

Duke Energy Kentucky
Case No. 2009-00202
Forecasted Test Period Filing Requirements
Table of Contents

Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
1	1	KRS 278.180	30 days' notice of rates to PSC.	Julia S. Janson
1	2	807 KAR 5:001 Section 8 (1)	Full name and P.O. address of applicant and reference to the particular provision of law requiring PSC approval.	Julia S. Janson
1	3	807 KAR 5:001 Section 8 (2)	The original and 10 copies of application plus copy for anyone named as interested party.	Julia S. Janson
1	4	807 KAR 5:001 Section 10 (1)(b)(1)	Reason adjustment is required.	William Don Wathen
1	5	807 KAR 5:001 Section 10 (1)(b)(2)	Statement that utility's annual reports, including the most recent calendar year, are filed with PSC. 807 KAR 5:006, Section 3 (1).	Brenda R. Melendez
1	6	807 KAR 5:001 Section 10 (1)(b)(3) and (5)	If utility is incorporated, certified copy of articles of incorporation and amendments or out of state documents of similar import. If they have already been filed with PSC refer to the style and case number of the prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed.	Julia S. Janson
1	7	807 KAR 5:001 Section 10 (1)(b)(4)	If applicant is limited partnership, certified copy of limited partnership agreement. If agreement filed with PSC refer to style and case number of prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed.	Julia S. Janson
1	8	807 KAR 5:001 Section 10 (1)(b)(6)	Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary.	Julia S. Janson
1	9	807 KAR 5:001 Section 10 (1)(b)(7)	Proposed tariff in form complying with 807 KAR 5:011 effective not less than 30 days from date application filed.	James E. Ziolkowski
1	10	807 KAR 5:001 Section 10 (1)(b)(8)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff.	James E. Ziolkowski
1	11	807 KAR 5:001 Section 10 (1)(b)(9)	Statement that notice given, see subsections (3) and (4) of 807 KAR 5:001, Section 10 with copy.	Julia S. Janson
1	12	807 KAR 5:001 Section 10 (2)	If gross annual revenues exceed \$1,000,000, written notice of intent filed at least 4 weeks prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period.	Julia S. Janson
1	13	807 KAR 5:001 Section 10 (4) (a)	Sewer utilities shall give the required typewritten notice by mail to all of their customers pursuant to KRS 278.185.	Julia S. Janson
1	14	807 KAR 5:001 Section 10 (4)(b)	Applicants with twenty (20) or fewer customers affected by the proposed general rate adjustment shall mail the required typewritten notice to each customer no later than the date the application is filed with the commission.	Julia S. Janson

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1	15	807 KAR 5:001 Section 10 (4)(c)	Except for sewer utilities, applicants with more than twenty (20) customers affected by the proposed general rate adjustment shall give the required notice by one (1) of the following methods: 1. A typewritten notice mailed to all customers no later than the date the application is filed with the commission; 2. Publishing the notice in a trade publication or newsletter which is mailed to all customers no later than the date on which the application is filed with the commission; or 3. Publishing the notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made within seven (7) days of the filing of the application with the commission.	Julia S. Janson
1	16	807 KAR 5:001 Section 10 (4)(d)	If notice is published, an affidavit from the publisher verifying that the notice was published, including the dates of the publication with an attached copy of the published notice, shall be filed with the Commission no later than forty-five (45) days of the filed date of the application.	Julia S. Janson
1	17	807 KAR 5:001 Section 10 (4)(e)	If notice is mailed, a written statement signed by the utility's chief officer in charge of Kentucky operations verifying the notice was mailed shall be filed with the Commission no later than thirty (30) days of the filed date of the application.	Julia S. Janson
1	18	807 KAR 5:001 Section 10 (4)(f)	All utilities, in addition to the above notification, shall post a sample copy of the required notification at their place of business no later than the date on which the application is filed which shall remain posted until the commission has finally determined the utility's rates.	Julia S. Janson
1	19	807 KAR 5:001 Section 10 (5)	Notice of hearing scheduled by the commission upon application by a utility for a general adjustment in rates shall be advertised by the utility by newspaper publication in the areas that will be affected in compliance with KRS 424.300.	Julia S. Janson
1	20	807 KAR 5:001 Section 10 (8)(a)	Financial data for forecasted period presented as pro forma adjustments to base period.	Robert M. Parsons, Jr.
1	21	807 KAR 5:001 Section 10 (8)(b)	Forecasted adjustments shall be limited to the 12 months immediately following the suspension period.	Robert M. Parsons, Jr.
1	22	807 KAR 5:001 Section 10 (8)(c)	Capitalization and net investment rate base shall be based on a 13 month average for the forecasted period.	Robert M. Parsons, Jr.

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1	23	807 KAR 5:001 Section 10 (8)(d)	After an application based on a forecasted test period is filed, there shall be no revisions to the forecast, except for the correction of mathematical errors, unless such revisions reflect statutory or regulatory enactments that could not, with reasonable diligence, have been included in the forecast on the date it was filed. There shall be no revisions filed within thirty (30) days of a scheduled hearing on the rate application.	Robert M. Parsons, Jr.
1	24	807 KAR 5:001 Section 10 (8)(e)	The commission may require the utility to prepare an alternative forecast based on a reasonable number of changes in the variables, assumptions, and other factors used as the basis for the utility's forecast.	Robert M. Parsons, Jr.
1	25	807 KAR 5:001 Section 10 (8)(f)	Reconciliation of rate base and capital used to determine revenue requirements.	Robert M. Parsons, Jr.
1	26	807 KAR 5:001 Section 10 (9)(a)	Prepared testimony of each witness supporting its application including testimony from chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program.	All witnesses
1	27	807 KAR 5:001 Section 10 (9)(b)	Most recent capital construction budget containing at minimum 3 year forecast of construction expenditures.	Gary J. Hebbeler
1	28	807 KAR 5:001 Section 10 (9)(c)	Complete description, which may be in prefiled testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.	Stephen R. Lee
1	29	807 KAR 5:001 Section 10 (9)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period.	Stephen R. Lee
1	30	807 KAR 5:001 Section 10 (9)(e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing: 1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and 2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and 3. That productivity and efficiency gains are included in the forecast.	Julia S. Janson
1	31	807 KAR 5:001 Section 10 (9)(f)	For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed: 1. Date project began or estimated starting date; 2. Estimated completion date; 3. Total estimated cost of construction by year	Gary J. Hebbeler

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			exclusive and inclusive of Allowance for Funds Used During construction ("AFUDC") or Interest During construction Credit; and 4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit.	
1	32	807 KAR 5:001 Section 10 (9)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection.	Gary J. Hebbeler
1	33	807 KAR 5:001 Section 10 (9)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information: 1. Operating income statement (exclusive of dividends per share or earnings per share); 2. Balance sheet; 3. Statement of cash flows; 4. Revenue requirements necessary to support the forecasted rate of return; 5. Load forecast including energy and demand (electric); 6. Access line forecast (telephone); 7. Mix of generation (electric); 8. Mix of gas supply (gas); 9. Employee level; 10. Labor cost changes; 11. Capital structure requirements; 12. Rate base; 13. Gallons of water projected to be sold (water); 14. Customer forecast (gas, water); 15. MCF sales forecasts (gas); 16. Toll and access forecast of number of calls and number of minutes (telephone); and 17. A detailed explanation of any other information provided.	Stephen R. Lee Stephen G. De May #6, #13, #16 & #17 Not applicable
1	34	807 KAR 5:001 Section 10 (9)(i)	Most recent FERC or FCC audit reports.	Brenda R. Melendez
1	35	807 KAR 5:001 Section 10 (9)(j)	Prospectuses of most recent stock or bond offerings.	Stephen G. De May
1	36	807 KAR 5:001 Section 10 (9)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or the Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone).	Brenda R. Melendez
2	37	807 KAR 5:001 Section 10 (9)(l)	Annual report to shareholders or members and statistical supplements for the most recent 5 years prior to application filing date.	Stephen G. De May
2	38	807 KAR 5:001 Section 10 (9)(m)	Current chart of accounts if more detailed than Uniform System of Accounts charts.	Brenda R. Melendez

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Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
2	39	807 KAR 5:001 Section 10 (9)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast.	Stephen R. Lee
2	40	807 KAR 5:001 Section 10 (9)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available.	Stephen R. Lee
3	41	807 KAR 5:001 Section 10 (9)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters.	Stephen G. De May
4	42	807 KAR 5:001 Section 10 (9)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls.	Stephen G. De May
4	43	807 KAR 5:001 Section 10 (9)(r)	Quarterly reports to the stockholders for the most recent 5 quarters.	David L. Doss
4	44	807 KAR 5:001 Section 10 (9)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style.	John J. Spanos
4	45	807 KAR 5:001 Section 10 (9)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program	Robert M. Parsons, Jr.
4	46	807 KAR 5:001 Section 10 (9)(u)	If utility had any amounts charged or allocated to it by affiliate or general or home office or paid any monies to affiliate or general or home office during the base period or during previous 3 calendar years, file: 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment; 2. method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period; 3. Explain how allocator for both base and forecasted test period was determined; and 4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable.	David L. Doss

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Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
4	47	807 KAR 5:001 Section 10 (9)(v)	If gas, electric or water utility with annual gross revenues greater than \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from single time period.	Donald L. Storck
4	48	807 KAR 5:001 Section 10 (9)(w)	Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file: 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies supporting pricing of services generating annual revenue greater than \$1,000,000 except local exchange access: a. Based on current and reliable data from single time period; and b. Using generally recognized fully allocated, embedded, or incremental cost principles.	Not applicable
4	49	807 KAR 5:001 Section 10 (10)(a)	Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase.	Robert M. Parsons, Jr.
4	50	807 KAR 5:001 Section 10 (10)(b)	Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base.	Robert M. Parsons, Jr.
4	51	807 KAR 5:001 Section 10 (10)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account.	Robert M. Parsons, Jr.
4	52	807 KAR 5:001 Section 10 (10)(d)	Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors.	Robert M. Parsons, Jr.
4	53	807 KAR 5:001 Section 10 (10)(e)	Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes.	Robert M. Parsons
4	54	807 KAR 5:001 Section 10 (10)(f)	Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases.	Robert M. Parsons, Jr.
4	55	807 KAR 5:001 Section 10 (10)(g)	Analyses of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight time and overtime hours, and executive compensation by title.	Jay R. Alvaro

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Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
4	56	807 KAR 5:001 Section 10 (10)(h)	Computation of gross revenue conversion factor for forecasted period.	Robert M. Parsons, Jr.
4	57	807 KAR 5:001 Section 10 (10)(i)	Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period.	Stephen R. Lee
4	58	807 KAR 5:001 Section 10 (10)(j)	Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure.	Stephen G. De May
4	59	807 KAR 5:001 Section 10 (10)(k)	Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period.	Stephen R. Lee
4	60	807 KAR 5:001 Section 10 (10)(l)	Narrative description and explanation of all proposed tariff changes.	James E. Ziolkowski
4	61	807 KAR 5:001 Section 10 (10)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes.	James E. Ziolkowski
4	62	807 KAR 5:001 Section 10 (10)(n)	Typical bill comparison under present and proposed rates for all customer classes.	James E. Ziolkowski
4	63	807 KAR 5:001 Section (10)(3)	Amount of change requested in dollar amounts and percentage for each customer classification to which change will apply. a. Present and proposed rates for each customer class to which change would apply. b. Electric, gas, water and sewer utilities-the effect upon average bill for each customer class to which change would apply. c. Local exchange companies-include effect upon average bill for each customer class for change in basic local service.	James E. Ziolkowski
4	64	807 KAR 5:001 Section 10 (4)(c)(d)(e)(f)	If copy of public notice included, did it meet requirements?	Julia S. Janson
4	65	807 KAR 5:001 Section 6(1)	Amount and kinds of stock authorized.	Stephen G. De May
4	66	807 KAR 5:001 Section 6(2)	Amount and kinds of stock issued and outstanding.	Stephen G. De May
4	67	807 KAR 5:001 Section 6(3)	Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.	Stephen G. De May
4	68	807 KAR 5:001 Section 6(4)	Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking fund provisions.	Stephen G. De May

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Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
4	69	807 KAR 5:001 Section 6(5)	Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year.	Stephen G. De May
4	70	807 KAR 5:001 Section 6(6)	Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.	Stephen G. De May
4	71	807 KAR 5:001 Section 6(7)	Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.	Stephen G. De May
4	72	807 KAR 5:001 Section 6(8)	Rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year.	Stephen G. De May
4	73	807 KAR 5:001 Section 6(9)	Detailed income statement and balance sheet.	Robert M. Parsons, Jr.
5	-	807 KAR 5:001 Section 10(10) (a) through (k)	Schedule Book (Schedules A-K)	Various
6	-	807 KAR 5:001 Section 10(10) (l) through (n)	Schedule Book (Schedules L-N)	Various
7	-	-	Work papers	Various
8	-	807 KAR 5:001 Section 10(9)(a)	Testimony (Volume 1 of 2)	-
9	-	807 KAR 5:001 Section 10(9)(a)	Testimony (Volume 2 of 2)	-
10	-	KRS 278.2205(6)	Cost Allocation Manual	Brenda R. Melendez
-	-	807 KAR 5:056 Section 1(7)	Coal Contracts	Not Applicable-

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF THE ADJUSTMENT
OF GAS RATES OF DUKE ENERGY KENTUCKY, INC.

CASE NO. 2009-00202

FILING REQUIREMENTS

VOLUME 5

BEFORE

KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 2009-00202

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY KENTUCKY
FOR AUTHORITY TO INCREASE
ITS RATES FOR GAS SERVICE TO ALL
JURISDICTIONAL CONSUMERS

STANDARD FILING REQUIREMENTS

Before

KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 2009-00202

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY KENTUCKY
FOR AUTHORITY TO INCREASE
ITS RATES FOR GAS SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION A

SECTION A

REVENUE REQUIREMENTS

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended September 30, 2009

Forecasted Period: Twelve Months Ended January 31, 2011

Schedule

A Overall Financial Summary

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
OVERALL FINANCIAL SUMMARY
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE A
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	SUPPORTING SCHEDULE REFERENCE	JURISDICTIONAL REVENUE REQUIREMENTS	
			BASE PERIOD	FORECAST PERIOD
1	Capitalization Allocated to Gas Operations	WPA-1a, 1c	243,125,397	253,750,235
2	Operating Income	C-2	6,172,247	8,822,559
3	Earned Rate of Return (Line 2 / Line 1)		2.54%	3.48%
4	Rate of Return	J-1	7.199%	7.671%
5	Required Operating Income (Line 1 x Line 4)		17,502,597	19,465,181
6	Operating Income Deficiency (Line 5 - Line 2)		11,330,350	10,642,622
7	Gross Revenue Conversion Factor	H	1.6437800	1.6437800
8	Revenue Deficiency (Line 6 x Line 7)		18,624,603	17,494,129
9	Revenue Increase Requested	C-1	N/A	17,494,336
10	Adjusted Operating Revenues	C-1	N/A	124,681,347
11	Revenue Requirements (Line 9 + Line 10)		N/A	142,175,683

Before

KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 2009-00202

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY KENTUCKY
FOR AUTHORITY TO INCREASE
ITS RATES FOR GAS SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION B

SECTION B

RATE BASE

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended September 30, 2009

Forecasted Period: Twelve Months Ended January 31, 2011

Schedules

- B-1 Jurisdictional Rate Base Summary
- B-2 Plant in Service by Major Property Groups or Major Account (Original Cost)
 - B-2.1 Plant in Service by Accounts and Sub-accounts
 - B-2.2 Adjustments to Plant in Service
 - B-2.3 Gross Additions, Retirements and Transfer (Original Cost)
 - B-2.4 Property Merged or Acquired from Other Utilities (Other than Affiliates)
 - B-2.5 Leased Property
 - B-2.6 Property Held for Future Use Included in Rate Base
 - B-2.7 Property Excluded from Rate Base
- B-3 Accumulated Depreciation and Amortization
 - B-3.1 Adjustments to Accumulated Depreciation and Amortization
 - B-3.2 Depreciation and Amortization Accrual Rates and Jurisdictional Accumulated Balance by Accounts, Functional Class or Major Property Group
- B-4 Construction Work in Progress
 - B-4.1 Construction Work in Progress - Percent Complete
- B-5 Allowance for Working Capital
 - B-5.1 Working Capital Components
- B-6 Certain Deferred Credits and Accumulated Deferred Income Taxes
- B-7 Jurisdictional Percentage
 - B-7.1 Jurisdictional Statistics - Rate Base
 - B-7.2 Explanation of Changes in Jurisdictional Procedures - Rate Base
- B-8 Comparative Balance Sheets (Total Company)

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
JURISDICTIONAL RATE BASE SUMMARY
AS OF SEPTEMBER 30, 2009
AS OF JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE B-1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	RATE BASE COMPONENT	SUPPORTING SCHEDULE REFERENCE	BASE PERIOD	13 MONTH AVG. FORECASTED PERIOD	
1	Adjusted Jurisdictional Plant in Service	B-2	\$352,763,604	\$388,986,305	
2	Accumulated Depreciation and Amortization	B-3	<u>(99,218,845)</u>	<u>(106,403,989)</u>	(1)
3	Net Plant in Service (Line 1 + Line 2)		253,544,759	282,582,316	
4	Construction Work in Progress	B-4	21,648,924	3,777,154	
5	Cash Working Capital Allowance	B-5	2,612,875	2,371,199	
6	Other Working Capital Allowances	B-5	260,110	260,110	
7	Other Items:				
8	Customers' Advances for Construction	B-6	(1,638,646)	(1,638,646)	
9	Investment Tax Credits	B-6	(11,690)	(8,280)	
10	Deferred Income Taxes	B-6	(34,346,229)	(34,217,886)	(2)
11	Other Rate Base Adjustments	B-6	<u>0</u>	<u>0</u>	
12	Jurisdictional Rate Base (Line 3 through Line 11)		<u>\$242,070,103</u>	<u>\$253,125,967</u>	

(1) Includes adjustment of \$2,061,951 for annualized depreciation, Schedule D-2.23.

(2) Does not include Unrecovered Purchased Gas Cost ADIT per Commission precedent.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PLANT IN SERVICE BY MAJOR PROPERTY GROUPING
AS OF SEPTEMBER 30, 2009

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1

SCHEDULE B-2
PAGE 1 OF 2
WITNESS RESPONSIBLE:
B. R. MELENDEZ

Line No.	Major Property Groupings	Base Period	Jurisdictional %	Jurisdictional Total	Adjustments	Adjusted Jurisdiction
		\$		\$	\$	\$
1	Production	5,995,743	100.00	5,995,743	(3,897,233)	2,098,510
2	Distribution	347,031,005	100.00	347,031,005	(8,294,454)	338,736,551
3	General	3,482,229	100.00	3,482,229	(172,026)	3,310,203
4	Common (Allocated to Gas)	8,618,340	100.00	8,618,340	0	8,618,340
5	Completed Construction Not Classified (1)					
6	Other (specify)					
7	TOTAL	365,127,317		365,127,317	(12,363,713)	352,763,604

(1) Included in each function on Schedule B-2.1

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PLANT IN SERVICE BY MAJOR PROPERTY GROUPING
AS OF JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):: SCHEDULE B-2.1

SCHEDULE B-2
PAGE 2 OF 2
WITNESS RESPONSIBLE:
B. R. MELENDEZ

Line No.	Major Property Groupings	13 Month Average Forecasted Period	Jurisdictional %	Jurisdictional Total	13 Month Average Adjustments	13 Month Average Adjusted Jurisdiction
		\$		\$	\$	\$
1	Production	5,985,568	100.00	5,985,568	(3,890,619)	2,094,949
2	Distribution	382,494,836	100.00	382,494,836	(8,294,454)	374,200,382
3	General	3,480,987	100.00	3,480,987	(172,026)	3,308,961
4	Common (Allocated to Gas)	9,382,013	100.00	9,382,013	0	9,382,013
5	Completed Construction Not Classified (1)					
6	Other (specify)					
7	TOTAL	401,343,404		401,343,404	(12,357,099)	388,986,305

(1) Included in each function on Schedule B-2.1

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF SEPTEMBER 30, 2009

MANUFACTURED GAS PRODUCTION PLANT

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1
PAGE 1 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period \$	Jurisdictional %	Jurisdictional Total \$	Adjustments \$	Adjusted Jurisdiction \$
1	304	20400	Land and Land Rights	117,711	100.00%	117,711	(76,512)	41,199
2	304	20401	Rights of Way	24,439	100.00%	24,439	(15,885)	8,554
3	305	20500	Structures & Improvements	1,567,370	100.00%	1,567,370	(1,018,791)	548,579
4	311	21100	Liquefied Petroleum Gas Equipment	4,286,223	100.00%	4,286,223	(2,786,045)	1,500,178
5			Total Manufactured Gas Production Plant	5,995,743		5,995,743	(3,897,233)	2,098,510

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF SEPTEMBER 30, 2009

DISTRIBUTION PLANT

SCHEDULE B-2.1
PAGE 2 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period \$	Jurisdictional %	Jurisdictional Total \$	Adjustments \$	Adjusted Jurisdiction \$
							(5,910)	36,319
				42,229	100.00%	42,229	(300,483)	800,706
			Land and Land Rights	1,101,189	100.00%	1,101,189	(34,827)	123,687
1	374	27400	Rights of Way	158,514	100.00%	158,514		1,293,563
2	374	27401	Structures & Improvements	1,293,563	100.00%	1,293,563		70,014,745
3	375	27500	Mains - Cast Iron & Copper	70,014,745	100.00%	70,014,745		121,218,391
4	376	27601	Mains - Steel	121,218,391	100.00%	121,218,391	(7,446,120)	16,944,064
5	376	27602,27607	Mains - Plastic	24,390,184	100.00%	24,390,184	(359,080)	3,372,172
6	376	27603,27608	Mains - Feeder	3,731,252	100.00%	3,731,252	(148,034)	505,930
7	376	27605	System Meas. & Reg. Station Equipment	653,964	100.00%	653,964		983,475
8	378	27800	System Meas. & Reg. Station Equipment-Elec	983,475	100.00%	983,475		1,563,317
9	378	27801	District Regulating Equipment	1,563,317	100.00%	1,563,317		3,735,828
10	378	27802	Services- Cast Iron & Copper	3,735,828	100.00%	3,735,828		85,900,133
11	380	28001	Services-Steel	85,900,133	100.00%	85,900,133		10,748,770
12	380	28002,28004	Services-Plastic	10,748,770	100.00%	10,748,770		9,052,416
13	380	28003,28005-28007	Meters	9,052,416	100.00%	9,052,416		5,524,774
14	381	28100,28101	Meter Installations	5,524,774	100.00%	5,524,774		5,261,251
15	382	28200,28201	House Regulators	5,261,251	100.00%	5,261,251		439,685
16	383	28300,283001	House Regulator Installations	439,685	100.00%	439,685		64,791
17	384	28400,28401	Large Industrial Meas. & Reg. Equipment	64,791	100.00%	64,791		108,084
18	385	28500	Large Industrial Meas. & Reg. Equipment - Comm	108,084	100.00%	108,084		30,411
19	385	28501	Other Equipment - Other	30,411	100.00%	30,411		1,014,039
20	387	28700	Street Lighting Equipment	1,014,039	100.00%	1,014,039		
21	387	28701	Asset Retirement Cost for Distribution Plant					
22								
				347,031,005		347,031,005	(8,294,454)	338,736,551
			Total Distribution Plant					

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF SEPTEMBER 30, 2009

GENERAL PLANT

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1
PAGE 3 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period \$	Jurisdictional %	Jurisdictional Total \$	Adjustments \$	Adjusted Jurisdiction \$
1		20300	Miscellaneous Intangible Plant	497,352	100.00%	497,352		497,352
2	391	29100	Office Furniture & Equipment	23,008	100.00%	23,008	(10,499)	12,509
3	392	29200	Transportation Equipment	0	100.00%	0		0
4	392	29201	Trailers	96,158	100.00%	96,158		96,158
5	394	29400	Tools, Shop & Garage Equipment	2,692,929	100.00%	2,692,929	(35,966)	2,656,963
6	396	29600	Power Operated Equipment	47,221	100.00%	47,221		47,221
7	398	29800	Miscellaneous Equipment	125,561	100.00%	125,561	(125,561)	0
8			Total General Plant	3,482,229		3,482,229	(172,026)	3,310,203
9			Total Gas Plant	356,508,977		356,508,977	(12,363,713)	344,145,264

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF SEPTEMBER 30, 2009

COMMON PLANT

SCHEDULE B-2.1
PAGE 4 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period \$	Jurisdictional %	Jurisdictional Total \$	Adjustments \$	Adjusted Jurisdiction \$
								19,094,531
1		10300	Miscellaneous Intangible Plant	19,094,531	100.00%	19,094,531		601,513
2		17001	Leased AMI Meters	601,513	100.00%	601,513		154,248
3		18900	Land and Land Rights	154,248	100.00%	154,248		8,112,733
4		19000	Structures & Improvements	8,112,733	100.00%	8,112,733		402,556
5		19100	Office Furniture & Equipment	402,556	100.00%	402,556		5,563
8		19300	Stores Equipment	5,563	100.00%	5,563		178,694
9		19400	Tools, Shop & Garage Equipment	178,694	100.00%	178,694		4,921,074
10		19700	Communication Equipment	4,921,074	100.00%	4,921,074		11,372
11		19800	Miscellaneous Equipment	11,372	100.00%	11,372		
								0
				33,482,284		33,482,284		33,482,284
12			Total Common Plant					0
				8,618,340		8,618,340		8,618,340
13			25.74% Common Plant Allocated to Gas					0
				365,127,317		365,127,317	(12,363,713)	352,763,604
14			Total Gas Plant Including Allocated Common					

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF JANUARY 31, 2011

MANUFACTURED GAS PRODUCTION PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1
PAGE 5 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period \$	Jurisdictional %	Jurisdictional Total \$	13 Month Average Adjustments \$	13 Month Average Adjusted Jurisdiction \$
1	304	20400	Land and Land Rights	117,711	100.00%	117,711	(76,512)	41,199
2	304	20401	Rights of Way	24,439	100.00%	24,439	(15,885)	8,554
3	305	20500	Structures & Improvements	1,567,370	100.00%	1,567,370	(1,018,791)	548,579
4	311	21100	Liquefied Petroleum Gas Equipment	4,276,048	100.00%	4,276,048	(2,779,431)	1,496,617
5			Total Manufactured Gas Production Plant	5,985,568		5,985,568	(3,890,619)	2,094,949

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF JANUARY 31, 2011

DISTRIBUTION PLANT

SCHEDULE B-2.1
PAGE 6 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):: SCHEDULE B-2.2, SCHEDULE B-2.3

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period \$	Jurisdictional %	Jurisdictional Total \$	13 Month Average Adjustments \$	13 Month Average Adjusted Jurisdiction \$
1	374	27400	Land and Land Rights	42,229	100.00%	42,229	(5,910)	36,319
2	374	27401	Rights of Way	1,128,472	100.00%	1,128,472	(300,483)	827,989
3	375	27500	Structures & Improvements	158,514	100.00%	158,514	(34,827)	123,687
4	376	27601	Mains - Cast Iron & Copper	1,123,679	100.00%	1,123,679		1,123,679
5	376	27602,27607	Mains - Steel	71,121,151	100.00%	71,121,151		71,121,151
6	376	27603,27608	Mains - Plastic	139,828,676	100.00%	139,828,676		139,828,676
7	376	27605	Mains - Feeder	26,744,903	100.00%	26,744,903	(7,446,120)	19,298,783
8	378	27800	System Meas. & Reg. Station Equipment	4,077,037	100.00%	4,077,037	(359,080)	3,717,957
9	378	27801	System Meas. & Reg. Station Equipment-Elec	702,990	100.00%	702,990	(148,034)	554,956
10	378	27802	District Regulating Equipment	1,107,447	100.00%	1,107,447		1,107,447
11	380	28001	Services- Cast Iron & Copper	1,426,830	100.00%	1,426,830		1,426,830
12	380	28002,28004	Services-Steel	4,009,714	100.00%	4,009,714		4,009,714
13	380	28003,28005-28007	Services-Plastic	4,009,714	100.00%	4,009,714		4,009,714
14	381	28100,28101	Meters	95,825,728	100.00%	95,825,728		95,825,728
15	382	28200,28201	Meter Installations	11,222,089	100.00%	11,222,089		11,222,089
16	383	28300,283001	House Regulators	9,783,936	100.00%	9,783,936		9,783,936
17	384	28400,28401	House Regulator Installations	6,204,716	100.00%	6,204,716		6,204,716
18	385	28500	Large Industrial Meas. & Reg. Equipment	6,329,715	100.00%	6,329,715		6,329,715
19	385	28501	Large Industrial Meas. & Reg. Equipment - Comm	439,685	100.00%	439,685		439,685
20	387	28700	Other Equipment - Other	64,791	100.00%	64,791		64,791
21	387	28701	Street Lighting Equipment	108,084	100.00%	108,084		108,084
22			Asset Retirement Cost for Distribution Plant	30,411	100.00%	30,411		30,411
				1,014,039	100.00%	1,014,039		1,014,039
23			Total Distribution Plant	382,494,836		382,494,836	(8,294,454)	374,200,382

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF JANUARY 31, 2011

GENERAL PLANT

SCHEDULE B-2.1
PAGE 7 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period \$	Jurisdictional %	Jurisdictional Total \$	13 Month Average Adjustments \$	13 Month Average Adjusted Jurisdiction \$
1		20300	Miscellaneous Intangible Plant	497,352	100.00%	497,352		497,352
2	391	29100	Office Furniture & Equipment	23,008	100.00%	23,008	(10,499)	12,509
3	392	29200	Transportation Equipment	0	100.00%	0		0
4	392	29201	Trailers	96,158	100.00%	96,158	(35,966)	96,158
5	394	29400	Tools, Shop & Garage Equipment	2,691,687	100.00%	2,691,687		2,655,721
6	396	29600	Power Operated Equipment	47,221	100.00%	47,221		47,221
7	398	29800	Miscellaneous Equipment	125,561	100.00%	125,561	(125,561)	0
Total General Plant				3,480,987		3,480,987	(172,026)	3,308,961
8								
Total Gas Plant				391,961,391		391,961,391	(12,357,099)	379,604,292
9								

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF JANUARY 31, 2011

COMMON PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):: SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1
PAGE 8 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period \$	Jurisdictional %	Jurisdictional Total \$	13 Month Average Adjustments \$	13 Month Average Adjusted Jurisdiction \$
1		10300	Miscellaneous Intangible Plant	22,071,145	100.00%	22,071,145		22,071,145
2		17001	Leased AMI Meters	601,513	100.00%	601,513		601,513
3		18900	Land and Land Rights	154,248	100.00%	154,248		154,248
4		19000	Structures & Improvements	8,102,991	100.00%	8,102,991		8,102,991
5		19100	Office Furniture & Equipment	402,556	100.00%	402,556		402,556
8		19300	Stores Equipment	5,563	100.00%	5,563		5,563
9		19400	Tools, Shop & Garage Equipment	178,694	100.00%	178,694		178,694
10		19700	Communication Equipment	4,921,074	100.00%	4,921,074		4,921,074
11		19800	Miscellaneous Equipment	11,372	100.00%	11,372		11,372
12			Total Common Plant	36,449,156		36,449,156	0	36,449,156
13			25.74% Common Plant Allocated to Gas	9,382,013		9,382,013	0	9,382,013
14			Total Gas Plant Including Allocated Common	401,343,404		401,343,404	(12,357,099)	388,986,305

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUSTMENTS TO PLANT IN SERVICE
AS OF SEPTEMBER 30, 2009

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-2.2a through WPB-2.2f

SCHEDULE B-2.2
PAGE 1 OF 2
WITNESS RESPONSIBLE:
B. R. MELENDEZ

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period	Jurisdictional %	Jurisdictional Adjustment	Workpaper Reference No.	Description and Purpose of Adjustment
				\$		\$		
<u>Manufactured Gas Production Plant</u>								
1	304	20400	Land and Land Rights	76,512	100.00	76,512	WPB-2.2f	Exclusion of gas facilities devoted to other than DE-Ky customers.
2	304	20401	Rights of Way	15,885	100.00	15,885	WPB-2.2f	
3	305	20500	Structures & Improvements	1,018,791	100.00	1,018,791	WPB-2.2f	
4	311	21100	Liquefied Petroleum Gas Equipment	2,786,045	100.00	2,786,045	WPB-2.2f	
5			Completed Construction Not Classified					
6	Total Manufactured Gas Production Plant			3,897,233		3,897,233		
<u>Distribution Plant</u>								
7	374	27400	Land	5,910	100.00	5,910	WPB-2.2f	
8	374	27401	Rights of Way	300,483	100.00	300,483	WPB-2.2f	
9	375	27500	Structures & Improvements	34,827	100.00	34,827	WPB-2.2f	
10	376	27605	Mains-Steel Feeder Lines	7,446,120	100.00	7,446,120	WPB-2.2f	
11	378	27800	System M & R Station Equip. - General	359,080	100.00	359,080	WPB-2.2f	
12	378	27801	System M & R Station Equip.	148,034	100.00	148,034	WPB-2.2f	
13	Total Distribution Plant			8,294,454		8,294,454		
<u>General Plant</u>								
14	391	29100	Office Furniture & Equipment #936	10,499	100.00	10,499	WPB-2.2f	
15	394	29400	Tools, Shop & Garage Equipment #936	35,966	100.00	35,966	WPB-2.2f	
16	398	29800	Miscellaneous Equipment	125,561	100.00	125,561	WPB-2.2f	
17	Total General Plant			172,026		172,026		
18	Total Gas Plant			12,363,713		12,363,713		

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUSTMENTS TO PLANT IN SERVICE
AS OF JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-2.2g, WPB-2.2h

SCHEDULE B-2.2
PAGE 2 OF 2
WITNESS RESPONSIBLE:
B. R. MELENDEZ

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period	Jurisdictional %	Jurisdictional Adjustment	Workpaper Reference No.	Description and Purpose of Adjustment
				\$		\$		
<u>Manufactured Gas Production Plant</u>								
1	304	20400	Land and Land Rights	76,512	100.00	76,512	WPB-2.2g	Exclusion of gas facilities devoted to other DE-Ky customers.
2	304	20401	Rights of Way	15,885	100.00	15,885	WPB-2.2g	
3	305	20500	Structures & Improvements	1,018,791	100.00	1,018,791	WPB-2.2g	
4	311	21100	Liquefied Petroleum Gas Equipment	2,779,431	100.00	2,779,431		
5			Completed Construction Not Classified					
6	Total Manufactured Gas Production Plant			<u>3,890,619</u>		<u>3,890,619</u>	WPB-2.2h	
<u>Distribution Plant</u>								
7	374	27400	Land	5,910	100.00	5,910	WPB-2.2g	
8	374	27401	Rights of Way	300,483	100.00	300,483	WPB-2.2g	
9	375	27500	Structures & Improvements	34,827	100.00	34,827	WPB-2.2g	
10	376	27605	Mains-Steel Feeder Lines	7,446,120	100.00	7,446,120	WPB-2.2g	
11	378	27800	System M & R Station Equip. - General	359,080	100.00	359,080	WPB-2.2g	
12	378	27801	System M & R Station Equip.	148,034	100.00	148,034	WPB-2.2g	
13	Total Distribution Plant			<u>8,294,454</u>		<u>8,294,454</u>		
<u>General Plant</u>								
14	391	29100	Office Furniture & Equipment #936	10,499	100.00	10,499	WPB-2.2g	
15	394	29400	Tools, Shop & Garage Equipment #936	35,966	100.00	35,966	WPB-2.2g	
16	398	29800	Miscellaneous Equipment	125,561	100.00	125,561	WPB-2.2g	
17	Total General Plant			<u>172,026</u>		<u>172,026</u>		
18	Total Gas Plant			<u><u>12,357,099</u></u>		<u><u>12,357,099</u></u>		

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM OCTOBER 1, 2008 TO SEPTEMBER 30, 2009

MANUFACTURED GAS PRODUCTION PLANT

SCHEDULE B-2.3
PAGE 1 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Ending Balance
							Amount	Explanation of Transfer	
				\$	\$	\$	\$		\$
				117,711					117,711
1	304	20400	Land	24,439					24,439
2	304	20401	Rights of Way	1,567,370					1,567,370
3	305	20500	Structures & Improvements	4,143,594	148,646	6,017			4,286,223
4	311	21100	Liquefied Petroleum Gas Equipment						
5									
6			Total Manufactured Gas Production Plant	5,853,114	148,646	6,017	0		5,995,743

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM OCTOBER 1, 2008 TO SEPTEMBER 30, 2009
DISTRIBUTION PLANT

SCHEDULE B-2.3
PAGE 2 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Ending Balance
							Amount	Explanation of Transfer	
				\$	\$	\$	\$		\$
									42,229
									1,101,189
				42,229					158,514
			Land	1,084,354	16,835				1,293,563
1	374	27400	Rights of Way	158,514		267,260			70,014,745
2	374	27401	Structures & Improvements	1,560,823		313,767			121,218,391
3	375	27500	Mains - Cast Iron & Copper	68,998,859	1,329,653				24,390,184
4	376	27601	Mains - Steel	110,602,046	11,072,713				3,731,252
5	376	27602,27607	Mains - Plastic	22,075,655	2,345,801				653,964
6	376	27603,27608	Mains - Feeder	3,433,048	298,204				983,475
7	376	27605	System Meas. & Reg. Station Equipment - General	605,448	48,516				1,563,317
8	378	27800	System Meas. & Reg. Station Equipment - Electric	860,793	122,682				3,735,828
9	378	27801	District Regulating Equipment	1,763,778	0	200,461			85,900,133
10	378	27802	Services- Cast Iron & Copper	3,496,484	367,818	128,474			10,748,770
11	380	28001	Services-Steel	81,641,184	6,196,958	1,938,009			9,052,416
12	380	28002,28004	Services-Plastic	11,493,585	35,981	571,291	(209,505)		5,524,774
13	380	28003,28005-28007	Meters	8,719,273	333,143				5,261,251
14	381	28100,28101	Meter Installations	4,926,202	598,572				439,685
15	382	28200,28201	House Regulators	4,594,669	666,582				64,791
16	383	28300,283001	House Regulator Installations	439,685					108,084
17	384	28400,28401	Large Industrial Meas. & Reg. Equipment	64,791					30,411
18	385	28500	Large Industrial Meas. & Reg. Equipment - Comm	108,084					1,014,039
19	385	28501	Other Equipment - Other	30,411		0	0		
20	387	28700	Street Lighting Equipment	1,069,070	(55,031)				
21	387	28701	Asset Retirement Cost Obligation						347,031,005
22									
			Total Distribution Plant	327,768,985	23,378,427	3,906,902	(209,505)		

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM FEBRUARY 1, 2010 TO JANUARY 31, 2011

MANUFACTURED GAS PRODUCTION PLANT

SCHEDULE B-2.3
PAGE 5 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Ending Balance	13 Month Average
							Amount	Explanation of Transfer		
				\$	\$	\$	\$		\$	\$
1	304	20400	Land	117,711					117,711	117,711
2	304	20401	Rights of Way	24,439					24,439	24,439
3	305	20500	Structures & Improvements	1,567,370					1,567,370	1,567,370
4	311	21100	Liquefied Petroleum Gas Equipment	4,282,191		12,302			4,269,889	4,276,048
5										
6			Total Manufactured Gas Production Plant	5,991,711	0	12,302	0		5,979,409	5,985,568

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM FEBRUARY 1, 2010 TO JANUARY 31, 2011

DISTRIBUTION PLANT

SCHEDULE B-2.3
PAGE 6 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISIED
WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Ending Balance	13 Month Average
							Amount	Explanation of Transfer		
				\$	\$	\$	\$		\$	\$
				42,229					42,229	42,229
1	374	27400	Land	1,120,834	19,265				1,140,099	1,128,472
2	374	27401	Rights of Way	158,514					158,514	158,514
3	375	27500	Structures & Improvements	1,226,240		205,388			1,020,852	1,123,679
4	376	27601	Mains - Cast Iron & Copper	70,877,389	925,077	246,293			71,556,173	71,121,151
5	376	27602,27607	Mains - Steel	134,717,075	13,354,578	366,204			147,705,449	139,828,676
6	376	27603,27608	Mains - Plastic	26,102,856	1,700,003	63,932			27,738,927	26,744,903
7	376	27605	Mains - Feeder	3,980,239	244,158				4,224,397	4,077,037
8	378	27800	System Meas. & Reg. Station Equipment - General	689,266	34,618				723,884	702,990
9	378	27801	System Meas. & Reg. Station Equipment - Electric	1,072,743	87,537				1,160,280	1,107,447
10	378	27802	District Regulating Equipment	1,509,229		165,011			1,344,218	1,426,830
11	380	28001	Services- Cast Iron & Copper	3,965,151	263,410	119,888			4,108,673	4,009,714
12	380	28002,28004	Services-Steel	93,469,153	7,928,633	1,575,545			99,822,241	95,825,728
13	380	28003,28005-28007	Services-Plastic	11,207,168	590,624	439,034			11,358,758	11,222,089
14	381	28100,28101	Meters	9,579,158	516,524				10,095,682	9,783,936
15	382	28200,28201	Meter Installations	6,014,376	480,106				6,494,482	6,204,716
16	383	28300,283001	House Regulators	6,030,614	754,442				6,785,056	6,329,715
17	384	28400,28401	House Regulator Installations	439,685					439,685	439,685
18	385	28500	Large Industrial Meas. & Reg. Equipment	64,791					64,791	64,791
19	385	28501	Large Industrial Meas. & Reg. Equipment - Comm	108,084					108,084	108,084
20	387	28700	Other Equipment - Other	30,411					30,411	30,411
21	387	28701	Street Lighting Equipment	1,014,039					1,014,039	1,014,039
22			Asset Retirement Cost for Distribution Plant							
				373,419,244	26,898,975	3,181,295	0		397,136,924	382,494,836
23			Total Distribution Plant							

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM FEBRUARY 1, 2010 TO JANUARY 31, 2011

COMMON PLANT

SCHEDULE B-2.3
PAGE 8 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Ending Balance	13 Month Average
							Amount	Other Accts. Involved		
				\$	\$	\$	\$		\$	\$
				22,071,145					22,071,145	22,071,145
1		10300	Miscellaneous Intangible Plant	601,513					601,513	601,513
2		17001	Leased AMI Meters	154,248		11,777			154,248	154,248
3		18900	Land	8,108,872					8,097,095	8,102,991
4		19000	Structures & Improvements	402,556					402,556	402,556
5		19100	Office Furniture & Equipment	5,563					5,563	5,563
6		19300	Stores Equipment	178,694					178,694	178,694
7		19400	Tools, Shop & Garage Equipment	4,921,074					4,921,074	4,921,074
8		19700	Communication Equipment	11,372					11,372	11,372
9		19800	Miscellaneous Equipment							0
10									36,443,260	36,449,156
11			Total Common Plant	36,455,037	0	11,777	0		9,380,494	9,382,013
12			25.74% Common Plant Allocated to Gas	9,383,527	0	3,032	0		415,977,063	401,343,404
13			Total Gas Plant Including Allocated Common	392,276,219	26,898,975	3,198,130	0			

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PROPERTY MERGED OR ACQUIRED
FROM JANUARY 1, 2010 TO JANUARY 31, 2011

SCHEDULE B-2.4
PAGE 1 OF 1
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Description of Property	Acquisition Cost	Cost Basis	Acquisition Adjustment	Commission Approval Date (Docket No.)	Date of Acquisition	Explanation of Treatment
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The company has not merged or acquired property from other than affiliated companies.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
LEASED PROPERTY
(TOTAL COMPANY)
AS OF SEPTEMBER 30, 2009

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.5
PAGE 1 OF 2
WITNESS RESPONSIBLE:
B. R. MELENDEZ

Identification or Reference Number	Description of Type and Use of Property	Name of Lessee	Frequency of Payment	Amount of Lease Payment	Dollar Value of Property Involved	Explain Method of Capitalization
	Gas Meters	Bank of America	Monthly	95,726	9,168,023	Per Regulatory and GAAP Guidelines
	Gas Regulators	Bank of America	Monthly	69,769	6,788,043	Per Regulatory and GAAP Guidelines
	Electric Meters	Bank of America	Monthly	56,642	5,429,506	Per Regulatory and GAAP Guidelines
	Erlanger Cox Rd. Facility	Edward Gary Leasing	Monthly	<u>20,418</u>	<u>2,100,000</u>	Per Regulatory and GAAP Guidelines
	Total Capital Leases			<u>242,555</u>	<u>23,485,572</u>	

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
LEASED PROPERTY
(TOTAL COMPANY)
AS OF JANUARY 31, 2011

SCHEDULE B-2.5
PAGE 2 OF 2
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Identification or Reference Number	Description of Type and Use of Property	Name of Lessee	Frequency of Payment	Amount of Lease Payment	Dollar Value of Property Involved	Explain Method of Capitalization
	Gas Meters	Bank of America	Monthly	59,111	5,756,906	Per Regulatory and GAAP Guidelines
	Gas Regulators	Bank of America	Monthly	69,769	6,788,043	Per Regulatory and GAAP Guidelines
	Electric Meters	Bank of America	Monthly	36,968	3,596,513	Per Regulatory and GAAP Guidelines
	Erlanger Cox Rd. Facility	Edward Gary Leasing	Monthly	<u>20,418</u>	<u>2,100,000</u>	Per Regulatory and GAAP Guidelines
	Total Capital Leases			<u>186,266</u>	<u>18,241,462</u>	

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE
AS OF SEPTEMBER 30, 2009
AS OF JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.6
PAGE 1 OF 1
WITNESS RESPONSIBLE:
B. R. MELENDEZ

Line No.	Description and Location of Property	Acquisition Date	Original Cost	Accumulated Depreciation	Net Original Cost	Revenue Realized			Expenses Incurred		
						Amount	Acct. No.	Description	Amount	Acct. No.	Description

The company has no plant held for future use included in rate base.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PROPERTY EXCLUDED FROM RATE BASE
(FOR REASONS OTHER THAN JURISDICTIONAL ALLOCATION)
AS OF SEPTEMBER 30, 2009

SCHEDULE B-2.7
PAGE 1 OF 2
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	Company Acct. No.	Description of Excluded Property	In-Service Date	Original Cost	Accum. Depre. and Amort.	Net Original Cost	Base Period Revenue and Expense		Reasons for Exclusion
							Amount	Acct. No. Description	

No property is excluded from rate base for reasons other than jurisdictional allocation.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PROPERTY EXCLUDED FROM RATE BASE
(FOR REASONS OTHER THAN JURISDICTIONAL ALLOCATION)
AS OF JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISD
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.7
PAGE 2 OF 2
WITNESS RESPONSIBLE:
B. R. MELENDEZ

Line No.	Company Acct. No.	Description of Excluded Property	In-Service Date	Original Cost	Accum. Depre. and Amort.	Net Original Cost	Forecast Period Revenue and Expense		Reasons for Exclusion
							Amount	Acct. No. Description	

No property is excluded from rate base for reasons other than jurisdictional allocation.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF SEPTEMBER 30, 2009

MANUFACTURED GAS PRODUCTION PLANT

SCHEDULE B-3
PAGE 1 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): , SCHEDULE B-2.1, SCHEDULE B-3.1

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period Total (1) \$	Base Period Accumulated Balances			Adjusted Jurisdiction \$	
					Total \$	Jurisdictional %	Jurisdictional Total \$		Adjustments \$
				117,711	0	100.00%	0	0	0
1	304	20400	Land and Land Rights	24,439	24,439	100.00%	24,439	(15,885)	8,554
2	304	20401	Rights of Way	1,567,370	1,395,359	100.00%	1,395,359	(907,238)	488,121
3	305	20500	Structures & Improvements	4,286,223	1,982,474	100.00%	1,982,474	(1,292,472)	690,002
4	311	21100	Liquefied Petroleum Gas Equipment		0	100.00%	0	0	0
5		108	Retirement Work in Progress						
6			Total Manufactured Gas Production Plant	5,995,743	3,402,272		3,402,272	(2,215,595)	1,186,677

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF SEPTEMBER 30, 2009

DISTRIBUTION PLANT

SCHEDULE B-3
PAGE 2 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): . SCHEDULE B-2.1, SCHEDULE B-3.1

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period Total (1)	Base Period Accumulated Balances			Adjusted Jurisdiction \$
					Total \$	Allocation %	Allocated Total \$	
					0	100.00%	0	
				42,229	516,677	100.00%	516,677	(138,534)
			Land and Land Rights	1,101,189	126,150	100.00%	126,150	(34,258)
			Rights of Way	158,514	591,820	100.00%	591,820	
1	374	27400	Structures & Improvements	1,293,563	29,778,946	100.00%	29,778,946	29,778,946
2	374	27401	Mains - Cast Iron & Copper	70,014,745	18,403,495	100.00%	18,403,495	18,403,495
3	375	27500	Mains - Steel	121,218,391	12,097,376	100.00%	12,097,376	(4,802,198)
4	376	27601	Mains - Plastic	24,390,184	1,767,339	100.00%	1,767,339	(330,922)
5	376	27602,27607	Mains - Feeder	3,731,252	385,409	100.00%	385,409	(112,087)
6	376	27603,27608	System Meas. & Reg. Station Equipment	653,964	527,836	100.00%	527,836	
7	376	27605	System Meas. & Reg. Station Equipment-Elec	983,475	1,800,018	100.00%	1,800,018	1,800,018
8	378	27800	District Regulating Equipment	1,563,317	1,842,325	100.00%	1,842,325	1,842,325
9	378	27801	Services- Cast Iron & Copper	3,735,828	22,286,188	100.00%	22,286,188	22,286,188
10	378	27802	Services- Steel	85,900,133	2,394,420	100.00%	2,394,420	2,394,420
11	380	28001	Services-Plastic	10,748,770	2,405,824	100.00%	2,405,824	2,405,824
12	380	28002,28004	Meters	9,052,416	1,046,168	100.00%	1,046,168	1,046,168
13	380	28003,28005-28007	Meter Installations	5,524,774	976,464	100.00%	976,464	976,464
14	381	28100,28101	House Regulators	5,261,251	306,366	100.00%	306,366	306,366
15	382	28200,28201	House Regulator Installations	439,685	33,296	100.00%	33,296	33,296
16	383	28300,283001	Large Industrial Meas. & Reg. Equipment	64,791	84,876	100.00%	84,876	84,876
17	384	28400,28401	Other Equipment - Comm	108,084	13,468	100.00%	13,468	13,468
18	385	28500	Other Equipment - Other	30,411	443,519	100.00%	443,519	443,519
19	385	28501	Street Lighting Equipment	1,014,039	(692,844)	100.00%	(692,844)	(692,844)
20	385	28700	Asset Retirement Obligation					
21	387	28701	Retirement Work in Progress					
22		108						
23								
			Total Distribution Plant	347,031,005	97,135,136		97,135,136	(5,417,999)
24								91,717,137

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF SEPTEMBER 30, 2009

GENERAL PLANT

SCHEDULE B-3
PAGE 3 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): , SCHEDULE B-2.1, SCHEDULE B-3.1

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period Total (1)	Base Period Accumulated Balances			Adjusted Jurisdiction
					Total \$	Allocation %	Allocated Total \$	
								410,488
				497,352	410,488	100.00%	410,488	9,627
				23,008	15,415	100.00%	15,415	777
				0	777	100.00%	777	86,051
1		20300	Miscellaneous Intangible Plant					
2	391	29100	Office Furniture & Equipment					
3	392	29200	Transportation Equipment	96,158	86,051	100.00%	86,051	(22,218)
4	392	29201	Trailers	2,692,929	970,595	100.00%	970,595	47,221
5	394	29400	Tools, Shop & Garage Equipment	47,221	47,221	100.00%	47,221	(34,550)
6	396	29600	Power Operated Equipment	125,561	34,550	100.00%	34,550	0
7	398	29800	Miscellaneous Equipment		0	100.00%	0	0
8		108	Retirement Work in Progress					
								1,502,541
				3,482,229	1,565,097		1,565,097	(62,556)
9			Total General Plant					94,406,355
				356,508,977	102,102,505		102,102,505	(7,696,150)
10			Total Gas Plant					

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF SEPTEMBER 30, 2009

COMMON PLANT

SCHEDULE B-3
PAGE 4 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period Total (1)	Base Period Accumulated Balances			Adjusted Jurisdiction
					Total \$	Allocation %	Allocated Total \$	
								14,503,274
				19,094,531	14,503,274	100.00%	14,503,274	53,429
				601,513	53,429	100.00%	53,429	0
1		10300	Miscellaneous Intangible Plant	154,248	0	100.00%	0	2,385,763
2		17001	Leased AMI Meters	8,112,733	2,385,763	100.00%	2,385,763	313,333
3		18900	Land and Land Rights	402,556	313,333	100.00%	313,333	(7,289)
4		19000	Structures & Improvements	5,563	(7,289)	100.00%	(7,289)	89,383
5		19100	Office Furniture & Equipment	178,694	89,383	100.00%	89,383	1,534,033
6		19300	Stores Equipment	4,921,074	1,534,033	100.00%	1,534,033	2,722
7		19400	Tools, Shop & Garage Equipment	11,372	2,722	100.00%	2,722	(178,104)
8		19700	Communication Equipment		(178,104)	100.00%	(178,104)	
9		19800	Miscellaneous Equipment					
10		108	Retirement Work in Progress					
								0
								18,696,544
11			Total Common Plant	33,482,284	18,696,544		18,696,544	0
								0
								4,812,490
12			Common Plant Allocated to Gas	8,618,340	4,812,490		4,812,490	0
13			25.74% Original Cost					
			25.74% Reserve for Depreciation					
								(7,696,150)
								99,218,845
14			Total Gas Plant Including Allocated Common	365,127,317	106,914,995		106,914,995	

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF JANUARY 31, 2011

MANUFACTURED GAS PRODUCTION PLANT

SCHEDULE B-3
PAGE 5 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period (1) \$	13 Month Average Forecast Period Accumulated Balances				
					Total \$	Jurisdictional %	Jurisdictional Total \$	Adjustments \$	Adjusted Jurisdiction \$
1	304	20400	Land and Land Rights	117,711	0	100.00%	0	0	0
2	304	20401	Rights of Way	24,439	24,439	100.00%	24,439	(15,885)	8,554
3	305	20500	Structures & Improvements	1,567,370	1,399,929	100.00%	1,399,929	(910,634)	489,295
4	311	21100	Liquefied Petroleum Gas Equipment	4,276,048	2,059,848	100.00%	2,059,848	(1,349,245)	710,603
5		108	Retirement Work in Progress		0	100.00%	0		0
6			Total Manufactured Gas Production Plant	5,985,568	3,484,216		3,484,216	(2,275,764)	1,208,452

(1) Plant investment includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF JANUARY 31, 2011
DISTRIBUTION PLANT

SCHEDULE B-3
PAGE 6 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):: SCHEDULE B-2.1, SCHEDULE B-3.1

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period (1)	13 Month Average Forecast Period Accumulated Balances				
					Total \$	Allocation %	Allocated Total \$	Adjustments \$	Adjusted Jurisdiction \$
					0	100.00%	0		0
				42,229	529,620	100.00%	529,620	(142,015)	387,605
			Land and Land Rights	1,128,472	127,630	100.00%	127,630	(34,583)	93,047
1	374	27400	Rights of Way	158,514	426,857	100.00%	426,857		30,643,186
2	374	27401	Structures & Improvements	1,123,679	30,643,186	100.00%	30,643,186		21,268,933
3	375	27500	Mains - Cast Iron & Copper	71,121,151	21,268,933	100.00%	21,268,933	(4,928,782)	7,504,886
4	376	27601	Mains - Steel	139,828,676	12,433,668	100.00%	12,433,668	(337,146)	1,498,452
5	376	27602,27607	Mains - Plastic	26,744,903	1,835,598	100.00%	1,835,598	(113,802)	279,528
6	376	27603,27608	Mains - Feeder	4,077,037	393,330	100.00%	393,330		560,529
7	376	27605	System Meas. & Reg. Station Equipment	702,990	560,529	100.00%	560,529		1,663,531
8	378	27800	System Meas. & Reg. Station Equipment-Elec	1,107,447	560,529	100.00%	560,529		1,776,372
9	378	27801	District Regulating Equipment	1,426,830	1,663,531	100.00%	1,663,531		22,949,898
10	378	27802	Services- Cast Iron & Copper	4,009,714	1,776,372	100.00%	1,776,372		2,281,068
11	380	28001	Services-Steel	95,825,728	22,949,898	100.00%	22,949,898		2,655,717
12	380	28002,28004	Services-Plastic	11,222,089	2,281,068	100.00%	2,281,068		2,655,717
13	380	28003,28005-28007	Meters	9,783,936	2,655,717	100.00%	2,655,717		1,188,017
14	381	28100,28101	Meter Installations	6,204,716	1,188,017	100.00%	1,188,017		1,124,944
15	382	28200,28201	House Regulators	6,329,715	1,124,944	100.00%	1,124,944		318,166
16	383	28300,283001	House Regulator Installations	439,685	318,166	100.00%	318,166		34,686
17	384	28400,28401	Large Industrial Meas. & Reg. Equipment	64,791	34,686	100.00%	34,686		94,576
18	385	28500	Large Industrial Meas. & Reg. Equipment - Comm	108,084	94,576	100.00%	94,576		14,408
19	385	28501	Other Equipment - Other	30,411	14,408	100.00%	14,408		460,509
20	385	28700	Street Lighting Equipment	1,014,039	460,509	100.00%	460,509		(1,211,740)
21	387	28701	Asset Retirement Obligation		(1,211,740)	100.00%	(1,211,740)		
22			Retirement Work in Progress						
23		108							
			Total Distribution Plant	382,494,836	101,569,503		101,569,503	(5,556,328)	96,013,175
24									

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF JANUARY 31, 2011

GENERAL PLANT

SCHEDULE B-3
PAGE 7 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period (1)	13 Month Average Forecast Period Accumulated Balances				
					Total \$	Allocation %	Allocated Total \$	Adjustments \$	Adjusted Jurisdiction \$
					414,571	100.00%	414,571		414,571
				497,352	16,465	100.00%	16,465	(6,267)	10,198
				23,008	777	100.00%	777		777
1		20300	Miscellaneous Intangible Plant	0	86,921	100.00%	86,921		86,921
2	391	29100	Office Furniture & Equipment		1,058,675	100.00%	1,058,675	(23,420)	1,035,255
3	392	29200	Transportation Equipment	96,158	47,221	100.00%	47,221		47,221
4	392	29201	Trailers	2,691,687	34,550	100.00%	34,550	(34,550)	0
5	394	29400	Tools, Shop & Garage Equipment	47,221	0	100.00%	0		0
6	396	29600	Power Operated Equipment	125,561					
7	398	29800	Miscellaneous Equipment						
8		108	Retirement Work in Progress						
							1,659,180	(64,237)	1,594,943
			Total General Plant	3,480,987	1,659,180				
9							106,712,899	(7,896,329)	98,816,570
			Total Gas Plant	391,961,391	106,712,899				
10									

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF JANUARY 31, 2011

COMMON PLANT

SCHEDULE B-3
PAGE 8 OF 8
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecasted Period (1)	13 Month Average Forecast Period Accumulated Balances				
					Total \$	Allocation %	Allocated Total \$	Adjustments \$	Adjusted Jurisdiction \$
				22,071,145	16,201,255	100.00%	16,201,255		16,201,255
			Miscellaneous Intangible Plant	601,513	81,549	100.00%	81,549		81,549
			Leased Common Meters	154,248	0	100.00%	0		0
1		10300							
2		17001			2,817,468	100.00%	2,817,468		2,817,468
3		18900	Land and Land Rights	8,102,991	354,691	100.00%	354,691		354,691
4		19000	Structures & Improvements	402,556	(5,039)	100.00%	(5,039)		(5,039)
5		19100	Office Furniture & Equipment	5,563	98,723	100.00%	98,723		98,723
6		19300	Stores Equipment	178,694	2,092,569	100.00%	2,092,569		2,092,569
7		19400	Tools, Shop & Garage Equipment	4,921,074	3,352	100.00%	3,352		3,352
8		19700	Communication Equipment	11,372	(178,104)	100.00%	(178,104)		(178,104)
9		19800	Miscellaneous Equipment						
10		108	Retirement Work in Progress						
			Total Common Plant	36,449,156	21,466,464		21,466,464	0	21,466,464
11									
			Common Plant Allocated to Gas	9,382,013	5,525,468		5,525,468	0	5,525,468
12			25.74% Original Cost						
13			25.74% Reserve for Depreciation						
			Total Gas Plant Including Allocated Common	401,343,404	112,238,367		112,238,367	(7,896,329)	104,342,038
14									

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF SEPTEMBER 30, 2009

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NOS.: WPB-3.1a

SCHEDULE B-3.1
PAGE 1 OF 2
WITNESS RESPONSIBLE:
B. R. MELENDEZ

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Total Adjustment	Jurisdictional %	Jurisdictional Adjustment	Workpaper Reference No.	Description and Purpose of Adjustment
<u>Manufactured Gas Production Plant</u>								
1	304	20401	Rights of Way	15,885	100.00	15,885	WPB-3.1a	Exclusion of gas facilities devoted to other than DE-Ky customers.
2	305	20500	Structures & Improvements	907,238	100.00	907,238	WPB-3.1a	
3	311	21100	Liquefied Petroleum Gas Equipment	1,292,472	100.00	1,292,472	WPB-3.1a	
4		108	Retirement Work in Progress	0	100.00	0		
5	Total Manufactured Gas Production Plant			<u>2,215,595</u>		<u>2,215,595</u>	WPB-3.1a	
<u>Distribution Plant</u>								
6	374	27401	Rights of Way	138,534	100.00	138,534	WPB-3.1a	
7	375	27500	Structures & Improvements	34,258	100.00	34,258	WPB-3.1a	
8	376	27605	Mains-Steel Feeder Lines	4,802,198	100.00	4,802,198	WPB-3.1a	
9	378	27800	System M & R Station Equip. - General	330,922	100.00	330,922	WPB-3.1a	
10	378	27801	System M & R Station Equip.	112,087	100.00	112,087	WPB-3.1a	
11	Total Distribution Plant			<u>5,417,999</u>		<u>5,417,999</u>		
<u>General Plant</u>								
12	391	29100	Office Furniture & Equipment #936	5,788	100.00	5,788	WPB-3.1a	
13	394	29400	Tools, Shop & Garage Equipment #936	22,218	100.00	22,218	WPB-3.1a	
14	398	29800	Miscellaneous Equipment	34,550	100.00	34,550	WPB-3.1a	
15	Total General Plant			<u>62,556</u>		<u>62,556</u>		
16	Total Gas Plant			<u>7,696,150</u>		<u>7,696,150</u>		

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NOS.: WPB-3.1a, WPB-3.1b

SCHEDULE B-3.1
PAGE 2 OF 2
WITNESS RESPONSIBLE:
B. R. MELENDEZ

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Total Adjustment	Jurisdictional %	Jurisdictional Adjustment	Workpaper Reference No.	Description and Purpose of Adjustment
<u>Manufactured Gas Production Plant</u>								
1	304	20401	Rights of Way	15,885	100.00	15,885	WPB-3.1a	Exclusion of gas facilities devoted to other than DE-Ky customers.
2	305	20500	Structures & Improvements	910,634	100.00	910,634	WPB-3.1a	
3	311	21100	Liquefied Petroleum Gas Equipment	1,349,245	100.00	1,349,245		
4		108	Retirement Work in Progress	0	100.00	0		
5	Total Manufactured Gas Production Plant			<u>2,275,764</u>		<u>2,275,764</u>	WPB-3.1b	
<u>Distribution Plant</u>								
6	374	27401	Rights of Way	142,015	100.00	142,015	WPB-3.1a	
7	375	27500	Structures & Improvements	34,583	100.00	34,583	WPB-3.1a	
8	376	27605	Mains-Steel Feeder Lines	4,928,782	100.00	4,928,782	WPB-3.1a	
9	378	27800	System M & R Station Equip. - General	337,146	100.00	337,146	WPB-3.1a	
10	378	27801	System M & R Station Equip.	113,802	100.00	113,802	WPB-3.1a	
11	Total Distribution Plant			<u>5,556,328</u>		<u>5,556,328</u>	WPB-3.1b	
<u>General Plant</u>								
12	391	29100	Office Furniture & Equipment #936	6,267	100.00	6,267	WPB-3.1a	
13	394	29400	Tools, Shop & Garage Equipment #936	23,420	100.00	23,420	WPB-3.1a	
14	398	29800	Miscellaneous Equipment	34,550	100.00	34,550		
15	Total General Plant			<u>64,237</u>		<u>64,237</u>	WPB-3.1b	
16	Total Gas Plant			<u>7,896,329</u>		<u>7,896,329</u>		

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,
FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
THIRTEEN MONTH AVERAGE AS OF JANUARY 31, 2011

MANUFACTURED GAS PRODUCTION PLANT

SCHEDULE B-3.2
PAGE 1 OF 4
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NOS.: SCHEDULE B-2.1, SCHEDULE B-3

Line No. (A)	FERC Acct. No. (B-1)	Company Acct. No. (B-2)	Account Title or Major Property Grouping (C)	Adjusted Jurisdiction 13-Month Average		Proposed Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxF) \$	% Net Salvage (H)	Average Service Life (I)	Curve Form (J)
				Plant Investment (1) (D) \$	Accumulated Balance (E) \$					
				41,199	0	0.00%	0	Perpetual Life	50	SQ
1	304	20400	Land and Land Rights	8,554	8,554	0.00% (2)		0.00%	50	R4
2	304	20401	Rights of Way	548,579	489,295	0.44%	2,414	-5.00%	50	R4
3	305	20500	Structures & Improvements	1,496,617	710,603	2.63%	39,361	-5.00%	40	S1.5
4	311	21100	Liquefied Petroleum Gas Equipment	0	0					
5		108	Retirement Work in Progress							
Total Manufactured Gas Production Plant				2,094,949	1,208,452		41,775			
6										

(1) Plant investment includes Completed Construction Not Classified (Account 106).
(2) This account is fully depreciated.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,
FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
THIRTEEN MONTH AVERAGE AS OF JANUARY 31, 2011

DISTRIBUTION PLANT

SCHEDULE B-3.2
PAGE 2 OF 4
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NOS.: SCHEDULE B-2.1, SCHEDULE B-3

Line No. (A)	FERC Acct. No. (B-1)	Company Acct. No. (B-2)	Account Title or Major Property Grouping (C)	Adjusted Jurisdiction 13-Month Average		Proposed Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxF) \$	% Net Salvage (H)	Average Service Life (I)	Curve Form (J)
				Plant Investment (1) (D) \$	Accumulated Balance (E) \$					
					0		0	Perpetual Life		
				36,319	0		11,509	0.00%	65	R4
1	374	27400	Land and Land Rights	827,989	387,605	1.39%	1,101	-5.00%	50	R2.5
2	374	27401	Rights of Way	123,687	93,047	0.89%	77,197	-20.00%	41	R2.5
3	375	27500	Structures & Improvements	1,123,679	426,857	6.87%	1,735,356	-20.00%	55	R2.5
4	376	27601	Mains - Cast Iron & Copper	71,121,151	30,643,186	2.44%	3,397,837	-20.00%	60	R2.5
5	376	27602,27607	Mains - Steel	139,828,676	21,268,933	2.43%	434,223	-20.00%	55	R2.5
6	376	27603,27608	Mains - Plastic	19,298,783	7,504,886	2.25%	103,731	-15.00%	40	R1.5
7	376	27605	Mains - Feeder	3,717,957	1,498,452	2.79%	25,583	-15.00%	20	S1.5
8	378	27800	System Meas. & Reg. Station Equipment	554,956	279,528	4.61%	21,706	-25.00%	53	R2
9	378	27801	System Meas. & Reg. Station Equipment-Elec	1,107,447	560,529	1.96%	47,085	-25.00%	35	R1.5
10	378	27802	District Regulating Equipment	1,426,830	1,663,531	3.30%	140,340	-25.00%	38	R1.5
11	380	28001	Services- Cast Iron & Copper	4,009,714	1,776,372	3.50%	3,641,378	-25.00%	42	R1.5
12	380	28002,28004	Services-Steel	95,825,728	22,949,898	3.80%	399,506	0.00%	37	R3
13	380	28003,28005-28007	Services-Plastic	11,222,089	2,281,068	3.56%	285,691	0.00%	39	S2.5
14	381	28100,28101	Meters	9,783,936	2,655,717	2.92%	178,696	0.00%	43	R2.5
15	382	28200,28201	Meter Installations	6,204,716	1,188,017	2.88%	161,408	0.00%	48	R2
16	383	28300,283001	House Regulators	6,329,715	1,124,944	2.55%	9,761	-10.00%	35	R2
17	384	28400,28401	House Regulator Installations	439,685	318,166	2.22%	3,894	-10.00%	20	R2.5
18	385	28500	Large Industrial Meas. & Reg. Equipment	64,791	34,686	6.01%	5,977	0.00%	15	L3
19	385	28501	Large Industrial Meas. & Reg. Equipment - Comm	108,084	94,576	5.53%	1,095	0.00%	30	S2.5
20	387	28700	Other Equipment - Other	30,411	14,408	3.60%				
21	387	28701	Street Lighting Equipment	1,014,039	460,509					
22			Asset Retirement Obligation		(1,211,740)					
23		108	Retirement Work In Progress							
Total Distribution Plant				374,200,382	96,013,175		10,683,074			

(1) Plant Investment includes Completed Construction Not Classified (Account 106).

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,
FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
THIRTEEN MONTH AVERAGE AS OF JANUARY 31, 2011

GENERAL PLANT

SCHEDULE B-3.2
PAGE 3 OF 4
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NOS.: SCHEDULE B-2.1, SCHEDULE B-3

Line No. (A)	FERC Acct. No. (B-1)	Company Acct. No. (B-2)	Account Title or Major Property Grouping (C)	Adjusted Jurisdiction 13-Month Average		Proposed Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxF)	% Net Salvage (H)	Average Service Life (I)	Curve Form (J)
				Plant Investment (1) (D)	Accumulated Balance (E)					
				\$	\$		\$			
1		20300	Miscellaneous Intangible Plant	497,352	414,571		47,964	Amortized over 60 months		
2	391	29100	Office Furniture & Equipment	12,509	10,198	3.77%	472	0.00%	20	SQ
3	392	29200	Transportation Equipment	0	777			Depr. Charged to Transp. Expense		
4	392	29201	Trailers	96,158	86,921	4.14%	109,947	0.00%	25	SQ
5	394	29400	Tools, Shop & Garage Equipment	2,655,721	1,035,255			Depr. Charged to Transp. Expense		
6	396	29600	Power Operated Equipment	47,221	47,221	4.68%	0	0.00%	20	SQ
7	398	29800	Miscellaneous Equipment	0	0					
8		108	Retirement Work in Progress	0	0					
Total General Plant				3,308,961	1,594,943		158,383			
Total Gas Plant				379,604,292	98,816,570		10,883,232			

(1) Plant Investment includes Completed Construction Not Classified (Account 106).
(2) This account is fully depreciated.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,
FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
THIRTEEN MONTH AVERAGE AS OF JANUARY 31, 2011

COMMON PLANT

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NOS.: SCHEDULE B-2.1, SCHEDULE B-3

SCHEDULE B-3.2
PAGE 4 OF 4
WITNESS RESPONSIBLE:
B. R. MELENDEZ

Line No. (A)	FERC Acct. No. (B-1)	Company Acct. No. (B-2)	Account Title or Major Property Grouping (C)	Adjusted Jurisdiction 13-Month Average		Proposed Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxF) \$	% Net Salvage (H)	Average Service Life (I)	Curve Form (J)
				Plant Investment (1) (D) \$	Accumulated Balance (E) \$					
				22,071,145	16,201,255	Various	2,460,612			
1		10300	Miscellaneous Intangible Plant	601,513	81,549	7.03%	42,286	0.00%	20	S0.5
2		17001	Leased AMI Meters	154,248	0		0	Perpetual Life	100	R1
3		18900	Land and Land Rights	8,102,991	2,817,468	2.00%	162,060	0.00%	20	SQ
4		19000	Structures & Improvements	402,556	354,691	14.37%	57,847	0.00%	20	SQ
5		19100	Office Furniture & Equipment	5,563	(5,039)	48.63%	2,705	0.00%	25	SQ
6		19300	Stores Equipment	178,694	98,723	4.70%	8,399	0.00%	15	SQ
7		19400	Tools, Shop & Garage Equipment	4,921,074	2,092,569	5.58%	274,596	0.00%	15	SQ
8		19700	Communication Equipment	11,372	3,352	7.04%	801	0.00%		
9		19800	Miscellaneous Equipment		(178,104)					
10		108	Retirement Work In Progress							
11			Total Common Plant	36,449,156	21,466,464		3,009,306			
12			Common Plant Allocated to Gas							
13			25.74% Original Cost	9,382,013	5,525,468		774,595			
14			25.74% Reserve							
14			25.74% Annual Provision							
15			Total Gas Plant Including Allocated Common	388,986,305	104,342,038		11,657,827			

(1) Plant Investment includes Completed Construction Not Classified (Account 106).

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
CONSTRUCTION WORK IN PROGRESS
AS OF SEPTEMBER 30, 2009

SCHEDULE B-4
PAGE 1 OF 2
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	Major Property Groupings	Jurisdictional %	Amount Subject to AFUDC		Amount Not Subject to AFUDC		Total	
			Gross \$	Jurisdictional \$	Gross \$	Jurisdictional \$	Gross \$	Jurisdictional \$
1	Manufactured Gas Production	100.00%	0	0	0	0	0	0
2	Less: Gas Facilities Devoted to Other Than Kentucky Customers	100.00%	0	0	0	0	0	0
3	Net Manufactured Gas Production	100.00%	0	0	0	0	21,648,924	21,648,924
4	Distribution	100.00%	21,648,924	21,648,924	0	0	0	0
5	Less: Gas Facilities Devoted to Other Than Kentucky Customers	100.00%	0	0	0	0	21,648,924	21,648,924
6	Net Distribution	100.00%	21,648,924	21,648,924	0	0	0	0
7	General	100.00%	0	0	0	0	0	0
8	Total Common	100.00%	0	0	0	0	0	0
9	25.74% Common Allocated to Gas	100.00%	0	0	0	0	21,648,924	21,648,924
10	TOTAL GAS INCLUDING COMMON ALLOCATED		21,648,924	21,648,924	0	0	21,648,924	21,648,924

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
CONSTRUCTION WORK IN PROGRESS
THIRTEEN MONTH AVERAGE AS OF JANUARY 31, 2011

SCHEDULE B-4
PAGE 2 OF 2
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	Major Property Groupings	Jurisdictional %	Amount Subject to AFUDC		Amount Not Subject to AFUDC		Gross \$	Total	
			Gross \$	Jurisdictional \$	Gross \$	Jurisdictional \$		Gross \$	Jurisdictional \$
1	Manufactured Gas Production	100.00%	0	0	0	0	0	0	0
2	Less: Gas Facilities Devoted to Other Than Kentucky Customers	100.00%	0	0	0	0	0	0	0
3	Net Manufactured Gas Production	100.00%	0	0	0	0	0	0	0
4	Distribution	100.00%	3,777,154	3,777,154	0	0	3,777,154	3,777,154	0
5	Less: Gas Facilities Devoted to Other Than Kentucky Customers	100.00%	0	0	0	0	0	0	0
6	Net Distribution	100.00%	3,777,154	3,777,154	0	0	3,777,154	3,777,154	0
7	General	100.00%	0	0	0	0	0	0	0
8	Total Common	100.00%	0	0	0	0	0	0	0
9	25.74% Common Allocated to Gas	100.00%	0	0	0	0	0	0	0
10	TOTAL GAS INCLUDING COMMON ALLOCATED		3,777,154	3,777,154	0	0	3,777,154	3,777,154	0

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE (a)
AS OF JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-4.1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
G. J. HEBBELER

Line No. (A)	Project No. (B)	Date Construction Work Began (C)	Estimated Project Completion Date (D)	Percent of Elapsed Time (E)	Original Budget Estimate (F) \$	Most Recent Budget Estimate (G) \$	Total Project Expenditures (H) \$	Percent of Total Expenditures (I)= (H) / (G)
1	G7RISER (b)	January-10	December-10	100%	2,000,000	2,000,000	2,000,000	100%
2	KYCIBS10 (b)	January-10	October-10	100%	8,358,924	8,358,924	8,358,924	100%

(a) Based on expenditures including AFUDC.
(b) 2010 activity for a multi-year program.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ALLOWANCE FOR WORKING CAPITAL
AS OF SEPTEMBER 30, 2009
AS OF JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):: SEE BELOW

SCHEDULE B-5
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	WORKING CAPITAL COMPONENT	DESCRIPTION of METHODOLOGY USED to DETERMINE JURISDICTIONAL REQUIREMENT	WORK PAPER REFERENCE NUMBER	TOTAL		JURISDICTIONAL	
				BASE PERIOD	FORECASTED PERIOD	BASE PERIOD	FORECASTED PERIOD
					\$		\$
1	Cash Element of	Based on 1/8 Oper. & Maint. Expense less purchased gas costs or fuel and purchased power expenses.	WPB-5.1a	<u>15,824,128</u>	<u>17,165,809</u>	<u>2,612,875</u>	<u>2,371,199</u>
2	Working Capital						
3							
4							
5	Other Working Capital:						
6	Fuel Inventory						
7	Coal	(1)	WPB-5.1i	20,788,586	20,788,586	0	0
8	Diesel Fuel	(1)	WPB-5.1i	547,335	547,335	0	0
9	Propane - Woodsdale	(1)	WPB-5.1i	<u>2,448,611</u>	<u>2,448,611</u>	<u>0</u>	<u>0</u>
10	Total Fuel Inventory			<u>23,784,532</u>	<u>23,784,532</u>	<u>0</u>	<u>0</u>
11							
12	Gas Enricher Liquids	(1)	WPB-5.1b	1,016,582	1,016,582	355,804	355,804
13							
14	Gas Stored Underground	(1) (2)	WPB-5.1g	2,308,330	2,308,330	0	0
15							
16	Emission Allowances	(1)	WPB-5.1j	4,252,584	4,252,584	0	0
17							
18	Materials and Supplies	(1)	WPB-5.1c	10,653,895	10,653,895	(95,694)	(95,694)
19							
20	Prepayments	(1)	WPB-5.1e	<u>2,331,160</u>	<u>2,080,109</u>	<u>0</u>	<u>0</u>
21							
22	Total Other Working Capital			<u>44,347,083</u>	<u>44,096,032</u>	<u>260,110</u>	<u>260,110</u>
23							
24	Total Working Capital			<u>60,171,211</u>	<u>61,261,841</u>	<u>2,872,985</u>	<u>2,631,309</u>

N.C - Not calculated

- (1) The Base Period is the ending period balance. The Forecasted Period is a 13 month average balance.
(2) Treatment of Gas Stored Underground as a non-jurisdictional item is conditional on the Commission approving the request to recover carrying costs in the GCA rider.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
WORKING CAPITAL COMPONENTS
AS OF SEPTEMBER 30, 2009

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-5.1a through WPB-5.1j

SCHEDULE B-5.1
PAGE 1 OF 2
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	END OF PERIOD BALANCE		
		TOTAL COMPANY (4)	JURISDICTIONAL % (5)	JURISDICTIONAL AMOUNT (6)
1	Cash Working Capital:			
2	1/8 Oper. and Maint. Expense	15,824,128	Computed	<u>2,612,875</u>
3				
4	Other Working Capital:			
5	Fuel Inventory			
6	Coal	20,788,586	0.000	0
7	Diesel Fuel	547,335	0.000	0
8	Propane - Woodsdale	<u>2,448,611</u>	0.000	<u>0</u>
9	Total Fuel Inventory	23,784,532		0
10				
11	Gas Enricher Liquids	1,016,582	35.000	355,804
12				
13	Gas Stored Underground	2,308,330	0.000	0
14				
15	Emission Allowances	4,252,584	0.000	0
16				
17	Materials and Supplies	10,653,895	Computed	(95,694)
18				
19	Prepayments	<u>2,331,160</u>	Computed	<u>0</u>
20				
21	Total Other Working Capital	<u>44,347,083</u>		<u>260,110</u>
22				
23	Total Working Capital	<u>60,171,211</u>		<u>2,872,985</u>

N.C. - Not Calculated

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
WORKING CAPITAL COMPONENTS
AS OF JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-5.1a through WPB-5.1j

SCHEDULE B-5.1
PAGE 2 OF 2
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	13 MONTH AVERAGE FOR PERIOD			END OF PERIOD BALANCE		
		TOTAL COMPANY	JURISDICTIONAL %	JURISDICTIONAL AMOUNT	TOTAL COMPANY	JURISDICTIONAL %	JURISDICTIONAL AMOUNT
		(1)	(2)	(3)	(4)	(5)	(6)
1	Cash Working Capital:						
2	1/8 Oper. and Maint. Expense	17,165,809	Computed	<u>2,371,199</u>	17,165,809	Computed	<u>2,371,199</u>
3							
4	Other Working Capital:						
5	Fuel Inventory						
6	Coal	20,788,586	0.000	0	20,788,586	0.000	0
7	Diesel Fuel	547,335	0.000	0	547,335	0.000	0
8	Propane - Woodsdale	<u>2,448,611</u>	0.000	0	<u>2,448,611</u>	0.000	0
9	Total Fuel Inventory	23,784,532		0	23,784,532		0
10							
11	Gas Enricher Liquids	1,016,582	35.000	355,804	1,016,582	35.000	355,804
12							
13	Gas Stored Underground	2,308,330	0.000	0	2,308,330	0.000	0
14							
15	Emission Allowances	4,252,584	0.000	0	4,252,584	0.000	0
16							
17	Materials and Supplies	10,653,895	Computed	(95,694)	10,653,895	Computed	(95,694)
18							
19	Prepayments	<u>2,080,109</u>	Computed	0	<u>2,144,694</u>	Computed	0
20							
21	Total Other Working Capital	<u>44,096,032</u>		<u>260,110</u>	<u>44,160,617</u>		<u>260,110</u>
22							
23	Total Working Capital	<u>61,261,841</u>		<u>2,631,309</u>	<u>61,326,426</u>		<u>2,631,309</u>

N.C. - Not Calculated

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
CERTAIN DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
AS OF SEPTEMBER 30, 2009

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-6a, WPB-6c

SCHEDULE B-6
PAGE 1 OF 2
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	TOTAL COMPANY	JURISDICTIONAL CODE	%	JURIS. AMOUNT	ADJUSTMENT	ADJUSTED JURIS. AMOUNT
			(1)	(2)		(3)	(4)	(5)
1								(1,638,646) (A)
2	252	Customers' Advances for Construction	<u>(1,638,646)</u>	DALL	100.000	<u>(1,638,646)</u>		
3								
4	255	Investment Tax Credits: (B)				(11,873)	183 (E)	(11,690)
5		3% Credit	(11,873)	DALL	100.000	(48,918)	48,918 (F)	0
6		4% Credit	(48,918)	DALL	100.000			0
7		10% Credit	<u>(1,091,606)</u>	DALL	100.000	<u>(1,091,606)</u>	<u>1,091,606</u> (F)	<u>0</u>
8		Total Investment Tax Credits	<u><u>(1,152,397)</u></u>			<u><u>(1,152,397)</u></u>	<u><u>1,140,707</u></u>	<u><u>(11,690)</u></u> (C)
9								
10	190,281,	Deferred Income Taxes:				(35,266,268)	920,039 (G)	(34,346,229) (D)
11	282,283	Total Deferred Income Taxes	<u><u>(35,266,268)</u></u>	DALL	100.000	<u><u>(35,266,268)</u></u>	<u><u>920,039</u></u>	<u><u>(34,346,229)</u></u> (D)

Sources:

- (A) Included on Schedule B-1 as Customers' Advances for Construction, Line 8.
- (B) The company elected the ratible flow through option under Section 46(e)(2) in regards to the 1971 election and the rateable flow through option provided under Section 46(f)(2) in regards to the 1975 election.
- (C) Included on Schedule B-1 as Investment Tax Credits, Line 9.
- (D) Included on Schedule B-1 as Deferred Income Taxes, Line 10.
- (E) Elimination of Deferred Tax Balances Related to Facilities Devoted to Other Than DE-Ky Customers. (WPB-6c)
- (F) Excluded from Rate Base.
- (G) Includes elimination of unrecovered purchased gas costs and liberalized depreciation related to facilities devoted to non DE-Kentucky customers.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
CERTAIN DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
AS OF JANUARY 31, 2011

SCHEDULE B-6
PAGE 2 OF 2
WITNESS RESPONSIBLE:
R. M. PARSONS

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-6b, WPB-6d

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	13 MONTH AVERAGE FORECASTED PERIOD	JURISDICTIONAL CODE	%	JURIS. AMOUNT	ADJUSTMENT	ADJUSTED JURIS. AMOUNT
			(1)	(2)		(3)	(4)	(5)
1								
2	252	Customers' Advances for Construction	<u>(1,638,646)</u>	DALL	100.000	<u>(1,638,646)</u>		<u>(1,638,646)</u> (A)
3								
4	255	Investment Tax Credits: (B)						
5		3% Credit	(8,410)	DALL	100.000	(8,410)	130 (E)	(8,280)
6		4% Credit	(44,581)	DALL	100.000	(44,581)	44,581 (F)	0
7		10% Credit	<u>(1,038,333)</u>	DALL	100.000	<u>(1,038,333)</u>	<u>1,038,333</u> (F)	<u>0</u>
8		Total Investment Tax Credits	<u>(1,091,324)</u>			<u>(1,091,324)</u>	<u>1,083,044</u>	<u>(8,280)</u> (C)
9								
10	190,	Deferred Income Taxes:						
11	282,283	Total Deferred Income Taxes	<u>(35,178,614)</u>	DALL	100.000	<u>(35,178,614)</u>	<u>960,728</u> (G)	<u>(34,217,886)</u> (D)

Sources:

- (A) Included on Schedule B-1 as Customers' Advances for Construction, Line 8.
- (B) The company elected the ratible flow through option under Section 46(e)(2) in regards to the 1971 election and the rateable flow through option provided under Section 46(f)(2) in regards to the 1975 election.
- (C) Included on Schedule B-1 as Investment Tax Credits, Line 9.
- (D) Included on Schedule B-1 as Deferred Income Taxes, Line 10.
- (E) Excluded from Rate Base.
- (G) Includes elimination of unrecovered purchased gas costs and liberalized depreciation related to facilities devoted to non DE-Kentucky customers.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
JURISDICTIONAL PERCENTAGE
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

SCHEDULE B-7
PAGE 1 OF 1
WITNESS RESPONSIBLE:
D. L. STORCK

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

DESCRIPTION OF FACTORS
AND/OR METHOD OF
ALLOCATION

LINE NO.	ACCOUNT NUMBER	ACCOUNT TITLE	JURISDICTIONAL CODE	%
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Not Applicable - 100% Jurisdictional

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
JURISDICTIONAL STATISTICS - RATE BASE
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-7.1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
D. L. STORCK

LINE NO. (A)	DESCRIPTION BY MAJOR GROUPINGS OR ACCOUNT (B)	STATISTIC TOTAL COMPANY (C)	ADJUSTMENT TO TOTAL COMPANY STATISTIC (D)	ADJUSTED STATISTIC FOR TOTAL COMPANY (E = C+D)	STATISTIC FOR RATE AREA (F)	ALLOCATION FACTOR % (G = F / E)
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Not Applicable - 100% Jurisdictional

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
EXPLANATION OF CHANGES IN JURISDICTIONAL PROCEDURES
RATE BASE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009

SCHEDULE B-7.2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
D. L. STORCK

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	PROCEDURES APPROVED IN PRIOR CASE	RATIONALE FOR CHANGE
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Not Applicable - 100% Jurisdictional

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
COMPARATIVE BALANCE SHEETS
AS OF DECEMBER 31, 2004-2008 AND BASE AND FORECASTED PERIODS

SCHEDULE B-8
PAGE 1 OF 2
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL, UPDATED REVISED
WORK PAPER REFERENCE NO.1:

LINE NO.	DESCRIPTION	13 MONTH AVG. FORECASTED PERIOD	MOST RECENT FIVE CALENDAR YEARS												
			% Change	BASE PERIOD	% Change	2008	% Change	2007	% Change	2006	% Change	2005	% Change	2004	% Change
1	ASSETS														
2	UTILITY PLANT	1,586,998,318	4.18%	1,523,570,198	3.21%	1,476,192,847	1.76%	1,450,698,556	3.57%	1,400,695,214	132.43%	602,623,797	6.46%	566,078,910	3.25%
3	UTILITY PLANT IN SERVICE	19,852,896	(33.14)%	29,694,653	(18.65)%	36,504,269	48.55%	24,671,781	(7.80)%	26,579,757	107.78%	12,840,088	111.52%	8,070,516	(1.53)%
4	CONSTRUCTION WORK IN PROGRESS	1,606,851,214	3.45%	1,553,264,851	2.68%	1,512,697,116	2.54%	1,476,268,337	3.36%	1,427,374,971	131.92%	615,463,865	7.57%	572,149,426	3.20%
5	TOTAL UTILITY PLANT	683,776,877	2.44%	667,517,025	2.88%	650,100,350	1.34%	641,505,019	3.08%	627,442,757	190.49%	214,273,344	6.47%	201,265,639	0.54%
6	LESS: ACCUMULATED PROVISION FOR DEPRECIATION	923,074,337	4.21%	885,747,828	2.88%	882,596,766	3.46%	833,763,318	3.58%	804,932,214	100.64%	401,190,541	8.17%	370,893,767	4.69%
7	NET UTILITY PLANT														
8	OTHER PROPERTY AND INVESTMENTS	24,088,348	-	24,088,348	-	24,088,348	-	24,088,348	-	24,088,348	29.41%	18,614,669	0.12%	18,591,765	-
9	NONUTILITY PROPERTY - NET	8,370,916	20.16%	6,966,755	(46.68)%	13,065,947	14.81%	11,380,953	17.38%	9,695,660	52.37%	6,363,698	27.18%	5,003,725	37.28%
10	LESS: ACCUM. PROVISION FOR DEPR. & AMORT.	-	-	-	(100.00)%	-	-	-	(6.81)%	4,074,825	-	-	-	-	
11	NONCURRENT PORTION OF ALLOWANCES	1,500	-	1,500	-	1,500	-	1,500	(40.00)%	2,500	-	2,500	(18.51)%	3,068	0.39%
12	OTHER INVESTMENTS	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	SPECIAL FUNDS	15,719,932	(8.20)%	17,123,093	26.40%	13,546,401	(17.93)%	16,506,020	(10.63)%	18,469,513	50.73%	12,253,571	(9.84)%	13,591,108	(9.09)%
14	TOTAL OTHER PROPERTY AND INVESTMENTS														
15	CURRENT AND ACCRUED ASSETS	17,132,572	8.27%	15,824,128	34.49%	11,765,815	26.53%	9,299,011	41.10%	6,590,229	(33.25)%	9,873,128	135.35%	4,195,084	121.35%
16	CASH	-	-	-	-	-	-	-	-	2,500	-	2,500	-	2,500	(28.57)%
17	SPECIAL DEPOSITS	2,500	-	2,500	-	-	-	-	-	-	-	-	-	-	
18	WORKING FUNDS	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	TEMPORARY CASH INVESTMENTS	-	-	5,049,004	4.54%	4,829,524	179.36%	1,728,806	2.37%	1,698,749	2.09%	1,654,134	31.20%	1,260,726	(48.10)%
20	CUSTOMER ACCOUNTS RECEIVABLE	5,048,004	-	5,026,021	(41.66)%	8,615,474	(8.21)%	9,386,480	48.68%	6,313,367	4931.85%	125,468	(37.94)%	202,156	(7.83)%
21	OTHER ACCOUNTS RECEIVABLE	(468,486)	-	(466,488)	(7.96)%	(432,105)	(37.31)%	(314,688)	(30.13)%	(241,833)	(49.53)%	(161,732)	(1184.30)%	(12,593)	93.43%
22	(LESS) ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS - CREDIT	-	-	-	(12.88)%	28,529,163	(2.18)%	29,165,216	44.50%	20,183,024	(31.04)%	29,266,666	41.56%	20,674,884	15.48%
23	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	24,853,360	-	24,853,360	(100.00)%	10,764,510	194.12%	3,859,896	(24.14)%	4,824,816	(26.53)%	6,567,196	15.79%	5,671,438	28.68%
24	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	(100.00)%	10,764,510	194.12%	3,859,896	(24.14)%	4,824,816	(26.53)%	6,567,196	15.79%	5,671,438	28.68%
25	MATERIALS, SUPPLIES AND FUEL	35,455,009	-	35,455,009	7.29%	33,044,997	88.13%	2,250,441	(30.80)%	3,266,610	(61.09)%	8,395,478	4.79%	8,509,260	39.44%
26	EMISSION ALLOWANCES	4,252,584	-	4,252,584	(76.33)%	9,751,067	25.39%	7,776,574	(12.79)%	8,916,835	67.90%	4,499,648	1480.10%	284,770	2.10%
27	GAS STORED - CURRENT	2,308,330	-	2,308,330	(59.94)%	5,818,958	(65.31)%	16,775,371	122.05%	7,554,938	-	-	-	-	-
28	PREPAYMENTS	2,080,109	(10.77)%	2,331,160	(100.00)%	366,753	-	-	(100.00)%	429,956	-	-	-	-	
29	INTEREST AND DIVIDENDS RECEIVABLE	-	-	1,558,117	1992.72%	74,454	-	-	-	-	-	-	-	-	
30	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	1,558,117	-	1,558,117	(100.00)%	177,801	-	-	-	-	-	-	-	-	
31	DERIVATIVE INSTRUMENT ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-	
32	(LESS) LONG-TERM PORTION OF DERIVATIVE INSTRUMENT ASSETS	-	-	-	(100.00)%	459,514	-	-	-	-	-	-	-	-	
33	DERIVATIVE INSTRUMENT ASSETS - HEDGES	-	-	-	-	-	-	-	-	-	-	-	-	-	
34	(LESS) LONG-TERM PORTION OF DERIVATIVE INSTRUMENT ASSETS - HEDGES	-	-	-	-	-	-	-	-	-	-	601	801	(19.76)%	
35	RENTS RECEIVABLE	-	-	-	-	-	-	-	-	-	-	35.38%	67,594,836	53.50%	
36	TOTAL CURRENT AND ACCRUED ASSETS	97,251,120	1.10%	96,193,727	(17.09)%	116,029,756	15.61%	100,360,459	18.43%	84,743,340	(100.00)%	601	601	40,779,187	16.80%
37	DEFERRED DEBITS														
38	UNAMORTIZED DEBT EXPENSE	1,959,989	27.77%	1,533,988	(5.97)%	1,631,346	(56.83)%	3,788,027	(4.91)%	3,983,572	309.45%	972,807	(8.41)%	1,039,587	58.17%
39	OTHER REGULATORY ASSETS	18,684,720	(7.50)%	20,200,464	0.55%	981,670	11.31%	881,958	10.71%	798,671	(76.08)%	40,155,992	(3.38)%	41,562,613	0.85%
40	PRELIM. SURVEY AND INVESTIGATION CHARGES (ELECTRIC)	987,066	-	987,066	(100.00)%	40,536	124.24%	(167,246)	(344.17)%	(37,854)	(179.36)%	47,450	(6.88)%	50,958	(35.11)%
41	CLEARING ACCOUNTS	(28,193)	-	(28,193)	80.18%	(70,800)	(49.63)%	(47,318)	75.45%	(192,745)	(50.45)%	(128,109)	(24.77)%	(102,678)	9.95%
42	TEMPORARY FACILITIES	-	-	-	(4.87)%	34,539,004	162.00%	13,162,834	(42.80)%	22,966,162	1226.34%	1,731,550	(4.33)%	1,809,937	413.13%
43	MISCELLANEOUS DEFERRED DEBITS	32,858,559	-	32,858,559	(4.77)%	3,663,086	(0.35)%	3,875,893	(7.67)%	3,981,160	86.22%	2,137,887	(7.82)%	2,319,315	(7.25)%
44	UNAMORTIZED LOSS ON REACQUIRED DEBT	3,211,524	(7.94)%	3,488,453	(47.78)%	19,000,108	51.36%	12,553,285	42.36%	8,817,959	41.23%	6,243,543	(10.87)%	7,005,341	(73.62)%
45	ACCUMULATED DEFERRED INCOME TAXES	12,309,448	24.06%	9,922,566	(13.99)%	80,181,959	80.00%	44,544,944	(12.12)%	50,689,691	(3.34)%	52,243,447	(1.73)%	53,366,329	(28.12)%
46	UNRECOVERED PURCHASED GAS COSTS	69,983,113	1.48%	68,962,901	-	-	-	-	-	-	-	-	-	-	
47	TOTAL DEFERRED DEBITS														
48															
49															
50	TOTAL ASSETS	1,106,027,502	3.56%	1,068,027,547	(0.40)%	1,072,353,782	7.76%	995,174,641	3.79%	958,834,758	81.43%	528,482,395	10.42%	478,630,411	0.06%

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
COMPARATIVE BALANCE SHEETS
AS OF DECEMBER 31, 2004-2008 AND BASE AND FORECASTED PERIODS

SCHEDULE B-8
PAGE 2 OF 2
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: *X* BASE PERIOD *X* FORECASTED PERIOD
TYPE OF FILING: *X* ORIGINAL *X* UPDATED *X* REVISED
WORK PAPER REFERENCE NO(S):

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS															
		13 MONTH AVG. FORECASTED PERIOD	% Change	BASE PERIOD	% Change	2008	% Change	2007	% Change	2006	% Change	2005	% Change	2004	% Change		
1	LIABILITIES AND NET WORTH																
2	PROPRIETARY CAPITAL	8,779,995	-	8,779,995	-	8,779,995	-	8,779,995	-	8,779,995	-	8,779,995	-	8,779,995	-		
3	COMMON STOCK ISSUED	18,838,946	-	18,838,946	-	18,838,946	-	18,838,946	-	18,838,946	-	18,838,946	-	18,838,946	-		
4	PREMIUM ON CAPITAL STOCK	145,232,112	(2.30)%	148,655,189	-	148,655,189	-	148,655,189	2.16%	145,505,189	2856.90%	4,920,874	6.60%	4,616,415	(1.83)%		
5	OTHER PAID-IN CAPITAL	310,123,737	31.44%	235,949,097	8.36%	217,750,813	3.56%	210,269,761	18.82%	176,965,107	68.09%	166,241,890	2.90%	161,562,306	2.56%		
6	RETAINED EARNINGS	-	-	-	-	-	100.00%	(998,460)	(34.69)%	(741,286)	(34.69)%	(2,322,809)	(80.65)%	(1,295,814)	(162.86)%		
7	ACCUMULATED OTHER COMPREHENSIVE INCOME	482,974,790	17.16%	412,223,227	4.62%	384,024,943	2.20%	385,545,431	10.36%	349,347,951	77.82%	198,458,896	2.05%	192,511,848	1.87%		
8	TOTAL PROPRIETARY CAPITAL	-	-	-	-	-	(100.00)%	20,000,000	(7.05)%	271,720,000	186.02%	95,000,000	-	95,000,000	72.73%		
9	LONG TERM DEBT	-	-	-	(6.13)%	326,088,539	29.11%	252,571,494	(10.40)%	723,298	22.48%	590,531	(10.57)%	660,326	109.37%		
10	BONDS	306,088,539	-	306,088,539	-	-	-	-	-	723,298	-	590,531	-	660,326	-		
11	OTHER LONG TERM DEBT	-	-	-	(2.49)%	595,594	(9.64)%	648,090	(10.40)%	-	-	-	-	-	-		
12	UNAMORTIZED PREMIUM ON LONG TERM DEBT	571,017	-	571,017	-	-	-	-	-	723,298	-	590,531	-	660,326	-		
13	LESS: UNAMORTIZED DISCOUNT ON LONG TERM DEBT - DEBIT	-	-	-	(6.14)%	325,502,955	19.70%	271,923,404	0.34%	270,998,702	187.04%	94,409,469	0.07%	94,339,674	72.52%		
14	LESS: CURRENT PORTION OF LONG TERM DEBT	-	-	-	-	-	-	-	-	-	-	-	-	-			
15	TOTAL LONG TERM DEBT	305,517,522	-	305,517,522	(6.14)%	325,502,955	19.70%	271,923,404	0.34%	270,998,702	187.04%	94,409,469	0.07%	94,339,674	72.52%		
16	OTHER NONCURRENT LIABILITIES	6,393,926	(25.02)%	8,527,560	(19.80)%	10,606,659	(20.53)%	13,346,763	9.44%	12,195,063	9.93%	11,093,557	33.10%	8,334,846	17.07%		
17	OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	-	-	-	-	-	-	-	(100.00)%	124,898	(72.31)%	450,998	(32.55)%	688,673	(35.89)%		
18	ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	7,640,970	-	7,640,970	1.57%	7,523,160	(43.69)%	13,360,436	0.07%	13,350,730	89.04%	7,062,514	9.47%	8,451,794	3.07%		
19	ACCUMULATED PROVISION FOR PENSIONS & BENEFITS	2,019,334	-	2,019,334	-	2,019,334	-	2,019,334	-	2,019,334	-	2,019,334	-	2,019,555	(2.25)%		
20	ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	-	(100.00)%	7,517,628	-	7,517,628	-	-	-	-	(100.00)%	1,245,000	-	-	-		
21	ACCUMULATED PROVISION FOR RATE REFUNDS	-	-	-	(17.12)%	7,903,269	386.01%	1,628,157	32.94%	1,223,244	31.09%	6,305,777	-	-	-		
22	ACCUMULATED PROVISION FOR DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	6,550,135	-	6,550,135	1.27%	6,390,326	3.42%	6,179,300	(25.25)%	8,466,360	31.95%	28,177,180	61.24%	17,474,868	5.98%		
23	LONG-TERM PORTION OF DERIVATIVE INSTRUMENT LIABILITIES	8,471,550	-	8,471,550	(7.71)%	41,960,375	14.86%	36,531,990	(1.74)%	37,179,629	-	-	-	-	-		
24	ASSET RETIREMENT OBLIGATIONS	29,075,915	(24.92)%	38,727,177	-	-	-	-	-	-	-	-	-	-	-		
25	TOTAL OTHER NONCURRENT LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
26	CURRENT AND ACCRUED LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
27	NOTES PAYABLE	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
28	CURRENT PORTION OF LONG TERM DEBT	25,444,898	31.16%	19,400,285	(48.80)%	36,463,667	26.17%	28,900,871	15.05%	25,120,210	(4.14)%	26,206,228	63.51%	16,027,742	19.33%		
29	ACCOUNTS PAYABLE	2,646,577	(91.04)%	29,547,597	811.87%	3,241,044	(88.20)%	27,470,089	(35.52)%	42,602,971	43.07%	29,777,470	164.79%	11,245,745	(75.14)%		
30	NOTES PAYABLE TO ASSOCIATED COMPANIES	19,025,056	-	19,025,056	4.11%	13,477,827	(49.00)%	26,429,344	8.22%	20,303,048	(24.29)%	26,815,067	20.58%	22,236,349	5.23%		
31	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	6,653,180	-	6,653,180	4.80%	8,348,465	18.48%	5,358,369	124.42%	4,951,519	23.69%	4,003,247	10.50%	3,822,812	12.68%		
32	CUSTOMER DEPOSITS	8,128,168	(33.88)%	12,293,393	37.09%	6,967,360	(39.49)%	14,819,013	8.22%	6,603,343	(2.44)%	6,788,547	1286.37%	(570,525)	(291.44)%		
33	TAXES ACCRUED	4,876,537	107.92%	2,345,379	(51.17)%	4,803,361	34.59%	3,568,991	27.12%	2,807,613	104.33%	1,374,046	0.30%	1,369,973	11.37%		
34	INTEREST ACCRUED	1,608,520	-	1,608,520	(31.23)%	2,338,990	19.47%	1,957,890	16.41%	1,681,834	(21.89)%	2,153,116	39.75%	1,540,658	7.98%		
35	TAX COLLECTIONS PAYABLE	4,904,914	-	4,904,914	(3.00)%	7,327,220	100.11%	3,681,519	(22.02)%	4,695,195	200.36%	1,563,172	(3.15)%	1,614,094	14.12%		
36	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	2,431,116	-	2,431,116	(17.05)%	2,519,251	44.84%	1,741,738	32.13%	1,318,178	6.91%	1,233,028	53.72%	902,145	5.87%		
37	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	34,758	-	34,758	-	41,901	-	-	(100.00)%	429,956	-	-	-	-	-		
38	DERIVATIVE INSTRUMENT LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
39	(LESS) LONG-TERM PORTION OF DERIVATIVE INSTRUMENT LIABILITIES	75,753,714	(22.89)%	98,244,188	14.87%	85,529,086	(24.91)%	113,907,814	3.07%	110,513,868	10.63%	99,893,841	72.56%	57,888,993	(34.32)%		
40	TOTAL CURRENT AND ACCRUED LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
41	DEFERRED CREDITS	1,638,646	-	1,638,646	(2.13)%	1,874,389	(14.05)%	1,948,099	(7.89)%	2,114,998	(10.89)%	2,373,528	(12.77)%	2,721,042	(11.68)%		
42	CUSTOMER ADVANCES FOR CONSTRUCTION	2,955,868	(21.60)%	3,769,798	(16.57)%	4,518,749	(19.03)%	5,581,056	(15.87)%	6,633,678	176.56%	2,372,760	(9.64)%	2,625,788	(8.79)%		
43	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	1,061,671	-	1,061,671	(24.86)%	34,349,471	253.61%	9,713,945	(59.31)%	23,874,484	93.07%	12,365,923	4.54%	11,829,298	6.44%		
44	OTHER DEFERRED CREDITS	181,239,908	0.11%	181,035,652	(1.21)%	183,262,071	8.41%	187,493,856	6.80%	156,834,051	165.62%	59,043,732	(9.76)%	65,427,498	(20.25)%		
45	ACCUMULATED DEFERRED INCOME TAXES	212,705,561	(0.29)%	213,315,433	(5.33)%	225,338,423	20.33%	187,266,002	(1.85)%	190,796,608	74.18%	109,542,909	(5.90)%	118,415,028	(10.23)%		
46	TOTAL DEFERRED CREDITS	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
47	TOTAL LIABILITIES	1,108,027,502	3.56%	1,068,027,547	(0.40)%	1,072,353,782	7.76%	995,174,641	3.79%	958,834,758	81.43%	528,482,395	10.42%	478,630,411	0.06%		

Before

KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 2009-00202

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY KENTUCKY
FOR AUTHORITY TO INCREASE
ITS RATES FOR GAS SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION C

SECTION C
OPERATING INCOME
DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended September 30, 2009

Forecasted Period: Twelve Months Ended January 31, 2011

Schedules

- C-1 Jurisdictional Operating Income Summary
- C-2 Jurisdictional Adjusted Operating Income Statement
- C-2.1 Jurisdictional Operating Revenue and Expenses by Accounts
- C-2.2 Comparison of Total Company Account Balances

DUKE ENERGY KENTUCKY, INC
CASE NO. 2009-00202
JURISDICTIONAL OPERATING INCOME SUMMARY
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE C-2, WPC-1a

SCHEDULE C-1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	FORECASTED RETURN AT CURRENT RATES	PROPOSED INCREASE	FORECASTED RETURN AT PROPOSED RATES
		(\$)	(\$)	(\$)
1	Operating Revenues	<u>124,681,347</u>	<u>17,494,336</u> (1)	<u>142,175,683</u>
2				
3	Operating Expenses			
4	Operation & Maintenance	97,908,955	47,759	97,956,714
5	Depreciation	11,657,827	0	11,657,827
6	Taxes - Other	<u>4,061,181</u>	<u>27,991</u>	<u>4,089,172</u>
7	Operating Expenses before Income Taxes	113,627,963	75,750	113,703,713
8				
9	State Income Taxes	402,697	1,045,115	1,447,812
10	Federal Income Taxes	<u>2,117,873</u>	<u>5,730,715</u>	<u>7,848,588</u>
11				
12	Total Operating Expenses	<u>116,148,533</u>	<u>6,851,580</u>	<u>123,000,113</u>
13				
14	AFUDC Offset	289,745	0	289,745
15				
16	Income Available for Fixed Charges	<u>8,822,559</u>	<u>10,642,756</u>	<u>19,465,315</u>
17				
18	Capitalization Allocated to Jurisdictional Gas Operations	253,750,235		253,750,235
19	Rate of Return on Capitalization	3.48%		7.67%
20				
21	Jurisdictional Rate Base	253,125,967		253,125,967
22	Rate of Return on Rate Base	3.49%		7.69%

(1) Source: Schedule M.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
JURISDICTIONAL ADJUSTED OPERATING INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

SCHEDULE C-2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE C-2.1, SCHEDULE D-1, WPC-2a through WPC-2e

LINE NO.	MAJOR ACCOUNT OR GROUP CLASSIFICATION	BASE PERIOD	ADJUSTMENTS TO BASE PERIOD		FORECASTED PERIOD	PRO FORMA ADJUSTMENTS TO FORECASTED PERIOD		PRO FORMA FORECASTED PERIOD
			AMOUNT	SCHEDULE REFERENCE		AMOUNT	SCHEDULE REFERENCE	
1	OPERATING REVENUE	43,927,668	890,725	D-2.1	44,818,393	223,039	WPC-2e	45,041,432
2	Base	82,329,395	(2,543,805)	D-2.1	79,785,590	(846,223)	D-2.24	78,939,367
3	Gas Cost	(6,301,866)	7,516,506	D-2.1	1,214,640	(514,092)	WPC-2e	700,548
4	Other Revenue	119,955,197	5,863,426			(1,137,276)		124,681,347
5	Total Revenue							
6								
7	OPERATING EXPENSES							
8	Operation and Maintenance Expenses							
9	Production Expenses	100,086	(17,311)	D-2.2	82,775	(32,821)	D-2.19	82,775
10	Liquefied Petroleum Gas	227,559	40,363	D-2.3	267,922	(32,821)		235,101
11	Other	327,645	23,052		350,697			317,876
12	Total Production Expense							
13	Other Gas Supply Expenses	81,058,949	(1,273,359)	D-2.2	79,785,590	(846,223)	D-2.24	78,939,367
14	Purchased Gas	443,391	146,105	D-2.4	589,496	(846,223)		589,496
15	Other	81,502,340	(1,127,254)		80,375,086			79,528,863
16	Total Other Gas Supply Expenses							
17	Transmission Expense	5,626,174	316,688	D-2.5	5,942,862	(240,821)	WPC-2e	5,702,041
18	Distribution Expense	3,811,654	306,001	D-2.6	4,117,655	(1,280,335)	D-2.15	2,837,320
19	Customer Accounts Expense	542,651	(10,122)	D-2.7	532,529	(855)	D-2.22	531,674
20	Customer Service & Information Expense		0	D-2.8	0	0	D-2.22	0
21	Sales Expense	10,514,160	(652,755)	D-2.9	9,861,405	(870,224)	WPC-2e	8,991,181
22	Administrative & General Expense	(362,672)	362,672	D-2.10	0	0		0
23	Other	101,961,952	(781,718)	D-2.11	101,180,234	(3,271,279)		97,908,955
24	Total Operation and Maintenance Expense							
25	Depreciation Expense	8,838,161	757,715	D-2.12	9,595,876	2,061,951	D-2.23	11,657,827
26								
27	Taxes Other Than Income Taxes	530,251	106,912	D-2.13	637,163	(4,440)	D-2.19	632,723
28	Other Federal Taxes	1,736,433	2,654,207	D-2.13	4,390,640	(962,182)	WPC-2e	3,428,458
29	State and Other Taxes	2,266,684	2,761,119		5,027,803	(966,622)		4,061,181
30	Total Taxes Other Than Income Taxes							
31	State Income Taxes	415,004	(482,695)	D-1, E-1	(67,691)	138,525	D-1, E-1	70,834
32	State Income Tax - Current	(130,836)	551,604	D-1, E-1	420,768	(88,905)	D-1, E-1	331,863
33	Provision for Deferred Income Taxes - Net	284,168	68,909		353,077	49,620		402,697
34	Total State Income Tax Expense							
35	Federal Income Taxes	464,651	(310,951)	D-1, E-1	153,700	759,581	D-1, E-1	913,281
36	Federal Income Tax - Current	29,337	1,735,405	D-1, E-1	1,764,742	(487,493)	D-1, E-1	1,277,249
37	Provision for Deferred Income Taxes - Net	(62,003)	(10,654)	D-1, E-1	(72,657)	0	D-1, E-1	(72,657)
38	Amortization of Investment Tax Credit	431,985	1,413,800		1,845,785	272,088		2,117,873
39	Total Federal Income Tax Expense							
40	Total Operating Expenses and Taxes	113,782,950	4,219,825		118,002,775	(1,854,242)		116,148,533
41								
42	AFUDC Offset	0	0		0	289,745	D-2.20	289,745
43	Net Operating Income	6,172,247	1,643,601		7,815,848	1,006,711		8,822,559

DUKE ENERGY KENTUCKY, INC
CASE NO 2009-00202
OPERATING REVENUES AND EXPENSES BY ACCOUNTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE C-2.1
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WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		REVENUE				
2						
3		Retail Revenue				
4		Residential				
5	480400	Residential Sales Gas	30,722,704	100.000	30,722,704	DALL
6	480603	Res DSM	(694,574)	100.000	(694,574)	DALL
7	480620	Res Gas Cost Recovery	51,031,976	100.000	51,031,976	DALL
8	480625	Res Merger Savings Credit Rider	(134,913)	100.000	(134,913)	DALL
9	480410	Residential Unbilled Gas	<u>(1,094,960)</u>	100.000	<u>(1,094,960)</u>	DALL
10		Total Residential	<u>79,830,233</u>		<u>79,830,233</u>	
11						
12		Commercial				
13	481400	Commercial Sales Gas	9,460,332	100.000	9,460,332	DALL
14	481603	Com DSM	(18,863)	100.000	(18,863)	DALL
15	481620	Com Gas Cost Recovery	24,722,830	100.000	24,722,830	DALL
16	481625	Com Merger Savings Credit Rider	(27,820)	100.000	(27,820)	DALL
17	481410	Commercial Unbilled Gas	<u>(371,515)</u>	100.000	<u>(371,515)</u>	DALL
18		Total Commercial	<u>33,764,964</u>		<u>33,764,964</u>	
19						
20		Industrial				
21	481450	Industrial Sales Gas	955,352	100.000	955,352	DALL
22	481660	Ind Gas Cost Recovery	2,942,529	100.000	2,942,529	DALL
23	481665	Ind Merger Savings Credit Rider	(3,224)	100.000	(3,224)	DALL
24	481460	Industrial Unbilled Gas	<u>(90,127)</u>	100.000	<u>(90,127)</u>	DALL
25		Total Industrial	<u>3,804,530</u>		<u>3,804,530</u>	
26						
27		Public Street & Highway Lighting				
28	482400	Public Str/Hgwy Lighting Gas	483	100.000	483	DALL
29	482620	SL Gas Cost Recovery	<u>436</u>	100.000	<u>436</u>	DALL
30		Total Public Street & Highway Lighting	<u>919</u>		<u>919</u>	
31						
32		Other Public Authority				
33	482450	Other Sales To Pub Authority Gas	1,222,181	100.000	1,222,181	DALL
34	482653	OPA DSM	(25)	100.000	(25)	DALL
35	482660	OPA Gas Cost Recovery	3,735,269	100.000	3,735,269	DALL
36	482665	OPA Merger Savings Credit Rider	(4,032)	100.000	(4,032)	DALL
37	482460	Other Sales To Pub Auth Unbill	<u>(133,705)</u>	100.000	<u>(133,705)</u>	DALL
38		Total Other Public Authority	<u>4,819,688</u>		<u>4,819,688</u>	
39						
40	484400	Interdepartmental Sales	<u>50,131</u>	100.000	<u>50,131</u>	DALL
41		Total Retail Revenue	<u>122,270,465</u>		<u>122,270,465</u>	

DUKE ENERGY KENTUCKY, INC
CASE NO. 2009-00202
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009

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R. M. PARSONS

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		Other Revenues				
2	487001	Late Payment Charges	0	100.000	0	DALL
3	488010	Miscellaneous Service Revenue	180	100.000	180	DALL
4	488020	Reconnection Charges	27,402	100.000	27,402	DALL
5	488100	Erlanger Gas Plant	514,092	100.000	514,092	DALL
6	488040	Miscellaneous Rev - Customer Diversion Exp	23	100.000	23	DALL
7	488060	Bad Check Charge	10,063	100.000	10,063	DALL
8	488070	Miscellaneous Rev - Field Collection Charges	4,256	100.000	4,256	DALL
9	489000	Rev Transp Gas of Others	1,095,563	100.000	1,095,563	DALL
10	489010	Rev Transp Gas of Others - Inter Co.	601,738	100.000	601,738	DALL
11	489025	Trans Merger Savings Cr Rider	(3,729)	100.000	(3,729)	DALL
12	489110	Rev Firm Transp Agm-Commer Bld	398,123	100.000	398,123	DALL
13	489115	Comm Rev Transp-Unbilled	(3,321)	100.000	(3,321)	DALL
14	489120	Rev Firm Transp Agreements - Industrial	1,944,741	100.000	1,944,741	DALL
15	489125	Indust Rev Transp-Unbilled	(20,721)	100.000	(20,721)	DALL
16	489130	Rev Firm Transp Agree - Other	564,570	100.000	564,570	DALL
17	489135	Other Rev Transp-Unbilled	18,951	100.000	18,951	DALL
18	489160	Com Transp Gas Cost Recovery	588	100.000	588	DALL
19	489165	Com Transp Merger Savings Cr Rider	(1,132)	100.000	(1,132)	DALL
20	489170	Ind Transp Gas Cost Recovery	205	100.000	205	DALL
21	489175	Ind Transp Merger Savings Cr Rider	(6,837)	100.000	(6,837)	DALL
22	489180	OPA Transp Gas Cost Recovery	1,222	100.000	1,222	DALL
23	489185	OPA Transp Merger Savings Cr Rider	(1,625)	100.000	(1,625)	DALL
24	493040	Rent Land & Buildings - Assoc.	34,176	100.000	34,176	DALL
25	495020	Sales Use Tax Collection Fee	18,000	100.000	18,000	DALL
26	495030	Gas Losses Damaged Lines	5,832	100.000	5,832	DALL
27	496017	Provision for Rate Refunds	(7,517,628)	100.000	(7,517,628)	DALL
28		Total Other Revenues	<u>(2,315,268)</u>		<u>(2,315,268)</u>	
29						
30		Total Revenue	<u>119,955,197</u>		<u>119,955,197</u>	

DUKE ENERGY KENTUCKY, INC
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WITNESS RESPONSIBLE:
R. M. PARSONS

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LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		OPERATING EXPENSES				
2		Production Expense				
3		Manufactured Gas Expense				
4		Operation				
5	711000	Steam Expenses	15,737	100.000	15,737	DALL
6	712000	Other Power Expenses	11,928	100.000	11,928	DALL
7	717000	Liquefied Petroleum Expense	4,289	100.000	4,289	DALL
8	728000	Liquefied Petroleum Gas	100,086	100.000	100,086	DALL
9	735000	Miscellaneous Production Expense	25,329	100.000	25,329	DALL
10	736000	Rents	60,300	100.000	60,300	DALL
11		Total Operation	<u>217,669</u>		<u>217,669</u>	
12						
13		Maintenance				
14	742000	Maintenance of Production Expense	109,976	100.000	109,976	DALL
15		Total Maintenance	<u>109,976</u>		<u>109,976</u>	
16		Total Production Expense	<u>327,645</u>		<u>327,645</u>	
17						
18		Other Gas Supply Expense				
19		Purchased Gas Expense				
20	801000	Natural Gas Field Line Purchases	88,724,830	100.000	88,724,830	DALL
21	805000	Unrecovered Purchase Gas Cost Adj.	(6,230,557)	100.000	(6,230,557)	DALL
22	805200	Purchased Gas Costs - Unbilled	(1,435,324)	100.000	(1,435,324)	DALL
24	807000	Gas Purchased Expense	443,407	100.000	443,407	DALL
24	813000	Other Gas Supply Expense	(16)	100.000	(16)	DALL
25		Total Other Gas Supply Expense	<u>81,502,340</u>		<u>81,502,340</u>	

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R. M. PARSONS

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		Distribution Expenses				
2						
3		Operation				
4	870000	Supervision and Engineering	97,209	100.000	97,209	DALL
5	871000	Load Dispatching	115,241	100.000	115,241	DALL
6	874000	Mains and Services	1,671,245	100.000	1,671,245	DALL
7	875000	Measuring and Reg. Stations - General	33,048	100.000	33,048	DALL
8	876000	Measuring and Reg. Stations - Industrial	149,759	100.000	149,759	DALL
9	878000	Meters and House Regulators	221,563	100.000	221,563	DALL
10	879000	Customer Installations	924,034	100.000	924,034	DALL
11	880000	Other Expenses	394,478	100.000	394,478	DALL
12	881000	Rents Interco	387,624	100.000	387,624	DALL
13		Total Operation	<u>3,994,201</u>		<u>3,994,201</u>	
14						
15						
16		Maintenance				
17	885000	Supervision and Engineering	20,396	100.000	20,396	DALL
18	887000	Mains	765,539	100.000	765,539	DALL
19	889000	Measuring and Regulating Stations - General	49,753	100.000	49,753	DALL
20	890000	Measuring and Regulating Stations - Industrial	1,839	100.000	1,839	DALL
21	892000	Services	602,004	100.000	602,004	DALL
22	893000	Meters	169,107	100.000	169,107	DALL
23	894000	Other	23,335	100.000	23,335	DALL
24		Total Maintenance	<u>1,631,973</u>		<u>1,631,973</u>	
25		Total Distribution Expenses	<u>5,626,174</u>		<u>5,626,174</u>	

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R. M. PARSONS

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		Customer Accounts Expense				
2						
3		Operation				
4	901000	Supervision & Engineering	1,453	100.000	1,453	DALL
5	902000	Meter Reading Expense	806,036	100.000	806,036	DALL
6	903000	Customer Records & Collections	1,724,780	100.000	1,724,780	DALL
7	904000	Uncollectible Accounts	1,279,385	100.000	1,279,385	DALL
8	905000	Cust Reltns Billg & Coll-Gas	0	100.000	0	DALL
9		Total Customer Accounts Expense	<u>3,811,654</u>		<u>3,811,654</u>	
10						
11		Customer Services & Information Expense				
12						
13		Operation				
14	908000	Customer Assistance	147,659	Alloc Sch F-3	147,659	DALL
15	909000	Information and Instructional Advertising	0	Alloc Sch F-3	0	DALL
16	910000	Misc Cust Serv and Info - Gas	394,992	Alloc Sch F-3	394,992	DALL
17		Total Customer Services & Information Expense	<u>542,651</u>		<u>542,651</u>	
18						
19						
20		Sales Expense				
21						
22		Operation				
23	911000	Supervision	0	Alloc Sch F-3	0	DALL
24	916000	Misc. Sales Expense	0	Alloc Sch F-3	0	DALL
25		Total Sales Expense	<u>0</u>		<u>0</u>	

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1		Administrative & General Expense				
2						
3		Operation				
4	920000	Administrative & General Salaries	2,793,261	100.000	2,793,261	DALL
5	921	Office Supplies & Expenses	1,521,153	100.000	1,521,153	DALL
6	922000	Adm. Expenses Transferred - Credit	122,661	100.000	122,661	DALL
7	923000	Outside Services Employed	1,829,474	100.000	1,829,474	DALL
8	924	Property Insurance	148,630	100.000	148,630	DALL
9	925000	Injuries & Damages	84,897	100.000	84,897	DALL
10	926	Employee Pension & Benefits	2,219,688	100.000	2,219,688	DALL
11	927,000	General and Administration	92	100.000	92	DALL
12	928	State Reg. Commission Expense	565,068	100.000	565,068	DALL
13	929	Duplicate Charges-Credit	(353,382)	100.000	(353,382)	DALL
14	930100	A/G Misc General Expense	124,323	Alloc Sch F-3	124,323	DALL
15	931000	Rents	1,027,185	100.000	1,027,185	DALL
16		Total Operation	<u>10,083,050</u>		<u>10,083,050</u>	
17						
18		Maintenance				
19	935000	Maintenance of General Plant	431,110	100.000	431,110	DALL
20		Total Administrative & General	<u>10,514,160</u>		<u>10,514,160</u>	
21		Total Operating Expense	<u>102,324,624</u>		<u>102,324,624</u>	
22						
23		Other Expense				
24		Operation				
25	407907	DSM Amortization	(362,672)	100.000	(362,672)	DALL
26						
27		Depreciation Expense				
28						
29	403000	Total Depreciation Expense	<u>8,838,161</u>	100.000	<u>8,838,161</u>	DALL

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LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		TAXES OTHER THAN INCOME TAXES				
2						
3		Other Federal Taxes				
4	408152	Insurance Contribution	525,755	100.000	525,755	DALL
5	408151	Unemployment Compensation	4,496	100.000	4,496	DALL
6		Total Other Federal	<u>530,251</u>		<u>530,251</u>	
7						
8		State and Other Taxes				
9	408150	Unemployment Compensation	6,193	100.000	6,193	DALL
10	408121	Property Tax	1,578,322	100.000	1,578,322	DALL
11	408550	Kentucky Highway Use	978	100.000	978	DALL
12	48960	Allocated Payroll Taxes	150,940	100.000	150,940	DALL
13		Total State & Other	<u>1,736,433</u>		<u>1,736,433</u>	
14						
15		Total Taxes Other Than				
16		Income Taxes	<u>2,266,684</u>		<u>2,266,684</u>	

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1		State Income Tax Expense				
2	409160	Normal and Surtax	250,860	COMPUTED	250,860	
3	409104	State Income Tax - Pr. Yr. Adj	164,144	100.000	164,144	DALL
4		State Income Tax - Current	415,004		415,004	
5						
6	Various	Deferred State Income Taxes - Net	(130,836)	100.000	(130,836)	DALL
7						
8		Total State Income Taxes	284,168		284,168	
9						
10						
11		Federal Income Tax Expense				
12	409060	Normal and Surtax	522,101	COMPUTED	522,101	
13	409193	Federal Income Tax - Pr. Yr. Adj	(57,450)	100.000	(57,450)	DALL
14		Federal Income Tax - Current	464,651		464,651	
15						
16	Various	Deferred Federal Income Taxes - Net	29,337	100.000	29,337	DALL
17	411065	Amortization of Investment Tax Credit	(62,003)	100.000	(62,003)	DALL
18						
19		Total Federal Income Taxes	431,985		431,985	
20		Total Operating Expenses & Taxes	113,782,950		113,782,950	
21		Net Operating Income	6,172,247		6,172,247	

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R. M. PARSONS

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1		REVENUE				
2						
3		Retail Revenue				
4		Residential				
5	480400	Residential Sales Gas	30,003,253	100.000	30,003,253	DALL
6	480603	Res DSM	0	100.000	0	DALL
7	480620	Res Gas Cost Recovery	47,965,528	100.000	47,965,528	DALL
8	480625	Res Merger Savings Credit Rider	(129,269)	100.000	(129,269)	DALL
9	480410	Residential Unbilled Gas	518,265	100.000	518,265	DALL
10		Total Residential	<u>78,357,777</u>		<u>78,357,777</u>	
11						
12		Commercial				
13	481400	Commercial Sales Gas	9,390,854	100.000	9,390,854	DALL
14	481603	Com DSM	0	100.000	0	DALL
15	481620	Com Gas Cost Recovery	24,249,066	100.000	24,249,066	DALL
16	481625	Com Merger Savings Credit Rider	(24,148)	100.000	(24,148)	DALL
17	481410	Commercial Unbilled Gas	207,539	100.000	207,539	DALL
18		Total Commercial	<u>33,823,311</u>		<u>33,823,311</u>	
19						
20		Industrial				
21	481450	Industrial Sales Gas	870,245	100.000	870,245	DALL
22	481660	Ind Gas Cost Recovery	2,809,071	100.000	2,809,071	DALL
23	481665	Ind Merger Savings Credit Rider	(3,009)	100.000	(3,009)	DALL
24	481460	Industrial Unbilled Gas	33,703	100.000	33,703	DALL
25		Total Industrial	<u>3,710,010</u>		<u>3,710,010</u>	
26						
27		Public Street & Highway Lighting				
28	482400	Public Str/Hgwy Lighting Gas	483	100.000	483	DALL
29	482620	SL Gas Cost Recovery	469	100.000	469	DALL
30		Total Public Street & Highway Lighting	<u>952</u>		<u>952</u>	
31						
32		Other Public Authority				
33	482450	Other Sales To Pub Authority Gas	1,216,249	100.000	1,216,249	DALL
34	482653	OPA DSM	0	100.000	0	DALL
35	482660	OPA Gas Cost Recovery	3,881,385	100.000	3,881,385	DALL
36	482665	OPA Merger Savings Credit Rider	(4,136)	100.000	(4,136)	DALL
37	482460	Other Sales To Pub Auth Unbill	42,079	100.000	42,079	DALL
38		Total Other Public Authority	<u>5,135,577</u>		<u>5,135,577</u>	
39						
40	484400	Interdepartmental Sales	43,376	100.000	43,376	DALL
41		Total Retail Revenue	<u>121,071,003</u>		<u>121,071,003</u>	

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1		Other Revenues				
2	487001	Late Payment Charges	0	100.000	0	DALL
3	488010	Miscellaneous Service Revenue	180	100.000	180	DALL
4	488020	Reconnection Charges	21,876	100.000	21,876	DALL
5	488100	Erlanger Gas Plant	514,092	100.000	514,092	DALL
6	488060	Bad Check Charge	10,116	100.000	10,116	DALL
7	488070	Field Collection Charges	3,840	100.000	3,840	DALL
8	489000	Rev Transp Gas of Others	1,059,928	100.000	1,059,928	DALL
9	489010	Rev Transp Gas of Others - Inter Co.	600,696	100.000	600,696	DALL
10	489025	Trans Merger Savings Cr Rider	(3,683)	100.000	(3,683)	DALL
11	489110	Rev Firm Transp Agm-Commer Bld	365,608	100.000	365,608	DALL
12	489115	Comm Rev Transp-Unbilled	17	100.000	17	DALL
13	489120	Rev Firm Transp Agreements - Industrial	1,598,260	100.000	1,598,260	DALL
14	489125	Indust Rev Transp-Unbilled	(5,481)	100.000	(5,481)	DALL
15	489130	Rev Firm Transp Agree - Other	527,024	100.000	527,024	DALL
16	489135	Other Rev Transp-Unbilled	(585)	100.000	(585)	DALL
17	489160	Com Transp Gas Cost Recovery	0	100.000	0	DALL
18	489165	Com Transp Merger Savings Cr Rider	(1,015)	100.000	(1,015)	DALL
19	489170	Ind Transp Gas Cost Recovery	0	100.000	0	DALL
20	489175	Ind Transp Merger Savings Cr Rider	(5,480)	100.000	(5,480)	DALL
21	489180	OPA Transp Gas Cost Recovery	0	100.000	0	DALL
22	489185	OPA Transp Merger Savings Cr Rider	(1,613)	100.000	(1,613)	DALL
23	493040	Rent Land & Buildings - Assoc.	34,176	100.000	34,176	DALL
24	495020	Sales Use Tax Collection Fee	18,000	100.000	18,000	DALL
25	495,030	Gas Losses - Damaged Lines	11,664	100.000	11,664	DALL
26		Total Other Revenues	<u>4,747,620</u>		<u>4,747,620</u>	
27		Total Revenue	<u>125,818,623</u>		<u>125,818,623</u>	

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-2.1a

SCHEDULE C-2.1
PAGE 11 OF 16
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		OPERATING EXPENSES				
2		Production Expense				
3		Manufactured Gas Expense				
4		Operation				
5	711000	Steam Expenses	23,158	100.000	23,158	DALL
6	712000	Other Power Expenses	16,734	100.000	16,734	DALL
7	717000	Liquefied Petroleum Expense	5,163	100.000	5,163	DALL
8	728000	Liquefied Petroleum Gas	82,775	100.000	82,775	DALL
9	735000	Miscellaneous Production Expense	31,064	100.000	31,064	DALL
10	736000	Rents	65,447	100.000	65,447	DALL
11		Total Operation	<u>224,341</u>		<u>224,341</u>	
12						
13		Maintenance				
14	742000	Maintenance of Production Expense	126,356	100.000	126,356	DALL
15		Total Maintenance	<u>126,356</u>		<u>126,356</u>	
16		Total Production Expense	<u>350,697</u>		<u>350,697</u>	
17						
18		Other Gas Supply Expense				
19		Purchased Gas Expense				
20	801000	Natural Gas Field Line Purchases	78,939,367	100.000	78,939,367	DALL
21	805200	Purchased Gas Costs - Unbilled	846,223	100.000	846,223	DALL
22	807000	Gas Purchased Expense	589,496	100.000	589,496	DALL
23		Total Other Gas Supply Expense	<u>80,375,086</u>		<u>80,375,086</u>	

DUKE ENERGY KENTUCKY, INC
CASE NO 2009-00202
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-2 1a

SCHEDULE C-2 1
PAGE 12 OF 16
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		Distribution Expenses				
2						
3		Operation				
4	870000	Supervision and Engineering	100,536	100.000	100,536	DALL
5	871000	Load Dispatching	94,425	100.000	94,425	DALL
6	874000	Mains and Services	1,643,396	100.000	1,643,396	DALL
7	875000	Measuring and Reg. Stations - General	30,483	100.000	30,483	DALL
8	876000	Measuring and Reg. Stations - Industrial	236,847	100.000	236,847	DALL
9	878000	Meters and House Regulators	183,835	100.000	183,835	DALL
10	879000	Customer Installations	945,910	100.000	945,910	DALL
11	880000	Other Expenses	495,039	100.000	495,039	DALL
12	881000	Rents Interco	400,250	100.000	400,250	DALL
13		Total Operation	<u>4,130,721</u>		<u>4,130,721</u>	
14						
15						
16		Maintenance				
17	885000	Supervision and Engineering	28,864	100.000	28,864	DALL
18	887000	Mains	985,106	100.000	985,106	DALL
19	889000	Measuring and Regulating Stations - General	56,787	100.000	56,787	DALL
20	890000	Measuring and Regulating Stations - Industrial	0	100.000	0	DALL
21	892000	Services	708,338	100.000	708,338	DALL
22	893000	Meters	8,806	100.000	8,806	DALL
23	894000	Other	24,240	100.000	24,240	DALL
24		Total Maintenance	<u>1,812,141</u>		<u>1,812,141</u>	
25		Total Distribution Expenses	<u>5,942,862</u>		<u>5,942,862</u>	

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S) : WPC-2.1a

SCHEDULE C-2.1
PAGE 13 OF 16
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		Customer Accounts Expense				
2						
3		Operation				
4	901000	Supervision & Engineering	0	100.000	0	DALL
5	902000	Meter Reading Expense	777,488	100.000	777,488	DALL
6	903000	Customer Records & Collections	1,936,912	100.000	1,936,912	DALL
7	904000	Uncollectible Accounts	1,403,255	100.000	1,403,255	DALL
8	905000	Cust Reltns Billg & Coll-Gas	0	100.000	0	DALL
9		Total Customer Accounts Expense	<u>4,117,655</u>		<u>4,117,655</u>	
10						
11		Customer Services & Information Expense				
12						
13		Operation				
15	908000	Customer Assistance	159,070	Alloc Sch F-3	159,070	DALL
16	909000	Information and Instructional Advertising	0	Alloc Sch F-3	0	DALL
17	910000	Misc Cust Serv and Info - Gas	373,459	Alloc Sch F-3	373,459	DALL
18		Total Customer Services & Information Expense	<u>532,529</u>		<u>532,529</u>	
19						
20						
21		Sales Expense				
22						
23		Operation				
24	911000	Supervision	0	Alloc Sch F-3	0	DALL
27	916000	Misc Sales Expense	0	Alloc Sch F-3	0	DALL
28		Total Sales Expense	<u>0</u>		<u>0</u>	

DUKE ENERGY KENTUCKY, INC
CASE NO. 2009-00202
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISIED
WORK PAPER REFERENCE NO(S) : WPC-2 1a

SCHEDULE C-2 1
PAGE 14 OF 16
WITNESS RESPONSIBLE:
R M PARSONS

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		Administrative & General Expense				
2						
3		Operation				
4	920000	Administrative & General Salaries	2,607,552	100.000	2,607,552	DALL
5	921	Office Supplies & Expenses	1,353,416	100.000	1,353,416	DALL
6	923000	Outside Services Employed	1,904,139	100.000	1,904,139	DALL
7	924000	Property Insurance	131,418	100.000	131,418	DALL
8	925000	Injuries & Damages	103,662	100.000	103,662	DALL
9	926	Employee Pension & Benefits	1,243,304	100.000	1,243,304	DALL
10	928000	State Reg. Commission Expense	590,384	100.000	590,384	DALL
11	929010	Duplicate Charges-Credit	(6,043)	100.000	(6,043)	DALL
12	930000	General Advertising Expenses	116,979	Alloc Sch F-3	116,979	DALL
13	931000	Rents	1,205,621	100.000	1,205,621	DALL
14		Total Operation	<u>9,250,432</u>		<u>9,250,432</u>	
15						
16		Maintenance				
17	935000	Maintenance of General Plant	610,973	100.000	610,973	DALL
18		Total Administrative & General	<u>9,861,405</u>		<u>9,861,405</u>	
19		Total Operating Expense	<u>101,180,234</u>		<u>101,180,234</u>	
20						
21		Depreciation Expense				
22						
23	403000	Total Depreciation Expense	<u>9,595,876</u>	100.000	<u>9,595,876</u>	DALL

DUKE ENERGY KENTUCKY, INC
CASE NO. 2009-00202
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S) : WPC-2 1a

SCHEDULE C-2.1
PAGE 15 OF 16
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		TAXES OTHER THAN INCOME TAXES				
2						
3		Other Federal Taxes				
4	408152	Insurance Contribution	637,163	100.000	637,163	DALL
5	408151	Unemployment Compensation	0	100.000	0	DALL
6		Total Other Federal	<u>637,163</u>		<u>637,163</u>	
7						
8		State and Other Taxes				
9	408150	Unemployment Compensation	0	100.000	0	DALL
10	408121	Property Tax	4,388,684	100.000	4,388,684	DALL
11	408550	Kentucky Highway Use	1,956	100.000	1,956	DALL
12	48960	Allocated Payroll Taxes	0	100.000	0	DALL
13		Total State & Other	<u>4,390,640</u>		<u>4,390,640</u>	
14						
15		Total Taxes Other Than				
16		Income Taxes	<u>5,027,803</u>		<u>5,027,803</u>	

DUKE ENERGY KENTUCKY, INC
CASE NO. 2009-00202
OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-2 1a

SCHEDULE C-2.1
PAGE 16 OF 16
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO	ACCOUNT NO	ACCOUNT TITLE	UNADJUSTED TOTAL GAS (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		State Income Taxes				
2	409160	Normal and Surtax	(67,691)	COMPUTED	(67,691)	
3	409104	State Income Tax - Pr. Yr. Adj	0	100.000	0	DALL
4		State Income Tax - Current	(67,691)		(67,691)	
5						
6	410160, 411107	Deferred State Income Taxes - Net	420,768	100.000	420,768	DALL
7						
8		Total State Income Taxes	353,077		353,077	
9						
10		Federal Income Tax Expense				
11						
12	409060	Normal and Surtax	153,700	COMPUTED	153,700	
13	409193	Federal Income Tax - Pr. Yr. Adj	0	100.000	0	DALL
14	409980	Allocated from the Service Company	0	100.000	0	DALL
15		Federal Income Tax - Current	153,700		153,700	
16						
17	410060	Deferred Federal Income Taxes - Net	1,764,742	100.000	1,764,742	DALL
18	411065	Amortization of Investment Tax Credit	(72,657)	100.000	(72,657)	DALL
19						
20		Total Federal Income Taxes	1,845,785		1,845,785	
21		Total Operating Expenses & Taxes	118,002,775		118,002,775	
22		Net Operating Income	7,815,848		7,815,848	

DUKE ENERGY KENTUCKY, INC.
CASE NO 2008-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2009
AND THE TWELVE MONTHS ENDED AUGUST 31, 2008

SCHEDULE C-2.2
PAGE 1 OF 7
WITNESS RESPONSIBLE:
R. M. PARSONS

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S) :

Account	Description	Total			% Change
		Base	Prior	Variance	
403	Depreciation Expenses	8,199,402	7,474,217	725,185	9.70%
404	Amort Exp - Limited Term	638,759	613,822	24,937	4.06%
407	Amortization Expenses	(362,672)	(3,383,173)	3,020,501	89.28%
408	Taxes Other Than Income Taxes	2,266,684	3,069,879	(803,195)	(26.16)%
409	Current Income Taxes	879,655	5,859,806	(4,980,151)	(84.99)%
410	Deferred Income Taxes - Deferrals	(102,358)	8,782,003	(8,884,361)	(101.17)%
411	Deferred Income Taxes - Writebacks	(61,144)	(13,792,338)	13,731,194	99.56%
480	Residential Sales	79,830,233	91,344,700	(11,514,467)	(12.61)%
481	Commercial and Industrial Sales	37,569,494	45,416,518	(7,847,024)	(17.28)%
482	Public Street and Highway Lighting \ OPA	4,820,607	6,175,658	(1,355,051)	(21.94)%
484	Interdepartmental Sales	50,131	51,603	(1,472)	(2.85)%
487	Forfeited Discounts	0	0	0	-
488	Miscellaneous Service Revenues	556,016	509,529	46,487	9.12%
489	Transportation	4,588,336	4,940,559	(352,223)	(7.13)%
493	Rent Land & Buildings - Assoc.	34,176	34,176	0	-
495	Sales Use Tax Collection Fee	23,832	16,711	7,121	42.61%
496	Provision for Rate Refunds	(7,517,628)	0	(7,517,628)	-
711	Gas Boiler Labor	15,737	7,060	8,677	122.90%
712	Gas Production - Other Expense	11,928	5,194	6,734	129.65%
717	Liquid Petroleum Gas Expense	4,289	6,720	(2,431)	(36.18)%
728	Liquid Petroleum Gas	100,086	552,358	(452,272)	(81.88)%
735	Miscellaneous Prod Expense	25,329	21,536	3,793	17.61%
736	Rents	60,300	66,996	(6,696)	(9.99)%
742	Production Equipment	109,976	90,912	19,064	20.97%
801	Natural Gas Field Line Purchase	88,724,830	98,567,124	(9,842,294)	(9.99)%
805	Unrecovered Purch Gas Adjustment	(7,665,881)	6,355,870	(14,021,751)	(220.61)%
807	Gas Purchased Expenses	443,407	436,833	6,574	1.50%
813	Other Gas Supply Expenses	(16)	133	(149)	(112.03)%
856	Mains Expense	0	571	(571)	(100.00)%
859	Other Expenses	0	881	(881)	(100.00)%
870	Dist Supervision & Engineering	97,209	118,997	(21,788)	(18.31)%
871	Distribution Load Dispatching	115,241	119,560	(4,319)	(3.61)%
874	Mains And Services	1,671,245	1,687,787	(16,542)	(0.98)%
875	Measuring & Reg Stations - Gen	33,048	18,841	14,207	75.40%
876	Measuring & Reg Stations - Ind	149,759	20,549	129,210	628.79%
878	Meter And House Regulators	221,563	(562)	222,125	39524.02%
879	Customer Installations	924,034	869,279	54,755	6.30%
880	Gas Distribution Other Expense	394,478	559,262	(164,784)	(29.46)%
881	Rents Interco	387,624	387,624	0	-
885	Maint- Supervision & Engineeri	20,396	38,190	(17,794)	(46.59)%
887	Maintenance Of Mains	765,539	592,435	173,104	29.22%
889	Maint- Measuring & Reg Stat -	49,753	45,807	3,946	8.61%
890	Maint- Measuring & Reg Stat -	1,839	425	1,414	332.71%
892	Maintenance Of Services	602,004	752,423	(150,419)	(19.99)%
893	Maintenance Of Meters & House	169,107	326,398	(157,291)	(48.19)%
894	Maint - Other Distribution Equipment	23,335	39,083	(15,748)	(40.29)%
901	Supervision	1,453	13,883	(12,430)	(89.53)%
902	Meter Reading Expenses	806,036	627,461	178,575	28.46%
903	Customer Record and Collection Expenses	1,724,780	2,002,388	(277,608)	(13.86)%
904	Uncollectible Accounts	1,279,385	1,185,106	94,279	7.96%
905	Miscellaneous Customer Accounts Expense	0	52,556	(52,556)	(100.00)%
908	Customer Assistance Expense	147,659	177,576	(29,917)	(16.85)%
909	Informational and Instructional Expenses	0	22,945	(22,945)	(100.00)%
910	Misc Customer Service and Information Exp.	394,992	457,375	(62,383)	(13.64)%
911	Supervision	0	35	(35)	(100.00)%
916	Miscellaneous Sales Expenses	0	0	0	-
920	Administrative and General Salaries	2,793,261	3,855,305	(1,062,044)	(27.55)%
921	Office Supplies and Expenses	1,521,153	1,726,515	(205,362)	(11.89)%
922	Administrative Expenses Transferred - Credit	122,661	(121,136)	243,797	201.26%
923	Outside Services Employed	1,829,474	1,920,855	(91,381)	(4.76)%
924	Property Insurance	148,630	110,049	38,581	35.06%
925	Injuries and Damages	84,897	66,111	18,786	28.42%
926	Employee Pension and Benefits	2,219,688	1,809,282	410,406	22.68%
927	General & Administration	92	104	(12)	(11.54)%
928	Regulatory Commission Expenses	565,068	322,737	242,331	75.09%
929	Duplicate Charges - Credit	(353,382)	(32,582)	(320,800)	(984.59)%
930	Miscellaneous General Expenses	124,323	283,563	(159,240)	(56.16)%
931	Rents	1,027,185	1,217,221	(190,036)	(15.61)%
935	Maintenance of General Plant	431,110	127,641	303,469	237.75%

DUKE ENERGY KENTUCKY, INC.
CASE NO 2008-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2009
AND THE TWELVE MONTHS ENDED AUGUST 31, 2008

SCHEDULE C-2 2
PAGE 2 OF 7
WITNESS RESPONSIBLE:
R M PARSONS

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Account	Description	October 2008			November 2008		
		Base	Prior	Variance	Base	Prior	Variance
403	Depreciation Expenses	664,777	598,350	66,427	673,669	613,045	60,624
404	Amort Exp - Limited Term	50,958	48,348	2,610	61,744	48,349	13,395
407	Amortization Expenses	(7,897)	(72,197)	64,300	(26,562)	(209,165)	182,603
408	Taxes Other Than Income Taxes	471,347	(468,396)	939,743	335,765	298,782	36,983
409	Current Income Taxes	171,107	(910,239)	1,081,346	64,413	(1,395,781)	1,460,194
410	Deferred Income Taxes - Deferrals	(8,508)	2,905,357	(2,913,865)	(8,517)	(3,545,877)	3,537,360
411	Deferred Income Taxes - Writebacks	6,504	(1,520,496)	1,527,000	(6,277)	3,612,731	(3,619,008)
480	Residential Sales	4,943,898	3,892,919	1,050,979	7,309,197	6,950,526	358,671
481	Commercial and Industrial Sales	1,875,852	1,881,637	(5,785)	3,577,566	3,226,948	350,618
482	Public Street and Highway Lighting \ OPA	299,097	155,036	144,061	460,529	573,665	(113,136)
484	Interdepartmental Sales	710	100	610	4,045	4,034	11
487	Forfeited Discounts	0	0	0	0	0	0
488	Miscellaneous Service Revenues	48,871	46,307	2,564	48,201	47,924	277
489	Transportation	491,192	418,510	72,682	561,544	458,112	103,432
493	Rent Land & Buildings - Assoc	2,848	2,848	0	2,848	2,848	0
495	Sales Use Tax Collection Fee	1,500	601	899	1,500	601	899
496	Provision for Rate Refunds	0	0	0	0	0	0
711	Gas Boiler Labor	62	0	62	0	582	(582)
712	Gas Production - Other Expense	115	8	107	450	336	114
717	Liquid Petroleum Gas Expense	634	2,720	(2,086)	70	596	(526)
728	Liquid Petroleum Gas	0	477,517	(477,517)	0	0	0
735	Miscellaneous Prod Expense	1,347	2,662	(1,315)	794	1,270	(476)
736	Rents	5,583	5,583	0	5,583	5,583	0
742	Production Equipment	6,474	8,349	(1,875)	10,414	14,291	(3,877)
801	Natural Gas Field Line Purchase	4,393,212	4,123,669	269,543	10,931,258	9,225,817	1,705,441
805	Unrecovered Purch Gas Adjustment	(623,276)	(1,437,736)	814,460	(2,524,590)	(1,233,519)	(1,291,071)
807	Gas Purchased Expenses	37,845	31,378	6,467	26,779	31,583	(4,804)
813	Other Gas Supply Expenses	(93)	0	(93)	67	0	67
856	Mains Expense	0	0	0	0	0	0
859	Other Expenses	0	881	(881)	0	0	0
870	Dist Supervision & Engineering	10,220	9,452	768	5,551	9,080	(3,529)
871	Distribution Load Dispatching	13,444	9,188	4,256	11,197	7,596	3,601
874	Mains And Services	194,101	109,588	84,513	150,694	290,376	(139,682)
875	Measuring & Reg Stations - Gen	7,588	1,723	5,865	3,279	281	2,998
876	Measuring & Reg Stations - Ind	1,082	3,617	(2,535)	4,197	3,260	937
878	Meter And House Regulators	127,554	19,995	107,559	243,574	(7,218)	250,792
879	Customer Installations	87,099	54,188	32,911	69,043	51,197	17,846
880	Gas Distribution Other Expense	39,160	69,354	(30,194)	45,672	69,639	(23,967)
881	Rents Interco	32,302	32,302	0	32,302	32,302	0
885	Maint- Supervision & Engineeri	913	4,210	(3,297)	1,049	2,822	(1,773)
887	Maintenance Of Mains	112,579	73,745	38,834	61,371	52,440	9,931
889	Maint- Measuring & Reg Stat -	5,786	4,239	1,547	1,035	3,656	(2,621)
890	Maint- Measuring & Reg Stat -	0	0	0	9	0	9
892	Maintenance Of Services	39,733	38,772	961	44,904	60,557	(15,653)
893	Maintenance Of Meters & House	53,064	23,649	29,415	46,671	8,333	38,338
894	Maint - Other Distribution Equipment	7,436	(2,565)	10,001	9,785	697	9,088
901	Supervision	501	2,628	(2,127)	223	841	(618)
902	Meter Reading Expenses	61,908	55,533	6,375	47,307	48,527	(1,220)
903	Customer Record and Collection Expenses	162,224	171,786	(9,562)	166,607	178,698	(12,091)
904	Uncollectible Accounts	99,231	79,913	19,318	92,211	86,789	5,422
905	Miscellaneous Customer Accounts Expense	0	0	0	0	12	(12)
908	Customer Assistance Expense	9,911	20,622	(10,711)	10,249	25,447	(15,198)
909	Informational and Instructional Expenses	0	1	(1)	0	1	(1)
910	Misc. Customer Service and Information Exp	56,557	62,991	(6,434)	5,975	23,159	(17,184)
911	Supervision	0	5	(5)	0	5	(5)
916	Miscellaneous Sales Expenses	0	0	0	0	0	0
920	Administrative and General Salaries	223,573	393,182	(169,609)	173,903	1,118,052	(944,149)
921	Office Supplies and Expenses	179,279	115,638	63,641	145,950	154,591	(8,641)
922	Administrative Expenses Transferred - Credit	9	(25)	34	13	(6)	19
923	Outside Services Employed	126,318	154,531	(28,213)	126,180	195,032	(68,852)
924	Property Insurance	9,006	14,750	(5,744)	11,548	25,714	(14,166)
925	Injuries and Damages	2,120	(1,661)	3,781	1,890	1,211	679
926	Employee Pension and Benefits	397,500	302,367	95,133	291,484	277,990	13,494
927	General & Administration	37	0	37	20	0	20
928	Regulatory Commission Expenses	48,327	115,724	(67,397)	45,609	(359,557)	405,166
929	Duplicate Charges - Credit	(37,940)	0	(37,940)	(38,023)	(39)	(37,984)
930	Miscellaneous General Expenses	9,026	16,942	(7,916)	7,821	33,955	(26,134)
931	Rents	53,352	104,773	(51,421)	52,919	109,141	(56,222)
935	Maintenance of General Plant	8,397	13,213	(4,816)	7,127	11,588	(4,461)

DUKE ENERGY KENTUCKY, INC
CASE NO 2008-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2009
AND THE TWELVE MONTHS ENDED AUGUST 31, 2008

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PAGE 3 OF 7
WITNESS RESPONSIBLE:
R. M. PARSONS

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S) :

Account	Description	December 2008			January 2009		
		Base	Prior	Variance	Base	Prior	Variance
403	Depreciation Expenses	662,890	619,894	42,996	665,511	621,883	43,628
404	Amort Exp - Limited Term	52,276	48,355	3,921	51,287	52,919	(1,632)
407	Amortization Expenses	(22,363)	(791,564)	769,201	(92,490)	(711,921)	619,431
408	Taxes Other Than Income Taxes	(1,964,756)	237,806	(2,202,562)	380,270	345,710	34,560
409	Current Income Taxes	64,413	3,379,871	(3,315,458)	64,413	1,445,703	(1,381,290)
410	Deferred Income Taxes - Deferrals	(8,672)	3,104,238	(3,112,910)	(8,517)	(271,807)	263,290
411	Deferred Income Taxes - Writebacks	(5,392)	(6,870,556)	6,865,164	(6,220)	191,028	(197,248)
480	Residential Sales	15,095,599	14,056,366	1,039,233	17,238,058	16,271,040	967,018
481	Commercial and Industrial Sales	7,553,773	7,091,864	461,909	7,964,034	8,039,491	(75,457)
482	Public Street and Highway Lighting \ OPA	775,431	817,717	(42,286)	952,964	1,234,043	(281,079)
484	Interdepartmental Sales	10,330	8,710	1,620	11,721	10,756	965
487	Forfeited Discounts	0	0	0	0	0	0
488	Miscellaneous Service Revenues	46,243	3,285	42,958	45,388	45,635	(247)
489	Transportation	429,424	585,811	(156,387)	609,483	563,176	46,307
493	Rent Land & Buildings - Assoc.	2,848	2,848	0	2,848	2,848	0
495	Sales Use Tax Collection Fee	1,500	601	899	1,500	7,403	(5,903)
496	Provision for Rate Refunds	(7,517,628)	0	(7,517,628)	0	0	0
711	Gas Boiler Labor	2,504	1,194	1,310	0	1,562	(1,562)
712	Gas Production - Other Expense	1,058	798	260	2,458	955	1,503
717	Liquid Petroleum Gas Expense	71	1,498	(1,427)	418	351	67
728	Liquid Petroleum Gas	14,353	11,153	3,200	86,442	29,623	56,819
735	Miscellaneous Prod Expense	1,959	1,320	639	7,152	2,634	4,518
736	Rents	5,583	5,583	0	5,583	5,583	0
742	Production Equipment	7,873	7,909	(36)	15,762	4,135	11,627
801	Natural Gas Field Line Purchase	17,121,558	14,560,564	2,560,994	20,073,123	19,464,914	608,209
805	Unrecovered Purch Gas Adjustment	600,673	2,669,981	(2,069,308)	(866,410)	537,511	(1,403,921)
807	Gas Purchased Expenses	59,171	47,143	12,028	42,239	29,765	12,474
813	Other Gas Supply Expenses	(83)	0	(83)	(23)	0	(23)
856	Mains Expense	0	0	0	0	0	0
859	Other Expenses	0	0	0	0	0	0
870	Dist Supervision & Engineering	10,525	5,909	4,616	10,953	11,889	(936)
871	Distribution Load Dispatching	12,786	10,187	2,599	12,979	9,125	3,854
874	Mains And Services	174,745	175,681	(936)	150,026	121,132	28,894
875	Measuring & Reg Stations - Gen	1,634	252	1,382	156	208	(52)
876	Measuring & Reg Stations - Ind	2,231	2,175	56	1,666	1,046	620
878	Meter And House Regulators	(333,645)	2,423	(336,068)	47,711	(9,396)	57,107
879	Customer Installations	93,248	80,237	13,011	81,901	71,724	10,177
880	Gas Distribution Other Expense	31,652	115,769	(84,117)	43,053	52,594	(9,541)
881	Rents Interco	32,302	32,302	0	32,302	32,302	0
885	Maint- Supervision & Engineeri	(120)	2,360	(2,480)	910	3,800	(2,890)
887	Maintenance Of Mains	41,558	62,306	(20,748)	44,377	43,733	644
889	Maint- Measuring & Reg Stat -	3,293	5,331	(2,038)	1,835	2,513	(678)
890	Maint- Measuring & Reg Stat -	373	0	373	325	80	245
892	Maintenance Of Services	19,314	28,373	(9,059)	16,108	18,209	(2,101)
893	Maintenance Of Meters & House	14,842	5,279	9,563	49,160	9,848	39,312
894	Maint - Other Distribution Equipment	(12,521)	21,181	(33,702)	4,399	6,533	(2,134)
901	Supervision	(362)	706	(1,068)	494	1,222	(728)
902	Meter Reading Expenses	55,755	29,825	25,930	74,963	47,674	27,289
903	Customer Record and Collection Expenses	164,374	164,273	101	154,074	135,049	19,025
904	Uncollectible Accounts	159,471	156,092	3,379	107,703	149,396	(41,693)
905	Miscellaneous Customer Accounts Expense	0	67,532	(67,532)	0	4	(4)
908	Customer Assistance Expense	16,298	27,744	(11,446)	6,556	15,874	(9,318)
909	Informational and Instructional Expenses	0	22,943	(22,943)	0	0	0
910	Misc Customer Service and Information Exp.	51,664	62,294	(10,630)	35,396	23,171	12,225
911	Supervision	0	5	(5)	0	5	(5)
916	Miscellaneous Sales Expenses	0	0	0	0	0	0
920	Administrative and General Salaries	523,648	325,455	198,193	321,324	265,933	55,391
921	Office Supplies and Expenses	198,104	158,235	39,869	174,428	134,403	40,025
922	Administrative Expenses Transferred - Credit	122,639	1,220	121,419	36	0	36
923	Outside Services Employed	238,317	326,437	(88,120)	148,261	41,482	106,779
924	Property Insurance	10,190	(11,977)	22,167	13,785	5,733	8,052
925	Injuries and Damages	2,074	630	1,444	4,942	1,001	3,941
926	Employee Pension and Benefits	480,650	293,801	186,849	231,403	183,822	47,581
927	General & Administration	1	0	1	2	0	2
928	Regulatory Commission Expenses	45,615	69,273	(23,658)	45,615	69,273	(23,658)
929	Duplicate Charges - Credit	(233,362)	(21)	(233,341)	(40,897)	(85)	(40,812)
930	Miscellaneous General Expenses	15,330	42,950	(27,620)	40,462	55,377	(14,915)
931	Rents	81,255	192,158	(110,903)	98,702	98,232	470
935	Maintenance of General Plant	11,837	14,107	(2,270)	19,945	11,673	8,272

DUKE ENERGY KENTUCKY, INC.
CASE NO 2008-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2009
AND THE TWELVE MONTHS ENDED AUGUST 31, 2008

SCHEDULE C-2 2
PAGE 4 OF 7
WITNESS RESPONSIBLE:
R. M. PARSONS

DATA "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S) :

Account	Description	February 2009			March 2009		
		Base	Prior	Variance	Base	Prior	Variance
403	Depreciation Expenses	674,754	623,640	51,114	791,221	622,856	168,365
404	Amort Exp - Limited Term	52,554	52,958	(404)	56,020	52,962	3,058
407	Amortization Expenses	(87,134)	(721,837)	634,703	(58,792)	(539,854)	481,062
408	Taxes Other Than Income Taxes	352,774	364,644	(11,870)	440,450	340,449	100,001
409	Current Income Taxes	64,413	1,553,339	(1,488,926)	64,413	3,065,485	(3,001,072)
410	Deferred Income Taxes - Deferrals	(8,517)	(773,072)	764,555	(8,517)	(758,908)	750,391
411	Deferred Income Taxes - Writebacks	(6,219)	350,196	(356,415)	(6,220)	(1,925,471)	1,919,251
480	Residential Sales	12,156,396	16,010,684	(3,854,288)	7,343,707	12,908,132	(5,564,425)
481	Commercial and Industrial Sales	5,825,209	8,085,805	(2,260,596)	3,348,040	6,530,862	(3,182,822)
482	Public Street and Highway Lighting \ OPA	855,523	1,082,789	(227,266)	411,360	915,902	(504,542)
484	Interdepartmental Sales	10,640	10,795	(155)	5,102	9,390	(4,288)
487	Forfeited Discounts	0	0	0	0	0	0
488	Miscellaneous Service Revenues	46,008	44,767	1,241	46,253	45,890	363
489	Transportation	437,412	535,582	(98,170)	365,153	392,870	(27,717)
493	Rent Land & Buildings - Assoc.	2,848	2,848	0	2,848	2,848	0
495	Sales Use Tax Collection Fee	1,500	601	899	1,500	601	899
496	Provision for Rate Refunds	0	0	0	0	0	0
711	Gas Boiler Labor	4,045	1,661	2,384	0	0	0
712	Gas Production - Other Expense	820	1,790	(970)	511	489	22
717	Liquid Petroleum Gas Expense	292	179	113	238	64	174
728	Liquid Petroleum Gas	7,777	34,065	(26,288)	7,852	0	7,852
735	Miscellaneous Prod Expense	5,286	5,280	6	1,276	1,506	(230)
736	Rents	5,583	5,583	0	5,583	5,583	0
742	Production Equipment	5,962	12,601	(6,639)	3,233	9,581	(6,348)
801	Natural Gas Field Line Purchase	13,164,270	17,937,486	(4,773,216)	9,502,708	14,085,334	(4,582,626)
805	Unrecovered Purch Gas Adjustment	586,657	1,815,130	(1,228,473)	(2,228,311)	2,075,482	(4,303,793)
807	Gas Purchased Expenses	46,099	37,951	8,148	42,855	37,938	4,917
813	Other Gas Supply Expenses	116	0	116	0	0	0
856	Mains Expense	0	0	0	0	0	0
859	Other Expenses	0	0	0	0	0	0
870	Dist Supervision & Engineering	7,942	22,600	(14,658)	11,254	15,930	(4,676)
871	Distribution Load Dispatching	12,773	10,414	2,359	12,826	9,165	3,661
874	Mains And Services	63,172	77,964	(14,792)	95,530	113,728	(18,198)
875	Measuring & Reg Stations - Gen	674	380	294	3,359	283	3,076
876	Measuring & Reg Stations - Ind	674	1,047	(373)	5,039	1,879	3,160
878	Meter And House Regulators	27,207	106,111	(78,904)	75,175	(63,683)	138,858
879	Customer Installations	64,192	40,962	23,230	67,907	81,472	(13,565)
880	Gas Distribution Other Expense	21,900	95,744	(73,844)	35,351	42,563	(7,212)
881	Rents Interco	32,302	32,302	0	32,302	32,302	0
885	Maint- Supervision & Engineeri	1,024	6,389	(5,365)	1,070	4,167	(3,097)
887	Maintenance Of Mains	42,081	65,591	(23,510)	(12,241)	45,911	(58,152)
889	Maint- Measuring & Reg Stat -	4,319	1,479	2,840	4,283	2,880	1,403
890	Maint- Measuring & Reg Stat -	0	0	0	1,330	0	1,330
892	Maintenance Of Services	26,957	89,549	(62,592)	69,296	59,703	9,593
893	Maintenance Of Meters & House	28,315	37,664	(9,349)	18,419	25,865	(7,446)
894	Maint - Other Distribution Equipment	1,335	1,711	(376)	3,139	(3,277)	6,416
901	Supervision	219	955	(736)	804	1,012	(208)
902	Meter Reading Expenses	75,509	70,241	5,268	59,924	50,769	9,155
903	Customer Record and Collection Expenses	145,918	194,326	(48,408)	168,096	177,422	(9,326)
904	Uncollectible Accounts	96,127	115,659	(19,532)	81,037	102,356	(21,319)
905	Miscellaneous Customer Accounts Expense	0	0	0	0	2	(2)
908	Customer Assistance Expense	11,399	14,371	(2,972)	11,883	12,475	(592)
909	Informational and Instructional Expenses	0	0	0	0	0	0
910	Misc Customer Service and Information Exp	26,012	21,776	4,236	42,889	22,948	19,941
911	Supervision	0	5	(5)	0	1	(1)
916	Miscellaneous Sales Expenses	0	0	0	0	0	0
920	Administrative and General Salaries	137,137	300,053	(162,916)	205,098	577,908	(372,810)
921	Office Supplies and Expenses	69,162	102,426	(33,264)	115,762	106,492	9,270
922	Administrative Expenses Transferred - Credit	(19)	0	(19)	(5)	(31,150)	31,145
923	Outside Services Employed	89,418	128,748	(39,330)	148,643	240,671	(92,028)
924	Property Insurance	32,299	11,904	20,395	23,088	8,819	14,269
925	Injuries and Damages	17,169	2,946	14,223	9,734	1,847	7,887
926	Employee Pension and Benefits	89,570	242,621	(153,051)	219,887	223,762	(3,875)
927	General & Administration	19	0	19	13	0	13
928	Regulatory Commission Expenses	45,615	69,273	(23,658)	45,969	69,273	(23,304)
929	Duplicate Charges - Credit	(19,094)	0	(19,094)	(16,584)	0	(16,584)
930	Miscellaneous General Expenses	3,691	13,156	(9,465)	13,363	13,887	(524)
931	Rents	56,958	93,037	(36,079)	77,267	100,042	(22,775)
935	Maintenance of General Plant	34,965	13,922	21,043	32,713	6,661	26,052

DUKE ENERGY KENTUCKY, INC
CASE NO 2008-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2009
AND THE TWELVE MONTHS ENDED AUGUST 31, 2008

SCHEDULE C-2.2
PAGE 5 OF 7
WITNESS RESPONSIBLE:
R M PARSONS

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S) .

Account	Description	April 2009			May 2009		
		Base	Prior	Variance	Base	Prior	Variance
403	Depreciation Expenses	686,586	624,323	62,263	672,675	637,877	34,798
404	Amort Exp - Limited Term	52,320	52,962	(642)	52,320	52,964	(644)
407	Amortization Expenses	(37,076)	(218,075)	180,999	(19,150)	(86,657)	67,507
408	Taxes Other Than Income Taxes	375,139	319,533	55,606	375,139	325,787	49,352
409	Current Income Taxes	64,413	662,963	(598,550)	64,413	(106,131)	170,544
410	Deferred Income Taxes - Deferrals	(8,517)	(798,816)	790,299	(8,517)	(60,692)	52,175
411	Deferred Income Taxes - Writebacks	(6,220)	58,029	(64,249)	(6,220)	(311,432)	305,212
480	Residential Sales	2,851,267	6,859,866	(4,008,599)	2,791,377	3,570,278	(778,901)
481	Commercial and Industrial Sales	1,295,713	3,566,703	(2,270,990)	1,256,229	1,804,960	(548,731)
482	Public Street and Highway Lighting \ OPA	134,089	442,376	(308,287)	160,810	291,731	(130,921)
484	Interdepartmental Sales	1,681	3,501	(1,820)	1,300	2,888	(1,588)
487	Forfeited Discounts	0	0	0	0	0	0
488	Miscellaneous Service Revenues	45,842	45,417	425	45,842	46,136	(294)
489	Transportation	340,629	409,133	(68,504)	298,941	312,519	(13,578)
493	Rent Land & Buildings - Assoc	2,848	2,848	0	2,848	2,848	0
495	Sales Use Tax Collection Fee	2,472	601	1,871	2,472	601	1,871
496	Provision for Rate Refunds	0	0	0	0	0	0
711	Gas Boiler Labor	1,521	1,657	(136)	1,521	157	1,364
712	Gas Production - Other Expense	1,086	184	902	1,086	94	992
717	Liquid Petroleum Gas Expense	423	84	339	431	253	178
728	Liquid Petroleum Gas	(2,723)	0	(2,723)	(2,723)	0	(2,723)
735	Miscellaneous Prod Expense	1,227	1,773	(546)	1,264	763	501
736	Rents	4,467	5,583	(1,116)	4,467	5,583	(1,116)
742	Production Equipment	9,941	5,662	4,279	10,099	7,744	2,355
801	Natural Gas Field Line Purchase	3,958,562	5,869,332	(1,910,770)	2,348,550	3,522,605	(1,174,055)
805	Unrecovered Purch Gas Adjustment	(2,654,797)	2,313,523	(4,968,320)	(398,577)	34,365	(432,942)
807	Gas Purchased Expenses	29,013	30,447	(1,434)	39,597	38,674	923
813	Other Gas Supply Expenses	0	0	0	0	0	0
856	Mains Expense	0	571	(571)	0	0	0
859	Other Expenses	0	0	0	0	0	0
870	Dist Supervision & Engineering	6,849	8,318	(1,469)	6,815	10,208	(3,393)
871	Distribution Load Dispatching	6,676	7,410	(734)	6,632	6,820	(188)
874	Mains And Services	120,090	162,842	(42,752)	142,233	155,367	(13,134)
875	Measuring & Reg Stations - Gen	2,743	210	2,533	2,733	377	2,356
876	Measuring & Reg Stations - Ind	21,449	383	21,066	21,445	2,576	18,869
878	Meter And House Regulators	5,124	(91,064)	96,188	5,111	(41,095)	46,206
879	Customer Installations	70,780	67,742	3,038	72,877	86,555	(13,678)
880	Gas Distribution Other Expense	28,784	38,319	(9,535)	29,140	40,933	(11,793)
881	Rents Interco	32,302	32,302	0	32,302	32,302	0
885	Maint- Supervision & Engineeri	2,602	3,924	(1,322)	2,591	4,075	(1,484)
887	Maintenance Of Mains	75,285	38,847	36,438	77,707	37,340	40,367
889	Maint- Measuring & Reg Stat -	4,873	3,324	1,549	4,889	6,544	(1,655)
890	Maint- Measuring & Reg Stat -	(33)	0	(33)	(33)	0	(33)
892	Maintenance Of Services	64,282	68,367	(4,085)	64,282	60,923	3,359
893	Maintenance Of Meters & House	(6,894)	21,559	(28,453)	(6,894)	22,323	(29,217)
894	Maint - Other Distribution Equipment	1,627	2,747	(1,120)	1,627	464	1,163
901	Supervision	(71)	1,141	(1,212)	(71)	1,888	(1,959)
902	Meter Reading Expenses	64,982	52,163	12,819	66,951	47,735	19,216
903	Customer Record and Collection Expenses	151,030	168,246	(17,216)	144,400	167,371	(22,971)
904	Uncollectible Accounts	91,816	70,757	21,059	92,247	74,138	18,109
905	Miscellaneous Customer Accounts Expense	0	2	(2)	0	4	(4)
908	Customer Assistance Expense	13,662	11,158	2,504	13,599	14,593	(994)
909	Informational and Instructional Expenses	0	0	0	0	0	0
910	Misc Customer Service and Information Exp	29,792	25,311	4,481	29,078	55,225	(26,147)
911	Supervision	0	6	(6)	0	3	(3)
916	Miscellaneous Sales Expenses	0	0	0	0	0	0
920	Administrative and General Salaries	211,408	57,288	154,120	198,585	193,078	5,507
921	Office Supplies and Expenses	108,462	156,506	(48,044)	104,390	158,159	(53,769)
922	Administrative Expenses Transferred - Credit	(2)	19	(21)	(2)	4	(6)
923	Outside Services Employed	143,803	103,550	40,253	146,043	189,022	(42,979)
924	Property Insurance	8,119	6,534	1,585	8,119	13,179	(5,060)
925	Injuries and Damages	7,828	2,264	5,564	7,828	2,259	5,569
926	Employee Pension and Benefits	82,582	268,334	(185,752)	87,546	252,150	(164,604)
927	General & Administration	0	0	0	0	0	0
928	Regulatory Commission Expenses	48,053	51,611	(3,558)	48,053	51,611	(3,558)
929	Duplicate Charges - Credit	5,268	(42)	5,310	5,450	0	5,450
930	Miscellaneous General Expenses	6,120	38,918	(32,798)	6,163	13,448	(7,285)
931	Rents	101,289	107,861	(6,572)	100,215	130,853	(30,638)
935	Maintenance of General Plant	51,146	13,724	37,422	51,341	8,129	43,212

DUKE ENERGY KENTUCKY, INC
CASE NO. 2008-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2009
AND THE TWELVE MONTHS ENDED AUGUST 31, 2008

SCHEDULE C-2.2
PAGE 6 OF 7
WITNESS RESPONSIBLE:
R. M. PARSONS

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S) :

Account	Description	June 2009			July 2009		
		Base	Prior	Variance	Base	Prior	Variance
403	Depreciation Expenses	673,900	635,773	38,127	675,970	628,537	47,433
404	Amort Exp - Limited Term	52,320	50,936	1,384	52,320	50,939	1,381
407	Amortization Expenses	(11,208)	(9,679)	(1,529)	0	(8,294)	8,294
408	Taxes Other Than Income Taxes	375,139	327,991	47,148	375,139	50,116	325,023
409	Current Income Taxes	64,413	(2,517,633)	2,582,046	64,413	(1,200,703)	1,265,116
410	Deferred Income Taxes - Deferrals	(8,517)	16,872	(25,389)	(8,517)	8,441,883	(8,450,400)
411	Deferred Income Taxes - Writebacks	(6,220)	1,178,167	(1,184,387)	(6,220)	(5,856,338)	5,850,118
480	Residential Sales	2,094,451	2,409,391	(314,940)	2,469,101	3,322,605	(853,504)
481	Commercial and Industrial Sales	956,098	1,080,409	(124,311)	1,184,639	1,481,573	(296,934)
482	Public Street and Highway Lighting \ OPA	134,934	113,695	21,239	182,841	257,083	(74,242)
484	Interdepartmental Sales	712	14	698	1,815	1,006	809
487	Forfeited Discounts	0	0	0	0	0	0
488	Miscellaneous Service Revenues	45,842	46,725	(883)	45,842	46,324	(482)
489	Transportation	244,961	311,496	(66,535)	267,961	287,491	(19,530)
493	Rent Land & Buildings - Assoc.	2,848	2,848	0	2,848	2,848	0
495	Sales Use Tax Collection Fee	2,472	601	1,871	2,472	1,500	972
496	Provision for Rate Refunds	0	0	0	0	0	0
711	Gas Boiler Labor	1,521	29	1,492	1,521	19	1,502
712	Gas Production - Other Expense	1,086	0	1,086	1,086	209	877
717	Liquid Petroleum Gas Expense	427	510	(83)	428	137	291
728	Liquid Petroleum Gas	(2,723)	0	(2,723)	(2,723)	0	(2,723)
735	Miscellaneous Prod Expense	1,253	1,330	(77)	1,257	805	452
736	Rents	4,467	5,583	(1,116)	4,467	5,583	(1,116)
742	Production Equipment	10,035	3,904	6,131	10,059	4,705	5,354
801	Natural Gas Field Line Purchase	1,654,290	2,783,730	(1,129,440)	1,741,817	2,564,785	(822,968)
805	Unrecovered Purch Gas Adjustment	(288,247)	(779,032)	490,785	104,991	410,802	(305,811)
807	Gas Purchased Expenses	31,818	25,369	6,449	29,241	69,817	(40,576)
813	Other Gas Supply Expenses	0	0	0	0	111	(111)
856	Mains Expense	0	0	0	0	0	0
859	Other Expenses	0	0	0	0	0	0
870	Dist Supervision & Engineering	6,758	8,361	(1,603)	6,779	2,546	4,233
871	Distribution Load Dispatching	6,427	7,824	(1,397)	6,455	25,466	(19,011)
874	Mains And Services	161,785	118,308	43,477	131,799	147,412	(15,613)
875	Measuring & Reg Stations - Gen	2,715	365	2,350	2,722	472	2,250
876	Measuring & Reg Stations - Ind	21,439	1,908	19,531	27,654	1,073	26,581
878	Meter And House Regulators	5,089	65,847	(60,758)	8,467	78,104	(69,637)
879	Customer Installations	73,528	71,145	2,383	95,652	87,486	8,166
880	Gas Distribution Other Expense	28,267	(50,941)	79,208	28,730	26,409	2,321
881	Rents Interco	32,302	32,302	0	32,302	32,302	0
885	Maint- Supervision & Engineeri	2,571	3,600	(1,029)	2,627	906	1,721
887	Maintenance Of Mains	86,573	40,198	46,375	84,104	52,193	31,911
889	Maint- Measuring & Reg Stat -	4,847	3,796	1,051	4,863	4,173	690
890	Maint- Measuring & Reg Stat -	(33)	0	(33)	(33)	0	(33)
892	Maintenance Of Services	64,282	30,031	34,251	64,282	171,667	(107,385)
893	Maintenance Of Meters & House	(6,894)	15,595	(22,489)	(6,894)	42,795	(49,689)
894	Maint - Other Distribution Equipment	1,627	(863)	2,490	1,627	5,247	(3,620)
901	Supervision	(71)	1,748	(1,819)	(71)	577	(648)
902	Meter Reading Expenses	69,784	45,769	24,015	92,831	53,803	39,028
903	Customer Record and Collection Expenses	145,307	162,773	(17,466)	167,067	159,533	7,534
904	Uncollectible Accounts	106,827	71,932	34,895	130,187	95,881	34,306
905	Miscellaneous Customer Accounts Expense	0	(15,003)	15,003	0	0	0
908	Customer Assistance Expense	13,496	9,945	3,551	13,532	21,078	(7,546)
909	Informational and Instructional Expenses	0	0	0	0	0	0
910	Misc. Customer Service and Information Exp	29,128	32,505	(3,377)	29,086	45,337	(16,251)
911	Supervision	0	0	0	0	0	0
916	Miscellaneous Sales Expenses	0	0	0	0	0	0
920	Administrative and General Salaries	200,162	534,403	(334,241)	201,634	248,082	(46,448)
921	Office Supplies and Expenses	116,946	122,437	(5,491)	102,071	149,020	(46,949)
922	Administrative Expenses Transferred - Credit	(2)	(19,332)	19,330	(2)	(37,146)	37,144
923	Outside Services Employed	178,039	190,999	(12,960)	150,567	104,878	45,689
924	Property Insurance	8,119	8,819	(700)	8,119	8,855	(736)
925	Injuries and Damages	7,828	49,373	(41,545)	7,828	2,086	5,742
926	Employee Pension and Benefits	86,798	215,981	(129,183)	74,407	40,669	33,738
927	General & Administration	0	0	0	0	65	(65)
928	Regulatory Commission Expenses	48,053	51,611	(3,558)	48,053	32,581	15,472
929	Duplicate Charges - Credit	5,450	0	5,450	5,450	0	5,450
930	Miscellaneous General Expenses	14,112	20,422	(6,310)	2,733	14,285	(11,552)
931	Rents	101,116	106,453	(5,337)	101,909	49,684	52,225
935	Maintenance of General Plant	54,063	7,446	46,617	54,097	4,800	49,297

DUKE ENERGY KENTUCKY, INC.
CASE NO 2008-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2009
AND THE TWELVE MONTHS ENDED AUGUST 31, 2008

SCHEDULE C-2.2
PAGE 7 OF 7
WITNESS RESPONSIBLE:
R M PARSONS

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Account	Description	August 2009			September 2009		
		Base	Prior	Variance	Base	Prior	Variance
403	Depreciation Expenses	677,648	633,992	43,656	679,801	614,047	65,754
404	Amort Exp - Limited Term	52,320	50,881	1,439	52,320	51,249	1,071
407	Amortization Expenses	0	(6,583)	6,583	0	(7,347)	7,347
408	Taxes Other Than Income Taxes	375,139	620,865	(245,726)	375,139	306,592	68,547
409	Current Income Taxes	64,413	(69,249)	133,662	64,418	1,952,181	(1,887,763)
410	Deferred Income Taxes - Deferrals	(8,517)	224,658	(233,175)	(8,525)	298,167	(306,692)
411	Deferred Income Taxes - Writebacks	(6,220)	(599,738)	593,518	(6,220)	(2,098,458)	2,092,238
480	Residential Sales	2,473,864	2,536,896	(63,032)	3,063,318	2,555,997	507,321
481	Commercial and Industrial Sales	1,275,456	1,283,595	(8,139)	1,456,885	1,342,671	114,214
482	Public Street and Highway Lighting \ OPA	185,751	105,961	79,790	267,278	185,660	81,618
484	Interdepartmental Sales	1,355	181	1,174	720	228	492
487	Forfeited Discounts	0	0	0	0	0	0
488	Miscellaneous Service Revenues	45,842	46,084	(242)	45,842	45,035	807
489	Transportation	271,691	322,604	(50,913)	269,945	343,255	(73,310)
493	Rent Land & Buildings - Assoc	2,848	2,848	0	2,848	2,848	0
495	Sales Use Tax Collection Fee	2,472	1,500	972	2,472	1,500	972
496	Provision for Rate Refunds	0	0	0	0	0	0
711	Gas Boiler Labor	1,521	0	1,521	1,521	199	1,322
712	Gas Production - Other Expense	1,086	215	871	1,086	116	970
717	Liquid Petroleum Gas Expense	427	195	232	430	133	297
726	Liquid Petroleum Gas	(2,723)	0	(2,723)	(2,723)	0	(2,723)
735	Miscellaneous Prod Expense	1,253	935	318	1,261	1,258	3
736	Rents	4,467	5,583	(1,116)	4,467	5,583	(1,116)
742	Production Equipment	10,039	8,789	1,250	10,085	3,242	6,843
801	Natural Gas Field Line Purchase	1,769,127	2,113,581	(344,454)	2,066,355	2,315,307	(248,952)
805	Unrecovered Purch Gas Adjustment	152,684	15,926	136,758	473,322	(66,563)	539,885
807	Gas Purchased Expenses	29,354	69,823	(40,469)	29,396	(13,055)	42,451
813	Other Gas Supply Expenses	0	45	(45)	0	(23)	23
856	Mains Expense	0	0	0	0	0	0
859	Other Expenses	0	0	0	0	0	0
870	Dist Supervision & Engineering	6,761	5,905	856	6,802	8,799	(1,997)
871	Distribution Load Dispatching	6,431	25,492	(19,061)	6,615	(9,127)	15,742
874	Mains And Services	139,678	113,644	26,034	147,392	101,745	45,647
875	Measuring & Reg Stations - Gen	2,716	5,633	(2,917)	2,729	8,657	(5,928)
876	Measuring & Reg Stations - Ind	21,439	1,452	19,987	21,444	133	21,311
878	Meter And House Regulators	5,090	81,846	(76,756)	5,106	(142,432)	147,538
879	Customer Installations	75,017	64,650	10,367	72,790	111,921	(39,131)
880	Gas Distribution Other Expense	31,252	37,844	(6,592)	31,517	21,035	10,482
881	Rents Interco	32,302	32,302	0	32,302	32,302	0
885	Maint- Supervision & Engineeri	2,573	1,012	1,561	2,586	925	1,661
887	Maintenance Of Mains	77,243	35,209	42,034	74,902	44,922	29,980
889	Maint- Measuring & Reg Stat -	4,850	5,147	(297)	4,880	2,725	2,155
890	Maint- Measuring & Reg Stat -	(33)	644	(677)	(33)	(299)	266
892	Maintenance Of Services	64,282	68,798	(4,516)	64,282	57,474	6,808
893	Maintenance Of Meters & House	(6,894)	65,683	(72,577)	(6,894)	47,805	(54,699)
894	Maint - Other Distribution Equipment	1,627	3,255	(1,628)	1,627	3,953	(2,326)
901	Supervision	(71)	682	(753)	(71)	483	(554)
902	Meter Reading Expenses	70,463	79,190	(8,727)	65,659	46,232	19,427
903	Customer Record and Collection Expenses	141,405	172,494	(31,089)	14,278	150,417	(136,139)
904	Uncollectible Accounts	119,296	95,732	23,564	103,232	86,461	16,771
905	Miscellaneous Customer Accounts Expense	0	0	0	0	3	(3)
908	Customer Assistance Expense	13,498	11,448	2,050	13,576	(7,179)	20,755
909	Informational and Instructional Expenses	0	0	0	0	0	0
910	Misc. Customer Service and Information Exp.	29,086	29,987	(901)	30,329	52,671	(22,342)
911	Supervision	0	0	0	0	0	0
916	Miscellaneous Sales Expenses	0	0	0	0	0	0
920	Administrative and General Salaries	197,768	247,658	(49,890)	199,021	(405,787)	604,808
921	Office Supplies and Expenses	99,811	177,141	(77,330)	106,788	191,467	(84,679)
922	Administrative Expenses Transferred - Credit	(2)	(34,771)	34,769	(2)	51	(53)
923	Outside Services Employed	157,513	124,467	33,046	176,372	121,038	55,334
924	Property Insurance	8,119	8,862	(743)	8,119	8,857	(738)
925	Injuries and Damages	7,828	2,066	5,762	7,828	2,089	5,739
926	Employee Pension and Benefits	86,222	(172)	86,394	91,639	(492,043)	583,682
927	General & Administration	0	7	(7)	0	32	(32)
928	Regulatory Commission Expenses	48,053	51,032	(2,979)	48,053	51,032	(2,979)
929	Duplicate Charges - Credit	5,450	0	5,450	5,450	(32,395)	37,845
930	Miscellaneous General Expenses	2,674	5,778	(3,104)	2,828	14,445	(11,617)
931	Rents	101,102	63,533	37,569	101,101	61,454	39,647
935	Maintenance of General Plant	52,880	12,739	40,141	52,599	9,639	42,960

Before

KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 2009-00202

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY KENTUCKY
FOR AUTHORITY TO INCREASE
ITS RATES FOR GAS SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION D

SECTION D
OPERATING INCOME ADJUSTMENTS
DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended September 30, 2009

Forecasted Period: Twelve Months Ended January 31, 2011

Schedules

- D-1 Summary of Utility Jurisdictional Adjustments
- D-2.1 Adjust Revenue
- D-2.2 Adjust Purchased Gas Cost
- D-2.3 Adjust Other Production Expense
- D-2.4 Adjust Other Gas Supply Expense
- D-2.5 Adjust Transmission Expense
- D-2.6 Adjust Distribution Expense
- D-2.7 Adjust Customer Account Expense
- D-2.8 Adjust Customer Service and Information Expense
- D-2.9 Adjust Sales Expense
- D-2.10 Adjust A&G Expense
- D-2.11 Adjust Other Operating Expense
- D-2.12 Adjust Depreciation Expense
- D-2.13 Adjust Other Tax Expense
- D-2.14 Adjust Income Tax Expense
- D-2.15 Adjust Uncollectible Expense
- D-2.16 Rate Case Expense
- D-2.17 Reserved
- D-2.18 Interest Expense Adjustment
- D-2.19 Eliminate Non-Kentucky Facilities
- D-2.20 AFUDC Offset
- D-2.21 Adjust Property Taxes
- D-2.22 Eliminate Miscellaneous Expenses
- D-2.23 Annualize Depreciation Expense
- D-2.24 Eliminate Unbilled Revenue & Gas Costs
- D-2.25 Reserved
- D-2.26 Incentive Compensation
- D-2.27 Annualize KYPSC Maintenance Tax
- D-2.28 Eliminate Merger Credits & Costs

- D-3 Summary of Jurisdictional Factors
- D-4 Jurisdictional Statistics
- D-5 Explanation of Changes in Jurisdictional Procedures

DUKE ENERGY KENTUCKY, INC
CASE NO. 2009-00202
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO
OPERATING INCOME BY MAJOR ACCOUNTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):: SEE BELOW

SCHEDULE D-1
PAGE 1 OF 7
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	ELEMENT of OPERATING INCOME SCHEDULE REFERENCE	TOTAL SCHEDULE D-1	TOTAL ADJ. TO BASE PERIOD SCH D-1, PG. 2	TOTAL PRO FORMA ADJ. TO FORECASTED PERIOD SCH D-1, PG. 5
1	Operating Revenue			
2	Base	1,113,764	890,725	223,039
3	Gas Cost	(3,390,028)	(2,543,805)	(846,223)
4	Other Revenue	7,002,414	7,516,506	(514,092)
5	Total Revenue	<u>4,726,150</u>	<u>5,863,426</u>	<u>(1,137,276)</u>
6				
7	Operating Expenses			
8	Operation and Maint. Expenses			
9	Production Expenses			
10	Liquefied Petroleum Gas	(17,311)	(17,311)	0
11	Other	7,542	40,363	(32,821)
12	Total Production Expense	<u>(9,769)</u>	<u>23,052</u>	<u>(32,821)</u>
13				
14	Other Gas Supply Expenses			
15	Purchased Gas	(2,119,582)	(1,273,359)	(846,223)
16	Other	146,105	146,105	0
17	Total Other Gas Supply Expenses	<u>(1,973,477)</u>	<u>(1,127,254)</u>	<u>(846,223)</u>
18	Transmission Expense	0	0	0
19	Distribution Expense	75,867	316,688	(240,821)
20	Customer Accounts Expense	(974,334)	306,001	(1,280,335)
21	Customer Serv & Info Expense	(10,977)	(10,122)	(855)
22	Sales Expense	0	0	0
23	Admin & General Expense	(1,522,979)	(652,755)	(870,224)
24	Other	362,672	362,672	0
25	Total Oper and Maint Expenses	<u>(4,052,997)</u>	<u>(781,718)</u>	<u>(3,271,279)</u>
26				
27	Depreciation Expense	2,819,666	757,715	2,061,951
28				
29	Taxes Other Than Income Taxes			
30	Other Federal Taxes	102,472	106,912	(4,440)
31	State and Other Taxes	1,692,025	2,654,207	(962,182)
32	Total Taxes Other Than Income Tax	<u>1,794,497</u>	<u>2,761,119</u>	<u>(966,622)</u>
33				
34	State Income Taxes			
35	Normal and Surtax	(344,170)	(482,695)	138,525
36	Deferred Inc Tax - Net	462,699	551,604	(88,905)
37	Total State Income Tax Expense	<u>118,529</u>	<u>68,909</u>	<u>49,620</u>
38				
39	Federal Income Taxes			
40	Normal and Surtax	448,630	(310,951)	759,581
41	Deferred Inc Tax - Net	1,247,912	1,735,405	(487,493)
42	Amortization of Investment Tax Credit	(10,654)	(10,654)	0
43	Total Federal Income Tax Expense	<u>1,685,888</u>	<u>1,413,800</u>	<u>272,088</u>
44				
45	Total Oper. Expenses and Tax	<u>2,365,583</u>	<u>4,219,825</u>	<u>(1,854,242)</u>
46				
47	AFUDC Offset	289,745	0	289,745
48				
49	Net Operating Income	<u>2,650,312</u>	<u>1,643,601</u>	<u>1,006,711</u>

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO
OPERATING INCOME BY MAJOR ACCOUNTS
ADJUSTMENTS TO THE BASE PERIOD
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S) : SEE BELOW

SCHEDULE D-1
PAGE 2 OF 7
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	ELEMENT of OPERATING INCOME SCHEDULE REFERENCE	TOTAL	ADJUST	ADJUST	ADJUST	ADJUST	ADJUST
		ADJ TO BASE PERIOD D-2.1 thru D-2.14	REVENUE D-2.1	PURCHASED GAS COST D-2.2	OTHER PROD. EXP. D-2.3	OTHER GAS SUPPLY EXP. D-2.4	TRANSMISSION EXPENSE D-2.5
1	Operating Revenue						
2	Base	890,725	890,725				
3	Gas Cost	(2,543,805)	(2,543,805)				
4	Other Revenue	7,516,506	7,516,506				
5	Total Revenue	5,863,426	5,863,426	0	0	0	0
6							
7	Operating Expenses						
8	Operation and Maint. Expenses						
9	Production Expenses						
10	Liquefied Petroleum Gas	(17,311)		(17,311)			
11	Other	40,363			40,363		
12	Total Production Expense	23,052	0	(17,311)	40,363	0	0
13							
14	Other Gas Supply Expenses						
15	Purchased Gas	(1,273,359)		(1,273,359)			
16	Other	146,105				146,105	
17	Total Other Gas Supply Expenses	(1,127,254)	0	(1,273,359)	0	146,105	0
18	Transmission Expense	0					0
19	Distribution Expense	316,688					
20	Customer Accounts Expense	306,001					
21	Customer Serv & Info Expense	(10,122)					
22	Sales Expense	0					
23	Admin. & General Expense	(652,755)					
24	Other	362,672					
25	Total Oper and Maint Expenses	(781,718)	0	(1,290,670)	40,363	146,105	0
26							
27	Depreciation Expense	757,715	0	0	0	0	0
28							
29	Taxes Other Than Income Taxes						
30	Other Federal Taxes	106,912					
31	State and Other Taxes	2,654,207					
32	Total Taxes Other Than Income Tax	2,761,119	0	0	0	0	0
33							
34	State Income Taxes						
35	Normal and Surtax	(482,695)	351,806	77,440	(2,422)	(8,766)	0
36	Deferred Inc Tax - Net	551,604					
37	Total State Income Tax Expense	68,909	351,806	77,440	(2,422)	(8,766)	0
38							
39	Federal Income Taxes						
40	Normal and Surtax	(310,951)	1,929,067	424,631	(13,279)	(48,069)	0
41	Deferred Inc Tax - Net	1,735,405					
42	Amortization of Investment Tax Credit	(10,654)					
43	Total Federal Income Tax Expense	1,413,800	1,929,067	424,631	(13,279)	(48,069)	0
44							
45	Total Oper. Expenses and Tax	4,219,825	2,280,873	(788,599)	24,662	89,270	0
46							
47	AFUDC Offset	0	0	0	0	0	0
48							
49	Net Operating Income	1,643,601	3,582,553	788,599	(24,662)	(89,270)	0

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO
OPERATING INCOME BY MAJOR ACCOUNTS
ADJUSTMENTS TO THE BASE PERIOD
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE D-1
PAGE 3 OF 7
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	ELEMENT of OPERATING INCOME	ADJUST DISTRIBUTION EXPENSE D-2.6	ADJUST CUSTOMER ACCOUNTS EXP. D-2.7	ADJUST CUST. SERV. & INFO. EXP. D-2.8	ADJUST SALES EXPENSE D-2.9	ADJUST A&G EXPENSE D-2.10	ADJUST OTHER OPER. EXPENSE D-2.11
	SCHEDULE REFERENCE						
1	Operating Revenue						
2	Base						
3	Gas Cost						
4	Other Revenue						
5	Total Revenue	0	0	0	0	0	0
6							
7	Operating Expenses						
8	Operation and Maint. Expenses						
9	Production Expenses						
10	Liquefied Petroleum Gas						
11	Other						
12	Total Production Expense	0	0	0	0	0	0
13							
14	Other Gas Supply Expenses						
15	Purchased Gas						
16	Other						
17	Total Other Gas Supply Expenses	0	0	0	0	0	0
18	Transmission Expense						
19	Distribution Expense	316,688					
20	Customer Accounts Expense		306,001				
21	Customer Serv & Info Expense			(10,122)			
22	Sales Expense				0		
23	Admin & General Expense					(652,755)	
24	Other						362,672
25	Total Oper and Maint Expenses	316,688	306,001	(10,122)	0	(652,755)	362,672
26							
27	Depreciation Expense						
28							
29	Taxes Other Than Income Taxes						
30	Other Federal Taxes						
31	State and Other Taxes						
32	Total Taxes Other Than Income Tax	0	0	0	0	0	0
33							
34	State Income Taxes						
35	Normal and Surtax	(19,001)	(18,360)	607	0	39,165	(21,760)
36	Deferred Inc Tax - Net						
37	Total State Income Tax Expense	(19,001)	(18,360)	607	0	39,165	(21,760)
38							
39	Federal Income Taxes						
40	Normal and Surtax	(104,190)	(100,674)	3,330	0	214,757	(119,319)
41	Deferred Inc Tax - Net						
42	Amortization of Investment Tax Credit						
43	Total Federal Income Tax Expense	(104,190)	(100,674)	3,330	0	214,757	(119,319)
44							
45	Total Oper. Expenses and Tax	193,497	186,967	(6,185)	0	(398,833)	221,593
46							
47	AFUDC Offset	0	0	0	0	0	0
48							
49	Net Operating Income	(193,497)	(186,967)	6,185	0	398,833	(221,593)

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO
OPERATING INCOME BY MAJOR ACCOUNTS
ADJUSTMENTS TO THE BASE PERIOD
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S) : SEE BELOW

SCHEDULE D-1
PAGE 4 OF 7
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	ELEMENT of OPERATING INCOME	ADJUST DEPRECIATION EXPENSE D-2.12	ADJUST OTHER TAX EXP. D-2.13	ADJUST INCOME TAXES D-2.14
	SCHEDULE REFERENCE			
1	Operating Revenue			
2	Base			
3	Gas Cost			
4	Other Revenue			
5	Total Revenue	0	0	0
6				
7	Operating Expenses			
8	Operation and Maint. Expenses			
9	Production Expenses			
10	Liquefied Petroleum Gas			
11	Other			
12	Total Production Expense	0	0	0
13				
14	Other Gas Supply Expenses			
15	Purchased Gas			
16	Other			
17	Total Other Gas Supply Expenses	0	0	0
18	Transmission Expense			
19	Distribution Expense			
20	Customer Accounts Expense			
21	Customer Serv & Info Expense			
22	Sales Expense			
23	Admin & General Expense			
24	Other			
25	Total Oper and Maint Expenses	0	0	0
26				
27	Depreciation Expense	757,715	0	0
28				
29	Taxes Other Than Income Taxes			
30	Other Federal Taxes		106,912	
31	State and Other Taxes		2,654,207	
32	Total Taxes Other Than Income Tax	0	2,761,119	0
33				
34	State Income Taxes			
35	Normal and Surtax	(45,463)	(165,667)	(670,274)
36	Deferred Inc Tax - Net			551,604
37	Total State Income Tax Expense	(45,463)	(165,667)	(118,670)
38				
39	Federal Income Taxes			
40	Normal and Surtax	(249,288)	(908,408)	(1,339,509)
41	Deferred Inc Tax - Net			1,735,405
42	Amortization of Investment Tax Credit			(10,654)
43	Total Federal Income Tax Expense	(249,288)	(908,408)	385,242
44				
45	Total Oper. Expenses and Tax	462,964	1,687,044	266,572
46				
47	AFUDC Offset	0	0	0
48				
49	Net Operating Income	(462,964)	(1,687,044)	(266,572)

DUKE ENERGY KENTUCKY, INC
CASE NO 2009-00202
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO
OPERATING INCOME BY MAJOR ACCOUNTS
PRO FORMA ADJUSTMENTS TO THE FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S) : SEE BELOW

SCHEDULE D-1
PAGE 5 OF 7
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	ELEMENT of OPERATING INCOME	TOTAL PRO FORMA ADJUSTMENTS	ADJUST UNCOLLECTIBLE EXPENSE	RATE CASE EXPENSE	RESERVED	INTEREST EXPENSE	ELIM NON-KY CUST PORTION
	SCHEDULE REFERENCE	D-2.15 thru D-2.28	D-2.15	D-2.16	D-2.17	D-2.18	D-2.19
1	Operating Revenue						
2	Base	223,039					
3	Gas Cost	(846,223)					
4	Other Revenue	(514,092)					(514,092)
5	Total Revenue	<u>(1,137,276)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(514,092)</u>
6							
7	Operating Expenses						
8	Operation and Maint. Expenses						
9	Production Expenses						
10	Liquefied Petroleum Gas	0					
11	Other	(32,821)					(32,821)
12	Total Production Expense	<u>(32,821)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(32,821)</u>
13							
14	Other Gas Supply Expenses						
15	Purchased Gas	(846,223)					
16	Other	0					
17	Total Other Gas Supply Expenses	<u>(846,223)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
18	Transmission Expense	0					
19	Distribution Expense	(240,821)					(239,604)
20	Customer Accounts Expense	(1,280,335)	(1,280,335)				
21	Customer Serv & Info Expense	(855)					
22	Sales Expense	0					
23	Admin. & General Expense	(870,224)		86,667			
24	Other	0					
25	Total Oper and Maint Expenses	<u>(3,271,279)</u>	<u>(1,280,335)</u>	<u>86,667</u>	<u>0</u>	<u>0</u>	<u>(272,425)</u>
26							
27	Depreciation Expense	2,061,951	0	0	0	0	0
28							
29	Taxes Other Than Income Taxes						
30	Other Federal Taxes	(4,440)					(4,440)
31	State and Other Taxes	(962,182)					(67,616)
32	Total Taxes Other Than Income Tax	<u>(966,622)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(72,056)</u>
33							
34	State Income Taxes						
35	Normal and Surtax	138,525	76,820	(5,200)	0	(12,700)	5,784
36	Deferred Inc Tax - Net	(88,905)					(15,961)
37	Total State Income Tax Expense	<u>49,620</u>	<u>76,820</u>	<u>(5,200)</u>	<u>0</u>	<u>(12,700)</u>	<u>(10,177)</u>
38							
39	Federal Income Taxes						
40	Normal and Surtax	759,581	421,230	(28,513)	0	(69,636)	31,717
41	Deferred Inc Tax - Net	(487,493)					(87,519)
42	Amortization of Investment Tax Credit	0					
43	Total Federal Income Tax Expense	<u>272,088</u>	<u>421,230</u>	<u>(28,513)</u>	<u>0</u>	<u>(69,636)</u>	<u>(55,802)</u>
44							
45	Total Oper Expenses and Tax	<u>(1,854,242)</u>	<u>(782,285)</u>	<u>52,954</u>	<u>0</u>	<u>(82,336)</u>	<u>(410,460)</u>
46							
47	AFUDC Offset	289,745	0	0	0	0	0
48							
49	Net Operating Income	<u>1,006,711</u>	<u>782,285</u>	<u>(52,954)</u>	<u>0</u>	<u>82,336</u>	<u>(103,632)</u>

DUKE ENERGY KENTUCKY, INC
CASE NO. 2009-00202
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO
OPERATING INCOME BY MAJOR ACCOUNTS
PRO FORMA ADJUSTMENTS TO THE FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE D-1
PAGE 6 OF 7
WITNESS RESPONSIBLE:
R M PARSONS

LINE NO.	ELEMENT of OPERATING INCOME	AFUDC OFFSET	ADJUST PROPERTY TAX	ELIMINATE MISCELLANEOUS EXPENSES	ANNUALIZE DEPRECIATION	ELIMINATE UNBILLED REVENUE & GAS COSTS	RESERVED
	SCHEDULE REFERENCE	D-2.20	D-2.21	D-2.22	D-2.23	D-2.24	D-2.25
1	Operating Revenue						
2	Base					50,686	
3	Gas Cost					(846,223)	
4	Other Revenue						
5	Total Revenue	0	0	0	0	(795,537)	0
6							
7	Operating Expenses						
8	Operation and Maint Expenses						
9	Production Expenses						
10	Liquefied Petroleum Gas						
11	Other						
12	Total Production Expense	0	0	0	0	0	0
13							
14	Other Gas Supply Expenses						
15	Purchased Gas					(846,223)	
16	Other						
17	Total Other Gas Supply Expenses	0	0	0	0	(846,223)	0
18	Transmission Expense						
19	Distribution Expense			(1,217)			
20	Customer Accounts Expense			(855)			
21	Customer Serv & Info Expense			(2,139)			
22	Sales Expense						
23	Admin & General Expense						
24	Other						
25	Total Oper and Maint Expenses	0	0	(4,211)	0	(846,223)	0
26							
27	Depreciation Expense				2,061,951		
28							
29	Taxes Other Than Income Taxes						
30	Other Federal Taxes						
31	State and Other Taxes		(894,566)				
32	Total Taxes Other Than Income Tax	0	(894,566)	0	0	0	0
33							
34	State Income Taxes						
35	Normal and Surtax	0	53,674	253	0	(47,732)	0
36	Deferred Inc Tax - Net				(123,717)	50,773	
37	Total State Income Tax Expense	0	53,674	253	(123,717)	3,041	0
38							
39	Federal Income Taxes						
40	Normal and Surtax	0	294,312	1,385	0	(261,732)	0
41	Deferred Inc Tax - Net				(678,382)	278,408	
42	Amortization of Investment Tax Credit						
43	Total Federal Income Tax Expense	0	294,312	1,385	(678,382)	16,676	0
44							
45	Total Oper Expenses and Tax	0	(546,580)	(2,573)	1,259,852	(826,506)	0
46							
47	AFUDC Offset	289,745	0	0	0	0	0
48							
49	Net Operating Income	289,745	546,580	2,573	(1,259,852)	30,969	0

DUKE ENERGY KENTUCKY, INC
CASE NO 2009-00202
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO
OPERATING INCOME BY MAJOR ACCOUNTS
PRO FORMA ADJUSTMENTS TO THE FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S) : SEE BELOW

SCHEDULE D-1
PAGE 7 OF 7
WITNESS RESPONSIBLE:
R M PARSONS

LINE NO.	ELEMENT of OPERATING INCOME SCHEDULE REFERENCE	INCENTIVE COMPENSATION D-2.26	ANNUALIZE KYPSC MAINT. TAX D-2.27	ELIMINATE MERGER CREDIT & COSTS D-2.28	RESERVED D-2.29	RESERVED D-2.30	RESERVED D-2.31
1	Operating Revenue						
2	Base			172,353			
3	Gas Cost						
4	Other Revenue						
5	Total Revenue	0	0	172,353	0	0	0
6							
7	Operating Expenses						
8	Operation and Maint. Expenses						
9	Production Expenses						
10	Liquefied Petroleum Gas						
11	Other						
12	Total Production Expense	0	0	0	0	0	0
13							
14	Other Gas Supply Expenses						
15	Purchased Gas						
16	Other						
17	Total Other Gas Supply Expenses	0	0	0	0	0	0
18	Transmission Expense						
19	Distribution Expense						
20	Customer Accounts Expense						
21	Customer Serv & Info Expense						
22	Sales Expense						
23	Admin & General Expense	(616,501)	(48,067)	(290,184)			
24	Other						
25	Total Oper and Maint Expenses	(616,501)	(48,067)	(290,184)	0	0	0
26							
27	Depreciation Expense	0	0	0	0	0	0
28							
29	Taxes Other Than Income Taxes						
30	Other Federal Taxes						
31	State and Other Taxes	0					
32	Total Taxes Other Than Income Tax	0	0	0	0	0	0
33							
34	State Income Taxes						
35	Normal and Surtax	36,990	2,884	27,752	0	0	0
36	Deferred Inc Tax - Net						
37	Total State Income Tax Expense	36,990	2,884	27,752	0	0	0
38							
39	Federal Income Taxes						
40	Normal and Surtax	202,829	15,814	152,175	0	0	0
41	Deferred Inc Tax - Net						
42	Amortization of Investment Tax Credit						
43	Total Federal Income Tax Expense	202,829	15,814	152,175	0	0	0
44							
45	Total Oper. Expenses and Tax	(376,682)	(29,369)	(110,257)	0	0	0
46							
47	AFUDC Offset	0	0	0	0	0	0
48							
49	Net Operating Income	376,682	29,369	282,610	0	0	0

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST BASE PERIOD REVENUE TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.1a

SCHEDULE D-2.1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust base period revenue to the level of revenue in the forecasted period.	
Base Revenue	To Sch D-1 Summary <-- \$ 890,725
Gas Cost Revenue	To Sch D-1 Summary <-- (2,543,805)
Other Revenue	To Sch D-1 Summary <-- <u>7,516,506</u>
Total Revenue Adjustment	\$ 5,863,426
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	<u>\$ 5,863,426</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST BASE PERIOD PURCHASED GAS COST TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.2a

SCHEDULE D-2.2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust base period liquefied petroleum gas and purchase gas costs to the level of costs in the forecasted period.	
Liquefied Petroleum Gas	\$ (17,311)
Purchased Gas	<u>(1,273,359)</u>
Total Purchased Gas Cost Expenses	\$ (1,290,670)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (1,290,670)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST BASE PERIOD OTHER PRODUCTION EXPENSES TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.3a

SCHEDULE D-2.3
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To adjust base period other production expenses to the level of expenses in the forecasted period.

Other Production Expenses	\$	40,363
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	\$ <u>40,363</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST BASE PERIOD OTHER GAS SUPPLY EXPENSES TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.4a

SCHEDULE D-2.4
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To adjust base period other gas supply expenses to the level of expenses in the forecasted period.

Other Gas Supply Expenses	\$ 146,105
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 146,105</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST BASE PERIOD TRANSMISSION EXPENSES TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.5a

SCHEDULE D-2.5
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust base period transmission expenses to the level of expenses in the forecasted period.	
Transmission Expenses	\$ -
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 0</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST BASE PERIOD DISTRIBUTION EXPENSES TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.6a

SCHEDULE D-2.6
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To adjust base period distribution expenses to the level of expenses in the forecasted period.

Distribution Expenses	\$	316,688
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	<u>\$ 316,688</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST BASE PERIOD CUSTOMER ACCOUNTS EXPENSES TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.7a

SCHEDULE D-2.7
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust base period customer accounts expenses to the level of expenses in the forecasted period.	
Customer Accounts Expenses	\$ 306,001
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 306,001</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST BASE PERIOD CUSTOMER SERVICE & INFORMATION EXPENSES TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.8a

SCHEDULE D-2.8
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
-------------------------	--------

PURPOSE AND DESCRIPTION: To adjust base period customer service & information expense to the level of expenses in the forecasted period.

Customer Service & Information Expenses	\$ (10,122)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>(10,122)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST BASE PERIOD SALES EXPENSES TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.9a

SCHEDULE D-2.9
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
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PURPOSE AND DESCRIPTION: *To adjust base period sales expense to the level of expenses in the forecasted period.*

Sales Expenses		\$ -
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	<u>\$ 0</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST BASE PERIOD A&G EXPENSES TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.10a

SCHEDULE D-2.10
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
-------------------------	--------

PURPOSE AND DESCRIPTION: To adjust base period A&G expense to the level of expenses in the forecasted period.

A&G Expenses	\$ (652,755)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (652,755)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST OTHER OPERATING EXPENSE TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.11a

SCHEDULE D-2.11
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE AND DESCRIPTION: To adjust base period other operating expense to the level in the forecasted period.	
Jobbing Expense	\$ 362,672
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 362,672</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST BASE PERIOD DEPRECIATION EXPENSE TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.12a

SCHEDULE D-2.12
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
-------------------------	--------

PURPOSE AND DESCRIPTION: To adjust base period depreciation expense to the level of expenses in the forecasted period.

Depreciation Expense		\$ 757,715
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	<u>\$ 757,715</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST BASE PERIOD OTHER TAX EXPENSE TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.13a

SCHEDULE D-2.13
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
-------------------------	--------

PURPOSE AND DESCRIPTION: To adjust base period other tax expense to the level of the forecasted period.

Other Federal Taxes	\$	106,912
State and Other Taxes		<u>2,654,207</u>
Total Taxes Other than Income Taxes	\$	2,761,119
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	<u>\$ 2,761,119</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST BASE PERIOD INCOME TAX EXPENSE TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.14a

SCHEDULE D-2.14
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust base period income tax expense to the level of the forecasted period.	
State Income Taxes	
Current	\$ (670,274)
Deferrals	551,604
Federal Income Taxes	
Current	\$ (1,339,509)
Deferrals	1,735,405
Amortization of ITC	<u>(10,654)</u>
Total Income Taxes	\$ 266,572
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 266,572</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST UNCOLLECTIBLE EXPENSE
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.15a

SCHEDULE D-2 15
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the reclassification of the "time value of money" portion of the total discount expense from uncollectible expense to interest expense and to annualize uncollectible expense based on adjusted forecasted period revenue.	
Time Value of Money Reclassification	\$ (1,025,219)
Uncollectible Expense Annualization	(255,116)
Total Uncollectible Expense Adjustment	\$ (1,280,335)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>(1,280,335)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
RATE CASE EXPENSE
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE F-6, WPD-2.16a.

SCHEDULE D-2.16
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To reflect the estimated cost of presenting this case as reflected on Schedule F-6, amortized over a three year period.

Total		\$	86,667
Jurisdictional allocation percentage (A)			<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	\$	<u>86,667</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
RESERVED FO FUTURE USE
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-2.17
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE and DESCRIPTION: Reserved for future use.	
Total	\$ 0
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 0</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
INTEREST EXPENSE DEDUCTIBLE
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.18a, WPD-2.18b

SCHEDULE D-2.18
PAGE 1 OF 2
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect federal income taxes at 35% due to interest deductible for tax purposes being based on allocated interest costs based on Proforma interest charges as contained on Schedule J-1.	
Total	\$ (69,636)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>(69,636)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
INTEREST EXPENSE DEDUCTIBLE
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.18a, WPD-2.18b

SCHEDULE D-2.18
PAGE 2 OF 2
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE AND DESCRIPTION: To reflect state income taxes at 6.00% due to interest deductible for tax purposes being based on allocated interest costs based on Proforma interest charges as contained on Schedule J-1.	
Total	\$ (12,700)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>(12,700)</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ELIMINATE REVENUES RELATED TO FACILITIES DEVOTED
TO OTHER THAN DUKE ENERGY KENTUCKY CUSTOMERS
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.19a through WPD-2.19g

SCHEDULE D-2.19
PAGE 1 OF 5
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the elimination of revenues related to facilities devoted to other than Duke Energy Kentucky customers.	
Other Revenue	\$ (514,092)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---- <u>\$ (514,092)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ELIMINATE O&M RELATED TO FACILITIES DEVOTED
TO OTHER THAN DUKE ENERGY KENTUCKY CUSTOMERS
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.19a through WPD-2.19g

SCHEDULE D-2.19
PAGE 2 OF 5
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the elimination of O&M expenses and associated payroll overheads related to facilities devoted to other than Duke Energy Kentucky customers.	
Production Expenses	To Sch D-1 Summary <--- \$ (32,821)
Distribution Expenses	To Sch D-1 Summary <--- (239,604)
Total	<u>\$ (272,425)</u>
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	<u>\$ (272,425)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ELIMINATE SOCIAL SECURITY TAXES RELATED TO FACILITIES DEVOTED
TO OTHER THAN DUKE ENERGY KENTUCKY CUSTOMERS
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S) : WPD-2.19a through WPD-2.19g

SCHEDULE D-2.19
PAGE 3 OF 5
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the elimination of Social Security Taxes on labor expenses related to facilities devoted to other than Duke Energy Kentucky customers.	
Other Federal Taxes	\$ (4,440)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (4,440)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ELIMINATE PROPERTY TAX RELATED TO FACILITIES DEVOTED
TO OTHER THAN DUKE ENERGY KENTUCKY CUSTOMERS
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.19a through WPD-2.19g

SCHEDULE D-2.19
PAGE 4 OF 5
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the elimination of Property Tax related to facilities devoted to other than Duke Energy Kentucky customers.	
State and Other Taxes	\$ (67,616)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <— <u>\$ (67,616)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ELIMINATE DEFERRED TAXES RELATED TO FACILITIES DEVOTED
TO OTHER THAN DUKE ENERGY KENTUCKY CUSTOMERS
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.19a through WPD-2.19g

SCHEDULE D-2.19
PAGE 5 OF 5
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the elimination of state and federal deferred taxes which are related to facilities devoted to other than Duke Energy Kentucky customers	
State	
Deferrals:	
Lib. Depreciation	15,961
To Sch D-1 Summary <---	<u>15,961</u>
Federal	
Deferrals:	
Lib. Depreciation	87,519
To Sch D-1 Summary <---	<u>87,519</u>
Total Deferred Taxes	103,480
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	<u><u>103,480</u></u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ANNUALIZATION OF AFUDC ASSOCIATED WITH CWIP
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISID
WORK PAPER REFERENCE NO(S): WPD-2.20a

SCHEDULE D-2.20
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect annualization of AFUDC related to \$3,777,154 CWIP subject to AFUDC for the 13-month average as of January 31, 2011 as shown on Schedule B-4 times the rate of return of 7.671% as shown on Schedule J-1, page 2. Per Commission precedent this adjustment is made to after tax operating income.	
Total	\$ 289,745
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary ← <u>\$ 289,745</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUST PROPERTY TAX
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.21a through WPD-2.21c

SCHEDULE D-2.21
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
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PURPOSE AND DESCRIPTION: To adjust property taxes to reflect the application of the past three year average valuation percentage and average tax rates to the 13 month average net jurisdictional plant balance.

Total	\$ (894,566)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (894,566)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ELIMINATE MISCELLANEOUS EXPENSES
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.22a

SCHEDULE D-2.22
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To eliminate miscellaneous expenses from the
forecasted test period based on past Commission precedent.

Distribution Expense		\$	(1,217)
Customer Service & Information Expense			(855)
Sales Expense			0
A&G Expense			(2,139)
Total Miscellaneous Expense Adjustment	To Sch D-1 Summary <--	\$	(4,211)
Jurisdictional allocation percentage (A)			<u>100.000%</u>
Jurisdictional amount		\$	<u>(4,211)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ANNUALIZE DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.23a

SCHEDULE D-2.23
PAGE 1 OF 3
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
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PURPOSE AND DESCRIPTION: To reflect the adjustment to annualized depreciation expense as calculated on Schedule B-3.2 based on 13 month average plant at January 31, 2011.

Total		\$ 2,061,951
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary ←	<u>\$ 2,061,951</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ANNUALIZE DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.23b

SCHEDULE D-2.23
PAGE 2 OF 3
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
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PURPOSE AND DESCRIPTION: To reflect the adjustment to state deferred taxes as a result of the annualization adjustment for depreciation from Schedule B-3.2 based on plant at January 31, 2011.

State Deferred Tax	\$ (123,717)
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Jurisdictional allocation percentage (A)	<u>100.000%</u>
--	-----------------

Jurisdictional amount	To Sch D-1 Summary <---	<u>\$ (123,717)</u>
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(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ANNUALIZE DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.23b

SCHEDULE D-2.23
PAGE 3 OF 3
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the adjustment to federal deferred taxes as a result of the annualization adjustment for depreciation from Schedule B-3.2 based on plant at January 31, 2011.	
Federal Deferred Tax	\$ (678,382)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (678,382)</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ELIMINATE UNBILLED REVENUE AND GAS COSTS
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-2b, WPD-2.24a

SCHEDULE D-2.24
PAGE 1 OF 3
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
-------------------------	--------

PURPOSE AND DESCRIPTION: To eliminate unbilled revenue and gas costs.

Unbilled Base Revenue	\$	50,686
Unbilled GCR Revenue		<u>(846,223)</u>
Total Unbilled Revenue	\$	<u>(795,537)</u>

Jurisdictional allocation percentage (A)		<u>100.000%</u>
--	--	-----------------

Jurisdictional amount	To Sch D-1 Summary <---	\$ <u>(795,537)</u>
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Unbilled Gas Costs	\$	(846,223)
--------------------	----	-----------

Jurisdictional allocation percentage (A)		<u>100.000%</u>
--	--	-----------------

Jurisdictional amount	To Sch D-1 Summary <---	\$ <u>(846,223)</u>
-----------------------	-------------------------	---------------------

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ELIMINATE UNBILLED REVENUE AND GAS COSTS
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.24b

SCHEDULE D-2.24
PAGE 2 OF 3
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE AND DESCRIPTION: To reflect the adjustment to state deferred taxes as a result of the elimination of unbilled gas costs.	
Deferred State Income Tax	\$ 50,773
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 50,773</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ELIMINATE UNBILLED REVENUE AND GAS COSTS
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.24b

SCHEDULE D-2.24
PAGE 3 OF 3
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE AND DESCRIPTION: To reflect the adjustment to federal deferred taxes as a result of the elimination of unbilled gas costs.	
Deferred Federal Income Tax	\$ 278,408
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 278,408</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
RESERVED FOR FUTURE USE
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-2.25
PAGE 1 OF 1
WITNESS RESPONSIBLE:

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE and DESCRIPTION: Reserved for future use.	
Total	\$ -
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 0</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
INCENTIVE COMPENSATION
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.26a

SCHEDULE D-2.26
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust incentive compensation to reflect a sharing of costs between customers and shareholders.	
Total	\$ (616,501)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary ← <u>\$ (616,501)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ANNUALIZE KYPSC MAINTENANCE FEES
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.27a

SCHEDULE D-2.27
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To annualize the KYPSC Maintenance Fees based on adjusted forecasted period revenue.

Total		\$	(48,067)
Jurisdictional allocation percentage (A)			<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	\$	<u>(48,067)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ELIMINATE MERGER CREDIT AND COSTS
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-2d, WPD-2.28a

SCHEDULE D-2.28
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

PURPOSE AND DESCRIPTION	AMOUNT
-------------------------	--------

PURPOSE AND DESCRIPTION: To eliminate the merger credits being collected and amortization of merger costs pursuant to agreement in Case No. 2005-00228.

Merger Credits	\$ 172,353
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>172,353</u>
Amortization of Merger Costs	\$ (290,184)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>(290,184)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
SUMMARY OF JURISDICTIONAL FACTORS
OPERATING INCOME
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-3
PAGE 1 OF 1
WITNESS RESPONSIBLE:
D. L. STORCK

LINE NO.	ACCOUNT NUMBER	ACCOUNT TITLE	ALLOCATION CODE	JURISDICTIONAL FACTOR %	DESCRIPTION OF FACTORS AND/OR METHOD OF ALLOCATION
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Not Applicable - 100% Jurisdictional

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
JURISDICTIONAL STATISTICS
OPERATING INCOME
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-4
PAGE 1 OF 1
WITNESS RESPONSIBLE:
D. L. STORCK

LINE NO.	ALLOCATION FACTOR	STATISTIC TOTAL COMPANY	STATISTIC FOR RATE AREA	ALLOCATION FACTOR %	WORK PAPER REFERENCE
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Not Applicable - 100% Jurisdictional

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
EXPLANATION OF CHANGES IN JURISDICTIONAL PROCEDURES
OPERATING INCOME
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-5
PAGE 1 OF 1
WITNESS RESPONSIBLE:
D. L. STORCK

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	PROCEDURE APPROVED IN PRIOR CASE	RATIONALE FOR CHANGE
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The procedures used are the same as those used in the Company's prior proceeding, Case No. 2005-00042.

Before

KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 2009-00202

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY KENTUCKY
FOR AUTHORITY TO INCREASE
ITS RATES FOR GAS SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION E

SECTION E
INCOME TAXES
DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended September 30, 2009

Forecasted Period: Twelve Months Ended January 31, 2011

Schedules

- E-1 Adjusted Jurisdictional Federal and State Income Taxes
- E-2 Development of Jurisdictional Federal and State Income Taxes

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUSTED JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

SCHEDULE E-1
PAGE 1 OF 3
WITNESS RESPONSIBLE:
R. M. PARSONS

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPE-1a, WPE-1b

LINE NO.	DESCRIPTION	AT CURRENT RATES				AT PROPOSED RATES		
		BASE PERIOD (1) (\$)	ADJUSTMENTS (2) (\$)	FORECASTED PERIOD (3) (\$)	PRO FORMA ADJ. TO FORECASTED (\$)	PRO FORMA FORECASTED PERIOD (\$)	ADJUSTMENTS (4) (\$)	ADJUSTED (5) (\$)
1	Operating Income before Federal and State Income Taxes	6,888,400	3,126,310	10,014,710	1,038,674	11,053,384	17,418,586	28,471,970
2								
3								
4	Reconciling Items:						0	(4,388,840)
5	Interest Charges	(4,967,514)	790,334	(4,177,180)	(211,660)	(4,388,840)	0	(4,388,840)
6	Net Interest Charges	(4,967,514)	790,334	(4,177,180)	(211,660)	(4,388,840)	0	(4,388,840)
7						(68,552)		(68,552)
8	Permanent Differences	(54,403)	(14,149)	(68,552)				
9		(17,992,799)	719,053	(17,273,746)	266,016	(17,007,730)	0	(17,007,730)
10	Tax Depreciation	8,838,161	757,715	9,595,876	2,061,951	11,657,827	0	11,657,827
11	Book Depreciation	(9,154,638)	1,476,768	(7,677,870)	2,327,967	(5,349,903)	0	(5,349,903)
12	Excess of Tax over Book Depreciation							
13								
14	Other Reconciling Items:			122,590	0	122,590	0	122,590
15	Amortization of Loss on Reacquired Debt	175,048	(52,458)	122,590	0	122,590	0	122,590
16	Deferred Fuel Cost - PGA	(7,647,986)	7,647,986	0	0	0	0	0
17	Unbilled Revenue - Fuel	(3,879,447)	4,725,670	846,223	(846,223)	0	0	0
18	Other	20,383,117	(19,071,587)	1,311,530	0	1,311,530	0	1,311,530
19	Total Other Reconciling Items	9,030,732	(6,750,389)	2,280,343	(846,223)	1,434,120	0	1,434,120
20	Total Reconciling Items	(5,145,823)	(4,497,436)	(9,643,259)	1,270,084	(8,373,175)	0	(8,373,175)

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUSTED JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPE-1a, WPE-1b

SCHEDULE E-1
PAGE 2 OF 3
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	AT CURRENT RATES				AT PROPOSED RATES		
		BASE PERIOD	ADJUSTMENTS	FORECASTED PERIOD	PRO FORMA ADJ. TO FORECASTED	PRO FORMA FORECASTED PERIOD	ADJUSTMENTS	ADJUSTED
		(1) (\$)	(2) (\$)	(3) (\$)			(4) (\$)	(5) (\$)
1	Operating Income before Federal							
2	and State Income Tax from Page 1	6,888,400	3,126,310	10,014,710	1,038,674	11,053,384	17,418,586	28,471,970
3								
4	Total Reconciling Items from Page 1	(5,145,823)	(4,497,436)	(9,643,259)	1,270,084	(8,373,175)	0	(8,373,175)
5								
6	Federal Taxable Income							
7	before State Income Tax to Page 3	1,742,577	(1,371,126)	371,451	2,308,758	2,680,209	17,418,586	20,098,795
8								
9	Kentucky Income Tax Adjustments:							
10	Kentucky Tax Inc. Adjustment - Misc	2,438,431	(3,938,058)	(1,499,627)	0	(1,499,627)	0	(1,499,627)
11	Total Kentucky Income Tax Adjustments	2,438,431	(3,938,058)	(1,499,627)	0	(1,499,627)	0	(1,499,627)
12								
13	Kentucky Taxable Income - Gas	4,181,008	(5,309,184)	(1,128,176)	2,308,758	1,180,582	17,418,586	18,599,168
14								
15	Kentucky Taxable Income - Other	0	0	0	0	0	0	0
16	Total Kentucky Taxable Income	4,181,008	(5,309,184)	(1,128,176)	2,308,758	1,180,582	17,418,586	18,599,168
17								
18	Kentucky Income Tax @ 6.000% (A)	250,860	(318,551)	(67,691)	138,525	70,834	1,045,115	1,115,949
19	Prior Year Adjustments	164,144	(164,144)	0		0		0
20	State Income Tax - Current to Page 3	415,004	(482,695)	(67,691)	138,525	70,834	1,045,115	1,115,949

(A) Calculation may be different due to rounding.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADJUSTED JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPE-1a, WPE-1b

SCHEDULE E-1
PAGE 3 OF 3
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	AT CURRENT RATES					AT PROPOSED RATES	
		BASE PERIOD	ADJUSTMENTS	FORECASTED PERIOD	PRO FORMA ADJ. TO FORECASTED	PRO FORMA FORECASTED PERIOD	ADJUSTMENTS	ADJUSTED
		(1) (\$)	(2) (\$)	(3) (\$)			(4) (\$)	(5) (\$)
1	State Income Tax - Current from Page 2	415,004	(482,695)	(67,691)	138,525	70,834	1,045,115	1,115,949
2								
3	Deferred State Income Taxes - Current	(138,872)	552,701	413,829	(88,905)	324,924	0	324,924
4	Deferred State Income Tax Adjustment - ARAM	(6,938)		(6,938)		(6,938)		(6,938)
5	Deferred State Income Tax Adjustment - Flow-Through	13,877		13,877		13,877		13,877
6	Deferred State Income Taxes - Prior Year	1,097	(1,097)	0		0		0
7	Deferred State Income Taxes - Net	(130,836)	551,604	420,768	(88,905)	331,863	0	331,863
8								
9	Total State Income Tax Expense	284,168	68,909	353,077	49,620	402,697	1,045,115	1,447,812
10								
11								
12	Federal Taxable Income							
13	before State Income Tax from Page 2	1,742,577	(1,371,126)	371,451	2,308,758	2,680,209	17,418,586	20,098,795
14								
15	State Income Tax Deductible from Page 2	250,860	(318,551)	(67,691)	138,525	70,834	1,045,115	1,115,949
16	Federal Taxable Income	1,491,717	(1,052,575)	439,142	2,170,233	2,609,375	16,373,471	18,982,846
17								
18	Federal Income Tax @ 35% (A)	522,101	(368,401)	153,700	759,581	913,281	5,730,715	6,643,996
19	Prior Year Adjustments	(57,450)	57,450	0		0		0
20	Federal Income Tax - Current	464,651	(310,951)	153,700	759,581	913,281	5,730,715	6,643,996
21								
22	Deferred Federal Income Taxes - Current	40,765	1,735,021	1,775,786	(487,493)	1,288,293	0	1,288,293
23	Deferred Federal Income Tax Adjustment - ARAM	(94,556)		(94,556)		(94,556)		(94,556)
24	Deferred Federal Income Tax Adjustment - Flow-Through	83,512		83,512		83,512		83,512
25	Deferred Federal Income Taxes - Prior Year	(384)	384	0		0		0
26	Deferred Federal Income Taxes - Net	29,337	1,735,405	1,764,742	(487,493)	1,277,249	0	1,277,249
27								
28	Amortization of Investment Tax Credit	(62,003)	(10,654)	(72,657)	0	(72,657)	0	(72,657)
29								
30	Total Federal Income Tax Expense	431,985	1,413,800	1,845,785	272,088	2,117,873	5,730,715	7,848,588

(A) Calculation may be different due to rounding.

DUKE ENERGY KENTUCKY, INC
CASE NO. 2009-00202
DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
BEFORE ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE E-2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO	ACCOUNT TITLE	TOTAL UTILITY (1)	JURISDIC- TIONAL % (2)	JURISDICTION (3)	JURISDICTIONAL CODE/EXPLANATION (4)
		(\$)		(\$)	

Not Applicable - 100% Jurisdictional

Before

KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 2009-00202

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY KENTUCKY
FOR AUTHORITY TO INCREASE
ITS RATES FOR GAS SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION F

SECTION F
OTHER EXPENSES

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended September 30, 2009

Forecasted Period: Twelve Months Ended January 31, 2011

Schedules

- F-1 Social and Service Club Dues
- F-2.1 Charitable Contributions
- F-2.2 Initiation Fees/Country Club Expense
- F-2.3 Employee Party, Outing, and Gift Expense
- F-3 Customer Service and Informational Sales and General Advertising Expense
- F-4 Advertising
- F-5 Professional Services Expenses
- F-6 Rate Case Expense
- F-7 Civic, Political and Related Expenses

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
SOCIAL AND SERVICE CLUB DUES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE F-1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	ACCOUNT NO.	SOCIAL ORGANIZATION/ SERVICE CLUB	BASE PERIOD			FORECASTED PERIOD		
			TOTAL	JURISDICTIONAL PERCENT	AMOUNT	TOTAL	JURISDICTIONAL PERCENT	AMOUNT
			(\$)	%	(\$)	(\$)	%	(\$)
1	<u>Allocated to DE-Kentucky</u>							
2	910000	Metropolitan Club	1,008	100.00	1,008	0	100.00	0
3	921000	Various Budgeted Items	0	100.00	0	0	100.00	0
4			<u>1,008</u>		<u>1,008</u>	<u>0</u>		<u>0</u>

(A) Allocation Code DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
CHARITABLE CONTRIBUTIONS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

SCHEDULE F-2.1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S)::

LINE NO.	ACCOUNT NO.	CHARITABLE ORGANIZATION	BASE PERIOD			FORECASTED PERIOD			
			TOTAL	JURISDICTIONAL		TOTAL	JURISDICTIONAL		
				PERCENT (A)	AMOUNT (\$)		PERCENT (A)	AMOUNT (\$)	
			(\$)	%	(\$)	(\$)	%	(\$)	
1	<u>Allocated to Duke Energy Kentucky</u>								
2	0426512	Northern Kentucky Community Action	19,831	100.00	19,831	20,740	100.00	20,740	

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
INITIATION FEES/COUNTRY CLUB EXP.
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE F-2.2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	ACCOUNT NO.	PAYEE ORGANIZATION	BASE PERIOD			FORECASTED PERIOD		
			TOTAL	JURISDICTIONAL		TOTAL	JURISDICTIONAL	
				(A)	AMOUNT		(A)	AMOUNT
			(\$)	%	(\$)	(\$)	%	(\$)
1	<u>Allocated to DE-Kentucky</u>							
2	921100	Frankfort Country Club	463	100.00	463	0	100.00	0
3	426590	Budgeted Items	0	100.00	0	0	100.00	0
			<u>463</u>		<u>463</u>	<u>0</u>		<u>0</u>

(A) Allocation Code DALL

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
EMPLOYEE PARTY, OUTING, & GIFT EXPENSE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE F-2.3
PAGE 1 OF 1
WITNESS RESPONSIBLE
R. M. PARSONS

LINE NO.	ACCOUNT NO.	EMPLOYEE EXPENDITURES	BASE PERIOD			FORECASTED PERIOD		
			TOTAL	JURISDICTIONAL		TOTAL	JURISDICTIONAL	
				PERCENT	AMOUNT		PERCENT	AMOUNT
			(\$)	(A) %	(\$)	(\$)	(A) %	(\$)

No Employee Party, Outing and Gift Expenses are included in the base or forecasted period.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
CUSTOMER SERVICE AND INFORMATIONAL SALES AND GENERAL ADVERTISING EXPENSE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE C-2.1

SCHEDULE F-3
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	ACCOUNT NO.	DESCRIPTION OF EXPENSES	BASE PERIOD			FORECASTED PERIOD		
			TOTAL	JURISDICTIONAL		TOTAL	JURISDICTIONAL	
				PERCENT (A)	AMOUNT		PERCENT (A)	AMOUNT
			(\$)	%	(\$)	(\$)	%	(\$)
1		Customer Service And Informational Expenses						
2	908000	Customer Assistance Expense	147,659	100.000	147,659	159,070	100.000	159,070
3	909000	Informational and Instructional Expenses	0	100.000	0	0	100.000	0
4	910000	Misc. Customer Service and Information Exp.	394,992	100.000	394,992	373,459	100.000	373,459
5		Total Customer Service and Informational Expenses	<u>542,651</u>		<u>542,651</u>	<u>532,529</u>		<u>532,529</u>
6								
7		Sales Expense						
8	911000	Supervision	0	100.000	0	0	100.000	0
9	916000	Miscellaneous Sales Expenses	0	100.000	0	0	100.000	0
10		Total Sales Expense	<u>0</u>		<u>0</u>	<u>0</u>		<u>0</u>
11								
12		Miscellaneous General Expenses						
13	930000	Miscellaneous General Expenses	124,323	100.000	124,323	116,979	100.000	116,979
14		Total General Advertising Expense	<u>124,323</u>		<u>124,323</u>	<u>116,979</u>		<u>116,979</u>

(A) Alloc Code DALI

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADVERTISING
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE F-4
PAGE 1 OF 2
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	ITEM (A)	SALES OR PROMOTIONAL ADVERTISING (B)	INSTITUTIONAL ADVERTISING (C)	CONSERVATION ADVERTISING (D)	RATE CASE (E)	OTHER (F)	TOTAL (G)
1	<u>Newspaper</u>					0	0
2							
3	<u>Magazines and Other</u>					0	0
4							
5	<u>Television</u>					0	0
6							
7	<u>Radio - Safety Advertising</u>					7,388	7,388
8							
9	<u>Direct Mail</u>					0	0
10							
11	<u>Sales Aids</u>					0	0
12							
13	<u>Undetermined</u>					0	0
14							
15	Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,388</u>	<u>7,388</u>
16							
17	Amount Assigned to						
18	KY Retail	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,388</u>	<u>7,388</u>

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
ADVERTISING
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE F-4
PAGE 2 OF 2
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	ITEM (A)	SALES OR PROMOTIONAL ADVERTISING (B)	INSTITUTIONAL ADVERTISING (C)	CONSERVATION ADVERTISING (D)	RATE CASE (E)	OTHER (F)	TOTAL (G)
1	<u>Newspaper</u>					0	0
2						0	0
3	<u>Magazines and Other</u>					0	0
4						0	0
5	<u>Television</u>						
6						3,150	3,150
7	<u>Radio - Safety Advertising</u>						
8						0	0
9	<u>Direct Mail</u>						
10						0	0
11	<u>Sales Aids</u>						
12						0	0
13	<u>Undetermined</u>						
14							
15	Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,150</u>	<u>3,150</u>
16							
17	Amount Assigned to						
18	KY Retail	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,150</u>	<u>3,150</u>

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PROFESSIONAL SERVICES EXPENSES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPF-5a, WPF-5b

SCHEDULE F-5
PAGE 1 OF 2
WITNESS RESPONSIBLE:
R. M. PARSONS

Line No.	Description	Expense Breakdown			Total Unadjusted	Juris. Allocation %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted	Allocation Code
		Rate Case	Annual Audit	Other						
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)		
1										
2	Legal	0	0	0	0	100.000	0	0	0	DALL
3										
4	Engineering	0	0	0	0	100.000	0	0	0	DALL
5										
6	Accounting	0	0	0	0	100.000	0	0	0	DALL
7										
8	Other	<u>0</u>	<u>0</u>	<u>1,823,817</u>	<u>1,823,817</u>	100.000	<u>1,823,817</u>	<u>0</u>	<u>1,823,817</u>	DALL
9										
10	Total	<u>0</u>	<u>0</u>	<u>1,823,817</u>	<u>1,823,817</u>		<u>1,823,817</u>	<u>0</u>	<u>1,823,817</u>	

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
PROFESSIONAL SERVICES EXPENSES
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPF-5a, WPF-5b

SCHEDULE F-5
PAGE 2 OF 2
WITNESS RESPONSIBLE:
R. M. PARSONS

Line No.	Description	Expense Breakdown			Total Unadjusted	Juris. Allocation %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted	Allocation Code
		Rate Case	Annual Audit	Other						
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)		
1										
2	Legal	0	0	0	0	100.000	0	0	0	DALL
3										
4	Engineering	0	0	0	0	100.000	0	0	0	DALL
5										
6	Accounting	0	0	0	0	100.000	0	0	0	DALL
7										
8	Other	<u>0</u>	<u>0</u>	<u>1,904,139</u>	<u>1,904,139</u>	100.000	<u>1,904,139</u>	<u>0</u>	<u>1,904,139</u>	DALL
9										
10	Total	<u>0</u>	<u>0</u>	<u>1,904,139</u>	<u>1,904,139</u>		<u>1,904,139</u>	<u>0</u>	<u>1,904,139</u>	

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
RATE CASE EXPENSE
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE F-6
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

COMPARISON OF PROJECTED EXPENSES ASSOCIATED WITH THE CURRENT CASE TO PRIOR RATE CASES							
LINE NO.	ITEM OF EXPENSE	CASE NO.	CASE NO.		CASE NO.		JUSTIFICATION OF SIGNIFICANT CHANGE
		2009-00202 ESTIMATE	2006-00172 (ELEC) ACTUAL	ESTIMATE	2005-00042 (GAS) ACTUAL	ESTIMATE	
1	Legal	15,000	11,268	35,000	8,444	25,000	
2	Accounting (Depreciation Study)	50,000	77,138	40,000	40,855	15,000	
3	Consultants	25,000	78,391	25,000	26,026	60,000	
4	Rate of Return Studies	60,000	45,478	70,000	71,376	40,000	
5	Cost of Service Studies	0	0	0	0	0	
6	Publish Legal Notice	80,000	81,463	16,000	15,544	5,000	
7	Transportation, Lodging, Meals	20,000	7,990	40,000	14,379	10,000	
8	Miscellaneous	10,000	(99,731)	9,000	5,146	40,000	
9	Total	<u>260,000</u>	<u>201,997</u>	<u>235,000</u>	<u>181,770</u>	<u>195,000</u>	

10
11

SCHEDULE OF RATE CASE EXPENSE AMORTIZATION

12
13

RATE CASE	TOTAL TO BE AMORTIZED	OPINION / ORDER DATE	AMORTIZATION PERIOD	AMOUNT AMORTIZED TO DATE	AMORT. DURING FORECASTED PERIOD
20 CURRENT CASE	260,000	-	3 YEAR	0	86,667
22 CASE NO. 2005-00042 (D)	195,000	2/26/2006	3 YEAR	195,000	0
24 CASE NO. 2001-0092					
25 AMRP Study Costs (A)	320,428	3/13/2002	10 YEAR	285,690	32,040
26 Other (B)	259,345	3/13/2002	3 YEAR	259,345	0
27					
28 State Fuel Hearings and Other					0
29 Total per Books			To WPD-2.16a <-----		<u>118,707</u> (C)

- (A) Amortization of AMRP study costs will end in January 2012.
- (B) Amortization of other rate case expenses ended in January 2005.
- (C) Represents rate case expense included on Schedule C-2, as adjusted.
- (D) Amortization of rate case expense ended in December 2008.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
CIVIC, POLITICAL AND RELATED ACTIVITIES
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S) :

SCHEDULE F-7
PAGE 1 OF 1
WITNESS RESPONSIBLE.
R. M. PARSONS

LINE NO.	ACCOUNT NO.	ORGANIZATION	BASE PERIOD			FORECASTED PERIOD (B)		
			TOTAL	JURISDICTIONAL		TOTAL	JURISDICTIONAL	
				(A)	AMOUNT		(A)	AMOUNT
			(\$)	%	(\$)	(\$)	%	(\$)
1	<u>Allocated to DE-Kentucky</u>							
2	910000	Covington Business Council	4,940	100.00	4,940	0	100.00	0
3	426415	Various Budgeted Items	<u>24,651</u>	100.00	<u>24,651</u>	<u>25,391</u>	100.00	<u>25,391</u>
			<u>29,591</u>		<u>29,591</u>	<u>25,391</u>		<u>25,391</u>

(A) Allocation Code DALL

Before

KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 2009-00202

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY KENTUCKY
FOR AUTHORITY TO INCREASE
ITS RATES FOR GAS SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION G

SECTION G
PAYROLL COSTS AND ANALYSIS
DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended September 30, 2009

Forecasted Period: Twelve Months Ended January 31, 2011

Schedules

- G-1 Payroll Costs
- G-2 Payroll Analysis by Employee Classification/Payroll Distribution
- G-3 Executive Compensation

DUKE ENERGY KENTUCKY, INC.
CASE NO 2009-00202
PAYROLL COSTS
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE G-1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO	DESCRIPTION	OPERATION AND MAINTENANCE EXPENSES			
		TOTAL UNADJUSTED	JURISDICTIONAL % (A)	JURISDICTIONAL UNADJUSTED	JURISDICTIONAL ADJUSTED
1	Base Period:				
2	Payroll Costs				
3	Labor (B)	7,176,099	100.000	7,176,099	0
3					7,176,099
4	Employee Benefits				
5	Pension	580,546	100.000	580,546	0
6	Injuries and Damages	0	100.000	0	0
9	401-K Plan	244,705	100.000	244,705	0
11	Group Insurance	820,228	100.000	820,228	0
12	Other	33,728	100.000	33,728	0
13	Total Benefits	<u>1,679,207</u>		<u>1,679,207</u>	<u>0</u>
14					<u>1,679,207</u>
15	Payroll Taxes				
16	F.I.C.A.	525,755	100.000	525,755	0
17	Federal Unemployment	4,496	100.000	4,496	0
18	State Unemployment	6,193	100.000	6,193	0
19	Other Payroll Taxes	0	100.000	0	0
20	Total Payroll Taxes	<u>536,444</u>		<u>536,444</u>	<u>0</u>
21	Total Payroll Costs	<u>9,391,750</u>		<u>9,391,750</u>	<u>0</u>
22					<u>9,391,750</u>
23	Forecast Period:				
24	Payroll Costs				
25	Labor (B)	7,735,785	100.000	7,735,785	0
26					7,735,785
27	Employee Benefits				
28	Pension	625,825	100.000	625,825	(4,789)
29	Injuries and Damages	0	100.000	0	0
30	401-K Plan	263,790	100.000	263,790	(2,019)
31	Group Insurance	884,200	100.000	884,200	(6,767)
32	Other	36,358	100.000	36,358	(278)
33	Total Benefits	<u>1,810,173</u>		<u>1,810,173</u>	<u>(13,853)</u>
34					<u>1,796,320</u>
35	Payroll Taxes				
36	F.I.C.A.	637,163	100.000	637,163	0
37	Federal Unemployment	0	100.000	0	0
38	State Unemployment	0	100.000	0	0
39	Other Payroll Taxes	0	100.000	0	0
40	Total Payroll Taxes	<u>637,163</u>		<u>637,163</u>	<u>0</u>
41	Total Payroll Costs	<u>10,183,121</u>		<u>10,183,121</u>	<u>(13,853)</u>
					<u>10,169,268</u>

(A) Allocation Code: DALL
(B) Includes labor allocated from Duke Energy Business Services.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
TOTAL COMPANY PAYROLL ANALYSIS
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISIED
WORK PAPER REFERENCE NO(S):

SCHEDULE G-2
PAGE 1 OF 8
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS										Base Period	% Change	Forecasted Period	% Change	
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change					
1	MANHOURS															
2	STRAIGHT TIME HOURS	501,829	1.31%	492,574	(1.84)%	473,674	(3.84)%	448,263	(5.36)%	631,803	40.94%	613,400	(2.91)%	634,869	3.50%	
3	OVERTIME HOURS	50,321	(6.69)%	65,407	29.98%	50,723	(22.45)%	55,833	10.07%	98,763	76.89%	90,518	(8.35)%	93,686	3.50%	
4	TOTAL MANHOURS	<u>552,150</u>	0.53%	<u>557,981</u>	1.06%	<u>524,397</u>	(6.02)%	<u>504,096</u>	(3.87)%	<u>730,566</u>	44.93%	<u>703,918</u>	(3.65)%	<u>728,555</u>	3.50%	
5																
6	RATIO OF OVERTIME HOURS TO															
7	STRAIGHT TIME HOURS	10.03		13.28		10.71		12.46		15.63		14.76		14.76		
8																
9	LABOR DOLLARS															
10	OTHER EARNINGS	533,022	3.74%	545,543	2.35%	629,386	15.37%	608,597	(3.30)%	682,648	12.17%	953,554	39.68%	986,928	3.50%	
11	STRAIGHT TIME DOLLARS	12,160,351	3.55%	12,259,978	0.82%	12,318,120	0.47%	12,043,112	(2.23)%	16,905,758	40.38%	16,203,280	(4.16)%	16,770,395	3.50%	
12	OVERTIME DOLLARS	1,952,703	(2.67)%	2,605,559	33.43%	1,962,614	(24.68)%	2,222,200	13.23%	3,937,096	77.17%	3,597,008	(8.64)%	3,722,903	3.50%	
13	TOTAL LABOR DOLLARS	<u>14,646,076</u>	2.68%	<u>15,411,080</u>	5.22%	<u>14,910,120</u>	(3.25)%	<u>14,873,909</u>	(0.24)%	<u>21,525,502</u>	44.72%	<u>20,753,842</u>	(3.58)%	<u>21,480,226</u>	3.50%	
14																
15	RATIO OF OVERTIME DOLLARS TO															
16	STRAIGHT TIME DOLLARS	16.06		21.25		15.93		18.45		23.29		22.20		22.20		
17																
18	O & M LABOR DOLLARS - GAS	2,766,992	1.97%	3,038,590	9.82%	3,088,108	1.63%	2,992,954	(3.08)%	3,285,744	9.78%	2,628,596	(20.00)%	2,720,597	3.50%	
19	RATIO OF O & M LABOR DOLLARS TO															
20	TOTAL LABOR DOLLARS	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>15.26</u>		<u>12.67</u>		<u>12.67</u>		

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
TOTAL COMPANY PAYROLL ANALYSIS
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

SCHEDULE G-2
PAGE 2 OF 8
WITNESS RESPONSIBLE:
R. M. PARSONS

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS										Base Period	% Change	Forecasted Period	% Change
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change				
20	TOTAL EMPLOYEE BENEFITS	1,079,127	4.65%	1,215,436	12.63%	1,325,416	9.05%	1,212,146	(8.55)%	1,133,581	(6.48)%	615,090	(45.74)%	636,620	3.50%
21	EMPLOYEE BENEFITS EXPENSE - GAS	1,079,127	4.65%	1,215,436	12.63%	1,325,416	9.05%	1,212,146	(8.55)%	1,133,581	(6.48)%	615,090	(45.74)%	636,620	3.50%
22	RATIO OF EMPLOYEE BENEFITS EXP														
23	TO TOTAL EMPLOYEE BENEFITS	<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>	
24	TOTAL PAYROLL TAXES	1,098,456	2.68%	1,155,830	5.22%	1,118,259	(3.25)%	1,115,543	(0.24)%	1,614,413	44.72%	1,556,538	(3.58)%	1,611,017	3.50%
25	PAYROLL TAXES EXPENSED - GAS	207,525	1.97%	227,895	9.82%	231,608	1.63%	224,472	(3.08)%	246,431	9.78%	197,146	(20.00)%	204,045	3.50%
26	RATIO OF PAYROLL TAXES EXP														
27	TO TOTAL PAYROLL TAXES	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>15.26</u>		<u>12.67</u>		<u>12.67</u>	
28															
29															
30	AVERAGE EMPLOYEE LEVELS														
31	YEAR END EMPLOYEE LEVELS														
32		<u>2007-2008</u>	Base Period	Forecasted Period											
33	EMPLOYEE LEVELS BY MONTHS	JAN.	OCT. 2008	FEB. 2010											
34	(TEST YEAR AND TWO MOST	FEB.	NOV.	MAR.											
35	RECENT CALENDAR YEARS)	MAR.	DEC.	APR.											
36		APR.	JAN. 2009	MAY											
37		MAY	FEB.	JUN.											
38		JUN.	MAR.	JUL.											
39		JUL.	APR.	AUG.											
40		AUG.	MAY	SEP.											
41		SEP.	JUN.	OCT.											
42		OCT.	JUL.	NOV.											
43		NOV.	AUG.	DEC.											
44		DEC.	SEP.	JAN. 2011											

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
UNION PAYROLL ANALYSIS
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISID
WORK PAPER REFERENCE NO(S):

SCHEDULE G-2
PAGE 3 OF 8
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS										Base Period	% Change	Forecasted Period	% Change	
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change					
1	MANHOURS															
2	STRAIGHT TIME HOURS	443,120	2.54%	443,238	0.03%	429,968	(2.99)%	411,810	(4.22)%	608,441	47.75%	589,528	(3.11)%	610,161	3.50%	
3	OVERTIME HOURS	47,265	(6.95)%	61,700	30.54%	49,603	(19.61)%	54,886	10.65%	98,758	79.93%	90,518	(8.34)%	93,686	3.50%	
4	TOTAL MANHOURS	<u>490,385</u>	1.54%	<u>504,938</u>	2.97%	<u>479,571</u>	(5.02)%	<u>466,696</u>	(2.68)%	<u>707,199</u>	51.53%	<u>680,046</u>	(3.84)%	<u>703,847</u>	3.50%	
5																
6	RATIO OF OVERTIME HOURS TO															
7	STRAIGHT TIME HOURS	10.67		13.92		11.54		13.33		16.23		15.35		15.35		
8																
9	LABOR DOLLARS															
10	OTHER EARNINGS	446,445	24.71%	460,470	3.14%	450,961	(2.07)%	493,275	9.38%	440,577	(10.68)%	633,290	43.74%	655,455	3.50%	
11	STRAIGHT TIME DOLLARS	10,320,732	4.61%	10,700,829	3.68%	10,824,656	1.16%	10,664,098	(1.48)%	15,893,824	49.04%	15,216,594	(4.26)%	15,749,175	3.50%	
12	OVERTIME DOLLARS	1,840,348	(3.01)%	2,425,187	31.78%	1,920,723	(20.80)%	2,180,990	13.55%	3,936,873	80.51%	3,597,008	(8.63)%	3,722,903	3.50%	
13	TOTAL LABOR DOLLARS	<u>12,607,525</u>	4.01%	<u>13,586,486</u>	7.76%	<u>13,196,340</u>	(2.87)%	<u>13,338,363</u>	1.08%	<u>20,271,274</u>	51.98%	<u>19,446,892</u>	(4.07)%	<u>20,127,533</u>	3.50%	
14																
15	RATIO OF OVERTIME DOLLARS TO															
16	STRAIGHT TIME DOLLARS	17.83		22.66		17.74		20.45		24.77		23.64		23.64		
17																
18	O & M LABOR DOLLARS - GAS	2,381,862	3.29%	2,678,836	12.47%	2,733,159	2.03%	2,683,969	(1.80)%	2,929,450	9.15%	2,463,062	(15.92)%	2,549,269	3.50%	
19	RATIO OF O & M LABOR DOLLARS TO															
20	TOTAL LABOR DOLLARS	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>14.45</u>		<u>12.67</u>		<u>12.67</u>		

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
UNION PAYROLL ANALYSIS
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

SCHEDULE G-2
PAGE 4 OF 8
WITNESS RESPONSIBLE:
R. M. PARSONS

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS										Base Period	% Change	Forecasted Period	% Change
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change				
20	TOTAL EMPLOYEE BENEFITS	928,926	6.01%	1,071,534	15.35%	1,173,072	9.48%	1,087,007	(7.34)%	1,010,660	(7.02)%	576,356	(42.97)%	596,529	3.50%
21	EMPLOYEE BENEFITS EXPENSE - GAS	928,926	6.01%	1,071,534	15.35%	1,173,072	9.48%	1,087,007	(7.34)%	1,010,660	(7.02)%	576,356	(42.97)%	596,529	3.50%
22	RATIO OF EMPLOYEE BENEFITS EXP														
23	TO TOTAL EMPLOYEE BENEFITS	<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>	
24															
25	TOTAL PAYROLL TAXES	945,564	4.01%	1,018,986	7.76%	989,726	(2.87)%	1,000,377	1.08%	1,520,346	51.98%	1,458,516	(4.07)%	1,509,565	3.50%
26	PAYROLL TAXES EXPENSED - GAS	178,640	3.29%	200,913	12.47%	204,987	2.03%	201,298	(1.80)%	219,709	9.15%	184,730	(15.92)%	191,195	3.50%
27	RATIO OF PAYROLL TAXES EXP														
28	TO TOTAL PAYROLL TAXES	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>14.45</u>		<u>12.67</u>		<u>12.67</u>	
29															
30	AVERAGE EMPLOYEE LEVELS							159		226		228		236	
31	YEAR END EMPLOYEE LEVELS							229		210		241		236	
32		<u>2007-2008</u>	Base Period	Forecasted Period											
33	EMPLOYEE LEVELS BY MONTHS	JAN.	OCT. 2008	FEB. 2010				151		226		230		236	
34	(TEST YEAR AND TWO MOST	FEB.	NOV.	MAR.				150		226		228		236	
35	RECENT CALENDAR YEARS)	MAR.	DEC.	APR.				151		226		210		236	
36		APR.	JAN. 2009	MAY				152		226		210		236	
37		MAY	FEB.	JUN.				154		226		209		236	
38		JUN.	MAR.	JUL.				153		229		207		236	
39		JUL.	APR.	AUG.				154		229		241		236	
40		AUG.	MAY	SEP.				153		229		241		236	
41		SEP.	JUN.	OCT.				152		231		241		236	
42		OCT.	JUL.	NOV.				156		230		241		236	
43		NOV.	AUG.	DEC.				155		228		241		236	
44		DEC.	SEP.	JAN. 2011				229		210		241		236	

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
EXEMPT GROUP
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE G-2
PAGE 5 OF 8
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS										Base Period	% Change	Forecasted Period	% Change		
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change						
1	MANHOURS																
2	STRAIGHT TIME HOURS	52,719	(7.52)%	42,355	(19.66)%	37,363	(11.79)%	31,808	(14.87)%	23,362	(26.55)%	23,872	2.18%	24,708	3.50%		
3	OVERTIME HOURS	2,897	(7.53)%	3,213	10.91%	950	901.00%	901	(5.16)%	5	(99.45)%	0	(100.00)%	0	-		
4	TOTAL MANHOURS	<u>55,616</u>	(7.52)%	<u>45,568</u>	(18.07)%	<u>38,313</u>	(15.92)%	<u>32,709</u>	(14.63)%	<u>23,367</u>	(28.56)%	<u>23,872</u>	2.16%	<u>24,708</u>	3.50%		
5																	
6	RATIO OF OVERTIME HOURS TO																
7	STRAIGHT TIME HOURS	5.50		7.59		2.54		2.83		0.02		0.00		0.00			
8																	
9	LABOR DOLLARS																
10	OTHER EARNINGS	77,063	(28.65)%	73,507	(4.61)%	161,122	119.19%	104,271	(35.28)%	242,071	132.16%	320,264	32.30%	331,473	3.50%		
11	STRAIGHT TIME DOLLARS	1,766,657	(1.86)%	1,460,942	(17.30)%	1,407,935	(3.63)%	1,354,400	(3.80)%	1,011,934	(25.29)%	986,686	(2.50)%	1,021,220	3.50%		
12	OVERTIME DOLLARS	107,302	(1.47)%	161,277	50.30%	35,917	(77.73)%	40,288	12.17%	223	(99.45)%	0	(100.00)%	0	-		
13	TOTAL LABOR DOLLARS	<u>1,951,022</u>	(3.28)%	<u>1,695,726</u>	(13.09)%	<u>1,604,974</u>	(5.35)%	<u>1,498,959</u>	(6.61)%	<u>1,254,228</u>	(16.33)%	<u>1,306,950</u>	4.20%	<u>1,352,693</u>	3.50%		
14																	
15	RATIO OF OVERTIME DOLLARS TO																
16	STRAIGHT TIME DOLLARS	6.07		11.04		2.55		2.97		0.02		0.00		0.00			
17																	
18	O & M LABOR DOLLARS - GAS	368,594	(3.95)%	334,345	(9.29)%	332,414	(0.58)%	301,623	(9.26)%	356,294	18.13%	165,534	(53.54)%	171,328	3.50%		
19	RATIO OF O & M LABOR DOLLARS TO																
20	TOTAL LABOR DOLLARS	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>28.41</u>		<u>12.67</u>		<u>12.67</u>			

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
EXEMPT GROUP
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
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SCHEDULE G-2
PAGE 6 OF 8
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS										Base Period	% Change	Forecasted Period	% Change
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change				
20	TOTAL EMPLOYEE BENEFITS	143,752	(1.42)%	133,738	(6.97)%	142,672	6.68%	122,157	(14.38)%	122,921	0.63%	38,734	(68.49)%	40,091	3.50%
21	EMPLOYEE BENEFITS EXPENSE - GAS	143,752	(1.42)%	133,738	(6.97)%	142,672	6.68%	122,157	(14.38)%	122,921	0.63%	38,734	(68.49)%	40,091	3.50%
22	RATIO OF EMPLOYEE BENEFITS EXP														
23	TO TOTAL EMPLOYEE BENEFITS	<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>	
24															
25	TOTAL PAYROLL TAXES	146,327	(3.28)%	127,179	(13.09)%	120,373	(5.35)%	112,422	(6.61)%	94,067	(16.33)%	98,022	4.20%	101,452	3.50%
26	PAYROLL TAXES EXPENSED - GAS	27,645	(3.95)%	25,076	(9.29)%	24,931	(0.58)%	22,622	(9.26)%	26,722	18.12%	12,416	(53.54)%	12,850	3.50%
27	RATIO OF PAYROLL TAXES EXP														
28	TO TOTAL PAYROLL TAXES	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>28.41</u>		<u>12.67</u>		<u>12.67</u>	
29															
30	AVERAGE EMPLOYEE LEVELS							8		9		8		7	
31	YEAR END EMPLOYEE LEVELS							9		9		7		7	
32		<u>2007-2008</u>	Base Period	Forecasted Period											
33	EMPLOYEE LEVELS BY MONTHS	JAN.	OCT. 2008	FEB. 2010				7		9		10		7	
34	(TEST YEAR AND TWO MOST	FEB.	NOV.	MAR.				8		9		10		7	
35	RECENT CALENDAR YEARS)	MAR.	DEC.	APR.				8		9		9		7	
36		APR.	JAN. 2009	MAY				8		9		8		7	
37		MAY	FEB.	JUN.				8		9		7		7	
38		JUN.	MAR.	JUL.				8		9		8		7	
39		JUL.	APR.	AUG.				8		9		7		7	
40		AUG.	MAY	SEP.				8		9		7		7	
41		SEP.	JUN.	OCT.				9		9		7		7	
42		OCT.	JUL.	NOV.				9		9		7		7	
43		NOV.	AUG.	DEC.				9		9		7		7	
44		DEC.	SEP.	JAN. 2011				9		9		7		7	

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
NONEXEMPT
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
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SCHEDULE G-2
PAGE 7 OF 8
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS										Base Period	% Change	Forecasted Period	% Change		
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change						
1	MANHOURS																
2	STRAIGHT TIME HOURS	5,990	(2.96)%	6,981	16.54%	6,343	(9.14)%	4,645	(26.77)%	0	(100.00)%	0	-	0	-	-	
3	OVERTIME HOURS	159	-	494	210.69%	170	(65.59)%	46	(72.94)%	0	(100.00)%	0	-	0	-	-	
4	TOTAL MANHOURS	<u>6,149</u>	(0.39)%	<u>7,475</u>	21.56%	<u>6,513</u>	(12.87)%	<u>4,691</u>	(27.97)%	<u>0</u>	(100.00)%	<u>0</u>	-	<u>0</u>	-	-	
5																	
6	RATIO OF OVERTIME HOURS TO																
7	STRAIGHT TIME HOURS	2.65		7.08		2.68		0.99		0.00		0.00		0.00			
8																	
9	LABOR DOLLARS																
10	OTHER EARNINGS	9,514	(80.10)%	11,566	21.57%	17,303	49.60%	11,051	(36.13)%	0	(100.00)%	0	-	0	-	-	
11	STRAIGHT TIME DOLLARS	72,962	(5.90)%	98,207	34.60%	85,529	(12.91)%	24,614	(71.22)%	0	(100.00)%	0	-	0	-	-	
12	OVERTIME DOLLARS	5,053	-	19,095	277.89%	5,974	(68.71)%	922	(84.57)%	0	(100.00)%	0	-	0	-	-	
13	TOTAL LABOR DOLLARS	<u>87,529</u>	(30.17)%	<u>128,868</u>	47.23%	<u>108,806</u>	(15.57)%	<u>36,587</u>	(66.37)%	<u>0</u>	(100.00)%	<u>0</u>	-	<u>0</u>	-	-	
14																	
15	RATIO OF OVERTIME DOLLARS TO																
16	STRAIGHT TIME DOLLARS	6.93		19.44		6.98		3.74		0.00		0.00		0.00			
17																	
18	O & M LABOR DOLLARS - GAS	16,536	(30.66)%	25,409	53.66%	22,535	(11.31)%	7,362	(67.33)%	0	(100.00)%	0	-	0	-	-	
19	RATIO OF O & M LABOR DOLLARS TO																
20	TOTAL LABOR DOLLARS	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>			

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
NONEXEMPT
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
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SCHEDULE G-2
PAGE 8 OF 8
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS										Base Period	% Change	Forecasted Period	% Change
		2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change				
20	TOTAL EMPLOYEE BENEFITS	6,449	(28.83)%	10,164	57.61%	9,672	(4.84)%	2,982	(69.17)%	0	(100.00)%	0	-	0	-
21	EMPLOYEE BENEFITS EXPENSE - GAS	6,449	(28.83)%	10,164	57.61%	9,672	(4.84)%	2,982	(69.17)%	0	(100.00)%	0	-	0	-
22	RATIO OF EMPLOYEE BENEFITS EXP														
23	TO TOTAL EMPLOYEE BENEFITS	<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>100.00</u>		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>	
24															
25	TOTAL PAYROLL TAXES	6,565	(30.17)%	9,665	47.22%	8,160	(15.57)%	2,744	(66.37)%	0	(100.00)%	0	-	0	-
26	PAYROLL TAXES EXPENSED - GAS	1,240	(30.69)%	1,906	53.71%	1,690	(11.33)%	552	(67.34)%	0	(100.00)%	0	-	0	-
27	RATIO OF PAYROLL TAXES EXP														
28	TO TOTAL PAYROLL TAXES	<u>18.89</u>		<u>19.72</u>		<u>20.71</u>		<u>20.12</u>		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>	
29															
30	AVERAGE EMPLOYEE LEVELS							0		0		0		0	
31	YEAR END EMPLOYEE LEVELS							2		0		0		0	
32		<u>2007-2008</u>	Base Period	Forecasted Period											
33	EMPLOYEE LEVELS BY MONTHS	JAN.	OCT. 2008	FEB. 2010				0		0		0		0	
34	(TEST YEAR AND TWO MOST	FEB.	NOV.	MAR.				0		0		0		0	
35	RECENT CALENDAR YEARS)	MAR.	DEC.	APR.				0		0		0		0	
36		APR.	JAN. 2009	MAY				0		0		0		0	
37		MAY	FEB.	JUN.				0		0		0		0	
38		JUN.	MAR.	JUL.				0		0		0		0	
39		JUL.	APR.	AUG.				0		0		0		0	
40		AUG.	MAY	SEP.				0		0		0		0	
41		SEP.	JUN.	OCT.				0		0		0		0	
42		OCT.	JUL.	NOV.				0		0		0		0	
43		NOV.	AUG.	DEC.				0		0		0		0	
44		DEC.	SEP.	JAN. 2011				2		0		0		0	

Note: Represents labor of Duke Energy Kentucky, Inc. direct employees.

DUKE ENERGY KENTUCKY, INC
CASE NO. 2009-00202
EXECUTIVE COMPENSATION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
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SCHEDULE G-3
PAGE 1 OF 5
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	OPERATION AND MAINTENANCE EXPENSE				
		TOTAL UNADJUSTED	JURISDICTIONAL % (A)	JURISDICTIONAL UNADJUSTED	ADJUSTMENTS	JURISDICTIONAL ADJUSTED
1	Name of Executive: James E. Rogers					
2						
3	Base Period:					
4	Total Salary	0	100.000	0	0	0
5	Other Allowances and Compensation (B)	13,572,428	100.000	13,572,428	0	13,572,428
6	Total Compensation	<u>13,572,428</u>		<u>13,572,428</u>	0	<u>13,572,428</u>
7						
8	Employee Benefits					
9	401(k) Company Match	0	100.000	0	0	0
10	Dental Insurance	504	100.000	504	0	504
11	Employee Assistance Program	0	100.000	0	0	0
12	Life Insurance	0	100.000	0	0	0
13	Long-Term Disability	0	100.000	0	0	0
14	Medical Insurance	8,316	100.000	8,316	0	8,316
15	Miscellaneous Plans	0	100.000	0	0	0
16	Post-retirement Benefits	1,317	100.000	1,317	0	1,317
17	Retirement Plans	32,740	100.000	32,740	0	32,740
18	Wellness Programs	135	100.000	135	0	135
19	Work/Life Programs	0	100.000	0	0	0
20	Total Benefits	<u>43,012</u>		<u>43,012</u>	0	<u>43,012</u>
21						
22	Payroll Taxes					
23	F.I.C.A.	67,059	100.000	67,059	0	67,059
24	Federal Unemployment	56	100.000	56	0	56
25	State Unemployment	301	100.000	301	0	301
26	Other Payroll Taxes	0	100.000	0	0	0
27	Total Payroll Taxes	<u>67,416</u>		<u>67,416</u>	0	<u>67,416</u>
28	Total Compensation Package	<u>13,682,856</u>		<u>13,682,856</u>	0	<u>13,682,856</u>
29						
30	Forecasted Period:					
31	Total Salary	0	100.000	0	0	0
32	Other Allowances and Compensation	3,641,172	100.000	3,641,172	0	3,641,172
33	Total Compensation	<u>3,641,172</u>		<u>3,641,172</u>	0	<u>3,641,172</u>
34						
35	Employee Benefits					
36	401(k) Company Match	0	100.000	0	0	0
37	Dental Insurance	630	100.000	630	0	630
38	Employee Assistance Program	0	100.000	0	0	0
39	Life Insurance	0	100.000	0	0	0
40	Long-Term Disability	0	100.000	0	0	0
41	Medical Insurance	10,395	100.000	10,395	0	10,395
42	Miscellaneous Plans	0	100.000	0	0	0
43	Post-retirement Benefits	1,481	100.000	1,481	0	1,481
44	Retirement Plans	35,608	100.000	35,608	0	35,608
45	Wellness Programs	135	100.000	135	0	135
46	Work/Life Programs	0	100.000	0	0	0
47	Total Benefits	<u>48,249</u>		<u>48,249</u>	0	<u>48,249</u>
48						
49	Payroll Taxes					
50	F.I.C.A.	59,419	100.000	59,419	0	59,419
51	Federal Unemployment	56	100.000	56	0	56
52	State Unemployment	301	100.000	301	0	301
53	Other Payroll Taxes	0	100.000	0	0	0
54	Total Payroll Taxes	<u>59,776</u>		<u>59,776</u>	0	<u>59,776</u>
55	Total Compensation Package	<u>3,749,197</u>		<u>3,749,197</u>	0	<u>3,749,197</u>

(A) Allocation Code:

DALL

(B) Mr. James E. Rogers entered into a three-year employment agreement upon the consummation of the merger between Duke Energy and Cinergy on April 3, 2006. Under this agreement, Mr. Rogers was compensated substantially in the form of stock awards (i.e., stock options, phantom shares and performance shares). Mr. Rogers has not yet exercised any of these stock options. All of the phantom shares granted under this agreement, and all of earned (i.e., not forfeited) performance shares under this agreement, were delivered and became taxable to Mr. Rogers in April, 2009, in accordance with the terms of the agreement.

Note: Represents total compensation not the amount allocated to Duke Energy Kentucky, Inc.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
EXECUTIVE COMPENSATION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

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SCHEDULE G-3
PAGE 2 OF 5
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	OPERATION AND MAINTENANCE EXPENSE				
		TOTAL UNADJUSTED	JURISDICTIONAL % (A)	JURISDICTIONAL UNADJUSTED	ADJUSTMENTS	JURISDICTIONAL ADJUSTED
1	Name of Executive: James L. Turner					
2						
3	Base Period:					
4	Total Salary	650,004	100.000	650,004	0	650,004
5	Other Allowances and Compensation	1,459,395	100.000	1,459,395	0	1,459,395
6	Total Compensation	<u>2,109,399</u>		<u>2,109,399</u>	<u>0</u>	<u>2,109,399</u>
7						
8	Employee Benefits					
9	401(k) Company Match	14,700	100.000	14,700	0	14,700
10	Dental Insurance	876	100.000	876	0	876
11	Employee Assistance Program	0	100.000	0	0	0
12	Life Insurance	1,452	100.000	1,452	0	1,452
13	Long-Term Disability	27,690	100.000	27,690	0	27,690
14	Medical Insurance	11,856	100.000	11,856	0	11,856
15	Miscellaneous Plans	0	100.000	0	0	0
16	Post-retirement Benefits	492	100.000	492	0	492
17	Retirement Plans	374,529	100.000	374,529	0	374,529
18	Wellness Programs	135	100.000	135	0	135
19	Work/Life Programs	0	100.000	0	0	0
20	Total Benefits	<u>431,730</u>		<u>431,730</u>	<u>0</u>	<u>431,730</u>
21						
22	Payroll Taxes					
23	F.I.C.A.	37,199	100.000	37,199	0	37,199
24	Federal Unemployment	56	100.000	56	0	56
25	State Unemployment	301	100.000	301	0	301
26	Other Payroll Taxes	0	100.000	0	0	0
27	Total Payroll Taxes	<u>37,556</u>		<u>37,556</u>	<u>0</u>	<u>37,556</u>
28	Total Compensation Package	<u>2,578,685</u>		<u>2,578,685</u>	<u>0</u>	<u>2,578,685</u>
29						
30	Forecasted Period:					
31	Total Salary	650,004	100.000	650,004	0	650,004
32	Other Allowances and Compensation	1,648,106	100.000	1,648,106	0	1,648,106
33	Total Compensation	<u>2,298,110</u>		<u>2,298,110</u>	<u>0</u>	<u>2,298,110</u>
34						
35	Employee Benefits					
36	401(k) Company Match	14,700	100.000	14,700	0	14,700
37	Dental Insurance	1,095	100.000	1,095	0	1,095
38	Employee Assistance Program	0	100.000	0	0	0
39	Life Insurance	1,815	100.000	1,815	0	1,815
40	Long-Term Disability	27,690	100.000	27,690	0	27,690
41	Medical Insurance	14,820	100.000	14,820	0	14,820
42	Miscellaneous Plans	0	100.000	0	0	0
43	Post-retirement Benefits	559	100.000	559	0	559
44	Retirement Plans	408,671	100.000	408,671	0	408,671
45	Wellness Programs	135	100.000	135	0	135
46	Work/Life Programs	0	100.000	0	0	0
47	Total Benefits	<u>469,485</u>		<u>469,485</u>	<u>0</u>	<u>469,485</u>
48						
49	Payroll Taxes					
50	F.I.C.A.	39,944	100.000	39,944	0	39,944
51	Federal Unemployment	56	100.000	56	0	56
52	State Unemployment	301	100.000	301	0	301
53	Other Payroll Taxes	0	100.000	0	0	0
54	Total Payroll Taxes	<u>40,301</u>		<u>40,301</u>	<u>0</u>	<u>40,301</u>
55	Total Compensation Package	<u>2,807,896</u>		<u>2,807,896</u>	<u>0</u>	<u>2,807,896</u>

(A) Allocation Code: DALL
Note: Represents total compensation not the amount allocated to Duke Energy Kentucky, Inc.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
EXECUTIVE COMPENSATION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S).

SCHEDULE G-3
PAGE 3 OF 5
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	OPERATION AND MAINTENANCE EXPENSE			
		TOTAL UNADJUSTED	JURISDICTIONAL % (A)	JURISDICTIONAL UNADJUSTED	JURISDICTIONAL ADJUSTED
1	Name of Executive: David L. Hauser				
2					
3	Base Period:				
4	Total Salary (B)	450,000	100.000	450,000	450,000
5	Other Allowances and Compensation	1,855,745	100.000	1,855,745	1,855,745
6	Total Compensation	<u>2,305,745</u>		<u>2,305,745</u>	<u>2,305,745</u>
7					
8	Employee Benefits				
9	401(k) Company Match	14,700	100.000	14,700	14,700
10	Dental Insurance	657	100.000	657	657
11	Employee Assistance Program	0	100.000	0	0
12	Life Insurance	1,089	100.000	1,089	1,089
13	Long-Term Disability	0	100.000	0	0
14	Medical Insurance	9,892	100.000	9,892	9,892
15	Miscellaneous Plans	0	100.000	0	0
16	Post-retirement Benefits	852	100.000	852	852
17	Retirement Plans	125,799	100.000	125,799	125,799
18	Wellness Programs	101	100.000	101	101
19	Work/Life Programs	0	100.000	0	0
20	Total Benefits	<u>153,090</u>		<u>153,090</u>	<u>153,090</u>
21					
22	Payroll Taxes				
23	F.I.C.A.	40,021	100.000	40,021	40,021
24	Federal Unemployment	56	100.000	56	56
25	State Unemployment	301	100.000	301	301
26	Other Payroll Taxes	0	100.000	0	0
27	Total Payroll Taxes	<u>40,378</u>		<u>40,378</u>	<u>40,378</u>
28	Total Compensation Package	<u>2,499,213</u>		<u>2,499,213</u>	<u>2,499,213</u>
29					
30	Forecasted Period:				
31	Total Salary	0	100.000	0	0
32	Other Allowances and Compensation	1,416,678	100.000	1,416,678	1,416,678
33	Total Compensation	<u>1,416,678</u>		<u>1,416,678</u>	<u>1,416,678</u>
34					
35	Employee Benefits				
36	401(k) Company Match	0	100.000	0	0
37	Dental Insurance	0	100.000	0	0
38	Employee Assistance Program	0	100.000	0	0
39	Life Insurance	0	100.000	0	0
40	Long-Term Disability	0	100.000	0	0
41	Medical Insurance	0	100.000	0	0
42	Miscellaneous Plans	0	100.000	0	0
43	Post-retirement Benefits	0	100.000	0	0
44	Retirement Plans	0	100.000	0	0
45	Wellness Programs	0	100.000	0	0
46	Work/Life Programs	0	100.000	0	0
47	Total Benefits	<u>0</u>		<u>0</u>	<u>0</u>
48					
49	Payroll Taxes				
50	F.I.C.A.	27,163	100.000	27,163	27,163
51	Federal Unemployment	56	100.000	56	56
52	State Unemployment	301	100.000	301	301
53	Other Payroll Taxes	0	100.000	0	0
54	Total Payroll Taxes	<u>27,520</u>		<u>27,520</u>	<u>27,520</u>
55	Total Compensation Package	<u>1,444,198</u>		<u>1,444,198</u>	<u>1,444,198</u>

(A) Allocation Code: DALL
(B) Mr. David L. Hauser retired effective 06/30/09, therefore no projections were included for the Forecasted period
Note: Represents total compensation not the amount allocated to Duke Energy Kentucky, Inc.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
EXECUTIVE COMPENSATION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S).

SCHEDULE G-3
PAGE 4 OF 5
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	OPERATION AND MAINTENANCE EXPENSE				
		TOTAL UNADJUSTED	JURISDICTIONAL % (A)	JURISDICTIONAL UNADJUSTED	ADJUSTMENTS	JURISDICTIONAL ADJUSTED
1	Name of Executive: Marc E. Manly					
2						
3	Base Period:					
4	Total Salary	600,000	100.000	600,000	0	600,000
5	Other Allowances and Compensation	1,314,669	100.000	1,314,669	0	1,314,669
6	Total Compensation	<u>1,914,669</u>		<u>1,914,669</u>	<u>0</u>	<u>1,914,669</u>
7						
8	Employee Benefits					
9	401(k) Company Match	9,800	100.000	9,800	0	9,800
10	Dental Insurance	504	100.000	504	0	504
11	Employee Assistance Program	0	100.000	0	0	0
12	Life Insurance	1,452	100.000	1,452	0	1,452
13	Long-Term Disability	25,560	100.000	25,560	0	25,560
14	Medical Insurance	9,316	100.000	9,316	0	9,316
15	Miscellaneous Plans	0	100.000	0	0	0
16	Post-retirement Benefits	0	100.000	0	0	0
17	Retirement Plans	441,743	100.000	441,743	0	441,743
18	Wellness Programs	135	100.000	135	0	135
19	Work/Life Programs	0	100.000	0	0	0
20	Total Benefits	<u>488,510</u>		<u>488,510</u>	<u>0</u>	<u>488,510</u>
21						
22	Payroll Taxes					
23	F.I.C.A.	34,387	100.000	34,387	0	34,387
24	Federal Unemployment	56	100.000	56	0	56
25	State Unemployment	301	100.000	301	0	301
26	Other Payroll Taxes	0	100.000	0	0	0
27	Total Payroll Taxes	<u>34,744</u>		<u>34,744</u>	<u>0</u>	<u>34,744</u>
28	Total Compensation Package	<u>2,437,923</u>		<u>2,437,923</u>	<u>0</u>	<u>2,437,923</u>
29						
30	Forecasted Period:					
31	Total Salary	600,000	100.000	600,000	0	600,000
32	Other Allowances and Compensation	1,502,925	100.000	1,502,925	0	1,502,925
33	Total Compensation	<u>2,102,925</u>		<u>2,102,925</u>	<u>0</u>	<u>2,102,925</u>
34						
35	Employee Benefits					
36	401(k) Company Match	9,800	100.000	9,800	0	9,800
37	Dental Insurance	630	100.000	630	0	630
38	Employee Assistance Program	0	100.000	0	0	0
39	Life Insurance	1,815	100.000	1,815	0	1,815
40	Long-Term Disability	25,560	100.000	25,560	0	25,560
41	Medical Insurance	10,395	100.000	10,395	0	10,395
42	Miscellaneous Plans	0	100.000	0	0	0
43	Post-retirement Benefits	0	100.000	0	0	0
44	Retirement Plans	483,170	100.000	483,170	0	483,170
45	Wellness Programs	135	100.000	135	0	135
46	Work/Life Programs	0	100.000	0	0	0
47	Total Benefits	<u>531,505</u>		<u>531,505</u>	<u>0</u>	<u>531,505</u>
48						
49	Payroll Taxes					
50	F.I.C.A.	37,114	100.000	37,114	0	37,114
51	Federal Unemployment	56	100.000	56	0	56
52	State Unemployment	301	100.000	301	0	301
53	Other Payroll Taxes	0	100.000	0	0	0
54	Total Payroll Taxes	<u>37,471</u>		<u>37,471</u>	<u>0</u>	<u>37,471</u>
55	Total Compensation Package	<u>2,671,901</u>		<u>2,671,901</u>	<u>0</u>	<u>2,671,901</u>

(A) Allocation Code: DALL

Note: Represents total compensation not the amount allocated to Duke Energy Kentucky, Inc.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
EXECUTIVE COMPENSATION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S).

SCHEDULE G-3
PAGE 5 OF 5
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	OPERATION AND MAINTENANCE EXPENSE				
		TOTAL UNADJUSTED	JURISDICTIONAL % (A)	JURISDICTIONAL UNADJUSTED	ADJUSTMENTS	JURISDICTIONAL ADJUSTED
1	Name of Executive: Lynn J. Good					
2						
3	Base Period:					
4	Total Salary	521,869	100.000	521,869	0	521,869
5	Other Allowances and Compensation	791,480	100.000	791,480	0	791,480
6	Total Compensation	<u>1,313,349</u>		<u>1,313,349</u>	<u>0</u>	<u>1,313,349</u>
7						
8	Employee Benefits					
9	401(k) Company Match	14,700	100.000	14,700	0	14,700
10	Dental Insurance	876	100.000	876	0	876
11	Employee Assistance Program	0	100.000	0	0	0
12	Life Insurance	1,452	100.000	1,452	0	1,452
13	Long-Term Disability	22,232	100.000	22,232	0	22,232
14	Medical Insurance	11,856	100.000	11,856	0	11,856
15	Miscellaneous Plans	0	100.000	0	0	0
16	Post-retirement Benefits	0	100.000	0	0	0
17	Retirement Plans	213,900	100.000	213,900	0	213,900
18	Wellness Programs	136	100.000	136	0	136
19	Work/Life Programs	0	100.000	0	0	0
20	Total Benefits	<u>265,152</u>		<u>265,152</u>	<u>0</u>	<u>265,152</u>
21						
22	Payroll Taxes					
23	F.I.C.A.	25,644	100.000	25,644	0	25,644
24	Federal Unemployment	56	100.000	56	0	56
25	State Unemployment	301	100.000	301	0	301
26	Other Payroll Taxes	0	100.000	0	0	0
27	Total Payroll Taxes	<u>26,001</u>		<u>26,001</u>	<u>0</u>	<u>26,001</u>
28	Total Compensation Package	<u>1,604,502</u>		<u>1,604,502</u>	<u>0</u>	<u>1,604,502</u>
29						
30	Forecasted Period:					
31	Total Salary	575,000	100.000	575,000	0	575,000
32	Other Allowances and Compensation	990,318	100.000	990,318	0	990,318
33	Total Compensation	<u>1,565,318</u>		<u>1,565,318</u>	<u>0</u>	<u>1,565,318</u>
34						
35	Employee Benefits					
36	401(k) Company Match	14,700	100.000	14,700	0	14,700
37	Dental Insurance	876	100.000	876	0	876
38	Employee Assistance Program	0	100.000	0	0	0
39	Life Insurance	1,452	100.000	1,452	0	1,452
40	Long-Term Disability	24,495	100.000	24,495	0	24,495
41	Medical Insurance	11,856	100.000	11,856	0	11,856
42	Miscellaneous Plans	0	100.000	0	0	0
43	Post-retirement Benefits	0	100.000	0	0	0
44	Retirement Plans	233,766	100.000	233,766	0	233,766
45	Wellness Programs	135	100.000	135	0	135
46	Work/Life Programs	0	100.000	0	0	0
47	Total Benefits	<u>287,280</u>		<u>287,280</u>	<u>0</u>	<u>287,280</u>
48						
49	Payroll Taxes					
50	F.I.C.A.	29,319	100.000	29,319	0	29,319
51	Federal Unemployment	56	100.000	56	0	56
52	State Unemployment	301	100.000	301	0	301
53	Other Payroll Taxes	0	100.000	0	0	0
54	Total Payroll Taxes	<u>29,676</u>		<u>29,676</u>	<u>0</u>	<u>29,676</u>
55	Total Compensation Package	<u>1,882,274</u>		<u>1,882,274</u>	<u>0</u>	<u>1,882,274</u>

(A) Allocation Code: DALL
Note: Represents total compensation not the amount allocated to Duke Energy Kentucky, Inc.

Before

KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 2009-00202

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY KENTUCKY
FOR AUTHORITY TO INCREASE
ITS RATES FOR GAS SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION H

SECTION H

GROSS REVENUE CONVERSION FACTOR

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended September 30, 2009

Forecasted Period: Twelve Months Ended January 31, 2011

Schedules

H Computation of Gross Revenue Conversion Factor

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
COMPUTATION OF GROSS REVENUE CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPH-a

SCHEDULE H
PAGE 1 OF 2
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	PERCENT OF INCREMENTAL GROSS REVENUE
1	Operating Revenues	100.0000%
2		
3		
4	Less: Uncollectible Accounts Expenses	0.2730%
5	KPSC Maintenance Tax	0.1600%
6	Subtotal	<u>0.4330%</u>
7		
8	Income before Income Tax (Line 1 - Line 7)	99.5670%
9		
10	Income Taxes - State of Kentucky	
11	(6.000% * 99.567%)	<u>5.9740%</u>
12		
13	Income before Federal Income Tax (Line 9 - Line 12)	93.5930%
14		
15	Federal Income Tax (35% x 93.593%)	<u>32.7576%</u>
16		
17	Operating Income Percentage (Line 14 - Line 16)	<u>60.8354%</u>
18		
19	Gross Revenue Conversion Factor (100% / 60.8354%)	<u>1.6437800</u>

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
COMPUTATION OF GROSS REVENUE CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPH-a

SCHEDULE H
PAGE 2 OF 2
WITNESS RESPONSIBLE:
R. M. PARSONS

LINE NO.	DESCRIPTION	PERCENT OF INCREMENTAL GROSS REVENUE
1	Operating Revenues	100.0000%
2		
3		
4	Less: Uncollectible Accounts Expenses	0.2730%
5	KPSC Maintenance Tax	0.1600%
6	Subtotal	<u>0.4330%</u>
7		
8	Income before Income Tax (Line 1 - Line 6)	99.5670%
9		
10	Income Taxes - State of Kentucky	
11	(6.00% * 99.567%)	<u>5.9740%</u>
12		
13	Income before Federal Income Tax (Line 8 - Line 11)	93.5930%
14		
15	Federal Income Tax (35% x 93.593%)	<u>32.7576%</u>
16		
17	Operating Income Percentage (Line 13 - Line 15)	<u>60.8354%</u>
18		
19	Gross Revenue Conversion Factor (100% / 60.8354%)	<u>1.6437800</u>

Before

KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 2009-00202

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY KENTUCKY
FOR AUTHORITY TO INCREASE
ITS RATES FOR GAS SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION I

SECTION I
STATISTICAL DATA
DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended September 30, 2009

Forecasted Period: Twelve Months Ended January 31, 2011

Schedules

- I-1 Comparative Income Statements for Most Recent 5 Fiscal or Calendar years
- I-2.1 Revenue Statistics - Total Company
- I-3 Revenue Statistics - Jurisdictional
- I-4 Sales Statistics - Total Company
- I-5 Sales Statistics - Jurisdictional

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2008-00202
TOTAL COMPANY
COMPARATIVE INCOME STATEMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

SCHEDULE I-1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
S. R. LEE

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPI-1a, WPI-1b

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS															
		2012	2011	FORECASTED PERIOD	% CHANGE	BASE PERIOD	% CHANGE	2008	% CHANGE	2007	% CHANGE	2006	% CHANGE	2005	% CHANGE	2004	% CHANGE
1	UTILITY OPERATING INCOME			483,937,185	0.06%	483,646,245	(3.30)%	500,129,281	1.94%	490,610,673	22.69%	399,880,608	3.47%	386,466,564	10.01%	351,299,131	6.19%
2	OPERATING REVENUES	522,149,014	511,290,836														
3	OPERATING EXPENSES																
4	OPERATION EXPENSES	392,505,499	381,929,928	357,413,263	(1.02)%	361,114,610	0.25%	360,209,369	2.80%	350,401,369	16.14%	301,717,634	(8.19)%	328,640,926	13.47%	289,616,466	6.64%
5	MAINTENANCE EXPENSES	30,565,518	30,189,272	27,131,118	174.78%	9,873,760	(60.13)%	24,764,719	3.82%	23,852,836	15.76%	20,604,924	249.48%	5,895,908	(18.07)%	7,196,077	20.14%
6	DEPRECIATION EXPENSE	47,236,281	44,588,032	43,731,540	13.21%	38,627,692	9.90%	35,147,583	2.33%	34,346,152	1.12%	33,964,218	99.34%	17,038,206	3.06%	16,531,713	7.24%
7	AMORT. & DEPL. OF UTILITY PLANT	0	0	0	(100.00)%	1,566,880	(32.31)%	2,314,793	(5.10)%	2,439,306	7.83%	2,262,122	1.59%	2,226,788	3.88%	2,143,542	(17.09)%
8	REGULATORY DEBITS	18,273,632	16,639,554	14,572,959	140.17%	6,067,870	445.62%	(1,755,647)	(225.57)%	1,398,166	50.12%	931,382	0	0	0	0	0
9	TAXES OTHER THAN INCOME TAXES	3,861,595	7,463,021	8,790,826	90.54%	4,613,684	(36.07)%	7,216,421	(35.53)%	11,192,892	14.45%	9,780,002	108.55%	4,689,534	49.54%	3,136,049	(28.93)%
10	INCOME TAXES - FEDERAL	682,500	1,303,542	1,531,451	94.28%	788,273	(86.99)%	7,159,047	(58.79)%	17,374,215	3314.37%	508,856	(83.62)%	3,106,170	16.20%	2,673,009	229.83%
11	INCOME TAXES - OTHER	(999,453)	(1,966,080)	(2,161,997)	(236.87)%	1,578,433	2.18%	1,544,713	(29.79)%	2,200,100	4907.91%	(45,760)	(108.60)%	532,325	235.09%	(394,038)	(194.77)%
12	PROVISION FOR DEFERRED INCOME TAXES	0	0	0	(100.00)%	29,157,124	(35.96)%	45,527,502	80.54%	25,217,864	48.32%	17,002,321	106.71%	8,225,074(1.60)%		8,359,229	(35.10)%
13	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	0	0	0	100.00%	(15,649,145)	54.70%	(34,547,608)	(83.97)%	(18,778,800)	(387.01)%	(3,855,940)	38.37%	(6,256,096)	(410.52)%	(1,225,433)	40.35%
14	INVESTMENT TAX CREDIT ADJ - NET	0	0	0	100.00%	(195,407)	8.42%	(213,376)	9.28%	(219,736)	2.89%	(219,736)	4.27%	(253,028)	(0.03)%	(252,963)	4.36%
15	GAINS FROM DISP OF ALLOW - CREDIT	0	0	0	-	0	100.00%	(148,946)	87.62%	(1,202,928)	70.50%	(4,077,598)	0	0	0	0	0
16	ACCRETION EXPENSE	0	0	0	(100.00)%	0	0	561	0	0	0	0	0	0	0	0	0
17	TOTAL UTILITY OPERATING EXPENSES	492,125,672	480,147,269	451,009,160	3.08%	437,543,775	(2.16)%	447,219,131	(0.22)%	448,221,536	18.40%	378,549,948	0.44%	363,845,807	11.00%	327,783,651	6.11%
18	NET UTILITY OPERATING INCOME	30,023,442	31,143,567	32,928,025	(28.58)%	46,102,471	(12.87)%	52,910,150	24.82%	42,389,137	98.72%	21,330,660	(5.70)%	22,620,757	(3.80)%	23,515,480	7.30%
19	OTHER INCOME AND DEDUCTIONS																
20	OTHER INCOME				(68.62)%	17,721	105.02%	(352,815)	(33.79)%	(263,700)	(78.16)%	(148,011)	(130.59)%	(64,187)	(105.42)%	1,183,948	(50.90)%
21	NONUTILITY OPERATING INCOME	5,560	5,560	5,560	7.78%	3,419,168	(14.96)%	4,020,483	9.98%	3,655,723	14.52%	3,192,346	26.40%	2,525,516	58.51%	1,593,291	3.90%
22	INTEREST AND DIVIDEND INCOME	4,334,509	4,110,307	3,685,078	(35.41)%	314,593	(59.58)%	778,340	255.50%	218,940	(65.02)%	625,812	(2.55)%	642,187	3631.22%	(18,186)	(109.94)%
23	ALLOWANCE FOR FUNDS USED DURING CONST	230,933	185,693	203,194	96.86%	47,059	(22.13)%	60,435	(81.65)%	329,403	1356.76%	22,612	(100.00)%	9,269	(92.07)%	116,918	2001.71%
24	MISCELLANEOUS NONOPERATING INCOME	92,640	92,640	92,640	(100.00)%	65,449	0	65,449	0	0	0	0	0	0	0	0	0
25	GAIN ON DISPOSITION OF PROPERTY	0	0	0	3.17%	3,863,989	(15.48)%	4,571,892	16.03%	3,940,366	6.71%	3,692,759	18.18%	3,124,611	8.51%	2,879,439	(39.85)%
26	TOTAL OTHER INCOME	4,663,642	4,394,200	3,986,472													
27	OTHER INCOME DEDUCTIONS																
28	LOSS ON DISPOSITION OF PROPERTY	0	0	0	(80.54)%	700,188	(53.87)%	1,517,780	(36.54)%	2,391,550	(33.37)%	3,589,293	157.59%	1,393,433	77.56%	784,778	14.87%
29	MISCELLANEOUS INCOME DEDUCTIONS	136,280	136,280	136,280	(80.54)%	700,188	(53.87)%	1,517,780	(36.54)%	2,391,550	(33.37)%	3,589,293	146.94%	1,453,514	52.46%	953,375	39.55%
30	TOTAL OTHER INCOME DEDUCTIONS	136,280	136,280	136,280													
31	TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	0	0	0	(100.00)%	720,114	178.73%	258,355	(34.80)%	396,230	37.92%	287,290	8.38%	265,069	(34.95)%	407,479	42792.53%
32	TAXES OTHER THAN INCOME TAXES	0	0	0	(0.69)%	1,356,998	(64.39)%	3,810,212	163.65%	(5,986,624)	(647.48)%	(800,907)	(142.50)%	1,884,356	389.39%	385,043	(86.45)%
33	INCOME TAXES - FEDERAL	1,584,577	1,490,272	1,347,567	(44.16)%	393,001	(42.80)%	687,027	318.43%	164,193	227.40%	(128,876)	(186.69)%	148,663	33.73%	111,163	(85.65)%
34	- OTHER	258,060	242,701	219,461	(100.00)%	401,135	(24.14)%	528,766	(47.57)%	1,008,488	(36.97)%	1,600,113	259.34%	445,290	(37.76)%	715,457	126.24%
35	PROVISION FOR DEFERRED INCOME TAXES	0	0	0	100.00%	(3,349,828)	14.25%	(3,906,359)	(99.06)%	(1,968,382)	64.02%	(5,453,399)	0	0	(100.00)%	4,892	118.64%
36	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	0	0	0	100.00%	(279,278)	50.44%	(563,515)	0.25%	(564,901)	0.82%	(569,552)	0	0	0	0	0
37	INVESTMENT TAX CREDIT ADJ - NET	0	0	0	100.00%	(757,861)	(193.05)%	814,486	111.73%	(6,944,996)	(37.11)%	(5,065,331)	(284.64)%	2,743,378	68.92%	1,624,034	88.09%
38	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	1,842,637	1,732,973	1,567,028	306.77%	(757,861)	(73.63)%	2,239,626	64.33%	5,168,797	64.33%	5,168,797	582.04%	(1,072,281)	(455.02)%	302,030	(90.68)%
39	NET OTHER INCOME AND DEDUCTIONS	2,684,725	2,524,947	2,283,164													
40	INTEREST CHARGES																
41	INTEREST ON LONG TERM DEBT	21,301,459	18,028,156	17,565,159	23.42%	14,232,307	(4.29)%	14,870,411	(0.61)%	14,961,582	24.64%	12,003,457	98.31%	6,052,870	45.69%	4,154,537	(20.78)%
42	AMORTIZATION OF DEBT DISCOUNT AND EXPENSE (1)	295,402	243,819	235,486	(12.53)%	269,213	3.36%	260,459	(38.67)%	424,688	(5.76)%	450,660	230.21%	136,476	120.32%	61,944	(26.55)%
43	AMORTIZATION OF LOSS ON REACQUIRED DEBT	207,696	207,696	207,696	(16.19)%	247,810	(17.98)%	302,126	66.53%	181,428	0	0	0	0	0	0	0
44	AMORTIZATION OF PREMIUM ON DEBT - CREDIT	0	0	0	(100.00)%	609	(99.26)%	82,070	(91.35)%	949,091	(74.59)%	3,735,843	5308.86%	69,069	(74.21)%	267,806	120.82%
45	INTEREST ON DEBT TO ASSOC. COMPANIES	0	0	0	(90.62)%	3,575,737	35.07%	2,647,239	93.08%	1,371,033	612.62%	192,394	(71.99)%	686,962	22.61%	560,288	1.70%
46	OTHER INTEREST EXPENSE (1)	2,058,729	946,156	(660,701)	(113.42)%	(309,577)	37.28%	(493,581)	(4.08)%	(474,224)	39.78%	(787,542)	(252.47)%	(223,434)	(378.32)%	(46,712)	33.94%
47	ALLOW FOR BRWD FUNDS USED DUR CONST - CREDIT	(791,771)	(1,006,338)		(1.85)%	18,016,099	1.97%	17,668,724	1.47%	17,413,598	10.38%	15,776,240	128.53%	6,903,371	33.29%	5,179,291	(15.47)%
48	NET INTEREST CHARGES	23,071,515	18,419,489	17,682,910	(45.24)%	32,008,034	(14.60)%	37,481,052	11.99%	33,469,351	212.12%	10,723,217	(26.78)%	14,645,105	(21.42)%	18,638,219	(2.05)%
49	NET INCOME	9,636,652	15,249,025	17,528,279													

(1) To WPD-2.18b.

DUKE ENERGY KENTUCKY, INC.
CASE NO 2009-00202
REVENUE STATISTICS-TOTAL COMPANY
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

SCHEDULE I-2 1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
S R LEE

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S)

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS					BASE PERIOD	FORECASTED PERIOD	TWO PROJECTED CALENDAR YEARS	
		2004	2005	2006	2007	2008			2011	2012
1	REVENUE BY CUSTOMER									
2	CLASS-\$ (A)									
3	RETAIL -									
4	RESIDENTIAL	76,726,305	91,305,907	86,660,038	86,579,321	93,979,581	80,925,193	77,839,512	92,646,428	92,167,776
5	COMMERCIAL	30,631,855	36,530,021	36,055,991	36,777,397	41,833,545	34,136,479	33,615,772	42,271,055	41,976,829
6	INDUSTRIAL	4,422,285	6,499,110	6,187,267	6,170,703	4,505,715	3,894,657	3,676,307	4,517,142	4,135,287
7	OTHER	5,128,269	5,935,972	5,969,576	5,661,390	6,304,140	5,004,443	5,137,826	7,117,059	6,956,784
8	TOTAL RETAIL	116,908,714	140,271,010	134,872,872	135,188,811	146,622,981	123,960,772	120,269,417	146,551,684	145,236,676
9	TRANSPORTATION -									
10	COMMERCIAL	339,745	441,015	442,746	441,593	434,019	397,579	364,593	0	0
11	INDUSTRIAL	2,045,808	2,157,223	2,089,872	2,268,644	2,283,385	1,938,109	1,592,780	0	0
12	OTHER	942,529	963,193	858,652	889,085	1,006,273	1,165,905	1,126,107	600,696	600,696
13	OTHER END USERS	1,143,317	1,210,158	1,248,155	1,215,212	1,245,606	1,091,834	1,056,245	1,142,709	1,141,545
14	TOTAL TRANSPORTATION	4,471,399	4,771,589	4,639,425	4,814,534	4,969,283	4,593,427	4,139,725	1,743,405	1,742,241
15	TOTAL REVENUES	121,380,113	145,042,599	139,512,297	140,003,345	151,592,264	128,554,199	124,409,142	148,295,089	146,978,917
16										
17	NO. OF CUSTOMERS BY									
18	CLASS (YEAR END)									
19	RETAIL -									
20	RESIDENTIAL	84,506	85,636	86,885	87,804	87,954	87,637	90,381	90,731	91,858
21	COMMERCIAL	6,977	7,072	7,133	7,227	7,223	7,198	6,539	6,521	6,579
22	INDUSTRIAL	251	231	238	231	221	225	231	232	231
23	OTHER	380	379	380	380	368	371	371	371	371
24	TOTAL RETAIL	92,114	93,318	94,636	95,642	95,766	95,431	97,522	97,855	99,039
25	TRANSPORTATION -									
26	COMMERCIAL	18	20	20	19	20	21	21	21	21
27	INDUSTRIAL	32	32	34	35	36	40	41	41	41
28	OTHER	7	7	7	9	23	23	23	23	23
29	OTHER END USERS	20	20	22	22	24	24	24	24	24
30	TOTAL TRANSPORTATION	77	79	83	85	103	108	109	109	109
31	TOTAL CUSTOMERS	92,191	93,397	94,719	95,727	95,869	95,539	97,631	97,964	99,148
32										
33	NO. OF CUSTOMERS BY									
34	CLASS (AVERAGE)									
35	RETAIL -									
36	RESIDENTIAL	83,028	84,746	85,870	86,972	87,547	87,677	88,571	90,384	91,504
37	COMMERCIAL	6,882	6,956	7,058	7,115	7,150	7,213	6,428	6,488	6,539
38	INDUSTRIAL	246	242	234	230	223	223	229	231	231
39	OTHER	382	380	380	381	377	371	371	371	371
40	TOTAL RETAIL	90,538	92,324	93,542	94,698	95,297	95,465	95,599	97,474	98,645
41	TRANSPORTATION -									
42	COMMERCIAL	16	19	20	20	20	21	21	21	21
43	INDUSTRIAL	31	31	33	35	36	38	41	41	41
44	OTHER	7	7	7	7	11	22	23	23	23
45	OTHER END USERS	20	20	21	22	23	24	24	24	24
46	TOTAL TRANSPORTATION	74	77	81	84	90	104	109	109	109
47	TOTAL CUSTOMERS	90,612	92,401	93,623	94,782	95,387	95,589	95,708	97,583	98,754
48										
49	AVERAGE REVENUE PER									
50	CUSTOMER									
51	RETAIL -									
52	RESIDENTIAL	924	1,077	1,009	995	1,073	923	879	1,025	1,007
53	COMMERCIAL	4,451	5,252	5,109	5,169	5,851	4,733	5,230	6,515	6,419
54	INDUSTRIAL	17,977	26,856	26,441	26,829	20,205	17,465	16,054	19,555	17,902
55	TRANSPORTATION -									
56	COMMERCIAL	21,234	23,211	22,137	22,080	21,701	18,932	17,362	0	0
57	INDUSTRIAL	65,994	69,588	63,329	64,818	63,427	51,003	38,848	0	0
58	OTHER END USERS	57,166	60,508	59,436	55,237	54,157	45,493	44,010	47,613	47,564

(A) Contains Billed Sales

DUKE ENERGY KENTUCKY, INC
CASE NO. 2009-00202
REVENUE STATISTICS-JURISDICTIONAL
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

SCHEDULE I-3
PAGE 1 OF 1
WITNESS RESPONSIBLE:
S R LEE

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S).

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS					BASE PERIOD	FORECASTED PERIOD	TWO PROJECTED CALENDAR YEARS	
		2004	2005	2006	2007	2008			2011	2012
1	REVENUE BY CUSTOMER									
2	CLASS-\$ (A)									
3	RETAIL -									
4	RESIDENTIAL									
5	COMMERCIAL									
6	INDUSTRIAL									
7	OTHER									
8	TOTAL RETAIL									
9	TRANSPORTATION -									
10	COMMERCIAL									
11	INDUSTRIAL									
12	OTHER									
13	OTHER END USERS									
14	TOTAL TRANSPORTATION									
15	TOTAL REVENUES									
16										
17	NO. OF CUSTOMERS BY									
18	CLASS (YEAR END)									
19	RETAIL -									
20	RESIDENTIAL									
21	COMMERCIAL									
22	INDUSTRIAL									
23	OTHER									
24	TOTAL RETAIL									
25	TRANSPORTATION -									
26	COMMERCIAL									
27	INDUSTRIAL									
28	OTHER									
29	OTHER END USERS									
30	TOTAL TRANSPORTATION									
31	TOTAL CUSTOMERS									
32										
33	NO. OF CUSTOMERS BY									
34	CLASS (AVERAGE)									
35	RETAIL -									
36	RESIDENTIAL									
37	COMMERCIAL									
38	INDUSTRIAL									
39	OTHER									
40	TOTAL RETAIL									
41	TRANSPORTATION -									
42	COMMERCIAL									
43	INDUSTRIAL									
44	OTHER									
45	OTHER END USERS									
46	TOTAL TRANSPORTATION									
47	TOTAL CUSTOMERS									
48										
49	AVERAGE REVENUE PER									
50	CUSTOMER									
51	RETAIL -									
52	RESIDENTIAL									
53	COMMERCIAL									
54	INDUSTRIAL									
55	TRANSPORTATION -									
56	COMMERCIAL									
57	INDUSTRIAL									
58	OTHER END USERS									

SAME AS SCHEDULE I-2.1 - 100% OF TOTAL COMPANY OPERATIONS ARE JURISDICTIONAL

(A) Contains Billed and Unbilled Sales

DUKE ENERGY KENTUCKY, INC
CASE NO 2009-00202
SALES STATISTICS-TOTAL COMPANY
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

SCHEDULE I-4
PAGE 1 OF 1
WITNESS RESPONSIBLE:
S R LEE

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S)

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS					BASE PERIOD	FORECASTED PERIOD	TWO PROJECTED CALENDAR YEARS	
		2004	2005	2006	2007	2008			2011	2012
1	SALES BY CUSTOMER									
2	CLASS-MCF (A)									
3	RETAIL -									
4	RESIDENTIAL	6,685,673	6,788,510	5,815,112	6,227,726	6,653,731	6,747,636	6,699,903	6,713,716	6,747,365
5	COMMERCIAL	3,003,865	3,097,025	2,777,734	3,013,199	3,250,389	3,280,028	3,018,506	3,020,143	3,017,126
6	INDUSTRIAL	455,729	577,282	507,907	535,231	360,818	403,216	376,087	361,598	349,784
7	OTHER	528,760	531,224	481,948	485,343	506,728	509,728	521,604	514,408	509,995
8	TOTAL RETAIL	10,674,027	10,994,041	9,582,701	10,261,499	10,771,666	10,940,608	10,616,100	10,609,865	10,624,270
9	TRANSPORTATION -									
10	COMMERCIAL	156,295	192,427	199,567	200,966	198,344	170,927	145,231	145,312	145,162
11	INDUSTRIAL	1,027,169	1,049,718	1,095,418	1,188,240	1,194,202	993,205	782,872	742,737	718,470
12	OTHER	138,709	147,166	132,715	147,705	193,128	253,789	230,533	227,325	225,354
13	OTHER END USERS	1,359,713	1,359,279	1,464,936	1,395,776	1,426,021	1,254,411	1,227,496	1,259,454	1,266,702
14	TOTAL TRANSPORTATION	2,681,886	2,748,590	2,892,636	2,932,687	3,011,695	2,672,332	2,386,132	2,374,828	2,355,688
15	TOTAL SALES	13,355,913	13,742,631	12,475,337	13,194,186	13,783,361	13,612,940	13,002,232	12,984,693	12,979,958
16										
17	NO. OF CUSTOMERS BY									
18	CLASS (YEAR END)									
19	RETAIL -									
20	RESIDENTIAL	84,506	85,636	86,885	87,804	87,954	87,637	90,381	90,731	91,858
21	COMMERCIAL	6,977	7,072	7,133	7,227	7,223	7,198	6,539	6,521	6,579
22	INDUSTRIAL	251	231	238	231	221	225	231	232	231
23	OTHER	380	379	380	380	368	371	371	371	371
24	TOTAL RETAIL	92,114	93,318	94,636	95,642	95,766	95,431	97,522	97,855	99,039
25	TRANSPORTATION -									
26	COMMERCIAL	18	20	20	19	20	21	21	21	21
27	INDUSTRIAL	32	32	34	35	36	40	41	41	41
28	OTHER	7	7	7	9	23	23	23	23	23
29	OTHER END USERS	20	20	22	22	24	24	24	24	24
30	TOTAL TRANSPORTATION	77	79	83	85	103	108	109	109	109
31	TOTAL CUSTOMERS	92,191	93,397	94,719	95,727	95,869	95,539	97,631	97,964	99,148
32										
33	NO. OF CUSTOMERS BY									
34	CLASS (AVERAGE)									
35	RETAIL -									
36	RESIDENTIAL	83,028	84,746	85,870	86,972	87,547	87,677	88,571	90,384	91,504
37	COMMERCIAL	6,882	6,956	7,058	7,115	7,150	7,213	6,428	6,488	6,539
38	INDUSTRIAL	246	242	234	230	223	223	229	231	231
39	OTHER	382	380	380	381	377	371	371	371	371
40	TOTAL RETAIL	90,538	92,324	93,542	94,698	95,297	95,484	95,599	97,474	98,645
41	TRANSPORTATION -									
42	COMMERCIAL	16	19	20	20	20	21	21	21	21
43	INDUSTRIAL	31	31	33	35	36	38	41	41	41
44	OTHER	7	7	7	7	11	22	23	23	23
45	OTHER END USERS	20	20	21	22	23	24	24	24	24
46	TOTAL TRANSPORTATION	74	77	81	84	90	105	109	109	109
47	TOTAL CUSTOMERS	90,612	92,401	93,623	94,782	95,387	95,589	95,708	97,583	98,754
48										
49	AVERAGE SALES PER									
50	CUSTOMER-MCF									
51	RETAIL -									
52	RESIDENTIAL	81	80	68	72	76	77	76	74	74
53	COMMERCIAL	436	445	394	423	455	455	470	465	461
54	INDUSTRIAL	1,853	2,385	2,171	2,327	1,618	1,808	1,642	1,565	1,514
55	TRANSPORTATION -									
56	COMMERCIAL	9,768	10,128	9,978	10,048	9,917	8,139	6,916	6,920	6,912
57	INDUSTRIAL	33,134	33,862	33,194	33,950	33,172	28,137	19,094	18,116	17,524
58	OTHER END USERS	67,986	67,964	69,759	63,444	62,001	52,267	51,146	52,477	52,779

(A) Contains Billed Sales

DUKE ENERGY KENTUCKY, INC
CASE NO 2009-00202
SALES STATISTICS-JURISDICTIONAL
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011

SCHEDULE I-5
PAGE 1 OF 1
WITNESS RESPONSIBLE:
S R LEE

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S)

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS					BASE PERIOD	FORECASTED PERIOD	TWO PROJECTED CALENDAR YEARS	
		2004	2005	2006	2007	2008			2011	2012
1	SALES BY CUSTOMER									
2	CLASS-MCF (A)									
3	RETAIL -									
4	RESIDENTIAL									
5	COMMERCIAL									
6	INDUSTRIAL									
7	OTHER									
8	TOTAL RETAIL									
9	TRANSPORTATION -									
10	COMMERCIAL									
11	INDUSTRIAL									
12	OTHER									
13	OTHER END USERS									
14	TOTAL TRANSPORTATION									
15	TOTAL SALES									
16										
17	NO OF CUSTOMERS BY									
18	CLASS (YEAR END)									
19	RETAIL -									
20	RESIDENTIAL									
21	COMMERCIAL									
22	INDUSTRIAL									
23	OTHER									
24	TOTAL RETAIL									
25	TRANSPORTATION -									
26	COMMERCIAL									
27	INDUSTRIAL									
28	OTHER									
29	OTHER END USERS									
30	TOTAL TRANSPORTATION									
31	TOTAL CUSTOMERS									
32										
33	NO OF CUSTOMERS BY									
34	CLASS (AVERAGE)									
35	RETAIL -									
36	RESIDENTIAL									
37	COMMERCIAL									
38	INDUSTRIAL									
39	OTHER									
40	TOTAL RETAIL									
41	TRANSPORTATION -									
42	COMMERCIAL									
43	INDUSTRIAL									
44	OTHER									
45	OTHER END USERS									
46	TOTAL TRANSPORTATION									
47	TOTAL CUSTOMERS									
48										
49	AVERAGE SALES PER									
50	CUSTOMER-MCF									
51	RETAIL -									
52	RESIDENTIAL									
53	COMMERCIAL									
54	INDUSTRIAL									
55	TRANSPORTATION -									
56	COMMERCIAL									
57	INDUSTRIAL									
58	OTHER END USERS									

SAME AS SCHEDULE I-4 - 100% OF TOTAL COMPANY OPERATIONS ARE JURISDICTIONAL

(A) Contains Billed and Unbilled Sales

Before

KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 2009-00202

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY KENTUCKY
FOR AUTHORITY TO INCREASE
ITS RATES FOR GAS SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION J

SECTION J

RATE OF RETURN

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended September 30, 2009

Forecasted Period: Twelve Months Ended January 31, 2011

Schedules

- J-1 Cost of Capital Summary
- J-1.1 Average Forecasted Period Capital Structure – Current Rates
- J-1.2 Average Forecasted Period Capital Structure – Proposed Rates
- J-2 Embedded Cost of Short-Term Debt
- J-3 Embedded Cost of Long-Term Debt
- J-4 Embedded Cost of Preferred Stock
(Not Included per KyPSC Standard Filing Requirements)

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
COST OF CAPITAL SUMMARY
AS OF SEPTEMBER 30, 2009

DATA: "X" BASE PERIOD FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF BASE PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Below

SCHEDULE J-1
PAGE 1 OF 2
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	CLASS OF CAPITAL	REFERENCE	AMOUNT (\$)	% OF TOTAL	% COST	WEIGHTED COST %
1	Common Equity		402,061,142	51.062%	11.000%	5.617%
2	Long-Term Debt	J-3	313,042,086	39.757%	3.747%	1.490%
3	Short-Term Debt	J-2	<u>72,291,045</u>	<u>9.181%</u>	1.004%	<u>0.092%</u>
4						
5	Total Capital		<u>787,394,273</u>	<u>100.000%</u>		<u>7.199%</u>
6						
7						
8	Accumulated Deferred Investment Tax Credit					
9	Account 255		<u>3,769,796</u>			
10						
11						
12	<u>Investment Tax Credit Included in Total Capital</u>					
13						
14	Common Equity		403,986,075	51.062%	11.000%	5.617%
15	Long-Term Debt		314,540,844	39.757%	3.747%	1.490%
16	Short-Term Debt		<u>72,637,150</u>	<u>9.181%</u>	1.004%	<u>0.092%</u>
17						
18	Total Capital Including Investment Tax Credit		<u>791,164,069</u>	<u>100.000%</u>		<u>7.199%</u>

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
COST OF CAPITAL SUMMARY
THIRTEEN MONTH AVERAGE BALANCE

DATA: BASE PERIOD "X" FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF FORECAST PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISIONS
WORK PAPER REFERENCE NO(S):: See Below

SCHEDULE J-1
PAGE 2 OF 2
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	CLASS OF CAPITAL	REFERENCE	13 MONTH AVG BALANCE (\$)	% OF TOTAL	% COST	WEIGHTED COST %
1	Common Equity		411,218,278	49.901%	11.000%	5.489%
2	Long-Term Debt	J-3	367,408,791	44.585%	4.657%	2.076%
3	Short-Term Debt	J-2	<u>45,441,090</u>	<u>5.514%</u>	1.928%	<u>0.106%</u>
4						
5	Total Capital		<u>824,068,159</u>	<u>100.000%</u>		<u>7.671%</u>
6						
7						
8	Accumulated Deferred Investment Tax Credit					
9	Account 255		<u>2,955,668</u>			
10						
11						
12	<u>Investment Tax Credit Included in Total Capital</u>					
13						
14	Common Equity		412,693,186	49.901%	11.000%	5.489%
15	Long-Term Debt		368,726,576	44.585%	4.657%	2.076%
16	Short-Term Debt		<u>45,604,065</u>	<u>5.514%</u>	1.928%	<u>0.106%</u>
17						
18	Total Capital Including Investment Tax Credit		<u>827,023,827</u>	<u>100.000%</u>		<u>7.671%</u>

DUKE ENERGY KENTUCKY, INC
CASE NO. 2009-00202
AVERAGE FORECASTED-PERIOD CAPITAL STRUCTURE
CURRENT RATES

DATA: BASE PERIOD "X" FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: JANUARY 31, 2011
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Below

SCHEDULE J-1.1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	CLASS OF CAPITAL	REFERENCE	AMOUNT (\$)	% OF TOTAL	% COST	WEIGHTED COST %
1	Common Equity		411,218,278	49.901%	11.000%	5.489%
2	Long-Term Debt	J-3	367,408,791	44.585%	4.657%	2.076%
3	Short-Term Debt	J-2	<u>45,441,090</u>	<u>5.514%</u>	1.928%	<u>0.106%</u>
4						
5	Total Capital		<u>824,068,159</u>	<u>100.000%</u>		<u>7.671%</u>
6						
7						
8	Accumulated Deferred Investment Tax Credit					
9	Account 255		<u>2,955,668</u>			
10						
11						
12	<u>Investment Tax Credit Included in Total Capital</u>					
13						
14	Common Equity		412,693,186	49.901%	11.000%	5.489%
15	Long-Term Debt		368,726,576	44.585%	4.657%	2.076%
16	Short-Term Debt		<u>45,604,065</u>	<u>5.514%</u>	1.928%	<u>0.106%</u>
17						
18	Total Capital Including Investment Tax Credit		<u>827,023,827</u>	<u>100.000%</u>		<u>7.671%</u>

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
AVERAGE FORECASTED-PERIOD CAPITAL STRUCTURE
PROPOSED RATES

DATA: BASE PERIOD "X" FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: JANUARY 31, 2011
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Below

SCHEDULE J-1.2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	CLASS OF CAPITAL	REFERENCE	AMOUNT (\$)	% OF TOTAL	% COST	WEIGHTED COST %
1	Common Equity		416,878,156	50.442%	11.000%	5.549%
2	Long-Term Debt	J-3	367,408,791	44.457%	4.657%	2.070%
3	Short-Term Debt	J-2	<u>42,157,032</u>	<u>5.101%</u>	1.933%	<u>0.099%</u>
4						
5	Total Capital		<u>826,443,979</u>	<u>100.000%</u>		<u>7.718%</u>
6						
7						
8	Accumulated Deferred Investment Tax Credit					
9	Account 255		<u>2,955,668</u>			
10						
11						
12	<u>Investment Tax Credit Included in Total Capital</u>					
13						
14	Common Equity		418,369,054	50.442%	11.000%	5.549%
15	Long-Term Debt		368,722,792	44.457%	4.657%	2.070%
16	Short-Term Debt		<u>42,307,801</u>	<u>5.101%</u>	1.928%	<u>0.098%</u>
17						
18	Total Capital Including Investment Tax Credit		<u>829,399,647</u>	<u>100.000%</u>		<u>7.717%</u>

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
EMBEDDED COST OF SHORT-TERM DEBT
AS OF SEPTEMBER 30, 2009
(CORPORATE)

DATA: "X" BASE PERIOD FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF BASE PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE J-2
PAGE 1 OF 2
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	ISSUE (A)	AMOUNT OUTSTANDING (B)	INTEREST RATE (C)	INTEREST REQUIREMENT (D)
		(\$)	(%)	(\$)
1	<u>A/C 243: Capital Lease - Current</u>			
2				
3	Capital Lease - Meters (2001 Acquisitions)	453,994	5.997%	27,226
4	Capital Lease - Meters (2002 Acquisitions)	111,474	4.481%	4,995
5	Capital Lease - Meters (2003 Acquisitions)	205,002	4.740%	9,717
6	Capital Lease - Meters (2004 Acquisitions)	190,704	5.010%	9,554
7	Capital Lease - Meters (2005 Acquisitions)	188,136	4.893%	9,205
8	Capital Lease - Meters (2006 Acquisitions)	206,579	5.000%	10,329
9	Capital Lease - Meters (2007 Acquisitions)	249,326	5.115%	12,753
10	Capital Lease - Meters (2008 Acquisitions)	277,735	4.821%	13,390
11	Capital Lease - Erlanger Facility	96,482	8.634%	8,330
12				
13	<u>A/C 224: Other Long Term Debt</u>			
14	7.875% due 9/15/09	(53,113)		(53,113)
15				
16	<u>A/C 233: Notes Payable to Assoc. Companies</u>			
17				
18	Notes Payable - Money Pool	30,364,726	0.957%	290,560
19				
20	<u>Sale of Accounts Receivable</u>			
21				
22	Amount Sold for Cash/Classified as Receivable	<u>40,000,000</u>	0.957%	<u>382,760</u>
23				
24	Totals	<u><u>72,291,045</u></u>		<u><u>725,706</u></u>
25				
26	Cost of Short-Term Debt			<u><u>1.004%</u></u>

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
EMBEDDED COST OF SHORT-TERM DEBT
THIRTEEN MONTH AVERAGE BALANCE
(CORPORATE)

DATA: BASE PERIOD "X" FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF FORECAST PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE J-2
PAGE 2 OF 2
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	ISSUE (A)	AMOUNT OUTSTANDING (B)	INTEREST RATE (C)	INTEREST REQUIREMENT (D)
		(\$)	(%)	(\$)
1	<u>A/C 243: Capital Lease - Current</u>			
2				
3	Capital Lease - Meters (2001 Acquisitions)	218,739	5.997%	13,118
4	Capital Lease - Meters (2002 Acquisitions)	189,218	4.481%	8,479
5	Capital Lease - Meters (2003 Acquisitions)	213,268	4.740%	10,109
6	Capital Lease - Meters (2004 Acquisitions)	198,842	5.010%	9,962
7	Capital Lease - Meters (2005 Acquisitions)	195,972	4.893%	9,589
8	Capital Lease - Meters (2006 Acquisitions)	215,376	5.000%	10,769
9	Capital Lease - Meters (2007 Acquisitions)	260,193	5.115%	13,309
10	Capital Lease - Meters (2008 Acquisitions)	289,128	4.821%	13,939
11	Capital Lease - Erlanger Facility	107,242	8.634%	9,259
12				
13	<u>A/C 224: Other Long Term Debt</u>			
14	Unamortized (discount) or premium	(53,113)		(53,113)
15				
16	<u>A/C 233: Notes Payable to Assoc. Companies</u>			
17				
18	Notes Payable - Money Pool	3,606,224	1.792%	64,624
19				
20	<u>Sale of Accounts Receivable</u>			
21				
22	Amount Sold for Cash/Classified as Receivable	<u>40,000,000</u>	1.915%	<u>766,080</u>
23				
24	Totals	<u><u>45,441,090</u></u>		<u><u>876,124</u></u>
25				
26	Cost of Short-Term Debt			<u><u>1.928%</u></u>

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
EMBEDDED COST OF LONG-TERM DEBT
AS OF SEPTEMBER 30, 2009
(CORPORATE)

SCHEDULE J-3
PAGE 1 OF 2
WITNESS RESPONSIBLE:
S. G. DE MAY

DATA: "X" BASE PERIOD FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF BASE PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S)..

LINE NO.	DEBT ISSUE TYPE, COUPON RATE	DATE ISSUED (DAY/MO/YR) (A)	MATURITY DATE (DAY/MO/YR) (B)	PRINCIPAL AMOUNT (C)	FACE AMOUNT OUTSTANDING (D)	UNAMORT. (DISCOUNT) OR PREMIUM (E)	UNAMORT. DEBT EXPENSE (F)	UNAMORT. LOSS ON REACQUIRED DEBT (G)	CARRYING VALUE (H=D+E-F-G)	ANNUAL INTEREST COST(*) (I)	
1	A/C 227: Capital Lease - Non Current										
2									327,650	14,683	
3	Capital Lease - Meters (2002 Acquisitions)	4.481%	20-Dec-02	20-Sep-11	1,074,181	327,650	-	-	855,621	40,556	
4	Capital Lease - Meters (2003 Acquisitions)	4.740%	20-Dec-03	20-Sep-12	2,068,445	855,621	-	-	1,040,058	52,110	
5	Capital Lease - Meters (2004 Acquisitions)	5.010%	20-Dec-04	20-Sep-13	2,017,084	1,040,058	-	-	1,261,823	61,741	
6	Capital Lease - Meters (2005 Acquisitions)	4.893%	30-Dec-05	30-Dec-14	2,079,031	1,261,823	-	-	1,682,055	84,109	
7	Capital Lease - Meters (2006 Acquisitions)	5.000%	28-Dec-06	28-Dec-15	2,406,336	1,682,055	-	-	2,410,791	123,318	
8	Capital Lease - Meters (2007 Acquisitions)	5.115%	31-Dec-07	31-Dec-16	3,066,955	2,410,791	-	-	3,039,860	146,539	
9	Capital Lease - Meters (2008 Acquisitions)	4.821%	21-Apr-09	21-Apr-18	3,429,432	3,039,860	-	-	1,671,661	144,327	
10	Capital Lease - Erlanger Facility										
11	A/C 221: Bonds										
12	A/C 189: Unamortized Loss on R/A Debt										
13								418,944	(418,944)	39,276	
14								653,211	(653,211)	66,996	
15								416,787	(416,787)	37,464	
16	10.25% due 6/1/2020							1,009,439	(1,009,439)	63,922	
17	9.7% due 7/1/2019							550,814	(550,814)	38,654	
18	10.25% due 11/15/2020							64,024	(64,024)	16,702	
19	7.65% due 7/15/2025							59,868	(59,868)	4,561	
20	5.5% due 1/1/2024							277,642	(277,642)	15,569	
21	6.25% due 8/1/2013										
22	6.5% due 1/15/2022										
23	Variable rate PCB, due 8/1/2027										
24	A/C 233: Intercompany Notes Payable										
25	A/C 224: Other Long Term Debt										
26									39,627,671	2,078,780	
27									49,732,259	2,917,003	
28	Debentures	5.00% Series	09-Dec-04	15-Dec-14	40,000,000	40,000,000	(159,234)	213,095	-	64,111,950	4,064,044
29	Debentures	5.75% Series	10-Mar-06	10-Mar-16	50,000,000	50,000,000	(16,330)	251,411	-	26,548,595	164,704
30	Debentures	6.20% Series	10-Mar-06	10-Mar-36	65,000,000	65,000,000	(312,008)	576,042	-	49,834,194	772,733
31	Debentures	Variable Series	26-Jul-06	01-Aug-27	26,720,000	26,720,000	0	171,405	-	73,497,133	740,824
32	Debentures	Variable Series	03-Dec-08	01-Aug-27	50,000,000	50,000,000	0	165,806	-	851,494	40,616
33	Debentures	Variable Series	30-Sep-08	28-Jun-12	73,517,045	73,517,045	0	19,912	-		
34	Long-Term Notes Payable (Credit Facility Draw)	Variable	31-Jul-07	31-Jul-27	851,494	851,494	-	-	-		
35	Other	4.77%									
36	Totals				324,330,003	318,378,058	(487,572)	1,397,671	3,450,729	313,042,086	11,729,231
37											
38											
39	Embedded Cost of Long-Term Debt (I / H)										
40											

3.747%

(*) Annualized interest cost plus (or minus) amortization of discount or premium plus amortization of issue costs minus (or plus) amortization of gain (or loss) on reacquired debt.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
EMBEDDED COST OF LONG-TERM DEBT
THIRTEEN MONTH AVERAGE BALANCE
(CORPORATE)

SCHEDULE J-3
PAGE 2 OF 2
WITNESS RESPONSIBLE
S. G. DE MAY

DATA: BASE PERIOD "X" FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF FORECAST PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISIED
WORK PAPER REFERENCE NO(S):

LINE NO.	DEBT ISSUE TYPE, COUPON RATE	DATE ISSUED (DAY/MO/YR) (A)	MATURITY DATE (DAY/MO/YR) (B)	PRINCIPAL AMOUNT (C)	FACE AMOUNT OUTSTANDING (D)	UNAMORT. (DISCOUNT) OR PREMIUM (E)	UNAMORT. DEBT EXPENSE (F)	UNAMORT. LOSS ON REACQUIRED DEBT (G)	CARRYING VALUE (H=D+E-F-G)	ANNUAL INTEREST COST (*) (I)	
1	<u>A/C 227: Capital Lease - Non Current</u>										
2				1,074,181	157,113	-	-	-	157,113	7,041	
3	Capital Lease - Meters (2002 Acquisitions)	4.481%	20-Dec-02	20-Sep-11	2,068,445	676,718	-	-	676,718	32,076	
4	Capital Lease - Meters (2003 Acquisitions)	4.740%	20-Dec-03	20-Sep-12	2,017,084	873,194	-	-	873,194	43,750	
5	Capital Lease - Meters (2004 Acquisitions)	5.010%	20-Dec-04	20-Sep-13	2,079,031	1,097,394	-	-	1,097,394	53,695	
6	Capital Lease - Meters (2005 Acquisitions)	4.893%	30-Dec-05	30-Dec-14	2,406,336	1,501,319	-	-	1,501,319	75,072	
7	Capital Lease - Meters (2006 Acquisitions)	5.000%	28-Dec-06	28-Dec-15	3,066,955	2,192,412	-	-	2,192,412	112,147	
8	Capital Lease - Meters (2007 Acquisitions)	5.115%	31-Dec-07	31-Dec-16	3,429,432	2,797,293	-	-	2,797,293	134,846	
9	Capital Lease - Meters (2008 Acquisitions)	4.821%	21-Apr-09	21-Apr-18	2,100,000	1,580,537	-	-	1,580,537	136,460	
10	Capital Lease - Erlanger Facility	8.600%	30-Sep-05	30-Sep-20							
11											
12	<u>A/C 221: Bonds</u>										
13											
14	<u>A/C 189: Unamortized Loss on R/A Debt</u>										
15								386,214	(386,214)	39,276	
16	10.25% due 6/1/2020							597,381	(597,381)	66,996	
17	9.7% due 7/1/2019							385,567	(385,567)	37,464	
18	10.25% due 11/15/2020							956,170	(956,170)	63,922	
19	7.65% due 7/15/2025							518,603	(518,603)	38,654	
20	5.5% due 1/1/2024							50,106	(50,106)	16,702	
21	6.25% due 8/1/2013							56,067	(56,067)	4,561	
22	6.5% due 1/15/2022							264,668	(264,668)	15,569	
23	Variable rate PCB, due 8/1/2027										
24											
25	<u>A/C 233: Intercompany Notes Payable</u>										
26											
27	<u>A/C 224: Other Long Term Debt</u>										
28				40,000,000	40,000,000	(127,690)	178,989	-	39,693,321	2,078,780	
29	5.00% Series		09-Dec-04	15-Dec-14	50,000,000	50,000,000	(13,831)	218,908	-	49,767,261	2,917,003
30	5.75% Series		10-Mar-06	10-Mar-16	65,000,000	65,000,000	(301,790)	557,891	-	64,140,319	4,064,044
31	6.20% Series		10-Mar-06	10-Mar-36	26,720,000	26,720,000	0	160,554	-	26,559,446	356,748
32	Variable Series		26-Jul-06	01-Aug-27	50,000,000	50,000,000	0	152,612	-	49,847,388	1,731,033
33	Variable Series		03-Dec-08	01-Aug-27	73,517,045	73,517,045	0	13,302	-	73,503,743	1,445,338
34	Long-Term Notes Payable (Credit Facility Draw)	Variable	30-Sep-08	28-Jun-12	40,000,000	40,000,000	0	0	-	40,000,000	2,600,000
35	Forecasted Debentures	6.50% Series	15-Dec-09	15-Dec-29	25,000,000	15,384,615	0	0	-	15,384,615	1,000,000
36	Forecasted Debentures	6.50% Series	15-Jun-10	15-Jun-30	851,494	851,494	-	-	-	851,494	40,616
37	Other	4.77%	31-Jul-07	31-Jul-27							
38											
39											
40											
41											
42											
					389,330,003	372,349,134	(443,311)	1,282,256	3,214,776	367,408,791	17,111,793
										4.657%	
										Embedded Cost of Long-Term Debt (I / H)	

(*) Annualized interest cost plus (or minus) amortization of discount or premium plus amortization of issue costs minus (or plus) amortization of gain (or loss) on reacquired debt.

Before

KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 2009-00202

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY KENTUCKY
FOR AUTHORITY TO INCREASE
ITS RATES FOR GAS SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION K

SECTION K

FINANCIAL DATA

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended September 30, 2009

Forecasted Period: Twelve Months Ended January 31, 2011

K Schedules

Page 1

Plant Data

Composite Depreciation Rates

Page 2

Capital Structure

Condensed Income Statement

Income Available for Fixed Charges

Cost of Capital

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Stock and Bond Ratings

Fixed Charge Coverage

Percentage of Construction Expenditures Financed Internally

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Common Stock Related Data

Rate of Return Measures - Return on Equity

Rate of Return Measures - Return on Total Capital

Rate of Return Measures - Return on Net Plant

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Other Financial and Operating Data - Mix of Sales

Other Financial and Operating Data - Mix of Fuel

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
COMPARATIVE FINANCIAL DATA

SCHEDULE K
PAGE 1 OF 5
WITNESS RESPONSIBLE:
B. R. MELENDEZ

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):..

Line No.	Description	FORECASTED PERIOD	BASE PERIOD	MOST RECENT CALENDAR YEARS										
				2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	
1	PLANT DATA (\$000 omitted): (a)													
2	<u>Gas Plant</u>													
3	Intangible	-	-	464	464	417	258	258	258	258	254	1	1	
4	Production-Mfg. Gas	5,979	5,996	5,883	5,846	5,846	5,425	5,341	4,773	4,376	3,837	3,837	3,494	
5	Underground Storage	-	-	-	-	-	-	-	-	-	-	-	-	
6	Storage-Local	-	-	-	-	-	-	-	-	-	-	-	-	
7	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	
8	Distribution	397,137	347,031	336,617	311,175	269,654	269,283	249,146	232,766	208,746	190,492	177,315	166,241	
9	General	3,480	3,482	2,100	1,979	1,974	1,942	1,922	1,873	2,125	2,717	3,725	3,275	
10	Total Gas Plant-Gross	406,597	356,509	345,064	319,464	297,891	276,908	256,667	239,670	215,505	197,300	184,878	173,011	
11	Less: Accum. Provision for Depr. and Amort.	109,673	102,103	97,882	93,640	89,476	87,197	81,304	77,007	72,107	68,659	65,590	60,617	
12	Gas Plant in Service-Net	296,924	254,406	247,182	225,824	208,415	189,711	175,363	162,663	143,398	128,641	119,288	112,394	
13														
14	<u>Electric Plant</u>													
15	Intangible	2,200	2,200	2,200	2,197	2,138	2,082	1,944	1,769	1,768	1,198	204	204	
16	Production Plant-Steam	508,600	500,837	494,387	499,345	493,867	-	-	-	-	-	-	-	
17	Production Plant-Hydro	-	-	-	-	-	-	-	-	-	-	-	-	
18	Production Plant-Other	261,349	261,349	259,706	271,247	274,789	-	-	-	-	-	-	-	
19	Transmission	28,256	28,438	28,185	27,830	22,611	21,299	21,100	20,573	17,892	15,803	15,933	14,537	
20	Distribution	366,196	335,589	316,556	302,308	285,942	274,916	262,009	250,578	236,838	228,450	214,558	203,598	
21	General	5,941	4,480	1,384	1,015	858	731	775	975	1,596	2,773	3,786	3,696	
22	Total Electric Plant-Gross	1,172,542	1,132,893	1,102,418	1,103,942	1,080,205	299,028	285,828	273,895	258,094	248,224	234,481	222,035	
23	Less: Accum. Provision for Depr. and Amort.	564,698	543,184	535,776	534,014	521,661	115,888	110,341	105,329	100,030	93,459	90,697	84,027	
24	Electric Plant in Service-Net	607,844	589,709	566,642	569,928	558,544	183,140	175,487	168,566	158,064	154,765	143,784	138,008	
25														
26	<u>Common Plant</u>													
27	Common Plant	36,443	33,482	28,711	27,291	22,597	26,688	23,584	34,706	31,679	50,289	44,603	42,352	
28	Less: Accum. Provision for Depr. and Amort.	23,102	18,697	16,443	13,850	11,306	11,188	9,611	17,829	15,739	16,449	13,116	9,963	
29	Common Plant in Service-Net	13,341	14,785	12,268	13,441	11,291	15,500	13,973	16,877	15,940	33,840	31,487	32,389	
30														
31	Plant Held for Future Use	-	-	-	-	-	-	-	-	-	-	-	-	
32														
33	Construction Work in Progress	26,008	29,695	36,504	24,572	26,680	12,840	6,071	6,165	14,745	11,004	15,069	13,761	
34														
35	Net Utility Plant	944,117	888,595	862,596	833,765	804,930	401,191	370,894	354,271	332,147	328,250	309,628	296,552	
36														
37	Composite depreciation rates:													
38	Gas (%)	N/A	N/A	2.28%	2.33%	2.27%	2.30%	3.10%	2.80%	2.90%	2.90%	2.90%	2.90%	
39	Electric (%)	N/A	N/A	2.50%	2.50%	2.49%	3.34%	3.20%	3.00%	3.00%	3.00%	3.00%	3.00%	
40	Common (%)	N/A	N/A	8.98%	9.50%	9.55%	8.91%	6.90%	2.50%	2.90%	3.30%	2.70%	2.60%	

(a) Completed Construction Not Classified is included with Plant in Service by function.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
COMPARATIVE FINANCIAL DATA

SCHEDULE K
PAGE 2 OF 5
WITNESS RESPONSIBLE:
R. M. PARSONS

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S)..

Line No.	Description	FORECASTED PERIOD	BASE PERIOD	MOST RECENT CALENDAR YEARS									
				2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
1	CAPITAL STRUCTURE:												
2	Long-term debt (\$000)	367,409	313,042	316,168	265,334	283,192	103,626	100,118	54,685	74,653	74,621	74,589	74,557
3	Preferred stock (\$000)	-	-	-	-	-	-	-	-	-	-	-	-
4	Common equity (\$000)	411,218	402,061	394,025	385,546	349,348	196,459	192,511	189,356	177,163	172,203	147,188	132,050
5	CONDENSED INCOME STATEMENT DATA:												
6	Operating revenues (\$000,000)	483.9	483.6	500.1	490.6	399.9	386.5	351.3	330.8	308.6	340.3	317.6	281.0
7	Operating expenses (excluding FIT and SIT) (\$000,000)	451.6	421.9	427.9	423.6	369.3	358.5	318.6	0.0	278.3	284.6	271.8	250.8
9	Operating income (\$000,000)	32.3	61.7	72.2	67.0	30.6	28.0	32.7	330.8	30.3	55.7	45.8	30.2
10	Federal income taxes (current) (\$000,000)	1.5	0.8	7.2	17.4	0.5	3.1	2.7	(2.1)	5.4	24.5	7.7	10.3
11	State income taxes (current) (\$000,000)	(2.2)	1.6	1.5	2.2	0.0	0.5	(0.4)	0.4	0.1	0.3	(0.1)	2.7
12	Total income taxes (current) (\$000,000)	(0.7)	2.4	8.7	19.6	0.5	3.6	2.3	(1.7)	5.5	24.8	7.6	13.0
13	Investment tax credits - net (\$000,000)	0.0	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
14	AFUDC - Debt and Equity (\$000,000)	0.9	0.6	1.3	0.7	1.4	0.9	0.0	0.3	1.0	0.3	0.5	0.3
15	Other income - net (\$000,000) (a)	(16.3)	(14.7)	(16.7)	(9.6)	(12.0)	(8.8)	(4.9)	(3.1)	(11.6)	(2.4)	(5.3)	(5.9)
16	Extraordinary item (\$000,000)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Net income (\$000,000)	17.5	32.0	37.5	33.5	10.7	14.6	18.6	19.0	12.1	35.9	24.6	12.3
18	Net income applicable to Common Stock (\$000,000)	17.5	32.0	37.5	33.5	10.7	14.6	18.6	19.0	12.1	35.9	24.6	12.3
19	INCOME AVAILABLE FOR FIXED CHARGES:												
20	Interest charges (\$000)	17,683	18,016	17,669	17,414	15,776	6,903	5,179	6,127	5,938	6,313	6,308	6,114
21	Net income before preferred dividend requirements of subsidiaries (\$000)	17,528	32,008	37,481	33,469	10,723	14,645	18,638	19,029	12,150	35,924	24,632	12,274
22	Preferred dividend requirements of subsidiaries (\$000)	-	-	-	-	-	-	-	-	-	-	-	-
23	Cost of reacquisition of Preferred Stock (\$000)	-	-	-	-	-	-	-	-	-	-	-	-
24	Earnings available for common equity (\$000)	17,528	32,008	37,481	33,469	10,723	14,645	18,638	19,029	12,150	35,924	24,632	12,274
25	AFUDC - % of net income before preferred dividend requirements of subsidiaries	0.05	0.02	0.03	0.02	0.13	0.06	0.00	0.02	0.08	0.01	0.02	0.02
26	AFUDC - % of earnings available for common equity	0.05	0.02	0.03	0.02	0.13	0.06	0.00	0.02	0.08	0.01	0.02	0.02
27	COST OF CAPITAL:												
28	Embedded cost of long-term debt (%)	4.66	3.75	6.45	5.87	6.09	6.79	6.80	7.95	7.61	7.80	7.83	7.86
29	Embedded cost of preferred stock (%)	-	-	-	-	-	-	-	-	-	-	-	-

(a) Includes Interest Charges and income tax on Other Income & Deductions.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
COMPARATIVE FINANCIAL DATA

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE K
PAGE 3 OF 5
WITNESS RESPONSIBLE:
S. G. DE MAY

Line No.	Description	FORECASTED PERIOD	BASE PERIOD	MOST RECENT CALENDAR YEARS									
				2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
1	STOCK AND BOND RATINGS:												
2	ULH&P												
3	Moody's Unsecured Debt	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1
4	S&P's Unsecured Debt	A-	A-	A-	A-	BBB	BBB	BBB	BBB	BBB	BBB+	BBB+	BBB+
5													
6	FIXED CHARGE COVERAGE:												
7	Pre-tax interest coverage	2.46	2.94	3.97	3.72	2.10	3.98	5.71	5.06	4.45	7.38	5.79	3.92
8	Pre-tax interest coverage (excluding AFUDC)	2.41	2.91	3.90	3.68	2.02	3.86	5.71	5.02	4.30	7.34	5.73	3.88
9	After tax interest coverage	1.96	2.73	2.91	2.73	1.61	2.94	4.03	3.68	2.71	5.62	4.07	2.59
10	Indenture provision coverage (a)	-	-	-	-	-	-	-	-	-	-	-	-
11	Fixed charge coverage	1.96	2.73	2.91	2.73	1.61	2.94	4.03	3.68	2.71	5.62	4.07	2.59
12													
13	Percentage of Construction Expenditures												
14	Financed Internally	70	82	60	100	94	73	91	67	100	100	100	81

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
COMPARATIVE FINANCIAL DATA

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE K
PAGE 4 OF 5
WITNESS RESPONSIBLE:
R. M. PARSONS

Line No.	Description	FORECASTED PERIOD	BASE PERIOD	MOST RECENT CALENDAR YEARS										
				2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	
1	COMMON STOCK RELATED DATA:													
2	Shares outstanding - year end (000)	585	585	585	585	585	585	585	585	585	585	585	585	585
3	Shares outstanding - weighted average													
4	(monthly) (000)	585	585	585	585	585	585	585	585	585	585	585	585	585
5	Earnings per share - weighted average (\$)	57.03	33.25	31.86	32.53	25.03	25.03	31.86	32.53	20.77	61.41	42.11	20.98	
6	Earnings per share - weighted													
7	average - assuming dilution (\$)	57.03	33.25	31.86	32.53	25.03	25.03	31.86	32.53	20.77	61.41	42.11	20.98	
8	Dividends paid per share (\$)	N/A	N/A	24.94	10.77	17.04	17.04	24.94	10.77	16.52	20.00	16.50	16.50	
9	Dividends declared per share (\$)	N/A	N/A	24.94	10.77	17.04	17.04	24.94	10.77	16.52	20.00	16.50	16.50	
10	Dividend pay out ratio (declared basis) (%)	N/A	N/A	78.3	33.1	68.1	68.1	78.3	33.1	79.5	32.6	39.2	78.7	
11	Market price - High-Low (\$)													
12	1st quarter - High	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
13	- Low	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14	2nd quarter - High	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
15	- Low	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
16	3rd quarter - High	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
17	- Low	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
18	4th quarter - High	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
19	- Low	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
20	Book value per share (year-end) (\$)		-	329.08	323.69	335.83	335.83	329.08	323.69	302.84	294.36	251.60	225.73	
21														
22	RATE OF RETURN MEASURES:													
23	Return on common equity (average) (%)	4.30	8.04	9.62	9.12	3.92	7.51	9.74	10.37	6.93	22.48	17.62	18.63	
24	Return on total capital (average) (%)	2.34	4.49	5.51	5.22	2.29	4.93	6.93	7.66	4.85	15.32	11.49	11.91	
25	Return on net plant in service (average) - Total Company %	3.18	4.94	6.47	5.34	3.66	6.01	6.68	6.59	7.15	12.42	10.19	6.48	
26	" " " - Gas %	2.08	2.40	3.22	4.26	2.98	4.34	5.77	7.28	5.81	5.24	5.05	5.84	
27	" " " - Electric %	3.67	6.38	7.82	5.76	4.02	7.70	7.58	5.93	8.32	18.38	14.42	6.96	

