



Duke Energy Corporation
139 East Fourth Street
P.O. Box 960
Cincinnati, Ohio 45201-0960

November 10, 2010

RECEIVED

NOV 10 2010

PUBLIC SERVICE
COMMISSION

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

Dear Mr. Derouen:

Enclosed for filing are an original and ten (10) conformed copies of Duke Energy Kentucky's ("Duke") "Monthly Report of Gas Cost Calculations and Tariff Schedules," for the month commencing with the December 2010 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, 2010 and the NYMEX close on November 5, 2010 for the month of December 2010.

The above described schedules and GCA are effective with the final meter readings of District 1, December 2010 revenue month (i.e., final meter readings on and after December 1, 2010).

Duke's proposed GCA is \$5.437 per Mcf. This rate represents an increase of \$0.130 per Mcf from the rate currently in effect for November 2010.

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

Very truly yours,

Dana Patten

Enclosure

cc: L. Schmidt

R:/tariffs/gcr/ulhp/gca monthly filing.doc

DUKE ENERGY KENTUCKY, INC
GAS COST ADJUSTMENT CLAUSE

RECEIVED

NOV 10 2010

QUARTERLY REPORT

PUBLIC SERVICE
COMMISSIONGAS COST RECOVERY RATES EFFECTIVE FROM DECEMBER 1, 2010 THROUGH JANUARY 3, 2011

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	5.433
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.004)
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.016
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.008)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA + BA	\$/MCF	5.437

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	5.433

SUPPLIER REFUND ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
SECOND PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.002)
THIRD PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.004)

ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	0.033
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.470)
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.104
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.349
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.016

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	(0.002)
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.000
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.007)
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.001
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.008)

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 8373 OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED APRIL 16, 1982.

DATE FILED: November 10, 2010BY: DON WATHENTITLE: VICE-PRESIDENT, RATES

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

"SUMMARY" FOR THE EGC RATE IN EFFECT AS OF DECEMBER 1, 2010

		\$
<u>DEMAND (FIXED) COSTS:</u>		
Columbia Gas Transmission Corp.		2,778,721
Texas Gas Transmission		895,375
Columbia Gulf Transmission Corp.		1,350,152
KO Transmission Company		307,584
Gas Marketers		52,608
TOTAL DEMAND COST:		5,384,440
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	10,528,912 MCF	
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$5,384,440 /	10,528,912 MCF
		\$0.511 /MCF
 <u>COMMODITY COSTS:</u>		
Gas Marketers		\$4.089 /MCF
Gas Storage		
Columbia Gas Transmission		\$0.814 /MCF
Propane		\$0.007 /MCF
COMMODITY COMPONENT OF EGC RATE:		\$4.910 /MCF
 <u>OTHER COSTS:</u>		
Net Charge Off ⁽¹⁾	\$17,952 /	1,497,657
TOTAL EXPECTED GAS COST:		\$5.433

⁽¹⁾ Net Charge Off amount from Case No. 2009-00202 WPD-2.15a.

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : DECEMBER 1, 2010

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GAS TRANSMISSION, LLC				
TARIFF RATE EFFECTIVE DATE : FSS: 4/9/2010				
SST: 4/9/2010				
<u>BILLING DEMAND - TARIFF RATE - FSS</u>				
Max. Daily Withdrawl Quan.	1.5060	39,656	12	716,663
Seasonal Contract Quantity	0.0289	1,365,276	12	473,478
<u>BILLING DEMAND - TARIFF RATE - SST</u>				
Maximum Daily Quantity	4.4510	19,828	6	529,527
Maximum Daily Quantity	4.4510	39,656	6	1,059,053
CAPACITY RELEASE CREDIT				0
TOTAL COLUMBIA GAS TRANSMISSION, LLC - DEMAND CHARGES				2,778,721
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</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
CAPACITY RELEASE CREDIT				0
TOTAL TEXAS GAS TRANSMISSION DEMAND CHARGES				895,375

Currently Effective Rates
 Applicable to Rate Schedule FSS
 Rate Per Dth

	Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current Surcharge	Electric Power Costs Adjustment Current Surcharge	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
Rate Schedule FSS						
Reservation Charge 3/ \$	1.506	-	-	-	1.506	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

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.

2/ ACA assessed where applicable pursuant to Section 154.402 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 \$2.624 per Dth per month, for a total FSS MDSQ reservation charge of \$4.130 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
 Rate Per Dth

		Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current Surcharge		Electric Power Costs Adjustment Current Surcharge		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
Rate Schedule SST									
Reservation Charge 3/4/	\$	5.445	0.338	0.048	0.057	0.017	<i>add .0004</i>	5.905	0.1942
Commodity									
Maximum	¢	1.02	0.43	0.13	0.61	0.05	0.19	2.43	2.43
Minimum	¢	1.02	0.43	0.13	0.61	0.05	0.19	2.43	2.43
Overrun 4/	¢	18.92	1.54	0.29	0.80	0.11	0.19	21.85	21.85

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 Section 5.15.

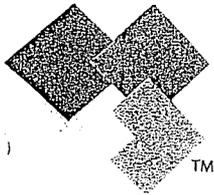
2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

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 \$12.180 per Dth per month, for a total SST reservation charge of \$17.625. If EME customers incur an overrun for SST services that is provided under their EME Project service agreements, they will pay an additional 40.05 cents for such overruns, for a total overrun rate of 58.97 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.

.0224
-.0019

.0243 my rate



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.

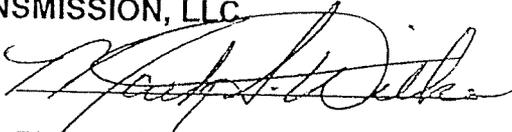
- 3) The discounted rate provided in paragraph one and two above is limited to the primary receipt/delivery point combinations set forth in Appendix A of the above-referenced service agreement. Except to the extent Federal Energy Regulatory Commission ("FERC") policies, rules and/or regulations, and/or 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:



Its:

Director, Commercial Services

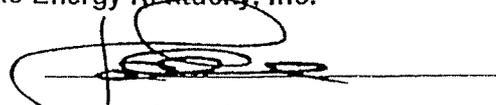


PTB

DEF

Duke Energy Kentucky, Inc.

By:



Its:

Group Executive; President and COO
USFE+G

As To Form
11/2



RETAINAGE PERCENTAGES

Transportation Retainage	2.062%
Gathering Retainage	0.628%
Storage Gas Loss Retainage	0.150%
Columbia Processing Retainage/1	0.000%

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.



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.:	26549
Rate Schedule:	STF
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:	10,000 MMBtu per day
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.

.0224
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.0243



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

FORM OF DISCOUNTED RATE AGREEMENT

October 20, 2009

Mr. Jeff Kern
 Duke Energy Kentucky, Inc.
 139 E 4th St EM025
 Cincinnati, OH 45202-4003

Re: Discounted Rate Agreement

Dear Jeff:

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

Contract No.: 29797 ✓
 Rate Schedule: FT
 Time Period(s): November 1, 2009 through March 31, 2010

Quantity(ies): 5,000 MMBtu/d

Point(s):
 Qualified Receipt Point(s): Texas Gas receipt points located in zones SL, 1, 2, 3 and 4
 Qualified Delivery Point(s): Duke Energy Ohio/Zone 4, Meter No. 1229
 Duke Energy Kentucky/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

Rate(s):
 Commodity Rate(s): Texas Gas' minimum FT commodity rate plus applicable surcharges and fuel retention

Point Qualification(s): The discounted commodity rates above are applicable to Qualified Delivery Point(s) only.

Other: The discounted commodity rates are limited to a total of 5,000 MMBtu/d

Pursuant to this agreement, Duke will never pay more than the then currently effective maximum tariff rates or less than the then currently effective minimum tariff rates.

.2950 Nov - March
 .1700 Apr. - Oct

May 22, 2007

Mr. Jim Henning
Duke Energy Ohio, Inc.
139 East 4th 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:	5,000 MMBtu per day
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 \$0.293 (including all surcharges).
Summer Discounted Demand Rate:	For each unit of its daily contract demand, Duke shall pay \$0.17 (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

New contract # is - #29797 Nov - March 2010 $\frac{1.0226}{+ 1.0019} = 1.0245$

#29796 Apr 2010 - Oct 2010

NAVIGATION



Capacity Release - Awards



TSP: 115972101 Texas Gas Transmission, LLC

Search

Display

<p>Award No: 1951</p> <p>Bid No: 2261</p> <p>Bidder: Duke Kentucky 006944672</p> <p>Bidder E-mail: laura.schmidt@duke-energy.com</p> <p>Offer No: 3219</p> <p>Releaser: Duke Ohio 006999189</p> <p>Posting Date/Time: 10/15/2010 13:07 CCT</p> <p>Modified Posting Date/Time: 10/15/2010 13:07 CCT</p>	<p>Process Status: Posted</p> <p>Status: Confirmation</p> <p>Withdrawn: No</p> <p>Bidder Contract Number: 30917</p> <p>Affiliate Indicator: Releaser</p> <p>Bidder Phone: (513) 287-3169</p> <p>Replacement Shipper Role Identifier: Other</p> <p>Capacity Award Date/Time: 10/15/2010 13:07 CCT</p>
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Award Terms

<p>Rate Schedule: FT</p> <p>Release Term Start Date: 11/01/2010</p> <p>Prearranged Deal: Yes</p> <p>Permanent Release: No</p> <p>Allowable Re-release: Yes</p> <p>Awd Qty-K: 5,000</p>	<p>Release Term End Date: 03/31/2011</p> <p>Previously Released: No</p>
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Award Recall Information

<p>Recall/Reput: Capacity recallable and reput must be taken</p> <p>Business Day: No</p> <p>Recall Notification Period: Timely Early Evening Evening Intraday 1 Intraday 2</p>	<p>Recall/Reput Terms: Intraday recallable</p>
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Award Location(s)

Start Date	End Date	Loc/QTI	Location	Loc Prop	Loc Zn	Loc Purp	Awd Qty-Loc
11/01/2010	03/31/2011	Receipt Pt	152451	2102 Champlin	1	M2-Receipt Location	3,177
11/01/2010	03/31/2011	Receipt Pt	7580	9446 Lowry	SL	M2-Receipt Location	3,604
11/01/2010	03/31/2011	Delivery Pt	16281	1715 Lebanon-Columbia Gas	4	MQ-Delivery Location	5,000
11/01/2010	03/31/2011	Rec to Del Pt	218394 16281	3918 Mainline SL Sirt 1715 Lebanon-Columbia Gas	SL 4	S8-Pipeline Segment defined by 2 Locations	5,000
11/01/2010	03/31/2011	Segment		100 North Louisiana	1	S9-Pipeline Segment defined by 1 Location	3,177
11/01/2010	03/31/2011	Segment		500 Southwest	SL	S9-Pipeline Segment defined by 1 Location	3,604

1 - 6 of 6

Measurement Basis: Million BTU's

Award Rate(s)

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



TSP: 115972101 Texas Gas Transmission, LLC

Search

Display

Award No: 1952	Process Status: Posted
	Status: Confirmation
Bid No: 2262	Withdrawn: No
Bidder: Duke Kentucky 006944672	Bidder Contract Number: 30918
Bidder E-mail: laura.schmidt@duke-energy.com	Affiliate Indicator: Releaser
Offer No: 3220	Bidder Phone: (513) 287-3169
Releaser: Duke Ohio 006999189	Replacement Shipper Role Identifier: Other
Posting Date/Time: 10/15/2010 13:13 CCT	Capacity Award Date/Time: 10/15/2010 13:13 CCT
Modified Posting Date/Time: 10/15/2010 13:13 CCT	

Award Terms

Rate Schedule: FT	
Release Term Start Date: 04/01/2011	Release Term End Date: 10/31/2011
Prearranged Deal: Yes	
Permanent Release: No	
Allowable Re-release: Yes	Previously Released: No
Awd Qty-K: 5,000	

Award Recall Information

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

Award Location(s)

Start Date	End Date	Loc/QTI	Location	Loc Prop	Loc Zn	Loc Purp	Awd Qty-Loc
04/01/2011	10/31/2011	Receipt Pt	152451	2102 Champlin	1	M2-Receipt Location	1.815
04/01/2011	10/31/2011	Receipt Pt	7580	9446 Lowry	SL	M2-Receipt Location	4.966
04/01/2011	10/31/2011	Delivery Pt	16281	1715 Lebanon-Columbia Gas	4	MQ-Delivery Location	5.000
04/01/2011	10/31/2011	Rec to Del Pt	218394 16281	3918 Mainline SL Strt 1715 Lebanon-Columbia Gas	SL 4	S8-Pipeline Segment defined by 2 Locations	5.000
04/01/2011	10/31/2011	Segment		100 North Louisiana	1	S9-Pipeline Segment defined by 1 Location	1.815
04/01/2011	10/31/2011	Segment		500 Southwest	SL	S9-Pipeline Segment defined by 1 Location	4.966

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	\$0.1700

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

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: ~~25573~~
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): $\frac{0.0266 + 0.0019}{0.0285}$
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
contract released 5,000 dth/d to Duke Ky. (see attached capacity release)
New contract # is # 29801

Display

Award No: 632

Process Status: Posted
Status: Confirmation

Bid No: 1854
Bidder: Duke Kentucky 006944672
Bidder E-mail: laura.schmid@duke-energy.com
Offer No: 2755

Withdrawn: No
Bidder Contract Number: 29803
Affiliate Indicator: Releaser
Bidder Phone: (513) 287-3169
Replacement Shipper Role Identifier: Other

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
Prearranged Deal: Yes
Permanent Release: No
Allowable Re-release: Yes
Award Qty: 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
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.



Gulf South

FORM OF NEGOTIATED RATE AGREEMENT

October 20, 2009

Mr. Jeff Kern
Duke Energy Kentucky, Inc.
139 E 4th St EM025
Cincinnati, OH 45202-4003

Re: Negotiated Rate Agreement

Dear Jeff:

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

Contract No.:	29801 ✓
Rate Schedule:	FT
Time Period(s):	November 1, 2009 through October 31, 2010
Quantity(ies):	5,000 MMBtu/d
Point(s):	
Qualified Receipt Point(s):	Gulf South Duke East TX/Zone 1, Meter No. 9085 Gulf South-Enbridge E TX/Zone 1, Meter No. 9086 Gulf South-ETC East TX/Zone 1, Meter No. 9087 Gulf South-Enterprise ETX/Zone 1, Meter No. 9088 Texas Gas receipt points located in zones 1, 2, 3 and 4
Qualified Delivery Point(s):	Duke Energy Ohio/Zone 4, Meter No. 1229
Eligible Delivery Point(s):	Duke Energy Kentucky/Zone 4, Meter No. 1872
Negotiated Rate(s):	
Commodity Rate(s):	\$0.0266 per MMBtu plus applicable surcharges and fuel retention
Point Qualification(s):	The Negotiated commodity rates above are applicable to the Qualified Delivery Point(s) and Eligible Delivery Point(s) only.
Other:	The Negotiated commodity rates are limited to a total of 5,000 MMBtu/d

Texas Gas' applicable maximum rates and charges continue to apply except as expressly agreed herein. In the event of a conflict between this agreement and the tariff, the tariff will control.

4084

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : DECEMBER 1, 2010

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
--	------------------	-----------------------------	---------------------------	------------------------------

INTERSTATE PIPELINE : **COLUMBIA GULF TRANSMISSION CORP.**

TARIFF RATE EFFECTIVE DATE : FTS-1: 8/1/2010
FTS-2: 8/1/2010

BILLING DEMAND - TARIFF RATE - FTS-1

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
Maximum Daily Quantity	3.1450	9,000	5	141,525

BILLING DEMAND - TARIFF RATE - FTS-2

Maximum Daily Quantity	0.9995	15,000	12	179,910
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CAPACITY RELEASE CREDIT FOR FTS-1

0

CAPACITY RELEASE CREDIT FOR FTS-2

0

TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES

1,350,152

INTERSTATE PIPELINE : **KO TRANSMISSION COMPANY**

TARIFF RATE EFFECTIVE DATE : 4/1/2010

BILLING DEMAND - TARIFF RATE - FT

Maximum Daily Quantity	0.3560	72,000	12	307,584
------------------------	--------	--------	----	---------

CAPACITY RELEASE CREDIT

0

TOTAL KO TRANSMISSION CO. DEMAND CHARGES

307,584

VARIOUS GAS MARKETERS FIXED (RESERVATION) CHARGES :

November - March	0.0028	14,108,957		39,108
December - February	0.15	90,000		13,500

TOTAL GAS MARKETERS FIXED CHARGES

52,608

Columbia Gulf Transmission Company
 FERC Tariff
 Third Revised Volume No. 1

V.1.
 Currently Effective Rates
 FTS-1 Rates
 Version 3.0.0

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

	Base Rate (1) \$	Annual Charge Adjustment (2) \$ 1/	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$
Rate Schedule FTS-1 Rayne, LA To Points North					
Reservation Charge 2/	3.1450	-	3.1450	3.1450	0.1034
Commodity					
Maximum	0.0170	0.0019	0.0189	0.0189	0.0189
Minimum	0.0170	0.0019	0.0189	0.0189	0.0189
Overrun	0.1204	0.0019	0.1223	0.1223	0.1223

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).

Columbia Gulf Transmission Company
 FERC Tariff
 Third Revised Volume No. 1

V.2.
 Currently Effective Rates
 FTS-2 Rates
 Version 3.0.0

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

	Base Rate (1) \$	Annual Charge Adjustment (2) \$	Subtotal (3) \$ 1/	Total Effective Rate (4) \$	Daily Rate (5) \$
Rate Schedule FTS-2					
Offshore Laterals					
Reservation Charge 2/	2.6700	-	2.6700	2.6700	0.0878
Commodity					
Maximum	0.0002	0.0019	0.0021	0.0021	0.0021
Minimum	0.0002	0.0019	0.0021	0.0021	0.0021
Overrun	0.0880	0.0019	0.0899	0.0899	0.0899
Onshore Laterals					
Reservation Charge 2/	1.0603	-	1.0603	1.0603	0.0349
Commodity					
Maximum	0.0017	0.0019	0.0036	0.0036	0.0036
Minimum	0.0017	0.0019	0.0036	0.0036	0.0036
Overrun	0.0366	0.0019	0.0385	0.0385	0.0385
Offsystem-Onshore					
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

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
RATE SCHEDULE FTS			
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
RATE SCHEDULE ITS			
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 0.58%

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.

**DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 12/1/2010**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ 39,108 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 14,108,957 DTH (2)

CALCULATED RATE: \$ 0.0028 PER DTH

- (1) Reservation charges billed by firm suppliers for 2010 - 2011.
- (2) Contracted volumes for the 2010 - 2011 winter season.

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : DECEMBER 1, 2010

GAS COMMODITY RATE FOR DECEMBER, 2010:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$4.4191	\$/Dth
DUKE ENERGY KENTUCKY FUEL	3.400%	\$0.1502	\$4.5693	\$/Dth
DTH TO MCF CONVERSION	1.0203	\$0.0928	\$4.6621	\$/Mcf
ESTIMATED WEIGHTING FACTOR	87.700%		\$4.0887	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$4.089	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$6.1575	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$6.1728	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.062%	\$0.1273	\$6.3001	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0224	\$6.3225	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0019	\$6.3244	\$/Dth
DUKE ENERGY KENTUCKY FUEL	3.400%	\$0.2150	\$6.5394	\$/Dth
DTH TO MCF CONVERSION	1.0203	\$0.1327	\$6.6721	\$/Mcf
ESTIMATED WEIGHTING FACTOR	12.200%		\$0.8140	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.814	\$/Mcf

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
PROPANE COMMODITY RATE			\$0.007	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 11/5/10 and contracted hedging prices.

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

AUGUST 31, 2010

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD JUNE 1 2010 THROUGH AUGUST 31, 2010	\$	6,833.38
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		0.9989
REFUNDS INCLUDING INTEREST (\$6,833.38 x 0.9989)	\$	6,825.86
DIVIDED BY TWELVE MONTH SALES ENDED November 30, 2011	MCF	10,582,528
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>(0.001)</u>

DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED

AUGUST 31, 2010

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		
Tennessee Gas Pipeline - July 9, 2010	\$	6,833.38
 TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA	 \$	 <u>6,833.38</u>
RAU		

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
ACTUAL ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED AUGUST 31, 2010

DESCRIPTION	UNIT	JUNE	JULY	AUGUST
<u>SUPPLY VOLUME PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	MCF	206,388	200,304	217,400
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	0	0	0
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	3,234	646	5,777
TOTAL SUPPLY VOLUMES	MCF	<u>209,622</u>	<u>200,950</u>	<u>223,177</u>
<u>SUPPLY COST PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	\$	1,450,007	1,465,489	1,581,783
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	0	0	0
OTHER COSTS (SPECIFY):				
X-5 TARIFF (\$)	\$	0	0	0
GAS COST UNCOLLECTIBLE	\$	12,529	11,835	19,973
MANAGEMENT FEES	\$	(63,375)	(63,375)	(63,375)
TRANSPORTATION SERVICE "UNACCOUNTED FOR"(\$)	\$	0	0	0
GAS COST CREDIT (\$)	\$	0	0	0
LOSSES - DAMAGED LINES	\$	0	0	(1,391)
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>1,399,161</u>	<u>1,413,949</u>	<u>1,536,990</u>
<u>SALES VOLUMES</u>				
JURISDICTIONAL	MCF	240,070.9	193,926.2	177,945.1
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	<u>240,070.9</u>	<u>193,926.2</u>	<u>177,945.1</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.828	7.291	8.637
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>6.415</u>	<u>6.758</u>	<u>6.460</u>
DIFFERENCE	\$/MCF	(0.587)	0.533	2.177
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>240,070.9</u>	<u>193,926.2</u>	<u>177,945.1</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>(140,921.62)</u>	<u>103,362.66</u>	<u>387,386.48</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			349,827.52
PRIOR PERIOD ADJUSTMENT FROM APRIL 2010				<u>(2,442.31)</u>
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>347,385.21</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>November 30, 2011</u>	MCF			10,582,528.0
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>0.033</u>
AAU				

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
BALANCE ADJUSTMENT
DETAILS FOR THE TWELVE MONTH PERIOD ENDED AUGUST 31, 2010

DESCRIPTION	UNIT	AMOUNT
<u>RECONCILIATION OF A PREVIOUS GAS COST VARIANCE</u>		
GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED) SEPTEMBER WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE SEPTEMBER 1, 2009	\$	(3,077,829.29)
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ (0.298) /MCF APPLIED TO TOTAL SALES OF <u>10,241,032</u> MCF (TWELVE MONTHS ENDED AUGUST 31, 2010)	\$	<u>(3,051,827.43)</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>(26,001.86)</u>
<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND</u>		
SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE SEPTEMBER 1, 2009	\$	(432.53)
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ <u>0.000</u> /MCF APPLIED TO TOTAL SALES OF <u>10,241,032</u> MCF (TWELVE MONTHS ENDED AUGUST 31, 2010)	\$	<u>0.00</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>(432.53)</u>
<u>RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT</u>		
AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE SEPTEMBER 1, 2009	\$	42,473.42
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ <u>0.004</u> /MCF APPLIED TO TOTAL SALES OF <u>10,241,032</u> MCF (TWELVE MONTHS ENDED AUGUST 31, 2010)	\$	<u>40,964.13</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>1,509.29</u>
PRIOR PERIOD ADJUSTMENT		27.85
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>(24,897.25)</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED November 30, 2011	MCF	<u>10,582,528</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u>(0.002)</u>

BAU

REVISED TARIFFS

INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<u>SERVICE REGULATIONS</u>				
Service Agreements.....	20	01/04/10	01/04/10	
Supplying and Taking of Service.....	21	01/04/10	01/04/10	
Customer's Installation.....	22	01/04/10	01/04/10	
Company's Installation.....	23	01/04/10	01/04/10	
Metering.....	24	01/04/10	01/04/10	
Billing and Payment.....	25	01/04/10	01/04/10	
Deposits.....	26	01/04/10	01/04/10	
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Gas Space Heating Regulations.....	28	01/04/10	01/04/10	
Availability of Gas Service.....	29	01/04/10	01/04/10	
<u>FIRM SERVICE TARIFF SCHEDULES</u>				
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Rate GS, General Service.....	31	12/01/10	12/01/10	(T
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Reserved for Future Use.....	33			
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Rate FRAS, Full Requirements Aggregation Service.....	44	01/04/10	01/04/10	
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<u>TRANSPORTATION TARIFF SCHEDULE</u>				
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Rate FT-L, Firm Transportation Service.....	51	01/04/10	01/04/10	
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Rate SSIT, Spark Spread Interruptible Transportation Rate.....	53	01/04/10	01/04/10	
Reserved for Future Use.....	54			
Rate AS, Pooling Service for Interruptible Transportation.....	55	01/04/10	01/04/10	
Reserved for Future Use.....	56			
Rate GTS, Gas Trading Service.....	57	01/04/10	01/04/10	
Rate IMBS, Interruptible Monthly Balancing Service.....	58	01/04/10	01/04/10	
Rate DGS, Distributed Generation Service.....	59	01/04/10	01/04/10	

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

Issued:

Effective: December 1, 2010

Issued by Julie Janson, President

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

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<u>RIDERS</u>				
Rider X, Main Extension Policy.....	60	01/04/10	01/04/10	
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Rider DSMR, Demand Side Management Rate.....	62	04/01/10	04/01/10	
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<u>GAS COST RECOVERY RIDERS</u>				
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Rider GCAT, Gas Cost Adjustment Transition Rider.....	77	12/10/10	12/10/10	(T)
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Rate MPS, Meter Pulse Service.....	84	01/04/10	01/04/10	
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Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. _____.

Issued:

Effective: December 1, 2010

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.
4580 Olympic Blvd.
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
Fifty-First Revised Sheet No. 30
Cancelling and Superseding
Fiftieth 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: \$16.00

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a commodity Charge for all CCF at	\$0.37213	plus	\$0.5437	Equals	\$0.91583	(I)

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.

The "Customer Charge" shown above 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, 2010

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: \$47.50

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	\$0.20530	Plus	\$0.5437	Equals	\$0.7490	(I)

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 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:

Effective: December 1, 2010

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.
4580 Olympic Blvd.
Erlanger, Kentucky 41018

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

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 \$0.0004 per 100 cubic feet. This rate shall be in effect during the month of December 2010 through February 2011 and shall be updated quarterly, concurrent with the Company's GCA filings.

(D)

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

Issued:

Effective: December 1, 2010

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, 2010

4th QUARTER INT

DUKE ENERGY Kentucky, Inc.
 USED FOR GCA EFFECTIVE DECEMBER 1, 2010

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

TWELVE MONTHS ENDED SEPTEMBER 30, 2010
 BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)

INTEREST RATE	-0.002
PAYMENT	0.083243
ANNUAL TOTAL	0.9989
MONTHLY INTEREST	(0.000167)
AMOUNT	1

SEPTEMBER	2009	0.19	
OCTOBER	2009	0.18	
NOVEMBER	2009	0.16	
DECEMBER	2009	0.20	
JANUARY	2010	0.18	
FEBRUARY	2010	0.22	
MARCH	2010	0.25	
APRIL	2010	0.31	
MAY	2010	0.48	
JUNE	2010	0.60	
JULY	2010	0.42	
AUGUST	2010	0.29	3.48
SEPTEMBER	2010	0.30	3.59

PRIOR ANNUAL TOTAL	3.48
PLUS CURRENT MONTHLY RATE	0.30
LESS YEAR AGO RATE	0.19
NEW ANNUAL TOTAL	3.59
AVERAGE ANNUAL RATE	0.30
LESS 0.5% (ADMINISTRATIVE)	(0.20)

DUKE ENERGY COMPANY KENTUCKY
 DETERMINATION OF TOTAL SUPPLY COST
 MONTH OF June 2010

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,417,799.14	
adjustments	18,458.87	
IT monthly charges entered by Gas Supply	13,748.59	1,450,007
 <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>PLUS: GAS COST UNCOLLECTIBLE</u>	12,529.00	12,529
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS TENASKA MARKETING VENTURES MANAGEMENT FEE</u>	63,375.00	(63,375)
 <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		1,399,161

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	(140,921.62)
ACCOUNT 805-10	140,921.62

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

June 2010

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>June 2010</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	206,388
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	3,234
TOTAL SUPPLY VOLUMES	MCF	<u>209,622</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,450,007
Includable Propane	\$	0
Gas Cost Uncollectible	\$	12,529
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(63,375)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
TOTAL SUPPLY COST	\$	<u>1,399,161</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	240,070.9
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>240,070.9</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.828
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.415</u>
DIFFERENCE	\$/MCF	(0.587)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>240,070.9</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(140,921.62)</u></u>

DUKE ENERGY COMPANY KENTUCKY

June 2010

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	240,070.9	1,540,096.83	6.41517498
RA		(726.94)	
AA		34,577.01	
BA		<u>(4,103.99)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>1,569,842.91</u>	
TOTAL SALES VOLUME	240,070.9		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>240,070.9</u>		

PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY

SUPPLIER COST - CURRENT MONTH	240,070.9	1,399,161.00	5.82811578
UNRECOVERED PURCHASED GAS COST		175,498.63	
ROUNDING(ADD/(DEDUCT))		<u>14.21</u>	
TOTAL GAS COST IN REVENUE		<u>1,574,673.84</u>	
TOTAL GAS COST RECOVERY(GCR)		1,569,842.91	
LESS: RA		(726.94)	
BA		<u>(4,103.99)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>1,574,673.84</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		175,498.63	
LESS: AA		<u>34,577.01</u>	
MONTHLY COST DIFFERENCE		140,921.62	
EXTENDED MONTHLY COST DIFFERENCE		<u>140,935.83</u>	
ROUNDING		<u>14.21</u>	

DUKE ENERGY COMPANY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: June 2010

BILL CODE	REPORTED SALES	EGC		RECONCILIATION ADJUSTMENT					ACTUAL ADJUSTMENT					BALANCE ADJUSTMENT					
		\$/MCF	\$	CURRENT (0.002)	PREVIOUS 0.000	SEC.PREV. (0.001)	THRD.PREV. 0.000	TOTAL RA	CURRENT 0.104	PREVIOUS 0.349	SEC.PREV. (0.022)	THRD.PREV. (0.298)	TOTAL AA	CURRENT (0.007)	PREVIOUS 0.001	SEC.PREV. (0.015)	THRD.PREV. 0.004	TOTAL BA	
048	0.0	9.493	0.00																
068	0.0	11.285	0.00																
078	0.0	10.907	0.00																
088	0.0	11.243	0.00																
108	0.0	11.303	0.00																
118	0.0	12.592	0.00																
128	0.0	10.410	0.00																
148	0.0	9.391	0.00																
158	0.0	8.899	0.00																
168	(18.0)	8.800	(158.40)																
019	(26.0)	8.191	(212.97)																
039	24.3	8.292	201.50																
049	22.6	7.418	167.65																
069	(20.5)	5.713	(117.12)																
079	(19.5)	5.877	(114.60)																
089	21.4	6.785	145.20																
109	15.3	6.083	93.07																
119	56.0	6.185	346.36																
129	37.5	6.474	242.78				0.00	0.00									0.15	0.15	
149	98.9	5.200	514.28				0.00	0.00									0.40	0.40	
159	144.7	6.497	940.12				0.00	0.00									0.58	0.58	
169	(3,541.7)	6.277	(22,231.25)			3.54	0.00	3.54			77.92	1,055.43	1,133.35		53.13	(14.17)	38.96		
010	(1,620.6)	6.845	(11,093.01)			1.62	0.00	1.62			35.65	482.94	518.59		24.31	(6.48)	17.83		
030	(1,733.0)	7.184	(12,449.87)			1.73	0.00	1.73			38.13	516.43	554.56		26.00	(6.93)	19.07		
040	7,836.9	6.991	54,787.77		0.00	(7.84)	0.00	(7.84)		2,735.08	(172.41)	(2,335.40)	227.27		7.84	(117.55)	31.35	(78.36)	
060	(9,473.9)	6.012	(56,957.09)		0.00	9.47	0.00	9.47		(3,306.39)	208.43	2,823.22	(274.74)		(9.47)	142.11	(37.90)	94.74	
070	5,361.2	5.766	30,912.68		0.00	(5.36)	0.00	(5.36)		1,871.06	(117.95)	(1,597.64)	155.47		5.36	(80.42)	21.44	(53.62)	
080	242,905.3	6.402	1,555,079.73	(485.81)	0.00	(242.91)	0.00	(728.72)	25,262.15	84,773.95	(5,343.92)	(72,385.78)	32,306.40	(1,700.34)	242.91	(3,643.58)	971.62	(4,129.39)	
TOTAL	240,070.9		1,540,096.83	(485.81)	0.00	(239.75)	0.00	(725.56)	25,262.15	86,073.70	(5,274.15)	(71,524.57)	34,537.13	(1,700.34)	246.64	(3,596.00)	960.06	(4,089.64)	
TRANSPORTATION:																			
Customer Choice Program (GCAT):																			
029	0.0																		
059	0.0																		
099	0.0																		
139	0.0																		
179	0.0						0.00	0.00					0.00				0.00	0.00	
020	0.0				0.00	(1.38)	0.00	(1.38)					0.00			0.00	0.00	0.00	
050	1,375.2				0.00		0.00			479.94	(30.25)	(409.81)	39.88		1.38	(20.63)	5.50	(13.75)	
090	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	0.00	0.00	
FT CHOICE	1,375.2			0.00	0.00	(1.38)	0.00	0.00	0.00	479.94	(30.25)	(409.81)	39.88	0.00	1.38	(20.63)	5.50	(13.75)	
TOTAL FOR CHOICE				(485.81)	0.00	(241.13)	0.00	(725.56)	25,262.15	86,553.64	(5,304.40)	(71,934.38)	34,577.01	(1,700.34)	246.02	(3,616.63)	965.56	(4,103.39)	
TOTAL FOR GCR								(726.94)					34,577.01						(4,103.39)
				CONTROL CK (726.94)					CONTROL CK 34,577.01					CONTROL CK (4,103.39)					
				positive=recovered=cr 25313					positive=recovered=cr 19140					positive=recovered=cr 25313					
				negative=reduce refund=dr25313					negative=refund=dr 19140					negative=reduce refund=dr25313					
FT:																			
NON-P PURCH	88,745.4																		
FT	0.0																		
IT:																			
NON-P PURCH	113,119.9																		
IT	0.0																		
TOTAL	443,311.4																		
ADJUSTED EGC		6.415																	

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

PREPARED BY: Dana Patten 11/9/10 11:32 AM

REVIEWED BY: _____
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DUKE ENERGY COMPANY KENTUCKY
 DETERMINATION OF TOTAL SUPPLY COST
 MONTH OF July 2010

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,463,957.15	
adjustments	3,546.07	
IT monthly charges entered by Gas Supply	<u>(2,014.10)</u>	1,465,489
<u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
PLUS: INCLUDABLE PROPANE		
a/c 728-3 Erlanger	0.00	0
PLUS: GAS COST UNCOLLECTIBLE	11,835.00	11,835
<u>LESS: X-5 TARIFF</u>	0.00	0
LESS TENASKA MARKETING VENTURES MANAGEMENT FEE	63,375.00	(63,375)
LESS: TOP TRANSP. RECOVERIES	0.00	0
LESS: GAS LOSSES - DAMAGED LINES	0.00	0
adjustments	0.00	
	<u>0.00</u>	0
LESS: GAS COST CREDIT	0.00	0
<u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
TOTAL SUPPLY COSTS		<u><u>1,413,949</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	103,362.66
ACCOUNT 805-10	(103,362.66)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH July 2010

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH July 2010</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	200,304
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	646
TOTAL SUPPLY VOLUMES	MCF	<u>200,950</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,465,489
Includable Propane	\$	0
Gas Cost Uncollectible	\$	11,835
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(63,375)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
TOTAL SUPPLY COST	\$	<u>1,413,949</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	193,926.2
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>193,926.2</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	7.291
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.758</u>
DIFFERENCE	\$/MCF	0.533
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>193,926.2</u>
MONTHLY COST DIFFERENCE	\$	<u><u>103,362.66</u></u>

July 2010

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	193,926.2	1,310,635.02	6.75842161
RA		(597.02)	
AA		27,357.37	
BA		<u>(3,348.04)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>1,334,047.33</u>	
TOTAL SALES VOLUME	193,926.2		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>193,926.2</u>		

PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY

SUPPLIER COST - CURRENT MONTH	193,926.2	1,413,949.00	7.29117056
UNRECOVERED PURCHASED GAS COST		(76,005.29)	
ROUNDING(ADD/(DEDUCT))		<u>48.68</u>	
TOTAL GAS COST IN REVENUE		<u>1,337,992.39</u>	
TOTAL GAS COST RECOVERY(GCR)		1,334,047.33	
LESS: RA		(597.02)	
BA		<u>(3,348.04)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u> </u>	
		<u>1,337,992.39</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(76,005.29)	
LESS: AA		<u>27,357.37</u>	
MONTHLY COST DIFFERENCE		(103,362.66)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(103,313.98)</u>	
ROUNDING		<u>48.68</u>	

DUKE ENERGY COMPANY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: July 2010

BILL CODE	REPORTED SALES	EGC		RECONCILIATION ADJUSTMENT					ACTUAL ADJUSTMENT					BALANCE ADJUSTMENT						
		\$/MCF	\$	CURRENT (0.002)	PREVIOUS 0.000	SEC.PREV. (0.001)	THRD.PREV. 0.000	TOTAL RA	CURRENT 0.104	PREVIOUS 0.349	SEC.PREV. (0.022)	THRD.PREV. (0.298)	TOTAL AA	CURRENT (0.007)	PREVIOUS 0.001	SEC.PREV. (0.015)	THRD.PREV. 0.004	TOTAL BA		
048	0.0	9.493	0.00																	
068	0.0	11.285	0.00																	
078	0.0	10.907	0.00																	
088	0.0	11.243	0.00																	
108	0.0	11.303	0.00																	
118	0.0	12.592	0.00																	
128	0.0	10.410	0.00																	
148	0.0	9.391	0.00																	
158	0.0	8.899	0.00																	
168	(4.4)	8.800	(38.72)																	
019	26.7	8.191	218.70																	
039	70.2	8.292	582.10																	
049	73.2	7.418	543.00																	
069	37.0	5.713	211.38																	
079	3.0	5.877	17.63																	
089	21.6	6.785	146.56																	
109	11.3	6.083	68.74																	
119	20.6	6.185	127.41																	
129	31.1	6.474	201.34				0.00	0.00				(9.27)	(9.27)			0.12	0.12			
149	83.6	5.200	434.72				0.00	0.00				(24.91)	(24.91)			0.33	0.33			
159	173.3	6.497	1,125.93				0.00	0.00				(51.64)	(51.64)			0.69	0.69			
169	(1,593.8)	6.277	(10,004.28)			1.59	0.00	1.59			35.06	474.95	510.01		23.91	(6.38)	17.53			
010	(1,531.4)	6.845	(10,482.43)			1.53	0.00	1.53			33.69	456.36	490.05		22.97	(6.13)	16.84			
030	646.4	7.184	4,643.74			(0.65)	0.00	(0.65)			(14.22)	(192.63)	(206.85)		(9.70)	2.59	(7.11)			
040	4,985.0	6.991	34,850.14		0.00	(4.99)	0.00	(4.99)					144.57		4.99	(74.78)	19.94	(49.85)		
060	(5,549.9)	6.012	(33,366.00)		0.00	5.55	0.00	5.55		1,739.77	(109.67)	(1,485.53)	(160.95)		(5.55)	83.25	(22.20)	55.50		
070	(4,193.2)	5.766	(24,177.99)		0.00	4.19	0.00	4.19		(1,936.92)	122.10	1,653.87	(121.61)		(4.19)	62.90	(16.77)	41.94		
080	3,863.3	6.402	24,732.85		(7.73)	0.00	(3.86)	0.00	(11.59)	401.78	(84.99)	(1,151.26)	513.82		(27.04)	3.86	(57.95)	15.45	(65.68)	
100	196,752.6	6.713	1,320,800.20		(393.51)	0.00	(196.75)	0.00	(590.26)	20,462.27	68,666.66	(4,328.56)	26,168.10		(1,377.27)	196.75	(2,951.29)	787.01	(3,344.80)	
TOTAL	193,926.2		1,310,635.02		(401.24)	0.00	(193.39)	0.00	(594.63)	20,864.05	68,354.37	(4,254.34)	(57,712.76)	27,251.32	(1,404.31)	195.86	(2,900.69)	774.65	(3,334.49)	
TRANSPORTATION:																				
Customer Choice Program (GCAT):																				
029	0.0																			
059	0.0																			
099	0.0																			
139	0.0																			
179	0.0						0.00	0.00					0.00	0.00				0.00	0.00	
020	0.0					0.00	0.00	0.00				0.00	0.00				0.00	0.00	0.00	
050	0.0					0.00	0.00	0.00				0.00	0.00				0.00	0.00	0.00	
090	797.4				(1.59)	0.00	(0.80)	0.00	(2.39)	82.93	278.29	(17.54)	(237.63)	106.05	(5.58)	0.80	(11.96)	3.19	(13.55)	
FT CHOICE	797.4				(1.59)	0.00	(0.80)	0.00	(2.39)	82.93	278.29	(17.54)	(237.63)	106.05	(5.58)	0.80	(11.96)	3.19	(13.55)	
TOTAL FOR CHOICE					(1.59)	0.00	(0.80)	0.00	(2.39)	82.93	278.29	(17.54)	(237.63)	106.05	(5.58)	0.80	(11.96)	3.19	(13.55)	
TOTAL FOR GCR					(402.83)	0.00	(194.19)	0.00	(597.02)	20,946.98	68,632.66	(4,271.88)	(57,950.39)	27,357.37	(1,409.89)	196.66	(2,912.65)	777.84	(3,348.04)	
					CONTROL CK (597.02)				CONTROL CK 27,357.37				CONTROL CK (3,348.04)							
					positive=recovered=cr 25313 negative=reduce refund=dr 25313				positive=recovered=cr 19140 negative=refund=dr 19140				positive=recovered=cr 25313 negative=reduce refund=dr 25313							
FT:																				
NON-P	80,111.7																			
PURCH	0.0																			
FT	80,111.7																			
IT:																				
NON-P	112,434.2																			
PURCH	0.0																			
IT	112,434.2																			
TOTAL	387,269.5																			
ADJUSTED EGC		6.758																		

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

PREPARED BY: Dana Patten 11/9/10 11:32 AM

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DUKE ENERGY COMPANY KENTUCKY
 DETERMINATION OF TOTAL SUPPLY COST
 MONTH OF August 2010

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,550,998.29	
adjustments	33,001.96	
IT monthly charges entered by Gas Supply	<u>(2,217.50)</u>	1,581,783
<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>PLUS: GAS COST UNCOLLECTIBLE</u>	19,973.00	19,973
<u>LESS: X-5 TARIFF</u>	0.00	0
<u>LESS TENASKA MARKETING VENTURES MANAGEMENT FEE</u>	63,375.00	(63,375)
<u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
<u>LESS: GAS LOSSES - DAMAGED LINES</u>	1,391.47	(1,391)
adjustments	0.00	
	<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>1,536,990</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	387,386.48
ACCOUNT 805-10	(387,386.48)

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

August 2010

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>August 2010</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	217,400
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>5,777</u>
TOTAL SUPPLY VOLUMES	MCF	<u>223,177</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,581,783
Includable Propane	\$	0
Gas Cost Uncollectible	\$	19,973
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(63,375)
- Losses-Damaged Lines	\$	(1,391)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>1,536,990</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	177,945.1
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u> </u>
TOTAL SALES VOLUME	MCF	<u>177,945.1</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	8.637
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.460</u>
DIFFERENCE	\$/MCF	2.177
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>177,945.1</u>
MONTHLY COST DIFFERENCE	\$	<u><u>387,386.48</u></u>

DUKE ENERGY COMPANY KENTUCKY

August 2010

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	177,945.1	1,149,542.50	6.46009640
RA		(545.38)	
AA		25,494.66	
BA		<u>(3,066.61)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>1,171,425.17</u>	
TOTAL SALES VOLUME	177,945.1		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>177,945.1</u>		

PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY

SUPPLIER COST - CURRENT MONTH	177,945.1	1,536,990.00	8.63743930
UNRECOVERED PURCHASED GAS COST		(361,891.82)	
ROUNDING(ADD/(DEDUCT))		<u>(61.02)</u>	
TOTAL GAS COST IN REVENUE		<u>1,175,037.16</u>	

TOTAL GAS COST RECOVERY(GCR)		1,171,425.17	
LESS: RA		(545.38)	
BA		<u>(3,066.61)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u> </u>	
		<u>1,175,037.16</u>	

UNRECOVERED PURCHASED GAS COST ENTRY		(361,891.82)	
LESS: AA		<u>25,494.66</u>	
MONTHLY COST DIFFERENCE		(387,386.48)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(387,447.50)</u>	

ROUNDING		<u>(61.02)</u>	
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DUKE ENERGY COMPANY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: August 2010

BILL CODE	REPORTED SALES	EGC		RECONCILIATION ADJUSTMENT					ACTUAL ADJUSTMENT					BALANCE ADJUSTMENT				
		\$/MCF	\$	CURRENT (0.002)	PREVIOUS 0.000	SEC.PREV. (0.001)	THRD.PREV. 0.000	TOTAL RA	CURRENT 0.104	PREVIOUS 0.349	SEC.PREV. (0.022)	THRD.PREV. (0.298)	TOTAL AA	CURRENT (0.007)	PREVIOUS 0.001	SEC.PREV. (0.015)	THRD.PREV. 0.004	TOTAL BA
168	0.0	8.800	0.00															
019	0.0	8.191	0.00															
039	0.0	8.292	0.00															
049	0.0	7.418	0.00															
069	(7.3)	5.713	(41.70)															
079	(16.1)	5.877	(94.62)															
089	13.8	6.785	93.63															
109	1.8	6.083	10.95															
119	2.6	6.185	16.08															
129	(1.4)	6.474	(9.06)				0.00	0.00				0.42	0.42				(0.01)	(0.01)
149	(18.6)	5.200	(96.72)				0.00	0.00				5.54	5.54				(0.07)	(0.07)
159	117.8	6.497	765.35				0.00	0.00				(35.10)	(35.10)				0.47	0.47
169	(1,355.3)	6.277	(8,507.22)			1.36	0.00	1.36			29.82	403.88	433.70			20.33	(5.42)	14.91
010	(2,074.6)	6.845	(14,200.64)			2.07	0.00	2.07			45.64	618.23	663.87			31.12	(8.30)	22.82
030	(222.3)	7.184	(1,597.00)			0.22	0.00	0.22			4.89	66.25	71.14			3.33	(0.89)	2.44
040	3,466.6	6.991	24,235.00		0.00	(3.47)	0.00	(3.47)		1,209.84	(76.27)	(1,033.05)	100.52		3.47	(52.00)	13.87	(34.66)
060	(3,215.0)	6.012	(19,328.58)		0.00	3.22	0.00	3.22		(1,122.04)	70.73	958.07	(93.24)		(3.22)	48.23	(12.86)	32.15
070	(1,185.9)	5.766	(6,837.90)		0.00	1.19	0.00	1.19		(413.88)	26.09	353.40	(34.39)		(1.19)	17.79	(4.74)	11.86
080	2,166.5	6.402	13,869.93	(4.33)	0.00	(2.17)	0.00	(6.50)	225.32	756.11	(47.66)	(645.62)	288.15	(15.17)	2.17	(32.50)	8.67	(36.83)
100	(3,578.2)	6.713	(24,020.46)	7.16	0.00	3.58	0.00	10.74	(372.13)	(1,248.79)	78.72	1,066.30	(475.90)	25.05	(3.58)	53.67	(14.31)	60.83
110	183,850.7	6.447	1,185,285.46	(367.70)	0.00	(183.85)	0.00	(551.55)	19,120.47	64,163.89	(4,044.72)	(54,787.51)	24,452.13	(1,286.95)	183.85	(2,757.76)	735.40	(3,125.46)
TOTAL	177,945.1	1,149,542.50		(364.87)	0.00	(177.85)	0.00	(542.72)	18,973.66	63,345.13	(3,912.76)	(53,029.19)	25,376.84	(1,277.07)	181.50	(2,667.79)	711.81	(3,051.55)
TRANSPORTATION:																		
Customer Choice Program (GCAT):																		
029	0.0																	
059	0.0																	
099	0.0																	
139	0.0																	
179	0.0						0.00	0.00					0.00	0.00			0.00	0.00
020	0.0					0.00	0.00	0.00					0.00	0.00			0.00	0.00
050	0.0				0.00	0.00	0.00	0.00		0.00			0.00	0.00			0.00	0.00
090	885.9			(1.77)	0.00	(0.89)	0.00	(2.66)	92.13	309.18	(19.49)	(264.00)	117.82	(6.20)	0.89	(13.29)	3.54	(15.06)
FT CHOICE	885.9			(1.77)	0.00	(0.89)	0.00	(2.66)	92.13	309.18	(19.49)	(264.00)	117.82	(6.20)	0.89	(13.29)	3.54	(15.06)
		TOTAL FOR CHOICE		(366.64)	0.00	(178.74)	0.00	(545.38)	19,065.79	63,654.31	(3,932.25)	(53,293.19)	25,494.66	(1,283.27)	182.39	(2,681.08)	715.35	(3,066.61)
		TOTAL FOR GCR																
						CONTROL CK		(545.38)				CONTROL CK	25,494.66				CONTROL CK	(3,066.61)
						positive=recovered=cr 25313						positive=recovered=cr 19140					positive=recovered=cr 25313	
						negative=reduce refund=dr 25313						negative=refund=dr 19140					negative=reduce refund=dr 25313	
FT:																		
NON-P	76,859.2																	
PURCH	0.0																	
FT	76,859.2																	
IT:																		
NON-P	107,493.1																	
PURCH	0.0																	
IT	107,493.1																	
TOTAL	363,183.3																	
ADJUSTED EGC	6.460																	

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

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