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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY,) Case No. 2009-00202
INC. FOR AN ADJUSTMENT OF GAS RATES)

NOTICE OF NO OBJECTION

Comes now the Attorney General of the Commonwealth of Kentucky, (“AG”) and pursuant to the Order of the Commission at the public hearing in the above matter on December 15, 2009 files his Notice of No Objection with reference to the following items that were not addressed by specific language in the Settlement Agreement filed of record in this matter:

1. With regard to the issue of the Duke Energy Kentucky’s (Duke) Accelerated Main Replacement Program (AMRP) Tariff. Duke has proposed to withdraw the tariff to which the Attorney General has no objection.
2. Duke has proposed in its application to include its uncollectible commodity expenses in the monthly Gas Cost Adjustment (GCA) filing. The Attorney General has no objection.
3. Duke has proposed to eliminate the Merger Savings Credit Rider (Rider MSR-G) in its application pursuant to the terms of the Stipulation approved in Case No.: 2005-00228. The Attorney General has no objection.
4. Duke proposes a new tariff for Pulse Meter Service as part of its application. The Attorney General has no objection.

5. Finally, with regard to the typographical corrections noted in the supplemental testimony William Don Wathen, Jr., the Attorney General has no objection.

Respectfully submitted,

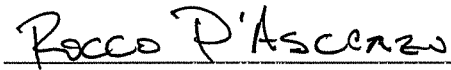
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DUKE ENERGY KENTUCKY, INC.
HAVE SEEN:

(With Permission of Counsel)



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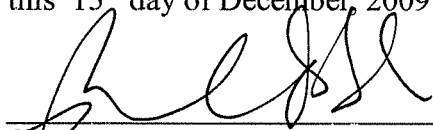
Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Rocco O D'Ascenzo
Duke Energy Kentucky, Inc.
P. O. Box 960
Cincinnati, OH 45201

Julie S. Janson, President
Duke Energy Kentucky, Inc.
P. O. Box 960
Cincinnati, OH 45201

this 15th day of December, 2009



Assistant Attorney General