



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

November 10, 2009

RECEIVED

NOV 10 2009

PUBLIC SERVICE  
COMMISSION

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

Dear Mr. Derouen:

2009-437

Enclosed for filing are an original and four (4) conformed copies of Duke Energy Kentucky's ("Duke") "Monthly Report of Gas Cost Calculations and Tariff Schedules," for the month commencing with the December 2009 revenue month in accordance with KPSC order dated November 6, 2003 in Case No. 2003-00386. This filing is based on supplier tariff rates expected to be in effect on December 1, 2009 and the NYMEX close on November 6, 2009 for the month of December 2009.

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

Duke's proposed GCA is \$6.595 per Mcf. This rate represents a decrease of \$0.104 per Mcf from the rate currently in effect for November 2009.

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

Very truly yours,

Dana Patten

Enclosure

DUKE ENERGY KENTUCKY, INC  
GAS COST ADJUSTMENT CLAUSE

## QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM DECEMBER 1, 2009 THROUGH JANUARY 3, 2010

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	6.274
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.006)
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.369
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.042)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	<u>6.595</u>

## EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	6.274

## SUPPLIER REFUND ADJUSTMENT CALCULATION

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

## ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	(0.022)
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.298)
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.034)
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	<u>0.723</u>
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.369

## BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	(0.015)
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.004
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.032)
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	<u>0.001</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.042)

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 8373 OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION DATED APRIL 16, 1982.DATE FILED: November 11, 2009BY: DON WATHENTITLE: DIRECTOR, RATES

**GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY  
EXPECTED GAS COST RATE CALCULATION (EGC)**

**"SUMMARY" FOR THE EGC RATE IN EFFECT AS OF DECEMBER 1, 2009**

<u>DEMAND (FIXED) COSTS:</u>	<u>\$</u>
Columbia Gas Transmission Corp.	2,662,132
Texas Gas Transmission	1,640,705
Columbia Gulf Transmission Corp.	1,208,628
KO Transmission Company	307,584
Gas Marketers	46,783
TOTAL DEMAND COST:	5,865,832
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	10,652,467 MCF
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$5,865,832 / 10,652,467 MCF <b>\$0.551 /MCF</b>
<u>COMMODITY COSTS:</u>	
Gas Marketers	\$4.918 /MCF
Gas Storage	
Columbia Gas Transmission	\$0.798 /MCF
Propane	\$0.007 /MCF
COMMODITY COMPONENT OF EGC RATE:	<b>\$5.723 /MCF</b>
TOTAL EXPECTED GAS COST:	<b>\$6.274 /MCF</b>

**GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : DECEMBER 1, 2009

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : <b>COLUMBIA GAS TRANSMISSION, LLC</b>				
TARIFF RATE EFFECTIVE DATE : FSS: 11/1/2009				
SST: 11/1/2009				
<u>BILLING DEMAND - TARIFF RATE - FSS</u>				
Max. Daily Withdrawl Quan.	1.5050	39,656	12	716,187
Seasonal Contract Quantity	0.0289	1,365,276	12	473,478
<u>BILLING DEMAND - TARIFF RATE - SST</u>				
Maximum Daily Quantity	3.9630	39,656	6	942,940
Maximum Daily Quantity	4.4510	19,828	6	529,527
CAPACITY RELEASE CREDIT				0
<b>TOTAL COLUMBIA GAS TRANSMISSION, LLC - DEMAND CHARGES</b>				<b>2,662,132</b>

INTERSTATE PIPELINE : **TEXAS GAS TRANSMISSION**  
TARIFF RATE EFFECTIVE DATE : NOT APPLICABLE

<u>BILLING DEMAND - TARIFF RATE - STF</u>				
Max. Daily Quantity Zone 4	0.3250	10,000	151	490,750
<u>BILLING DEMAND - TARIFF RATE - FT-DA</u>				
Max. Daily Quantity Zone 4	0.2950	5,000	151	222,725
Max. Daily Quantity Zone 4	0.1700	5,000	214	181,900
<u>BILLING DEMAND - TARIFF RATE - FT-GULF SOUTH</u>				
Max. Daily Quantity Zone 4	0.4084	5,000	365	745,330
CAPACITY RELEASE CREDIT				0
<b>TOTAL TEXAS GAS TRANSMISSION DEMAND CHARGES</b>				<b>1,640,705</b>

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

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

1/ Excludes Account #58 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.

2/ ACA assessed where applicable pursuant to Section 194.402 of the Commission's Regulations.

3/ In addition to the above reflected Base Tariff Reservation Charge (MDSQ) and Capacity (SCQ) Rate, shippers utilizing the Eastern Market Expansion (EME) facilities for FSS service will pay an additional incremental reservation charge of \$2.626 per Dth per month, for a total FSS MDSQ reservation charge of \$4.131 and an additional 3.91 cents per Dth per month, for a total FSS SCQ capacity rate of 6.80 cents. If EME customers incur an overrun for FSS services that is provided under their EME Project service agreements, they will pay an additional 12.54 cents for such overruns, for a total FSS overrun rate of 23.44 cents. The additional EME demand charges and EME overrun charges can be added to the Total Effective Rate above to develop the EME Total Effective Rate.

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

Commodity	Rate Schedule	Base Tariff Rate 1/	Transportation Cost		Electric Power		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
			Rate Adjustment Current	Surcharge	Costs Adjustment Current	Surcharge			
Commodity	Reservation Charge 3/ 4/\$	5.442	0.341	0.040	0.042	0.002	5.967	0.1929	
	Maximum	¢ 1.02	0.23	0.04	0.58	0.08	2.14	2.14	
	Minimum	¢ 1.02	0.23	0.04	0.58	0.08	2.14	2.14	
	Overrun 4/	¢ 18.91	1.35	0.17	0.72	0.09	21.43	21.43	
Commodity	Rate Schedule GTS								
	Maximum	¢ 74.77	2.47	0.30	0.86	0.09	78.68	78.68	
	Minimum	¢ 3.08	0.35	0.30	0.68	0.09	4.69	4.69	
	MFCC	¢ 71.69	2.12	0.00	0.18	0.00	73.99	73.99	

*Revised to 39630*

*wtd .0195*

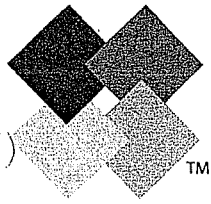
1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Sheet No. 35.  
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.  
 3/ Minimum reservation charge is \$0.00.  
 4/ In addition to the above reflected Base Tariff SST Demand Rate, shippers utilizing the Eastern Market Expansion (EME) facilities for Rate Schedule SST service will pay an additional demand charge of \$12.201 per Dth per month, for a total SST reservation charge of \$17.643. If EME customers incur an overrun for SST services that is provided under their EME Project service agreements, they will pay an additional 40.11 cents for such overruns, for a total overrun rate of 59.02 cents. The applicable EME demand charge and EME overrun charge can be added to the Total Effective Rate above to calculate the EME Total Effective Rates.

*Inj. includes ACA of .0019  
 .0195 wtd  
 .0019 ACA  
 .0214 inj rate*

RETAINAGE PERCENTAGES

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

1/ The Columbia Processing Retainage shall be assessed separately from the processing retainage applicable to third party processing plants set forth in Section 25.3 (f) of the General Terms and Conditions.



# NiSource Gas Transmission & Storage

5151 San Felipe, Suite 2500  
Houston, Texas 77056

August 18, 2009

Mr. James L. Turner  
Group Executive, President & COO  
139 East Fourth Street  
EM025  
Cincinnati, OH 45202

RE: Revision 1 to SST Service Agreement No. 79977  
Discount Letter Agreement

Dear Mr. Turner:

This letter shall serve as an amendment to the SST Service Agreement between Columbia Gas Transmission, LLC (Transporter) and Duke Energy Kentucky, Inc. (Shipper) designated as Transporter's Contract No. 79977.

A) Transporter and Shipper hereby agree that Section 3 of the above-referenced contract number shall be amended to include the following additional language:

- 1) The rate for service, for the period from 11/01/09 to 3/31/10, shall include a discounted demand rate, inclusive of the base rate and all demand surcharges, of \$3.963 for deliveries to the primary delivery points: KOT DEK MLI (834696) and the following primary receipt points: MRTCO – Master Receipt TCO / RP Storage Point TCO. Shipper shall also provide the then-existing Retainage and shall pay the then-existing maximum commodity charge plus commodity surcharges as set forth in Transporter's FERC Gas Tariff from time to time.
- 2) The rate for service, for the period from 4/01/10 to 3/31/15, shall include a discounted demand rate, inclusive of the base rate and all demand surcharges, of \$4.451 for deliveries to the primary delivery points: KOT DEK MLI (834696) and the following primary receipt points: MRTCO – Master Receipt TCO / RP Storage Point TCO. Shipper shall also provide the then-existing Retainage and shall pay the then-existing maximum commodity charge plus commodity surcharges as set forth in Transporter's FERC Gas Tariff from time to time.



- 3) The discounted rate provided in paragraph one and two above is limited to the primary receipt/delivery point combinations set forth in Appendix A of the above-referenced service agreement. Except to the extent Federal Energy Regulatory Commission ("FERC") policies, rules and/or regulations, and/or Transporter's FERC Gas Tariff provide otherwise, for service under the above-referenced Service Agreement from secondary receipt points or to secondary delivery points, in lieu of the rates set forth in Paragraph 1 above, Transporter shall charge and Shipper shall pay the then existing maximum Recourse Rate set forth in Transporter's FERC Gas Tariff from time to time.
- 4) Notwithstanding the foregoing, the charge to be paid by Shipper and Transporter shall be no lower than the applicable total effective minimum charges or higher than the applicable total effective maximum charges as set forth in Transporter's FERC Gas Tariff from time to time. Rates provided for in this Discount Letter Agreement will be adjusted as necessary so that the rate will be no lower than the total effective minimum charges nor higher than the applicable total effective maximum charges as set forth in Transporter's FERC Gas Tariff from time to time. In the event that a rate component which was at or below the applicable maximum rate at the time this Discount Letter Agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. In the event the monthly Recourse Rate applicable to SST service is reduced to a level below \$3.963 or \$4.451 per Dth of Transportation Demand during the term of the above-referenced individual Service Agreement, the rates under the SST Service Agreement referenced above will be adjusted to the new monthly Recourse Rate.
- 5) This discounted transportation rate shall be apportioned in accordance with Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6) Shipper shall pay all then existing maximum overrun charges, if incurred, as set forth in Transporter's FERC Gas Tariff from time to time.

If you are in agreement with the above amendment, please execute both originals of this letter and return them to the Transporter at the address above, Attention: Sandra Dibello.

Terms agreed to this 16 day of September, 2009.

**COLUMBIA GAS  
TRANSMISSION, LLC**

By: [Signature]  
Its: Director, Commercial Services



PTB  
DEF

**Duke Energy Kentucky, Inc.**

By: [Signature]  
Its: Group Executive, President and COO  
USFE+G

As To Form





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

May 22, 2007

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

Re: Discount Agreement

Dear Jim:

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

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



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

May 22, 2007

Mr. Jim Henning  
Duke Energy Ohio, Inc.  
139 East 4<sup>th</sup> Street  
Cincinnati, OH 45202

Re: Discount Agreement

Dear Jim:

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

Contract No.:	5420
Rate Schedule:	FT
Time Period:	November 1, 2008 through October 31, 2011
Contract Demand:	<del>5,000 MMBtu per day</del>
Qualified Delivery Points:	Duke Energy OH/Zone 4, Meter No. 1229 Duke Energy KY/Zone 4, Meter No. 1872 Lebanon-Columbia Gas/Zone 4 Meter No. 1715 Lebanon-Dominion/Zone 4, Meter No. 1247 Lebanon-Texas Eastern/Zone 4, Meter No. 1859
Winter Discounted Demand Rate:	For each unit of its daily contract demand, Duke shall pay <u>\$0.295</u> (including all surcharges).
Summer Discounted Demand Rate:	For each unit of its daily contract demand, Duke shall pay <u>\$0.17</u> (including all surcharges).
Discounted Commodity Rate:	Texas Gas' minimum FT Commodity Rate plus ACA and applicable fuel retention.

★ - This Duke Energy Ohio FT contract #5420 was released to Duke Energy Ky. See attached capacity release. LS



Capacity Release - Awards

Search

TSP: 115972101 Texas Gas Transmission, LLC

Display

Award No: 1629

Process Status: Posted  
Status: Confirmation  
Withdrawn: No

Bid No: 1855  
Bidder: Duke Kentucky 006944672  
Bidder E-mail: laura.schmidt@duke-energy.com  
Offer No: 2756

Bidder Contract Number: 29797  
Affiliate Indicator: Releaser  
Bidder Phone: (513) 287-3169  
Replacement Shipper Role Identifier: Other

Releaser: Duke Ohio 006999189

Capacity Award Date/Time: 10/09/2009 13:12 CCT

Posting Date/Time: 10/09/2009 13:12 CCT

Modified Posting Date/Time: 10/09/2009 13:12 CCT

Award Terms

Rate Schedule: FT  
Release Term Start Date: 11/01/2009  
Prearranged Deal: Yes  
Permanent Release: No  
Allowable Re-release: Yes  
Awd Qty-K: 5,000

Release Term End Date: 03/31/2010

Previously Released: No

Award Recall Information

Recall/Reput: Capacity recallable and reput must be taken  
Business Day: No  
Recall Notification Period: Timely  
Early Evening  
Evening  
Intraday 1  
Intraday 2

Recall/Reput Terms: Intraday recallable.

Award Location(s)

Start Date	End Date	Loc/QTI	Location	Loc Prop	Loc Zn	Loc Purp	Awd Qty-Loc
11/01/2009	03/31/2010	Receipt Pt	152451	2102 Champlin	1	M2-Receipt Location	3,177
11/01/2009	03/31/2010	Receipt Pt	7580	9446 Lowry	SL	M2-Receipt Location	3,604
11/01/2009	03/31/2010	Delivery Pt	16281	1715 Lebanon-Columbia Gas	4	MQ-Delivery Location	5,000
11/01/2009	03/31/2010	Rec to Del Pt	218394 16281	3918 Mainline SL Strt 1715 Lebanon-Columbia Gas	SL 4	S8-Segment defined by 2 Loc	5,000
11/01/2009	03/31/2010	Segment		100 North Louisiana	1	S9-Segment defined by 1 Loc	3,177
11/01/2009	03/31/2010	Segment		500 Southwest	SL	S9-Segment defined by 1 Loc	3,604

1 - 6 of 6

Measurement Basis: Million BTU's

Award Rate(s)

Rate Form/Type Code: Reservation charge only

Reservation Rate Basis: Per day

Bidder Bid Basis: Absolute dollars and cents per unit basis

Rate Identification Code	Max Trf Rate	Award Rate
Reservation	\$0.3142	\$0.2950

Rate(s) stated include all applicable surcharges; no surcharge detail or surcharge total provided.

NAVIGATION



Capacity Release - Awards

Search

TSP: 11972001 Texas Gas Transmission, LLC

Display

**Award No:** 1628

**Process Status:** Posted  
**Status:** Confirmation

**Bid No:** 1856  
**Bidder:** Duke Kentucky 006944672  
**Bidder E-mail:** laura.schmidt@duke-energy.com

**Withdrawn:** No  
**Bidder Contract Number:** 29796  
**Affiliate Indicator:** Releaser  
**Bidder Phone:** (513) 287-3169  
**Replacement Shipper Role Identifier:** Other

**Offer No:** 2757  
**Releaser:** Duke Ohio 006999189

**Posting Date/Time:** 10/09/2009 13:07 CCT  
**Modified Posting Date/Time:** 10/09/2009 13:07 CCT

**Capacity Award Date/Time:** 10/09/2009 13:07 CCT

**Award Terms**

**Rate Schedule:** FT  
**Release Terms Start Date:** 04/01/2010  
**Prearranged Deal:** Yes  
**Permanent Release:** No  
**Allowable Re-release:** Yes  
**Awd Qty -K:** 5,000

**Release Term End Date:** 10/31/2010

**Previously Released:** No

**Award Recall Information**

**Recall/Reput:** Capacity recallable and reput must be taken  
**Business Day:** No  
**Recall Notification Period:** Timely  
    Early Evening  
    Evening  
    Intraday 1  
    Intraday 2

**Recall/Reput Terms:** Intraday recallable.

**Award Location(s)**

Start Date	End Date	Loc/QTI	Location	Loc Prop	Loc Zn	Loc Purp	Awd Qty -Loc
04/01/2010	10/31/2010	Receipt Pt	152451	2102 Champlin	1	M2-Receipt Location	1,815
04/01/2010	10/31/2010	Receipt Pt	7580	9446 Lowry	SL	M2-Receipt Location	4,966
04/01/2010	10/31/2010	Delivery Pt	16281	1715 Lebanon-Columbia Gas	4	MQ-Delivery Location	5,000
04/01/2010	10/31/2010	Rec to Del Pt	218394 16281	3918 Mainline SL Strt 1715 Lebanon-Columbia Gas	SL 4	S8-Segment defined by 2 Loc	5,000
04/01/2010	10/31/2010	Segment		100 North Louisiana	1	S9-Segment defined by 1 Loc	1,815
04/01/2010	10/31/2010	Segment		500 Southwest	SL	S9-Segment defined by 1 Loc	4,966

1 - 6 of 6

**Measurement Basis:** Million BTU's

**Award Rate(s)**

**Rate Form/Type Code:** Reservation charge only  
**Bidder Bid Basis:** Absolute dollars and cents per unit basis  
**Reservation Rate Basis:** Per day

Rate Identification Code	Max Trf Rate	Award Rate
Reservation	\$0.3142	\$0.1700

Rate(s) stated include all applicable surcharges; no surcharge detail or surcharge total provided.



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

November 14, 2007

Mr. Jim Henning  
Duke Energy Ohio, Inc.  
139 E 4th Street, #EM025  
Cincinnati, OH 45202-4003

RE: Negotiated Rate Agreement  
Texas Gas Contract No. 25573

Dear Jim:

Texas Gas Transmission, LLC (Texas Gas) and Duke Energy Ohio, Inc. (Duke) have agreed on a negotiated transportation rate(s) for the time period(s) below. Accordingly, Texas Gas and Duke agree as follows:

Contract No:	<del>25573</del>
Rate Schedule:	FT
Time Period(s):	Beginning the later of December 1, 2007, or the first day of the month following completion of the facilities as described on Exhibit A of Contract No. 25573, and continuing through March 31, 2014.
Quantity(ies):	Contract Demand - 30,000 MMBtu/d
Point(s):	Primary Receipt Point – Gulf South-Duke East TX/Meter No. 9085 Receipt Points located in Texas Gas' rate Zones 1, 2, 3 and 4 as stated on Texas Gas' Master Location List Gulf South-Enbridge E TX/Meter No. 9086 Gulf South-ETC East Texas/Meter No. 9087 Gulf South-Enterprise ETX/Meter No. 9088 Primary Delivery Point - Duke Energy Ohio, Inc., Meter No. 1229 Delivery Points located in Texas Gas' rate Zones 1, 2, 3 and 4 as Stated on Texas Gas' Master Location List
Negotiated Rate(s):	Demand - \$0.4084/MMBtu Commodity - \$0.0266/MMBtu for deliveries to the Primary Delivery Point, plus applicable ACA surcharge.
Point Qualification(s):	The Negotiated Commodity Rate is limited to deliveries to the Primary Delivery Point. Duke shall pay the maximum applicable commodity rate (including any commodity rate or charges paid by Texas Gas under the Gulf South lease), plus applicable ACA surcharge, for deliveries to any point other than the Primary Delivery Point.

*\* - This Duke Energy Ohio FT contract released 5,000 dth/d to Duke Ky. (see attached capacity release)*



Capacity Release - Awards



Gulf South

NAVIGATION

TSP: 115972101 Texas Gas Transmission, LLC

Search

Display

Award No: 1632

Process Status: Posted  
Status: Confirmation  
Withdrawn: No

Bid No: 1854  
Bidder: Duke Kentucky 006944672  
Bidder E-mail: laura.schmidt@duke-energy.com

~~Bidder Contract Number: 29801~~  
Affiliate Indicator: Releaser  
Bidder Phone: (513) 287-3169  
Replacement Shipper Role Identifier: Other

Offer No: 2755  
Releaser: Duke Ohio 006999189  
Posting Date/Time: 10/13/2009 13:09 CCT  
Modified Posting Date/Time: 10/13/2009 13:09 CCT

Capacity Award Date/Time: 10/13/2009 13:09 CCT

Award Terms

Rate Schedule: FT  
Release Term Start Date: 11/01/2009

~~Release Term End Date: 10/31/2010~~

Prearranged Deal: Yes  
Permanent Release: No  
Allowable Re-release: Yes

Previously Released: No

Awd Qty: 5,000

Award Recall Information

Recall/Reput: Capacity recallable and reput must be taken  
Business Day: No  
Recall Notification Period: Timely  
Early Evening  
Evening  
Intraday 1  
Intraday 2

Recall/Reput Terms: Intraday recallable.

Award Location(s)

Start Date	End Date	Loc/QTI	Location	Loc Prop	Loc Zn	Loc Purp	Awd Qty-Loc
11/01/2009	10/31/2010	Receipt Pt	694922	9085 Gulf South-Duke East TX	1	M2-Receipt Location	5,000
11/01/2009	10/31/2010	Delivery Pt	108797	1229 Duke Energy OH Shipper DE	4	MQ-Delivery Location	5,000
11/01/2009	10/31/2010	Rec to Del Pt	624816 108797	9185 Centerpoint-Bosco 1229 Duke Energy OH Shipper DE	1 4	S8-Segment defined by 2 Loc	5,000

1 - 3 of 3

Measurement Basis: Million BTU's

Award Rate(s)

Rate Form/Type Code: Reservation charge only

Reservation Rate Basis: Per day

Bidder Bid Basis: Absolute dollars and cents per unit basis

Rate Identification Code	Max Trf Rate	Award Rate
Reservation	\$0.2842	\$0.4084

Rate(s) stated include all applicable surcharges; no surcharge detail or surcharge total provided.



**GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : DECEMBER 1, 2009

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
<b>INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.</b>				
TARIFF RATE EFFECTIVE DATE :	FTS-1: 10/1/2009			
	FTS-2: 10/1/2009			
<b><u>BILLING DEMAND - TARIFF RATE - FTS-1</u></b>				
Maximum Daily Quantity	3.1450	22,782	5	358,247
Maximum Daily Quantity	3.1450	17,598	7	387,420
Maximum Daily Quantity	3.1450	18,000	5	283,050
<b><u>BILLING DEMAND - TARIFF RATE - FTS-2</u></b>				
Maximum Daily Quantity	0.9995	15,000	5	74,963
Maximum Daily Quantity	0.9995	15,000	7	104,948
CAPACITY RELEASE CREDIT FOR FTS-1				0
CAPACITY RELEASE CREDIT FOR FTS-2				0
<b>TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES</b>				<b>1,208,628</b>
<b>INTERSTATE PIPELINE : KO TRANSMISSION COMPANY</b>				
TARIFF RATE EFFECTIVE DATE :	10/1/2009			
<b><u>BILLING DEMAND - TARIFF RATE - FT</u></b>				
Maximum Daily Quantity	0.3560	72,000	12	307,584
CAPACITY RELEASE CREDIT				0
<b>TOTAL KO TRANSMISSION CO. DEMAND CHARGES</b>				<b>307,584</b>
<b>VARIOUS GAS MARKETERS FIXED (RESERVATION) CHARGES :</b>				
November - March	0.0022	14,940,740		33,283
December - February	0.108	125,000		13,500
<b>TOTAL GAS MARKETERS FIXED CHARGES</b>				<b>46,783</b>

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

Base Rate (1) \$	Annual Charge Adjustment (2) \$	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Unaccounted For (6) \$	Company Use and Unaccounted For (7) \$
3.1450	-	3.1450	3.1450	0.1034		
0.0170	0.0019	0.0189	0.0189	0.0189	0.644	3.028
0.0170	0.0019	0.0189	0.0189	0.0189	0.644	3.028
0.1204	0.0019	0.1223	0.1223	0.1223	0.644	3.028

Rate Schedule (FTS-1)  
 Rayne, LA To ~~Leites~~ North  
 Reservation Charge 2/  
 Commodity  
 Maximum  
 Minimum  
 Overrun

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

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

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

	Base Rate (1) \$	Annual Charge Adjustment (2) \$ 1/	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Company Use and Unaccounted For (6) %
<b>Rate Schedule FTS-2</b>						
<b>Offshore Laterals</b>						
Reservation Charge 2/	2.6700	-	2.6700	2.6700	0.0878	-
Commodity						
Maximum	0.0002	0.0019	0.0021	0.0021	0.0021	0.649
Minimum	0.0002	0.0019	0.0021	0.0021	0.0021	0.649
Overrun	0.0880	0.0019	0.0899	0.0899	0.0899	0.649
<b>Onshore Laterals</b>						
Reservation Charge 2/	1.0603	-	1.0603	1.0603	0.0349	-
Commodity						
Maximum	0.0017	0.0019	0.0036	0.0036	0.0036	0.894
Minimum	0.0017	0.0019	0.0036	0.0036	0.0036	0.894
Overrun	0.0366	0.0019	0.0385	0.0385	0.0385	0.894
<b>Offsystem-Onshore</b>						
Reservation Charge 2/	2.5255	-	2.5255	2.5255	0.0830	-
Commodity						
Maximum	0.0070	0.0019	0.0089	0.0089	0.0089	-
Minimum	0.0070	0.0019	0.0089	0.0089	0.0089	-
Overrun	0.0900	0.0019	0.0919	0.0919	0.0919	-

*discounted to .9995*

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

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

**CURRENTLY EFFECTIVE RATES  
 APPLICABLE TO RATE SCHEDULES FTS AND ITS**

**RATE LEVELS – RATE PER DTH**

	Base Tariff Rate	Annual Charge Adjustment 1/	Total Effective Rate
<b>RATE SCHEDULE FTS</b>			
Reservation Charge 2/			
Maximum 1	\$0.3560	--	\$0.3560
Maximum 2	\$0.3560	--	\$0.3560
Daily Rate – Maximum 1	\$0.0117	--	\$0.0117
Daily Rate – Maximum 2	\$0.0117	--	\$0.0117
Commodity			
Maximum	\$0.0000	\$0.0019	\$0.0019
Minimum	\$0.0000	\$0.0019	\$0.0019
Overrun	\$0.0117	\$0.0019	\$0.0136
<b>RATE SCHEDULE ITS</b>			
Commodity			
Maximum	\$0.0117	\$0.0019	\$0.0136
Minimum	\$0.0000	\$0.0019	\$0.0019

1/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's regulations and will be charged pursuant to Section 23 of the General Terms and Conditions at such time that initial and successive annual ACA assessments applicable to Transporter are made.

2/ Minimum reservation charge is \$0.00.

Transportation Retainage Adjustment           0.74%

NOTE: Utilizing GISB standards 5 3 22 and 5 3 23, Transporter's Rate Schedule FTS Reservation Charge can be converted to an applicable daily rate by dividing the above monthly rate by 30 4 days.



11/5/2009

**DUKE ENERGY KENTUCKY  
TOTAL RESERVATION COSTS FROM NEEDLE PEAKING SUPPLIERS  
ESTIMATED FOR EGC EFFECTIVE 12/1/2009**

**TOTAL ANNUAL RESERVATION COST:**

TOTAL DOLLARS \$ 13,500 (1)

**TOTAL ANNUAL COVERAGE:**

CITY GATE VOLUMES 125,000 DTH (2)

**CALCULATED RATE:** \$ 0.1080 PER DTH

(1) Reservation charges billed by needle peaking suppliers for 2009 - 2010.

(2) Contracted volumes for the 2009 - 2010 winter season.

**GAS COST ADJUSTMENT  
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : DECEMBER 1, 2009

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

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$5.2848	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.500%	\$0.1321	\$5.4169	\$/Dth
DTH TO MCF CONVERSION	1.0271	\$0.1468	\$5.5637	\$/Mcf
ESTIMATED WEIGHTING FACTOR	88.400%		\$4.9183	\$/Mcf
<b>GAS MARKETERS COMMODITY RATE</b>			<b>\$4.918</b>	<b>\$/Mcf</b>

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$6.4202	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$6.4355	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.129%	\$0.1370	\$6.5725	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0195	\$6.5920	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0019	\$6.5939	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.500%	\$0.1648	\$6.7587	\$/Dth
DTH TO MCF CONVERSION	1.0271	\$0.1832	\$6.9419	\$/Mcf
ESTIMATED WEIGHTING FACTOR	11.500%		\$0.7983	\$/Mcf
<b>GAS STORAGE COMMODITY RATE - COLUMBIA GAS</b>			<b>\$0.798</b>	<b>\$/Mcf</b>

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.44920	\$/Gallon
GALLON TO MCF CONVERSION	14.84	\$6.2169	\$6.6661	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.100%		\$0.0067	\$/Mcf
<b>PROPANE COMMODITY RATE</b>			<b>\$0.007</b>	<b>\$/Mcf</b>

(1) Weighted average cost of gas based on NYMEX prices on 11/06/09 and contracted hedging prices.

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

AUGUST 31, 2009

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD June 1, 2009 THROUGH AUGUST 31, 2009	\$	10,068.77
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		1.0022
REFUNDS INCLUDING INTEREST ( \$10,068.77 x 1.0022 )	\$	10,090.92
DIVIDED BY TWELVE MONTH SALES ENDED November 30, 2010	MCF	10,732,451
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>(0.001)</u>

DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED

AUGUST 31, 2009

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		
Columbia Gas Transmission Coporation - Refund Dated June 22, 2009	\$	9,898.45
Columbia Gas Transmission Coporation - Refund Dated June 22, 2009		170.32
TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA	\$	<u>10,068.77</u>

RAU



GAS COST ADJUSTMENT CLAUSE  
DUKE ENERGY KENTUCKY, INC  
ACTUAL ADJUSTMENT  
DETAILS FOR THE THREE MONTH PERIOD ENDED                      AUGUST 31,    2009

DESCRIPTION	UNIT	JUNE	JULY	AUGUST
<b><u>SUPPLY VOLUME PER BOOKS</u></b>				
PRIMARY GAS SUPPLIERS	MCF	186,511	201,446	203,589
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	0	0	0
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	(176)	(7,357)	3,345
TOTAL SUPPLY VOLUMES	MCF	<u>186,335</u>	<u>194,089</u>	<u>206,934</u>
<b><u>SUPPLY COST PER BOOKS</u></b>				
PRIMARY GAS SUPPLIERS	\$	1,300,906	1,455,752	1,478,107
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	0	0	0
OTHER COSTS (SPECIFY):				
MANAGEMENT FEE	\$	(74,500)	(74,500)	(74,500)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	0	0	0
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>1,226,406</u>	<u>1,381,252</u>	<u>1,403,607</u>
<b><u>SALES VOLUMES</u></b>				
JURISDICTIONAL	MCF	255,297.9	201,273.3	201,668.7
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	<u>255,297.9</u>	<u>201,273.3</u>	<u>201,668.7</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	4.804	6.863	6.960
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>6.844</u>	<u>6.200</u>	<u>6.232</u>
DIFFERENCE	\$/MCF	(2.040)	0.663	0.728
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>255,297.9</u>	<u>201,273.3</u>	<u>201,668.7</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>(520,807.72)</u>	<u>133,444.20</u>	<u>146,814.81</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>(240,548.71)</u>
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>(240,548.71)</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>November 30, 2010</u>	MCF			10,732,451
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>(0.022)</u>
AAU				

**GAS COST ADJUSTMENT CLAUSE  
DUKE ENERGY KENTUCKY, INC  
BALANCE ADJUSTMENT  
DETAILS FOR THE TWELVE MONTH PERIOD ENDED AUGUST 31, 2009**

DESCRIPTION	UNIT	AMOUNT
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**RECONCILIATION OF A PREVIOUS GAS COST VARIANCE**

GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE	SEPTEMBER 1, 2008	\$	(10,321,206.87)
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$	(0.969)	/MCF	
APPLIED TO TOTAL SALES OF <u>10,467,223</u>	MCF		
(TWELVE MONTHS ENDED AUGUST 31, 2009 )		\$	<u>(10,142,739.31)</u>
BALANCE ADJUSTMENT FOR THE "AA"		\$	<u>(178,467.56)</u>

**RECONCILIATION OF A PREVIOUS SUPPLIER REFUND**

SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE	SEPTEMBER 1, 2008	\$	2,274.97
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$	0.000		
APPLIED TO TOTAL SALES OF <u>10,467,223</u>	MCF		
(TWELVE MONTHS ENDED AUGUST 31, 2009 )		\$	<u>0.00</u>
BALANCE ADJUSTMENT FOR THE "RA"			<u>2,274.97</u>

**RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT**

AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE	SEPTEMBER 1, 2008	\$	856,292.18
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$	0.080	/MCF	
APPLIED TO TOTAL SALES OF <u>10,467,223</u>	MCF		
(TWELVE MONTHS ENDED AUGUST 31, 2009 )		\$	<u>837,377.81</u>
BALANCE ADJUSTMENT FOR THE "BA"		\$	<u>18,914.37</u>
TOTAL BALANCE ADJUSTMENT AMOUNT		\$	<u>(157,278.22)</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED <u>November 30,</u>	2010	MCF	<u>10,732,451</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT		\$/MCF	<u>(0.015)</u>

BAU

## Revised Tariffs

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

Issued:

Issued by Julie Janson, President

Effective: December 1, 2009

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

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

Duke Energy Kentucky, Inc.  
 525 5<sup>th</sup> Street, Suite 228  
 Covington, Kentucky 41011

KY.P.S.C. Gas No. 2  
 Thirty-Eighth Revised Sheet No. 30  
 Cancelling and Superseding  
 Thirty-Seventh Revised Sheet No. 30  
 Page 1 of 1

**RATE RS  
 RESIDENTIAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
 All gas is billed in units of 100 cubic feet (CCF).

Customer Charge per month:	\$12.00
Plus the applicable charge per month as set forth on Sheet No. 63, Rider AMRP, Accelerated Main Replacement Program	

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>
Plus a commodity Charge for all CCF at	\$0.26687	plus	\$0.6595	Equals	\$0.92637

**(R)**

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on Sheet No. 62, Rider DSMR, Demand Side Management Rate.

Plus, all gas delivered shall be subject to an adjustment per CCF as set forth on Sheet No. 64, Rider MSR-G, Merger Savings Credit Rider-Gas.

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed each month.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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

Issued:

Effective: December 1, 2009

Issued by Julie Janson, President

**RATE GS**

**GENERAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
All gas is billed in units of 100 cubic feet (CCF)

Customer Charge per month: \$30.00  
Plus the applicable charge per month as set forth on Sheet No. 63,  
Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	\$0.20949	Plus	\$0.6595	Equals	\$0.86899	<b>(R)</b>

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on:  
Sheet No. 62, Rider DSMR, Demand Side Management Rate for non-residential service

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed per month.

The "Gas Cost Adjustment," as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum bills or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

**TERM OF SERVICE**

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

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

Issued:

Issued by Julie Janson, President

Effective: December 1, 2009

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

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

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**RIDER GCAT**

**GAS COST ADJUSTMENT TRANSITION RIDER**

**APPLICABILITY**

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

**GCA TRANSITION RIDER**

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be \$0.0321 per 100 cubic feet. This rate shall be in effect during the month of December 2009 through February 2010 and shall be updated quarterly, concurrent with the Company's GCA filings.

(I)  
(T)

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

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Issued:

Effective: December 31, 2009

Issued by Julie Janson, President



DUKE ENERGY KENTUCKY  
SUPPLEMENTAL INFORMATION  
FOR THE EXPECTED GAS COST (EGC) RATE CALCULATION  
OF THE GAS COST RECOVERY RATE  
IN EFFECT AS OF DECEMBER 1, 2009

4th QUARTER INT

DUKE ENERGY Kentucky, Inc.  
USED FOR GCA EFFECTIVE AUGUST 31, 2009

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

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

INTEREST RATE	0.0041
PAYMENT	0.083519
ANNUAL TOTAL	1.0022
MONTHLY INTEREST AMOUNT	0.000342 1

SEPTEMBER	2008	3.90	
OCTOBER	2008	3.08	
NOVEMBER	2008	2.21	
DECEMBER	2008	1.14	
JANUARY	2009	0.86	
FEBRUARY	2009	0.87	
MARCH	2009	0.84	
APRIL	2009	0.51	
MAY	2009	0.32	
JUNE	2009	0.35	
JULY	2009	0.28	
AUGUST	2009	0.25	14.61
SEPTEMBER	2009	0.19	10.90

PRIOR ANNUAL TOTAL	14.61
PLUS CURRENT MONTHLY RATE	0.19
LESS YEAR AGO RATE	3.90
NEW ANNUAL TOTAL	10.90
AVERAGE ANNUAL RATE	0.91
LESS 0.5% (ADMINISTRATIVE)	0.41

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**DUKE ENERGY COMPANY KENTUCKY**  
**DETERMINATION OF TOTAL SUPPLY COST**  
**MONTH OF June 2009**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,301,359.19	
adjustments	(704.62)	
IT monthly charges entered by Gas Supply	<u>251.75</u>	1,300,906
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS TENASKA MARKETING VENTURES MANAGEMENT FEE</u>	74,500.00	(74,500)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
 adjustments	<u>0.00</u>	0
 <u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		 <u><u>1,226,406</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

<u>ACCOUNTING ENTRY FOR DEFERRAL ONLY</u>	<u>AMOUNT</u>
ACCOUNT 191-40	(520,807.72)
ACCOUNT 805-10	520,807.72

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH June 2009

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>June 2009</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	186,511
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	(176)
TOTAL SUPPLY VOLUMES	MCF	<u>186,335</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,300,906
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(74,500)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
TOTAL SUPPLY COST	\$	<u>1,226,406</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	255,297.9
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>255,297.9</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	4.804
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.844</u>
DIFFERENCE	\$/MCF	(2.040)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>255,297.9</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(520,807.72)</u></u>

## DUKE ENERGY COMPANY KENTUCKY

11/09/09

June 2009

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	255,297.9	1,747,163.82	6.84362786
RA		(1,342.73)	
AA		(84,868.59)	
BA		<u>(12,562.28)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>1,648,390.22</u>	
TOTAL SALES VOLUME	255,297.9		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>255,297.9</u>		

**PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY**

SUPPLIER COST - CURRENT MONTH	255,297.9	1,226,406.00	4.80382330
UNRECOVERED PURCHASED GAS COST		435,939.13	
ROUNDING(ADD/(DEDUCT))		<u>(49.90)</u>	
TOTAL GAS COST IN REVENUE		<u>1,662,295.23</u>	
TOTAL GAS COST RECOVERY(GCR)		1,648,390.22	
LESS: RA		(1,342.73)	
BA		<u>(12,562.28)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>1,662,295.23</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		435,939.13	
LESS: AA		<u>(84,868.59)</u>	
MONTHLY COST DIFFERENCE		520,807.72	
EXTENDED MONTHLY COST DIFFERENCE		<u>520,757.82</u>	
ROUNDING		<u>(49.90)</u>	

DUKE ENERGY COMPANY KENTUCKY  
GAS SERVICE  
SUMMARY OF GCA COMPONENTS  
MONTH: June 2009

BILL CODE	REPORTED SALES	EGC \$	RECONCILIATION ADJUSTMENT			TOTAL RA	ACTUAL ADJUSTMENT			TOTAL AA	BALANCE ADJUSTMENT			TOTAL BA	
			CURRENT	PREVIOUS	THRD.PREV.		CURRENT	PREVIOUS	THRD.PREV.		CURRENT	PREVIOUS	THRD.PREV.		
			(0.00)	(0.00)	0.00		(0.034)	0.723	(0.069)	(0.969)		(0.032)	0.001	(0.097)	0.089
087	0.0	9.100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
107	0.0	9.357	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
117	0.0	8.169	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
127	0.0	8.018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
147	0.0	7.492	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
157	0.0	8.440	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
167	0.0	9.206	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
018	0.0	8.841	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
038	(35.9)	9.531	(342.16)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
048	(10.2)	9.493	(95.83)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
068	21.5	11.285	242.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
078	53.6	10.907	584.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
088	80.1	11.243	900.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
08	125.3	11.305	1,416.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
118	177.1	12.592	2,230.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
128	274.4	10.410	2,856.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
148	447.1	9.391	4,198.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
158	840.6	8.899	7,480.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
168	(5,556.6)	8.800	(48,915.66)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
019	(1,479.7)	8.191	(12,120.22)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
039	(613.2)	8.292	(5,084.65)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
049	10,820.1	7.418	80,263.50	(54.10)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
069	(9,842.5)	5.713	(56,230.20)	49.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
079	(6,269.2)	5.877	(36,844.09)	31.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
089	266,267.4	6.785	1,806,624.31	(1,331.34)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	255,297.9	1,747,163.82	(1,304.88)	0.00	0.00	0.00	(9,053.09)	166,685.50	(15,199.46)	(246,984.93)	(62,551.98)	(8,520.56)	260.98	(24,572.47)	20,996.90

TRANSPORTATION:

Customer Choice Program (GCAT):

056	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
096	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
136	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
176 & 027	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
057	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
097	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
137	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
177 & 028	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
058	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
098	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
138	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
178	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
029	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
059	7.570.6		(37.85)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
099	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FT CHOICE	7,570.6		(37.85)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FOR CHOICE			(37.85)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FOR GCR			(1,342.73)	0.00	0.00	0.00	(9,053.09)	194,159.04	(15,653.70)	(254,320.84)	(84,868.59)	(8,520.56)	268.55	(25,306.62)	20,996.55
CONTROL CK															
positive=receiver=25313															
negative=reduce refund=25313															

FT: NON-P 67,757.4  
PURCH 0.0  
FT 67,757.4

IT: NON-P 99,288.6  
PURCH 0.0  
IT 99,288.6  
TOTAL 428,914.5

ADJUSTED EGC 6.844

Note: The most current Bill Code includes intercept sales, if any.

PREPARED BY: Dana Patten 11/19/09 2:06 PM

REVIEWED BY: R:\Data\Excel Files\Closing\ULH-GC-ANGCA 2009.xls\September 2009

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

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,502,720.34	
adjustments	(47,018.66)	
IT monthly charges entered by Gas Supply	50.81	1,455,752
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	0.00	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS TENASKA MARKETING VENTURES MANAGEMENT FEE</u>	74,500.00	(74,500)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
 adjustments	0.00	0
 <u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	0.00	0
 TOTAL SUPPLY COSTS		1,381,252

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	133,444.20
ACCOUNT 805-10	(133,444.20)

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

July 2009

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>July 2009</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	201,446
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(7,357)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>194,089</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,455,752
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(74,500)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>1,381,252</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	201,273.3
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u></u>
TOTAL SALES VOLUME	MCF	<u>201,273.3</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.863
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.200</u>
DIFFERENCE	\$/MCF	0.663
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>201,273.3</u>
MONTHLY COST DIFFERENCE	\$	<u><u>133,444.20</u></u>



July 2009			
	<u>Applied</u>		
	<u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	201,273.3	1,247,879.88	6.19992756
RA		(1,016.92)	
AA		(72,001.61)	
BA		<u>(10,347.24)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>1,164,514.11</u>	
TOTAL SALES VOLUME	201,273.3		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>201,273.3</u>		
 <b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>			
SUPPLIER COST - CURRENT MONTH	201,273.3	1,381,252.00	6.86256945
UNRECOVERED PURCHASED GAS COST		(205,445.81)	
ROUNDING(ADD/(DEDUCT))		<u>72.08</u>	
TOTAL GAS COST IN REVENUE		<u>1,175,878.27</u>	
TOTAL GAS COST RECOVERY(GCR)		1,164,514.11	
LESS: RA		(1,016.92)	
BA		<u>(10,347.24)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>                    </u>	
		<u>1,175,878.27</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(205,445.81)	
LESS: AA		<u>(72,001.61)</u>	
MONTHLY COST DIFFERENCE		(133,444.20)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(133,372.12)</u>	
ROUNDING		<u>72.08</u>	

DUKE ENERGY COMPANY KENTUCKY  
 GAS SERVICE  
 SUMMARY OF GCA COMPONENTS  
 MONTH: July 2009

BILL CODE	REPORTED SALES	EGC \$	RECONCILIATION ADJUSTMENT			TOTAL RA	ACTUAL ADJUSTMENT			TOTAL AA	BALANCE ADJUSTMENT			TOTAL BA
			CURRENT (0.000)	PREVIOUS (0.005)	SEC.PREV. 0.000		THRD.PREV. 0.000	CURRENT (0.034)	PREVIOUS 0.723		SEC.PREV. (0.060)	THRD.PREV. (0.969)	CURRENT (0.032)	
087	0.0	9.100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.54
107	0.0	9.357	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36.98
117	0.0	8.169	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51.98
127	0.0	8.018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.74
147	0.0	7.492	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(13.23)
157	0.0	8.440	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	62.23
167	0.0	9.206	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	104.50
018	0.0	8.841	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(111.74)
038	6.3	9.531	60.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	135.48
048	46.1	8.463	437.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(75.46)
058	48.7	11.265	546.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(126.70)
078	22.0	10.507	239.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	104.50
088	17.6	11.243	197.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.74
108	61.3	11.303	692.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(13.23)
118	283.4	12.592	3,566.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	62.23
128	344.3	10.410	3,584.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	104.50
148	462.3	9.391	4,341.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(111.74)
158	649.8	8.889	5,782.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	135.48
168	(1,396.7)	8.800	(12,290.96)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.74
019	777.9	8.191	6,371.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(13.23)
039	1,306.2	8.292	10,831.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	62.23
049	4,736.5	7.418	35,135.36	(23.68)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	104.50
069	(460.6)	5.713	(2,631.41)	2.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(111.74)
079	(25,827.6)	5.877	(151,788.81)	129.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	135.48
089	4,768.0	6.785	32,350.88	(23.84)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.74
109	215,427.8	6.083	1,310,447.31	(1,077.14)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(13.23)
TOTAL	201,273.3		1,247,878.88	(993.22)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	104.50
TRANSPORTATION:														
Customer Choice Program (GCAT):														
056	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
096	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
136	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
176 & 027	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
057	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
097	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
137	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
177 & 028	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
058	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
098	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
138	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
178	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
029	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
059	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
089	4,739.0		32,350.88	(23.70)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FT CHOICE	4,739.0		32,350.88	(23.70)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FOR GCR				(23.70)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FT:	NON/P	67,139.5		(23.70)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	PURCH	0.0		(1,016.92)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	FT	67,139.5		(1,016.92)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT:	NON/P	108,224.3		(23.70)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	PURCH	0.0		(1,016.92)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	IT	108,224.3		(1,016.92)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL		381,376.1		(1,016.92)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADJUSTED EGC		6,200												

CONTROL CK (151.65) (7,197.92) 203.39 (19,794.84) 16,442.13 CONTROL CK (10,347.24)  
 positive=recovered=cr 25313  
 negative=refund=dr 19140

Note: The most current Bill Code includes interdept. sales, if any.

PREPARED BY: Dana Patten 11/9/09 2:07 PM

REVIEWED BY: R:\Data\Excel Files\Closing\ULH-GCAGCA 2009\GCA 2009.xls\September 2009

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

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,458,140.85	
adjustments	20,889.90	
IT monthly charges entered by Gas Supply	<u>(923.85)</u>	1,478,107
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS TENASKA MARKETING VENTURES MANAGEMENT FEE</u>	74,500.00	(74,500)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
 adjustments	<u>0.00</u>	0
 <u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		<u><u>1,403,607</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	146,814.81
ACCOUNT 805-10	(146,814.81)

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

August 2009

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>August 2009</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	203,589
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>3,345</u>
TOTAL SUPPLY VOLUMES	MCF	<u>206,934</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,478,107
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(74,500)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>1,403,607</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	201,668.7
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u>                    </u>
TOTAL SALES VOLUME	MCF	<u>201,668.7</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.960
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.232</u>
DIFFERENCE	\$/MCF	0.728
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>201,668.7</u>
MONTHLY COST DIFFERENCE	\$	<u><u>146,814.81</u></u>

August 2009

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	201,668.7	1,256,876.48	6.23238252
RA		(1,034.21)	
AA		(70,560.81)	
BA		<u>(9,877.95)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u><u>1,175,403.51</u></u>	
TOTAL SALES VOLUME	201,668.7		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u><u>201,668.7</u></u>		

**PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY**

SUPPLIER COST - CURRENT MONTH	201,668.7	1,403,607.00	6.95996454
UNRECOVERED PURCHASED GAS COST		(217,375.62)	
ROUNDING(ADD/(DEDUCT))		<u>84.29</u>	
TOTAL GAS COST IN REVENUE		<u><u>1,186,315.67</u></u>	

TOTAL GAS COST RECOVERY(GCR)	1,175,403.51	
LESS: RA	(1,034.21)	
BA	<u>(9,877.95)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u><u>1,186,315.67</u></u>

UNRECOVERED PURCHASED GAS COST ENTRY	(217,375.62)
LESS: AA	<u>(70,560.81)</u>
MONTHLY COST DIFFERENCE	(146,814.81)
EXTENDED MONTHLY COST DIFFERENCE	<u>(146,730.52)</u>

ROUNDING	<u><u>84.29</u></u>
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DUKE ENERGY COMPANY KENTUCKY  
GAS SERVICE  
SUMMARY OF GCA COMPONENTS  
MONTH: August 2009

BILL CODE	REPORTED SALES	EGC \$	RECONCILIATION ADJUSTMENT			TOTAL RA	ACTUAL ADJUSTMENT			TOTAL AA	BALANCE ADJUSTMENT			TOTAL BA
			CURRENT	PREVIOUS	SEC.PREV.		THRD.PREV.	CURRENT	PREVIOUS		SEC.PREV.	THRD.PREV.	CURRENT	
			(0.005)	0.000	0.000		(0.050)	(0.959)		(0.001)	(0.097)			
087	0.0	9.100	0.00	0.00	0.00	0.00								
107	0.0	9.357	0.00	0.00	0.00	0.00								
117	0.0	8.169	0.00	0.00	0.00	0.00								
127	0.0	8.018	0.00	0.00	0.00	0.00								
147	0.0	7.492	0.00	0.00	0.00	0.00								
157	0.0	8.440	0.00	0.00	0.00	0.00								
167	0.0	8.206	0.00	0.00	0.00	0.00								
018	0.0	8.441	0.00	0.00	0.00	0.00								
038	(8.9)	9.531	(84.83)											
048	2.3	8.483	21.83											
068	42.7	11.285	481.87											
078	31.5	10.907	344.66											
088	25.7	11.243	288.95											
108	70.3	11.303	794.60											
118	92.6	12.592	1,166.02											
128	141.9	10.410	1,477.18	0.00	0.00	0.00								
148	214.7	9.391	2,016.25	0.00	0.00	0.00								
158	428.5	8.859	3,813.22	0.00	0.00	0.00								
168	(1,111.7)	8.800	(9,782.96)	0.00	0.00	0.00								
019	51.8	8.191	424.29	0.00	0.00	0.00								
039	526.3	8.292	4,364.08	0.00	0.00	0.00								
049	3,518.2	7.418	26,098.01	(17.59)	0.00	0.00	(17.59)							
069	59.8	5.713	341.64	(0.30)	0.00	0.00	(0.30)							
079	(4,245.8)	5.877	(24,952.57)	21.23	0.00	0.00	21.23							
089	2,532.5	6.785	17,183.01	(12.66)	0.00	0.00	(12.66)							
109	(2,296.4)	6.083	(13,569.00)	11.48	0.00	0.00	11.48							
119	201,592.6	6.185	1,246,850.23	0.00	(1,007.96)	0.00	(1,007.96)							
TOTAL	201,668.7		1,256,876.48	0.00	(1,005.80)	0.00	(1,005.80)							

TRANSPORTATION:		Customer Choice Program (GCAT):	
056	0.0		
086	0.0		
136	0.0		
176	8,027		
057	0.0		
097	0.0		
137	0.0		
177	8,028		
088	0.0		
098	0.0		
138	0.0		
178	0.0		
058	0.0		
068	0.0		
088	5,681.5		
FT CHOICE	5,681.5		
TOTAL FOR CHOICE			
TOTAL FOR GCR			

FT:		NON-P PURCH		FT		IT:	
	74,533.0						
	0.0						
	74,533.0						
	102,617.5						
	0.0						
	102,617.5						
	384,500.7						
TOTAL							
ADJUSTED EGC	6.232						

Note: The most current Bill Code includes intercept sales, if any.

PREPARED BY: Dana Patten 11/09/09 2:07 PM

REVIEWED BY: R:\Data\Excel Files\Closing\ULH-GCAGCA 2009(GCA 2009.xls)\September 2009

CONTROL CK (193.17) (7,055.35) (193.17) (7,055.35) (193.17) (7,055.35) (193.17) (7,055.35)

CONTROL CK (5,505.37) (200,673.99) (5,505.37) (200,673.99) (5,505.37) (200,673.99) (5,505.37) (200,673.99)

CONTROL CK (181.81) (6,640.33) (181.81) (6,640.33) (181.81) (6,640.33) (181.81) (6,640.33)

CONTROL CK (11.35) (17.18) (11.35) (17.18) (11.35) (17.18) (11.35) (17.18)

CONTROL CK (34.28) (34.28) (34.28) (34.28) (34.28) (34.28) (34.28) (34.28)

CONTROL CK (88.94) (88.94) (88.94) (88.94) (88.94) (88.94) (88.94) (88.94)

CONTROL CK (5.02) (5.02) (5.02) (5.02) (5.02) (5.02) (5.02) (5.02)

CONTROL CK (42.10) (42.10) (42.10) (42.10) (42.10) (42.10) (42.10) (42.10)

CONTROL CK (281.46) (281.46) (281.46) (281.46) (281.46) (281.46) (281.46) (281.46)

CONTROL CK (4.78) (4.78) (4.78) (4.78) (4.78) (4.78) (4.78) (4.78)

CONTROL CK (339.66) (339.66) (339.66) (339.66) (339.66) (339.66) (339.66) (339.66)

CONTROL CK (202.60) (202.60) (202.60) (202.60) (202.60) (202.60) (202.60) (202.60)

CONTROL CK (183.71) (183.71) (183.71) (183.71) (183.71) (183.71) (183.71) (183.71)

CONTROL CK (16,127.41) (16,127.41) (16,127.41) (16,127.41) (16,127.41) (16,127.41) (16,127.41) (16,127.41)

CONTROL CK (16,112.99) (16,112.99) (16,112.99) (16,112.99) (16,112.99) (16,112.99) (16,112.99) (16,112.99)

CONTROL CK (9,877.95) (9,877.95) (9,877.95) (9,877.95) (9,877.95) (9,877.95) (9,877.95) (9,877.95)

CONTROL CK (9,877.95) (9,877.95) (9,877.95) (9,877.95) (9,877.95) (9,877.95) (9,877.95) (9,877.95)

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