

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                          |   |                     |
|--------------------------|---|---------------------|
| PURCHASED GAS ADJUSTMENT | ) |                     |
| FILING OF DUKE ENERGY    | ) | CASE NO. 2011-00270 |
| KENTUCKY, INC.           | ) |                     |

O R D E R

On December 29, 2009, in Case No. 2009-00202,<sup>1</sup> the Commission approved rates for Duke Energy Kentucky, Inc. ("Duke") and provided for their further adjustment in accordance with Duke's Gas Cost Adjustment ("GCA") clause.

On July 13, 2011, Duke filed its GCA to be effective August 2, 2011.

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.
2. Duke's Expected Gas Cost ("EGC") is \$6.041 per Mcf, which is a decrease of \$.302 per Mcf from its previous EGC of \$6.343 per Mcf.
3. Duke's notice sets out its current quarter Refund Adjustment ("RA") of (\$.001) per Mcf. Duke's total RA is (\$.004) per Mcf, which represents no change from its previous total RA.

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<sup>1</sup> Case No. 2009-00202, Application of Duke Energy Kentucky, Inc. for an Adjustment of Rates (Ky. PSC Dec. 29, 2009).

4. Duke's notice sets out its current quarter Actual Adjustment ("AA") of (\$.038) per Mcf. Duke's total AA is (\$.103) per Mcf, which represents no change from its previous total AA.

5. Duke's notice sets out a current quarter Balancing Adjustment ("BA") of \$.011 per Mcf. Duke's total BA of \$.006 per Mcf represents no change from its previous total BA.

6. Duke's Gas Cost Recovery ("GCR") rate is \$5.940 per Mcf, which is a decrease of \$.302 per Mcf from its previous GCR of \$6.242 per Mcf.

7. The rates as proposed by Duke and set forth in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Duke on and after August 2, 2011.

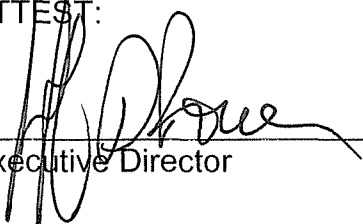
IT IS THEREFORE ORDERED that:

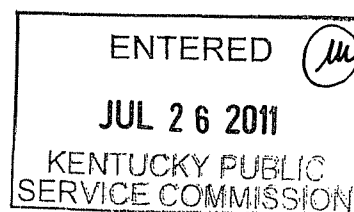
1. The rates proposed by Duke and set forth in the Appendix to this Order are approved for final meter readings on and after August 2, 2011.

2. Within 20 days of the date of this Order, Duke shall file its revised tariffs with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ATTEST:

  
Executive Director



APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2011-00270 DATED JUL 26 2011

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<br/>Rate</u> |      | <u>Gas Cost<br/>Adjustment</u> | <u>Total<br/>Rate</u> |
|--|----------------------|------|--------------------------------|-----------------------|
| Commodity Charge for<br>All Ccf Consumed | \$ .37213            | plus | \$ .5940                       | \$ .96613             |

RATE GS  
GENERAL SERVICE

|  | <u>Base<br/>Rate</u> |  | <u>Gas Cost<br/>Adjustment</u> | <u>Total<br/>Rate</u> |
|--|----------------------|--|--------------------------------|-----------------------|
| Commodity Charge for<br>All Ccf Consumed | \$ .20530            |  | \$ .5940                       | \$ .7993              |

RIDER GCAT  
GAS COST ADJUSTMENT TRANSITION RIDER

The amount of this charge or (credit) shall be (\$.0101) per 100 cubic feet. This rate shall be in effect during the months of June 2011 through August 2011 and shall be updated quarterly, concurrent with the Company's GCA filings.

John Linton  
Duke Energy Kentucky, Inc.  
139 East 4th Street, R. 25 At II  
P. O. Box 960  
Cincinnati, OH 45201