

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF DUKE ENERGY)	CASE NO. 2009-00437
KENTUCKY, INC.)	

O R D E R

On February 2, 2006, in Case No. 2005-00042,¹ the Commission approved rates for Duke Energy Kentucky, Inc. (“Duke”) (formerly known as The Union Light, Heat and Power Company) and provided for their further adjustment in accordance with Duke’s Gas Cost Adjustment (“GCA”) clause.

On November 10, 2009, Duke filed its GCA to be effective December 1, 2009. Duke previously obtained Commission approval to file its GCA within 20 days of the proposed effective date.² On November 16, 2009, Duke filed a correction to its application.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Duke’s notice includes rates designed to pass on to its customers its expected change in wholesale gas costs.

¹ Case No. 2005-00042, Adjustment of the Gas Rates of The Union Light, Heat and Power Company (Ky. PSC Dec. 22, 2005).

² Case No. 2006-00155, Application of The Union Light, Heat and Power Company for Authority to Continue Making Monthly Adjustments to the Expected Gas Cost Component of Its Gas Cost Adjustment Rate (Ky. PSC May 22, 2006).

2. Duke's Expected Gas Cost ("EGC") is \$6.277 per Mcf, which is a decrease of \$.220 per Mcf from its previous EGC of \$6.497 per Mcf.

3. Duke's notice sets out a current quarter Refund Adjustment ("RA") of (\$.001) per Mcf. Duke's total RA is (\$.006) per Mcf, which represents a decrease of \$.001 per Mcf from its previous total RA of (\$.005) per Mcf.

4. Duke's notice sets out its current quarter Actual Adjustment ("AA") of (\$.022) per Mcf. Duke's total AA is \$.369 per Mcf, which represents an increase of \$.038 per Mcf from its previous total AA of \$.331 per Mcf.

5. Duke's notice sets out a current quarter Balancing Adjustment ("BA") of (\$.015) per Mcf. Duke's total BA of (\$.042) per Mcf represents an increase of \$.082 per Mcf from its previous total BA of (\$.124) per Mcf.

6. Duke's Gas Cost Recovery Rate ("GCR") is \$6.598 per Mcf, which is a decrease of \$.101 per Mcf from its previous GCR of \$6.699 per Mcf.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Duke on and after December 1, 2009.

IT IS THEREFORE ORDERED that:

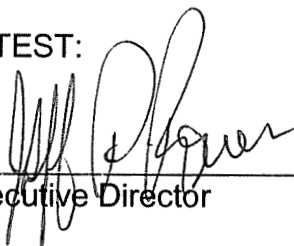
1. The rates in the Appendix to this Order are approved for final meter readings on and after December 1, 2009.

2. Within 20 days of the date of this Order, Duke shall file with this Commission its revised tariffs setting out the rates authorized herein.

By the Commission

ENTERED
NOV 24 2009 *M*
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00437 DATED NOV 24 2009

The following rates and charges are prescribed for the customers served by Duke Energy Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

GAS SERVICE RATES

RATE RS
RESIDENTIAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.26687	plus	\$.6598	\$.92667

RATE GS
GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.20949		\$.6598	\$.86929

RIDER GCAT
GAS COST ADJUSTMENT TRANSITION RIDER

The amount of this charge or (credit) shall be \$.0321 per 100 cubic feet. This rate shall be in effect during the months of December 2009 through February 2010 and shall be updated quarterly, concurrent with the Company's GCA filings.

Dana Patten
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