
TOTAL PROD OTHER THAN COM/DEM	P441		110,259	0	110,259	0	110,259
TOTAL PRODUCTION O&M	P451		28,833,698	26,500,832	2,332,866	0	28,833,698
TRANSMISSION O & M							
TRANSMISSION O & M	T318						
TOTAL TRANSMISSION O & M	T341		0	0	0	0	0
DISTRIBUTION O & M							
LOAD DISPATCH, RENTS	D300	KNET_PLNT_DIST	139,632	0	104,526	35,106	139,632
MAINS & SERVICES OPER	D302	KDIST_MA_D	350,635	0	350,635	0	350,635
M & R STATION	D304	KDIST_STR_D	27,202	0	27,202	0	27,202
CUSTOMER INST & OTHER	D306	KMTRS_CUS	397,193	0	0	397,193	397,193
METERS & HOUSE REG	D308	KMTRS_CUS	63,552	0	0	63,552	63,552
MAINS		KDIST_MA_D	260,999	0	260,999	0	260,999
MAINS		KDIST_MA_C	10,763	0	0	10,763	10,763
SERVICES	D312	KSERV_CUS	49,364	0	0	49,364	49,364
SUPV, ENG & OTHER	D314	KNET_PLNT_DIST	34,698	0	25,974	8,724	34,698
M & R, INDUSTRIAL	D316	KDIST_LRGIND_D	25,347	0	25,347	0	25,347
ELIM OTHER THAN ULH&P PORTION	D318	KNET_PLNT_DIST	(53,930)	0	(40,371)	(13,559)	(53,930)
TOTAL DISTRIBUTION O & M	D341		1,305,455	0	754,312	551,143	1,305,455
CUSTOMER ACCOUNTING							
TOT CUST ACCT EXP EXCLUD UNCOLL EXP	C300	KCUST_ACCTG	326,814	0	0	326,814	326,814
UNCOLLECTIBLE EXP	C302	KFUNC_REV	79,270	57,915	16,317	5,038	79,270
ANNUALIZED UNCOLL EXP ADJ	C304	KFUNC_REV	(72,326)	(52,842)	(14,888)	(4,596)	(72,326)
UNCOLLECTIBLES ON INCREASE		KFUNC_REV	2,698	1,972	555	171	2,698
TOTAL CUSTOMER ACCT EXPENSE	C317		336,456	7,045	1,984	327,427	336,456

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	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
O&M EXPENSES							
Schedule 6 2							
CUSTOMER SERVICE & INFORMATION							
TOTAL CUST SERVICE & INFO	C320	KCUST_INFO	38,789	0	0	38,789	38,789
ELIMIN OTHER THAN ULH&P PORTION	C322	KCUST_INFO	(62)	0	0	(62)	(62)
TOTAL CUSTOMER SERV. & INFO.	C331		38,727	0	0	38,727	38,727
SALES							
SALES EXPENSE	S300	KCUST_SALES	0	0	0	0	0
ELIMINATION OF EXPENSE	S302	KCUST_SALES	0	0	0	0	0
TOTAL SALES EXPENSE	S317		0	0	0	0	0
ADMINISTRATIVE & GENERAL							
ADMINISTRATIVE & GENERAL	A300	KA&G_PROD	153,079	0	153,079	0	153,079
PRODUCTION PLANT	A302	KA&G_PROD_C	188,625	188,625	0	0	188,625
PRODUCTION PLANT COMMODITY	A304	KA&G_DIST	1,275,368	0	964,025	311,343	1,275,368
DISTRIBUTION PLANT	A306	KA&G_CA	332,533	0	0	332,533	332,533
CUSTOMER ACCOUNTING	A308	KA&G_CS_INF	35,937	0	0	35,937	35,937
CUSTOMER SERVICE & INFORMATION	A310	KA&G_SALES	0	0	0	0	0
SALES	A312		1,985,542	188,625	1,117,104	679,813	1,985,542
TOT ADMIN & GEN LESS REG EXP	A314	KA&G_FUNCT	17,450	1,657	9,818	5,975	17,450
RATE CASE EXPENSE	A316	KA&G_FUNCT	(431)	(41)	(242)	(148)	(431)
ELIMINATE VARIOUS EXPENSES	A318	KA&G_FUNCT	(124,126)	(11,792)	(69,836)	(42,498)	(124,126)
INCENTIVE COMPENSATION	A319	KA&G_FUNCT	(9,678)	(919)	(5,445)	(3,314)	(9,678)
ANNUALIZE KYPSM MAINT TAX	A320	KA&G_FUNCT	(58,426)	(5,550)	(32,872)	(20,004)	(58,426)
ELIM MERGER CREDITS & AMORT	A337		1,810,331	171,980	1,018,527	619,824	1,810,331
TOTAL ADMIN. & GENERAL							
TOTAL O & M-EXPENSE	OM31		32,324,667	26,679,857	4,107,689	1,537,121	32,324,667

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	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>DEPRECIATION EXPENSE</u>							
Schedule 7							
<u>PRODUCTION DEPRECIATION</u>							
PRODUCTION DEPRECIATION	P460	KNET_PLNT_PROD	14,490	0	14,490	0	14,490
<u>TOTAL PRODUCTION DEPREC EXP.</u>	P481		14,490	0	14,490	0	14,490
<u>TRANSMISSION DEPRECIATION</u>							
TRANSMISSION DEPRECIATION			0	0	0	0	0
<u>TOTAL TRANSMISSION DEP. EXP.</u>	T481		0	0	0	0	0
<u>DISTRIBUTION DEPRECIATION</u>							
DISTRIBUTION DEPRECIATION	D460	KNET_PLNT_DIST	1,946,994	0	1,457,481	489,513	1,946,994
DISTRIBUTION DEPRECIATION EXP ADJ	D462	KNET_PLNT_DIST	465,671	0	348,592	117,079	465,671
<u>TOTAL DIST. DEPREC EXP.</u>	D481		2,412,665	0	1,806,073	606,592	2,412,665
<u>GENERAL DEPRECIATION</u>							
GENERAL DEPRECIATION	G460	KNET_PLNT_GEN	32,099	3,029	18,199	10,871	32,099
GENERAL DEPRECIATION EXP ADJ	G476	KNET_PLNT_GEN	0	0	0	0	0
<u>TOTAL GENERAL DEPREC EXP.</u>	G481		32,099	3,029	18,199	10,871	32,099
<u>COMMON AND OTHER DEPRECIATION</u>							
COMMON DEPRECIATION	C460	KNET_PLNT_COM	152,797	15,251	82,689	54,857	152,797
COMMON DEPRECIATION EXP ADJ	C476	KNET_PLNT_COM	0	0	0	0	0
<u>TOTAL COM & OTHER DEPREC EXP.</u>	C481		152,797	15,251	82,689	54,857	152,797
<u>TOTAL DEPRECIATION EXPENSE</u>	DE41		2,612,051	18,280	1,921,451	672,320	2,612,051

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	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
OTHER TAXES & MISC EXPENSES							
Schedule 8							
TAXES OTHER THAN INC & REV							
REAL ESTATE & PROPERTY TAX							
REAL ESTATE & PROPERTY TAX	L500	KNET_PLNT	990,967	1,635	739,678	249,654	990,967
ANNUALIZE PROPERTY TAX	L502	KNET_PLNT	(201,904)	(333)	(150,705)	(50,866)	(201,904)
TOTAL REAL EST & PROP TAX	L521		789,063	1,302	588,973	198,788	789,063
MISCELLANEOUS TAXES							
PAYROLL & HIGHWAY	L560	KA&G_FUNCT	128,286	12,187	72,176	43,923	128,286
ANNUALIZED PAYROLL TAXES	L562	KA&G_FUNCT	(894)	(85)	(503)	(306)	(894)
KYPSC MAINTENANCE ADJ	L564	KFUNC_REV	(21,720)	(15,869)	(4,471)	(1,380)	(21,720)
TOTAL MISCELLANEOUS TAXES	L581		105,672	(3,767)	67,202	42,237	105,672
MISCELLANEOUS EXPENSES							
KYPSC ON INCREASE	L560	KFUNC_REV	8,991	6,569	1,851	571	8,991
TOTAL MISCELLANEOUS EXPENSES	L581		8,991	6,569	1,851	571	8,991
TOTAL OTHER TAX & MISC EXPENSE			903,726	4,104	658,026	241,596	903,726
PRELIMINARY SUMMARY							
TOTAL O&M EXPENSE	OM31		32,324,667	26,679,857	4,107,689	1,537,121	32,324,667
TOTAL DEPRECIATION EXPENSE	DE41		2,612,051	18,280	1,921,451	672,320	2,612,051
TOTAL OTHER TAX & MISC EXPENSE	L591		903,726	4,104	658,026	241,596	903,726
TOTAL OP EXP EXC IT & REV TAX	OP61		35,840,444	26,702,241	6,687,166	2,451,037	35,840,444

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<u>INCOME TAX BASED ON RETURN</u>							
Schedule 9							
<u>FEDERAL INCOME TAX DEDUCTIONS</u>							
AUTOMATIC INTEREST CALCULATION	Y751	KRATE_BASE	985,382	4,780	734,927	245,675	985,382
AUTO PROC INTEREST DED	Y783		985,382	4,780	734,927	245,675	985,382
<u>TOTAL INTEREST EXPENSE</u>							
<u>OTHER DEDUCTIONS</u>							
DEPREC EXCESS TAX-BOOK	Y790	KDEPREC_EXP	1,198,699	8,391	881,775	308,533	1,198,699
AMORT OF LOSS ON REACQUIRED DEBT	Y792	KNET_PLNT	(27,669)	(45)	(20,653)	(6,971)	(27,669)
DEFERRED FUEL COST - PGA	Y794	KPROD_COM	24,759	24,759	0	0	24,759
ADJUSTMENT FOR NON JURISDICTIONAL ACCT	Y796	KNET_PLNT	(296,012)	(489)	(220,949)	(74,574)	(296,012)
<u>TOTAL OTHER DEDUCTIONS</u>	Y823		899,777	32,616	640,173	226,988	899,777
<u>NET DEDUCTIONS AND ADDITIONS</u>	Y871		1,885,159	37,396	1,375,100	472,663	1,885,159
<u>FEDERAL INCOME TAX ADJUSTMENTS</u>							
FED PROV DEF INC TAX (410.1)	Z750	KDEPREC_EXP	286,180	2,003	210,517	73,660	286,180
LIB DEPRECIATION	Z752	KNET_PLNT	0	0	0	0	0
AMORT OF LOSS ON REACQUIRED DEBT	Z754	KPROD_COM	0	0	0	0	0
DEFERRED FUEL COST - PGA	Z781		286,180	2,003	210,517	73,660	286,180
<u>TOTAL FED PROV DEF IT (410.1)</u>							

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
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	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>INCOME TAX BASED ON RETURN</u>							
Schedule 9 2							
FED PROV DEF INC TAX (411.1)	Z811		0	0	0	0	0
TOTAL FED PROV DEF IT (411.1)	Z811		0	0	0	0	0
AMORT INV TAX CREDIT & SERV CO. ALLOC TAX CR.	Z815	KNET_PLNT	16,399	27	12,241	4,131	16,399
TOTAL AMORTIZED ITC & SERV CO ALLOC	Z815		16,399	27	12,241	4,131	16,399
<u>TEST YEAR INV TAX CREDIT</u>							
TEST YEAR INV TAX CREDIT	Z823		0	0	0	0	0
<u>PRELIMINARY SUMMARY</u>							
TOTAL FED PROV DEF IT (410.1)	Z781		286,180	2,003	210,517	73,660	286,180
TOTAL FED PROV DEF IT (411.1)	Z811		0	0	0	0	0
TOTAL AMORTIZED ITC & ALLOC SERV CO CR	Z815		(16,399)	(27)	(12,241)	(4,131)	(16,399)
TOTAL FEDERAL TAX ADJUSTMENTS	Z863		269,781	1,976	198,276	69,529	269,781
<u>FEDERAL INCOME TAX COMPUTATION</u>							
RETURN ON CAPITALIZATION	RC51		4,370,322	21,195	3,259,518	1,089,609	4,370,322
NET DEDUCTIONS AND ADDITIONS	Y871		(1,885,159)	(37,396)	(1,375,100)	(472,663)	(1,885,159)
TOTAL FEDERAL TAX ADJUSTMENTS	Z863		269,781	1,976	198,276	69,529	269,781
TOTAL STATE PROV DEF IT (410.1 & 411.1)	Z911		74,357	520	54,698	19,139	74,357
AFUDC OFFSET	Z933		(65,216)	0	(49,295)	(15,921)	(65,216)
BASE FOR FIT COMPUATION	I865		2,764,085	(13,705)	2,088,097	689,693	2,764,085
FIT FACTOR K190/(1-K190)	I867		0.53846	0.53846	0.53846	0.53846	0.53846
PRELIM FED INCOME TAX	I869		1,488,353	(7,380)	1,124,360	371,373	1,488,353
TOTAL FEDERAL TAX ADJUSTMENTS	Z863		269,781	1,976	198,276	69,529	269,781
NET FED INCOME TAX ALLOWABLE	I879		1,758,134	(5,404)	1,322,636	440,902	1,758,134

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 DONALD L. STORCK

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	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>INCOME TAX BASED ON RETURN</u>							
Schedule 9 3							
FEDERAL INCOME TAX PAYABLE	1869		1,488,353	(7,380)	1,124,360	371,373	1,488,353
PRELIM FEDERAL INCOME TAX	Z823		0	0	0	0	0
TEST YEAR INV TAX CREDIT	1889		1,488,353	(7,380)	1,124,360	371,373	1,488,353
<u>NET FED INCOME TAX PAYABLE</u>							
<u>STATE INCOME TAX</u>							
KY TAXABLE INCOME ADJUSTMENT	Y911	KNET_PLNT	338,466	558	252,638	85,270	338,466
DEDUCTIONS IN ADD TO Y871			338,466	558	252,638	85,270	338,466
<u>STATE INCOME TAX ADJUSTMENTS</u>							
STATE PROV DEF INC TAX (410.1)	Z890	KDEPREC_EXP	74,357	520	54,698	19,139	74,357
LIB DEPRECIATION	Z892	KNET_PLNT	0	0	0	0	0
AMORT OF LOSS ON REACQUIRED DEBT	Z896	KPROD_COM	0	0	0	0	0
DEFERRED FUEL COST - PGA	Z915		74,357	520	54,698	19,139	74,357
<u>TOT STATE PROV DEF IT (410.1)</u>			0	0	0	0	0
STATE PROV DEF INC TAX (411.1)	Z939		0	0	0	0	0
<u>TOT STATE PROV DEF IT (411.1)</u>			0	0	0	0	0
<u>OTHER SIT ADJUSTMENTS</u>							
OTHER SIT ADJUSTMENTS	Z941		0	0	0	0	0
<u>TOTAL STATE INC TAX ADJUSTMENT</u>	Z951		74,357	520	54,698	19,139	74,357

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	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>INCOME TAX BASED ON RETURN</u>							
SUMMARY OF SIT CALCULATION	Schedule 9 4						
RETURN ON CAPITALIZATION	RC51		4,370,322	21,195	3,259,518	1,089,609	4,370,322
NET FED INCOME TAX ALLOWABLE	I879		1,758,134	(5,404)	1,322,636	440,902	1,758,134
NET FED. AND STATE DED. AND ADDITIONS	Y871		(2,223,625)	(37,954)	(1,627,738)	(557,933)	(2,223,625)
AFUDC OFFSET	Y911		(65,216)	0	(49,295)	(15,921)	(65,216)
TOTAL STATE INC TAX ADJ	Z957		74,357	520	54,698	19,139	74,357
<u>BASE FOR SIT COMPUTATION</u>	J965		3,913,972	(21,643)	2,959,819	975,796	3,913,972
SIT FACTOR K192/(1-K192)	J967		0.063830	0.063830	0.063830	0.063830	0.063830
PRELIMINARY STATE INCOME TAX	J969		249,828	(1,382)	188,925	62,285	249,828
TOTAL STATE INCOME TAX ADJ.	Z957		74,357	520	54,698	19,139	74,357
<u>NET STATE INC TAX EXP ALLOWABLE</u>	J979		324,185	(862)	243,623	81,424	324,185
STATE INCOME TAX PAYABLE							
PRELIMINARY STATE INCOME TAX	J969		249,828	(1,382)	188,925	62,285	249,828
OTHER SIT ADJUSTMENTS	Z955		0	0	0	0	0
<u>NET STATE INCOME TAX PAYABLE</u>	J989		249,828	(1,382)	188,925	62,285	249,828
COMPOSITE TAX RATE	CTAX		0.38900	0.38900	0.38900	0.38900	0.38900

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	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
COST OF SERVICE COMPUTATION		Schedule 10					
OTHER OPERATING REVENUES	Q000	KFUNC_REV	13,933	10,180	2,868	885	13,933
LATE PAYMENT CHARGES	Q002	KFUNC_REV	0	0	0	0	0
MISC SERVICE REVENUE	Q004	KFUNC_REV	2,610	1,907	537	166	2,610
BAD CHECK & RECONNECTION CHARGES	Q006	KFUNC_REV	2,174	1,589	447	138	2,174
OTHER MISC REV	Q008	KFUNC_REV	192,956	140,976	39,718	12,262	192,956
REVENUE TRANSP OF GAS ASSOC COS	Q024	KFUNC_REV	10,978	8,020	2,260	698	10,978
INTERDEPARTMENTAL	Q027		222,651	162,672	45,830	14,149	222,651
TOTAL OTHER OPERATING REVS							
COST OF SERVICE COMPUTATION		OP61	35,840,444	26,702,241	6,687,166	2,451,037	35,840,444
TOTAL OP EXP EXC INC & REV TAX	RC51		4,370,322	21,195	3,259,518	1,089,609	4,370,322
RETURN ON CAPITALIZATION	I879		1,758,134	(5,404)	1,322,636	440,902	1,758,134
NET FED INCOME TAX ALLOWABLE	J979		324,185	(862)	243,623	81,424	324,185
NET STATE INCOME TAX ALLOWABLE	Q027		(222,651)	(162,672)	(45,830)	(14,149)	(222,651)
TOTAL OTHER OPERATING REVENUES	CS03		42,070,434	26,554,498	11,467,113	4,048,823	42,070,434
SUBTOTAL B							
TOTAL OTHER OPERATING REVENUES	Q027		222,651	162,672	45,830	14,149	222,651
LESS: REVS EXCL FROM REV TAX CALC	REXC		0	0	0	0	0
OTHER OPERATING REVS TO BE TAXED	OORT		222,651	162,672	45,830	14,149	222,651
REVENUE TAX FACTOR	L030		0.00000	0.00000	0.00000	0.00000	0.00000
REVENUE TAX ON OTHER OPER. REVS	L031		0	0	0	0	0
AFUDC OFFSET	L032		(65,216)	0	(49,295)	(15,921)	(65,216)
OTHER DEDUCTION COST TO SERVICE	L033		(65,216)	0	(49,295)	(15,921)	(65,216)
TOTAL GAS COST OF SERVICE	CS05		42,005,218	26,554,498	11,417,818	4,032,902	42,005,218
PROPOSED REVENUES	R602		42,005,213	29,086,273	8,913,075	4,005,865	42,005,213
TOTAL GAS COST OF SERVICE	CS05		(42,005,218)	(26,554,498)	(11,417,818)	(4,032,902)	(42,005,218)
EXCESS REVENUES	XREV		(5)	2,531,775	(2,504,743)	(27,037)	(5)
COMPOSITE TAX RATE	XTAX		0.38900	0.38900	0.38900	0.38900	0.38900
EXCESS TAX	XRET		(2)	984,860	(974,345)	(10,517)	(2)
EXCESS RETURN			(3)	1,546,915	(1,530,398)	(16,520)	(3)

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	ITEM	ALLO	TOTAL GAS GS	COMMODITY RATIO	DEMAND RATIO	CUSTOMER RATIO	TOTAL AT ISSUE RATIO
		Schedule 11					
ROR, TAX RATES & SPEC FACTORS			367,408,791	0.4459	0.4459	0.4459	0.4459
RATE OF RETURN	K100		0	0.0000	0.0000	0.0000	0.0000
CAPITALIZATION AMOUNTS	K102		411,218,278	0.49901	0.4990	0.4990	0.4990
LONG TERM DEBT	K104		45,441,090	0.05514	0.0551	0.0551	0.0551
PREFERRED STOCK	K106		0	0.0000	0.0000	0.0000	0.0000
COMMON STOCK	K108		824,068,159	1.0000	1.0000	1.0000	1.0000
SHORT TERM DEBT	K115						
UNAMORTIZED DISCOUNT							
TOTAL			0.04657	0.04657	0.04657	0.04657	0.04657
COST OF CAPITAL	K120		0.00000	0.00000	0.00000	0.00000	0.00000
LONG TERM DEBT	K122		0.11000	0.11000	0.11000	0.11000	0.11000
PREFERRED STOCK	K124		0.01928	0.01928	0.01928	0.01928	0.01928
COMMON STOCK	K126		0.00000	0.00000	0.00000	0.00000	0.00000
SHORT TERM DEBT							
UNAMORTIZED DISCOUNT							
WEIGHTED COST OF CAPITAL			0.02076	0.02076	0.02076	0.02076	0.02076
LONG TERM DEBT	K141		0.00000	0.00000	0.00000	0.00000	0.00000
PREFERRED STOCK	K143		0.05488	0.05488	0.05488	0.05488	0.05488
COMMON STOCK	K145		0.00106	0.00106	0.00106	0.00106	0.00106
SHORT TERM DEBT	K147		0.00000	0.00000	0.00000	0.00000	0.00000
UNAMORTIZED DISCOUNT	K149		0.076710	0.07671	0.07671	0.07671	0.07671
TOT RATE OF RETURN ALLOWABLE	HARD CODE	RORA	0.00000	0.00000	0.00000	0.00000	0.00000
TAX RATES AND SPECIAL FACTORS			0.00000	0.00000	0.00000	0.00000	0.00000
SHORT TERM DEBT COST	K180		0.35000	0.35000	0.35000	0.35000	0.35000
FEDERAL INCOME TAX RATE	K190		0.06000	0.06000	0.06000	0.06000	0.06000
STATE INCOME TAX RATE	K192		0.00000	0.00000	0.00000	0.00000	0.00000
REVENUE TAX RATE	K196						

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	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
INCOME TAX BASED ON REVENUES	Schedule 12						
NET INCOME COMPUTATION							
TOTAL GAS COST OF SERVICE	CS05		42,005,218	26,554,498	11,417,818	4,032,902	42,005,218
TOTAL OTHER OPERATING REVENUES	Q027		222,651	162,672	45,830	14,149	222,651
TOTAL GAS REVENUE	CS07		42,227,869	26,717,170	11,463,648	4,047,051	42,227,869
TOTAL OP EXP EX INC & REV TAX	OP61		(35,840,444)	(26,702,241)	(6,687,166)	(2,451,037)	(35,840,444)
FIRM SERVICE REVENUE TAX	RTXP		0	0	0	0	0
NET INCOME	NI01		6,387,425	14,929	4,776,482	1,596,014	6,387,425
ADJUSTMENTS TO NET INCOME							
TOTAL INTEREST EXPENSE	Y783		(985,382)	(4,780)	(734,927)	(245,675)	(985,382)
TOTAL OTHER DEDUCTIONS	Y823		(899,777)	(32,616)	(640,173)	(226,988)	(899,777)
PRELIMINARY TAXABLE INCOME	TI01		4,502,266	(22,467)	3,401,382	1,123,351	4,502,266
STATE INCOME TAX COMPUTATION							
PRELIMINARY TAX ABLE INCOME (INCL AFUDC)	TI01		4,502,266	(22,467)	3,401,382	1,123,351	4,502,266
DEDUCTIONS IN ADD TO Y871	Y911		(338,466)	(558)	(252,638)	(85,270)	(338,466)
STATE TAXABLE INCOME	SI01		4,163,800	(23,025)	3,148,744	1,038,081	4,163,800
STATE INCOME TAX PAYABLE							
STATE INCOME TAX RATE	K192		0.06000	0.06000	0.06000	0.06000	0.06000
PRELIM SIT = SI01 * K192	ST01		249,828	(1,382)	188,925	62,285	249,828
OTHER SIT ADJUSTMENTS	Z955		0	0	0	0	0
STATE INCOME TAX PAYABLE	SP01		249,828	(1,382)	188,925	62,285	249,828
SIT ALLOWABLE							
STATE INCOME TAX PAYABLE	SP01		249,828	(1,382)	188,925	62,285	249,828
TOTAL STATE PROV DEF IT(410.1)	Z911		74,357	520	54,698	19,139	74,357
TOTAL STATE PROV DEF IT(411.1)	Z933		0	0	0	0	0
NET STATE INC TAX ALLOWABLE	SA01		324,185	(862)	243,623	81,424	324,185

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	ITEM	ALLO	TOTAL GAS GS	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>INCOME TAX BASED ON REVENUES</u>							
Schedule 12 2							
<u>FEDERAL INCOME TAX COMPUTATION</u>							
PRELIMINARY TAXABLE INCOME (INCL AFUDC)	TI01		4,502,266	(22,467)	3,401,382	1,123,351	4,502,266
STATE INC TAX PAYABLE	SP01		(249,828)	1,382	(188,925)	(62,285)	(249,828)
NET FEDERAL TAXABLE INCOME	FI01		4,252,438	(21,085)	3,212,457	1,061,066	4,252,438
FEDERAL INCOME TAX RATE	K190		0.35000	0.35000	0.35000	0.35000	0.35000
PRELIMINARY FIT = FI01 * K190	FT01		1,488,353	(7,380)	1,124,360	371,373	1,488,353
TOTAL FED PROV DEF IT (410.1)	Z781		286,180	2,003	210,517	73,660	286,180
TOTAL FED PROV DEF IT (411.1)	Z803		0	0	0	0	0
TOTAL AMORTIZED ITC & SERV CO ALLOC CR	Z813		(16,399)	(27)	(12,241)	(4,131)	(16,399)
NET FED INC TAX ALLOWABLE	FA01		1,758,134	(5,404)	1,322,636	440,902	1,758,134
<u>FEDERAL INCOME TAX PAYABLE</u>							
PRELIM FIT	FT01		1,488,353	(7,380)	1,124,360	371,373	1,488,353
TEST YEAR INV TAX CREDIT	Z823		0	0	0	0	0
FED INC TAX PAYABLE	FP01		1,488,353	(7,380)	1,124,360	371,373	1,488,353
<u>PRELIMINARY SUMMARY</u>							
NET INCOME (EXCL AFUDC OFFSET)	NI01		6,452,641	14,929	4,825,777	1,611,935	6,452,641
NET FED INC TAX ALLOWABLE	FA01		(1,758,134)	5,404	(1,322,636)	(440,902)	(1,758,134)
NET STATE INC TAX ALLOWABLE	SA01		(324,185)	862	(243,623)	(81,424)	(324,185)
OVERALL RETURN EARNED-SCH 12	RETU		4,370,322	21,195	3,259,518	1,089,609	4,370,322
RATE OF RETURN EARNED-SCH 12	RORX		0.07671	0.07671	0.07671	0.07671	0.07671

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ALLOCATORS	ALLO	TOTAL GAS 1	COMMODITY 2	DEMAND 3	CUSTOMER 4	TOTAL 5
Schedule 13		1	0	1	0	1
PRODUCTION DEM	KPROD	1.00000	0.00000	1.00000	0.00000	1.00000
RATIO TO TOTAL GAS		1	1	0	0	1
PRODUCTION COM	KPROD_COM	1.00000	1.00000	0.00000	0.00000	1.00000
RATIO TO TOTAL GAS		1.00	0.00	1.00	0.00	1
DISTR LAND, STRUC & EQUIP DEM	KDIST_STR_D	1.00000	0.00000	1.00000	0.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
DISTR LAND, STRUC & EQUIP CUS	KDIST_STR_C	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1.00	0.00	1.00	0.00	1
LARGE IND M & R	KDIST_LRGIND_D	1.00000	0.00000	1.00000	0.00000	1.00000
RATIO TO TOTAL GAS		1.00	0.00	1.00	0.00	1
DISTRIBUTION MAINS DEMAND	KDIST_MA_D	1.00000	0.00000	1.00000	0.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
DISTRIBUTION MAINS CUSTOMER	KDIST_MA_C	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
SERVICES	KSERV_CUS	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
METERS & HOUSE REG	KMTRS_CUS	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
CUSTOMER ACCOUNTING	KCUST_ACCTG	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
CUSTOMER SERV & INFOR SYSTEMS	KCUST_INFO	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
CUSTOMER SALES	KCUST_SALES	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	1	0	1
A & G PRODUCTION	KA&G_PROD	1.00000	0.00000	1.00000	0.00000	1.00000
RATIO TO TOTAL GAS		1	1	0	0	1
A & G PRODUCTION COM	KA&G_PROD_C	1.00000	1.00000	0.00000	0.00000	1.00000
RATIO TO TOTAL GAS		84,223,870	0	63,662,858	20,561,012	84,223,870
A & G DISTRIBUTION	KA&G_DIST	1.00000	0.00000	0.75588	0.24412	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
A & G CUST ACCOUNTING	KA&G_CA	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
A & G CUST SERV & INFO SYS	KA&G_CS_INF	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
A & G SALES	KA&G_SALES	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1,985,542	188,625	1,117,104	679,813	1,985,542
FUNCTIONAL A & G	KA&G_FUNCT	1.00000	0.09500	0.56262	0.34238	1.00000
RATIO TO TOTAL GAS		1.000	0.000	0.000	1.000	1
CUST ACCTG, BILLING & COLLECTION SERV	KCA_BIL_COL	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		39,810,798	29,086,273	8,194,505	2,530,020	39,810,798
PRESENT REVENUES BY FUNCTION	SCHEDULE M-2.2 P.3,4,5 KFUNC_REV	1.00000	0.73061	0.20584	0.06355	1.00000
RATIO TO TOTAL GAS		42,005,213	29,086,273	8,913,075	4,005,865	42,005,213
PROPOSED REVENUES BY FUNCTION	SCHEDULE M-2.3 P.3,4,5 KFUNC_PROREV	1.00000	0.69244	0.21219	0.09537	1.00000
RATIO TO TOTAL GAS		1.00000	0.69244	0.21219	0.09537	1.00000

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
 GAS CASE NO: 2009-00202

FR-10(9)v-3
 WITNESS RESPONSIBLE:
 DONALD L. STORCK

ALLOCATORS	ALLO	TOTAL GAS	COMMODITY	DEMAND	CUSTOMER	TOTAL
Schedule 13.2						
WEIGHTED FUNCTIONAL ALLOCATORS						
GROSS PLANT						
WTD GROSS C & O PLANT RATIOS	KGROS_COM	1.00000	0.09500	0.56262	0.34238	1.00000
WTD GROSS DIST PLANT RATIOS	KGROS_DIST	1.00000	0.00000	0.75588	0.24412	1.00000
WTD GROSS G & I PLT RATIOS	KGROS_GEN	1.00000	0.09500	0.56262	0.34238	1.00000
WTD GROSS PROD PLANT RATIOS	KGROS_PROD	1.00000	0.00000	1.00000	0.00000	1.00000
NET PLANT						
COST OF SERVICE	KCOS	1.00000	0.63217	0.27182	0.09601	1.00000
WTD TOT DEPREC EXP RATIOS	KDEPREC_EXP	1.00000	0.00700	0.73561	0.25739	1.00000
WTD TOTAL CWIP RB RATIOS	KNET_CWIP	1.00000	0.00000	0.75588	0.24412	1.00000
RATIO TOTAL NP GAS	KNET_PLNT	1.00000	0.00165	0.74642	0.25193	1.00000
WTD NET C & O PLANT RATIOS	KNET_PLNT_COM	1.00000	0.09981	0.54117	0.35902	1.00000
WTD NET DIST PLANT RATIOS	KNET_PLNT_DIST	1.00000	0.00000	0.74858	0.25142	1.00000
WTD NET G & I PLT RATIOS	KNET_PLNT_GEN	1.00000	0.09437	0.56696	0.33867	1.00000
WTD NET PROD PLANT RATIOS	KNET_PLNT_PROD	1.00000	0.00000	1.00000	0.00000	1.00000
WTD TOTAL RATE BASE RATIOS	KRATE_BASE	1.00000	0.00485	0.74583	0.24932	1.00000

DUKE ENERGY KENTUCKY
COST OF SERVICE STUDY
TWELVE MONTHS ENDING JANUARY 31, 2011
GAS CASE NO: 2009-00202

	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>SUMMARY OF RESULTS</u>							
NET INCOME COMPUTATION		Schedule 1					
GROSS GAS PLANT IN SERVICE	GP11		16,720,073	0	15,422,700	1,297,373	16,720,073
TOTAL DEPRECIATION RESERVE	DR11		(4,680,525)	0	(4,342,226)	(338,299)	(4,680,525)
TOTAL RATE BASE ADJUSTMENTS	RB71		(1,264,357)	(1)	(1,087,426)	(176,930)	(1,264,357)
TOTAL RATE BASE	RB91		10,775,191	(1)	9,993,048	782,144	10,775,191
CAPITALIZATION ALLOC TO GAS OPER	GCAP		10,802,148	(1)	10,018,048	784,101	10,802,148
OPERATING EXPENSES							
TOTAL O&M EXPENSE	OM31		797,954	0	628,508	169,446	797,954
TOTAL DEPRECIATION EXPENSE	DE41		496,773	0	455,801	40,972	496,773
TOTAL OTHER TAX & MISC EXPENSE	L591		174,632	0	159,593	15,039	174,632
TOTAL OP EXP EXC INC & R TAX	OP61		1,469,359	0	1,243,902	225,457	1,469,359
NET FED INCOME TAX EXP ALLOWABLE	I879		335,573	0	311,349	24,223	335,573
NET STATE INCOME TAX EXP ALLOWABLE	J979		61,900	0	57,090	4,810	61,900
AFUDC OFFSET	LO33	KNET_CWIP	(12,534)	0	(11,581)	(953)	(12,534)
TOTAL OPERATING EXPENSE	OPEX		1,854,298	0	1,600,760	253,537	1,854,297
RETURN ON CAPITALIZATION	RC51		828,633	0	768,484	60,148	828,632
TOTAL OTHER OPERATING REVENUES	QO27		(13,679)	0	(11,270)	(2,409)	(13,679)
TOTAL GAS COST OF SERVICE	CS05		2,669,252	0	2,357,974	311,276	2,669,250
PROPOSED REVENUES	R602		2,669,206	0	2,230,606	438,600	2,669,206
EXCESS REVENUES	XREV		(46)	0	(127,368)	127,324	(44)
TOTAL RETURN EARNED	RETE		828,605	1	690,662	137,943	828,606
RATE OF RETURN EARNED ON CAP	RORE		0.07671	(1.00000)	0.06894	0.17593	0.07671
TOTAL RATE OF RETURN ALLOWABLE	RORA		0.07671	0.07671	0.07671	0.07671	0.07671
RETURN EARNED ON COMMON EQUITY	REOE		0.11000	(2.04770)	0.09440	0.30883	0.11000
ALLOWED RETURN ON COMMON EQUITY	AROE		0.11000	0.11000	0.11000	0.11000	0.11000
PRESENT REVENUES	R600		2,490,892	0	2,052,292	438,600	2,490,892
REVENUE INCREASE JUSTIFIED	RIJD		178,360	0	305,682	(127,324)	178,358
PER UNIT PRES REV	RIJP		0.07160	0.00000	0.14895	(0.29030)	0.07160
REVENUE INCREASE REQUESTED	RIRD		178,314	0	178,314	0	178,314
PER UNIT PRES REV	RIRP		0.07159	0.00000	0.08689	0.00000	0.07159

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
 GAS CASE NO: 2009-00202

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 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
GROSS GAS PLT IN SERVICE							
Schedule 2							
PRODUCTION PLANT							
PRODUCTION PLANT	P100	KPROD	0	0	0	0	0
PRODUCTION PLANT IN SERVICE	P121		0	0	0	0	0
TRANSMISSION PLANT							
TRANSMISSION PLANT	T100						
TRANSMISSION PLANT IN SERVICE	T121		0	0	0	0	0
TOTAL PROD & TRANS PLANT	PT21		0	0	0	0	0
DISTRIBUTION PLANT							
SYSTEM M&R - (2780, 2781)	D100	KDIST_STR_D	308,291	0	308,291	0	308,291
DIST REG - 2782	D102	KDIST_STR_D	79,902	0	79,902	0	79,902
LARGE IND M&R - (2850, 2851)	D104	KDIST_LRGIND_D	237,124	0	237,124	0	237,124
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)		KDIST_MA_D	14,189,484	0	14,189,484	0	14,189,484
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)		KDIST_MA_C	23,947	0	0	23,947	23,947
SERVICES - (2801, 2802, 2803, 2804, 2805-2807)	D108	KSERV_CUS	459,731	0	0	459,731	459,731
MTRS & MTR INST (2810, 2811, 2820, 2821)	D110	KMTRS_CUS	633,332	0	0	633,332	633,332
LAND, R OF W STRUCT & IMPROV, OTH, SL	D112	KDIST_STR_D	81,276	0	81,276	0	81,276
HOUSE REG & INSTALL (2830-2831, 2840-2841)	D114	KMTRS_CUS	113,938	0	0	113,938	113,938
GAS DISTRIBUTION - COMPLETED NOT CLASS	D118	KDIST_MA_D	62,292	0	62,292	0	62,292
DISTRIBUTION PLANT IN SERVICE	D141		16,189,317	0	14,958,369	1,230,948	16,189,317
TOTAL TRANS & DIST PLANT	TD21		16,189,317	0	14,958,369	1,230,948	16,189,317
TOTAL GROSS PTD PLANT	PD21		16,189,317	0	14,958,369	1,230,948	16,189,317
GENERAL & INTANGIBLE PLANT							
PRODUCTION PLANT	G100	KA&G_PROD	0	0	0	0	0
PRODUCTION PLANT COMMODITY	G102	KA&G_PROD_C	0	0	0	0	0
DISTRIBUTION PLANT	G104	KA&G_DIST	131,029	0	121,067	9,962	131,029
CUSTOMER ACCOUNTING	G106	KA&G_CA	7,243	0	0	7,243	7,243
CUSTOMER SERVICE & INFORMATION	G108	KA&G_CS_INF	114	0	0	114	114
SALES	G110	KA&G_SALES	0	0	0	0	0
GEN & INTANG PLANT IN SERVICE	G121		138,386	0	121,067	17,319	138,386
COMMON & OTHER PLANT							
PRODUCTION PLANT	C100	KA&G_PROD	0	0	0	0	0
PRODUCTION PLANT COMMODITY	C102	KA&G_PROD_C	0	0	0	0	0
DISTRIBUTION PLANT	C104	KA&G_DIST	371,510	0	343,264	28,246	371,510
CUSTOMER ACCOUNTING	C106	KA&G_CA	20,536	0	0	20,536	20,536
CUSTOMER SERVICE & INFORMATION	C108	KA&G_CS_INF	324	0	0	324	324
SALES	C110	KA&G_SALES	0	0	0	0	0
COMMON & OTHER PLT IN SERVICE	C121		392,370	0	343,264	49,106	392,370
GROSS GAS PLT IN SERVICE	GP11		16,720,073	0	15,422,700	1,297,373	16,720,073

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
 GAS CASE NO: 2009-00202

FR-10(9)v-4
 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
DEPRECIATION RESERVE	Schedule 3						
PRODUCTION PLANT							
PRODUCTION PLANT	P150	KPROD	0	0	0	0	0
TOTAL PROD DEPREC RESERVE	P171		0	0	0	0	0
TRANSMISSION PLANT							
TRANSMISSION PLANT	T168						
TOTAL TRANS DEPREC RESERVE	T171		0	0	0	0	0
DISTRIBUTION PLANT							
SYSTEM M&R - (2780, 2781)	D150	KDIST_STR_D	129,931	0	129,931	0	129,931
DIST REG - 2782	D152	KDIST_STR_D	40,719	0	40,719	0	40,719
LARGE IND M&R - (2850, 2851)	D154	KDIST_LRGIND_D	166,990	0	166,990	0	166,990
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)		KDIST_MA_D	3,731,302	0	3,731,302	0	3,731,302
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)		KDIST_MA_C	6,297	0	0	6,297	6,297
SERVICES - (2801, 2802, 2803, 2804, 2805-2807)	D158	KSERV_CUS	122,884	0	0	122,884	122,884
MTRS & MTR INST (2810, 2811, 2820, 2821)	D160	KMTRS_CUS	152,498	0	0	152,498	152,498
LAND, R OF W STRUCT & IMPROV, OTH, SL	D162	KDIST_STR_D	42,793	0	42,793	0	42,793
HOUSE REG & INSTALL (2830-2831, 2840-2841)	D164	KMTRS_CUS	21,572	0	0	21,572	21,572
GAS DISTRIBUTION - RWIP	D168	KGROS_DIST	(32,498)	0	(30,027)	(2,471)	(32,498)
TOTAL DIST DEPREC RESERVE	D191		4,382,488	0	4,081,708	300,780	4,382,488
GENERAL & INTANGIBLE PLANT							
PRODUCTION PLANT	G150	KA&G_PROD	0	0	0	0	0
PRODUCTION PLANT COMMODITY	G152	KA&G_PROD_C	0	0	0	0	0
DISTRIBUTION PLANT	G154	KA&G_DIST	63,157	0	58,355	4,802	63,157
CUSTOMER ACCOUNTING	G156	KA&G_CA	3,611	0	0	3,611	3,611
CUSTOMER SERVICE & INFORMATION	G158	KA&G_CS_INF	61	0	0	61	61
SALES	G160	KA&G_SALES	0	0	0	0	0
TOTAL GEN DEPREC RESERVE	G171		66,829	0	58,355	8,474	66,829
COMMON & OTHER PLANT							
PRODUCTION PLANT	C150	KA&G_PROD	0	0	0	0	0
PRODUCTION PLANT COMMODITY	C152	KA&G_PROD_C	0	0	0	0	0
DISTRIBUTION PLANT	C154	KA&G_DIST	218,798	0	202,163	16,635	218,798
CUSTOMER ACCOUNTING	C156	KA&G_CA	12,214	0	0	12,214	12,214
CUSTOMER SERVICE & INFORMATION	C158	KA&G_CS_INF	196	0	0	196	196
SALES	C160	KA&G_SALES	0	0	0	0	0
TOTAL COM & OTHER PLT RESERVE	C171		231,208	0	202,163	29,045	231,208
DEPRECIATION EXPENSE ANNUALIZATION ADJUSTMENT		KDEPREC_EXP	0	0	0	0	0
TOTAL DEPRECIATION RESERVE	DR11		4,680,525	0	4,342,226	338,299	4,680,525

DUKE ENERGY KENTUCKY
COST OF SERVICE STUDY
TWELVE MONTHS ENDING JANUARY 31, 2011
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	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
NET GAS PLANT	Schedule 4						
PRODUCTION PLANT			0	0	0	0	0
PRODUCTION PLANT IN SERVICE	P121		0	0	0	0	0
TOTAL PROD DEPREC RESERVE	P171		0	0	0	0	0
NET PRODUCTION PLANT	P221		0	0	0	0	0
TRANSMISSION PLANT			0	0	0	0	0
TRANSMISSION PLANT IN SERVICE	T121		0	0	0	0	0
TOTAL TRANS DEPREC RESERVE	T171		0	0	0	0	0
NET TRANSMISSION PLANT	T221		0	0	0	0	0
DISTRIBUTION PLANT			16,189,317	0	14,958,369	1,230,948	16,189,317
DISTRIBUTION PLANT IN SERVICE	D141		(4,382,488)	0	(4,081,708)	(300,780)	(4,382,488)
TOTAL DIST DEPREC RESERVE	D191		11,806,829	0	10,876,661	930,168	11,806,829
NET DISTRIBUTION PLANT	D241		11,806,829	0	10,876,661	930,168	11,806,829
NET PTD PLANT	NT31		11,806,829	0	10,876,661	930,168	11,806,829
NET TRANS & DIST PLANT	NT21						
GENERAL & INTANGIBLE PLANT			138,386	0	121,067	17,319	138,386
GEN & INTANG PLANT IN SERVICE	G121		(66,829)	0	(58,355)	(8,474)	(66,829)
TOTAL GEN & INTG DEPREC RESERVE	G171		71,557	0	62,712	8,845	71,557
NET GENERAL & INTANG PLANT	G221						
COMMON & OTHER PLANT			392,370	0	343,264	49,106	392,370
COMMON & OTH PLT IN SERVICE	C121		(231,208)	0	(202,163)	(29,045)	(231,208)
TOTAL COM & OTH DEPREC RESERVE	C171		161,162	0	141,101	20,061	161,162
NET COMMON & OTHER PLANT	C221						
NET GAS PLANT IN SERVICE	NP21		12,039,548	0	11,080,474	959,074	12,039,548

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
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	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
RATE BASE	Schedule 5						
RATE BASE ADJUSTMENTS							
SUBTRACTIVE ADJUSTMENTS							
ACCUM DEF INC TAXES (282)							
LIBERALIZED DEPRECIATION	B200	KNET_PLNT	1,799,950	0	1,656,565	143,385	1,799,950
OTHER - CIAC, CAP INT	B202	KNET_PLNT	66,741	0	61,424	5,317	66,741
TOTAL ACCOUNT 282	B221		1,866,691	0	1,717,989	148,702	1,866,691
ACCUM DEF INC TAXES (283)							
MISC DEFERRALS	B222	KA&G_CA	123,062	0	0	123,062	123,062
UNRECOVERED PURCHASED GAS COST	B224	KPROD_COM	0	0	0	0	0
TOTAL ACCOUNT 283	B243		123,062	0	0	123,062	123,062
OTHER SUBTRACTIVE ADJUSTMENTS							
CUSTOMER ADV FOR CONSTR (ACCT 252)	B244	KNET_PLNT	69,823	0	64,261	5,562	69,823
ITC (ACCT 255)	B246	KNET_PLNT	353	0	325	28	353
TOTAL OTHER SUBTRACTIVE ADJS	B285		70,176	0	64,586	5,590	70,176
TOTAL SUBTRACTIVE ADJUSTMENTS	B287		2,059,929	0	1,782,575	277,354	2,059,929
ADDITIVE ADJUSTMENTS							
ACCUM DEF INC TAXES (190)							
VAC PAY ACC, POST RET, PEN BEN, DEF COMP	V200	KA&G_FUNCT	536,506	0	469,362	67,144	536,506
TOTAL ACCOUNT 190	V221		536,506	0	469,362	67,144	536,506
OTHER							
OTHER	V233		0	0	0	0	0

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
 GAS CASE NO: 2009-00202

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 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
RATE BASE	Schedule 5 2						
CONSTRUCTION WORK IN PROGRESS							
PRODUCTION - CWIP	V234	KGROS_PROD	0	0	0	0	0
DISTRIBUTION - CWIP	V236	KGROS_DIST	163,400	0	150,976	12,424	163,400
COMMON - CWIP (GAS)	V238	KGROS_COM	0	0	0	0	0
GENERAL - CWIP	V240	KGROS_GEN	0	0	0	0	0
TOTAL RATE BASE CWIP	V255		163,400	0	150,976	12,424	163,400
TOTAL ADDITIVE ADJUSTMENTS	V289		699,906	0	620,338	79,568	699,906
NET ORIGINAL COST RATE BASE	RB21		10,679,525	0	9,918,237	761,288	10,679,525
WORKING CAPITAL							
MATERIALS & SUPPLIES							
FUEL SUPPLIES							
TOTAL FUEL STOCKS	W641		0	0	0	0	0
PLANT MATERIALS & SUPPLIES							
GAS ENRICHER LIQUID	W642	KPROD	0	0	0	0	0
OTHER SUPPLIES	W644	KNET_PLNT	(4,078)	0	(3,753)	(325)	(4,078)
TOTAL PLANT MATS. & SUPPLIES	W659		(4,078)	0	(3,753)	(325)	(4,078)
TOTAL MATERIALS & SUPPLIES	W661		(4,078)	0	(3,753)	(325)	(4,078)
PREPAYMENTS							
KY. PSC MAINTENANCE TAX	W674	KFUNC_REV	0	0	0	0	0
TOTAL PREPAYMENTS	W687		0	0	0	0	0
CASH WORKING CAPITAL							
TOTAL GAS, PP & OTHER	W705		0	0	0	0	0
AUTO CALC (O&M-GAS COST)/8	W711		99,744	(1)	78,564	21,181	99,744
TOTAL WORKING CASH	W721		99,744	(1)	78,564	21,181	99,744
MISCELLANEOUS WORKING CAPITAL							
GAS STORED UNDERGROUND	W730	KPROD	0	0	0	0	0
TOTAL MISC WORK CAPITAL	W747		0	0	0	0	0
TOTAL WORKING CAPITAL	WC71		95,666	(1)	74,811	20,856	95,666
PRELIMINARY SUMMARY							
TOTAL SUBTRACTIVE ADJUSTMENTS	B287		(2,059,929)	0	(1,782,575)	(277,354)	(2,059,929)
TOTAL ADDITIVE ADJUSTMENTS	V289		699,906	0	620,338	79,568	699,906
TOTAL WORKING CAPITAL	WC71		95,666	(1)	74,811	20,856	95,666
TOTAL RATE BASE ADJUSTMENTS	RB71		(1,264,357)	(1)	(1,087,426)	(176,930)	(1,264,357)
RATE BASE CALCULATION							
NET GAS PLANT IN SERVICE	NP21		12,039,548	0	11,080,474	959,074	12,039,548
TOTAL RATE BASE ADJUSTMENTS	RB71		(1,264,357)	(1)	(1,087,426)	(176,930)	(1,264,357)
TOTAL RATE BASE	RB91		10,775,191	(1)	9,993,048	782,144	10,775,191
CAPITALIZATION ALLOC TO GAS OPER	GCAP	KRATE_BASE	10,802,148	(1)	10,018,048	784,101	10,802,148
TOTAL RATE OF RETURN ALLOWABLE	RORA		0.0767100000	0.0767100000	0.0767100000	0.0767100000	0.0767100000
RETURN ON CAPITALIZATION	RC51		828,633	0	768,484	60,148	828,632

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
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FR-10(9)v-4
 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
O&M EXPENSES	Schedule 6						
PRODUCTION O&M							
COMMODITY RELATED O&M							
ANNUALIZED GAS COST - COMMODITY	P300	KPROD_COM	0	0	0	0	0
PURCHASED GAS & OTHER	P302	KPROD_COM	0	0	0	0	0
TOTAL ENERGY RELATED	P341		0	0	0	0	0
DEMAND RELATED PROD O&M							
ANNUALIZED GAS COST - DEMAND	P352	KPROD	0	0	0	0	0
TOTAL DEMAND RELATED	P391		0	0	0	0	0
OTHER THAN COM/DEM RELATED							
PRODUCTION EXPENSES	P400	KPROD	0	0	0	0	0
ELIM OTHER THAN ULH&P PORTION	P402	KPROD	0	0	0	0	0
TOTAL PROD OTHER THAN COM/DEM	P441		0	0	0	0	0
TOTAL PRODUCTION O&M	P451		0	0	0	0	0
TRANSMISSION O & M							
TRANSMISSION O & M	T318						
TOTAL TRANSMISSION O & M	T341		0	0	0	0	0
DISTRIBUTION O & M							
LOAD DISPATCH, RENTS	D300	KNET_PLNT_DIST	56,878	0	52,397	4,481	56,878
MAINS & SERVICES OPER	D302	KDIST_MA_D	72,605	0	72,605	0	72,605
M & R STATION	D304	KDIST_STR_D	6,297	0	6,297	0	6,297
CUSTOMER INST & OTHER	D306	KMTRS_CUS	88,443	0	0	88,443	88,443
METERS & HOUSE REG	D308	KMTRS_CUS	4,228	0	0	4,228	4,228
MAINS		KDIST_MA_D	60,414	0	60,414	0	60,414
MAINS		KDIST_MA_C	102	0	0	102	102
SERVICES	D312	KSERV_CUS	3,216	0	0	3,216	3,216
SUPV, ENG & OTHER	D314	KNET_PLNT_DIST	6,565	0	6,048	517	6,565
M & R, INDUSTRIAL	D316	KDIST_LRGIND_D	111,328	0	111,328	0	111,328
ELIM OTHER THAN ULH&P PORTION	D318	KNET_PLNT_DIST	(10,365)	0	(9,548)	(817)	(10,365)
TOTAL DISTRIBUTION O & M	D341		399,711	0	299,541	100,170	399,711
CUSTOMER ACCOUNTING							
TOT CUST ACCT EXP EXCLUD UNCOLL EXP	C300	KCUST_ACCTG	21,851	0	0	21,851	21,851
UNCOLLECTIBLE EXP	C302	KFUNC_REV	0	0	0	0	0
ANNUALIZED UNCOLL EXP ADJ	C304	KFUNC_REV	0	0	0	0	0
UNCOLLECTIBLES ON INCREASE		KFUNC_REV	0	0	0	0	0
TOTAL CUSTOMER ACCT EXPENSE	C317		21,851	0	0	21,851	21,851

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
 GAS CASE NO: 2009-00202

FR-10(9)v-4
 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
O&M EXPENSES	Schedule 6 2						
CUSTOMER SERVICE & INFORMATION							
TOTAL CUST SERVICE & INFO	C320	KCUST_INFO	367	0	0	367	367
ELIMIN OTHER THAN ULH&P PORTION	C322	KCUST_INFO	(1)	0	0	(1)	(1)
TOTAL CUSTOMER SERV. & INFO.	C331		366	0	0	366	366
SALES							
SALES EXPENSE	S300	KCUST_SALES	0	0	0	0	0
ELIMINATION OF EXPENSE	S302	KCUST_SALES	0	0	0	0	0
TOTAL SALES EXPENSE	S317		0	0	0	0	0
ADMINISTRATIVE & GENERAL							
ADMINISTRATIVE & GENERAL							
PRODUCTION PLANT	A300	KA&G_PROD	0	0	0	0	0
PRODUCTION PLANT COMMODITY	A302	KA&G_PROD_C	0	0	0	0	0
DISTRIBUTION PLANT	A304	KA&G_DIST	390,493	0	360,804	29,689	390,493
CUSTOMER ACCOUNTING	A306	KA&G_CA	21,585	0	0	21,585	21,585
CUSTOMER SERVICE & INFORMATION	A308	KA&G_CS_INF	340	0	0	340	340
SALES	A310	KA&G_SALES	0	0	0	0	0
TOT ADMIN & GEN LESS REG EXP	A312		412,418	0	360,804	51,614	412,418
RATE CASE EXPENSE	A314	KA&G_FUNCT	3,624	0	3,170	454	3,624
ELIMINATE VARIOUS EXPENSES	A316	KA&G_FUNCT	(89)	0	(78)	(11)	(89)
INCENTIVE COMPENSATION	A318	KA&G_FUNCT	(25,782)	0	(22,555)	(3,227)	(25,782)
ANNUALIZE KYPSM MAINT TAX	A319	KA&G_FUNCT	(2,010)	0	(1,758)	(252)	(2,010)
ELIM MERGER CREDITS & AMORT	A320	KA&G_FUNCT	(12,135)	0	(10,616)	(1,519)	(12,135)
TOTAL ADMIN. & GENERAL	A337		376,026	0	328,967	47,059	376,026
TOTAL O & M EXPENSE	OM31		797,954	0	628,508	169,446	797,954

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	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
DEPRECIATION EXPENSE		Schedule 7					
PRODUCTION DEPRECIATION	P460	KNET_PLNT_PROD	0	0	0	0	0
PRODUCTION DEPRECIATION	P481		0	0	0	0	0
TOTAL PRODUCTION DEPREC EXP.			0	0	0	0	0
TRANSMISSION DEPRECIATION	T481		0	0	0	0	0
TOTAL TRANSMISSION DEP. EXP.			0	0	0	0	0
DISTRIBUTION DEPRECIATION	D460	KNET_PLNT_DIST	368,381	0	339,359	29,022	368,381
DISTRIBUTION DEPRECIATION	D462	KNET_PLNT_DIST	88,107	0	81,166	6,941	88,107
DISTRIBUTION DEPRECIATION EXP ADJ	D481		456,488	0	420,525	35,963	456,488
TOTAL DIST. DEPREC EXP.			456,488	0	420,525	35,963	456,488
GENERAL DEPRECIATION	G460	KNET_PLNT_GEN	6,722	0	5,891	831	6,722
GENERAL DEPRECIATION	G476	KNET_PLNT_GEN	0	0	0	0	0
GENERAL DEPRECIATION EXP ADJ	G481		6,722	0	5,891	831	6,722
TOTAL GENERAL DEPREC EXP.			6,722	0	5,891	831	6,722
COMMON AND OTHER DEPRECIATION	C460	KNET_PLNT_COM	33,563	0	29,385	4,178	33,563
COMMON DEPRECIATION	C476	KNET_PLNT_COM	0	0	0	0	0
COMMON DEPRECIATION EXP ADJ	C481		33,563	0	29,385	4,178	33,563
TOTAL COM & OTHER DEPREC EXP.			33,563	0	29,385	4,178	33,563
TOTAL DEPRECIATION EXPENSE	DE41		496,773	0	455,801	40,972	496,773

DUKE ENERGY KENTUCKY
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	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>OTHER TAXES & MISC EXPENSES</u>							
Schedule 8							
TAXES OTHER THAN INC & REV			187,085	0	172,182	14,903	187,085
REAL ESTATE & PROPERTY TAX	L500	KNET_PLNT	(38,117)	0	(35,081)	(3,036)	(38,117)
REAL ESTATE & PROPERTY TAX ANNUALIZE PROPERTY TAX	L502	KNET_PLNT	148,968	0	137,101	11,867	148,968
TOTAL REAL EST & PROP TAX	L521						
<u>MISCELLANEOUS TAXES</u>							
PAYROLL & HIGHWAY	L560	KA&G_FUNCT	26,646	0	23,311	3,335	26,646
ANNUALIZED PAYROLL TAXES	L562	KA&G_FUNCT	(186)	0	(163)	(23)	(186)
KYPSC MAINTENANCE ADJ	L564	KFUNC_REV	(1,359)	0	(1,120)	(239)	(1,359)
TOTAL MISCELLANEOUS TAXES	L581		25,101	0	22,028	3,073	25,101
<u>MISCELLANEOUS EXPENSES</u>							
KYPSC ON INCREASE	L560	KFUNC_REV	563	0	464	99	563
TOTAL MISCELLANEOUS EXPENSES	L581		563	0	464	99	563
<u>TOTAL OTHER TAX & MISC EXPENSE</u>							
			174,632	0	159,593	15,039	174,632
<u>PRELIMINARY SUMMARY</u>							
TOTAL O&M EXPENSE	OM31		797,954	0	628,508	169,446	797,954
TOTAL DEPRECIATION EXPENSE	DE41		496,773	0	455,801	40,972	496,773
TOTAL OTHER TAX & MISC EXPENSE	L591		174,632	0	159,593	15,039	174,632
TOTAL OP EXP EXC IT & REV TAX	OP61		1,469,359	0	1,243,902	225,457	1,469,359

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 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
INCOME TAX BASED ON RETURN	Schedule 9						
FEDERAL INCOME TAX DEDUCTIONS							
AUTOMATIC INTEREST CALCULATION							
AUTO PROC INTEREST DED	Y751	KRATE_BASE	186,833	0	173,271	13,562	186,833
TOTAL INTEREST EXPENSE	Y783		186,833	0	173,271	13,562	186,833
OTHER DEDUCTIONS							
DEPREC EXCESS TAX-BOOK	Y790	KDEPREC_EXP	227,959	0	209,158	18,801	227,959
AMORT OF LOSS ON REACQUIRED DEBT	Y792	KNET_PLNT	(5,224)	0	(4,808)	(416)	(5,224)
DEFERRED FUEL COST - PGA	Y794	KPROD_COM	0	0	0	0	0
ADJUSTMENT FOR NON JURISDICTIONAL ACCT	Y796	KNET_PLNT	(55,884)	0	(51,432)	(4,452)	(55,884)
TOTAL OTHER DEDUCTIONS	Y823		166,851	0	152,918	13,933	166,851
NET DEDUCTIONS AND ADDITIONS	Y871		353,684	0	326,189	27,495	353,684
FEDERAL INCOME TAX ADJUSTMENTS							
FED PROV DEF INC TAX (410.1)							
LIB DEPRECIATION	Z750	KDEPREC_EXP	54,424	0	49,935	4,489	54,424
AMORT OF LOSS ON REACQUIRED DEBT	Z752	KNET_PLNT	0	0	0	0	0
DEFERRED FUEL COST - PGA	Z754	KPROD_COM	0	0	0	0	0
TOTAL FED PROV DEF IT (410.1)	Z781		54,424	0	49,935	4,489	54,424

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
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 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>INCOME TAX BASED ON RETURN</u>							
	Schedule 9 2						
<u>FED PROV DEF INC TAX (411.1)</u>			0	0	0	0	0
TOTAL FED PROV DEF IT (411.1)	Z811		0	0	0	0	0
<u>AMORT INV TAX CREDIT & SERV CO. ALLOC TAX CR.</u>		KNET_PLNT	3,096	0	2,849	247	3,096
TOTAL AMORTIZED ITC & SERV CO ALLOC	Z815		3,096	0	2,849	247	3,096
<u>TEST YEAR INV TAX CREDIT</u>			0	0	0	0	0
TEST YEAR INV TAX CREDIT	Z823		0	0	0	0	0
<u>PRELIMINARY SUMMARY</u>							
TOTAL FED PROV DEF IT (410.1)	Z781		54,424	0	49,935	4,489	54,424
TOTAL FED PROV DEF IT (411.1)	Z811		0	0	0	0	0
TOTAL AMORTIZED ITC & ALLOC SERV CO CR	Z815		(3,096)	0	(2,849)	(247)	(3,096)
TOTAL FEDERAL TAX ADJUSTMENTS	Z863		51,328	0	47,086	4,242	51,328
<u>FEDERAL INCOME TAX COMPUTATION</u>							
RETURN ON CAPITALIZATION	RC51		828,633	0	768,484	60,148	828,632
NET DEDUCTIONS AND ADDITIONS	Y871		(353,684)	0	(326,189)	(27,495)	(353,684)
TOTAL FEDERAL TAX ADJUSTMENTS	Z863		51,328	0	47,086	4,242	51,328
TOTAL STATE PROV DEF IT (410.1 & 411.1)	Z911		14,141	0	12,975	1,166	14,141
AFUDC OFFSET	Z933		(12,534)	0	(11,581)	(953)	(12,534)
BASE FOR FIT COMPUATION	I865		527,884	0	490,775	37,108	527,883
FIT FACTOR K190/(1-K190)	I867		0.53846	0.53846	0.53846	0.53846	
PRELIM FED INCOME TAX	I869		284,245	0	264,263	19,981	284,244
TOTAL FEDERAL TAX ADJUSTMENTS	Z863		51,328	0	47,086	4,242	51,328
NET FED INCOME TAX ALLOWABLE	I879		335,573	0	311,349	24,223	335,572

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 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
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 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>INCOME TAX BASED ON RETURN</u>							
Schedule 9 3							
<u>FEDERAL INCOME TAX PAYABLE</u>							
PRELIM FEDERAL INCOME TAX	1869		284,245	0	264,263	19,981	284,244
TEST YEAR INV TAX CREDIT	Z823		0	0	0	0	0
<u>NET FED INCOME TAX PAYABLE</u>	1889		284,245	0	264,263	19,981	284,244
<u>STATE INCOME TAX</u>							
<u>KY TAXABLE INCOME ADJUSTMENT</u>							
DEDUCTIONS IN ADD TO Y871	Y911		63,899	0	63,899	0	63,899
<u>STATE INCOME TAX ADJUSTMENTS</u>							
<u>STATE PROV DEF INC TAX (410.1)</u>							
LIB DEPRECIATION	Z890	KDEPREC_EXP	14,141	0	12,975	1,166	14,141
AMORT OF LOSS ON REACQUIRED DEBT	Z892	KNET_PLNT	0	0	0	0	0
DEFERRED FUEL COST - PGA	Z896	KPROD_COM	0	0	0	0	0
<u>TOT STATE PROV DEF IT (410.1)</u>	Z915		14,141	0	12,975	1,166	14,141
<u>STATE PROV DEF INC TAX (411.1)</u>							
<u>TOT STATE PROV DEF IT (411.1)</u>	Z939		0	0	0	0	0
<u>OTHER SIT ADJUSTMENTS</u>							
<u>OTHER SIT ADJUSTMENTS</u>	Z941		0	0	0	0	0
<u>TOTAL STATE INC TAX ADJUSTMENT</u>	Z951		14,141	0	12,975	1,166	14,141

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
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	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>INCOME TAX BASED ON RETURN</u>	Schedule 9 4						
<u>SUMMARY OF SIT CALCULATION</u>							
RETURN ON CAPITALIZATION	RC51		828,633	0	768,484	60,148	828,632
NET FED INCOME TAX ALLOWABLE	I879		335,573	0	311,349	24,223	335,572
NET FED. AND STATE DED. AND ADDITIONS	Y871		(417,583)	0	(390,088)	(27,495)	(417,583)
AFUDC OFFSET	Y911		(12,534)	0	(11,581)	(953)	(12,534)
TOTAL STATE INC TAX ADJ	Z957		14,141	0	12,975	1,166	14,141
<u>BASE FOR SIT COMPUTATION</u>	J965		748,230	0	691,139	57,089	748,228
SIT FACTOR K192/(1-K192)	J967		0.063830	0.063830	0.063830	0.063830	0.063830
PRELIMINARY STATE INCOME TAX	J969		47,759	0	44,115	3,644	47,759
TOTAL STATE INCOME TAX ADJ.	Z957		14,141	0	12,975	1,166	14,141
<u>NET STATE INC TAX EXP ALLOWABLE</u>	J979		61,900	0	57,090	4,810	61,900
STATE INCOME TAX PAYABLE	J969		47,759	0	44,115	3,644	47,759
PRELIMINARY STATE INCOME TAX	Z955		0	0	0	0	0
<u>OTHER SIT ADJUSTMENTS</u>	J989		47,759	0	44,115	3,644	47,759
<u>NET STATE INCOME TAX PAYABLE</u>							
COMPOSITE TAX RATE	CTAX		0.38900	0.38900	0.38900	0.38900	0.38900

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	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>COST OF SERVICE COMPUTATION</u>							
Schedule 10							
OTHER OPERATING REVENUES							872
LATE PAYMENT CHARGES	Q000	KFUNC_REV	872	0	718	154	872
MISC SERVICE REVENUE	Q002	KFUNC_REV	0	0	0	0	0
BAD CHECK & RECONNECTION CHARGES	Q004	KFUNC_REV	25	0	21	4	25
OTHER MISC REV	Q006	KFUNC_REV	21	0	17	4	21
REVENUE TRANSP OF GAS ASSOC COS	Q008	KFUNC_REV	12,074	0	9,948	2,126	12,074
INTERDEPARTMENTAL	Q024	KFUNC_REV	687	0	566	121	687
<u>TOTAL OTHER OPERATING REVS</u>	Q027		13,679	0	11,270	2,409	13,679
<u>COST OF SERVICE COMPUTATION</u>							
TOTAL OP EXP EXC INC & REV TAX	OP61		1,469,359	0	1,243,902	225,457	1,469,359
RETURN ON CAPITALIZATION	RC51		828,633	0	768,484	60,148	828,632
NET FED INCOME TAX ALLOWABLE	I879		335,573	0	311,349	24,223	335,572
NET STATE INCOME TAX ALLOWABLE	J979		61,900	0	57,090	4,810	61,900
<u>TOTAL OTHER OPERATING REVENUES</u>	Q027		(13,679)	0	(11,270)	(2,409)	(13,679)
<u>SUBTOTAL B</u>	CS03		2,681,786	0	2,369,555	312,229	2,681,784
<u>TOTAL OTHER OPERATING REVENUES</u>	Q027		13,679	0	11,270	2,409	13,679
<u>LESS: REVS EXCL FROM REV TAX CALC</u>	REXC		0	0	0	0	0
<u>OTHER OPERATING REVS TO BE TAXED</u>	OORT		13,679	0	11,270	2,409	13,679
<u>REVENUE TAX FACTOR</u>	L030		0.00000	0.00000	0.00000	0.00000	0.00000
<u>REVENUE TAX ON OTHER OPER. REVS</u>	L031		0	0	0	0	0
<u>AFUDC OFFSET</u>	L032		(12,534)	0	(11,581)	(953)	(12,534)
<u>OTHER DEDUCTION COST TO SERVICE</u>	L033		(12,534)	0	(11,581)	(953)	(12,534)
<u>TOTAL GAS COST OF SERVICE</u>	CS05		2,669,252	0	2,357,974	311,276	2,669,250
<u>PROPOSED REVENUES</u>	R602		2,669,206	0	2,230,606	438,600	2,669,206
<u>TOTAL GAS COST OF SERVICE</u>	CS05		(2,669,252)	0	(2,357,974)	(311,276)	(2,669,250)
<u>EXCESS REVENUES</u>	XREV		(46)	0	(127,368)	127,324	(44)
<u>COMPOSITE TAX RATE</u>	CTAX		0.38900	0.38900	0.38900	0.38900	0.38900
<u>EXCESS TAX</u>	XTAX		(18)	(1)	(49,546)	49,529	(18)
<u>EXCESS RETURN</u>	XRET		(28)	1	(77,822)	77,795	(26)

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	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
Schedule 11							
ROR, TAX RATES & SPEC FACTORS				RATIO	RATIO	RATIO	RATIO
RATE OF RETURN			367,408,791	0.4459	0.4459	0.4459	0.4459
CAPITALIZATION AMOUNTS	K100		0	0.0000	0.0000	0.0000	0.0000
LONG TERM DEBT	K102		411,218,278	0.49901	0.4990	0.4990	0.4990
PREFERRED STOCK	K104		45,441,090	0.05514	0.0551	0.0551	0.0551
COMMON STOCK	K106		0	0.0000	0.0000	0.0000	0.0000
SHORT TERM DEBT	K108		824,068,159	1.0000	1.0000	1.0000	1.0000
UNAMORTIZED DISCOUNT	K115						
TOTAL							
COST OF CAPITAL	K120		0.04657	0.04657	0.04657	0.04657	0.04657
LONG TERM DEBT	K122		0.00000	0.00000	0.00000	0.00000	0.00000
PREFERRED STOCK	K124		0.11000	0.11000	0.11000	0.11000	0.11000
COMMON STOCK	K126		0.01928	0.01928	0.01928	0.01928	0.01928
SHORT TERM DEBT	K128		0.00000	0.00000	0.00000	0.00000	0.00000
UNAMORTIZED DISCOUNT							
WEIGHTED COST OF CAPITAL	K141		0.02076	0.02076	0.02076	0.02076	0.02076
LONG TERM DEBT	K143		0.00000	0.00000	0.00000	0.00000	0.00000
PREFERRED STOCK	K145		0.05488	0.05488	0.05488	0.05488	0.05488
COMMON STOCK	K147		0.00106	0.00106	0.00106	0.00106	0.00106
SHORT TERM DEBT	K149		0.00000	0.00000	0.00000	0.00000	0.00000
UNAMORTIZED DISCOUNT			0.07671	0.07671	0.07671	0.07671	0.07671
TOT RATE OF RETURN ALLOWABLE	HARD CODE	RORA	0.00000	0.00000	0.00000	0.00000	0.00000
TAX RATES AND SPECIAL FACTORS							
SHORT TERM DEBT COST	K180		0.00000	0.00000	0.00000	0.00000	0.00000
FEDERAL INCOME TAX RATE	K190		0.35000	0.35000	0.35000	0.35000	0.35000
STATE INCOME TAX RATE	K192		0.06000	0.06000	0.06000	0.06000	0.06000
REVENUE TAX RATE	K196		0.00000	0.00000	0.00000	0.00000	0.00000

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	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
INCOME TAX BASED ON REVENUES		Schedule 12					
NET INCOME COMPUTATION	CS05		2,669,252	0	2,357,974	311,276	2,669,250
TOTAL GAS COST OF SERVICE	Q027		13,679	0	11,270	2,409	13,679
TOTAL OTHER OPERATING REVENUES	CS07		2,682,931	0	2,369,244	313,685	2,682,929
TOTAL GAS REVENUE	OP61		(1,469,359)	0	(1,243,902)	(225,457)	(1,469,359)
TOTAL OP EXP EX INC & REV TAX	RTXP		0	0	0	0	0
FIRM SERVICE REVENUE TAX	NI01		1,213,572	0	1,125,342	88,228	1,213,570
NET INCOME							
ADJUSTMENTS TO NET INCOME	Y783		(186,833)	0	(173,271)	(13,562)	(186,833)
TOTAL INTEREST EXPENSE	Y823		(166,851)	0	(152,918)	(13,933)	(166,851)
TOTAL OTHER DEDUCTIONS	TI01		859,888	0	799,153	60,733	859,886
PRELIMINARY TAXABLE INCOME							
STATE INCOME TAX COMPUTATION	TI01		859,888	0	799,153	60,733	859,886
PRELIMINARY TAX ABLE INCOME (INCL AFUDC)	Y911		(63,899)	0	(63,899)	0	(63,899)
DEDUCTIONS IN ADD TO Y871	SI01		795,989	0	735,254	60,733	795,987
STATE TAXABLE INCOME							
STATE INCOME TAX PAYABLE	K192		0.06000	0.06000	0.06000	0.06000	0.06000
STATE INCOME TAX RATE	ST01		47,759	0	44,115	3,644	47,759
PRELIM SIT = SI01 * K192	Z955		0	0	0	0	0
OTHER SIT ADJUSTMENTS	SP01		47,759	0	44,115	3,644	47,759
STATE INCOME TAX PAYABLE							
SIT ALLOWABLE	SP01		47,759	0	44,115	3,644	47,759
STATE INCOME TAX PAYABLE	Z911		14,141	0	12,975	1,166	14,141
TOTAL STATE PROV DEF IT(410.1)	Z933		0	0	0	0	0
TOTAL STATE PROV DEF IT(411.1)	SA01		61,900	0	57,090	4,810	61,900
NET STATE INC TAX ALLOWABLE							

DUKE ENERGY KENTUCKY
 COST OF SERVICE STUDY
 TWELVE MONTHS ENDING JANUARY 31, 2011
 GAS CASE NO: 2009-00202

FR-10(9)v-4
 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS FT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>INCOME TAX BASED ON REVENUES</u>							
Schedule 12 2							
<u>FEDERAL INCOME TAX COMPUTATION</u>							
PRELIMINARY TAXABLE INCOME (INCL AFUDC)	TI01		859,888	0	799,153	60,733	859,886
STATE INC TAX PAYABLE	SP01		(47,759)	0	(44,115)	(3,644)	(47,759)
<u>NET FEDERAL TAXABLE INCOME</u>	FI01		812,129	0	755,038	57,089	812,127
FEDERAL INCOME TAX RATE	K190		0.35000	0.35000	0.35000	0.35000	0.35000
PRELIMINARY FIT = FI01 * K190	FT01		284,245	1	264,263	19,981	284,245
TOTAL FED PROV DEF IT (410.1)	Z781		54,424	0	49,935	4,489	54,424
TOTAL FED PROV DEF IT (411.1)	Z803		0	0	0	0	0
TOTAL AMORTIZED ITC & SERV CO ALLOC CR	Z813		(3,096)	0	(2,849)	(247)	(3,096)
<u>NET FED INC TAX ALLOWABLE</u>	FA01		335,573	1	311,349	24,223	335,573
<u>FEDERAL INCOME TAX PAYABLE</u>							
PRELIM FIT	FT01		284,245	1	264,263	19,981	284,245
TEST YEAR INV TAX CREDIT	Z823		0	0	0	0	0
<u>FED INC TAX PAYABLE</u>	FP01		284,245	1	264,263	19,981	284,245
<u>PRELIMINARY SUMMARY</u>							
NET INCOME (EXCL AFUDC OFFSET)	NI01		1,226,106	0	1,136,923	89,181	1,226,104
NET FED INC TAX ALLOWABLE	FA01		(335,573)	(1)	(311,349)	(24,223)	(335,573)
NET STATE INC TAX ALLOWABLE	SA01		(61,900)	0	(57,090)	(4,810)	(61,900)
<u>OVERALL RETURN EARNED-SCH 12</u>	RETU		828,633	(1)	768,484	60,148	828,631
RATE OF RETURN EARNED-SCH 12	RORX		0.07671	1.00000	0.07671	0.07671	0.07671

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ALLOCATORS	ALLO	TOTAL	COMMODITY	DEMAND	CUSTOMER	TOTAL
		GAS				
Schedule 13		1	2	3	4	5
PRODUCTION DEM		1	0	1	0	1
RATIO TO TOTAL GAS	KPROD	1.00000	0.00000	1.00000	0.00000	1.00000
PRODUCTION COM		1	1	0	0	1
RATIO TO TOTAL GAS	KPROD_COM	1.00000	1.00000	0.00000	0.00000	1.00000
DISTR LAND, STRUC & EQUIP DEM		1.00	0.00	1.00	0.00	1
RATIO TO TOTAL GAS	KDIST_STR_D	1.00000	0.00000	1.00000	0.00000	1.00000
DISTR LAND, STRUC & EQUIP CUS		1	0	0	1	1
RATIO TO TOTAL GAS	KDIST_STR_C	1.00000	0.00000	0.00000	1.00000	1.00000
LARGE IND M & R		1.00	0.00	1.00	0.00	1
RATIO TO TOTAL GAS	KDIST_LRGIND_D	1.00000	0.00000	1.00000	0.00000	1.00000
DISTRIBUTION MAINS DEMAND		1.00	0.00	1.00	0.00	1
RATIO TO TOTAL GAS	KDIST_MA_D	1.00000	0.00000	1.00000	0.00000	1.00000
DISTRUBUTION MAINS CUSTOMER		1	0	0	1	1
RATIO TO TOTAL GAS	KDIST_MA_C	1.00000	0.00000	0.00000	1.00000	1.00000
SERVICES		1	0	0	1	1
RATIO TO TOTAL GAS	KSERV_CUS	1.00000	0.00000	0.00000	1.00000	1.00000
METERS & HOUSE REG		1	0	0	1	1
RATIO TO TOTAL GAS	KMTRS_CUS	1.00000	0.00000	0.00000	1.00000	1.00000
CUSTOMER ACCOUNTING		1	0	0	1	1
RATIO TO TOTAL GAS	KCUST_ACCTG	1.00000	0.00000	0.00000	1.00000	1.00000
CUSTOMER SERV & INFOR SYSTEMS		1	0	0	1	1
RATIO TO TOTAL GAS	KCUST_INFO	1.00000	0.00000	0.00000	1.00000	1.00000
CUSTOMER SALES		1	0	0	1	1
RATIO TO TOTAL GAS	KCUST_SALES	1.00000	0.00000	0.00000	1.00000	1.00000
A & G PRODUCTION		1	0	1	0	1
RATIO TO TOTAL GAS	KA&G_PROD	1.00000	0.00000	1.00000	0.00000	1.00000
A & G PRODUCTION COM		1	1	0	0	1
RATIO TO TOTAL GAS	KA&G_PROD_C	1.00000	1.00000	0.00000	0.00000	1.00000
A & G DISTRIBUTION		16,189,317	0	14,958,369	1,230,948	16,189,317
RATIO TO TOTAL GAS	KA&G_DIST	1.00000	0.00000	0.92397	0.07603	1.00000
A & G CUST ACCOUNTING		1	0	0	1	1
RATIO TO TOTAL GAS	KA&G_CA	1.00000	0.00000	0.00000	1.00000	1.00000
A & G CUST SERV & INFO SYS		1	0	0	1	1
RATIO TO TOTAL GAS	KA&G_CS_INF	1.00000	0.00000	0.00000	1.00000	1.00000
A & G SALES		1	0	0	1	1
RATIO TO TOTAL GAS	KA&G_SALES	1.00000	0.00000	0.00000	1.00000	1.00000
FUNCTIONAL A & G		412,418	0	360,804	51,614	412,418
RATIO TO TOTAL GAS	KA&G_FUNCT	1.00000	0.00000	0.87485	0.12515	1.00000
CUST ACCTG, BILLING & COLLECTION SERV		1.000	0.000	0.000	1.000	1
RATIO TO TOTAL GAS	KCA_BIL_COL	1.00000	0.00000	0.00000	1.00000	1.00000
PRESENT REVENUES BY FUNCTION	SCHEDULE M-2.2 P. 6	2,490,892	0	2,052,292	438,600	2,490,892
RATIO TO TOTAL GAS	KFUNC_REV	1.00000	0.00000	0.82392	0.17608	1.00000
PROPOSED REVENUES BY FUNCTION	SCHEDULE M-2.3 P. 6	2,669,206	0	2,230,606	438,600	2,669,206
RATIO TO TOTAL GAS	KFUNC_PROREV	1.00000	0.00000	0.83568	0.16432	1.00000

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 DONALD L. STORCK

ALLOCATORS	ALLO	TOTAL GAS	COMMODITY	DEMAND	CUSTOMER	TOTAL
Schedule 13 2						
WEIGHTED FUNCTIONAL ALLOCATORS						
GROSS PLANT						
WTD GROSS C & O PLANT RATIOS	KGROS_COM	1.00000	0.00000	0.87485	0.12515	1
WTD GROSS DIST PLANT RATIOS	KGROS_DIST	1.00000	0.00000	0.92397	0.07603	1
WTD GROSS G & I PLT RATIOS	KGROS_GEN	1.00000	0.00000	0.87485	0.12515	1
WTD GROSS PROD PLANT RATIOS	KGROS_PROD	1.00000	0.00000	1.00000	0.00000	1
NET PLANT						
COST OF SERVICE	KCOS	1.00000	0.00000	0.88338	0.11662	1
WTD TOT DEPREC EXP RATIOS	KDEPREC_EXP	1.00000	0.00000	0.91752	0.08248	1
WTD TOTAL CWIP RB RATIOS	KNET_CWIP	1.00000	0.00000	0.92397	0.07603	1
RATIO TOTAL NP GAS	KNET_PLNT	1.00000	0.00000	0.92034	0.07966	1
WTD NET C & O PLANT RATIOS	KNET_PLNT_COM	1.00000	0.00000	0.87552	0.12448	1
WTD NET DIST PLANT RATIOS	KNET_PLNT_DIST	1.00000	0.00000	0.92122	0.07878	1
WTD NET G & I PLT RATIOS	KNET_PLNT_GEN	1.00000	0.00000	0.87639	0.12361	1
WTD NET PROD PLANT RATIOS	KNET_PLNT_PROD	1.00000	0.00000	1.00000	0.00000	1
WTD TOTAL RATE BASE RATIOS	KRATE_BASE	1.00000	(0.00000)	0.92741	0.07259	1

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 WITNESS RESPONSIBLE:
 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
SUMMARY OF RESULTS	Schedule 1						
NET INCOME COMPUTATION							
GROSS GAS PLANT IN SERVICE	GP11		7,577,423	0	6,598,993	978,430	7,577,423
TOTAL DEPRECIATION RESERVE	DR11		(2,189,310)	0	(1,929,198)	(260,112)	(2,189,310)
TOTAL RATE BASE ADJUSTMENTS	RB71		(467,608)	(1)	(361,829)	(105,778)	(467,608)
TOTAL RATE BASE	RB91		4,920,505	(1)	4,307,966	612,540	4,920,505
CAPITALIZATION ALLOC TO GAS OPER	GCAP		4,932,905	(1)	4,318,822	614,084	4,932,905
OPERATING EXPENSES							
TOTAL O&M EXPENSE	OM31		509,978	0	396,012	113,966	509,978
TOTAL DEPRECIATION EXPENSE	DE41		228,294	0	196,742	31,552	228,294
TOTAL OTHER TAX & MISC EXPENSE	L591		83,244	0	71,180	12,064	83,244
TOTAL OP EXP EXC INC & R TAX	OP61		821,516	0	663,934	157,582	821,516
NET FED INCOME TAX EXP ALLOWABLE	I879		152,961	0	134,013	18,948	152,961
NET STATE INCOME TAX EXP ALLOWABLE	J979		28,260	0	24,503	3,757	28,260
AFUDC OFFSET	LO33	KNET_CWIP	(5,604)	0	(4,896)	(708)	(5,604)
TOTAL OPERATING EXPENSE	OPEX		997,133	0	817,554	179,579	997,133
RETURN ON CAPITALIZATION	RC51		378,403	0	331,297	47,106	378,403
TOTAL OTHER OPERATING REVENUES	QO27		(5,815)	0	(5,136)	(679)	(5,815)
TOTAL GAS COST OF SERVICE	CS05		1,369,721	0	1,143,715	226,006	1,369,721
PROPOSED REVENUES	R602		1,369,748	0	1,245,908	123,840	1,369,748
EXCESS REVENUES	XREV		27	0	102,193	(102,166)	27
TOTAL RETURN EARNED	RETE		378,419	(1)	393,737	(15,317)	378,419
RATE OF RETURN EARNED ON CAP	RORE		0.07671	1.00000	0.09117	(0.02494)	0.07671
TOTAL RATE OF RETURN ALLOWABLE	RORA		0.07671	0.07671	0.07671	0.07671	0.07671
RETURN EARNED ON COMMON EQUITY	REOE		0.11000	1.96020	0.13900	(0.09371)	0.11000
ALLOWED RETURN ON COMMON EQUITY	AROE		0.11000	0.11000	0.11000	0.11000	0.11000
PRESENT REVENUES	R600		1,059,928	0	936,088	123,840	1,059,928
REVENUE INCREASE JUSTIFIED	RIJD		309,793	0	207,627	102,166	309,793
PER UNIT PRES REV	RIJP		0.29228	0.00000	0.22180	0.82498	0.29228
REVENUE INCREASE REQUESTED	RIRD		309,820	0	309,820	0	309,820
PER UNIT PRES REV	RIRP		0.29230	0.00000	0.33097	0.00000	0.29230

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DUKE ENERGY KENTUCKY
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	ITEM	ALLO	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<hr/>							
GROSS GAS PLT IN SERVICE		Schedule 2	0	0	0	0	0
PRODUCTION PLANT	P100	KPROD	0	0	0	0	0
PRODUCTION PLANT	P121						
PRODUCTION PLANT IN SERVICE	<hr/>						
TRANSMISSION PLANT	T100		0	0	0	0	0
TRANSMISSION PLANT	T121						
TRANSMISSION PLANT IN SERVICE	<hr/>						
TOTAL PROD & TRANS PLANT	PT21		0	0	0	0	0
<hr/>							
DISTRIBUTION PLANT	D100	KDIST_STR_D	127,974	0	127,974	0	127,974
SYSTEM M&R - (2780, 2781)	D102	KDIST_STR_D	33,168	0	33,168	0	33,168
DIST REG - 2782	D104	KDIST_LRGIND_D	213,368	0	213,368	0	213,368
LARGE IND M&R - (2850, 2851)		KDIST_MA_D	5,890,160	0	5,890,160	0	5,890,160
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)		KDIST_MA_C	8,676	0	0	8,676	8,676
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)		KDIST_MA_C	279,484	0	0	279,484	279,484
SERVICES - (2801, 2802, 2803, 2804, 2805-2807)	D108	KSERV_CUS	584,388	0	0	584,388	584,388
MTRS & MTR INST (2810, 2811, 2820, 2821)	D110	KMTRS_CUS	33,738	0	33,738	0	33,738
LAND, R OF W STRUCT & IMPROV, OTH, SL	D112	KDIST_STR_D	41,364	0	0	41,364	41,364
HOUSE REG & INSTALL (2830-2831, 2840-2841)	D114	KMTRS_CUS	25,858	0	25,858	0	25,858
GAS DISTRIBUTION - COMPLETED NOT CLASS	D118	KDIST_MA_D	7,238,178	0	6,324,266	913,912	7,238,178
DISTRIBUTION PLANT IN SERVICE	D141		7,238,178	0	6,324,266	913,912	7,238,178
TOTAL TRANS & DIST PLANT	TD21		7,238,178	0	6,324,266	913,912	7,238,178
TOTAL GROSS PTD PLANT	PD21						
<hr/>							
GENERAL & INTANGIBLE PLANT	G100	KA&G_PROD	0	0	0	0	0
PRODUCTION PLANT	G102	KA&G_PROD_C	0	0	0	0	0
PRODUCTION PLANT COMMODITY	G104	KA&G_DIST	81,982	0	71,631	10,351	81,982
DISTRIBUTION PLANT	G106	KA&G_CA	6,430	0	0	6,430	6,430
CUSTOMER ACCOUNTING	G108	KA&G_CS_INF	41	0	0	41	41
CUSTOMER SERVICE & INFORMATION	G110	KA&G_SALES	0	0	0	0	0
SALES	G121		88,453	0	71,631	16,822	88,453
GEN & INTANG PLANT IN SERVICE	<hr/>						
COMMON & OTHER PLANT	C100	KA&G_PROD	0	0	0	0	0
PRODUCTION PLANT	C102	KA&G_PROD_C	0	0	0	0	0
PRODUCTION PLANT COMMODITY	C104	KA&G_DIST	232,445	0	203,096	29,349	232,445
DISTRIBUTION PLANT	C106	KA&G_CA	18,230	0	0	18,230	18,230
CUSTOMER ACCOUNTING	C108	KA&G_CS_INF	117	0	0	117	117
CUSTOMER SERVICE & INFORMATION	C110	KA&G_SALES	0	0	0	0	0
SALES	C121		250,792	0	203,096	47,696	250,792
COMMON & OTHER PLT IN SERVICE	<hr/>						
GROSS GAS PLT IN SERVICE	GP11		7,577,423	0	6,598,993	978,430	7,577,423

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	ITEM	ALLO	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
DEPRECIATION RESERVE	Schedule 3		0	0	0	0	0
PRODUCTION PLANT	P150	KPROD	0	0	0	0	0
PRODUCTION PLANT	P171						
TOTAL PROD DEPREC RESERVE							
TRANSMISSION PLANT	T168		0	0	0	0	0
TRANSMISSION PLANT	T171						
TOTAL TRANS DEPREC RESERVE							
DISTRIBUTION PLANT	D150	KDIST_STR_D	53,936	0	53,936	0	53,936
SYSTEM M&R - (2780, 2781)	D152	KDIST_STR_D	16,903	0	16,903	0	16,903
DIST REG - 2782	D154	KDIST_LRGIND_D	150,260	0	150,260	0	150,260
LARGE IND M&R - (2850, 2851)		KDIST_MA_D	1,548,891	0	1,548,891	0	1,548,891
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)		KDIST_MA_C	2,282	0	0	2,282	2,282
MAINS - (2761, 2762, 2763, 2765, 2767, 2768)		KSERV_CUS	74,705	0	0	74,705	74,705
SERVICES - (2801, 2802, 2803, 2804, 2805-2807)	D158	KSERV_CUS	140,713	0	0	140,713	140,713
MTRS & MTR INST (2810, 2811, 2820, 2821)	D160	KMTRS_CUS	17,764	0	17,764	0	17,764
LAND, R OF W STRUCT & IMPROV, OTH, SL	D162	KDIST_STR_D	7,831	0	0	7,831	7,831
HOUSE REG & INSTALL (2830-2831, 2840-2841)	D164	KMTRS_CUS	(14,529)	0	(12,695)	(1,834)	(14,529)
GAS DISTRIBUTION - RWIP	D168	KGROS_DIST	1,998,756	0	1,775,059	223,697	1,998,756
TOTAL DIST DEPREC RESERVE	D191						
GENERAL & INTANGIBLE PLANT	G150	KA&G_PROD	0	0	0	0	0
PRODUCTION PLANT	G152	KA&G_PROD_C	0	0	0	0	0
PRODUCTION PLANT COMMODITY	G154	KA&G_DIST	39,516	0	34,527	4,989	39,516
DISTRIBUTION PLANT	G156	KA&G_CA	3,205	0	0	3,205	3,205
CUSTOMER ACCOUNTING	G158	KA&G_CS_INF	22	0	0	22	22
CUSTOMER SERVICE & INFORMATION	G160	KA&G_SALES	0	0	0	0	0
SALES	G171		42,743	0	34,527	8,216	42,743
TOTAL GEN DEPREC RESERVE							
COMMON & OTHER PLANT	C150	KA&G_PROD	0	0	0	0	0
PRODUCTION PLANT	C152	KA&G_PROD_C	0	0	0	0	0
PRODUCTION PLANT COMMODITY	C154	KA&G_DIST	136,897	0	119,612	17,285	136,897
DISTRIBUTION PLANT	C156	KA&G_CA	10,843	0	0	10,843	10,843
CUSTOMER ACCOUNTING	C158	KA&G_CS_INF	71	0	0	71	71
CUSTOMER SERVICE & INFORMATION	C160	KA&G_SALES	0	0	0	0	0
SALES	C171		147,811	0	119,612	28,199	147,811
TOTAL COM & OTHER PLT RESERVE			0	0	0	0	0
DEPRECIATION EXPENSE ANNUALIZATION ADJUSTMENT	DR11	KDEPREC_EXP	2,189,310	0	1,929,198	260,112	2,189,310
TOTAL DEPRECIATION RESERVE							

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	ITEM	ALLO	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
NET GAS PLANT	Schedule 4						
PRODUCTION PLANT							
PRODUCTION PLANT IN SERVICE	P121		0	0	0	0	0
TOTAL PROD DEPRC RESERVE	P171		0	0	0	0	0
NET PRODUCTION PLANT	P221		0	0	0	0	0
TRANSMISSION PLANT							
TRANSMISSION PLANT IN SERVICE	T121		0	0	0	0	0
TOTAL TRANS DEPREC RESERVE	T171		0	0	0	0	0
NET TRANSMISSION PLANT	T221		0	0	0	0	0
DISTRIBUTION PLANT							
DISTRIBUTION PLANT IN SERVICE	D141		7,238,178	0	6,324,266	913,912	7,238,178
TOTAL DIST DEPREC RESERVE	D191		(1,998,756)	0	(1,775,059)	(223,697)	(1,998,756)
NET DISTRIBUTION PLANT	D241		5,239,422	0	4,549,207	690,215	5,239,422
NET PTD PALNT	NT31		5,239,422	0	4,549,207	690,215	5,239,422
NET TRANS & DIST PLANT	NT21		5,239,422	0	4,549,207	690,215	5,239,422
GENERAL & INTANGIBLE PLANT							
GEN & INTANG PLANT IN SERVICE	G121		88,453	0	71,631	16,822	88,453
TOTAL GEN & INTG DEPREC RESERVE	G171		(42,743)	0	(34,527)	(8,216)	(42,743)
NET GENERAL & INTANG PLANT	G221		45,710	0	37,104	8,606	45,710
COMMON & OTHER PLANT							
COMMON & OTH PLT IN SERVICE	C121		250,792	0	203,096	47,696	250,792
TOTAL COM & OTH DEPREC RESERVE	C171		(147,811)	0	(119,612)	(28,199)	(147,811)
NET COMMON & OTHER PLANT	C221		102,981	0	83,484	19,497	102,981
NET GAS PLANT IN SERVICE	NP21		5,388,113	0	4,669,795	718,318	5,388,113

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	ITEM	ALLO	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
RATE BASE	Schedule 5						
RATE BASE ADJUSTMENTS							
SUBTRACTIVE ADJUSTMENTS							
ACCUM DEF INC TAXES (282)							
LIBERALIZED DEPRECIATION	B200	KNET_PLNT	805,563	0	698,169	107,394	805,563
OTHER - CIAC, CAP INT	B202	KNET_PLNT	29,870	0	25,888	3,982	29,870
TOTAL ACCOUNT 282	B221		835,433	0	724,057	111,376	835,433
ACCUM DEF INC TAXES (283)							
MISC DEFERRALS	B222	KA&G_CA	78,657	0	0	78,657	78,657
UNRECOVERED PURCHASED GAS COST	B224	KPROD_COM	0	0	0	0	0
TOTAL ACCOUNT 283	B243		78,657	0	0	78,657	78,657
OTHER SUBTRACTIVE ADJUSTMENTS							
CUSTOMER ADV FOR CONSTR (ACCT 252)	B244	KNET_PLNT	31,249	0	27,083	4,166	31,249
ITC (ACCT 255)	B246	KNET_PLNT	158	0	137	21	158
TOTAL OTHER SUBTRACTIVE ADJS	B285		31,407	0	27,220	4,187	31,407
TOTAL SUBTRACTIVE ADJUSTMENTS	B287		945,497	0	751,277	194,220	945,497
ADDITIVE ADJUSTMENTS							
ACCUM DEF INC TAXES (190)							
VAC PAY ACC, POST RET, PEN BEN, DEF COMP	V200	KA&G_FUNCT	342,917	0	277,701	65,216	342,917
TOTAL ACCOUNT 190	V221		342,917	0	277,701	65,216	342,917
OTHER							
OTHER	V233		0	0	0	0	0

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 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
RATE BASE							
Schedule 5 2							
CONSTRUCTION WORK IN PROGRESS							
PRODUCTION - CWIP	V234	KGROS_PROD	0	0	0	0	0
DISTRIBUTION - CWIP	V236	KGROS_DIST	73,050	0	63,827	9,223	73,050
COMMON - CWIP (GAS)	V238	KGROS_COM	0	0	0	0	0
GENERAL - CWIP	V240	KGROS_GEN	0	0	0	0	0
TOTAL RATE BASE CWIP	V255		73,050	0	63,827	9,223	73,050
TOTAL ADDITIVE ADJUSTMENTS	V289		415,967	0	341,528	74,439	415,967
NET ORIGINAL COST RATE BASE	RB21		4,858,583	0	4,260,046	598,537	4,858,583
WORKING CAPITAL							
MATERIALS & SUPPLIES							
FUEL SUPPLIES							
TOTAL FUEL STOCKS	W641		0	0	0	0	0
PLANT MATERIALS & SUPPLIES							
GAS ENRICHER LIQUID	W642	KPROD	0	0	0	0	0
OTHER SUPPLIES	W644	KNET_PLNT	(1,825)	0	(1,582)	(243)	(1,825)
TOTAL PLANT MATS. & SUPPLIES	W659		(1,825)	0	(1,582)	(243)	(1,825)
TOTAL MATERIALS & SUPPLIES	W661		(1,825)	0	(1,582)	(243)	(1,825)
PREPAYMENTS							
KY. PSC MAINTENANCE TAX	W674	KFUNC_REV	0	0	0	0	0
TOTAL PREPAYMENTS	W687		0	0	0	0	0
CASH WORKING CAPITAL							
TOTAL GAS, PP & OTHER	W705		0	0	0	0	0
AUTO CALC (O&M-GAS COST)/8	W711		63,747	(1)	49,502	14,246	63,747
TOTAL WORKING CASH	W721		63,747	(1)	49,502	14,246	63,747
MISCELLANEOUS WORKING CAPITAL							
GAS STORED UNDERGROUND	W730	KPROD	0	0	0	0	0
TOTAL MISC WORK CAPITAL	W747		0	0	0	0	0
TOTAL WORKING CAPITAL	WC71		61,922	(1)	47,920	14,003	61,922
PRELIMINARY SUMMARY							
TOTAL SUBTRACTIVE ADJUSTMENTS	B287		(945,497)	0	(751,277)	(194,220)	(945,497)
TOTAL ADDITIVE ADJUSTMENTS	V289		415,967	0	341,528	74,439	415,967
TOTAL WORKING CAPITAL	WC71		61,922	(1)	47,920	14,003	61,922
TOTAL RATE BASE ADJUSTMENTS	RB71		(467,608)	(1)	(361,829)	(105,778)	(467,608)
RATE BASE CALCULATION							
NET GAS PLANT IN SERVICE	NP21		5,388,113	0	4,669,795	718,318	5,388,113
TOTAL RATE BASE ADJUSTMENTS	RB71		(467,608)	(1)	(361,829)	(105,778)	(467,608)
TOTAL RATE BASE	RB91		4,920,505	(1)	4,307,966	612,540	4,920,505
CAPITALIZATION ALLOC TO GAS OPER	GCAP	KRATE_BASE	4,932,905	(1)	4,318,822	614,084	4,932,905
TOTAL RATE OF RETURN ALLOWABLE	RORA		0.0767100000	0.0767100000	0.0767100000	0.0767100000	0.0767100000
RETURN ON CAPITALIZATION	RC51		378,403	0	331,297	47,106	378,403

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	ITEM	ALI-O	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
O&M EXPENSES		Schedule 6					
PRODUCTION O&M			0	0	0	0	0
COMMODITY RELATED O&M	P300	KPROD_COM	0	0	0	0	0
ANNUALIZED GAS COST - COMMODITY	P302	KPROD_COM	0	0	0	0	0
PURCHASED GAS & OTHER	P341		0	0	0	0	0
TOTAL ENERGY RELATED			0	0	0	0	0
DEMAND RELATED PROD O&M	P352	KPROD	0	0	0	0	0
ANNUALIZED GAS COST - DEMAND	P391		0	0	0	0	0
TOTAL DEMAND RELATED			0	0	0	0	0
OTHER THAN COM/DEM RELATED	P400	KPROD	0	0	0	0	0
PRODUCTION EXPENSES	P402	KPROD	0	0	0	0	0
ELIM OTHER THAN ULH&P PORTION	P441		0	0	0	0	0
TOTAL PROD OTHER THAN COM/DEM	P451		0	0	0	0	0
TOTAL PRODUCTION O&M			0	0	0	0	0
TRANSMISSION O & M	T318						
TRANSMISSION O & M	T341						
TOTAL TRANSMISSION O & M			51,179	0	44,437	6,742	51,179
DISTRIBUTION O & M	D300	KNET_PLNT_DIST	30,567	0	30,567	0	30,567
LOAD DISPATCH, RENTS	D302	KDIST_MA_D	2,614	0	2,614	0	2,614
MAINS & SERVICES OPER	D304	KDIST_STR_D	36,713	0	0	36,713	36,713
M & R STATION	D306	KMTRS_CUS	3,521	0	0	3,521	3,521
CUSTOMER INST & OTHER	D308	KMTRS_CUS	25,078	0	25,078	0	25,078
METERS & HOUSE REG		KDIST_MA_D	37	0	0	37	37
MAINS		KDIST_MA_C	1,955	0	0	1,955	1,955
MAINS		KSERV_CUS	2,913	0	2,529	384	2,913
SERVICES	D312	KNET_PLNT_DIST	100,174	0	100,174	0	100,174
SUPV, ENG & OTHER	D314	KDIST_LRGIND_D	(4,634)	0	(4,024)	(610)	(4,634)
M & R, INDUSTRIAL	D316	KNET_PLNT_DIST	250,117	0	201,375	48,742	250,117
ELIM OTHER THAN ULH&P PORTION	D318						
TOTAL DISTRIBUTION O & M	D341		19,381	0	0	19,381	19,381
CUSTOMER ACCOUNTING	C300	KCUST_ACCTG	0	0	0	0	0
TOT CUST ACCT EXP EXCLUD UNCOLL EXP	C302	KFUNC_REV	0	0	0	0	0
UNCOLLECTIBLE EXP	C304	KFUNC_REV	0	0	0	0	0
ANNUALIZED UNCOLL EXP ADJ			19,381	0	0	19,381	19,381
UNCOLLECTIBLES ON INCREASE	C317						
TOTAL CUSTOMER ACCT EXPENSE			19,381	0	0	19,381	19,381

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	ITEM	ALLO	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
O&M EXPENSES							
Schedule 6 2							
CUSTOMER SERVICE & INFORMATION	C320	KCUST_INFO	133	0	0	133	133
TOTAL CUST SERVICE & INFO	C322	KCUST_INFO	0	0	0	0	0
ELIMIN OTHER THAN ULH&P PORTION	C331		133	0	0	133	133
TOTAL CUSTOMER SERV. & INFO.							
SALES							
SALES EXPENSE	S300	KCUST_SALES	0	0	0	0	0
ELIMINATION OF EXPENSE	S302	KCUST_SALES	0	0	0	0	0
TOTAL SALES EXPENSE	S317		0	0	0	0	0
ADMINISTRATIVE & GENERAL							
ADMINISTRATIVE & GENERAL	A300	KA&G_PROD	0	0	0	0	0
PRODUCTION PLANT	A302	KA&G_PROD_C	0	0	0	0	0
PRODUCTION PLANT COMMODITY	A304	KA&G_DIST	244,323	0	213,475	30,848	244,323
DISTRIBUTION PLANT	A306	KA&G_CA	19,162	0	0	19,162	19,162
CUSTOMER ACCOUNTING	A308	KA&G_CS_INF	123	0	0	123	123
CUSTOMER SERVICE & INFORMATION	A310	KA&G_SALES	0	0	0	0	0
SALES	A312		263,608	0	213,475	50,133	263,608
TOT ADMIN & GEN LESS REG EXP	A314	KA&G_FUNCT	2,317	0	1,876	441	2,317
RATE CASE EXPENSE	A316	KA&G_FUNCT	(57)	0	(46)	(11)	(57)
ELIMINATE VARIOUS EXPENSES	A318	KA&G_FUNCT	(16,479)	0	(13,345)	(3,134)	(16,479)
INCENTIVE COMPENSATION	A319	KA&G_FUNCT	(1,285)	0	(1,041)	(244)	(1,285)
ANNUALIZE KYPSM MAINT TAX	A320	KA&G_FUNCT	(7,757)	0	(6,282)	(1,475)	(7,757)
ELIM MERGER CREDITS & AMORT	A337		240,347	0	194,637	45,710	240,347
TOTAL ADMIN. & GENERAL							
TOTAL O & M EXPENSE	OM31		509,978	0	396,012	113,966	509,978

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	ITEM	ALLO	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
DEPRECIATION EXPENSE		Schedule 7					
PRODUCTION DEPRECIATION	P460	KNET_PLNT_PROD	0	0	0	0	0
PRODUCTION DEPRECIATION	P481		0	0	0	0	0
TOTAL PRODUCTION DEPREC EXP.			0	0	0	0	0
TRANSMISSION DEPRECIATION	T481		0	0	0	0	0
TOTAL TRANSMISSION DEP. EXP.			0	0	0	0	0
DISTRIBUTION DEPRECIATION	D460	KNET_PLNT_DIST	163,456	0	141,923	21,533	163,456
DISTRIBUTION DEPRECIATION	D462	KNET_PLNT_DIST	39,095	0	33,945	5,150	39,095
DISTRIBUTION DEPRECIATION EXP ADJ	D481		202,551	0	175,868	26,683	202,551
TOTAL DIST. DEPREC EXP.			202,551	0	175,868	26,683	202,551
GENERAL DEPRECIATION	G460	KNET_PLNT_GEN	4,294	0	3,486	808	4,294
GENERAL DEPRECIATION	G476	KNET_PLNT_GEN	0	0	0	0	0
GENERAL DEPRECIATION EXP ADJ	G481		4,294	0	3,486	808	4,294
TOTAL GENERAL DEPREC EXP.			4,294	0	3,486	808	4,294
COMMON AND OTHER DEPRECIATION	C460	KNET_PLNT_COM	21,449	0	17,388	4,061	21,449
COMMON DEPRECIATION	C476	KNET_PLNT_COM	0	0	0	0	0
COMMON DEPRECIATION EXP ADJ	C481		21,449	0	17,388	4,061	21,449
TOTAL COM & OTHER DEPREC EXP.			21,449	0	17,388	4,061	21,449
TOTAL DEPRECIATION EXPENSE	DE41		228,294	0	196,742	31,552	228,294

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	ITEM	ALLO	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>OTHER TAXES & MISC EXPENSES</u>	Schedule 8						
<u>TAXES OTHER THAN INC & REV</u>							
<u>REAL ESTATE & PROPERTY TAX</u>							
REAL ESTATE & PROPERTY TAX	L500	KNET_PLNT	83,730	0	72,568	11,162	83,730
ANNUALIZE PROPERTY TAX	L502	KNET_PLNT	(17,059)	0	(14,785)	(2,274)	(17,059)
<u>TOTAL REAL EST & PROP TAX</u>	L521		66,671	0	57,783	8,888	66,671
<u>MISCELLANEOUS TAXES</u>							
PAYROLL & HIGHWAY	L560	KA&G_FUNCT	17,031	0	13,792	3,239	17,031
ANNUALIZED PAYROLL TAXES	L562	KA&G_FUNCT	(119)	0	(96)	(23)	(119)
KYPSC MAINTENANCE ADJ	L564	KFUNC_REV	(578)	0	(510)	(68)	(578)
<u>TOTAL MISCELLANEOUS TAXES</u>	L581		16,334	0	13,186	3,148	16,334
<u>MISCELLANEOUS EXPENSES</u>							
KYPSC ON INCREASE	L560	KFUNC_REV	239	0	211	28	239
<u>TOTAL MISCELLANEOUS EXPENSES</u>	L581		239	0	211	28	239
<u>TOTAL OTHER TAX & MISC EXPENSE</u>			83,244	0	71,180	12,064	83,244
<u>PRELIMINARY SUMMARY</u>							
TOTAL O&M EXPENSE	OM31		509,978	0	396,012	113,966	509,978
TOTAL DEPRECIATION EXPENSE	DE41		228,294	0	196,742	31,552	228,294
<u>TOTAL OTHER TAX & MISC EXPENSE</u>	L591		83,244	0	71,180	12,064	83,244
<u>TOTAL OP EXP EXC IT & REV TAX</u>	OP61		821,516	0	663,934	157,582	821,516

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	ITEM	ALLO	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>INCOME TAX BASED ON RETURN</u>							
Schedule 9							
<u>FEDERAL INCOME TAX DEDUCTIONS</u>							
AUTOMATIC INTEREST CALCULATION							
AUTO PROC INTEREST DED	Y751	KRATE_BASE	85,319	0	74,698	10,621	85,319
<u>TOTAL INTEREST EXPENSE</u>	Y783		<u>85,319</u>	<u>0</u>	<u>74,698</u>	<u>10,621</u>	<u>85,319</u>
OTHER DEDUCTIONS							
DEPREC EXCESS TAX-BOOK	Y790	KDEPREC_EXP	104,751	0	90,274	14,477	104,751
AMORT OF LOSS ON REACQUIRED DEBT	Y792	KNET_PLNT	(2,338)	0	(2,026)	(312)	(2,338)
DEFERRED FUEL COST - PGA	Y794	KPROD_COM	0	0	0	0	0
ADJUSTMENT FOR NON JURISDICTIONAL ACCT	Y796	KNET_PLNT	(25,011)	0	(21,677)	(3,334)	(25,011)
<u>TOTAL OTHER DEDUCTIONS</u>	Y823		<u>77,402</u>	<u>0</u>	<u>66,571</u>	<u>10,831</u>	<u>77,402</u>
NET DEDUCTIONS AND ADDITIONS	Y871		162,721	0	141,269	21,452	162,721
FEDERAL INCOME TAX ADJUSTMENTS							
FED PROV DEF INC TAX (410.1)							
LIB DEPRECIATION	Z750	KDEPREC_EXP	25,009	0	21,553	3,456	25,009
AMORT OF LOSS ON REACQUIRED DEBT	Z752	KNET_PLNT	0	0	0	0	0
DEFERRED FUEL COST - PGA	Z754	KPROD_COM	0	0	0	0	0
<u>TOTAL FED PROV DEF IT (410.1)</u>	Z781		<u>25,009</u>	<u>0</u>	<u>21,553</u>	<u>3,456</u>	<u>25,009</u>

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	ITEM	ALLO	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>INCOME TAX BASED ON RETURN</u>							
Schedule 9 2							
<u>FED PROV DEF INC TAX (411.1)</u>	Z811		0	0	0	0	0
<u>TOTAL FED PROV DEF IT (411.1)</u>	Z811		0	0	0	0	0
<u>AMORT INV TAX CREDIT & SERV CO. ALLOC TAX CR.</u>	Z815	KNET_PLNT	1,386	0	1,201	185	1,386
<u>TOTAL AMORTIZED ITC & SERV CO ALLOC</u>	Z815		1,386	0	1,201	185	1,386
<u>TEST YEAR INV TAX CREDIT</u>	Z823		0	0	0	0	0
<u>TEST YEAR INV TAX CREDIT</u>	Z823		0	0	0	0	0
<u>PRELIMINARY SUMMARY</u>							
TOTAL FED PROV DEF IT (410.1)	Z781		25,009	0	21,553	3,456	25,009
TOTAL FED PROV DEF IT (411.1)	Z811		0	0	0	0	0
TOTAL FED PROV DEF IT (411.1)	Z811		(1,386)	0	(1,201)	(185)	(1,386)
TOTAL AMORTIZED ITC & ALLOC SERV CO CR	Z815		0	0	20,352	3,271	23,623
<u>TOTAL FEDERAL TAX ADJUSTMENTS</u>	Z863		23,623	0	20,352	3,271	23,623
<u>FEDERAL INCOME TAX COMPUTATION</u>							
RETURN ON CAPITALIZATION	RC51		378,403	0	331,297	47,106	378,403
NET DEDUCTIONS AND ADDITIONS	Y871		(162,721)	0	(141,269)	(21,452)	(162,721)
TOTAL FEDERAL TAX ADJUSTMENTS	Z863		23,623	0	20,352	3,271	23,623
TOTAL STATE PROV DEF IT (410.1 & 411.1)	Z911		6,498	0	5,600	898	6,498
AFUDC OFFSET	Z933		(5,604)	0	(4,896)	(708)	(5,604)
<u>BASE FOR FIT COMPUTATION</u>	I865		240,199	0	211,084	29,115	240,199
FIT FACTOR K190/(1-K190)	I867		0.53846	0.53846	0.53846	0.53846	0.53846
PRELIM FED INCOME TAX	I869		129,338	0	113,661	15,677	129,338
TOTAL FEDERAL TAX ADJUSTMENTS	Z863		23,623	0	20,352	3,271	23,623
<u>NET FED INCOME TAX ALLOWABLE</u>	I879		152,961	0	134,013	18,948	152,961

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<u>INCOME TAX BASED ON RETURN</u>							
Schedule 9 3							
FEDERAL INCOME TAX PAYABLE							
PRELIM FEDERAL INCOME TAX	1869		129,338	0	113,661	15,677	129,338
TEST YEAR INV TAX CREDIT	Z823		0	0	0	0	0
<u>NET FED INCOME TAX PAYABLE</u>	1889		129,338	0	113,661	15,677	129,338
<u>STATE INCOME TAX</u>							
KY TAXABLE INCOME ADJUSTMENT			28,598	0	28,598	0	28,598
DEDUCTIONS IN ADD TO Y871	Y911		28,598	0	28,598	0	28,598
<u>STATE INCOME TAX ADJUSTMENTS</u>							
STATE PROV DEF INC TAX (410.1)							
LIB DEPRECIATION	Z890	KDEPREC_EXP	6,498	0	5,600	898	6,498
AMORT OF LOSS ON REACQUIRED DEBT	Z892	KNET_PLNT	0	0	0	0	0
DEFERRED FUEL COST - PGA	Z896	KPROD_COM	0	0	0	0	0
<u>TOT STATE PROV DEF IT (410.1)</u>	Z915		6,498	0	5,600	898	6,498
<u>STATE PROV DEF INC TAX (411.1)</u>							
<u>TOT STATE PROV DEF IT (411.1)</u>	Z939		0	0	0	0	0
<u>OTHER SIT ADJUSTMENTS</u>							
<u>OTHER SIT ADJUSTMENTS</u>	Z941		0	0	0	0	0
<u>TOTAL STATE INC TAX ADJUSTMENT</u>	Z951		6,498	0	5,600	898	6,498

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		Schedule 9 4					
<u>INCOME TAX BASED ON RETURN</u>			378,403	0	331,297	47,106	378,403
<u>SUMMARY OF SIT CALCULATION</u>	RC51		152,961	0	134,013	18,948	152,961
RETURN ON CAPITALIZATION	I879		(191,319)	0	(169,867)	(21,452)	(191,319)
NET FED INCOME TAX ALLOWABLE	Y871		(5,604)	0	(4,896)	(708)	(5,604)
NET FED. AND STATE DED. AND ADDITIONS	Y911		6,498	0	5,600	898	6,498
AFUDC OFFSET	Z957		340,939	0	296,147	44,792	340,939
<u>TOTAL STATE INC TAX ADJ</u>	J965						
<u>BASE FOR SIT COMPUTATION</u>			0.063830	0.063830	0.063830	0.063830	0.063830
SIT FACTOR K192/(1-K192)	J967		21,762	0	18,903	2,859	21,762
PRELIMINARY STATE INCOME TAX	J969		6,498	0	5,600	898	6,498
<u>TOTAL STATE INCOME TAX ADJ.</u>	Z957		28,260	0	24,503	3,757	28,260
<u>NET STATE INC TAX EXP ALLOWABLE</u>	J979						
STATE INCOME TAX PAYABLE	J969		21,762	0	18,903	2,859	21,762
PRELIMINARY STATE INCOME TAX	Z955		0	0	0	0	0
<u>OTHER SIT ADJUSTMENTS</u>	J989		21,762	0	18,903	2,859	21,762
<u>NET STATE INCOME TAX PAYABLE</u>							
COMPOSITE TAX RATE	CTAX		0.38900	0.38900	0.38900	0.38900	0.38900

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	ITEM	ALLO	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
COST OF SERVICE COMPUTATION							
Schedule 10							
OTHER OPERATING REVENUES							
LATE PAYMENT CHARGES	Q000	KFUNC_REV	371	0	328	43	371
MISC SERVICE REVENUE	Q002	KFUNC_REV	0	0	0	0	0
BAD CHECK & RECONNECTION CHARGES	Q004	KFUNC_REV	9	0	8	1	9
OTHER MISC REV	Q006	KFUNC_REV	7	0	6	1	7
REVENUE TRANSP OF GAS ASSOC COS	Q008	KFUNC_REV	5,136	0	4,536	600	5,136
INTERDEPARTMENTAL	Q024	KFUNC_REV	292	0	258	34	292
TOTAL OTHER OPERATING REVS	Q027		5,815	0	5,136	679	5,815
COST OF SERVICE COMPUTATION							
TOTAL OP EXP EXC INC & REV TAX	OP61		821,516	0	663,934	157,582	821,516
RETURN ON CAPITALIZATION	RC51		378,403	0	331,297	47,106	378,403
NET FED INCOME TAX ALLOWABLE	I879		152,961	0	134,013	18,948	152,961
NET STATE INCOME TAX ALLOWABLE	J979		28,260	0	24,503	3,757	28,260
TOTAL OTHER OPERATING REVENUES	Q027		(5,815)	0	(5,136)	(679)	(5,815)
SUBTOTAL B	CS03		1,375,325	0	1,148,611	226,714	1,375,325
TOTAL OTHER OPERATING REVENUES	Q027		5,815	0	5,136	679	5,815
LESS: REVS EXCL FROM REV TAX CALC	REXC		0	0	0	0	0
OTHER OPERATING REVS TO BE TAXED	OORT		5,815	0	5,136	679	5,815
REVENUE TAX FACTOR	L030		0.00000	0.00000	0.00000	0.00000	0.00000
REVENUE TAX ON OTHER OPER. REVS	L031		0	0	0	0	0
AFUDC OFFSET	L032		(5,604)	0	(4,896)	(708)	(5,604)
OTHER DEDUCTION COST TO SERVICE	L033		(5,604)	0	(4,896)	(708)	(5,604)
TOTAL GAS COST OF SERVICE	CS05		1,369,721	0	1,143,715	226,006	1,369,721
PROPOSED REVENUES	R602		1,369,748	0	1,245,908	123,840	1,369,748
TOTAL GAS COST OF SERVICE	CS05		(1,369,721)	0	(1,143,715)	(226,006)	(1,369,721)
EXCESS REVENUES	XREV		27	0	102,193	(102,166)	27
COMPOSITE TAX RATE	CTAX		0.38900	0.38900	0.38900	0.38900	0.38900
EXCESS TAX	XTAX		11	1	39,753	(39,743)	11
EXCESS RETURN	XRET		16	(1)	62,440	(62,423)	16

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DUKE ENERGY KENTUCKY
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	ITEM	ALLO	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
ROR, TAX RATES & SPEC FACTORS		Schedule 11					
RATE OF RETURN			367,408,791	RATIO 0.4459	RATIO 0.4459	RATIO 0.4459	RATIO 0.4459
CAPITALIZATION AMOUNTS	K100		0	0.0000	0.0000	0.0000	0.0000
LONG TERM DEBT	K102		411,218,278	0.49901	0.4990	0.4990	0.4990
PREFERRED STOCK	K104		45,441,090	0.05514	0.0551	0.0551	0.0551
COMMON STOCK	K106		0	0.0000	0.0000	0.0000	0.0000
SHORT TERM DEBT	K108		0	0.0000	0.0000	0.0000	0.0000
UNAMORTIZED DISCOUNT	K115		824,068,159	1.0000	1.0000	1.0000	1.0000
TOTAL							
			0.04657	0.04657	0.04657	0.04657	0.04657
COST OF CAPITAL	K120		0.00000	0.00000	0.00000	0.00000	0.00000
LONG TERM DEBT	K122		0.11000	0.11000	0.11000	0.11000	0.11000
PREFERRED STOCK	K124		0.01928	0.01928	0.01928	0.01928	0.01928
COMMON STOCK	K126		0.00000	0.00000	0.00000	0.00000	0.00000
SHORT TERM DEBT	K128						
UNAMORTIZED DISCOUNT							
			0.02076	0.02076	0.02076	0.02076	0.02076
WEIGHTED COST OF CAPITAL	K141		0.00000	0.00000	0.00000	0.00000	0.00000
LONG TERM DEBT	K143		0.05488	0.05488	0.05488	0.05488	0.05488
PREFERRED STOCK	K145		0.00106	0.00106	0.00106	0.00106	0.00106
COMMON STOCK	K147		0.00000	0.00000	0.00000	0.00000	0.00000
SHORT TERM DEBT	K149		0.076710	0.07671	0.07671	0.07671	0.07671
UNAMORTIZED DISCOUNT			0.00000	0.00000	0.00000	0.00000	0.00000
TOT RATE OF RETURN ALLOWABLE	HARD CODE	RORA					
			0.00000	0.00000	0.00000	0.00000	0.00000
TAX RATES AND SPECIAL FACTORS	K180		0.35000	0.35000	0.35000	0.35000	0.35000
SHORT TERM DEBT COST	K190		0.06000	0.06000	0.06000	0.06000	0.06000
FEDERAL INCOME TAX RATE	K192		0.00000	0.00000	0.00000	0.00000	0.00000
STATE INCOME TAX RATE	K196						
REVENUE TAX RATE							

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 DONALD L. STORCK

	ITEM	ALLO	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
<u>INCOME TAX BASED ON REVENUES</u>							
Schedule 12							
<u>NET INCOME COMPUTATION</u>							
TOTAL GAS COST OF SERVICE	CS05		1,369,721	0	1,143,715	226,006	1,369,721
TOTAL OTHER OPERATING REVENUES	Q027		5,815	0	5,136	679	5,815
<u>TOTAL GAS REVENUE</u>	CS07		1,375,536	0	1,148,851	226,685	1,375,536
TOTAL OP EXP EX INC & REV TAX	OP61		(821,516)	0	(663,934)	(157,582)	(821,516)
FIRM SERVICE REVENUE TAX	RTXP		0	0	0	0	0
<u>NET INCOME</u>	NI01		554,020	0	484,917	69,103	554,020
<u>ADJUSTMENTS TO NET INCOME</u>							
TOTAL INTEREST EXPENSE	Y783		(85,319)	0	(74,698)	(10,621)	(85,319)
TOTAL OTHER DEDUCTIONS	Y823		(77,402)	0	(66,571)	(10,831)	(77,402)
<u>PRELIMINARY TAXABLE INCOME</u>	TI01		391,299	0	343,648	47,651	391,299
<u>STATE INCOME TAX COMPUTATION</u>							
PRELIMINARY TAX ABLE INCOME (INCL AFUDC)	TI01		391,299	0	343,648	47,651	391,299
DEDUCTIONS IN ADD TO Y871	Y911		(28,598)	0	(28,598)	0	(28,598)
<u>STATE TAXABLE INCOME</u>	SI01		362,701	0	315,050	47,651	362,701
<u>STATE INCOME TAX PAYABLE</u>							
STATE INCOME TAX RATE	K192		0.06000	0.06000	0.06000	0.06000	0.06000
PRELIM SIT = SI01 * K192	ST01		21,762	0	18,903	2,859	21,762
OTHER SIT ADJUSTMENTS	Z955		0	0	0	0	0
<u>STATE INCOME TAX PAYABLE</u>	SP01		21,762	0	18,903	2,859	21,762
<u>SIT ALLOWABLE</u>							
STATE INCOME TAX PAYABLE	SP01		21,762	0	18,903	2,859	21,762
TOTAL STATE PROV DEF IT(410.1)	Z911		6,498	0	5,600	898	6,498
TOTAL STATE PROV DEF IT(411.1)	Z933		0	0	0	0	0
<u>NET STATE INC TAX ALLOWABLE</u>	SA01		28,260	0	24,503	3,757	28,260

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DUKE ENERGY KENTUCKY
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	ITEM	ALLO	TOTAL GAS IT	COMMODITY	DEMAND	CUSTOMER	TOTAL AT ISSUE
INCOME TAX BASED ON REVENUES		Schedule 12 2					391,299
FEDERAL INCOME TAX COMPUTATION	TI01		391,299	0	343,648	47,651	391,299
PRELIMINARY TAXABLE INCOME (INCL AFUDC)	SP01		(21,762)	0	(18,903)	(2,859)	(21,762)
STATE INC TAX PAYABLE	FI01		369,537	0	324,745	44,792	369,537
NET FEDERAL TAXABLE INCOME	K190		0.35000	0.35000	0.35000	0.35000	0.35000
FEDERAL INCOME TAX RATE	FT01		129,338	0	113,661	15,677	129,338
PRELIMINARY FIT = FI01 * K190	Z781		25,009	0	21,553	3,456	25,009
TOTAL FED PROV DEF IT (410.1)	Z803		0	0	0	0	0
TOTAL FED PROV DEF IT (411.1)	Z813		(1,386)	0	(1,201)	(185)	(1,386)
TOTAL AMORTIZED ITC & SERV CO ALLOC CR	Z813		152,961	0	134,013	18,948	152,961
NET FED INC TAX ALLOWABLE	FA01						
FEDERAL INCOME TAX PAYABLE	FT01		129,338	0	113,661	15,677	129,338
PRELIM FIT	Z823		0	0	0	0	0
TEST YEAR INV TAX CREDIT	FP01		129,338	0	113,661	15,677	129,338
FED INC TAX PAYABLE							
PRELIMINARY SUMMARY							
NET INCOME (EXCL AFUDC OFFSET)	NI01		559,624	0	489,813	69,811	559,624
NET FED INC TAX ALLOWABLE	FA01		(152,961)	0	(134,013)	(18,948)	(152,961)
NET STATE INC TAX ALLOWABLE	SA01		(28,260)	0	(24,503)	(3,757)	(28,260)
OVERALL RETURN EARNED-SCH 12	RETU		378,403	0	331,297	47,106	378,403
RATE OF RETURN EARNED-SCH 12	RORX		0.07671	0.00000	0.07671	0.07671	0.07671

DUKE ENERGY KENTUCKY
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ALLOCATORS	ALLO	TOTAL GAS 1	COMMODITY 2	DEMAND 3	CUSTOMER 4	TOTAL 5
Schedule 13		1	0	1	0	1
PRODUCTION DEM	KPROD	1.00000	0.00000	1.00000	0.00000	1.00000
RATIO TO TOTAL GAS		1	1	0	0	1
PRODUCTION COM	KPROD_COM	1.00000	1.00000	0.00000	0.00000	1.00000
RATIO TO TOTAL GAS		1.00	0.00	1.00	0.00	1
DISTR LAND, STRUC & EQUIP DEM	KDIST_STR_D	1.00000	0.00000	1.00000	0.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
DISTR LAND, STRUC & EQUIP CUS	KDIST_STR_C	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1.00	0.00	1.00	0.00	1
LARGE IND M & R	KDIST_LRGIND_D	1.00000	0.00000	1.00000	0.00000	1.00000
RATIO TO TOTAL GAS		1.00	0.00	1.00	0.00	1
DISTRIBUTION MAINS DEMAND	KDIST_MA_D	1.00000	0.00000	1.00000	0.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
DISTRUBUTION MAINS CUSTOMER	KDIST_MA_C	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
SERVICES	KSERV_CUS	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
METERS & HOUSE REG	KMTRS_CUS	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
CUSTOMER ACCOUNTING	KCUST_ACCTG	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
CUSTOMER SERV & INFOR SYSTEMS	KCUST_INFO	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
CUSTOMER SALES	KCUST_SALES	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	1	0	1
A & G PRODUCTION	KA&G_PROD	1.00000	0.00000	1.00000	0.00000	1.00000
RATIO TO TOTAL GAS		1	1	0	0	1
A & G PRODUCTION COM	KA&G_PROD_C	1.00000	1.00000	0.00000	0.00000	1.00000
RATIO TO TOTAL GAS		7,238,178	0	6,324,266	913,912	7,238,178
A & G DISTRIBUTION	KA&G_DIST	1.00000	0.00000	0.87374	0.12626	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
A & G CUST ACCOUNTING	KA&G_CA	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
A & G CUST SERV & INFO SYS	KA&G_CS_INF	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		1	0	0	1	1
A & G SALES	KA&G_SALES	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS		263,608	0	213,475	50,133	263,608
FUNCTIONAL A & G	KA&G_FUNC	1.00000	0.00000	0.80982	0.19018	1.00000
RATIO TO TOTAL GAS		1,000	0.000	0.000	1.000	1
CUST ACCTG, BILLING & COLLECTION SERV	KCA_BIL_COL	1.00000	0.00000	0.00000	1.00000	1.00000
RATIO TO TOTAL GAS	SCHEDULE M-2.2 P. 7	1,059,928	0	936,088	123,840	1,059,928
PRESENT REVENUES BY FUNCTION	KFUNC_REV	1.00000	0.00000	0.88316	0.11684	1.00000
RATIO TO TOTAL GAS	SCHEDULE M-2.3 P. 7	1,369,748	0	1,245,908	123,840	1,369,748
PROPOSED REVENUES BY FUNCTION	KFUNC_PROREV	1.00000	0.00000	0.90959	0.09041	1.00000
RATIO TO TOTAL GAS						

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ALLOCATORS	ALLO	TOTAL GAS	COMMODITY	DEMAND	CUSTOMER	TOTAL
Schedule 13.2						
WEIGHTED FUNCTIONAL ALLOCATORS						
GROSS PLANT						
WTD GROSS C & O PLANT RATIOS	KGROS_COM	1.00000	0.00000	0.80982	0.19018	1.00000
WTD GROSS DIST PLANT RATIOS	KGROS_DIST	1.00000	0.00000	0.87374	0.12626	1.00000
WTD GROSS G & I PLT RATIOS	KGROS_GEN	1.00000	0.00000	0.80982	0.19018	1.00000
WTD GROSS PROD PLANT RATIOS	KGROS_PROD	1.00000	0.00000	1.00000	0.00000	1.00000
NET PLANT						
COST OF SERVICE						
WTD TOT DEPREC EXP RATIOS	KDEPREC_EXP	1.00000	(0.00000)	0.83500	0.16500	1.00000
WTD TOTAL CWIP RB RATIOS	KNET_CWIP	1.00000	0.00000	0.86179	0.13821	1.00000
RATIO TOTAL NP GAS	KNET_PLNT	1.00000	0.00000	0.87374	0.12626	1.00000
WTD NET C & O PLANT RATIOS	KNET_PLNT_COM	1.00000	0.00000	0.86668	0.13332	1.00000
WTD NET DIST PLANT RATIOS	KNET_PLNT_DIST	1.00000	0.00000	0.81067	0.18933	1.00000
WTD NET G & I PLT RATIOS	KNET_PLNT_GEN	1.00000	0.00000	0.86827	0.13173	1.00000
WTD NET PROD PLANT RATIOS	KNET_PLNT_PROD	1.00000	0.00000	0.81173	0.18827	1.00000
WTD TOTAL RATE BASE RATIOS	KRATE_BASE	1.00000	(0.00000)	1.00000	0.00000	1.00000
				0.87551	0.12449	1.00000

**COST OF SERVICE
WORKPAPERS**

DUKE ENERGY KENTUCKY
 COST OF SERVICE WORKPAPERS
 GAS CASE NO: 2009-00202
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 DATA: 12 MONTHS ACTUAL AND 0 MONTHS ESTIMATED
 ALLOCATION FACTORS

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Line No.	<u>Total Annual Firm MCF Sales</u>		
	<u>Rate Class</u>	<u>MCF (a)</u>	<u>Ratio (K201)</u>
1	RS - Residential	6,881,884	55.690%
2	GS - General Service	3,890,670	31.485%
3	FT - Firm Transportation	1,584,782	12.825%
4	IT - Inter. Transportation	-	0.000%
5			
6	Total	12,357,336	100.000%

Average and Excess Demand - Peak Day (based on 2007 MCF & Load Research data)

	<u>Rate Class</u>	<u>Ratio (b) (K203)</u>	<u>Ratio (b) (K205)</u>
12	RS - Residential	58.620%	65.314%
13	GS - General Service	31.170%	34.686%
14	FT - Firm Transportation	7.215%	0.000%
15	IT - Inter. Transportation	2.995%	0.000%
16			
17	Total	100.000%	100.000%

Line No.	<u>Total Annual MCF Sales</u>		
	<u>Rate Class</u>	<u>MCF (a)</u>	<u>Ratio (K300)</u>
22	RS - Residential	6,881,884	49.929%
23	GS - General Service	3,890,670	28.227%
24	FT - Firm Transportation	1,584,782	11.498%
25	IT - Inter. Transportation	1,426,022	10.346%
26			
27	Total	13,783,358	100.000%

Line No.	<u>Total Annual Firm MCF Sales (RS & GS only)</u>		
	<u>Rate Class</u>	<u>MCF (a)</u>	<u>Ratio (K301)</u>
32	RS - Residential	6,881,884	63.883%
33	GS - General Service	3,890,670	36.117%
34	FT - Firm Transportation	-	0.000%
35	IT - Inter. Transportation	-	0.000%
36			
37	Total	10,772,554	100.000%

Line No.	<u>Ave Customers (K401)</u>		
	<u>Rate Class</u>	<u>Customers (a)</u>	<u>Ratio (K401)</u>
42	RS - Residential	88,348	92.622%
43	GS - General Service	6,948	7.284%
44	FT - Firm Transportation	66	0.069%
45	IT - Inter. Transportation	24	0.025%
46			
47	Total	95,386	100.000%

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 51 (b) WPFR-9v-6, Page 4

DUKE ENERGY KENTUCKY
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Line

No.

1 Weighted Customers - Services

	Rate Class	Customers(a)	Weight Fac. (b)	Weighted Customers	Ratio (K403)
5	RS - Residential	88,348	1.00	88,348	92.301%
6	GS - General Service	6,948	0.96	6,670	6.969%
7	FT - Firm Transportation	66	6.59	435	0.454%
8	IT - Inter Transportation	24	10.99	264	0.276%
10	Total	95,386		95,717	100.000%

12 Customer Accounting Expense Allocation Factor - (K405)

	Res	GS	FT	IT	Total	Ratio
15	\$ 9,328	\$ 447,111	\$ 1,834,683	\$ (13,880)	\$ 2,277,242	86.441%
16	\$ 734	\$ 173,256	\$ 144,284	\$ (1,092)	\$ 317,182	12.040%
17	\$ 7	\$ 19,855	\$ 1,367	\$ (10)	\$ 21,219	0.805%
18	\$ 3	\$ 18,321	\$ 495	\$ (4)	\$ 18,815	0.714%
20	\$ 10,072	\$ 658,543	\$ 1,980,829	\$ (14,986)	\$ 2,634,458	100.000%

22 Customer Accounting Uncollectible Expense Allocation Factor - (K406)

	Res	GS	FT	IT	Total	Ratio
25	\$ 1,128,907	\$ 67,590	\$ -	\$ -	\$ 1,196,497	94.351%
26	\$ -	\$ -	\$ -	\$ -	\$ -	5.649%
27	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%
28	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%
30	\$ 1,196,497	\$ -	\$ -	\$ -	\$ 1,196,497	100.000%

32 Customer Service & Information Allocation Factor - (K407)

	Res	GS	FT	IT	Total	Ratio
35	\$ -	\$ 129,876	\$ -	\$ 391,906	\$ 521,782	92.622%
36	\$ -	\$ 10,214	\$ -	\$ 30,820	\$ 41,034	7.284%
37	\$ -	\$ 97	\$ -	\$ 292	\$ 389	0.069%
38	\$ -	\$ 35	\$ -	\$ 106	\$ 141	0.025%
40	\$ -	\$ 140,222	\$ -	\$ 423,124	\$ 563,346	100.000%

42 Sales Expense Allocation Factor - (K408)

	Res	GS	FT	IT	Total	Ratio
45	\$ 19	\$ -	\$ -	\$ -	\$ 19	95.000%
46	\$ 1	\$ -	\$ -	\$ -	\$ 1	5.000%
47	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%
48	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%
50	\$ 20	\$ -	\$ -	\$ -	\$ 20	100.000%

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 54 (b) WPFR-9v-6, Page 22
 55 (c) WPFR-9v-6, Page 25

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 ALLOCATION FACTORS

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Line

No.

<u>Combined Customer Accounting Expense Allocation Factor - (K409)</u>			
		<u>Total (a)</u>	<u>Ratio</u>
3	Res	\$ 3,927,950	89.387%
4	GS	\$ 425,807	9.690%
5	FT	\$ 21,608	0.492%
6	IT	\$ 18,956	0.431%
7	Total	<u>\$ 4,394,321</u>	<u>100.000%</u>

Meter Cost Allocator

	<u>Rate Class</u>	<u>Meter Cost Per Study (b)</u>	<u>Ratio (K413)</u>
15	RS - Residential	\$ 7,295,204	67.894%
16	GS - General Service	\$ 2,826,931	26.309%
17	FT - Firm Transportation	\$ 323,923	3.015%
18	IT - Inter. Transportation	\$ 298,951	2.782%
19	Total	<u>\$ 10,745,009</u>	<u>100.000%</u>

House Regulators & Installations

	<u>Rate Class</u>	<u>Ave. Cust (c)</u>	<u>Weight Fac. (d)</u>	<u>Weighted Customers</u>	<u>Ratio (K417)</u>
26	RS - Residential	88,348	1.00	88,348	55.284%
27	GS - General Service	6,948	10.00	69,480	43.477%
28	FT - Firm Transportation	66	22.00	1,452	0.909%
29	IT - Inter. Transportation	24	22.00	528	0.330%
30	Total	<u>95,386</u>		<u>159,808</u>	<u>100.000%</u>

Large Industrial Measuring & Regulating Stations

	<u>Rate Class</u>	<u>Mcf Sales (e)</u>	<u>Ratio (K595)</u>
37	GS - Industrial	360,818	10.701%
38	FT - Firm Transportation	1,584,782	47.004%
39	IT - Inter. Transportation	1,426,022	42.295%
40	Total	<u>3,371,622</u>	<u>100.000%</u>

Weighted Customer & Demand Allocation Factor

	<u>Rate Class</u>	<u>Avg Customer Ratio (c) (K401)</u>	<u>(K412) Customer Ratio (f) (2)</u>	<u>Peak & Avg. (Peak Day) Ratio (c) (K203) (3)</u>	<u>(K414) Demand Ratio (f) 85% (4)</u>	<u>Customer / Demand Ratio (K415) Col (2) + Col (4) (5)</u>
51	RS - Residential	92.622%	15% * Col (1) 13.893%	58.620%	85% * Col (3) 49.826%	63.719%
52	GS - General Service	7.284%	1.093%	31.170%	26.495%	27.588%
53	FT - Firm Transportation	0.069%	0.010%	7.215%	6.133%	6.143%
54	IT - Inter. Transportation	0.025%	0.004%	2.995%	2.546%	2.550%
55	Total	<u>100.000%</u>		<u>100.000%</u>		<u>100.000%</u>

- 58 (a) WPFR-9v-6, Page 2, sum of totals for allocators 405, 406, 407, and 408
 59 (b) WPFR-9v-6, Page 19
 60 (c) WPFR-9v-6, Page 1
 61 (d) WPFR-9v-6, Page 14
 62 (e) WPFR-9v-6, Page 15
 63 (f) Customer and demand ratios from WPFR-9v-6, Page 16

**DUKE ENERGY KENTUCKY
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 ALLOCATION FACTORS**

**WPFR-9v-6
 WITNESS RESPONSIBLE:
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Line
 No. Average & Excess - (K203)
 1 Number Days in Year 365
 2 Total Annual Mcf 13,291,195 col (1), line 17
 3 Max Ann. Mcf = Peak Day * 365 127,685 * 365 = 46,605,025 col (2) line 17 * line 1
 4 Load Factor (Ann Mcf / Max Ann Mcf) 28.519% line 2 / line 3
 5
 6

Class of Service	Annual Usage (a) (Mcf)	System Peak Day (Mcf / Day)	Avg Daily Mcf (Mcf / Day)	Avg Daily Mcf (Ratio)	Class Coincident Peak (Mcf / Day)	Excess Daily Mcf (Mcf / Day)	Excess Daily Mcf (Ratio)	Weighted Avg. Daily Mcf (Ratio)	Weighted Excess Daily Mcf (Ratio)	Avg. & Excess Demand (Ratio)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	See note (a)	See notes (a) (b)	Col (1) / 365	Ratio of Col (3)	See note (a)	Col (5) - Col (3)	Ratio of Col (6)	Col (4) * 28.519%	Col (7) * 71.481%	Col (8) + Col (9)
Residential	6,452,453	NA	17,678	48.548%	77,591	59,913.0	62.639%	13.845%	44.775%	58.620%
General Service	3,832,625	NA	10,500	28.835%	41,205	30,705.0	32.102%	8.223%	22.947%	31.170%
Firm Transportation	1,610,340	NA	4,412	12.116%	9,442	5,030.0	5.259%	3.456%	3.759%	7.215%
Interruptible Transportation	1,395,777	0.0	3,824	10.501%	5,996	0.0	0.000%	2.995%	0.000%	2.995%
Total	13,291,195	127,685	36,414	100.000%	134,234	95,648.0	100.000%	28.519%	71.481%	100.000%

To
 WPFR-9v-6
 Page 1

23
 24 Average & Excess - (Exclud. Firm Trans., Interruptible) (K205)
 25 Number Days in Year 365
 26 Total Annual Mcf 10,285,078 col (1), line 70
 27 Max Ann. Mcf = Peak Day * 365 118,796 * 365 = 43,360,540 col (2) line 70 * line 54
 28 Load Factor (Ann Mcf / Max Ann Mcf) 23.720% line 55 / line 56
 29
 30

Class of Service	Annual Usage (a) (Mcf)	System Peak Day (Mcf / Day)	Avg Daily Mcf (Mcf / Day)	Avg Daily Mcf (Ratio)	Class Coincident Peak (Mcf / Day)	Excess Daily Mcf (Mcf / Day)	Excess Daily Mcf (Ratio)	Weighted Avg. Daily Mcf (Ratio)	Weighted Excess Daily Mcf (Ratio)	Avg. & Excess Demand (Ratio)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	See note (a)	See notes (a) (C)	Col (1) / 365	Ratio of Col (3)	See note (a)	Col (5) - Col (3)	Ratio of Col (6)	Col (4) * 23.72%	Col (7) * 76.28%	Col (8) + Col (9)
Residential	6,452,453	NA	17,678	62.737%	77,591	59,913	66.116%	14.881%	50.433%	65.314%
General Service	3,832,625	NA	10,500	37.263%	41,205	30,705	33.884%	8.839%	25.847%	34.686%
Firm Transportation	-	0	-	0.000%	-	-	0.000%	0.000%	0.000%	0.000%
Interruptible Transportation	-	0	-	0.000%	-	-	0.000%	0.000%	0.000%	0.000%
Total	10,285,078	118,796.0	28,178	100.000%	118,796	90,618	100.000%	23.720%	76.280%	100.000%

- (a) WPFR-9v-6, Pages 6 & 7
 (b) Excludes Interruptible
 (c) Excludes Interruptible and Firm Transportation

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 WPFR-9v-6
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Line No.		Labor Dollars (a)	Functional Labor Ratio	Original Cost General Plant	Accumulated Depreciation General Plant	Original Cost Common Plant	Accumulated Depreciation Common Plant	A & G Expenses	
1	Prod Plant Dem	222,906	4.298%	142,219	68,551	403,239	237,485	423,843	
2	Prod Plant Com Related	274,645	5.296%	175,243	84,468	496,871	292,629	522,260	
3	Trans Plant	-	0.000%	-	-	-	-	-	
4	Dist Plant	2,929,456	56.488%	1,869,166	900,951	5,299,712	3,121,226	5,570,510	
5	Customer Acctg	1,499,518	28.915%	956,786	461,178	2,712,809	1,597,689	2,851,425	
6	Cust Service & Info	259,475	5.003%	165,547	79,795	469,382	276,439	493,366	
7	Sales	-	0.000%	-	-	-	-	-	
8	Total O&M excl A&G	5,186,000	100.000%	3,308,961	1,594,943	9,382,013	5,525,468	9,861,405	SFR Model
9	A&G	2,460,550		3,308,961	1,594,943	9,382,013	5,525,468	9,861,405	
10	Total O&M	7,646,550							

To FR-9v-1

14 (a) From WPFR-9v-6, page 24

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 PEAK DAY DEMANDS

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Line No.	Rate RS, Residential			Non-weather normalized calendar month		System Coin Peak (CP)		System Coin Peak		Class Coincident	
	Month	Days	DE-Kentucky Peak Day	Monthly Mcf (a)	Avg Daily Usage	Load Factor (b)	Day Demand	Peak Day L. F. (b)	Peak Day Dem		
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)		
					(3) / (1)		(4) / ((5)/100)		(4) / ((7)/100)		
1	Jan 07	31	01/28/07	1,058,731	34,153	58.5306	58,351	58.5306	58,351		
2	Feb	28	02/05/07	1,531,874	54,710	70.5104	77,591	70.5104	77,591		
3	Mar	31	03/04/07	787,108	25,391	45.4188	55,904	44.3660	57,231		
4	Apr	30	04/07/07	542,316	18,077	39.0296	46,316	39.0296	46,316		
5	May	31	05/17/07	186,080	6,003	64.1485	9,358	57.2643	10,483		
6	Jun	30	06/05/07	125,542	4,185	96.9722	4,316	74.7788	5,597		
7	Jul	31	07/05/07	121,987	3,935	100.5422	3,914	85.3495	4,610		
8	Aug	31	08/01/07	114,923	3,707	104.9284	3,533	55.2985	6,704		
9	Sept	30	09/04/07	117,461	3,915	102.7583	3,810	74.1917	5,277		
10	Oct	31	10/11/07	184,073	5,938	108.5775	5,469	37.4208	15,868		
11	Nov	30	11/29/07	511,102	17,037	63.4973	26,831	59.5623	28,604		
12	Dec	31	12/17/07	1,171,256	37,782	65.2842	57,873	65.2842	57,873		
13				6,452,453			77,591		77,591		

Line No.	Rate GS, General Service			Non-weather normalized calendar month		System Coin Peak (CP)		System Coin Peak		Class Coincident	
	Month	Days	DE-Kentucky Peak Day	Monthly Mcf (a)	Avg Daily Usage	Load Factor (b)	Day Demand	Peak Day L. F. (b)	Peak Day Dem		
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)		
					(3) / (1)		(4) / ((5)/100)		(4) / ((7)/100)		
17											
18											
19											
20											
21											
22	Jan 07	31	01/28/07	602,209	19,426	66.7002	29,124	64.1515	30,281		
23	Feb	28	02/05/07	841,046	30,037	72.8965	41,205	72.8965	41,205		
24	Mar	31	03/04/07	434,082	14,003	53.8230	26,017	53.7407	26,057		
25	Apr	30	04/07/07	321,022	10,701	51.6347	20,724	49.3278	21,694		
26	May	31	05/17/07	125,547	4,050	70.1291	5,775	70.1291	5,775		
27	Jun	30	06/05/07	103,679	3,456	85.1306	4,060	85.1306	4,060		
28	Jul	31	07/05/07	107,507	3,468	95.6515	3,626	90.4420	3,835		
29	Aug	31	08/01/07	105,006	3,387	95.0643	3,563	92.3474	3,668		
30	Sept	30	09/04/07	104,469	3,482	97.7080	3,564	86.8585	4,009		
31	Oct	31	10/11/07	166,410	5,368	88.0690	6,095	53.6171	10,012		
32	Nov	30	11/29/07	305,792	10,193	64.1933	15,879	64.1933	15,879		
33	Dec	31	12/17/07	615,856	19,866	66.6044	29,827	66.6044	29,827		
34				3,832,625			41,205		41,205		

35 (a) WPFR-9v-6, Page 8. Includes billed and unbilled Mcf.
 36 (b) WPFR-9v-6, Pages 10-11.

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Line No.	Rate FT, Firm Transportation DE-Kentucky			Non-weather normalized calendar month	Avg Daily Usage	System Coin Peak (CP)		System Coin Peak Day Demand	Class Coincident	
	Month	Days	Peak Day	Monthly Mcf (a)		Load Factor (b)	Peak Day L. F. (b)		Peak Day Dem	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	Jan 07	31	01/28/07	199,051	6,421	86.5010	7,423	71.7390	8,951	
2	Feb	28	02/05/07	203,423	7,265	81.7270	8,889	79.6930	9,116	
3	Mar	31	03/04/07	96,249	3,105	76.9220	4,037	65.2910	4,756	
4	Apr	30	04/07/07	125,574	4,186	88.6260	4,723	69.3000	6,040	
5	May	31	05/17/07	63,248	2,040	74.6270	2,734	74.6270	2,734	
6	Jun	30	06/05/07	74,932	2,498	82.0780	3,043	82.0780	3,043	
7	Jul	31	07/05/07	86,574	2,793	106.4620	2,623	77.8390	3,588	
8	Aug	31	08/01/07	95,798	3,090	86.0300	3,592	86.0300	3,592	
9	Sept	30	09/04/07	90,246	3,008	92.6910	3,245	80.7450	3,725	
10	Oct	31	10/11/07	157,730	5,088	85.2090	5,971	74.1540	6,861	
11	Nov	30	11/29/07	201,192	6,706	75.8500	8,841	75.8500	8,841	
12	Dec	31	12/17/07	216,323	6,978	73.9050	9,442	73.9050	9,442	
13				1,610,340			8,889		9,442	
14										
15										
16										
17	Rate IT, Interruptible Transportation DE-Kentucky			Non-weather normalized calendar month						
18	Month	Days	Peak Day	Monthly Mcf (a)	Avg Daily Usage	System Coin Peak (CP) Load Factor (b)	System Coin Peak Day Demand	Class Coincident Peak Day L. F. (b)	Class Coincident Peak Day Dem	
19	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
20					(3) / (1)	(4) / ((5)/100)		(4) / ((7)/100)		
21	Jan 07	31	01/28/07	128,478	4,144	90.5370	4,577	79.5240	5,211	
22	Feb	28	02/05/07	130,542	4,662	84.2410	5,534	84.2410	5,534	
23	Mar	31	03/04/07	114,464	3,692	91.9600	4,015	75.2920	4,904	
24	Apr	30	04/07/07	115,024	3,834	118.1830	3,244	79.7980	4,805	
25	May	31	05/17/07	105,816	3,413	84.0300	4,062	67.8910	5,027	
26	Jun	30	06/05/07	103,190	3,440	76.6140	4,490	76.6140	4,490	
27	Jul	31	07/05/07	109,157	3,521	128.7040	2,736	75.3090	4,675	
28	Aug	31	08/01/07	106,521	3,436	80.4030	4,273	80.4030	4,273	
29	Sept	30	09/04/07	104,733	3,491	98.6400	3,539	75.3800	4,631	
30	Oct	31	10/11/07	117,928	3,804	88.8050	4,284	77.8910	4,884	
31	Nov	30	11/29/07	134,303	4,477	81.9720	5,462	74.6670	5,996	
32	Dec	31	12/17/07	125,621	4,052	79.0710	5,125	73.0240	5,549	
33				1,395,777			5,534		5,996	
34										
35										
36										
37										
38	Total			Non-weather normalized calendar month						
39	Month	Days	Peak Day	Monthly Mcf (a)	Avg Daily Usage	System Coin Peak (CP) Load Factor (b)	System Coin Peak Day Demand	Rate Class Peak Day L. F. (b)	Rate Class Peak Day Dem	
40	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
41	Jan 07	31	01/28/07	1,988,469	64,144		99,475		102,794	
42	Feb	28	02/05/07	2,708,885	86,674		133,219		133,446	
43	Mar	31	03/04/07	1,431,903	46,191		89,973		92,948	
44	Apr	30	04/07/07	1,103,936	36,798		75,007		78,855	
45	May	31	05/17/07	480,691	15,506		21,929		24,019	
46	Jun	30	06/05/07	407,343	13,579		15,909		17,190	
47	Jul	31	07/05/07	425,225	13,717		12,899		16,708	
48	Aug	31	08/01/07	422,248	13,620		14,961		18,237	
49	Sept	30	09/04/07	416,909	13,898		14,158		17,642	
50	Oct	31	10/11/07	626,141	20,198		21,819		37,625	
51	Nov	30	11/29/07	1,152,389	38,413		57,013		59,320	
52	Dec	31	12/17/07	2,129,056	68,678		102,267		102,691	
53				13,291,195			133,219			
54	(a) WPFR-9v-6, Page 8. Includes billed and unbilled Mcf.									
55	(b) WPFR-9v-6, Pages 12-13.									

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Line No.		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
1	Mcf													
2	RS	1,058,731	1,531,874	787,108	542,316	186,080	125,542	121,987	114,923	117,461	184,073	511,102	1,171,256	6,452,453
3	GS	601,504	840,103	433,623	320,869	125,541	103,535	107,492	105,004	104,448	166,400	305,423	615,113	3,829,055
4	FT	199,051	203,423	96,249	125,574	63,248	74,932	86,574	95,798	90,246	157,730	201,192	216,323	1,610,340
5	IT	128,478	130,542	114,464	115,024	105,816	103,190	109,157	106,521	104,733	117,928	134,303	125,621	1,395,777
6	Inter Dept	705	943	459	153	6	144	15	2	21	10	369	743	3,570
7														
8		1,988,469	2,706,885	1,431,903	1,103,936	480,691	407,343	425,225	422,248	416,909	626,141	1,152,389	2,129,056	13,291,195

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Source: Company Billing Records. Calendar month Mcf includes billed and unbilled.

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Line No.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total	
1 Mcf														
2 RS	1,266,770	1,283,873	1,184,481	661,508	262,550	169,335	131,786	107,984	119,608	128,017	412,118	1,153,854	6,881,884	
3 GS	699,121	701,032	647,415	358,792	175,722	102,180	90,483	79,454	91,894	101,912	234,509	603,604	3,886,118	
4 FT	203,826	191,564	163,527	124,445	94,983	94,385	71,554	83,077	90,460	121,514	149,772	195,675	1,584,782	
5 IT	140,598	127,715	127,429	113,693	112,841	101,329	100,455	108,952	112,646	131,145	123,770	125,450	1,426,022	
6 Inter Dept	947	896	769	250	212	1	73	12	18	61	363	950	4,552	
7														
8	2,311,262	2,305,080	2,123,621	1,258,688	646,308	467,231	394,351	379,479	414,625	482,649	920,532	2,079,533	13,783,358	
9														To WPFR-9v-6, Page 1
10														
11														<u>Average</u>
12 Customers														88,348
13 RS	88,866	88,896	88,926	88,714	88,447	87,989	87,860	87,673	87,863	87,820	88,375	88,747	1,060,176	88,348
14 GS	7,069	7,076	7,081	7,031	6,948	6,868	6,855	6,836	6,826	6,836	6,929	7,017	83,372	6,948
15 FT	64	65	63	64	63	65	64	65	65	65	75	79	797	66
16 IT	26	33	25	22	26	23	19	23	21	28	21	24	291	24
17 Inter Dept	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18														
19	96,025	96,070	96,095	95,831	95,484	94,945	94,798	94,597	94,775	94,749	95,400	95,867	1,144,636	95,386
20														To WPFR-9v-6, Page 1, 2, 3
21														

Source: Company Billing Records.

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RS RATE GROUP

Line No.	DATE	# of CUSTOMERS	AVERAGE USAGE MCF	CLASS COINCIDENT DEMAND MCF	CLASS COINCIDENT DEMAND DAY ⁽¹⁾	SYSTEM COINCIDENT DEMAND MCF	SYSTEM COINCIDENT DEMAND DAY ⁽²⁾	COINCIDENT LOAD FACTORS RATE CLASS ⁽¹⁾	COINCIDENT LOAD FACTORS SYSTEM ⁽²⁾
1	January	127	13.134	0.724	01/28/07	0.724	1/28/2007	58.5306	58.5306
2									
3	February	135	16.600	0.841	02/05/07	0.841	2/5/2007	70.5104	70.5104
4									
5	March	135	7.612	0.553	03/03/07	0.541	3/4/2007	44.3660	45.4188
6									
7	April	143	6.063	0.518	04/07/07	0.518	4/7/2007	39.0296	39.0296
8									
9	May	149	1.693	0.095	05/19/07	0.085	5/17/2007	57.2643	64.1485
10									
11	June	150	1.425	0.064	06/07/07	0.049	6/5/2007	74.7788	96.9722
12									
13	July	150	1.290	0.049	07/29/07	0.041	7/5/2007	85.3495	100.5422
14									
15	August	151	1.296	0.076	08/30/07	0.040	8/1/2007	55.2985	104.9284
16									
17	September	151	1.255	0.056	09/15/07	0.041	9/4/2007	74.1917	102.7583
18									
19	October	149	2.443	0.211	10/29/07	0.073	10/11/2007	37.4208	108.5775
20									
21	November	149	7.514	0.420	11/23/07	0.394	11/29/2007	59.5623	63.4973
22									
23	December	146	12.202	0.603	12/17/07	0.603	12/17/2007	65.2842	65.2842
24									
25									
26									
27									
28									
29									
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31									
32									
33									

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(1) Class Coincident Demand is demand of the rate class as a whole at one point in time within the month.

(2) System Coincident Demand is the demand of the rate class at the time of the system peak.

Source: Load Research

Note: All hours are based on the Gas Day definition: 10:01 to 10:00.

DUKE ENERGY KENTUCKY
 COST OF SERVICE WORKPAPERS
 GAS CASE NO: 2009-00202
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Rate GS

Line No.	DATE	# of CUSTOMERS	AVERAGE USAGE MCF	CLASS COINCIDENT DEMAND ⁽¹⁾		SYSTEM COINCIDENT DEMAND ⁽²⁾		COINCIDENT LOAD FACTORS	
				MCF	DAY	MCF	DAY	RATE CLASS ⁽¹⁾	SYSTEM ⁽²⁾
1	January	199	88.327	4.440	01/30/07	4.271	1/28/2007	64.1516	66.7002
2									
3	February	199	112.744	5.522	02/05/07	5.522	2/5/2007	72.8965	72.8965
4									
5	March	201	55.118	3.308	03/03/07	3.303	3/4/2007	53.7407	53.8230
6									
7	April	202	42.443	2.867	04/05/07	2.739	4/7/2007	49.3278	51.6347
8									
9	May	201	18.247	0.839	05/17/07	0.839	5/17/2007	70.1291	70.1291
10									
11	June	202	15.391	0.602	06/05/07	0.602	6/5/2007	85.1306	85.1306
12									
13	July	200	14.246	0.508	07/11/07	0.480	7/5/2007	90.4420	95.6515
14									
15	August	200	14.505	0.507	08/30/07	0.492	8/1/2007	92.3474	95.0643
16									
17	September	200	14.141	0.543	09/17/07	0.482	9/4/2007	86.8585	97.7080
18									
19	October	199	21.067	1.267	10/29/07	0.771	10/11/2007	53.6171	88.0690
20									
21	November	200	46.990	2.439	11/29/07	2.439	11/29/2007	64.1933	64.1933
22									
23	December	199	78.400	3.796	12/17/07	3.796	12/17/2007	66.6044	66.6044
24								↓	↓
25								To	To
26								WPFR-9v-6	WPFR-9v-6
27								Page 6	Page 6
28									
29	(1) Class Coincident Demand is demand of the rate class as a whole at one point in time within the month.								
30	(2) System Coincident Demand is the demand of the rate class at the time of the system peak.								
31									
32	Source: Load Research								
33	Note: All hours are based on the Gas Day definition: 10:01 to 10:00.								

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FT RATE GROUP

Line No.	DATE	# of CUSTOMERS	AVERAGE USAGE MCF	CLASS COINCIDENT DEMAND (1)			SYSTEM COINCIDENT DEMAND (2)		COINCIDENT LOAD FACTORS	
				MCF	DAY	MCF	DAY	RATE CLASS (1)	SYSTEM (2)	
1	January	52	3,623.319	162.885	01/30/07	135.088	1/28/2007	71.7390	86.5010	
2										
3	February	52	3,951.789	177.055	02/15/07	172.649	2/5/2007	79.6930	81.7270	
4										
5	March	52	2,796.868	138.150	03/05/07	117.260	3/4/2007	65.2910	76.9220	
6										
7	April	53	2,465.768	120.855	04/04/07	94.501	4/7/2007	69.3000	88.6260	
8										
9	May	53	1,797.232	77.668	05/17/07	77.668	5/17/2007	74.6270	74.6270	
10										
11	June	53	1,647.075	66.874	06/05/07	66.874	6/5/2007	82.0780	82.0780	
12										
13	July	53	1,627.705	67.439	07/31/07	49.308	7/5/2007	77.8390	106.4620	
14										
15	August	53	1,810.213	67.859	08/01/07	67.859	8/1/2007	86.0300	86.0300	
16										
17	September	55	1,662.035	71.184	09/11/07	62.010	9/4/2007	80.7450	92.6910	
18										
19	October	55	2,054.303	90.998	10/29/07	80.686	10/11/2007	74.1540	85.2090	
20										
21	November	55	2,719.502	119.482	11/29/07	119.482	11/29/2007	75.8500	75.8500	
22										
23	December	55	3,194.011	139.377	12/17/07	139.377	12/17/2007	73.9050	73.9050	
24										
25										
26										
27										
28										
29										
30										
31										
32										
33										

(1) Class Coincident Demand is demand of the rate class as a whole at one point in time within the month.
 (2) System Coincident Demand is the demand of the rate class at the time of the system peak.

Source: Load Research
 Note: All hours are based on the Gas Day definition: 10:01 to 10:00.

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IT RATE GROUP

<u>Line No.</u>	DATE	# of CUSTOMERS	AVERAGE USAGE MCF	CLASS COINCIDENT DEMAND ⁽¹⁾		SYSTEM COINCIDENT DEMAND ⁽²⁾		COINCIDENT LOAD FACTORS	
				MCF	DAY	MCF	DAY	RATE CLASS ⁽¹⁾	SYSTEM ⁽²⁾
1	January	22	5,741.918	232.857	01/30/07	204.533	1/28/2007	79.5240	90.5370
2									
3	February	22	5,735.979	243.119	02/05/07	243.119	2/5/2007	84.2410	84.2410
4									
5	March	22	5,130.984	219.778	03/07/07	179.943	3/4/2007	75.2920	91.9600
6									
7	April	22	5,226.589	218.274	04/09/07	147.379	4/7/2007	79.7980	118.1830
8									
9	May	22	4,873.798	231.521	05/07/07	187.053	5/17/2007	67.8910	84.0300
10									
11	June	22	4,729.486	205.720	06/05/07	205.720	6/5/2007	76.6140	76.6140
12									
13	July	22	4,979.395	213.237	07/31/07	124.772	7/5/2007	75.3090	128.7040
14									
15	August	22	4,766.099	191.170	08/01/07	191.170	8/1/2007	80.4030	80.4030
16									
17	September	22	4,677.224	206.779	09/19/07	158.018	9/4/2007	75.3800	98.6400
18									
19	October	22	5,251.058	217.417	10/30/07	190.696	10/11/2007	77.8910	88.8050
20									
21	November	23	5,719.915	266.895	11/07/07	243.110	11/29/2007	74.6670	81.9720
22									
23	December	23	5,353.887	247.195	12/05/07	228.291	12/17/2007	73.0240	79.0710
24									
25								↓ To	↓ To
26								WPFR-9v-6	WPFR-9v-6
27								Page 7	Page 7
28									

(1) Class Coincident Demand is demand of the rate class as a whole at one point in time within the month.

(2) System Coincident Demand is the demand of the rate class at the time of the system peak.

Source: Load Research

Note: All hours are based on the Gas Day definition: 10:01 to 10:00.

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 COST OF SERVICE WORKPAPERS
 GAS CASE NO: 2009-00202
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 DATA: 12 MONTHS ACTUAL AND 0 MONTHS ESTIMATED
 HOUSE REGULATORS Accounts 383 & 384

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Line No.	Rate Class	Gas Regulators by Size	Account 3830 & 3840		Ratio of Cost (3)	Allocated "Other" Acc 283 & 284 (4)	Allocated House Regulators Acc 284 (5)	Total 283 & 284 (6)	Unit Cost (7)	Weighting (8)
			Quantity (1)	Cost (2)						
1	RS	Account 283 Gas regulator: Regulator, 1/4"	56	\$1,265.47						
2		Account 283 Gas regulator: Relief Valve, 1/4"	2	\$45.40						
3		Account 283 Gas regulator: Relief Valve, 1/2"	1	\$16.99						
4		Account 283 Gas regulator: Regulator, 3/4"	430	\$8,318.27						
5		Account 283 Gas regulator: Regulator, 3/4" x 1"	50,107	\$987,463.34						
6		Account 283 Gas regulator: Relief Valve, 3/4"	287	\$3,689.41						
7		Account 283 Gas regulator: Relief Valve, 3/4" x 1"	1,105	\$52,753.65						
8		Account 283 Gas regulator: Regulator, #1	536	\$2,983.12						
9		Account 283 Gas regulator: Relief Valve, 1"	532	\$119,050.50						
10		Account 283 Gas regulator: Relief Valve, 1"	46,932	\$2,733,500.79						
11		Account 283 Gas regulator: Regulator, 1"	4,270	\$231,106.47						
12		Account 283 Gas regulator: Regulator, 1 1/4"	104,258	\$4,140,193.41	78%	\$26,042.89	\$3,893,544.85	\$8,059,781.15	\$ 77.31	1.0 To WPFR-9v-6, Page 3
13	RS Total		1,336	\$315,443.16						
14	GS	Account 283 Gas regulator: Regulator, 1 1/2"	6	\$7,449.78						
15		Account 283 Gas regulator: Regulator, 1" x 2"	679	\$378,309.37						
16		Account 283 Gas regulator: Regulator, 2" x 4"	14	\$11,660.03						
17		Account 283 Gas regulator: Regulator, 2" x 4"	198	\$101,692.24						
18		Account 283 Gas regulator: Relief Valve, 2"	103	\$33,998.86						
19		Account 283 Gas regulator: Relief Valve, 3"	109	\$75,794.08						
20		Account 283 Gas regulator: Regulator, 3"	1	\$1,162.21						
21		Account 283 Gas regulator: Relief Valve, 3" x 2"	1	\$733.10						
22		Account 283 Gas regulator: Relief Valve, 3" x 4"	88	\$80,754.29						
23		Account 283 Gas regulator: Regulator, 4"	76	\$54,199.95	20%	\$6,677.66	\$98,344.83	\$2,066,219.57	\$ 791.35	10.0 To WPFR-9v-6, Page 3
24	GS Total		2,611	\$1,061,197.07						
25	FT&IT	Account 283 Gas regulator: Regulator, 6"	71	\$62,948.42						
26		Account 283 Gas regulator: Regulator, 8"	11	\$17,642.93						
27		Account 283 Gas regulator: Relief Valve, 6"	36	\$14,729.35						
28		Account 283 Gas regulator: Relief Valve, 6" x 8"	3	\$4,929.70						
29		Account 283 Gas regulator: Relief Valve, 8"	6	\$11,175.16						
30		Account 283 Gas regulator: Relief Valve, 8"	2	\$7,675.26						
31		Account 283 Gas regulator: Regulator, 10"	6	\$10,819.31	2%	\$667.77	\$99,834.48	\$230,422.38	\$ 1,706.83	22.0 To WPFR-9v-6, Page 3
32	FT&IT Total		135	\$129,920.13						
33	Total RS, GS, FT&IT		107,004	\$ 5,331,310.61						
34	Other	Account 283 Gas regulator: Regulator, Dummy code		\$9,583.84						
35		Account 283 Gas regulator: Regulator, Motor read		\$445.03						
36		Account 283 Gas regulator: Regulator, Pilot loading		\$501.70						
37		Account 283 Gas regulator: Regulator, Valve cage unit		\$348.26						
38		Account 283 Adjustment for gas regulator from old system		\$22,271.17						
39		Account 283 Non-unitized		\$238.32						
40				\$33,388.32						
41				\$4,991,724.17						
42	Other Total			\$4,991,724.17						
43	House regulator installations	Account 284		\$4,991,724.17						
44	House regulators Total			\$10,356,423.10	100%	\$33,388.32	\$4,991,724.17	\$10,356,423.10		
45	Grand Total			\$10,356,423.10						

51 Source: Asset Accounting
 52 Grand Total agrees to FERC 383 and 384, House Regulators and Installations in the DEK FERC Form 2, page 209.

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 INDUSTRIAL METERS & REGULATORS

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Line No.	Rate Class	Mcf Sales	Ratio Alloc Fac. (K595)
1	GS - Industrial Sales (a)	360,818	10.701%
2	Firm Transportation (b)	1,584,782	47.004%
3	Interruptible Sales (b)	1,426,022	42.295%
4			
5	Total Mcf	3,371,622	100.000%
6			
7			
8			
9			
10	(a) Company Billing Records.		
11	(b) WPFR-9v-6, Page 9.		

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To WPFR-9v-6, Page 3

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 COST OF SERVICE WORKPAPERS
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 DATA: 12 MONTHS ACTUAL AND 0 MONTHS ESTIMATED
 CUSTOMER COMPONENTS OF MAINS Account 376

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Line No.	Description	Customer Component of Mains (a) (1)	Total 2008 Plastic Mains Book Cost (FERC 37603) (b) (2)	Customer Component Ratio (3) (1) / (2)	Demand Component (1 - Customer Component) (4)	Total (Customer plus Demand) (5) (3) + (4)
1				(1) / (2)		(3) + (4)
2	MINIMUM SIZE STUDY					
3						
4	Plastic Mains	14,134,472	94,083,241	15%		
5						
6						
7						
8						
9						
10	Minimum size customer and demand components			15%	85%	100%
11				To WPFR-9v-6, p.3	To WPFR-9v-6, p. 3	
12						
13						
14	Test Year Mains	GROSS PLANT		\$ 34,705,843	\$ 196,666,446	FROM SFR MODEL \$ 231,372,289
15						
16	Test Year Mains	ACCUMULATED DEPRECIATION		\$ 8,976,579	\$ 50,867,283	\$ 59,843,862
17						
18	Test Year Mains	O&M	FERC 887	\$ 147,766	\$ 837,340	\$ 985,106
19				To FR-9v-1	To FR-9v-1	
20						
21						
22						
23						
24						
25	(a) FR-9v-6, Page 15.	Used plastic mains only in study because majority of today's installations are plastic.				
26	(b)	Plastic Mains		\$ 94,083,241		
27		All Other Mains (Cast Iron, Steel)		116,258,604		
28		Total Mains 2008 FERC 376 Form 2 page 20		\$ 210,341,845		
29						

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 DATA: 12 MONTHS ACTUAL AND 0 MONTHS ESTIMATED
 CUSTOMER COMPONENTS OF MAINS - MINIMUM SIZE STUDY

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MINIMUM SIZE STUDY - FERC 3763 PLASTIC MAINS

Line No.	In-Service Date (c)	Year (c)	Quantity (a) (1)	Handy-whitman Factor (b) (2)	Cost in Year (3) Col (2)/Line 3*Line 1	Minimum Size Cost (4) (1) * (3)
1						
			1" Plastic Mains 2008 Cost per Foot	\$ 5.30 (a)		
2				Cost Year	2008	
3				Handy Whitman at Cost Year	467 (b)	
4						
5						
6						
7						
8						
9	12/1/1965	1965	592	71.00	\$0.81	\$480
10	12/1/1968	1968	3,762	78.00	\$0.89	\$3,348
11	12/1/1970	1970	32,935	86.00	\$0.98	\$32,276
12	12/1/1971	1971	49,074	92.00	\$1.04	\$51,037
13	12/1/1972	1972	44,134	96.00	\$1.09	\$48,106
14	12/1/1973	1973	28,590	100.00	\$1.13	\$32,307
15	12/1/1974	1974	9,622	112.00	\$1.27	\$12,220
16	12/1/1975	1975	7,026	127.00	\$1.44	\$10,117
17	12/1/1976	1976	3,171	135.00	\$1.53	\$4,852
18	12/1/1977	1977	592	144.00	\$1.63	\$965
19	12/1/1978	1978	7,535	155.00	\$1.76	\$13,262
20	12/1/1979	1979	8,722	169.00	\$1.92	\$16,746
21	12/1/1980	1980	12,732	187.00	\$2.12	\$26,992
22	12/1/1981	1981	3,149	204.00	\$2.32	\$7,306
23	12/1/1983	1983	1,295	228.00	\$2.59	\$3,354
24	12/1/1984	1984	4,344	233.00	\$2.64	\$11,468
25	12/1/1986	1986	1,664	239.00	\$2.71	\$4,509
26	12/1/1987	1987	3,019	246.00	\$2.79	\$8,423
27	12/1/1988	1988	585	258.50	\$2.93	\$1,714
28	12/1/1989	1989	2,787	274.50	\$3.12	\$8,695
29	12/1/1990	1990	2,583	282.75	\$3.21	\$8,291
30	12/1/1991	1991	10,044	288.75	\$3.28	\$32,944
31	12/1/1992	1992	79,820	292.75	\$3.32	\$265,002
32	12/1/1993	1993	137,255	299.50	\$3.40	\$466,667
33	12/1/1994	1994	186,467	306.50	\$3.48	\$648,905
34	12/1/1995	1995	160,914	313.25	\$3.56	\$572,854
35	12/1/1996	1996	192,856	320.50	\$3.64	\$701,996
36	12/1/1997	1997	233,195	327.25	\$3.71	\$865,153
37	12/1/1998	1998	172,889	333.50	\$3.78	\$653,520
38	1/1/1999	1999	84,043	339.50	\$3.85	\$323,566
39	12/1/1999	1999	101,429	339.50	\$3.85	\$390,502
40	1/1/2000	2000	193,323	346.00	\$3.93	\$759,759
41	1/1/2001	2001	277,628	355.50	\$4.03	\$1,118,841
42	1/1/2002	2002	312,080	362.00	\$4.11	\$1,282,649
43	1/1/2003	2003	329,155	370.00	\$4.20	\$1,382,451
44	1/1/2004	2004	276,823	380.50	\$4.32	\$1,195,875
45	1/1/2005	2005	256,845	404.50	\$4.59	\$1,178,919
46	1/1/2006	2006	247,433	426.50	\$4.84	\$1,197,576
47	1/1/2007	2007	137,260	451.20	\$5.12	\$702,771
48	1/1/2008	2008	16,614	467.00	\$5.30	\$88,054
49			3,633,986		Customer Component	\$ 14,134,472

(a) Source: Asset Accounting data. Only plastic main included since majority of installations are now plastic.
 (b) WPFR-9v-6, page 17.

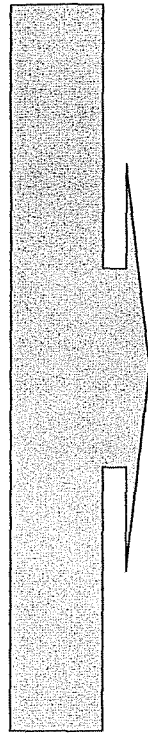
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 CUSTOMER COMPONENTS OF MAINS - MINIMUM SIZE STUDY BACKUP

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Plastic Main - 3763

utility_account_id	27603	Mains only, excludes ball valves, & non-unitized
utility_account_id2	Plastic	

Line No.	in_service_year	Sum of accum_quantity Total	Year in Service	HandyWhitman * Index
1	12/1/1965	592	1965	71.00
2	12/1/1968	3,762	1968	78.00
3	12/1/1970	32,935	1970	86.00
4	12/1/1971	49,074	1971	92.00
5	12/1/1972	44,134	1972	96.00
6	12/1/1973	28,590	1973	100.00
7	12/1/1974	9,622	1974	112.00
8	12/1/1975	7,026	1975	127.00
9	12/1/1976	3,171	1976	135.00
10	12/1/1977	592	1977	144.00
11	12/1/1978	7,535	1978	155.00
12	12/1/1979	8,722	1979	169.00
13	12/1/1980	12,732	1980	187.00
14	12/1/1981	3,149	1981	204.00
15	12/1/1983	1,295	1983	228.00
16	12/1/1984	4,344	1984	233.00
17	12/1/1986	1,664	1986	239.00
18	12/1/1987	3,019	1987	246.00
19	12/1/1988	585	1988	258.50
20	12/1/1989	2,787	1989	274.50
21	12/1/1990	2,583	1990	282.75
22	12/1/1991	10,044	1991	288.75
23	12/1/1992	79,820	1992	292.75
24	12/1/1993	137,255	1993	299.50
25	12/1/1994	186,467	1994	306.50
26	12/1/1995	160,914	1995	313.25
27	12/1/1996	192,856	1996	320.50
28	12/1/1997	233,195	1997	327.25
29	12/1/1998	172,889	1998	333.50
30	1/1/1999	84,043	1999	339.50
31	12/1/1999	101,429	1999	339.50
32	1/1/2000	193,323	2000	346.00
33	1/1/2001	277,628	2001	355.50
34	1/1/2002	312,080	2002	362.00
35	1/1/2003	329,155	2003	370.00
36	1/1/2004	276,823	2004	380.50
37	1/1/2005	256,845	2005	404.50
38	1/1/2006	247,433	2006	426.50
39	1/1/2007	137,260	2007	451.20
40	1/1/2008	16,614	2008	467.00
41	Grand Total	3,633,986		



To WPFR-9v-6, Page 17

46 Source: Asset Accounting
 47 * Handy Whitman Index for Gas Utility Construction, Northern Central Region.

**DUKE ENERGY KENTUCKY
 COST OF SERVICE WORKPAPERS
 GAS CASE NO: 2009-00202
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 DATA: 12 MONTHS ACTUAL AND 0 MONTHS ESTIMATED
 METER COSTS ALLOCATOR**

**WPFR-9v-6
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
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<u>Line No.</u>	<u>RATE GROUP</u>	<u>GM Group Cost (a)</u> (1)	<u>Other Cost (b)</u> (2)	<u>TOTAL COST (c)</u> (3) (1) + (2)	<u>Ratio K413</u>
1	RS	\$ 6,933,384	361,820	\$ 7,295,204	67.894%
2	GS	2,686,724	140,207	2,826,931	26.309%
3	FT	307,857	16,066	323,923	3.015%
4	IT	284,124	14,827	298,951	2.782%
5					
6	Total	\$ 10,212,089	\$ 532,920	\$ 10,745,009	100.000%

To WPFR-9v-6, Page 3

- 12 (a) From Asset Accounting data. Asset Accounting data is divided into 7 different GM (gas meter) groups.
 13 A CMS query was run to get # customers in each GM group by rate class. See WPFR-9v-6, p. 20.
 14 (b) "Other" includes meter costs not specifically identified to an GM group: gauges, gas diaphragms, recorders and
 15 non-unitized. Since "Other" is only 5% of total, allocated to rate class based on GM group cost (Column 1 above).
 16 (c) Total cost agrees to DEK 2008 FERC Form 2 page 209 line 101 FERC Account 381 Meters (may be minor rounding)

DUKE ENERGY KENTUCKY
 COST OF SERVICE WORKPAPERS
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 TWELVE MONTHS ENDING DECEMBER 31, 2008
 DATA: 12 MONTHS ACTUAL AND 0 MONTHS ESTIMATED
 METER COSTS ALLOCATOR

WPFR-9v-6
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
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Line No.	Row Labels	Count of C ACCTNG GRP (a)	% Customer Class in each GM Code	Cost (b) by GM Group	
1	GM1	86868	100% GM1	\$ 6,521,018	
2	GS	4034	5% GS	\$ 326,051	5%
3	RS	82834	95% RS	\$ 6,194,967	95%
4	GM2	4680	100% GM2	\$ 482,526	
5	GS	15	0% GS	\$ -	0%
6	RS	4665	100% RS	\$ 482,526	100%
7	GM3	1629	100% GM3	\$ 288,902	
8	GS	1041	64% GS	\$ 184,897	64%
9	RS	588	36% RS	\$ 104,005	36%
10	GM4	48	100% GM4	\$ 14,512	
11	GS	1	2% GS	\$ 290	2%
12	RS	47	98% RS	\$ 14,222	98%
13	GM5	1432	100% GM5	\$ 1,376,632	
14	GS	1283	90% GS	\$ 1,238,969	90%
15	IFT3	1	0% IFT3	\$ -	0%
16	RS	148	10% RS	\$ 137,663	10%
17	GM6	259	100% GM6	\$ 1,122,606	
18	GS	201	78% GS	\$ 875,633	78%
19	IFT	52	20% IFT	\$ 224,521	20%
20	IFT3	6	2% IFT3	\$ 22,452	2%
21	GM7	34	100% GM7	\$ 405,892	
22	GS	5	15% GS	\$ 60,884	15%
23	IFT	5	15% IFT	\$ 60,884	15%
24	IT01	24	70% IT01	\$ 284,124	70%
25	Grand Total	94950		\$ 10,212,088	

27 (a) Source: CMS query. CMS query manually adjusted for number of IT & FT.
 28 (b) Includes only those costs in FERC 381 Meters assigned to specific GM Code. See Page 21.

DUKE ENERGY KENTUCKY
 COST OF SERVICE WORKPAPERS
 GAS CASE NO: 2009-00202
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 DATA: 12 MONTHS ACTUAL AND 0 MONTHS ESTIMATED
 METER COSTS ALLOCATOR

WPFR-9v-6
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
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long_description	(All)
company_id	(All)
description	(All)
long_description2_2	(All)
long_description3	(All)
utility_account_id	381

Line No.	long_description2	Data	
		Sum of accum_quantity	Sum of accum_cost
1	GM Group 1 - Residential	115,639	\$6,521,017.61
2	GM Group 2- Residential AMR	4,242	\$482,526.43
3	GM Group 3 - Commercial	2,499	\$288,901.87
4	GM Group 4 - Commercial AMR	75	\$14,512.33
5	GM Group 5 - Small Industrial	1,966	\$1,376,632.49
6	GM Group 6 - Medium Industrial	590	\$1,122,606.43
7	GM Group 7 - Large Industrial	68	\$405,892.49
8	Gauges	18	\$14,217.89
9	Meter - Gas: diaphragm, < 500 Cfh	3,277	\$246,460.18
10	Meter - Gas: diaphragm, > 500 < 1500 Cfh	191	\$146,996.90
11	Meter - Gas: rotary, > 1500 Cfh	119	\$103,639.61
12	Non-utilized	1	\$44,131.10
13	Recorders	3	\$2,836.38
14	retirement unit setup to track adjustments from old system	3	-\$25,361.83
15	Grand Total	128,691	\$10,745,009.88
16	Sum of GM Groups 1-7	95%	\$10,212,089.65
17	All Other Costs	5%	\$532,920.23



To WPFR-9v-6, Page 20

To WPFR-9v-6, Page 21

Source: Asset Accounting. Grand total agrees to FERC 2008 Form 2 Account 381

DUKE ENERGY KENTUCKY
 COST OF SERVICE WORKPAPERS
 GAS CASE NO: 2009-00202
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 DATA: 12 MONTHS ACTUAL AND 0 MONTHS ESTIMATED
 SERVICES ACCOUNT 380

WPFR-9v-6
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
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Line No.	SIZE	KIND	2008 AVERAGE NUMBER OF CUSTOMERS (a) (1)	2008 AVERAGE NUMBER OF CUSTOMERS % of TOTAL (2) Col (1)/ Col (1) Line 47	TOTAL NUMBER OF SERVICES based on % AVE CUSTOMERS (b) (3) Col (2) * Col (3) Line 47	NUMBER OF SERVICES GROUPED BY CLASS BY SIZE (c) (d) (4)	TOTAL COST (d) (5)	AVERAGE COST (6) (4) / (5)	WEIGHTING FACTOR (7) Col (6) / Col (6) Line 13
1	RS								
2		3/4" Gas Services: Plastic, 3/8"				1.00	\$ 1,100.92	\$ 1,100.92	
3		1/2" Gas Services: Plastic, 1/2"				993.00	\$ 1,053,590.27	\$ 1,061.02	
4		3/4" Gas Services: CU, 3/4"				6,283.00	\$ 1,072,117.04	\$ 170.64	
5		3/8" Gas Services: Plastic, 3/4"				2,144.00	\$ 471,262.43	\$ 219.81	
6		5/8" Gas Services: Steel, 3/4"				300.00	\$ 74,270.52	\$ 247.57	
7		3/4" Gas Services: Plastic, 5/8"				30.00	\$ 27,871.73	\$ 929.06	
8		1" Gas Services: CU, 1"				888.00	\$ 147,459.26	\$ 166.06	
9		1" Gas Services: Plastic, 1"				77,106.00	\$ 60,738,827.19	\$ 787.73	
10		1" Gas Services: Steel, 1"				1,364.00	\$ 2,013,543.78	\$ 1,476.21	
11		1 1/4" Gas Services: Plastic, 1 1/4"				3,630.00	\$ 3,015,127.64	\$ 830.61	
12									
13	TOTAL		88,348	93%	92,739	92,739.00	\$ 68,615,170.78	\$ 739.87	1.00 To WPFR-9v-6, Page 2
14									
15	GS								
16		1 1/4" Gas Services: Plastic, 1 1/4"				2,049.00	\$ 1,701,927.42	\$ 830.61	
17		1 1/4" Gas Services: CU, 1 1/4"				2,213.00	\$ 405,446.53	\$ 183.21	
18		1 1/4" Gas Services: Steel, 1 1/4"				754.00	\$ 95,262.15	\$ 126.34	
19		1 1/2" Gas Services: Steel, 1 1/2"				770.00	\$ 7,351.77	\$ 9.55	
20		2" Gas Services: CU, 2"				148.00	\$ 63,040.63	\$ 425.95	
21		2" Gas Services: Steel, 2"				349.00	\$ 521,292.37	\$ 1,493.67	
22		2" Gas Services: Plastic, 2"				634.00	\$ 1,019,190.33	\$ 1,607.56	
23		3" Gas Services: Plastic, 3"				122.00	\$ 523,519.46	\$ 4,291.14	
24		3" Gas Services: Steel, 3"				112.00	\$ 349,874.81	\$ 3,123.88	
25		4" Gas Services: Plastic, 4"				104.00	\$ 386,534.45	\$ 3,716.68	
26		4" Gas Services: Cast Iron, 4"				1.00	\$ 59.79	\$ 59.79	
27		4" Gas Services: Steel, 4"				37.00	\$ 109,798.81	\$ 2,967.54	
28									
29	TOTAL		6,948	7%	7,293	7,293.00	\$ 5,183,298.52	\$ 710.72	0.96 To WPFR-9v-6, Page 2
30									
31	FT								
32		4" Gas Services: Steel, 4"				29.00	\$ 86,058.52	\$ 2,967.54	86,058.66
33		6" Gas Services: Plastic, 6"				22.00	\$ 152,896.22	\$ 6,949.83	152,896.26
34		6" Gas Services: Steel, 6"				18.00	\$ 97,234.84	\$ 5,401.94	97,234.92
35									
36	TOTAL		66	0%	69	69.00	\$ 336,189.59	\$ 4,872.31	6.59 To WPFR-9v-6, Page 2
37									
38	IT								
39									
40		6" Gas Services: Steel, 6"				12.00	\$ 64,823.23	\$ 5,401.94	64,823.28
41		8" Gas Services: Plastic, 8"				6.00	\$ 62,623.32	\$ 10,437.22	62,623.32
42		8" Gas Services: Steel, 8"				8.00	\$ 83,936.28	\$ 10,492.04	83,936.32
43									
44									
45	TOTAL		24	0%	25	26.00	\$ 211,382.83	\$ 8,130.11	10.99 To WPFR-9v-6, Page 2
46									
47	GRAND TOTAL		95,386	100%	100,127	100,127.00	\$ 74,346,041.71		
48									
49									
50									
51	(a)	WPFR-9v-6, page 9							
52	(b)	Total number of services from FR-9v-6, page 23, excludes non-unitized							
53	(c)	Sizes grouped based on allocated totals by class from Column 3. In some cases, sizes were split between classes to arrive at correct allocated total.							
54	(d)	WPFR-9v-6, page 23							

DUKE ENERGY KENTUCKY
 COST OF SERVICE WORKPAPERS
 GAS CASE NO: 2009-00202
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 DATA: 12 MONTHS ACTUAL AND 0 MONTHS ESTIMATED
 SERVICES ACCOUNT 380

WPFR-9v-6
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
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Line
 No.

1	long_description	(All)		
2	company_id	(All)		
3	description	(All)	SERVICES	
4	long_description2_2	(All)		
5	long_description3	(All)		
6	utility_account_id	(Multiple Items)		380
7				
8				
9	long_description2	Data	Sum of accum_quantity	Sum of accum_cost
10	Gas Services: Plastic, 3/8"		1	\$1,100.92
11	Gas Services: Plastic, 1/2"		993	\$1,053,590.27
12	Gas Services: CU, 3/4"		6,283	\$1,072,117.04
13	Gas Services: Plastic, 3/4"		2,144	\$471,262.43
14	Gas Services: Steel, 3/4"		300	\$74,270.52
15	Gas Services: Plastic, 5/8"		30	\$27,871.73
16	Gas Services: CU, 1"		888	\$147,459.26
17	Gas Services: Plastic, 1"		77,106	\$60,738,827.19
18	Gas Services: Steel, 1"		1,364	\$2,013,543.78
19	Gas Services: Plastic, 1 1/4"		5,679	\$4,717,055.06
20	Gas Services: CU, 1 1/4"		2,213	\$405,446.53
21	Gas Services: Steel, 1 1/4"		754	\$95,262.15
22	Gas Services: Steel, 1 1/2"		770	\$7,351.77
23	Gas Services: CU, 2"		148	\$63,040.63
24	Gas Services: Steel, 2"		349	\$521,292.37
25	Gas Services: Plastic, 2"		634	\$1,019,190.33
26	Gas Services: Plastic, 3"		122	\$523,519.46
27	Gas Services: Steel, 3"		112	\$349,874.81
28	Gas Services: Plastic, 4"		104	\$386,534.45
29	Gas Services: Cast Iron, 4"		1	\$59.79
30	Gas Services: Steel, 4"		66	\$195,857.33
31	Gas Services: Plastic, 6"		22	\$152,896.22
32	Gas Services: Steel, 6"		30	\$162,058.07
33	Gas Services: Plastic, 8"		6	\$62,623.32
34	Gas Services: Steel, 8"		8	\$83,936.28
35	Non-unitized		299	\$14,014,153.95
36	Grand Total		100,426	\$ 88,360,195.66
37	Less Non-unitized		299	\$14,014,153.95
38	Grand Total Excluding Non-unitized		100,127	\$ 74,346,041.71
39				
40				

Source: Asset Accounting. Grand Total agrees to 2008 FERC Form 2 Account 380, Services, page 209

**DUKE ENERGY KENTUCKY
 COST OF SERVICE WORKPAPERS
 GAS CASE NO: 2009-00202
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 DATA: 12 MONTHS ACTUAL AND 0 MONTHS ESTIMATED
 DISTRIBUTION OF SALARIES & WAGES**

**WPFR-9v-6
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
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Line No.	Description	Direct payroll
1	Production - Demand	222,906
2	Production - Supply	274,645
3	Transmission	549
4	Distribution	2,929,456
5	Customer Accounts	1,499,518
6	Customer Services & Informati	259,475
7	Sales	0
8	Total	<u>5,186,549</u>
9		
10	Administrative & General	2,460,550
11		
12	Total O&M	<u>7,647,099</u>
13		
14		↓
15		To WPFR-9v-6, page 5
16		
17	Source: Distribution of Salaries & Wages, DEK 2008 FERC Form 2, page 355	

DUKE ENERGY KENTUCKY
 COST OF SERVICE WORKPAPERS
 GAS CASE NO: 2009-00202
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 DATA: 12 MONTHS ACTUAL AND 0 MONTHS ESTIMATED
 CUSTOMER ACCOUNTS

WPFR-9v-6
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
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Line No.	FERC Description	Specific Description	RS	GS	FT	IT	Total (a)	Allocation Method	Allocator
1	901 Customer Accounts	Supervision	9,328.00	734.00	7.00	3.00	10,072	Total Customers	K401
2	902 Customer Accounts	Meter Reading	447,111.00	173,256.00	19,855.00	18,321.00	658,543	Meter Costs	K413
3	903 Customer Accounts	Customer records and Collection	1,834,683.00	144,284.00	1,367.00	495.00	1,980,829	Total Customers	K401
4	904 Customer Accounts	Uncollectible Accounts	1,128,907.00	67,590.00	0	0	1,196,497	Actual Write-offs	K406
5	905 Customer Accounts	Miscellaneous	(13,880.00)	(1,092.00)	(10.00)	(4.00)	(14,986)	Total Customers	K401
6	907 Customer Service and Informational	Supervision	-	0	0	0	-	Total Customers	K401
7	908 Customer Service and Informational	Customer Assistance	129,876.00	10,214.00	97.00	35.00	140,222	Total Customers	K401
8	909 Customer Service and Informational	Advertising	-	-	-	-	-	Total Customers	K401
9	910 Customer Service and Informational	Miscellaneous	391,906.00	30,820.00	292.00	106.00	423,124	Total Customers	K401
10	911 Sales	Supervision	19.00	1.00	-	-	20	Total Customers	K401
11	912 Sales	Demonstrating and Selling	-	0	0	0	-		
12	913 Sales	Advertising	-	0	0	0	-		
13	916 Sales	Miscellaneous	-	0	0	0	-		
14			<u>3,927,950.00</u>	<u>425,807.00</u>	<u>21,608.00</u>	<u>18,956.00</u>	<u>4,394,321</u>		



To WPFR-9v-6, Page 2

21 (a) Totals agree to DEK 2008 FERC Form 2 Accounts 901-916, pages 324 and 325.

DUKE ENERGY KENTUCKY
 COST OF SERVICE WORKPAPERS
 GAS CASE NO: 2009-00202
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 DATA: 12 MONTHS ACTUAL AND 0 MONTHS ESTIMATED
 GAS WRITE-OFFS

WPFR-9v-6
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
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Gas	(All)	2008
Mo	(All)	

Line No.	Sum of Adj Gas	Class		Grand Total
	RCL	N	R	
1	00		\$2,621,915.00	\$2,621,915.00
2	01		\$11,499.16	\$11,499.16
3	02	\$155,006.82		\$155,006.82
4	04	\$2,651.39		\$2,651.39
5	16	\$20.38		\$20.38
6	Grand Total	\$157,678.59	\$2,633,414.16	\$2,791,092.75
7				
8		5.649%	94.351%	100.00%
9		GS	RS	
10		To WPFR-9v-6, Page 2		
11				
12	Source: Credit and Collections			

DUKE ENERGY KENTUCKY
 COST OF SERVICE WORKPAPERS
 GAS CASE NO: 2009-00202
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 DATA: 12 MONTHS ACTUAL AND 0 MONTHS ESTIMATED

WPFR-9v-6
 WITNESS RESPONSE
 DONALD L. STORER
 Page 27 of 27

ALLOCATION OF DEPR EXP ANNUALIZATION ADJUSTMENT TO FUNCTIONAL CATEGORY (THESE AMOUNTS USED TO ADJUST DEPR RESERVE ON FR-9V-1)

Line No.		allocator	Calculated Depr/Amort Expense SFR Sch B-3.2	Depreciation Expense Annualization Adj SFR WPC 2E	Allocated Depreciation Expense Annualization Adj
1					
2	PRODUCTION PLANT				
3	PRODUCTION PLANT				
4	TOTAL PROD		41,775		7,389
5					
6	TRANSMISSION PLANT				
7	TRANSMISSION PLANT				
8	TOTAL TRANS		-		
9					
10	DISTRIBUTION PLANT				
11	SYSTEM M&R - (2780, 2781)				
12	DIST REG - 2782		129,314		22,872
13	LARGE IND M&R - (2850, 2851)		21,706		3,839
14	MAINS - (2761, 2762, 2763, 2765, 2767, 2768)	Demand	13,655		2,415
15	MAINS - (2761, 2762, 2763, 2765, 2767, 2768)	Customer	4,797,921		848,621
16	SERVICES - (2801, 2802, 2803, 2804, 2805-2807)		846,692	15%	149,757
17	MTRS & MTR INST (2810, 2811, 2820, 2821)		3,828,803		677,212
18	LAND, R OF W STRUCT & IMPROV, OTH, SL (274,275,287)		685,197		121,193
19	HOUSE REG & INSTALL (2830-2831, 2840-2841)		19,682		3,481
20	GAS DISTRIBUTION - RWIP		340,104		60,155
21	TOTAL DIST DEPREC		10,683,074		1,889,545
22					
23	GENERAL & INTANGIBLE PLANT				
24	PRODUCTION PLANT	WPFR-9v-6, P.5	4.3%	6,808	1,204
25	PRODUCTION PLANT COMMODITY	WPFR-9v-6, P.5	5.3%	8388	1,484
26	DISTRIBUTION PLANT	WPFR-9v-6, P.5	0.0%	0	-
27	CUSTOMER ACCOUNTING	WPFR-9v-6, P.5	56.5%	89467	15,824
28	CUSTOMER SERVICE & INFORMATION	WPFR-9v-6, P.5	28.9%	45796	8,100
29	SALES	WPFR-9v-6, P.5	5.0%	7924	1,402
30	TOTAL GEN DEPREC		158,383		28,014
31					
32	COMMON & OTHER PLANT				
33	PRODUCTION PLANT	see above	4.3%	623,020	110,195
34	PRODUCTION PLANT COMMODITY	see above	5.3%	8388	1,484
35	DISTRIBUTION PLANT	see above	0.0%	0	-
36	CUSTOMER ACCOUNTING	see above	56.5%	89467	15,824
37	CUSTOMER SERVICE & INFORMATION	see above	28.9%	45796	8,100
38	SALES	see above	5.0%	7924	1,402
39	TOTAL COM & OTHER PLT		774,595		137,005
40					
41	TOTAL DEPRECIATION EXPENSE		11,657,827	2,061,951	2,061,953
42	CHECK		11,657,827		



To FR-9v-1
 Schedule 3

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(w)**

807 KAR 5:001, SECTION 10(9)(w)

Description of Filing Requirement:

Local exchange carriers with fewer than 50,000 access lines shall not be required to file cost of service studies, except as specifically directed by the commission. Local exchange carriers with more than 50,000 access lines shall file:

1. A jurisdictional separations study consistent with Part 36 of the Federal Communications Commission's rules and regulations; and
2. Service specific cost studies to support the pricing of all services that generate annual revenue greater than \$1,000,000, except local exchange access:
 - Based on current and reliable data from a single time period; and
 - Using generally recognized fully allocated, embedded, or incremental cost principles.

Response:

Not applicable.

Sponsoring Witness: Not applicable

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(10)(a)**

807 KAR 5:001 SECTION 10(10)(a)

Description of Filing Requirement:

Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase.

Response:

See Schedule A of Schedule Book.

Sponsoring Witness: Robert M. Parsons

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(10)(b)**

807 KAR 5:001 SECTION 10(10)(b)

Description of Filing Requirement:

Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base.

Response:

See Schedule B of Schedule Book.

Sponsoring Witness: Robert M. Parsons

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(10)(c)**

807 KAR 5:001 SECTION 10(10)(c)

Description of Filing Requirement:

Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account.

Response:

See Schedule C of Schedule Book.

Sponsoring Witness: Robert M. Parsons

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(10)(d)**

807 KAR 5:001 SECTION 10(10)(d)

Description of Filing Requirement:

Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors.

Response:

See Schedule D of Schedule Book.

Sponsoring Witness: Robert M. Parsons

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(10)(e)**

807 KAR 5:001 SECTION 10(10)(e)

Description of Filing Requirement:

Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes.

Response:

See Schedule E of Schedule Book.

Sponsoring Witness: Robert M. Parsons

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(10)(f)**

807 KAR 5:001 SECTION 10(10)(f)

Description of Filing Requirement:

Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditure for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases.

Response:

See Schedule F of Schedule Book.

Sponsoring Witness: Robert M. Parsons

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(10)(g)**

807 KAR 5:001 SECTION 10(10)(g)

Description of Filing Requirement:

Analysis of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight time and overtime hours, and executive compensation by title.

Response:

See Schedule G of Schedule Book.

Sponsoring Witness: Robert M. Parsons

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(10)(h)**

807 KAR 5:001 SECTION 10(10)(h)

Description of Filing Requirement:

Computation of gross revenue conversion factor for forecasted period.

Response:

See Schedule H of Schedule Book.

Sponsoring Witness: Robert M. Parsons

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(10)(i)**

807 KAR 5:001 SECTION 10(10)(i)

Description of Filing Requirement:

Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base periods, forecasted period, and 2 calendar years beyond forecast period.

Response:

See Schedule I of Schedule Book.

Sponsoring Witness: Stephen R. Lee

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(10)(j)**

807 KAR 5:001 SECTION 10(10)(j)

Description of Filing Requirement:

Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure.

Response:

See Schedule J of Schedule Book.

Sponsoring Witness: Stephen G. De May

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(10)(k)

807 KAR 5:001 SECTION 10(10)(k)

Description of Filing Requirement:

Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period.

Response:

See Schedule K of Schedule Book.

Sponsoring Witness: Brenda R. Melendez
Robert M. Parsons
Stephen G. De May

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(10)(I)**

807 KAR 5:001 SECTION 10(10)(I)

Description of Filing Requirement:

Narrative description and explanation of all proposed tariff changes.

Response:

See Schedule L of Schedule Book.

Sponsoring Witness: James E. Ziolkowski

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(10)(m)**

807 KAR 5:001 SECTION 10(10)(m)

Description of Filing Requirement:

Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes.

Response:

See Schedule M of Schedule Book.

Sponsoring Witness: James E. Ziolkowski

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(10)(n)**

807 KAR 5:001 SECTION 10(10)(n)

Description of Filing Requirement:

Typical bill comparison under present and proposed rates for all customer classes.

Response:

See Schedule N of Schedule Book.

Sponsoring Witness: James E. Ziolkowski

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(3)

807 KAR 5:001, SECTION 10(3)

Description of Filing Requirement:

Form of Notice to Customers. Every utility filing an application pursuant to this section shall notify all affected customers in the manner prescribed herein. The notice shall include the following information:

- (a) The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rate change will apply;
- (b) The present rates and the proposed rates for each customer class to which the proposed rates would apply;
- (c) Electric, gas, water and sewer utilities shall include the effect upon the average bill for each customer class to which the proposed rate change will apply;
- (d) Local exchange companies shall include the effect upon the average bill for each customer class for the proposed rate change in basic local service;
- (e) A statement that the rates contained in this notice are the rates proposed by (name of utility); however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;
- (f) A statement that any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing 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;
- (g) A statement that any person who has been granted intervention by the commission may obtain copies of the rate application and any other filings made by the utility by contacting the utility through a name and address and phone number stated in this notice;
- (h) A statement that any person may examine the rate application and any other filings made by the utility at the main office of the utility or at the commission's office indicating the addresses and telephone numbers of both the utility and the commission; and
- (i) The commission may grant a utility with annual gross revenues greater than \$1,000,000, upon written request, permission to use an abbreviated form of published notice of the proposed rates provided the notice includes a coupon which may be used to obtain all of the information required herein.

Response:

A copy of the customer notice is attached. The customer notice was provided to local newspapers for publication, as required.

Sponsoring Witness: James E. Ziolkowski

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				\$30.00
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 electric 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 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

DUKE ENERGY KENTUCKY
1697 A MONMOUTH STREET
NEWPORT, KENTUCKY 41071
(513) 287-3842

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(4)**

807 KAR 5:001, SECTION 10(4)

Description of Filing Requirement:

If copy of public notice included, did it meet requirements?

Response:

Yes, it meets the requirements. See FR 10(3), 807 KAR 5:001, Section 10(3).

Sponsoring Witness: Julia S. Janson

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 6(1)

807 KAR 5:001, SECTION 6(1)

Description of Filing Requirement:

Amount and kinds of stock authorized.

Response:

1,000,000 shares of Capital Stock \$15 per share par value amounting to \$15,000,000 par value.

Responsible Witness: Stephen G. De May

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 6(2)

807 KAR 5:001, SECTION 6(2)

Description of Filing Requirement:

Amount and kinds of stock issued and outstanding.

Response:

585,333 shares of Capital Stock, \$15 per share par value, amounting to \$8,779,995 total par value plus paid-in capital of \$167,494,135.

Responsible Witness: Stephen G. De May

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 6(3)

807 KAR 5:001, SECTION 6(3)

Description of Filing Requirement:

Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.

Response:

There is no preferred stock authorized, issued or outstanding.

Responsible Witness: Stephen G. De May

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 6(4)

807 KAR 5:001, SECTION 6(4)

Description of Filing Requirement:

Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking fund provision.

Response:

Duke Energy Kentucky does not have any assets secured by a mortgage.

Responsible Witness: Stephen G. De May

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 6(5)

807 KAR 5:001, SECTION 6(5)

Description of Filing Requirement:

Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year.

Response:

The Company has one outstanding issue of unsecured senior debentures issued under an Indenture dated July 1, 1995, between itself and The Bank of New York Trust Company, N.A., as Trustee, (Successor Trustee to Fifth Third Bank), as supplemented by four Supplemental Indentures. The Indenture, as amended, allows the Company to issue debt securities in an unlimited amount from time to time. The Debentures issued under the Indenture are the following:

<u>Supplemental Indenture</u>	<u>Date of Issue</u>	<u>Principal Amt. Auth. and Issued</u>	<u>Principal Amt. Outstd.</u>	<u>Rate of Interest</u>	<u>Date of Maturity</u>	<u>Interest Paid Year 2008</u>
		\$	\$			\$
4 th Supplemental	9/17/99	20,000,000	20,000,000	7.875%	9/15/09	1,575,000
			<u>20,000,000</u>			<u>1,575,000</u>

The Company has three outstanding issues of unsecured senior debentures issued under an Indenture dated December 1, 2004, between itself and Deutsche Bank Trust Company Americas, as Trustee, as supplemented by one Supplemental Indenture. The Indenture allows the Company to issue debt securities in an unlimited amount from time to time. The Debentures issued under the Indenture are the following:

<u>Supplemental Indenture</u>	<u>Date of Issue</u>	<u>Principal Amt. Auth. and Issued</u>	<u>Principal Amt. Outstd.</u>	<u>Rate of Interest</u>	<u>Date of Maturity</u>	<u>Interest Paid Year 2008</u>
		\$	\$			\$
Not Applicable	12/9/04	40,000,000	40,000,000	5.00%	12/15/14	2,000,000
1 st Supplemental	3/10/06	50,000,000	50,000,000	5.75%	3/10/16	2,875,000
1 st Supplemental	3/10/06	65,000,000	65,000,000	6.20%	3/10/36	4,030,000
			<u>155,000,000</u>			<u>8,905,000</u>

The Company has two outstanding tax exempt bonds. The interest rate on the bonds resets periodically.

<u>Series</u>	<u>Date of Issue</u>	<u>Principal Amt. Auth. and Issued</u> \$	<u>Principal Amt. Outstd.</u> \$	<u>Rate of Interest</u> (12/31/08)	<u>Date of Maturity</u>	<u>Interest Paid Year 2008</u> \$
2006B	7/26/06	26,720,000	26,720,000	0.94%	8/1/27	251,000
2008A	12/10/08	50,000,000	50,000,000	1.75%	8/1/27	875,000
			<u>76,720,000</u>			<u>1,126,000</u>

Responsible Witness: Stephen G. De May

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 6(6)

807 KAR 5:001, SECTION 6(6)

Description of Filing Requirement:

Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.

Response:

Duke Energy Kentucky did not have outstanding notes as of 12/31/08.

Responsible Witness: Stephen G. De May

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 6(7)

807 KAR 5:001, SECTION 6(7)

Description of Filing Requirement:

Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.

Response:

Master Credit Facility

Description: Loan against master credit facility
Amount: Approximately \$74 million
Initiation Date: September 30, 2008
Maturity Date: Can be renewed until June 2012
Interest Rate: 2.26% at 12/31/08 (variable rate based on one-month LIBOR)
2008 Interest: Approximately \$1.7 million

Capital Leases

Description: Meter Leases
Amount: Approximately \$13 million
Initiation Date: Various (December 2000 – December 2007)
Maturity Date: Various (September 2009 – September 2020)
Interest Rate: Various (4.48% - 8.60%)
2008 Interest: Approximately \$737 thousand

Responsible Witness: Stephen G. De May

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 6(8)

807 KAR 5:001, SECTION 6(8)

Description of Filing Requirement:

Rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year.

Response:

<u>Year Ending</u>	<u>Dividends Paid</u>		<u>No. of Shares</u>	<u>Par Value of Stock</u>
	<u>Per Share</u>	<u>Total</u>		
	\$	\$		\$
December 31, 2004	24.94	14,600,000	585,333	8,779,995
December 31, 2005	17.03	9,965,521	585,333	8,779,995
December 31, 2006	-0-	-0-	585,333	8,779,995
December 31, 2007	-0-	-0-	585,333	8,779,995
December 31, 2008	51.25	30,000,000	585,333	8,779,995

Responsible Witness: Stephen G. De May

**DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 6(9)**

807 KAR 5:001, SECTION 6(9)

Description of Filing Requirement:

Detailed income statement and balance sheet.

Response:

See attached income statement for the twelve months ended March 31, 2009, and the attached balance sheet as of March 31, 2009.

Sponsoring Witness: Brenda R. Melendez

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 6 (9)
INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED MARCH 31, 2009

807 KAR 5:001, SECTION 6(9)

	Twelve Months Ended March 31, 2009
	\$
UTILITY OPERATING INCOME:	
OPERATING REVENUES	490,239,523
OPERATING EXPENSES:	
OPERATION EXPENSE	346,569,409
MAINTENANCE EXPENSE	26,149,549
DEPRECIATION EXPENSE	35,225,327
AMORTIZATION AND DEPLETION OF UTILITY PLANT	2,699,711
REGULATORY DEBITS	505,133
TAXES OTHER THAN INCOME TAXES	7,632,292
INCOME TAXES - FEDERAL	(147,670)
- STATE	647,657
PROVISION FOR DEFERRED INCOME TAXES	59,222,346
PROVISION FOR DEFERRED INCOME TAXES - CREDIT	39,941,823
INVESTMENT TAX CREDIT ADJUSTMENT - NET	(211,656)
GAINS FROM DISP OF ALLOW - CREDIT	148,946
ACCRETION EXPENSE	561
TOTAL OPERATING EXPENSES	438,201,890
NET UTILITY OPERATING INCOME	52,037,633
OTHER INCOME AND DEDUCTIONS:	
OTHER INCOME -	
NONUTILITY OPERATING INCOME	(345,214)
INTEREST AND DIVIDEND INCOME	3,575,286
ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	614,906
MISCELLANEOUS NONOPERATING INCOME	36,478
GAIN ON DISPOSITION OF PROPERTY	65,449
TOTAL OTHER INCOME	3,946,905
OTHER INCOME DEDUCTIONS -	
LOSS ON DISPOSITION OF PROPERTY	0
MISCELLANEOUS INCOME DEDUCTIONS	1,082,513
TOTAL OTHER INCOME DEDUCTIONS	1,082,513
TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	
TAXES OTHER THAN INCOME TAXES	234,649
INCOME TAXES - FEDERAL	4,323,834
- STATE	514,643
PROVISION FOR DEFERRED INCOME TAXES	262,025
PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(4,667,076)
INVESTMENT TAX CREDIT ADJ - NET	(561,035)
TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	107,040
NET OTHER INCOME AND DEDUCTIONS	2,757,352
INTEREST CHARGES:	
INTEREST ON LONG TERM DEBT	13,814,002
AMORTIZATION OF DEBT DISCOUNT AND EXPENSE	266,322
AMORTIZATION OF LOSS ON REACQUIRED DEBT	327,555
AMORTIZATION OF PREMIUM ON DEBT - CREDIT	0
INTEREST ON DEBT TO ASSOC. COMPANIES	22,264
OTHER INTEREST EXPENSE	3,818,924
ALLOWANCE FOR BORROWED FUNDS USED DURING CONST - CREDIT	(211,556)
NET INTEREST CHARGES	18,037,511
NET INCOME	36,757,474

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 6 (9)
BALANCE SHEET
AS OF MARCH 31, 2009

807 KAR 5:001, SECTION 6(9)

<u>ASSETS</u>	As of March 31, 2009 \$
UTILITY PLANT:	
UTILITY PLANT IN SERVICE	1,490,683,719
CONSTRUCTION WORK IN PROGRESS	26,356,178
LESS: ACCUMULATED PROVISION FOR DEPRECIATION	<u>652,878,338</u>
NET UTILITY PLANT	<u>864,161,559</u>
OTHER PROPERTY AND INVESTMENTS:	
NONUTILITY PROPERTY - NET	24,088,348
OTHER INVESTMENTS	1,500
LESS: ACCUM. PROVISION FOR DEPR. & AMORT.	13,487,195
SPECIAL FUNDS	<u>0</u>
TOTAL OTHER PROPERTY AND INVESTMENTS	<u>10,602,653</u>
CURRENT AND ACCRUED ASSETS:	
CASH	14,568,588
SPECIAL DEPOSITS	0
WORKING FUNDS	2,500
TEMPORARY CASH INVESTMENTS	80,000
NOTES AND ACCOUNTS RECEIVABLE - NET	11,114,359
NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	29,838,407
RECEIVABLES FROM ASSOCIATED COMPANIES	130,942
MATERIALS, SUPPLIES AND FUEL ALLOWANCES	35,455,006
GAS STORED - CURRENT	4,252,583
PREPAYMENTS	0
MISCELLANEOUS CURRENT AND ACCRUED ASSETS	5,986,853
INTEREST AND DIVIDENDS RECEIVABLE	4,646,402
RENTS RECEIVABLE	379,640
DERIVATIVE INSTRUMENT ASSETS	0
TOTAL CURRENT AND ACCRUED ASSETS	<u>106,455,280</u>
DEFERRED DEBITS:	
UNAMORTIZED DEBT EXPENSE	1,605,243
OTHER REGULATORY ASSETS	20,939,954
PRELIM. SURVEY AND INVESTIGATION CHARGES (ELECTRIC)	987,066
CLEARING ACCOUNTS	4,479
TEMPORARY FACILITIES	(28,193)
MISCELLANEOUS DEFERRED DEBITS	38,153,639
UNAMORTIZED LOSS ON REACQUIRED DEBT	3,592,301
ACCUMULATED DEFERRED INCOME TAXES	15,941,302
UNRECOVERED PURCHASED GAS COSTS	<u>440,043</u>
TOTAL DEFERRED DEBITS	<u>81,635,834</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>1,062,855,326</u></u>

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 6 (9)
BALANCE SHEET
AS OF MARCH 31, 2009

807 KAR 5:001, SECTION 6(9)

<u>LIABILITIES</u>	As of March 31, 2009 \$
PROPRIETARY CAPITAL:	
CAPITAL STOCK - \$15 PAR VALUE	
AUTHORIZED - 1,000,000 SHARES	
OUTSTANDING - 585,333 SHARES	8,779,995
PREMIUM ON CAPITAL STOCK	18,838,946
OTHER PAID-IN CAPITAL	148,655,189
RETAINED EARNINGS	229,541,056
ACCUMULATED OTHER COMPREHENSIVE INCOME	0
TOTAL PROPRIETARY CAPITAL	<u>405,815,186</u>
LONG TERM DEBT:	
BONDS	0
OTHER LONG TERM DEBT	326,088,539
UNAMORTIZED PREMIUM ON LONG TERM DEBT	0
UNAMORTIZED DISCOUNT ON LONG TERM DEBT	571,017
TOTAL LONG TERM DEBT	<u>325,517,522</u>
OTHER NONCURRENT LIABILITIES:	
OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	10,257,385
ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	0
ACCUMULATED PROVISION FOR PENSION AND BENEFITS	7,640,970
ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	2,019,334
ACCUMULATED PROVISION FOR RATE REFUND	7,517,628
LT PORTION OF DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	6,550,135
ASSET RETIREMENT OBLIGATIONS	6,471,550
TOTAL OTHER NONCURRENT LIABILITIES	<u>40,457,002</u>
CURRENT AND ACCRUED LIABILITIES:	
NOTES PAYABLE	0
ACCOUNTS PAYABLE	26,332,159
NOTES PAYABLE TO ASSOCIATED COMPANIES	0
ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	19,025,056
CUSTOMER DEPOSITS	6,653,180
TAXES ACCRUED	9,163,029
INTEREST ACCRUED	2,345,379
TAX COLLECTIONS PAYABLE	1,608,521
MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	5,550,763
OBLIGATIONS UNDER CAPITAL LEASES-CURRENT	2,431,116
DERIVATIVE INSTRUMENT LIABILITIES	34,758
TOTAL CURRENT AND ACCRUED LIABILITIES	<u>73,143,961</u>
DEFERRED CREDITS:	
CUSTOMER ADVANCES FOR CONSTRUCTION	1,638,646
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	4,281,158
OTHER DEFERRED CREDITS	25,809,669
OTHER REGULATORY LIABILITIES	1,061,671
ACCUMULATED DEFERRED INCOME TAXES OTHER PROPERTY	170,056,031
ACCUMULATED DEFERRED INCOME TAXES OTHER	15,074,480
TOTAL DEFERRED CREDITS	<u>217,921,655</u>
TOTAL LIABILITIES AND OTHER CREDITS	<u><u>1,062,855,326</u></u>