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John J. Finnigan, Jr.  
Associate General Counsel

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**VIA OVERNIGHT MAIL**

November 6, 2006

Ms. Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

Re: In the Matter of an Adjustment of the Electric Rates of The Union Light, Heat and Power Company d/b/a Duke Energy Kentucky, Inc.  
Case No. 2006-00172

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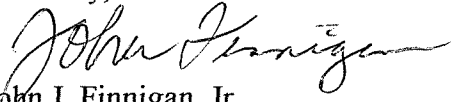
Dear Ms. O'Donnell:

I have enclosed the following reports containing rate design proof of revenue in the above-referenced case:

1. Revenue Proof with Weather – Contains a Schedule A and a Schedule B. Schedule A develops the total weather normalized revenue by summing Attachment 1 from the Settlement Agreement with the 25-year weather normal adjustment (Schedule B) previously provided in discovery as Attachment KyPSC-DR-02-37 b & c, page 1 of 2.
2. Schedule M – Contains Schedule C, which confirms that the rate design and billing determinant revenue produces the total revenues per Schedule A.
3. Schedule M-2.1 and M-2.2 Detailed – Contains the detailed computation, by tariff, which equates to the targeted revenue per Schedules A and C.

If you have questions or comments regarding this filing, please feel free to contact me.

Sincerely,

  
John J. Finnigan, Jr.  
Associate General Counsel

JJF/sew

cc: Hon. Dennis G. Howard (w/encl.)  
Hon Elizabeth E. Blackford (w/encl.)  
Hon. David G. Boehm (w/encl.)  
Hon. Michael L. Kurtz (w/encl.)  
Hon. Richard G. Raff (w/encl.)

DUKE ENERGY KENTUCKY

Schedule A

COMPUTATION OF PRESENT AND PROPOSED REVENUE BY RATE CLASS

Line No.	Rate Class	Present Revenues			Settlement Rate Increase			Proposed		Weather Adjustment			Rate Design Revenues		
		Present Revenues Excl Fuel (A)	Present Fuel Revenues (B)	Total Present Revenues (C)	Base Revenue Increase Excl Fuel (D)	Incremental Fuel Revenue (E)	Total Rate Increase (F)	Total Revenues Including Fuel (G)	Base Revenue Excluding Fuel (H)	Fuel Revenue (I)	Total Revenues Including Fuel (J)	Base Revenue Excluding Fuel (K)	Fuel Revenue (L)	Total Revenues Including Fuel (M)	
1	Rate RS	\$ 72,578,521	\$ 25,060,564	\$ 97,639,085	\$ 12,206,102	7,644,032	\$ 19,850,134	\$ 117,489,219	\$ 444,084	\$ 244,100	\$ 688,184	\$ 85,228,707	\$ 32,948,696	\$ 118,177,403	
2	Rate DS	49,552,855	17,156,528	66,709,383	8,333,695	5,233,124	13,566,819	80,276,202	91,548	47,519	139,067	57,978,098	22,437,171	80,415,269	
3	Rate DS-RTP	70,100	-	70,100	11,789	-	11,789	81,889	(64)	-	(64)	81,825	-	81,825	
4	Rate GS-FL	368,904	103,007	471,911	62,042	31,420	93,462	566,573	649	259	908	431,595	134,686	566,281	
5	Rate EH	462,097	232,404	694,501	77,715	70,889	148,604	843,105	(139)	(108)	(247)	539,673	303,185	842,858	
6	Rate SP	28,457	6,660	35,117	4,786	2,031	6,817	41,934	(62)	(22)	(84)	33,181	8,669	41,850	
7	Rate DT - Secondary	26,367,930	12,010,526	38,378,456	4,434,503	3,663,479	8,097,982	46,476,438	139,197	96,191	235,388	30,941,630	15,770,196	46,711,826	
8	Rate DT RTP-Sec.	343,715	-	343,715	57,805	-	57,805	401,520	(45,131)	-	(45,131)	356,389	-	356,389	
9	Rate DT-Primary	12,697,785	7,164,536	19,862,321	2,135,487	2,185,344	4,320,831	24,183,152	(67,670)	(60,434)	(128,104)	14,765,602	9,289,446	24,055,048	
10	Rate DT RTP-Primary	782,491	-	782,491	131,598	-	131,598	914,089	43,788	-	43,788	957,877	-	957,877	
11	Rate DP	1,200,928	563,874	1,764,802	201,970	171,994	373,964	2,138,766	1,639	1,189	2,828	1,404,537	737,057	2,141,594	
12	Rate TT	5,550,040	2,984,912	8,534,952	933,394	910,465	1,843,859	10,378,811	3,964	4,237	8,201	6,487,398	3,899,614	10,387,012	
13	Rate TT-RTP	404,272	-	404,272	67,990	-	67,990	472,262	313	-	313	472,575	-	472,575	
14	Lighting	1,781,255	412,957	2,194,212	299,568	125,961	425,529	2,619,741	(505)	454	(51)	2,080,318	539,372	2,619,690	
15	Other	7,074	5,334	12,408	1,190	1,627	2,817	15,225	-	-	-	8,264	6,961	15,225	
16	Total Electric Sales	\$ 172,196,424	\$ 65,701,302	\$ 237,897,726	\$ 28,959,634	\$ 20,040,366	\$ 49,000,000	\$ 286,897,726	\$ 611,611	\$ 333,385	\$ 944,996	\$ 201,767,669	\$ 86,075,053	\$ 287,842,722	
17	Other Operating Revenues			1,978,260				3,232,930						3,232,930	
18	Total Revenue			\$ 239,875,986				\$ 290,130,656						\$ 291,075,652	
19	Electric kWh Sales (Note)			3,966,033,000			4,006,495,000	3,966,033,000			4,006,495,000			4,021,971,000	
20	Fuel Rate			\$ 0,016566			\$ 0,005053	\$ 0,021619			\$ 0,021619			\$ 0,021619	

Note: Fuel Revenues and Electric Sales subject to fuel revenues exclude RTP.

**DUKE ENERGY KENTUCKY**  
**CASE NO. 2006-00172**

**COMPARATIVE ANALYSIS OF FORECASTED TEST YEAR REVENUES AND INCREMENTAL CHANGE FUEL EXPENSE**  
**BASED ON ALTERNATIVE WEATHER NORMAL ENERGY FORECASTS REQUESTED BY STAFF**

LINE NO.	RATE CLASSIFICATION (A)	2005 10 yr Weather DR-02-036b2		TOTAL DIFFERENCE PRESENT REVENUE (D) (C - B)	25 Yr Weather DR-02-036b3	
		PRESENT REVENUE AT PRESENT RATES (1) (B)	PRESENT REVENUE AT PRESENT RATES (2) (C)		PRESENT REVENUE AT PRESENT RATES (3) (E)	TOTAL DIFFERENCE PRESENT REVENUE (F) (E - B)
1	RESIDENTIAL SERVICE (RS)	\$ 97,639,085	\$ 97,488,236	\$ (150,849)	\$ 98,327,269	\$ 688,184
2	TOTAL RESIDENTIAL	\$ 97,639,085	\$ 97,488,236	\$ (150,849)	\$ 98,327,269	\$ 688,184
3	DISTRIBUTION SERVICE (DS)	\$ 66,567,292	\$ 66,546,226	\$ (21,066)	\$ 66,706,359	\$ 139,067
4	DT PRIMARY TIME OF DAY (DT-PRI)	\$ 19,862,321	\$ 19,705,612	\$ (156,709)	\$ 19,734,217	\$ (128,104)
5	DT SECONDARY TIME OF DAY (DT-SEC)	\$ 38,378,456	\$ 38,555,436	\$ 176,980	\$ 38,613,843	\$ 235,387
6	ELEC SPACE HEATING (EH)	\$ 694,501	\$ 693,717	\$ (784)	\$ 694,255	\$ (246)
7	SPORTS SERVICE (SP)	\$ 35,117	\$ 35,117	\$ -	\$ 35,033	\$ (84)
8	SMALL FIXED LOADS (GSFL)	\$ 471,911	\$ 471,607	\$ (304)	\$ 472,819	\$ 908
9	PRIMARY VOLTAGE (DP)	\$ 1,764,802	\$ 1,764,753	\$ (49)	\$ 1,767,630	\$ 2,828
10	TOTAL DISTRIBUTION	\$ 127,774,400	\$ 127,772,468	\$ (1,932)	\$ 128,024,156	\$ 249,756
11	TIME OF DAY (TT)	\$ 8,534,952	\$ 8,535,469	\$ 517	\$ 8,543,153	\$ 8,201
12	TOTAL TRANSMISSION	\$ 8,534,952	\$ 8,535,469	\$ 517	\$ 8,543,153	\$ 8,201
13	DT PRIMARY-REAL TIME PRICING (DT-RTP PRI)	\$ 782,491	\$ 825,062	\$ 42,571	\$ 826,279	\$ 43,788
14	DT SECONDARY-REAL TIME PRICING (DP-RTP SEC)	\$ 343,715	\$ 298,121	\$ (45,594)	\$ 298,584	\$ (45,131)
15	DS-REAL TIME PRICING (DS-RTP)	\$ 70,100	\$ 70,036	\$ (64)	\$ 70,036	\$ (64)
16	TT-REAL TIME PRICING (TT-RTP)	\$ 404,272	\$ 404,376	\$ 104	\$ 404,585	\$ 313
17	TOTAL REAL TIME PRICING	\$ 1,600,578	\$ 1,597,595	\$ (2,983)	\$ 1,599,484	\$ (1,094)
18	STREET LIGHTING (SL)	\$ 1,164,518	\$ 1,164,518	\$ -	\$ 1,164,518	\$ -
19	TRAFFIC LIGHTING (TL)	\$ 262,097	\$ 262,097	\$ -	\$ 262,097	\$ -
20	UNMTRD OUTDR LIGHT (UOLS)	\$ 362	\$ 362	\$ -	\$ 362	\$ -
21	OUTDOOR LIGHT SERV (OL)	\$ 521,455	\$ 521,462	\$ 7	\$ 521,413	\$ (42)
22	NON STD STREET LIGHT (NSU)	\$ 53,753	\$ 53,753	\$ -	\$ 53,753	\$ -
23	NON STD POL'S (NSP)	\$ 44,730	\$ 44,727	\$ (3)	\$ 44,722	\$ (8)
24	S L - CUST OWNED (SC)	\$ 3,250	\$ 3,250	\$ -	\$ 3,250	\$ -
25	S L - OVRHD EQUIV (SE)	\$ 144,046	\$ 144,045	\$ (1)	\$ 144,046	\$ -
26	TOTAL LIGHTING	\$ 2,194,211	\$ 2,194,214	\$ 3	\$ 2,194,161	\$ (50)
27	TOTAL RETAIL REVENUE	\$ 237,743,226	\$ 237,587,982	\$ (155,244)	\$ 238,688,223	\$ 944,997
28	OTHER	\$ 12,408	\$ 12,369	\$ (39)	\$ 12,408	\$ -
29	TOTAL	\$ 237,755,634	\$ 237,600,351	\$ (155,283)	\$ 238,700,631	\$ 944,997
PERCENTAGE CHANGE IN PRESENT REVENUE				-0.065%	0.397%	
RETAIL SALES VOLUMES		4,006,495,000	4,003,608,000	(2,887,000)	4,021,971,000	15,476,000
				-0.072%	0.386%	
ESTIMATED CHANGE IN FUEL COST (CHANGE IN SALES * INCR INCREASE FUEL) (4)				\$ (14,588)	\$ 78,200	
ESTIMATED NET CHANGE IN REVENUE REQUIREMENT				\$ (140,695)	\$ 866,797	

(1) As Filed  
(2) 10 Year Average Normalized Period 1996 - 2005  
(3) 25 Year Average Normalized Period of 1981 - 2005  
(4) Proposed Incremental Increase in Fuel  
Current Base Fuel Cost Rate 0.019091 \$ / kWh  
Current Incremental Fuel Adjustment Clause Rate -0.002525 \$ / kWh  
Current Total Fuel Costs in Rates 0.016566 \$ / kWh  
Proposed Base Rate Fuel Cost 0.021619 \$ / kWh  
Incremental Increase in Base Fuel Cost 0.005053 \$ / kWh

DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
REVENUES AT PRESENT AND SETTLEMENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

DATA: \_\_\_ BASE PERIOD  X  FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S).:  
25 Year Average Normalized Period of 1981 - 2005

SCHEDULE M  
PAGE 1 OF 1  
WITNESS:  
JEFFREY R. BAILEY  
WITH FUEL ADJUSTMENT CLAUSE

LINE NO.	RATE CLASSIFICATION (A)	REVENUE AT PRESENT RATES (B)	REVENUE AT PROPOSED RATES (C)	REVENUE CHANGE (AMOUNT) (D=C-B)	% OF REVENUE CHANGE (E=D / B)
1	RESIDENTIAL SERVICE (RS)	98,327,269	118,177,684	19,850,415	20.19%
2	TOTAL RESIDENTIAL	98,327,269	118,177,684	19,850,415	20.19%
3	DISTRIBUTION SERVICE (DS)	66,706,359	80,253,989	13,547,630	20.31%
4	DT PRIMARY TIME OF DAY (DT-PRI)	19,734,217	23,563,723	3,829,506	19.41%
5	DT SECONDARY TIME OF DAY (DT-SEC)	38,613,843	47,362,559	8,748,716	22.66%
6	ELEC SPACE HEATING (EH)	694,255	842,852	148,597	21.40%
7	SPORTS SERVICE (SP)	35,033	41,850	6,817	19.46%
8	SMALL FIXED LOADS (GSFL)	472,819	566,281	93,462	19.77%
9	PRIMARY VOLTAGE (DP)	1,767,630	2,141,593	373,963	21.16%
10	TOTAL DISTRIBUTION	128,024,156	154,772,847	26,748,691	20.89%
11	TIME OF DAY (TT)	8,543,153	10,449,478	1,906,325	22.31%
12	TOTAL TRANSMISSION	8,543,153	10,449,478	1,906,325	22.31%
13	DT PRIMARY-REAL TIME PRICING (DT-RTP PRI)	826,279	846,430	20,151	2.44%
14	DT SECONDARY-REAL TIME PRICING (DT-RTP SEC)	298,584	308,132	9,548	3.20%
15	DS-REAL TIME PRICING (DS-RTP)	70,036	72,482	2,446	3.49%
16	TT-REAL TIME PRICING (TT-RTP)	404,585	410,073	5,488	1.36%
17	TOTAL REAL TIME PRICING	1,599,484	1,637,117	37,633	2.35%
18	STREET LIGHTING (SL)	1,164,518	1,378,320	213,802	18.36%
19	TRAFFIC LIGHTING (TL)	262,097	322,734	60,637	23.14%
20	UNMTRD OUTDR LIGHT (UOLS)	362	458	96	26.52%
21	OUTDOOR LIGHT SERV (OL)	521,413	624,563	103,150	19.78%
22	NON STD STREET LIGHT (NSU)	53,753	64,149	10,396	19.34%
23	NON STD POL'S (NSP)	44,722	53,131	8,409	18.80%
24	S L - CUST OWNED (SC)	3,250	4,105	855	26.31%
25	S L - OVRHD EQUIV (SE)	144,046	172,230	28,184	19.57%
26	TOTAL LIGHTING	2,194,161	2,619,690	425,529	19.39%
27	INTERDEPARTMENTAL	142,091	170,619	28,528	20.08%
28	SPECIAL CONTRACTS	12,408	15,225	2,817	22.70%
29	TOTAL RETAIL REVENUE	238,842,722	287,842,660	48,999,938	20.52%
30	INTERRUPTIBLE DEMAND CR	(58,320)	(58,320)	0	0.00%
31	BAD CHECK CHARGES	11,012	18,042	7,030	63.84%
32	RECONNECTION CHGS	57,413	202,875	145,462	253.36%
33	RENTS	1,505,049	2,151,476	646,427	42.95%
34	OTHER MISC	463,106	918,857	455,751	98.41%
35	TOTAL MISC	1,978,260	3,232,930	1,254,670	63.42%
36	TOTAL REVENUE	240,820,982	291,075,590	50,254,608	20.87%

DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
FORECAST PERIOD REVENUES AT AVERAGE RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: X ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
25 Year Average Normalized Period of 1981 - 2005

FORECAST PERIOD ACTUAL

SCHEDULE M-2.1  
PAGE 1 OF 1  
WITNESS:  
JEFFREY R. BAILEY

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	BASE PERIOD REVENUE LESS FUEL COST REVENUE (E)	AVERAGE RATE (F=E/D)	% OF REV TO TOTAL EXCLUSIVE OF FUEL COST (G)	FUEL COST REVENUE (H)	BASE PERIOD REVENUE TOTAL (I)	% OF REV TO TOTAL (J)
				(KWH)	(\$)	\$/KWH	(%)	(\$)	(\$)	(%)
1	RS	RESIDENTIAL SERV	1,457,429	1,524,062,000	102,175,525	6.70	40.62	(3,848,257)	98,327,269	40.83
2	DS	DISTRIBUTION SERV	147,481	1,035,731,000	69,321,579	6.69	27.56	(2,615,221)	66,706,359	27.70
3	DT-PRI	TIME OF DAY	427	429,689,000	20,819,182	4.85	8.28	(1,084,965)	19,734,217	8.19
4	DT-SEC	TIME OF DAY	2,258	729,460,000	40,455,731	5.55	16.08	(1,841,887)	38,613,844	16.03
5	EH	ELEC SPACE HEATING	863	14,024,000	729,666	5.20	0.29	(35,411)	694,255	0.29
6	SP	SPORTS SERV	320	401,000	36,046	8.99	0.01	(1,013)	35,033	0.01
7	GSFL	SMALL FIXED LOADS	10,358	6,230,000	488,550	7.84	0.19	(15,731)	472,819	0.20
8	DP	PRIMARY VOLTAGE	151	34,093,000	1,853,715	5.44	0.74	(86,085)	1,767,630	0.73
9	TT	TIME OF DAY	162	180,379,000	8,998,610	4.99	3.58	(455,457)	8,543,153	3.55
10	DT-RTP PRI	REAL TIME PRICING	12	21,016,000	1,174,430	5.59	0.47	(348,151)	826,279	0.34
11	DT-RTP SEC	REAL TIME PRICING	24	6,988,000	414,347	5.93	0.16	(115,763)	298,584	0.12
12	DS-RTP	REAL TIME PRICING	36	11,509,000	86,668	8.63	0.03	(16,632)	70,036	0.03
13	TT-RTP	REAL TIME PRICING	24	11,420,000	595,243	5.17	0.24	(190,658)	404,585	0.17
14	SL	STREET LIGHTING	142,529	6,033,000	1,193,353	10.45	0.47	(28,835)	1,164,518	0.48
15	TL	TRAFFIC LIGHTING	88,620	13,000	277,330	4.60	0.11	(15,233)	262,097	0.11
16	ULS	UNMTRD OUTDR LIGHT	110	13,000	395	3.04	0.01	(33)	362	-
17	OL	OUTDOOR LIGHT SERV	51,832	5,258,000	534,689	10.17	0.21	(13,276)	521,413	0.22
18	NSU	NON STD STREET LIGHT	8,739	450,000	54,889	12.20	0.02	(1,136)	53,753	0.02
19	NSP	NON STD POL'S	5,189	293,000	45,462	15.52	0.02	(740)	44,722	0.02
20	SC	S.L. - CUST OWNED	2,224	114,000	3,538	3.10	-	(288)	3,250	-
21	SE	S.L. - OVR HD EQUIV	22,773	1,368,000	147,498	10.78	0.06	(3,454)	144,046	0.06
22	ID01	INTERDEPARTMENTAL	12	2,114,000	147,429	6.97	0.06	(5,338)	142,091	0.06
23	IS	INTERRUPTIBLE DEMAND CR	0	0	(58,320)	-	(0.02)	0	(58,320)	(0.02)
24	IS	BAD CHECK CHARGES	0	0	11,012	-	0.01	0	11,012	0.01
25	IS	RECONNECTION CHGS	0	0	57,413	-	0.02	0	57,413	0.02
26	WS	RENTS	0	0	1,505,049	-	0.60	0	1,505,049	0.62
27	WS	SPECIAL CONTRACTS	126	322,000	13,221	4.11	0.01	(813)	12,408	0.01
28	WS	OTHER MISC	0	0	463,106	-	0.18	0	463,106	0.18
29	TOTAL		1,941,699	4,021,971,000	251,545,356	6.25	100.01	(10,724,377)	240,820,983	99.97

NOTE: DETAIL CONTAINED ON SCHEDULES M-2.2 AND M-2.3.

DUKE ENERGY KENTUCKY  
CASE NO. 2008-00172  
ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

SCHEDULE M-2.2  
PAGE 1 OF 21  
WITNESS:  
JEFFREY R. BAILEY

DATA: \_\_\_ BASE PERIOD \_\_\_ X FORECASTED PERIOD  
TYPE OF FILING: X ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
25 Year Average Normalized Period of 1981 - 2005

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE (K)	FUEL COST (L)	% OF REV TO FUEL COST (M)	INCR/LESS (N)	FUEL COST REV (O)	% INCR/LESS (P)	CURRENT TOTAL REVENUE (K+H)	TOTAL REVENUE (K+I)	% INCREASE (Q)
1	RS	RESIDENTIAL SERV	1,457,429	1,524,082,000	6.70	102,175,525	100.00	16,002.159	15.7	(3,848,257)	15.7	98,327,269	98,327,269	16.3
2	TOTAL	RESIDENTIAL	1,457,429	1,524,082,000	6.70	102,175,525	40.62	16,002.159	15.7	(3,848,257)	15.7	98,327,269	98,327,269	16.3
3	DS	DISTRIBUTION SERV	147,481	1,035,731,000	6.69	69,321,579	51.85	10,932.410	15.8	(2,615,221)	15.8	66,706,359	66,706,359	16.4
4	DT-PRI	TIME OF DAY	427	429,689,000	4.85	20,819,182	15.57	(2,455,587)	(11.8)	(1,094,965)	(11.8)	19,734,217	19,734,217	(12.4)
5	DT-SEC	TIME OF DAY	2,258	729,480,000	5.55	40,455,731	30.26	(1,929,821)	(4.8)	(1,841,987)	(4.8)	38,613,843	38,613,843	(5.0)
6	EH	ELEC SPACE HEATING	863	14,024,000	5.20	729,666	0.55	113,186	15.5	(35,411)	15.5	694,255	694,255	16.3
7	SP	SPORTS SERV	320	401,000	8.99	36,046	0.03	5,804	16.1	(1,013)	16.1	35,033	35,033	16.6
8	GSFL	SMALL FIXED LOADS	10,356	6,230,000	7.84	488,550	0.37	77,731	15.9	(15,731)	15.9	472,819	472,819	16.4
9	DP	PRIMARY VOLTAGE	151	34,093,000	5.44	1,853,715	1.38	287,878	15.5	(66,085)	15.5	1,787,630	1,787,630	16.3
10	TOTAL	DISTRIBUTION	161,858	2,248,628,000	5.94	133,704,469	53.15	7,031,601	5.3	(3,680,313)	5.3	128,024,156	128,024,156	5.5
11	TT	TIME OF DAY	162	180,379,000	4.99	8,998,610	100.00	1,450,868	16.1	(455,457)	16.1	8,543,153	8,543,153	17.0
12	TOTAL	TRANSMISSION	162	180,379,000	4.99	8,998,610	3.58	1,450,868	16.1	(455,457)	16.1	8,543,153	8,543,153	17.0
13	DT-RTP PRI	REAL TIME PRICING	12	21,016,000	5.59	1,174,430	51.72	20,151	1.7	(348,151)	1.7	826,279	826,279	3.2
14	DT-RTP SEC	REAL TIME PRICING	24	6,988,000	5.93	414,347	18.25	9,548	2.3	(115,763)	2.3	296,584	296,584	3.2
15	DS-RTP	REAL TIME PRICING	36	1,004,000	8.63	86,668	3.82	2,446	2.8	(16,632)	2.8	70,036	70,036	3.5
16	TT-RTP	REAL TIME PRICING	24	11,509,000	5.17	595,243	26.22	3,488	0.9	(190,658)	0.9	404,585	404,585	1.4
17	TOTAL	REAL TIME PRICING	96	40,517,000	5.60	2,270,688	0.90	37,633	1.7	(677,204)	1.7	1,598,484	1,598,484	2.4
18	SL	STREET LIGHTING	142,529	11,420,000	10.45	1,193,353	52.87	184,967	15.5	(28,835)	15.5	1,164,518	1,164,518	15.9
19	TL	TRAFFIC LIGHTING	88,620	6,033,000	4.60	277,330	12.29	45,404	16.4	(15,233)	16.4	262,097	262,097	17.3
20	UOLS	UNMTRD OUTDR LIGHT	110	13,000	3.04	395	0.02	63	15.9	(33)	15.9	362	362	17.2
21	OL	OUTDOOR LIGHT SERV	51,832	5,258,000	10.17	534,689	23.69	89,874	16.8	(13,276)	16.8	521,413	521,413	17.2
22	NSU	NON STD STREET LIGHT	8,739	450,000	12.20	54,989	2.43	9,260	16.9	(1,136)	16.9	53,753	53,753	17.1
23	NSP	NON STD POL.S	5,189	293,000	15.52	45,462	2.01	7,669	16.9	(740)	16.9	44,722	44,722	17.1
24	SC	S.L. - CUST OWNED	2,224	114,000	3.10	3,538	0.16	567	16.0	(288)	16.0	3,250	3,250	17.4
25	SE	S.L. - OVR HD EQUIV	22,773	1,368,000	10.78	147,498	6.53	24,732	16.8	(3,454)	16.8	144,046	144,046	17.2
26	TOTAL	LIGHTING	322,076	24,949,000	9.05	2,257,154	0.90	362,536	16.1	(62,995)	16.1	2,194,157	2,194,157	16.5
27	ID01	INTERDEPARTMENTAL	12	2,114,000	6.97	147,429	6.90	23,190	15.7	(5,338)	15.7	142,091	142,091	16.3
28	IS	INTERRUPTIBLE DEMAND CR	0	0	-	(58,320)	(2.73)	0	0.0	(58,320)	0.0	0	0	0.0
29		BAD CHECK CHARGES	0	0	0	11,012	0.51	7,030	63.8	0	63.8	11,012	11,012	63.8
30		RECONNECTION CHGS	0	0	0	57,413	2.66	145,462	253.4	0	253.4	145,462	145,462	253.4
31	WS	RENTS	0	0	4.11	1,505,049	70.37	646,427	43.0	0	43.0	1,505,049	1,505,049	43.0
32		SPECIAL CONTRACTS	126	322,000	-	13,221	0.62	2,004	15.2	(813)	15.2	12,408	12,408	16.2
33		OTHER MISC	138	2,436,000	87.80	463,106	21.65	455,751	98.4	0	98.4	463,106	463,106	98.4
34	TOTAL	MISC	138	2,436,000	87.80	2,138,910	0.85	1,279,864	59.8	(6,151)	59.8	2,132,759	2,132,759	60.0
35	TOTAL		1,941,699	4,021,971,000	6.25	251,545,356	100.00	26,164,661	10.4	(10,724,377)	10.4	240,820,982	240,820,982	10.9

NOTE: DETAIL CONTAINED ON SCHEDULES M-2.2 PAGES 2 THROUGH 21.

DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
25 Year Average Normalized Period of 1981 - 2005

PROPOSED ANNUALIZED

SCHEDULE M-2.3  
PAGE 1 OF 21  
WITNESS:  
JEFFREY R. BAILEY

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (KWH) (D)	PROPOSED RATES (\$/KWH) (E)	PROPOSED REVENUE LESS FUEL COST (F)		% OF REV TO TOTAL LESS FUEL COST (G)		PROPOSED TOTAL REVENUE (F + H) (I)	
						REVENUE	FUEL COST	REVENUE	FUEL COST	REVENUE	FUEL COST
1	RS	RESIDENTIAL SERV	1,457,429	1,524,062,000	7.75	118,177,684	0	100.00	0	0	118,177,684
2	TOTAL RESIDENTIAL		1,457,429	1,524,062,000	7.75	118,177,684	0	40.57	0	0	118,177,684
3	DS	DISTRIBUTION SERV	147,481	1,036,731,000	7.75	80,253,989	0	51.85	0	0	80,253,989
4	DT-PRI	TIME OF DAY	427	429,689,000	5.48	23,563,723	0	15.22	0	0	23,563,723
5	DT-SEC	TIME OF DAY	2,256	729,460,000	6.49	47,362,559	0	30.60	0	0	47,362,559
6	EH	ELEC SPACE HEATING	863	14,024,000	6.01	842,862	0	0.54	0	0	842,862
7	SP	SPORTS SERV	320	401,000	10.44	41,850	0	0.03	0	0	41,850
8	GSFL	SMALL FIXED LOADS	10,356	6,230,000	9.09	566,281	0	0.37	0	0	566,281
9	DP	PRIMARY VOLTAGE	151	34,093,000	6.28	2,141,593	0	1.37	0	0	2,141,593
10	TOTAL DISTRIBUTION		161,858	2,249,628,000	6.88	154,772,847	0	53.05	0	0	154,772,847
11	TT	TIME OF DAY	162	180,379,000	5.79	10,449,478	0	100.00	0	0	10,449,478
12	TOTAL TRANSMISSION		162	180,379,000	5.79	10,449,478	0	3.58	0	0	10,449,478
13	DT-RTP PRI	REAL TIME PRICING	12	21,016,000	5.68	1,194,581	(348,151)	51.75	18.36	846,430	(348,151)
14	DT-RTP SEC	REAL TIME PRICING	24	6,988,000	6.07	423,895	(115,763)	3.86	18.36	308,132	(115,763)
15	DS-RTP	REAL TIME PRICING	36	1,004,000	8.88	89,114	(16,632)	26.02	72.482	410,073	(16,632)
16	DT-RTP	REAL TIME PRICING	24	11,509,000	5.22	600,731	(671,204)	0.79	410.073	1,637,117	(671,204)
17	TOTAL REAL TIME PRICING		96	40,517,000	5.70	2,308,321	(671,204)	0.79	1,637,117	1,637,117	(671,204)
18	SL	STREET LIGHTING	142,529	11,420,000	12.07	1,378,320	0	52.61	0	0	1,378,320
19	TL	TRAFFIC LIGHTING	88,620	6,033,000	5.35	322,734	0	12.32	0	0	322,734
20	UOLS	UNMTRD OUTDR LIGHT	110	13,000	3.52	458	0	0.02	0	0	458
21	OL	OUTDOOR LIGHT SERV	51,832	5,258,000	11.88	624,563	0	23.84	0	0	624,563
22	NSU	NON STD STREET LIGHT	8,739	450,000	14.26	64,149	0	2.45	0	0	64,149
23	NSP	NON STD POL'S	5,189	293,000	18.13	53,131	0	2.03	0	0	53,131
24	SC	S L - CUST OWNED	2,224	114,000	3.60	4,105	0	0.16	0	0	4,105
25	SE	S L - OVR HD EQUIV	22,773	1,368,000	12.59	172,230	0	6.56	0	0	172,230
26	TOTAL LIGHTING		322,076	24,949,000	10.50	2,619,690	0	0.90	0	0	2,619,690
27	ID01	INTERDEPARTMENTAL	12	2,114,000	8.07	170,619	0	4.99	0	0	170,619
28	IS	INTERRUPTIBLE DEMAND CR	0	0	-	(58,320)	(1.71)	0	0	0	(58,320)
29		BAD CHECK CHARGES	0	0	-	18,042	0.53	0	0	0	18,042
30		RECONNECTION CHGS	0	0	-	202,875	5.93	0	0	0	202,875
31		RENTS	0	0	-	2,151,476	62.93	0	0	0	2,151,476
32	WS	SPECIAL CONTRACTS	126	322,000	4.73	15,225	0	0.45	0	0	15,225
33		OTHER MISC	0	0	-	918,857	26.88	0	0	0	918,857
34	TOTAL MISC		138	2,436,000	140.34	3,418,774	1.17	0	0	0	3,418,774
35	TOTAL		1,941,699	4,021,971,000	7.25	291,746,794	100.00	(671,204)	0	0	291,075,590

(1) DETAIL CONTAINED ON SCHEDULES M-2.3 PAGES 2 THROUGH 21.



DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X FORECASTED PERIOD  
TYPE OF FILING: \_\_\_X\_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
25 Year Average Normalized Period of 1981 - 2005

SCHEDULE M-2.3  
PAGE 2 OF 21  
WITNESS:  
JEFFREY R. BAILEY

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED		% OF REV TO		PROPOSED	
						REVENUE LESS FUEL COST REVENUE (F)	TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	TOTAL REVENUE (F + H) (I)		
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)	(\$)	
1	RS	RESIDENTIAL									
2	SUMMER:										
3	CUSTOMER CHARGE:		485,805		\$4.50	2,186,123	1.8			2,186,123	
4	BILLS										
5	ENERGY CHARGE (3):										
6	FIRST 1000 KWH			385,593,314	\$0.073238	28,240,083	23.9	0		28,240,083	
7	ADDITIONAL KWH			198,869,223	\$0.073238	14,564,784	12.3	0		14,564,784	
8	TOTAL			584,462,537		42,804,867	36.2	0		42,804,867	
9	TOTAL SUMMER		485,805	584,462,537		44,990,990	38.1	0		44,990,990	
10	WINTER:										
11	CUSTOMER CHARGE:		971,624		\$4.50	4,372,308	3.7			4,372,308	
12	BILLS										
13	ENERGY CHARGE (3):										
14	FIRST 1000 KWH			680,908,939	\$0.073238	49,868,409	42.2	0		49,868,409	
15	ADDITIONAL KWH			258,690,524	\$0.073238	18,945,977	16.0	0		18,945,977	
16	TOTAL			939,599,463		68,814,386	58.2	0		68,814,386	
17	TOTAL WINTER		971,624	939,599,463		73,186,694	61.9	0		73,186,694	
18	TOTAL RATE RS		1,457,429	1,524,062,000		118,177,684	100.0	0		118,177,684	

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.  
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
WORK PAPER REFERENCE NO(S):  
25 Year Average Normalized Period of 1981 - 2005

PROPOSED ANNUALIZED

SCHEDULE M-2.3  
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WITNESS:  
JEFFREY R. BAILEY

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
(A)	(B)	(C)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
				(KWH/KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1 DS		SERVICE AT SECONDARY DISTRIBUTION VOLTAGE							
2									
3		CUSTOMER CHARGE:							
4		LOAD MANAGEMENT RIDER	1,420		\$100.00	142,000	0.2		142,000
5		SINGLE PHASE	84,787		\$7.50	635,903	0.8		635,903
6		THREE PHASE	61,274		\$15.00	919,110	1.0		919,110
7		TOTAL CUSTOMER CHARGE	147,481			1,697,013	2.1		1,697,013
8		DEMAND CHARGE:							
9		FIRST 15 KW		1,392,644	\$0.00	0	0.0		0
10		ADDITIONAL KW		2,335,988	\$7.75	18,103,907	22.6		18,103,907
11		TOTAL DEMAND		3,728,632		18,103,907	22.6		18,103,907
12		ENERGY CHARGE (3):							
13		FIRST 6000 KWH		362,609,423	\$0.079427	28,800,979	35.9		28,800,979
14		NEXT 300KWH/KW		569,755,623	\$0.047901	27,291,864	34.0		27,291,864
15		ADDITIONAL KWH		100,983,773	\$0.038825	3,920,695	4.9		3,920,695
16		NON-CHURCH "CAP" RATE		1,242,877	\$0.229043	284,672	0.4		284,672
17		CHURCH CAP RATE		1,139,304	\$0.135924	154,859	0.1		154,859
18		TOTAL ENERGY		1,035,731,000		60,453,069	75.3		60,453,069
19		TOTAL RATE DS		147,481		1,035,731,000	100.0		80,253,989

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.  
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

DATA: BASE PERIOD X FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
WORK PAPER REFERENCE NO(S):  
25 Year Average Normalized Period of 1981 - 2005

PROPOSED ANNUALIZED

SCHEDULE M-2.3  
PAGE 4 OF 21  
WITNESS:  
JEFFREY R. BAILEY

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILL(S)(1)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
				(KWH/KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	DT-PRI	TIME OF DAY PRIMARY							
2	SUMMER:								
3		CUSTOMER CHARGE:	0		\$7.50	0	0.0	0	0
4		SINGLE PHASE			\$15.00	0	0.0	0	0
5		THREE PHASE			\$100.00	14,200	0.2	14,200	14,200
6		PRIMARY VOLTAGE	142			14,200	0.2	14,200	14,200
7		TOTAL CUSTOMER CHARGE	142						
8		DEMAND CHARGE:							
9		ON PEAK KW		247,618	\$12.75	3,157,130	37.4	3,157,130	3,157,130
10		OFF PEAK KW		18,950	\$1.15	21,793	0.2	21,793	21,793
11		SUB-TOTAL		266,568		3,178,923	37.6	3,178,923	3,178,923
12		PRIMARY SERV. DIS.							
13		FIRST 1000 KW		101,996	(\$0.65)	(66,297)	(0.8)	(66,297)	(66,297)
14		ADDITIONAL KW		145,622	(\$0.50)	(72,811)	(0.9)	(72,811)	(72,811)
15		TOTAL DEMAND		247,618		3,039,815	35.9	3,039,815	3,039,815
16		ENERGY CHARGE (3):							
17		ON PEAK KWH		45,063,280	\$0.041977	1,891,621	22.3	1,891,621	1,891,621
18		OFF PEAK KWH		103,144,623	\$0.039977	3,504,545	41.4	3,504,545	3,504,545
19		TOTAL SUMMER	142	148,207,903		8,450,181	100.0	8,450,181	8,450,181
20		WINTER:							
21		CUSTOMER CHARGE:	0		\$7.50	0	0.0	0	0
22		SINGLE PHASE			\$15.00	0	0.0	0	0
23		THREE PHASE			\$100.00	28,500	0.2	28,500	28,500
24		PRIMARY VOLTAGE	285			28,500	0.2	28,500	28,500
25		TOTAL CUSTOMER CHARGE	285						
26		DEMAND CHARGE:							
27		ON PEAK KW		433,044	\$12.07	5,226,841	34.6	5,226,841	5,226,841
28		OFF PEAK KW		37,901	\$1.15	43,586	0.3	43,586	43,586
29		SUB-TOTAL		470,945		5,270,427	34.9	5,270,427	5,270,427
30		PRIMARY SERV. DIS.							
31		FIRST 1000 KW		195,382	(\$0.65)	(126,998)	(0.8)	(126,998)	(126,998)
32		ADDITIONAL KW		237,662	(\$0.50)	(118,831)	(0.8)	(118,831)	(118,831)
33		TOTAL DEMAND		433,044		5,024,598	33.2	5,024,598	5,024,598
34		ENERGY CHARGE (3):							
35		ON PEAK KWH		82,760,272	\$0.039977	3,308,507	39.1	3,308,507	3,308,507
36		OFF PEAK KWH		198,720,825	\$0.033977	6,751,937	44.7	6,751,937	6,751,937
37		TOTAL WINTER	285	281,481,097		15,113,542	100.0	15,113,542	15,113,542
38		TOTAL RATE DT PRIMARY	427	429,689,000		23,563,723	100.0	23,563,723	23,563,723

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

SCHEDULE M-2.3  
PAGE 5 OF 21  
WITNESS:  
JEFFREY R. BAILEY

DATA: \_\_\_ BASE PERIOD \_\_X\_\_ FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
WORK PAPER REFERENCE NO(S):  
25 Year Average Normalized Period of 1981 - 2005

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILL(S) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH/KWH)	(\$/KWH) (\$/KW)	(\$)	(%)	(\$)	(\$)
1	DT-SEC	TIME OF DAY SECONDARY							
2	SUMMER:								
3	CUSTOMER CHARGE:								
4	SINGLE PHASE		0		\$7.50	0	0.0		0
5	THREE PHASE		753		\$15.00	11,295	0.1		11,295
6	PRIMARY VOLTAGE		0		\$100.00	0	0.0		0
7	TOTAL CUSTOMER CHARGE		753			11,295	0.1		11,295
8	DEMAND CHARGE:								
9	ON PEAK KW			594,517	\$12.75	7,580,092	44.4		7,580,092
10	OFF PEAK KW			8,455	\$1.15	9,723	0.1		9,723
11	SUB-TOTAL			602,972		7,589,815	44.5		7,589,815
12	PRIMARY SERV. DIS.				(\$0.65)	0	0.0		0
13	FIRST 1000 KW				(\$0.50)	0	0.0		0
14	ADDITIONAL KW					7,589,815	44.5		7,589,815
15	TOTAL DEMAND								
16	ENERGY CHARGE (3):			79,112,890	\$0.041977	3,320,922	19.3		3,320,922
17	ON PEAK KWH			181,080,231	\$0.033977	6,152,563	36.9		6,152,563
18	OFF PEAK KWH			260,193,121		17,074,595	100.0		17,074,595
19	TOTAL SUMMER			753					
19	WINTER:								
20	CUSTOMER CHARGE:								
21	SINGLE PHASE		0		\$7.50	0	0.0		0
22	THREE PHASE		1,505		\$15.00	22,575	0.1		22,575
23	PRIMARY VOLTAGE		0		\$100.00	0	0.0		0
24	TOTAL CUSTOMER CHARGE		1,505			22,575	0.1		22,575
25	DEMAND CHARGE:								
26	ON PEAK KW			1,115,746	\$12.07	13,467,054	44.4		13,467,054
27	OFF PEAK KW			22,799	\$1.15	26,219	0.1		26,219
28	SUB-TOTAL			1,138,545		13,493,273	44.4		13,493,273
29	PRIMARY SERV. DIS.				(\$0.65)	0	0.0		0
30	FIRST 1000 KW				(\$0.50)	0	0.0		0
31	ADDITIONAL KW					13,493,273	44.4		13,493,273
32	TOTAL DEMAND								
33	ENERGY CHARGE (3):			137,972,515	\$0.039977	5,515,727	32.2		5,515,727
34	ON PEAK KWH			331,294,364	\$0.033977	11,256,389	37.2		11,256,389
35	OFF PEAK KWH			469,266,879		30,287,964	100.0		30,287,964
36	TOTAL WINTER			1,505					
	TOTAL RATE DT SECONDARY			2,258		47,362,559	100.0		47,362,559

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.  
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X\_ FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
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WITNESS:  
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
				(KWH/KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	EH	OPTIONAL RATE FOR							
2		ELEC. SPACE HEATING			(\$/KW)				
3		CUSTOMER CHARGE:							
4		SINGLE PHASE	240		\$7.50	1,800	0.2		1,800
5		THREE PHASE	623		\$15.00	9,345	1.1		9,345
6		PRIMARY VOLTAGE	0		\$100.00	0	0.0		0
7		TOTAL CUSTOMER CHARGE	863			11,145	1.3		11,145
8		DEMAND CHARGE:							
9		ALL KW		57,434	\$0.00	0	0.0		0
10		ENERGY CHARGE (3):							
11		ALL CONSUMPTION		14,024,000	\$0.059306	831,707	98.7	0	831,707
12		TOTAL RATE EH	863	14,024,000		842,852	100.0	0	842,852

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.  
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
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WITNESS:  
JEFFREY R. BAILEY

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED		% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	PROPOSED	
						REVENUE LESS FUEL COST REVENUE (F)	FUEL COST REVENUE (H)		REVENUE (F + H) (I)	TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)	(\$)
1	SP	SPORTS SERVICE								
2		MINIMUM BILLS	0		(4)	0	0.0	0	0	0
3		CUSTOMER CHARGE	320		\$7.50	2,400	5.7	2,400	2,400	2,400
4		ENERGY CHARGE (3):		401,000	\$0.098380	39,450	94.3	0	39,450	39,450
5		ALL CONSUMPTION								
6		TOTAL RATE SP	320	401,000		41,850	100.0	0	41,850	41,850
7	GSFL	SMALL FIXED LOADS								
8		MINIMUM BILLS	377		\$3.00	1,131	0.2	0	1,131	1,131
9		BASE RATE (3):								
10		LOAD RANGE 540 TO 720 HRS	48	7,476	\$0.078505	587	0.1	0	587	587
11		LOAD RANGE LESS THAN 540 HRS	9,933	6,222,524	\$0.090729	564,563	99.7	0	564,563	564,563
12		TOTAL RATE GSFL	10,358	6,230,000		566,281	100.0	0	566,281	566,281

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.  
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.  
(4) 1.5% OF INSTALLED TRANSFORMER AND METERING COSTS.

DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
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WITNESS:  
JEFFREY R. BAILEY

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH/KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	DP	SERVICE AT PRIMARY DISTRIBUTION VOLTAGE							
2									
3		CUSTOMER CHARGE:							
4		LOAD MANAGEMENT RIDER	24		\$100.00	2,400	0.1		2,400
5		PRIMARY VOLTAGE	127		\$100.00	12,700	0.6		12,700
6		TOTAL CUSTOMER CHARGE	151			15,100	0.7		15,100
7		DEMAND CHARGE:							
8		ALL KW		76,796	\$7.08	543,716	25.4		543,716
9		TOTAL DEMAND		76,796		543,716	25.4		543,716
10		ENERGY CHARGE (3):							
11		FIRST 300KWH/KWH		23,589,030	\$0.048850	1,152,324	53.8	0	1,152,324
12		ADDITIONAL KWH		10,503,970	\$0.040980	430,453	20.1	0	430,453
13		TOTAL ENERGY		34,093,000		1,582,777	73.9	0	1,582,777
14		TOTAL RATE DP	151	34,093,000		2,141,593	100.0	0	2,141,593

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
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(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

DATA: BASE PERIOD X FORECASTED PERIOD  
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SCHEDULE M-2.3  
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WITNESS:  
JEFFREY R. BAILEY

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (KWH/KWH) (D)	PROPOSED RATES (\$/KWH) (E)	PROPOSED		% OF REV TO		PROPOSED TOTAL	
						REVENUE (F) (\$)	FUEL COST REVENUE (G) (%)	FUEL COST REVENUE (H) (\$)	REVENUE (F + H) (I) (\$)		
1	TT	TIME OF DAY									
2	SUMMER:										
3	CUSTOMER CHARGE		54		\$500.00	27,000	0.9			27,000	
4	DEMAND CHARGE:										
5	ON PEAK KW			134,162	\$7.60	1,019,631	32.8			1,019,631	
6	OFF PEAK KW			8,548	\$1.15	9,830	0.3			9,830	
7	TOTAL DEMAND			142,710		1,029,461	33.2			1,029,461	
8	ENERGY CHARGE (3):										
9	ALL KWH			50,829,814	\$0.040430	2,055,049	66.0		0	2,055,049	
10	TOTAL SUMMER		54	50,829,814		3,111,510	100.0		0	3,111,510	
11	WINTER:										
12	CUSTOMER CHARGE		108		\$500.00	54,000	0.7			54,000	
13	DEMAND CHARGE:										
14	ON PEAK KW			325,418	\$6.24	2,030,608	27.7			2,030,608	
15	OFF PEAK KW			13,640	\$1.15	15,686	0.2			15,686	
16	TOTAL DEMAND			339,058		2,046,294	27.9			2,046,294	
17	ENERGY CHARGE (3):										
18	ALL KWH			129,549,186	\$0.040430	5,237,674	71.4		0	5,237,674	
19	TOTAL WINTER		108	129,549,186		7,337,968	100.0		0	7,337,968	
20	TOTAL RATE TT		162	180,379,000		10,449,478	100.0		0	10,449,478	

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.  
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.



DUKE ENERGY KENTUCKY

CASE NO. 2006-00172

ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
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WITNESS:  
JEFFREY R. BAILEY

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED		% OF REV TO		PROPOSED	
						REVENUE LESS FUEL COST REVENUE (F)	TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	TOTAL REVENUE (F + H) (I)		
1	DT RTP	TIME OF DAY SERVICE AT PRIMARY DISTRIBUTION VOLTAGE		(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)		
2											
3	CUSTOMER CHARGE:										
4	BILLS (Real-Time Pricing)		12		\$183.00	2,196	0.2			2,196	
5	TOTAL CUSTOMER CHARGE						2,196	0.2		2,196	
6	ENERGY CHARGE (3):										
7	ALL KWH			21,016,000	\$0.005540	116,429	9.7			116,429	
8	ANCILLARY SERVICES			21,016,000	\$0.000740	15,552	1.3			15,552	
9	COMMODITY CHARGES			21,016,000	\$0.050457	1,060,404	88.8	(348,151)		712,253	
10	TOTAL ENERGY						1,192,385	99.8	(348,151)	844,234	
11	TOTAL RATE DT RTP PRIMARY						1,194,581	100.0	(348,151)	846,430	

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY KENTUCKY  
CASE NO. 2006-001772  
ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

DATA: \_\_\_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
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JEFFREY R. BAILEY

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	DT RTP	TIME OF DAY SERVICE AT SECONDARY							
2		DISTRIBUTION VOLTAGE							
3		CUSTOMER CHARGE:							
4		BILLS (Real-Time Pricing)	24		\$183.00	4,392	1.0		4,392
5		TOTAL CUSTOMER CHARGE	24			4,392	1.0		4,392
6		ENERGY CHARGE:							
7		ALL KWH		6,988,000	\$0.006053	42,298	10.0		42,298
8		ANCILLARY SERVICES		6,988,000	\$0.000760	5,311	1.3		5,311
9		COMMODITY CHARGES		6,988,000	\$0.053219	371,894	87.7	(115,763)	256,131
10		TOTAL ENERGY		6,988,000		419,503	99.0	(115,763)	303,740
11		TOTAL RATE DT RTP SECONDARY	24	6,988,000		423,895	100.0	(115,763)	308,132

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

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LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)	
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)	
1	DS RTP	SERVICE AT SECONDARY								
2		DISTRIBUTION VOLTAGE								
3	CUSTOMER CHARGE:									
4	BILLS (Real-Time Pricing)		36		\$183.00	6,588	7.4		6,588	
5	TOTAL CUSTOMER CHARGE		36			6,588	7.4		6,588	
6	ENERGY CHARGE:									
7	ALL KWH			1,004,000	\$0.006053	6,077	6.8		6,077	
8	ANCILLARY SERVICES			1,004,000	\$0.000760	763	0.9		763	
9	COMMODITY CHARGES			1,004,000	\$0.075384	75,686	84.9	(16,632)	59,054	
10	TOTAL ENERGY			1,004,000		82,526	92.6	(16,632)	65,894	
11	TOTAL RATE DS RTP		36	1,004,000		89,114	100.0	(16,632)	72,482	

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY KENTUCKY

CASE NO. 2006-00172

ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
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LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)	
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)	
1	TT RTP	TIME OF DAY SERVICE AT								
2		TRANSMISSION VOLTAGE								
3	CUSTOMER CHARGE:									
4	BILLS (Real-Time Pricing)		24		\$183.00	4,392	0.7		4,392	
5	TOTAL CUSTOMER CHARGE		24			4,392	0.7		4,392	
6	ENERGY CHARGE:									
7	ALL KWH			11,509,000	\$0.002008	23,110	3.8		23,110	
8	ANCILLARY SERVICES			11,509,000	\$0.000721	8,298	1.4		8,298	
9	COMMODITY CHARGES			11,509,000	\$0.049086	564,931	94.0	(190,658)	374,273	
10	TOTAL ENERGY			11,509,000		596,339	99.3	(190,658)	405,681	
11	TOTAL RATE TT RTP		24	11,509,000		600,731	100.0	(190,658)	410,073	

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

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LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BIL(S)(1)	SALES (KWH)(D)	PROPOSED RATE(S)(A)	PROPOSED FUEL COST REVENUE (F)(J)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	PROPOSED TOTAL REVENUE (F+H)(I)
(A)	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
46	SL	STREET LIGHTING - CO OWNED & MAINTAINED (CONTD.)							
47	UNDERGROUND DISTRIBUTION:								
48	MERCURY VAPOR:								
49	7,000 LUMEN		60	4,310	7.08	425	0.0	0	425
50	7,000 LUMEN (4)		336	24,472	11.42	3,897	0.3	0	3,937
51	7,000 LUMEN (5)		12	874	11.47	138	0.0	0	138
52	7,000 LUMEN (9)		360	26,220	14.02	5,047	0.4	0	5,047
53	10,000 LUMEN		84	8,505	8.13	683	0.0	0	683
54	10,000 LUMEN (4)		84	8,505	12.47	1,047	0.1	0	1,047
55	10,000 LUMEN (8)		156	15,795	15.07	2,351	0.2	0	2,351
56	21,000 LUMEN		96	15,312	10.89	1,045	0.1	0	1,045
57	21,000 LUMEN (8)		156	24,882	17.83	2,781	0.2	0	2,781
58	METAL HALIDE:								
59	14,000 LUMEN		228	16,606	7.08	1,614	0.1	0	1,614
60	20,500 LUMEN		756	75,545	8.13	6,146	0.4	0	6,146
61	36,000 LUMEN		444	70,818	10.89	4,835	0.4	0	4,835
62	SODIUM VAPOR:								
63	9,500 LUMEN (8)		648	28,288	14.71	9,532	0.7	0	9,532
64	9,500 LUMEN (OPEN)		60	2,435	5.90	354	0.0	0	354
65	16,000 LUMEN		80	3,595	8.42	505	0.0	0	505
66	22,000 LUMEN		432	34,128	10.95	4,730	0.3	0	4,730
67	22,000 LUMEN (5)		284	20,695	13.34	4,050	0.3	0	4,050
68	22,000 LUMEN (8)		732	57,828	17.89	13,095	1.0	0	13,095
69	22,000 LUMEN (8A)		282	19,508	22.36	5,635	0.4	0	5,635
70	50,000 LUMEN		540	88,155	14.59	7,879	0.6	0	7,879
71	50,000 LUMEN (9)		216	35,282	21.53	4,650	0.3	0	4,650
72	50,000 LUMEN (9)		300	48,936	28.45	8,535	0.6	0	8,535
73	DECORATIVE MERCURY VAPOR:								
74	7,000 LUMEN TOWN & COUNTRY		0	0	7.33	0	0.0	0	0
75	7,000 LUMEN TOWN & COUNTRY (3)		216	15,354	11.73	2,534	0.2	0	2,534
76	7,000 LUMEN TOWN & COUNTRY (10)		5,868	417,117	11.73	68,832	5.0	0	68,832
77	7,000 LUMEN HOLOPHANE		24	1,748	9.24	222	0.0	0	222
78	7,000 LUMEN HOLOPHANE (10)		1,508	138,966	13.64	26,025	1.9	0	26,025
79	7,000 LUMEN GAS REPLICA		60	4,370	21.32	1,279	0.1	0	1,279
80	7,000 LUMEN GRANVILLE (7)		96	6,824	19.36	1,860	0.1	0	1,860
81	7,000 LUMEN ASPEN		24	1,748	13.45	323	0.0	0	323
82	DECORATIVE METAL HALIDE:								
83	14,000 LUMEN TRADITIONAIRE (10)		482	34,973	11.73	5,771	0.4	0	5,771
84	14,000 LUMEN GAS REPLICA (7)		524	36,185	33.38	17,481	1.3	0	17,481
85	14,000 LUMEN GRANVILLE		416	30,289	13.45	3,595	0.4	0	3,595
86	DECORATIVE SODIUM VAPOR:								
87	9,500 LUMEN TOWN & COUNTRY		260	10,552	10.84	2,818	0.2	0	2,818
88	9,500 LUMEN TOWN & COUNTRY (10)		2,076	84,251	15.24	31,638	2.3	0	31,638
89	9,500 LUMEN HOLOPHANE		624	27,664	11.74	7,326	0.5	0	7,326
90	9,500 LUMEN HOLOPHANE (10)		360	15,960	16.14	5,910	0.4	0	5,910
91	9,500 LUMEN GAS REPLICA		44	1,951	22.16	975	0.1	0	975
92	9,500 LUMEN GRANVILLE (7)		204	9,044	25.66	5,235	0.4	0	5,235
93	9,500 LUMEN ASPEN (7)		720	31,920	25.66	18,475	1.3	0	18,475
94	9,500 LUMEN TRADITIONAIRE (10)		324	13,149	15.24	4,938	0.4	0	4,938
95	22,000 LUMEN (15)(12)		352	21,483	20.34	5,126	0.4	0	5,126
96	50,000 LUMEN (15)(12)		204	33,303	24.08	4,912	0.4	0	4,912
97	50,000 LUMEN (15)(13)		324	52,893	24.30	7,873	0.6	0	7,873
98	50,000 LUMEN (14)		176	28,732	23.43	4,124	0.3	0	4,124
99	TOTAL UNDERGROUND			21,412		318,095	23.1	0	318,095
100	ADD'L FACILITIES CHARGE:								
101	OVERHEAD		1,599		0.51	823	0.1	0	823
102	UNDERGROUND		19,074		0.74	14,161	1.0	0	14,161
103	TOTAL ADD'L FACILITIES CHG		20,673			14,984	1.1	0	14,984
104	TOTAL RATE SL		142,529	11,420,000		1,378,320	100.0	0	1,378,320

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.  
(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.  
(3) WITH 17' WOOD LAMINATED POLE.  
(4) WITH 30' WOOD POLE.  
(5) WITH 35' WOOD POLE.  
(6) WITH 40' WOOD POLE.  
(7) WITH 12' FIBERGLASS POLE.  
(8) WITH 28' ALUM POLE.  
(8A) WITH 28' ALUM POLE HEAVY GAUGE.  
(9) WITH 30' ALUM POLE.  
(10) WITH 17' FIBERGLASS POLE.  
(11) WITH 12' FIBERGLASS POLE.  
(12) WITH 30' FIBERGLASS POLE.  
(13) WITH 35' FIBERGLASS POLE.  
(14) FIXTURE TYPE - SETBACK.  
(15) FIXTURE TYPE-RECTILINEAR.

DUKE ENERGY KENTUCKY

CASE NO. 2006-00172

ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
WORK PAPER REFERENCE NO(S):  
25 Year Average Normalized Period of 1981 - 2005

PROPOSED ANNUALIZED

SCHEDULE M-2.3  
PAGE 16 OF 21  
WITNESS:  
JEFFREY R. BAILEY

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)	
	(A)	(B)	(C)	(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)	
1	TL	TRAFFIC LIGHTING								
2		SERVICE								
3 (A) WHERE COMPANY										
4 SUPPLIES ENERGY ONLY (3):										
5		ALL CONSUMPTION	23,628	982,430	0.035848	35,218	10.9	0	35,218	
6 (B) WHERE COMPANY										
7 SUPPLIES ENERGY FROM A										
8 SEPARATELY METERED SOURCE										
9 AND PROVIDES LIMITED										
10 MAINTENANCE:										
11		ALL CONSUMPTION			0.021078	0	0.0	0	0	
12 (C) WHERE COMPANY										
13 SUPPLIES ENERGY AND										
14 PROVIDES LIMITED										
15 MAINTENANCE (3):										
16		ALL CONSUMPTION	64,992	5,050,570	0.056927	287,516	89.1	0	287,516	
17		TOTAL RATE TL	88,620	6,033,000		322,734	100.0	0	322,734	

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.  
 (2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.  
 (3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
WORK PAPER REFERENCE NO(S):  
25 Year Average Normalized Period of 1981 - 2005

PROPOSED ANNUALIZED  
SCHEDULE M-2.3  
PAGE 17 OF 21  
WITNESS:  
JEFFREY R. BAILEY

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BIL(S)(1)	SALES (KWH) (D)	PROPOSED RATE(S) (E) (\$/KWH)	REVENUE (F) (\$)	% OF REV TO		FUEL COST REVENUE (I) (\$)	TOTAL REVENUE (F + H) (\$)
							REVENUE LESS FUEL COST (G)	REVENUE (G)		
1	UOLS	UNMETERED OUTDOOR LIGHTING SERV	110	13,000	0.039263	458	100.0	0	458	
2	BASE RATE		110	13,000		458	100.0	0	458	
3	TOTAL RATE UOLS		110	13,000		458	100.0	0	458	

4 OL OUTDOOR LIGHTING SERV  
5 (A) PRIVATE OUTDOOR LIGHTING UNITS:

6	MERCURY VAPOR:								
7	7,000 LUMEN (OPEN)		9,091	646,218	8.58	78,001	12.5	0	78,001
8	7,000 LUMEN		1,497	109,029	11.01	16,482	2.6	0	16,482
9	10,000 LUMEN		1,788	181,035	12.81	22,904	3.7	0	22,904
10	21,000 LUMEN		2,712	432,564	16.39	44,450	7.1	0	44,450
11	SODIUM VAPOR (OH)								
12	9,500 LUMEN (OPEN)		9,882	399,827	7.59	74,777	12.0	0	74,777
13	9,500 LUMEN		2,292	93,017	9.90	22,691	3.6	0	22,691
14	16,000 LUMEN		240	14,220	11.14	2,874	0.4	0	2,874
15	22,000 LUMEN		1,824	144,056	12.29	22,417	3.6	0	22,417
16	27,500 LUMEN		48	3,792	12.29	590	0.2	0	590
17	50,000 LUMEN		2,772	452,529	14.17	39,279	6.3	0	39,279
18	METAL HALIDE								
19	14,000 LUMEN		132	18,614	11.01	1,453	0.2	0	1,453
20	20,500 LUMEN		188	27,010	12.83	2,155	0.3	0	2,155
21	35,000 LUMEN		360	67,420	16.39	5,900	0.9	0	5,900
22	DECORATIVE NV 7,000 LUMEN:								
23	TOWN & COUNTRY		744	52,886	13.23	9,843	1.6	0	9,843
24	HOLOPHANE		216	15,732	17.08	3,689	0.6	0	3,689
25	GAS REPLICA		0	41,50	0	0	0.0	0	0
26	ASPEN		96	6,992	25.61	2,459	0.4	0	2,459
27	DECORATIVE SV 9,500 LUMEN:								
28	TOWN & COUNTRY		1,380	56,005	21.01	28,994	4.6	0	28,994
29	HOLOPHANE		12	532	22.76	273	0.1	0	273
30	RECTILINEAR		0	18,70	0	0	0.0	0	0
31	GAS REPLICA		0	43,84	0	0	0.0	0	0
32	ASPEN		0	26,53	0	0	0.0	0	0
33	22,000 LUMEN (RECTILINEAR)		0	0	22.18	0	0.0	0	0
34	50,000 LUMEN (RECTILINEAR)		0	0	28.02	0	0.0	0	0
35	50,000 LUMEN (SETBACK)		72	11,794	43.79	3,153	0.5	0	3,153
36	TOTAL POL UNITS		35,296	2,733,272		382,184	61.2	0	382,184

37 (B) FLOODLIGHTING UNITS:

38	METAL HALIDE:								
39	20,500 LUMEN		144	14,580	12.81	1,845	0.2	0	1,845
40	36,000 LUMEN		288	45,936	16.40	4,723	0.8	0	4,723
41	MERCURY VAPOR:								
42	21,000 LUMEN		1,200	191,400	16.40	19,680	3.2	0	19,680
43	SODIUM VAPOR:								
44	22,000 LUMEN		2,316	197,439	12.19	28,232	4.5	0	28,232
45	30,000 LUMEN		240	30,480	12.19	2,926	0.5	0	2,926
46	50,000 LUMEN		12,348	2,054,913	14.98	184,973	29.6	0	184,973
47	TOTAL FL UNITS		16,536	2,924,728		242,379	38.8	0	242,379

48 TOTAL RATE OL 51,632 5,256,000 624,563 100.0 0 624,563  
(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.  
(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.  
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY

CASE NO. 2006-00172

ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
WORK PAPER REFERENCE NO(S):  
25 Year Average Normalized Period of 1981 - 2005

PROPOSED ANNUALIZED

SCHEDULE M-2.3  
PAGE 18 OF 21  
WITNESS:  
JEFFREY R. BAILEY

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	PROPOSED RATES(3) (E)	PROPOSED REVENUE (F)	FUEL COST REVENUE (G)	% OF REV TO TOTAL LESS FUEL COST REVENUE (H)	FUEL COST REVENUE (2) (I)	PROPOSED TOTAL REVENUE (F + H) (J)
	(A)	(B)	(C)	(D)	(\$/UNIT)	(\$)	(%)	(%)	(\$)	(\$)
1	NSU	NON STANDARD STREET LIGHT UNITS								
2	(A)	COMPANY OWNED								
3	(1)	BOULEVARD INCANDESCENT(UG):								
4		2,500 LUMEN SERIES	240	12,320	9.11	2,186	3.4	0	2,186	
5		2,500 LUMEN MULTIPLE	288	18,864	7.01	2,019	3.1	0	2,019	
6	(2)	HOLOPHANE DECORATIVE:								
7		10,000 LUMEN MV W								
8		17' FIBERGLASS POLE	372	37,665	16.56	6,160	9.6	0	6,160	
9	(3)	STREET LGT UNITS (OH)								
10		2,500 LUMEN INCANDESCENT	1,199	78,508	6.95	8,333	13.0	0	8,333	
11		2,500 LUMEN MERCURY VAPOR	6,112	230,557	6.63	40,523	63.2	0	40,523	
12		21,000 LUMEN MERCURY VAPOR	408	65,076	10.30	4,202	6.7	0	4,202	
13		TOTAL COMPANY OWNED	8,619	442,990		63,423	98.9	0	63,423	
14	(B)	CUSTOMER OWNED WITH LTD MAINT								
15	(1)	BOULEVARD INCANDESCENT(UG):								
16		2,500 LUMEN SERIES	60	3,080	5.33	320	0.5	0	320	
17		2,500 LUMEN MULTIPLE	60	3,930	6.77	406	0.6	0	406	
18		TOTAL CUSTOMER OWNED	120	7,010		726	1.1	0	726	
19		TOTAL RATE NSU	8,739	450,000		64,149	100.0	0	64,149	

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 (3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.



DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
WORK PAPER REFERENCE NO(S):  
25 Year Average Normalized Period of 1981 - 2005

SCHEDULE M-2.3  
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WITNESS:  
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILL(S)(1)	SALES (KWH) (D)	PROPOSED RATES(3) (\$/UNIT) (E)	PROPOSED		% OF REV TO		PROPOSED TOTAL	
						REVENUE LESS FUEL COST REVENUE (F)	TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	REVENUE (F + H) (I)		
1	NSP	NON STD PRIVATE OUTDOOR LIGHTING									
2	POL	(A) PRIVATE OUTDOOR LIGHT UNITS:									
3		2,500 LUMEN MERCURY (OPEN)	3,060	121,890	7.71	23,593	44.4	0	23,593		
4		2,500 LUMEN MERCURY (ENCL)	252	10,038	10.58	2,666	5.0	0	2,666		
5		TOTAL RATE POL	3,312	131,928		26,259	49.4	0	26,259		
6	URD	(B) OUTDOOR LIGHTING UNITS									
7		-- SERVED UG RES DIST AREAS:									
8		MERCURY VAPOR									
9		7,000 LUMEN, WITH									
10		17' FIBERGLASS POLE	204	14,538	14.39	2,936	5.5	0	2,936		
11		7,000 LUMEN, WITH									
12		17' WOOD LAM POLE	216	15,354	14.39	3,108	5.8	0	3,108		
13		7,000 LUMEN, WITH									
14		30' WOOD POLE	179	12,724	13.29	2,379	4.5	0	2,379		
15		SODIUM VAPOR									
16		9,500 LUMEN TC 100 R	781	34,696	11.13	8,693	16.4	0	8,693		
17		TOTAL RATE URD	1,380	77,312		17,116	32.2	0	17,116		
18	FL	FLOOD LIGHT									
19		MERCURY VAPOR									
20		52,000 LUMEN, WITH									
21		35' WOOD POLE	12	4,584	27.70	332	0.6	0	332		
22		52,000 LUMEN, WITH									
23		50' WOOD POLE	0	0	31.31	0	0.0	0	0		
24		SODIUM VAPOR									
25		50,000 LUMEN	485	79,176	19.43	9,424	17.8	0	9,424		
26		TOTAL RATE FL	497	83,760		9,756	18.4	0	9,756		
27		TOTAL RATE NSP	5,189	293,000		53,131	100.0	0	53,131		

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.  
(2) REFLECTS FUEL COMPONENT OF (\$.002525) PER KWH.  
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X FORECASTED PERIOD  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
WORK PAPER REFERENCE NO(S):  
25 Year Average Normalized Period of 1981 - 2005

PROPOSED ANNUALIZED

SCHEDULE M-2.3  
PAGE 20 OF 21  
WITNESS:  
JEFFREY R. BAILEY

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILL(S)	SALES (KWH)	PROPOSED RATES(3) (\$/UNIT)	FUEL COST REVENUE (F) (\$)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G) (%)	FUEL COST REVENUE (H) (\$)	PROPOSED TOTAL REVENUE (F + H) (\$)
1	SC	STREET LIGHTING -							
2		CUST OWNED/LTD MAINT							
3		STANDARD UNIT-COBRHEAD							
4		MERCURY VAPOR--							
5		7,000 LUMEN	0	0	4.04	0	0.0	0	0
6		10,000 LUMEN	0	0	5.12	0	0.0	0	0
7		21,000 LUMEN	0	0	7.07	0	0.0	0	0
8		METAL HALIDE--							
9		14,000 LUMEN	0	0	4.04	0	0.0	0	0
10		20,500 LUMEN	0	0	5.12	0	0.0	0	0
11		35,000 LUMEN	0	0	7.07	0	0.0	0	0
12		SODIUM VAPOR--							
13		9,500 LUMEN	24	974	4.95	119	2.9	0	119
14		15,000 LUMEN	0	0	5.49	0	0.0	0	0
15		22,000 LUMEN	0	0	5.99	0	0.0	0	0
16		27,500 LUMEN	0	0	5.99	0	0.0	0	0
17		50,000 LUMEN	0	0	8.00	0	0.0	0	0
18		DECORATIVE UNITS:							
19		7,000 LUMEN MERCURY VAPOR--							
20		HOLOPHANE	0	0	5.16	0	0.0	0	0
21		TOWN & COUNTRY	0	0	5.12	0	0.0	0	0
22		GAS REPLICA	0	0	5.16	0	0.0	0	0
23		ASPEN	0	0	5.16	0	0.0	0	0
24		14,000 LUMEN METAL HALIDE--							
25		TRADITIONAIRE	0	0	5.12	0	0.0	0	0
26		GAS REPLICA	0	0	5.16	0	0.0	0	0
27		GRAVILILE ACORN	0	0	5.16	0	0.0	0	0
28		9,500 LUMEN SODIUM VAPOR--							
29		TOWN & COUNTRY	0	0	4.87	0	0.0	0	0
30		RECTILINEAR	0	0	4.87	0	0.0	0	0
31		ASPEN	0	0	5.08	0	0.0	0	0
32		HOLOPHANE	0	0	5.08	0	0.0	0	0
33		GAS REPLICA	0	0	5.08	0	0.0	0	0
34		TRADITIONAIRE	0	0	4.87	0	0.0	0	0
35		GRAVILILE ACORN	0	0	5.08	0	0.0	0	0
36		SODIUM VAPOR--							
37		22,000 LUMEN (RECTILINEAR)	0	0	6.35	0	0.0	0	0
38		50,000 LUMEN (RECTILINEAR)	0	0	8.29	0	0.0	0	0
39		CUST OWNED/CUST MAINT	2,200	113,026	0.035263	3,986	97.1	0	3,986
40		ENERGY ONLY							
41		TOTAL RATE SC	2,224	114,000		4,105	100.0	0	4,105

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.  
(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.  
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY  
CASE NO. 2006-00172  
ANNUALIZED TEST YEAR REVENUES AT SETTLEMENT VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007  
(ELECTRIC SERVICE)

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WORK PAPER REFERENCE NO(S)::  
25 Year Average Normalized Period of 1981 - 2005

PROPOSED ANNUALIZED

SCHEDULE M-2.3  
PAGE 21 OF 21  
WITNESS:  
JEFFREY R. BAILEY

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	PROPOSED RATES(3)	PROPOSED REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2)	PROPOSED TOTAL REVENUE (F + H)	
(A)	(B)	(C)	(E)	(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(\$)	
1	SE	STREET LIGHTING								
2		OVERHEAD EQUIVALENT RATE								
3 MERCURY VAPOR 7,000 LUMEN:										
4		TOWN & COUNTRY	6,449	458,417	7.13	45,981	26.7	0	45,981	
5		HOLOPHANE	2,102	153,096	7.16	15,050	8.7	0	15,050	
6		GAS REPLICA	696	50,692	7.16	4,983	2.9	0	4,983	
7		ASPEN	132	9,614	7.16	945	0.5	0	945	
8 SODIUM VAPOR 9,500 LUMEN:										
9		TOWN & COUNTRY	2,292	93,017	7.86	18,015	10.5	0	18,015	
10		TRADITIONAIRE	0	0	7.86	0	0.0	0	0	
11		HOLOPHANE	2,364	104,804	7.95	18,794	10.9	0	18,794	
12		RECTILINEAR	972	39,447	7.86	7,640	4.4	0	7,640	
13		GAS REPLICA	1,212	53,732	7.94	9,623	5.6	0	9,623	
14		GRANVILLE	84	3,724	7.94	667	0.4	0	667	
15		ASPEN	2,616	115,976	7.94	20,771	12.1	0	20,771	
16 SODIUM VAPOR:										
17		22,000 LUMEN (RECTILINEAR)	504	42,966	11.23	5,660	3.3	0	5,660	
18		50,000 LUMEN (RECTILINEAR)	24	3,918	14.75	354	0.3	0	354	
19		50,000 LUMEN (SETBACK)	0	0	14.75	0	0.0	0	0	
20 METAL HALIDE:										
21		14,000 TRADITIONAIRE	2,246	159,795	7.13	16,028	9.3	0	16,028	
22		14,000 GRANVILLE	466	34,940	7.16	3,337	1.9	0	3,337	
23		14,000 GAS REPLICA	612	43,862	7.16	4,382	2.5	0	4,382	
24		TOTAL RATE SE	22,773	1,368,000		172,230	100.0	0	172,230	

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.  
(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.  
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.