

**Duke Energy Kentucky**  
**Case No. 2009-00202**  
**Forecasted Test Period Filing Requirements**  
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<b>Vol. #</b>	<b>Tab #</b>	<b>Filing Requirement</b>	<b>Description</b>	<b>Sponsoring Witness</b>
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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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: <ol style="list-style-type: none"> <li>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;</li> <li>2. method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period;</li> <li>3. Explain how allocator for both base and forecasted test period was determined; and</li> <li>4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable.</li> </ol>	David L. Doss

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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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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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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 6**



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 L

SECTION L

RATES AND TARIFFS

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended September 30, 2009

Forecasted Period: Twelve Months Ended January 31, 2011

Schedules

- L Narrative Rationale for Tariff Changes
- L-1 Clean Copy of Proposed Rate Schedules
- L-2 Scored Copy of Proposed Rate Schedules

DUKE ENERGY KENTUCKY, INC.  
, CASE NO. 2009-00202  
NARRATIVE RATIONALE FOR TARIFF CHANGES  
GAS SERVICE

SCHEDULE L  
PAGE 1 OF 5  
WITNESS RESPONSIBLE: J. ZIOLKOWSKI

RATE IDENTIFIER: Rate RS, Residential Service (Sheet No. 30)

TYPE: Flat Rate

Explanation of Proposal:

Revised tariff schedule applicable to residential gas service. Proposed rates reflect a \$30.00 per month customer charge and a flat rate of \$0.19966 per hundred cubic feet (CCF) of gas consumed. The proposed rate schedule specifies that, in addition to the above charges, customer will pay the prevailing gas cost adjustment (GCA) rate for commodity gas supplies provided.

Rationale:

The Company proposes to implement a Modified Straight Fixed Variable (MSFV) rate structure. The Company calculates that the customer charge required for the full recovery of customer related costs would result in a customer charge of \$25.11 per customer, per month. The proposed customer charge of \$30.00 recovers all of the customer related costs and some of the other fixed costs necessary to serve residential customers.

RATE IDENTIFIER: Rate GS, General Service (Sheet No. 31)

TYPE: Flat Rate

Explanation of Proposal:

Revised tariff schedule applicable to firm non-residential full requirement customers. Proposed rate includes a customer charge of \$47.50 per customer per month and a flat rate delivery charge of \$0.22786 per hundred cubic feet (CCF) of gas consumed. The proposed rate schedule specifies that, in addition to the above charges, customer will pay the prevailing gas cost adjustment (GCA) rate for commodity gas supplies.

Rationale:

The customer charge was developed with the goal of recovering the actual costs that the Company incurs for facilities constructed to bring service to general service customers. It was also designed to recover the cost of meter reading, bill preparation and revenue collection. The Company calculates that the customer charge required for the full recovery of customer related costs would result in a customer charge of \$47.82 per customer, per month. Accordingly, the Company proposes to set the customer charge at \$47.50.

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NARRATIVE RATIONALE FOR TARIFF CHANGES  
GAS SERVICE

SCHEDULE L  
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WITNESS RESPONSIBLE: J. ZIOLKOWSKI

RATE IDENTIFIER: Rate IT, Interruptible Transportation (Sheet No. 50)

TYPE: Flat Rate

Explanation of Proposal:

Existing tariff rate applicable to curtailable natural gas service and available to any customer who: (1) signs a contract with the Company; (2) uses a minimum of 10,000 CCF per month during the seven consecutive billing periods commencing with customer's first meter reading taken on or after April 1; (3) has arranged for delivery of gas into the Company's system for customer's sole use at one point of delivery where distribution mains are adjacent to the premise to be served; an (4) has become a member of a pool under Rate AS and elected monthly balancing service under Rate IMBS. Proposed Rate IT includes a Monthly Administrative Charge of \$430 per month and a commodity delivery charge of \$0.10150 per hundred cubic feet (CCF) of gas delivered.

Rationale:

The Company proposes to maintain the administrative charge at \$430 per month. The Company calculates that the administrative charge required for the full recovery of Rate IT customer related costs would result in an administrative charge of \$784.74 per customer, per month. In the past the Company has set the administrative charges for Rate IT and Rate FT-L at the same level, and the Company desires to continue this practice.

RATE IDENTIFIER: Rate FT-L, Firm Transportation-Large (Sheet No. 51)

TYPE: Flat Rate

Explanation of Proposal:

Revised tariff schedule is a firm, full requirements, transportation tariff available to non-residential customers who: (1) use more than 2,000 MCF per year; (2) have signed a service agreement with the Company; and (3) who use gas at one point of delivery where distribution mains are adjacent to the premise to be served. Customer must enter a pooling agreement with a supplier who will perform the supply management function on customer's behalf. Proposed Rate FT-L includes a Monthly Administrative Charge of \$430 and a commodity delivery charge of \$0.19252 per hundred cubic feet (CCF) of gas delivered. Charges under this rate will also include the applicable charges per one hundred cubic feet as set forth on Sheet No. 77, Rider GCAT, Gas Cost Adjustment Transition Rider.

Rationale:

The administrative charge has been maintained at the current level of \$430. The Company calculates that the administrative charge required for the full recovery of Rate FT-L customer related costs would result in an administrative charge of \$305.17 per customer, per month. In the past the Company has set the administrative charges for Rate IT and Rate FT-L at the same level, and the Company desires to continue this practice. Combined together, the administrative

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GAS SERVICE

SCHEDULE L  
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WITNESS RESPONSIBLE: J. ZIOLKOWSKI

charge required for full recovery of Rate FT-L and Rate IT customer related costs would result in a combined administrative charge of \$410.77. The proposed Rate FT-L administrative charge is slightly higher than this amount, but it is identical to the proposed Rate IT administrative charge.

RATE IDENTIFIER: Rate MPS, Meter Pulse Service (Sheet No. 84)                      TYPE: Variable

Explanation of Proposal:

Rate MPS is an optional program available to customers that request the Company to install gas meter pulse equipment, a meter-related service not otherwise provided by the Company. Gas meter pulse equipment connects the Company's gas meter (used for billing) to the customer's energy management system and provides an input data signal that is proportional to the amount of gas consumed during a specific time interval. Duke Energy Kentucky proposes to charge a basic one-time fee of \$500 for the installation of the gas meter pulse equipment. The Company may also charge to recover certain incremental costs, such as index replacement, meter replacement if necessary or additional service calls, as outlined in the proposed tariff sheet. The customer must provide either a regulated 24 volts DC, or 120 volts AC electric supply, to an area 2' x 2', approximately 20' away from any gas pipeline flanges or gas pressure relief devices.

Rationale:

Rate MPS allows for tariff recovery of expenses associated with installation, and maintenance as required, of additional equipment outside of what is needed in order to provide normal natural gas delivery service to customers. The data gathered by customers from this equipment may enable customers to more efficiently use their natural gas.

RATE IDENTIFIER: Rider AMRP, Accelerated Main Replacement  
Program Rider (Sheet No. 63)                      TYPE: Rider

Explanation of Proposal:

Rider AMRP is being withdrawn and cancelled. References to Rider AMRP were eliminated from the base rate tariff sheets (RS, GS, FT-L, IT, DGS, and SSIT).

Rationale:

This rider will terminate effective with the date of the Order issued with this Case No. 2009-00202.

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WITNESS RESPONSIBLE: J. ZIOLKOWSKI

RATE IDENTIFIER: Rate MSR-G, Merger Savings Credit Rider  
(Sheet No. 64)

TYPE: Rider

Explanation of Proposal:

Rider MSR-G is being withdrawn and cancelled. References to Rider MSR-G were eliminated from the base rate tariff sheets (RS, GS, FT-L, IT, and SSIT).

Rationale:

This rider will terminate effective with the date of the Order issued with this Case No. 2009-00202 .

RATE IDENTIFIER: Gas Cost Adjustment Clause  
(Sheet No. 70)

TYPE: Rider

Explanation of Proposal:

The Company proposes to add verbiage to the Gas Cost Adjustment Clause. Specifically, the Company proposes to recover gas-related uncollectible expense. The proposed change will also allow the Company to recover carrying costs on gas stored underground through the Gas Cost Adjustment Clause.

Rationale:

See Explanation of Proposal.



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CASE NO. 2009-00202  
NARRATIVE RATIONALE FOR TARIFF CHANGES  
GAS SERVICE

SCHEDULE L  
PAGE 5 OF 5  
WITNESS RESPONSIBLE: J. ZIOLKOWSKI

RATE IDENTIFIER: Rate AS, Pooling Service For Interruptible Gas Transportation  
(Sheet No. 55) TYPE: Rider

Explanation of Proposal:

The Late Payment Charges section of Rate AS currently states: "Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (5%) of the unpaid balance is due and payable." The stated percentages are inconsistent. The Company proposes to make the language consistent as follows: "Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable."

Rationale:

See Explanation of Proposal.



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Newport, Kentucky 41071

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## SERVICE REGULATIONS

### SECTION I - SERVICE AGREEMENTS

#### 1. Application for Service.

When a prospective customer desires gas service, an oral application may be accepted by the Company. However, a written application may be required in special circumstances (e.g., the necessity of using special apparatus in providing the requested service).

#### 2. Customers' Right to Cancel Service Agreement or to Suspend Service.

Except as otherwise provided in the Service Agreement, Rate Schedules or elsewhere in these Service Regulations, Customer may give Company ten days notice of desire to cancel the Service Agreement whenever he no longer requires any gas service for the purposes mentioned in said Agreement. Company will accept such notice as a cancellation of the Service Agreement upon being satisfied that Customer no longer requires any such service.

#### 3. Company's Right to Cancel Service Agreement or to Suspend Service.

Company, in addition to all other legal remedies, shall terminate the Service Agreement, refuse or discontinue service to an applicant or customer, after proper notice for any of the following reasons:

- (a) Default or breach of these Service Regulations, after having made a reasonable effort to obtain customer compliance.
- (b) Non-payment of bills when due.
- (c) Theft, fraudulent representation or concealment in relation to the use of gas.
- (d) Use of gas, by the customer, in a manner detrimental to the service rendered others.
- (e) Upon the basis of a lawful order of the Kentucky Public Service Commission, the State of Kentucky or any governmental subdivision thereof having jurisdiction over the premise.
- (f) When a customer or applicant refuses or neglects to provide reasonable access to the premise.

When a dangerous condition is found to exist on the customer's or applicant's premises, the gas service shall be disconnected without notice, or application for service refused. The Company shall notify the customer or applicant within 24 hours of such action, in writing, of the reasons for the discontinuance or refusal of service and the corrective action to be taken by the applicant or customer before service can be restored.

If discontinuance is for non-payment of bills, the customer shall be given at least ten (10) days written notice, separate from the original bill, and cut-off shall be effected not less than twenty-seven (27) days after the mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the utility a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the termination date, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

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Issued: July 1, 2009

Issued by Julie Janson, President

Effective: July 31, 2009

Duke Energy Kentucky, Inc.  
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#### SECTION I - SERVICE AGREEMENTS (Contd.)

Whenever a residential customer receiving both gas and electric service has received a termination of service notice, the customer shall be given the option to pay for and continue receipt of one utility service only. The Company shall offer extended payment arrangements for the service designated by the customer. If both the gas and electric service of a residential customer have been previously discontinued for non-payment, the Company shall reconnect either service upon payment by the customer of the total amount owed on the service designated by the customer to be reconnected, except as provided in 807 KAR 5:006, section 15, winter hardship reconnection.

##### 4. Connection of Service.

Except as provided in Section 15 of the Kentucky Public Service Commission's regulations, the Company shall reconnect existing service within twenty-four (24) hours, and shall install and connect new service within seventy-two (72) hours, when the cause for discontinuance or refusal of service has been corrected and the Company's tariffed rules and Commission's regulations have been met.

##### 5. Change of Address of Customer.

When Customer changes his address he should give notice thereof to Company prior to the date of change. Customer is responsible for all service supplied to the vacated premises until such notice has been received and Company has had a reasonable time, but not less than three (3) days, to discontinue service.

If Customer moves to an address at which he requires gas service for any purposes specified in his Service Agreement, and at which address Company has such service available under the same Rate Schedule, the notice is considered as Customer's request that Company transfer such service to the new address, but if Company does not have such service available at the new address the old Service Agreement is considered cancelled. If Company does have service available at the new address to which a different Rate Schedule applies, a new Service Agreement including the applicable Rate Schedule is offered to Customer. Company makes transfer of service as promptly as reasonably possible after receipt of notice.

##### 6. Successors and Assigns.

The benefits and obligations of the Service Agreement shall inure to and be binding upon the successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof, provided that no assignment hereof shall be made by Customer without first obtaining Company's written consent.

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---

Issued: July 1, 2009

Issued by Julie Janson, President

Effective: July 31, 2009



Duke Energy Kentucky, Inc.  
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KY.P.S.C. Gas No. 2  
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## SECTION II - SUPPLYING AND TAKING OF SERVICE

### 1. Character of Service.

The Company by its present franchise requirements has agreed to furnish natural gas of the kind and quality produced in the natural gas fields from which its supply is procured (subject, however, to the removal of oil and gasoline vapors); except as said natural gas may be supplemented with manufactured gas, provided, however, that the heat unit quality of the gas supplied by the Company will, at no time, be less than 800 British Thermal Units (**B.T.U.**) to the cubic foot, as furnished at the point of consumption.

At present the Company is distributing gas of approximately 1030 B.T.U. per cubic foot, at a pressure of 4 ounces, subject to tolerance allowed by the Kentucky Public Service Commission.

### 2. Supplying of Service.

Service is supplied only under and pursuant to these Service Regulations and any modifications or additions hereto lawfully made, and such applicable Rate Schedules and Riders as may from time to time be lawfully fixed. Service is supplied under a given Rate Schedule only at such points of delivery as are adjacent to facilities of Company adequate and suitable, for the service desired; otherwise, special agreements between Customer and Company may be required.

Notwithstanding the provisions of 807 KAR 5:006, Section 15, Winter Hardship Reconnection to the contrary, service will not be supplied to any premises if at the time of application for service the applicant is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. Final Bills may be transferred regardless of whether they are for combination gas and electric or gas only or electric only charges. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a present or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

### 3. Information Relative to Service.

Information relative to the service that will be supplied at a given location should be obtained from Company. Company will not be responsible for mistakes of any kind resulting from information given orally or over the telephone. Such information must be confirmed in writing.

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**SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)**

**4. Continuity of Service.**

The Company shall make reasonable provision to supply satisfactory and continuous service, but does not guarantee a constant or uninterrupted supply of gas and shall not be liable for any damage or claim of damage attributable to any interruption caused by unavoidable accident or casualty, extraordinary action of the elements, action of any governmental authority, litigation, or by any cause which the Company could not have reasonably foreseen and made provision against.

**5. Suspension of Service for Repairs and Changes.**

When necessary to make repairs to or changes in Company's plant, transmission or distribution system, or other property, Company may, without incurring any liability therefore, suspend service for such periods as may be reasonably necessary, and in such manner as not to inconvenience Customer unnecessarily.

**6. Use of Service.**

Service is supplied directly to Customer through Company's own meter and is to be used by Customer only for the purposes specified in and in accordance with the provisions of the Service Agreement and applicable Rate Schedule. Service is for Customer's use only and under no circumstances may Customer or Customer's agent or any other individual, association or corporation install meters for the purpose of reselling or otherwise disposing of service supplied Customer.

Customer will not install pipes under a street, alley, lane, court or avenue or other public or private space in order to obtain service for adjacent property through one meter even though such adjacent property be owned by Customer. Consent may be given when such adjacent properties are operated as one integral unit under the same name and for carrying on parts of the same business.

In case of unauthorized remetering, sale, extension or other disposition of service, Company may immediately discontinue the supplying of service to Customer until such unauthorized act is discontinued and full payment is made for all service supplied or used, billed on proper classification and Rate Schedule, and reimbursement in full made to Company for all extra expenses incurred, including expenses for clerical work, testing and inspections.

**7. Customer's Responsibility.**

Customer assumes all responsibility on Customer's side of the point of delivery (outlet side of the meter) for the service supplied or taken, as well as for the installation, appliances and apparatus used in connection therewith, and will save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on Customer's side of the point of delivery.

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**SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)**

The customer's house lines, fittings, valve connections and appliance venting shall be installed with materials and workmanship which meet the reasonable requirements of the Company and shall be subject to inspection and test by the Company. The Company shall have no obligation to establish service until after such inspection and tests demonstrate compliance with such requirements of the Company with respect to the facilities as they exist at the time of the test.

**8. Right-of-Way.**

Customer is responsible for all conveyances to Company for all right-of-way satisfactory to it across the property owned or controlled by Customer for Company's mains or extensions thereof necessary or incidental to the supplying of service to Customer.

**9. Access to Premises.**

The properly authorized agents of the Company shall at all reasonable hours have free access to the premises for the purpose of inspecting the Customer's installation and of examining, repairing or removing the Company's meters, or other property, reading of meters and all other purposes incident to the supplying of service, and for such purpose the Customer authorizes and requests his landlord, if any, to permit such access to the premises.

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### SECTION III - CUSTOMER'S INSTALLATION

1. Nature and Use of Installation.

All equipment in the premises or connecting the premises with Company's service, furnished by the Customer, shall be suitable for the purposes thereof, and shall be maintained by Customer at all times in conformity with the safety requirements of the accredited agency having jurisdiction and with the rules, regulations and requirements of Company in force from time to time.

2. Materials - Fittings - Tests.

The piping and fittings for the distribution of gas after it has passed the meter, may be installed by any competent gas fitter employed by the customer or proprietor of the premises, subject, however, to the inspection and approval of the Company which requires an inspection and test of all such piping.

An application for inspection and test must be made to the Company when the piping work has been completed, but prior to its concealment by plastering, flooring or other materials.

3. Construction.

All piping shall be installed in accordance with applicable building codes and the rules and regulations of the Company.

4. Changes in Installations.

As Company's facilities used in supplying service to Customer have a limited capacity, Customer should give notice to Company, and obtain Company's consent, before making any material changes or increases in his installation. Company as promptly as possible after receipt of such notice will give its written approval to the proposed change or increase, or will advise Customer upon what conditions service can be supplied for such change or increase.

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## SECTION IV - COMPANY'S INSTALLATION

### 1. **Installation and Maintenance.**

Except as otherwise provided in these Service Regulations, in Service Agreements or Rate Schedules, Company will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines or equipment, except meters and service regulators on Customer's side of the point of delivery without cost to Customer. Only Company's agents are authorized to connect Company's service to Customer's service piping.

### 2. **Gas Service Piping.**

The gas service pipe shall be installed by the Company from the Company's main in the street to the curb line at its own expense and from the curb line to the meter, including curb box and valve, at the Customer's expense, subject to the Company's rules, regulations and existing prices, upon execution of an application and provided that an adequate distribution main exists in front of the Customer's building. The service piping from the curb to the meter, including street box and valve, installed at the expense of the Customer, shall be maintained at the expense of the Company. No connections or work of any kind shall be done on a gas main or service piping up to the outlet of the meter by anyone who is not a qualified agent or employee of the Company.

Only one gas service will be installed in any individual dwelling or building, except in cases where the building's units are sectionalized by acceptable fire separations such as firewalls, regardless of the number of customers to be served within.

The service pipe will be laid from the point of the gas supply connection location to the meter location approved by the Company. Should the distance between the curb and the Customer's building be in excess of 150 feet or involve other special conditions, a suitable meter location, approved by the Company, will be selected.

Service pipe can be installed in the same ditch as the electric, telephone, and cable television cable, providing the electric cable is in a conduit and the gas service pipe has six inches of separation from the cables. Any other utilities will not occupy the ditch with the service pipe, and a minimum of three feet will be maintained between gas service pipe and other utilities.

Service piping will end at the inlet connection of the meter which will be set at the point and entry of the service. If it is necessary to extend the service pipe beyond the point of entry, such exposed service piping in the building under flooring, through walls, coal bins, etc., shall be properly protected and the expense thereof borne by the customer.

In case of more than one building on a lot, a separate service will be run direct from the main to each building except in cases where the building nearest the Company's main extends the full width of the lot. In such cases the meter will be placed on the service in the nearest building and the customer must make his own extension to the other building.

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**SECTION IV - COMPANY'S INSTALLATION (Contd.)**

**3. Company's Property and Protection Thereof.**

All meters and equipment furnished by and at the expense of Company, which may at any time be in said premises, shall, unless otherwise expressly provided herein, be and remain the property of Company, and Customer shall protect such property from loss or damage, and no one who is not an agent of Company shall be permitted to remove or handle same.

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## SECTION V - METERING

### 1. Installation of Meters.

Gas will be measured by a meter or meters to be installed by Company upon Customer's premises at a point most convenient for Company's service, and upon the registration of said meters all bills will be calculated.

### 2. Meter Tests.

All meter tests shall be made in accordance with rules issued by the Kentucky Public Service Commission.

Upon written request by customer, the Company shall perform a meter test if the request is not made more frequently than once a year.

### 3. Monitoring of Customer Usage.

Each month the Company will monitor the usage of each customer according to the following procedure:

1. The customer's monthly usage is monitored through a "hi-lo" review process. An estimating factor is utilized to provide an expected level of usage. The estimating factor considers the customer's past usage and current variables, such as weather.
2. The actual usage is compared to an estimate based on the previous month's usage, an estimate based on the usage from the same month, one year previous, and an estimate based on the usage from the same month, two years previous.
3. If there is a substantial difference between the actual and estimated usages, the account will be reviewed manually to determine the appropriate usage level.
4. Where the difference is not otherwise explained, the Company may obtain a special meter read to verify the accuracy of the previous usage.
5. Where the difference is still unexplainable after taking the special meter read, the Company may test the customer's meter to determine its accuracy.
6. The Company will notify the customer of the investigation, its findings, and any refund or back billing to be made, in accordance with 807 KAR 5:006, Section 10 (4) and (5).

In addition to the monthly monitoring, the Company will immediately investigate the usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

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Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

Ky. P.S.C. Gas No. 2  
First Revised Sheet No. 25  
Cancelling and Superseding  
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## SECTION VI - BILLING AND PAYMENT

### 1. Billing Periods - Time and Place for Payment of Bills.

Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Bills may be rendered by hand delivery, mail, electronically, or by any other reasonable means. If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed. Non-receipt of bills by Customer does not release or diminish the obligation of Customer with respect to payment thereof.

The word "month" as it pertains to the supply of service shall mean the period of approximately thirty days between meter readings, as fixed and made by Company. Meters are ordinarily read at monthly intervals but may be read more or less frequently at Company's option but no less than quarterly. Company shall have the right to establish billing districts for the purpose of reading meters and rendering bills to customers at various dates. A change or revision of any Rate Schedule shall be applicable to all bills on which the initial monthly meter reading is taken on or after the effective date of such change or revision, except as otherwise ordered by the Kentucky Public Service Commission.

Bills are due on the date indicated thereon as being the last date for payment of the net amount, and bills are payable only at the Company's offices or authorized agencies for collection. If a partial payment is made, the amount will be applied to items of indebtedness in the same order as they have accrued, except that any payment received shall first be applied to the bill for service rendered.

The Company may issue interim bills based on average normal usage instead of determining actual usage by reading the meter. Interim bills may also be used when access to Company's meter cannot be obtained or emergency conditions exist.

### 2. Information on Customer Bills.

Every bill rendered by the Company for metered service will clearly state:

- (a) The beginning and ending meter readings for the billing period and the dates thereof.
- (b) The amount of energy usage.
- (c) The amount due for the energy used, any adjustments, including assessed late payment charges, and the gross amount of the bill.
- (d) The rate code under which the customer is billed.
- (e) The date of the last day payment can be made without a late pay charge being assessed.
- (f) Any previous balance.
- (g) The address, phone number, and business hours of the Company.
- (h) The date of the next scheduled meter reading.
- (i) The date after which received payments are not reflected in the bill.
- (j) The type of service rendered (gas or electric).
- (k) The amount, and identification, of any tax or fee the Company is authorized either by state law or order of the Commission to collect.

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Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: July 1, 2009

Issued by Julie Janson, President

Effective: July 31, 2009



Duke Energy Kentucky, Inc.  
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**SECTION VI - BILLING AND PAYMENT (Contd.)**

**3. Charge for Restoring Service for Non-Payment of Bill and Unlawful Use of Service.**

Company may charge and collect in advance the sum as specified on Tariff Sheet "Charge For Reconnection of Service" for reconnecting a customer's service after service is disconnected because of non-payment of bill when due or when service is discontinued because of fraudulent use, except as may be provided by 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

**4. Temporary Discontinuance of Service.**

If any residential customer, because of absence or otherwise, shall notify Company in writing or by telephone to discontinue service, Company will make no minimum charge for any full meter reading period during the period of discontinuance; provided however, that Company may charge and collect the sum as specified on Tariff Sheet "Charge For Reconnection of Service" prior to reconnecting a service which was discontinued at customer's request within the preceding twelve months.

**5. Availability of Budget Billing.**

Company has available to its customers a "Budget Billing Plan" which minimizes billing amount fluctuations over a twelve month period. The Company may exercise discretion as to the availability of such a plan to a customer based on reasonable criteria, including but not limited to:

- (a) Customer's recent payment history.
- (b) The amount of the delinquent account.
- (c) Customer's payment performance in respect to any prior arrangements or plans.
- (d) Any other relevant factors concerning the circumstances of the customer including health and age.

If the customer fails to pay bills as rendered under the Budget Payment Plan, the Company reserves the right to revoke the plan, restore the customer to regular billing and require immediate payment of any deficiency.

Failure to receive a bill in no way exempts customer from the provisions of these terms and conditions.

**6. Partial Payment Plans.**

The Company shall negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice according to the regulations governing failure to pay, except the Company shall not be required to negotiate a partial payment plan with a customer who is delinquent under a previous payment plan.

**7. Bill Format**

The Company has included as Appendix A to these Service Regulations an example of the Company's customer bill format.

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Issued: July 1, 2009

Issued by Julie Janson, President

Effective: July 31, 2009

Duke Energy Kentucky, Inc.  
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## SECTION VII - DEPOSITS

### 1. Deposits.

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the customer's bill.

The deposit may be waived by the Company upon a customer's showing of satisfactory credit or payment history, and required residential service deposits will be returned after one (1) year if the customer has established a satisfactory payment record for that period; but commercial deposits will be retained during the entire time that the account remains active. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The Company may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

In determining whether a deposit will be required or waived, information such as the following may be considered:

1. Previous payment history with the Company. If the customer has no previous history with the Company, statements from other utilities, banks, etc. may be presented by the customer as evidence of good credit.
2. Whether the customer has filed bankruptcy proceedings within the last seven years.
3. Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

A security deposit will be required pursuant to 11 U.S.C. Section 366 in all bankruptcies where the Company is listed as a creditor.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

### 2. All Calculated Deposits.

Customer deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed two-twelfths (2/12) of the customer's actual or estimated annual bill.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY. P.S.C. Gas No. 2  
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### SECTION VIII - APPLICATION

1. Application of Service Regulations and Rate Schedules.

All Service Agreements at present in effect or that may be entered into in the future are made expressly subject to these Service Regulations and any modifications hereof that may be lawfully made, and subject to all applicable existing Rate Schedules and any lawfully made changes therein, substitutions therefor or additions thereto.

2. Agents Cannot Modify Agreement.

No agent has the right to amend, modify or alter the application rates, terms, conditions, rules, or regulations as filed with the Kentucky Public Service Commission, or to make any promise or representation not contained in the Company's schedules, supplements thereto and revisions thereof, lawfully filed with said Commission.

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Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
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KY.P.S.C. Gas No. 2  
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## SECTION IX - GAS SPACE HEATING REGULATIONS

### 1. Gas Space Heating Regulations.

The Company shall not be required to supply gas for new or additional space heating equipment installed from and after the effective date hereof unless the consumer present or prospective, makes written application to the Company for such supply at a specific address and receives written approval from the Company therefor. An approval for the use of gas for space heating is not transferable from one premise to another except by written approval from the Company.

If any consumer fails to install gas-fired space heating equipment pursuant to said approval within one year from the date of issuance thereof fails to demonstrate to the Company's satisfaction before the expiration of said period that he intends to avail himself of the use of such gas under such approval with due diligence, the Company may cancel, nullify and void such approval.

The Company need not issue an approval for the utilization of gas for space heating purposes in a commercial or industrial building for new or additional heating equipment having a total rated input capacity in excess of 1,000,000 Btu per hour, unless the applicant shall install standby facilities having a capacity satisfactory to the Company and shall agree in writing with the Company to use such standby facilities and discontinue the use of gas for space heating when and for such periods of time as the Company may request. In the event the use of gas for space heating by such consumer is not promptly discontinued at the request of the Company, the latter, upon discovery thereof, is authorized to discontinue all gas service to such consumer until such time as the gas space heating equipment has been disconnected. Where such action is necessary on the part of the Company it may cancel, nullify and void such approval.

Should any consumer fail to comply with these gas space heating regulations, the Company, upon discovery thereof, and after giving ten days notice to such consumer, is authorized to disconnect his gas service until such time as these regulations are complied with.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in  
Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
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KY.P.S.C. Gas No. 2  
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**SECTION X - AVAILABILITY OF GAS SERVICE**

1. Gas Service to New Loads.

*Mains shall be extended to customers in accordance with the currently effective tariff sheet entitled Rider X, Main Extension Policy, as contained within tariff Ky. P.S.C. Gas No. 1.*

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
Thirty-Fourth Revised Sheet No. 30  
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**RATE RS  
RESIDENTIAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
All gas is billed in units of 100 cubic feet (CCF).

Customer Charge per month:	\$30.00	<b>(I)</b> <b>(D)</b>
----------------------------	---------	--------------------------

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a commodity Charge for all CCF at	\$0.19966	plus	\$0.5690	Equals	\$0.76866	<b>(R)</b>

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on Sheet No. 62, Rider DSMR, Demand Side Management Rate.

The "Customer Charge" shown above shall be the minimum amount billed each month. **(D)**

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff. **(D)**

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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

Issued: July 1, 2009

Effective: July 31, 2009

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Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

**RATE GS**

**GENERAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:

All gas is billed in units of 100 cubic feet (CCF)

Customer Charge per month:	\$47.50	<b>(D)</b>
		<b>(D)</b>

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	\$0.22786	Plus	\$0.5690	Equals	\$0.79686	<b>(D)</b>

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on:  
Sheet No. 62, Rider DSMR, Demand Side Management Rate for non-residential service

The "Customer Charge" shall be the minimum amount billed per month. **(D)**

The "Gas Cost Adjustment," as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum bills or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

**TERM OF SERVICE**

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

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

Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 44  
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## RATE FRAS

### FULL REQUIREMENTS AGGREGATION SERVICE

#### AVAILABILITY

This service is available to Suppliers delivering gas on a firm basis to the Company's city-gate receipt points on behalf of customers receiving firm transportation service from the Company under Rate Schedule FT-L.

#### DEFINITIONS

"Aggregation Service" is a service provided by the Company that allows Suppliers to deliver to the Company, on a combined basis, those natural gas supplies that are needed to satisfy the requirements of the two, or more, firm transportation customers that comprise the membership of the Supplier's pool, as defined below, all in accordance with the rules established by the Company regarding delivery requirements, banking, billing and payments, and Supplier performance requirements.

"Arrears" means an account that is at least 30 days past due and amounts to at least \$50.

"Commission" means the Kentucky Public Service Commission.

"Customer" means a recipient of transportation service provided by the Company under Rate FT-L, which secures its gas supply from a Supplier.

"Gas Supply Aggregation/Customer Pooling Agreement" is an agreement between the Company and Supplier that defines the mutual responsibilities and obligations of those parties relative to the Aggregation Service provided under Rate FRAS.

"Operational Flow Orders" (OFOs) are orders issued by the Company via its electronic bulletin board ("EBB") or fax transmission directing Suppliers to adjust their daily deliveries into the Company's system to either match, match or be less than, or match or be more than their actual measured pool volumes for those customers receiving service under Rate FT-L, Rate IT or interruptible special contracts.

A "Pool" is a group of customers that have been joined together for supply management purposes, and having a combined annual throughput of at least 30,000 Mcf. Supplier will have a one year period to build their annual pool throughput volume to the indicated level, after which they may be subject to removal from the Program for not having achieved a minimum participation level.

"Positive Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the individual Pools' Customers during the period is less than the sum of the volumes made available by supplier for redelivery by the Company to the individual Pools during the same period.

"Program" means the Company's firm transportation/supply aggregation program under Rate FT-L and Rate FRAS.

"Small Commercial Customer" is a commercial class transportation end-use customer which consumes less than 2,000 Mcf per year.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

---

Issued: July 1, 2009

Issued by Julie Janson, President

Effective: July 31, 2009



Duke Energy Kentucky, Inc.  
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#### **DEFINITIONS (Contd.)**

"Supplier" is a marketer, supplier, broker, pool operator, producer, or other qualified business entity that has joined a group of the Company's firm transportation customers together for gas supply management purposes, meets the qualifications for a "Supplier" set forth in Rate FRAS, agrees to accept responsibility for the aggregate supply management requirements of the pool, and has executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company.

"Suppliers Daily Pool Delivery Obligation" is defined as the daily city-gate delivery quantities determined by the actual measured usage of customers in Supplier's FT-L pool adjusted for "unaccounted for" losses back to the Company's city-gate stations, and then converted from volumetric to thermal quantities.

#### **AGGREGATION AGREEMENT**

Before commencing service hereunder, Supplier must have met the qualifications to act as a program supplier and must have executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company. Such agreement shall be for a minimum of two years and shall set forth the mutual obligations and responsibilities of both the Company and the Supplier relative to this aggregation customer pooling service.

The mutual benefits and obligations under the "Gas Supply Aggregation/Customer Pooling Agreement" and under this tariff begin when the Supplier commences to supply pool customers with gas supply service. Supplier's obligations under this tariff and referenced Agreement shall inure to, and be binding on its successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof. However, no agreement for service may be assigned or transferred without the written consent or approval of the Company, which shall not be unreasonably withheld.

#### **REQUIREMENTS FOR PARTICIPATION**

Each Supplier who applies to participate in the Company's Customer Aggregation/Firm Transportation Program will be evaluated to ensure that it possesses the financial resources, experience, and reputation for satisfactory service that will enable it to perform its responsibilities as a Supplier in the program. On the basis of this evaluation, a Supplier's participation may be limited to a level specified by the Company.

Suppliers not meeting the necessary credit level will be required to provide additional security in the form of a letter of credit, a cash deposit, and/or other appropriate guaranty in order to participate.

In order for the Company to complete the evaluation, Suppliers will be required to provide the following information:

1. Audited financial statements prepared within the last 12 months;
2. Most recent annual report, 10K or 10Q;
3. A listing of parent company and other affiliates;
4. Names, addresses, and telephone numbers of 3 trade references; and
5. Names, addresses, and telephone numbers of banking institution contacts.

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#### **REQUIREMENTS FOR PARTICIPATION (Contd.)**

In the event any of the above information is unavailable from a Supplier, the Company may permit the Supplier to provide other verifiable sources of financial information for that Supplier.

Financial evaluations will be based on standard credit factors such as previous customer history, Dun & Bradstreet financial and credit ratings, trade references, bank information, unused line of credit, and related financial information. The Company will determine Supplier's credit worthiness based on the above criteria, and it will not deny a Supplier's participation in the Program without reasonable cause. A fee of \$50.00 will be assessed to Supplier for each financial evaluation.

The Company may acquire information regarding supplier's performance in other programs and other states in order to evaluate supplier's reputation and fitness for inclusion in the Company's Program.

The Company reserves the right to re-evaluate Suppliers from time to time. Such re-evaluation may be initiated either by a request from the Supplier, or by the Company if it has reason to believe that the credit worthiness of a Supplier may have deteriorated or that the Supplier's participation level has exceeded the level for which the Supplier was previously approved. On the basis of this re-evaluation, a Supplier's approved participation level may be increased or decreased, or the Supplier may be removed from further participation in the Program.

#### **SUPPLIER CODE OF CONDUCT**

Each Supplier participating in the Company's transportation programs must:

1. communicate to participating customers in clear, understandable terms the customer's rights and responsibilities. This communication must include (a) the Supplier's customer service address and local or toll-free telephone number; and (b) a statement describing the Supplier's dispute resolution procedures;
2. provide in writing pricing and payment terms that are clearly defined and understandable and that inform consumers whether the price that the customer will pay is inclusive or exclusive of applicable taxes, and Company approved tariff riders and surcharges;
3. refrain from engaging in communications or promotional practices which are fraudulent, deceptive, or misleading;
4. deliver gas to the Company on a firm basis on behalf of the Supplier's pool members in accordance with the requirements of the "Gas Supply Aggregation/Customer Pooling Agreement";
5. establish and maintain a credit-worthy financial position that enables Supplier to indemnify the Company and the customers for costs incurred as a result of any failure by Supplier to deliver gas in accordance with the requirements of the program and to assure payment of any KyPSC-approved charges for any such failure;
6. refrain from requesting customer-specific billing, payment, and usage history without first having received the customer's approval to access such information.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

---

Issued: July 1, 2009

Issued by Julie Janson, President

Effective: July 31, 2009

Duke Energy Kentucky, Inc.  
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KY.P.S.C. Gas No. 2  
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**SUPPLIER CODE OF CONDUCT (Contd.)**

Failure to fulfill any of these obligations shall be considered a violation of the Supplier's Code of Conduct.

**CONSEQUENCES OF SUPPLIER'S FAILURE TO PERFORM OR COMPLY**

If Supplier fails to deliver gas in accordance with the full service requirements of its Pool customers, the Company will supply gas temporarily to the affected Pool customers and shall bill Supplier the higher of either (1) the fair market price for that period or (2) the highest incremental cost of gas for that period that the Company actually paid for gas supplies, including transportation and other applicable charges. The Company has the right to immediately and unilaterally invoke supplier's letter of credit or parental guarantee in order to enforce recovery from supplier of the cost of these replacement supplies.

If Supplier fails to deliver gas in accordance with the requirements of the Company's "Gas Supply Aggregation/Customer Pooling Agreement," or otherwise fails to comply with the provisions of this tariff, including those specified in the Supplier's "Code of Conduct" section, the Company will have the discretion to temporarily suspend or terminate such Supplier from further participation in the Program. If Supplier is suspended or terminated from the Company's Program, customers in the Supplier's Pool shall revert to the Company's sales service until said customers join another Supplier's Pool.

If the Company seeks to suspend or terminate a Supplier from further participation in the Company's Program, it shall first notify the Supplier of the alleged violations which merit suspension or termination. Such notice must be in writing and must be sent to the Supplier at the fax number listed in the "Gas Supply Aggregation/Customer Pooling Agreement" at least five (5) business days prior to the effective date of the suspension or termination.

**BILLING**

Customers receiving service under Rate FT-L will receive two bills as follows:

- (a) The Company bills and collects its portion of the bill. This billing includes charges for local delivery service and all applicable surcharges. In the event, that a customer remits to the Company less than the amount included on the Company's bill, the customer shall be subject to the same late charges and disconnection procedures which would be applicable if the customer were receiving service as a Company sales customer.
- (b) Supplier will be responsible for billing and collecting its part of the bill including any arrearages that they are due from Supplier's own prior billings. To facilitate Supplier's billing, the Company will provide the Supplier with a listing of the monthly meter readings and usages of all those customers within Supplier's pool that have been billed by the Company. This billing data will correspond to the consumption data on which the Company based its bill for local delivery service. Supplier is responsible for providing gas supplies to all customers within its pool until the customers are returned to system supply or move to another pool in accordance with the procedures that have been developed for adding and deleting customers from a Supplier's pool.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

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#### **UPSTREAM CAPACITY REQUIREMENTS**

Suppliers participating in the Company's firm transportation program must secure their own upstream pipeline capacity required to meet Supplier's Rate FT-L pool peak day requirements. Due to the physical configuration of the Company's system, and certain upstream interstate pipeline facilities, and to enable the Company to comply with lawful interstate pipeline tariffs and/or to maintain the Company's system integrity, during the months of December, January and February, the Company reserves the right to direct Supplier to proportionally deliver, with respect to the Systems' (the Duke Energy Ohio and Duke Energy Kentucky, Inc. integrated operating system) northern and southern interstate pipeline interconnects, the Supplier's daily pool requirements. In those instances where the pool operator delivers gas into the Duke Energy Ohio pipeline system and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky, Inc. for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky, Inc. for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate.

The Company may make available to Suppliers, upstream interstate pipeline capacity. Suppliers accepting this capacity are subject to the terms and conditions of the tariffs of the pipeline companies on whose facilities such capacity is accepted. A Supplier who wishes to contract for released capacity must make a request for a period in excess of thirty days and agree to pay the full contract demand rate which the Company would otherwise pay for the released capacity, in order for supplier to be assured the assignment of such capacity. The Company shall not be obligated to provide requested capacity if it has no surplus capacity beyond the amount needed to supply its Gas Cost Adjustment customers.

#### **BALANCING REQUIREMENT**

Suppliers must deliver to the Company daily quantities of gas in accordance with the provisions of Rate IMBS.

Pool operators shall have access to Company offered services including balancing services, and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

Suppliers are subject to OFO's issued by the Company as described below. The Company may suspend from this program any Supplier which does not comply with an Operational Flow Order.

#### **MEASUREMENT OF CONSUMED VOLUMES**

Monthly volumes billed to participating customers shall be considered actual volumes consumed, whether the meter reading is actual or calculated.

#### **OPERATIONAL FLOW ORDERS**

Suppliers are subject to the Company's issuance of operational flow orders which will direct each Supplier to adjust scheduled daily delivery volumes to match the Customer Pool's metered FT-L usage.

Failure to comply with an OFO, which is defined as the difference between the daily OFO required delivery volume and actual daily deliveries, will result in the indicated action and/or billing of the following charges:

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Issued: July 1, 2009

Issued by Julie Janson, President

Effective: July 31, 2009

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
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**OPERATIONAL FLOW ORDERS (Contd.)**

**Under-deliveries**

- (1) the payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance;
- (2) one month's demand charges on the OFO shortfall. This charge shall not be imposed more frequently than once in any thirty day period; and
- (3) the payment of all other penalty charges incurred by Company including pipeline penalty charges on the date of the OFO shortfall.

**Over-deliveries**

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier.
- (2) Company shall bill and Supplier shall pay any penalty charges that the Company incurs from the interstate pipelines for such excess deliveries, provided such penalties can be attributed to Supplier's over-deliveries.

**COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES**

In conducting its Program, the Company will adhere to the following Standards of Conduct for Marketing Affiliates:

- (1) Company must apply any tariff provision relating to transportation services in the same manner for the same or similarly situated persons if there is discretion that may be applied in the application of the provision.
- (2) Company must strictly enforce a tariff provision for which there is no discretion allowed in the application of the provision.
- (3) Company may not, through a tariff provision or otherwise, give any Supplier including its marketing affiliate or customers of any Supplier including its affiliate, preference over any other gas Suppliers or their customers in matters, rates, information, or charges relating to transportation service including, but not limited to, scheduling, balancing, metering, storage, standby service, or curtailment policy. For purposes of the Company's Program, any ancillary service provided by Company; e.g., billing and envelope service, that is not tariffed will be priced and made equally available to all.
- (4) Company must process all similar requests for transportation in the same manner and within the same approximate period of time.
- (5) Company shall not disclose to anyone other than a Company employee any information regarding an existing or proposed gas transportation arrangement, which Company receives from (i) a customer or Supplier, (ii) a potential customer or Supplier, (iii) any agent of such customer or potential customer, or (iv) a Supplier or other entity seeking to supply gas to a customer or potential customer, unless such customer, agent, or Supplier authorizes disclosure of such information.

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**COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)**

- (6) If a customer requests information about Suppliers, the Company must provide a list of all Suppliers operating on its system, but shall not endorse any Supplier nor indicate that any Supplier will receive a preference because of a corporate relationship.
- (7) Before making customer lists available to any Supplier, including any Company marketing affiliate, Company will post on its electronic bulletin board a notice of its intent to make such customer list available. The notice will describe the date the customer list will be made available, and the method by which the customer list will be made available to all Suppliers.
- (8) The Company will, to the extent practicable, separate the activities of its operating employees from its affiliate marketing employees in all areas where their failure to maintain independent operations may have the effect of harming customers or unfairly disadvantaging unaffiliated Suppliers.
- (9) Company must not condition or tie its agreements for gas supply or for the release of interstate pipeline capacity to any agreement by a gas supplier, customer or other third party in which its marketing affiliate is involved.
- (10) Company and its marketing affiliate must keep separate books of accounts and records.
- (11) Neither the Company nor its marketing affiliate personnel shall communicate to any customer, Supplier or third party the idea that any advantage might accrue for such customer, Supplier or third party in the use of Company's service as a result of that customer's, Supplier's or other third party's dealing with any Supplier including its marketing affiliate.
- (12) The Company's complaint procedure for resolving issues concerning compliance with these standards of conduct will operate as follows. All complaints, whether written or verbal, will be referred to the Company's designated attorney. The Company's designated attorney will orally acknowledge the complaint within five (5) working days of receipt. The complainant party shall prepare a written statement of the complaint which will contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and specific claim. The Company's designated attorney must communicate the results of the preliminary investigation to the complainant in writing within thirty (30) days after the complaint was received including a description of any course of action which was taken. He or she must keep a file with all such complaint statements for a period of not less than three years.
- (13) If the Company offers any Supplier, including its affiliate or a customer of any Supplier, including its affiliate a discount, or fee waiver for transportation services, balancing, meters or meter installation, storage, standby service or any other service offered to shippers, it must prospectively offer such discounts, rebates or fee waivers to all similarly situated non-affiliated suppliers or customers under similar terms and conditions.

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**COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)**

- (14) The Company will not use its name and logo in its marketing affiliate's promotional material, unless the promotional material discloses in plain, legible or audible language, on the first page or at the first point where the Company's name and logo appear, that its marketing affiliate is not the same entity as the Company. The Company is also prohibited from participating in exclusive joint activities with any Supplier, including its affiliate, such as advertising, marketing, sales calls or joint proposals to any existing or potential customers.

**OTHER RULES AND REGULATIONS**

Except to the extent superseded herein, the Company's Rules and Regulations Governing the Distribution and Sale of Gas and such other Commission rules as are applicable shall apply to all gas transportation service provided hereunder.

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**RATE IT**

**INTERRUPTIBLE TRANSPORTATION SERVICE**

**APPLICABILITY**

Applicable to curtailable natural gas local delivery service and available to any customer who: (1) signs a contract with the Company for service under Rate IT; (2) utilizes a minimum of 10,000 CCF per month during the seven consecutive billing periods commencing with customer's first meter reading taken on or after April 1; (3) has arranged for the delivery of gas into the Company's system for customer's sole use at one point of delivery where distribution mains are adjacent to the premises to be served, and (4) has become a member of a pool under Rate AS and elected Interruptible Monthly Balancing Service under Rate IMBS. Any service provided hereunder shall be provided by displacement and on a "reasonable efforts" basis. The Company reserves the right to decline requests to initiate or continue such service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L.

This rate schedule shall not preclude the Company from entering into alternative special arrangements with Commission approval, which are designed to meet unique circumstances.

The service provided hereunder shall be interruptible local gas delivery service provided on a "reasonable efforts" basis from the Company's city-gate receipt points to the outlet side of the meter used to serve Customer. The Company, to insure its ability to reliably supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L, shall have the right for operational purposes to designate the city-gate receipt points where the customer's pool operator is required to deliver its gas.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
All gas consumed is billed in units of 100 cubic feet (CCF)

Administrative Charge per month:	\$430.00
Commodity Charge per CCF:	
Company will deliver the arranged-for gas, less shrinkage which is equal to the Company's system average unaccounted for percentage, at a rate per CCF, of	\$0.1015 per CCF
except as specified in the "Alternate Fuels" provision;	

(I)  
(D)

Plus balancing related charges pursuant to Rates IMBS if customer has elected to operate as its own pool operator for supply management purposes.

Plus, if applicable, the throughput charge for the service level selected under Rate IMBS, Interruptible Monthly Balancing Service.



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**NET MONTHLY BILL (Contd.)**

Plus, if applicable, charges for unauthorized deliveries as described later in this tariff.

The Company is required to install remote meter reading equipment on customer's meter in order to monitor customer's usage on a daily basis. Customer will be responsible for the cost of such equipment either through a monthly surcharge or an up front contribution designed to reimburse the Company for the cost of such equipment. The meter shall be owned by the Company.

**MINIMUM BILL**

The minimum monthly bill that customer shall receive shall be the monthly Administrative Charge and monthly charge for remote metering equipment shown above, and, in addition thereto during the seven (7) consecutive billing periods beginning in April, the 10,000 CCF volume minimum. If customer fails to take delivery of 10,000 CCF per month during the months of April through October, customer will be billed, in addition to the Administrative Charge and metering charges, and charges for the delivered volumes, an amount equal to the difference between 10,000 CCF and the delivered volumes billed at Rate GS.

(D)

**UNAUTHORIZED DELIVERIES**

In the event customer fails to interrupt transportation deliveries at Company's request, any excess deliveries through customer's meter will be considered unauthorized deliveries that are subject to the flow through of pipeline penalty charges to the extent they are paid by the Company, and in addition thereto, shall be paid for as specified under the "Charges For Unauthorized Deliveries" provision of this rate. The charges for such unauthorized deliveries shall be billed directly to the customer in lieu of its "pool operator", if applicable. However, Company shall not be precluded from physically discontinuing service to the customer, if the customer refuses to interrupt service when requested by the Company.

**MINIMUM USAGE**

In the event that customer repeatedly and significantly fails to meet the seven (7) summer months minimum usage requirements of this tariff, Customer may at the Company's option be removed from this tariff and denied further service, or at the Company's option may be switched to either Rate GS or FT-L.

**ALTERNATIVE FUELS**

The Company may without prior Commission approval charge a rate lower than that specified in the "Net Monthly Bill" provision, to meet competition from alternative fuels. The decision to charge a lower rate will be made on a case-by-case basis, supported by a statement in an affidavit from the customer that absent such lower rate, customer would utilize an alternative fuel source. The lower rate shall not be less than one-half the commodity rate specified in the "Net Monthly Bill" provision, plus all applicable riders and surcharges.

The Company may also charge customer who has requested flexible rate pricing a rate higher than that specified in the "Net Monthly Bill" provision if such rate remains competitive with the price of energy from customer's alternative fuel source. The higher rate shall not exceed 150 percent of the commodity rate specified in the "Net Monthly Bill" provision, plus applicable riders and surcharges.

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#### **ALTERNATIVE FUELS (Contd.)**

Once a customer receives a flexible transportation rate, as described in the preceding paragraphs, the customer must continue to pay a flexible rate as determined by the Company for a period of three months. After three months, the customer may, upon written notification to the Company, apply for a flexible rate for another three months. Absent such notification, customer's rate will revert to the fixed rate established herein.

#### **CHARGES FOR UNAUTHORIZED DELIVERIES**

Any customer taking unauthorized deliveries shall be billed an amount reflective of the general service rate, Rate GS, Sheet No. 31, including the expected gas cost component of the gas cost recovery rate or Company's highest cost gas, and one month's demand charges on the volume difference (this charge shall not be imposed more frequently than once in any 30 day period) and/or the cost of operating the Company's propane peak shaving plant, and/or, if so required to effectuate compliance with the interruptible provisions of this schedule, the cost incurred by the Company to valve-off the service. In any event, customer shall reimburse the Company for any interstate pipeline penalty charges resulting from such unauthorized deliveries.

#### **ELECTION OF MONTHLY BALANCING OPTION**

A "pool" can be a single Rate IT customer acting on its own behalf, or a group of Rate IT customers who join, or are joined together for purposes of gas supply management under this tariff. A "pool operator" has a contractual responsibility to manage the aggregated gas supply requirements of all of the Rate IT customers that comprise its pool. All supply management responsibilities of individual customers are transferred to the pool operator once a customer becomes a part of a pool, as the aggregated balancing requirements of all pool members are treated under this tariff as though they were a single customer with its own supply management responsibilities.

Monthly throughput charges under Rate IMBS, shall be billed directly to the end-use customer. All other balancing charges and supply management charges, including "cash out" charges, penalties and other like charges billed under the provisions of Rate IMBS shall be billed directly to the pool operator, regardless of whether the pool operator is an individual customer acting as its own pool operator, or an aggregated customers pool operator. For purposes of calculating these charges, the usage of all customers within a pool will be combined into a single pool usage number that will be matched against the pool operator's total deliveries to its IT pool.

#### **LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5% is due and payable.

#### **TERMS AND CONDITIONS**

The customer shall enter into a written agreement with the Company. Such agreement shall set forth specific arrangements as to the transportation services provided, as well as, any other circumstances relating to the individual customer.

The Company's "reasonable efforts" basis is defined as the right, at any time, to curtail or interrupt the delivery or transportation of gas under this tariff when, in the judgment of the Company such curtailment or interruption is necessary to enable the Company to maintain deliveries to higher priority customers or to respond to any emergency.

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Issued: July 1, 2009

Effective: July 31, 2009

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**TERMS AND CONDITIONS (Contd.)**

Customer acting as its own pool operator, or customer's designated pool operator/supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable the gas to be delivered into the Company's system.

At least one day preceding the day transportation nominations are due to the interstate pipeline(s) transporting customer's gas, customer's pool operator/supplier agrees to inform Company in writing or, at the Company's discretion, verbally, and confirm in writing within seven (7) days thereafter, the quantities of gas it desires to have transported for the upcoming month, along with all other necessary information. Customer's pool operator must agree upon request by Company to produce, in a timely manner, proof of the purchase of the natural gas transported, any necessary regulatory approvals, and any and all transportation arrangements with all interstate pipelines, intrastate pipelines, or others involved in transporting the pool's gas supplies.

The Company will not be liable for any costs and/or penalties charged by pipelines, or suppliers, because of pool operator's over or under deliveries into the pipeline, or pool customers' failure to take deliveries through the Company's meters that in the aggregate do not match the amount of gas transported by the pool operator to Company's city-gate.

Customers who satisfy the definition of human needs and public welfare customers must purchase standby service from a Company supplier, or have alternative fuel capability, or have a combination thereof sufficient to maintain minimal operations.

A human needs and public welfare customer is a customer whose facilities are used for residential dwelling on either a permanent or temporary basis; commercial customers of a residential nature; other customers whose service locations are places of the kind where the element of human welfare is the predominant factor; and civil and governmental customers whose facilities are required in the performance of protecting and preserving the public health, safety, and welfare. Such facilities shall include, but are not limited to, houses, apartment buildings, correctional institutions, hospitals, nursing homes, and charitable institutions.

On a daily basis, the Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool. Daily operational information shall include information on daily gas flows provided by Automatic Meter Reading (AMR), equipment, telemetry, or any other means the Company has available. In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. Customer will be responsible for payment of the cost of such telemetric equipment. Customer will also be responsible for providing the Company with access to a telephone service, or such other equipment or utilities as may be necessary at customer's metering site. Customer shall also be responsible for the monthly charges for such telephone service or other necessary equipment or utilities.

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**TERMS AND CONDITIONS (Contd.)**

The primary term of contract shall be one (1) year. After completion of the primary term, such contract shall continue on from month to month unless cancelled by either party upon thirty (30) days written notice. In the event customer re-applies for service under this tariff within one year from the date that this contract was terminated at customer's request, customer shall pay the "minimum bill" charges specified in the Net Monthly Bill provision of this tariff for the number of months customer's service was inactive.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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**RATE FT - L**

**FIRM TRANSPORTATION SERVICE**

**AVAILABILITY**

Service under this rate schedule is available to any customer who: (1) enters into a written agreement with the Company; and (2) has arranged for delivery of gas into the Company's system for the customer's use at one point of delivery where distribution mains are adjacent to the premise to be served. Service provided hereunder shall be by displacement. This is a firm full requirements large volume transportation service, which is provided from the Company's city-gate receipt points to the outlet side of Company's meter used to serve the customer. This service is available within the Company's entire service territory to serve the firm service requirements of customers receiving firm service in combination with service under Rate IT, and the firm service requirements of all non-residential customers who use more than 20,000 CCF per year, except for those customers whose utility service accounts are past due at the time customer desires to utilize this service, or whose accounts fall into arrears, as defined in Rate FRAS after choosing this service. In the latter event, the customer will be returned to the Company's sales service effective with the customer's next scheduled meter reading, and will be ineligible to choose this transportation service until all arrears are paid in full. For customers receiving service under this tariff the written agreement between the Supplier and the customer may be terminated by supplier for non-payment of the customer's gas commodity portion of the bill if the account is at least 30 days past due. The Supplier shall give the Company and the customer no less than 30 days written notice that the customer will be switched from the Supplier and revert to the Company's sales service unless the past due amount is paid by the customer's next scheduled bill due date. If the past due amount is paid by the next scheduled bill due date, the customer will not revert to the Company's sales service but will remain with the Supplier. Customer must enter into a "pooling" agreement with a Supplier from a list of approved gas pool operators that have signed "Large Volume Customer Transportation Pooling Agreement" with the Company. Such suppliers must arrange for the delivery of gas into Company's system in accordance with Rate FRAS.

Customers who believe that they will significantly increase throughput, from their historic firm service levels, shall so inform the Company.

**DEFINITIONS**

Terms used in this tariff are defined in the same manner as set forth in Rate FRAS, Sheet No. 44.

**CHANGES IN CUSTOMERS' SERVICE ELECTIONS**

Customers, who elect service under this tariff and later return to Company's sales service may do so only in accordance with the requirements of the Company's tariffs and applicable regulations of the Kentucky Public Service Commission. If a customer voluntarily elects to return to the Company's sales service, all incremental gas procurement, upstream transportation, and storage costs incurred by Company in order to return customer to sales service may, as determined by the Company, have to be borne by customer.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
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**NET MONTHLY BILL**

The Net Monthly Bill shall be determined in accordance with the following rates and charges:

Administrative Charge per Month: \$430.00

The Administration Charge hereunder will be waived when this service is used in combination with the service provided under Sheet No. 50, Rate IT, Interruptible Transportation Service.

Plus a charge per CCF for each CCF of gas transported for customer from Company's city-gate measuring stations to the outlet side of Company's meter used to measure deliveries to customer at: \$0.19252 per CCF (I)

Plus the throughput charge for the service level selected under Rate IMBS, Interruptible Monthly Balancing Service

Plus all transported gas shall be subject to an adjustment per CCF as set forth on: (D)

Sheet No. 77, Rider GCAT, Gas Cost Adjustment Transition Rider, except as provided thereon.

Plus the cost to install remote meter reading equipment on customer's meter in order to monitor customer's usage on a daily basis.

Plus, or minus, rate adjustments which may occur as a result of changes in the rates of interstate pipelines, or of rulings of the Kentucky Public Service Commission and/or the Federal Energy Regulatory Commission, and for which it is determined that all customers should be allocated some portion of the corresponding costs or refunds.

Customer and/or its Suppliers shall be responsible for the payment and collection of excise taxes, sales taxes, revenue taxes, or similar taxes on the gas supplies that customer purchases from its Supplier.

**MINIMUM BILL**

The monthly minimum bill shall be the Administrative Charge and charge for remote meter reading, both as shown above.

**LATE PAYMENT CHARGE**

Payment of the total amount due must be received in Company's office by the due date shown on the bill. When not so paid, an additional amount equal to five percent (5%) of the unpaid balance of the bill is due and payable.

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## GENERAL TERMS AND CONDITIONS

### 1. Remote Metering

In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. Customer will be responsible for payment of the cost of such equipment, through a monthly charge designed to, among other things, reimburse the Company for the costs of such equipment. As a pre-requisite for receiving service under this tariff, Customer will also be responsible for providing the Company with access, on an ongoing basis, to a telephone service at customer's metering site, or such other equipment or utilities which may be necessary, and shall also be responsible for the monthly charges for such telephone service or other necessary equipment or utilities.

The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on a daily basis. Daily operational information shall include information on daily gas flows provided by Automatic Meter Reading (AMR) equipment, telemetry, or any other means the Company has available to help the customer, or its designated pool operator estimate the daily gas deliveries for individual customer's receiving service under Rate FT-L and for the pool's combined accounts.

### 2. Approved Supplier List

Company shall maintain a list of approved Suppliers from which customer can choose. Such list will include Suppliers who have signed a Gas Supply Aggregation/Customer Pooling Agreement in which Supplier has agreed to participate in and provide gas supplies to Rate FT-L pools, and abide by Company's requirements for its pooling program. This list shall be available to any customer upon request.

### 3. Applications and Service Date

A customer who desires service under this tariff shall apply through its chosen Supplier. Customer must also enter into a written agreement with the Company, such agreement shall set forth specific arrangements as to the transportation services provided, as well as, any other circumstances relating to the individual customer. Unless the Company determines that the customer is not eligible to become a transportation customer of the Supplier, the Company shall exercise its reasonable efforts to transfer the customer to the Supplier's pool on the customer's next regularly scheduled meter reading date after the telephone line and automatic meter reading equipment is installed and operative.

A customer, who terminates service under this tariff and returns to sales service, or who changes Suppliers, shall through its supplier provide Company with written or electronic notice. Requests so received shall normally be honored on customer's next regularly scheduled meter reading date. In the event that a customer is returned to sales service for non-payment, the Supplier shall provide the Company with notice of termination and shall comply with any notice requirements of the Suppliers' Code of Conduct set forth in Rate FRAS, Sheet No. 44.

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**GENERAL TERMS AND CONDITIONS (Contd.)**

4. Access to Usage History and Current Billing Information

The "Customer Consent Form," used to initiate requests for service under this tariff, shall authorize customer's Supplier to receive customer's usage, billing, and payment history from the Company, to act on customer's behalf in making billing/usage inquiries, and in exchanging current billing information with Company, including notices of commencement or termination of service by either party.

5. Service Term

Except customers returned for non-payment or for good cause shown the primary term of contract shall be a minimum of one (1) year. Customers may not elect to move to or from the Company's sales service and transportation service, or between rate schedules during this twelve month primary term. In addition, such movements will require thirty days advance notice to the Company and the Company's specific authorization if such movements are to occur during the winter period, November through March. After completion of the primary term, such contract shall continue unless cancelled by either party upon thirty (30) days written notice

6. Regulatory Approvals

Customer's Supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable gas to be delivered to the Company's system.

**CURTAILMENT OF SERVICE**

In times of system emergencies, the Company may curtail service under this rate schedule in order to maintain service to human needs customers and customers receiving service under Rates RS, GS and in accordance with curtailment procedures on file with, and approved by, the Kentucky Public Service Commission. In the event customer fails to comply with the Company's direction to curtail, the Company reserves the right to physically discontinue service to the customer. Company shall not be liable in damages or otherwise to customer for any loss of production, other claim, or any consequences occasioned by customer as a result of such curtailment or because of the lack of advance notice to customer of such curtailment.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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**RATE SSIT**

**SPARK SPREAD INTERRUPTIBLE TRANSPORTATION RATE**

**AVAILABILITY**

Interruptible local delivery service for natural gas to be used in commercial gas fired electric generators and available to any customer who: (1) is certified as an Exempt Wholesale Generator or Independent Power Producer with the Federal Energy Regulatory Commission; (2) signs a contract with the Company for service under this Rate SSIT; (3) arranges for the delivery of gas into the Company's system for customer's sole use at one point of delivery where distribution mains are adjacent to the premise to be served; and (4) utilizes natural gas transported under this tariff as its primary fuel source in a combustion gas turbine unit(s) or combined cycle unit(s) for the purpose of generating electricity for sale into the wholesale electric market. Service under this tariff will be provided by displacement and on a "reasonable efforts" basis. The Company reserves the right to decline requests to initiate or continue service hereunder whenever, in the Company's sole judgment, rendering service will be detrimental to the operation of the Company's system or impair its ability to supply gas to customers receiving service under the provisions of Rate RS, Rate GS, Rate FT-L, Rate IT, or other special contract arrangements. This tariff schedule shall not preclude the Company from entering into special arrangements with Commission approval, which are designed to meet unique circumstances.

The service provided hereunder will be interruptible local gas delivery service provided on a "reasonable efforts" basis from the Company's city gate receipt points to the outlet side of Customer's meter. The Company, to insure its ability to reliably supply gas to customers receiving service under the provisions of Rate RS, Rate GS, Rate FT-L, and Rate IT, as well as under interruptible special contract arrangements, shall have the right for operational reasons to designate the city gate receipt points where the customer is required to deliver gas into the Company's system.

In order to receive service under this tariff, Customer must have in place throughout the term of this agreement a gas storage/balancing service agreement with an upstream supplier under which that supplier will balance customer's hourly and daily usage with deliveries into the Company's system. The Company will install at Customer's expense metering equipment that will allow it to monitor customer's hourly and daily usage.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
All gas delivered is billed in units of 1000 cubic feet (MCF).

Administrative Charge per month: \$430.00

Facilities Charge per month:

Monthly amount required to amortize over the term of the contract, the incremental costs that the Company incurs in order to construct facilities to bring service to Customer, including the costs of such facilities as mains and service installations, metering and regulating equipment, and telemetric and flow control equipment.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

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**NET MONTHLY BILL (Contd.)**

Delivery Charge:

Company will deliver the arranged-for gas, less shrinkage, which is equal to the Company's system average unaccounted-for percentage, at a variable Spark Spread Rate determined as follows:

The transportation rate (\$ per MCF) shall be the greater of (Heat Rate / 1,000) x 0.0204 or (Spark Spread - 10.00) x (51.4 / Heat Rate)

Where:

Spark Spread = Electric Price – (Gas Price x Heat Rate / 1,000)

Heat Rate = Average heat rate at High Heating Value (HHV), subject to annual audit.

Electric Price = Weighted Average Index in \$/MWh for "Into Cinergy" as listed in Megawatt Daily.

Gas Price = Columbia Gas Appalachian midpoint in \$/MMBtu as listed in Gas Daily.

**Examples (Heat Rate = 8000):**

Electric Price \$/MWH	Gas Price \$MMBTU	Spark Spread \$/MWH	Transportation Rate \$/MCF
\$ 25.00	\$4.000	\$ (7.00)	\$0.1632
\$ 50.00	\$4.000	\$ 18.00	\$0.1632
\$ 75.00	\$4.000	\$ 43.00	\$0.2120
\$100.00	\$4.000	\$ 68.00	\$0.3727
\$125.00	\$4.000	\$ 93.00	\$0.5333
\$150.00	\$4.000	\$118.00	\$0.6939
\$175.00	\$4.000	\$143.00	\$0.8545
\$200.00	\$4.000	\$168.00	\$1.0152
\$225.00	\$4.000	\$193.00	\$1.1758

(D)

**MINIMUM BILL PROVISION**

Customer will be subject to a monthly "minimum bill" equal to the Monthly Administrative Charge and Facilities Charge, as noted above.

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Effective: July 31, 2009

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### **UNAUTHORIZED DELIVERIES**

In the event customer fails to interrupt transportation deliveries at Company's request, any excess deliveries through customer's meter will be considered unauthorized deliveries that are subject to the flow through of pipeline penalty charges to the extent that they are incurred by the Company, and in addition thereto, shall be paid for as specified under the "Charges For Unauthorized Deliveries" provision of this rate schedule. The charges for such unauthorized deliveries shall be billed directly to the customer. However, Company may at its sole discretion physically discontinue service to the customer if customer refuses to interrupt service when requested by Company. Further, Company may temporarily or permanently discontinue service if customer fails to operate in accordance with the Company's directives and limitations regarding service under this tariff.

### **CHARGES FOR UNAUTHORIZED DELIVERIES**

Any customer taking unauthorized deliveries shall be billed an amount reflective of the general service rate, Rate GS, Sheet No. 31, including the expected gas cost component of the gas cost recovery rate or Company's highest cost gas, and one month's pipeline and supplier related demand charges on the volume difference (this charge shall not be imposed more frequently than once in any 30 day period) and/or the cost of operating the Company's propane peak shaving plant, and/or, if so required to effectuate compliance with the interruptible provisions of this schedule, the cost incurred by the Company to valve-off the service. In any event, customer shall reimburse the Company for any interstate pipeline penalty charges resulting from such unauthorized deliveries.

### **BALANCING**

For purposes of this tariff a "pool" shall be defined as one or more customers taking service under Rate SSIT that are joined together for supply management purposes. A "pool operator" has a contractual responsibility to manage the aggregated gas supply requirements of all Rate SSIT customers that comprise its pool. All supply management responsibilities of individual customers are transferred to the pool operator once a customer becomes a part of a pool, as the aggregated balancing requirements of all pool members are treated under this tariff as though they were a single customer with its own supply management responsibilities. Because of the large hourly and daily usage likely to flow under this tariff, pool operator is required to contract with the pipelines designated by the Company for hourly and daily deliveries that correspond with their actual burn of gas delivered under this tariff.

### **LATE PAYMENT CHARGE**

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to five percent (5%) of the unpaid balance is due and payable.

### **TERMS AND CONDITIONS**

The customer shall enter into a written agreement with the Company. Such agreement shall set forth specific arrangements as to the transportation services provided as well as the level of firm gas required by customer and any other circumstances relating to the individual customer.

The Company's "reasonable efforts" is defined as the right, at any time, to curtail or interrupt the delivery or transportation of gas under this tariff when, in the judgment of the Company, such curtailment or interruption is necessary to enable the Company to maintain deliveries to higher priority customers or to respond to any emergency.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
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**TERMS AND CONDITIONS (Contd.)**

Pool operator agrees upon request by Company to produce, in a timely manner, proof of the purchase of the natural gas transported, any necessary regulatory approvals, and any and all transportation arrangements with all interstate pipelines, intrastate pipelines, or others involved in transporting the pool gas' supplies.

Company will not be liable for any costs and/or penalties charged by pipelines, or suppliers, because of pool operator's over or under deliveries into the pipeline, or pool customers' failure to take deliveries through customer's meters that in the aggregate match the amount of gas transported by the pool operator to the Company's city gate.

The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on an hourly and daily basis. Hourly/daily operational information shall include information on hourly/daily gas flows provided by Automatic Meter Reading (AMR), equipment, telemetry, or any other means the Company has available to provide the customer, or its designated pool operator with its best estimate of hourly/daily gas deliveries for individual customer's and the pool's combined accounts.

In order to administer the provisions of this tariff and monitor customer's hourly/daily usage, the Company will install remote metering equipment on customer's meter site. Customer will be responsible for payment of the cost of such telemetric equipment, either through a lump sum payment, or at the Company's option, through a monthly facilities charge designed to reimburse the Company for the costs of such equipment. Customer will also be responsible for providing the Company with access to a telephone service at customer's metering site, or such other equipment or utilities which may be necessary, and shall also be responsible for the monthly charges for such telephone service or other necessary equipment or utilities.

The primary term of contract shall be a minimum of ten (10) years. After completion of the primary term, such contract shall continue unless cancelled by either party upon thirty (30) days written notice.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: July 1, 2009

Issued by Julie Janson, President

Effective: July 31, 2009

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 55  
Cancelling and Superseding  
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**RATE AS**

**POOLING SERVICE FOR INTERRUPTIBLE GAS TRANSPORTATION**

**AVAILABILITY**

Pooling service available to (1) customers receiving interruptible gas transportation service under Rate IT and special contract interruptible customers who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT and special contract interruptible customers to manage gas supplies on their behalf and as a part of an aggregated customer pool. For purposes of administering this tariff, the usages of all customers within a pool will be combined into a single pool usage number, which will be matched against the pool operator's total deliveries to its Rate IT and special contract interruptible transportation pool.

**CHARACTER OF SERVICE**

Customers must elect whether they will operate as their own pool operator or choose a pool operator from a list of approved gas pool operators that have signed a "Large Volume Customer Transportation Pooling Agreement" with the Company. Such elections will be assumed to carryover from month to month unless the customer or pool operator notifies the Company of a change at least ten (10) days prior to the start of a new month. In such agreements, the pool operator accepts the responsibility for meeting the aggregated daily and monthly gas delivery requirements of those large volume Rate IT and special contract interruptible transportation customers that comprise their customer pool. Included among the aggregated gas supply and delivery obligations assumed by designated pool operators are requirements for responding to operational flow orders ("OFOs"), monthly balancing requirements, monthly "cash outs," Duke Energy Ohio to Duke Energy Kentucky, Inc. delivery charges, and the payment of penalty charges exclusive of those arising from customers' failure to interrupt or curtail deliveries when ordered to do so by the Company.

Pool operators shall have access to Company-offered services including balancing services, and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

**POOL OPERATOR REQUIREMENTS**

Customers will not be permitted to join pools, nor shall pool operators be permitted to disband their pools, until all outstanding imbalances with the Company have been settled or eliminated.

**NET MONTHLY BILL**

The Net Monthly Bill shall be rendered to the pool operator by the tenth day of the calendar month for services rendered during the preceding month, and shall consist of the following charges, or credits, calculated on an aggregated basis for the entire customer pool:

1. In those instances where gas supplies are purchased from or sold to the Company under the monthly "cash-out" provision of Rate IMBS, the Company shall bill pool operator for the cost of such "cash-outs" based on the aggregated imbalance of the pool and the "cash-out" pricing provisions of that tariff schedule.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
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**NET MONTHLY BILL (Contd.)**

- 2. In those instances where the pool operator has failed to respond to OFOs, pool operator will be billed unauthorized overrun/underrun charges, in addition to the flow-through of penalty charges from pipeline and gas suppliers, that can be attributed to pool operator's failure to respond.
- 3. In those instances where the pool operator delivers gas into the Duke Energy Ohio pipeline system and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky, Inc. for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky, Inc. for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate.

**LATE PAYMENT CHARGES**

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable.

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**TERMS AND CONDITIONS**

Pool operators must enter written service agreements with the Company. Such service agreements shall set forth specific covenants and obligations undertaken by the Company and pool operators under this tariff on behalf of the customers that they serve.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth  
Newport, Kentucky 40471

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 57  
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## RATE GTS

### GAS TRADING SERVICE

#### AVAILABILITY

Daily/monthly inter-pool imbalance trading services, available to (1) customers receiving interruptible gas transportation service under Rate IT or under special contract arrangements, who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT, special contract arrangements, or under Rate FT-L customers to manage their gas supplies on their behalf and as a part of an aggregated customer pool.

#### CHARACTER OF SERVICE

The Company will operate an electronic bulletin board (EBB) through which eligible pool operators can notice offers of gas supplies for purchase, sale, or trade. The pool operator offering to purchase, sell, or trade gas supplies must provide the following information for publication on the EBB:

- A) the pool operator's name,
- B) contact person and telephone number,
- C) quantities of gas available for purchase, sale or trade,
- D) other general text trade terms.

Daily imbalance trades or transfers must be made within four (4) business days from the date that the trade or transfer applies. Monthly imbalance trades or transfers must be completed within four (4) business days following the end of the month.

Transactions will be completed when the pool operator(s) on both sides of a transaction, key their acceptance into the EBB. When that occurs, all other would-be acceptors of the offer are locked out. The Company will adjust the daily/monthly accounts of both parties to a transaction in order to record the volume transfer embodied in the transaction. Any dollar payments, receipts, or exchanges of other consideration agreed upon between the parties to a transaction are outside the scope of this tariff and must be completed between the parties themselves.

#### BILLING

The Company will bill the receiving party to a transfer under this tariff a \$5.00 fee for each transaction. For purposes of this tariff, a transaction is each transfer of gas supplies from one pool to another on a specific gas day pursuant to an arrangement by, or between, pool operators to purchase, sell, or trade gas supplies. For purposes of this tariff, the receiving party of a transfer is the purchaser or the party to whom gas supplies are transferred on a specific gas day.

#### SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

---

Issued: July 1, 2009

Issued by Julie Janson, President

Effective: July 31, 2009

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

Ky.P.S.C. Gas No. 2  
First Revised Sheet No. 58  
Cancelling and Superseding  
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**RATE IMBS**

**INTERRUPTIBLE MONTHLY BALANCING SERVICE**

**AVAILABILITY**

Interruptible monthly gas balancing service available (1) to customers receiving service under Rate FT-L, Rate IT and special contract interruptible transportation agreements who are acting as their own pool operator for supply management purposes, and (2) to pool operators designated by Rate FT-L, Rate IT and special contract interruptible transportation customers to manage their gas supplies on their behalf, and as a part of an aggregated customer pool. For purposes of this tariff, a pool operator shall aggregate the requirements of all of its pools' member customers and thereafter such aggregated pool shall be treated as a single customer for supply management purposes.

**CHARACTER OF SERVICE**

The service provided under this tariff is a "reasonable efforts," interruptible, gas balancing service that requires a general obligation by the pool operator to balance daily pool usage with pool deliveries into the Company's city-gate stations. It further provides that no daily imbalance charges or penalties will be levied on the pool operators, except when operational flow orders (OFO) have been issued. However, pool operators are under an ongoing obligation to work with the Company in a good faith manner to respond to both formal and informal system management requests, and to strive to maintain relatively close daily balances and additionally closely track their daily loads throughout the month. For purposes of this tariff an OFO is as defined in Rate FRAS, Sheet No. 44. OFO's will be issued on an ongoing basis for pool operators who disregard their obligation to provide gas supplies in quantities that reasonably match their daily loads. OFO's shall be issued for operational reasons only. In the event a pool operator violates this tariff or the aggregation agreement, the Company may assess such a violator for all direct incremental gas supply, capacity, or storage or penalty costs incurred due to the violation. In addition, if the violations are part of a pattern of non compliance, or of a magnitude that merits additional action be taken, the Company may take steps to suspend or permanently remove a pool operator from participation upon notice. The Company shall have the right to limit or terminate the availability of this service to pool operators guilty of excessive abuse of the system; i.e., engaging in extreme and/or continued violations of the tariff terms and conditions including this general balancing requirement. For purposes of administering this tariff, the daily and monthly usage of all customers within an individual pool will be combined into single daily/monthly pool usage number, which will be matched against the pool operator's total daily/monthly deliveries to its individual transportation pool(s).

**SERVICE DESCRIPTION**

Transportation customers who avail themselves of the service under this rate schedule must, with the agreement of their supplier, select a monthly imbalance carry over tolerance level from the following options:

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: July 1, 2009

Issued by Julie Janson, President

Effective: July 31, 2009



Duke Energy Kentucky, Inc.  
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**SERVICE DESCRIPTION (Contd.)**

	Allowed Monthly Under-Run %	Allowed Seasonal Monthly Over-Run		Charge on All Throughput
		May Through November %	December Through April %	
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

Pool operators who select one or more of the balancing services contemplated under this Rate IMBS shall be held to a monthly balancing requirement within the monthly imbalance carry over tolerance level selected. Pool operators shall be subject to a general obligation to balance pool requirements and deliveries on a daily basis unless an OFO has been issued.

On days when OFO's have been issued, pool operators are required to operate on a "gas-in equals gas-out" basis. Any net imbalances on these OFO days may result in unauthorized overrun/underrun charges, or penalty charges being levied against the responsible pool operator. Such charges shall be calculated in accordance with the "Charges for Unauthorized Deliveries" provision of Rate IT, Interruptible Transportation Service. In order to minimize daily imbalance charges and penalties on OFO days, as well as end of month imbalance "cash-outs," pool operators are encouraged to participate in the Company's inter-pool imbalance trading/transfer opportunities and related electronic bulletin board (EBB) services. Daily imbalance trades/transfer made through the Company's EBB must be completed within four (4) business days from the date that the trade or transfer applies. Monthly imbalance trades to comply with the monthly balancing requirements of Rate IMBS must be made within four (4) business days after the end of the month. The pool or pool operator receiving gas that has been traded or transferred will be billed a fee in accordance with Rate GTS for each transaction.

**NET MONTHLY BILL**

Net monthly imbalances will be calculated for billing purposes as the net of:

- a) actual deliveries,
- b) plus or minus imbalance trades,
- c) plus or minus unauthorized daily or monthly OFO overrun/underrun volumes,
- d) plus monthly imbalance carryover,
- e) minus actual metered usage on an aggregated pool basis, as adjusted for unaccounted for losses.

The Net Monthly Imbalance percentage will be determined by dividing the net monthly imbalance as measured at the burner tip by the burner tip equivalent total aggregated pool deliveries for the month.

Pool operators receiving balancing services under this rate schedule shall be subject to the following charges:

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**NET MONTHLY BILL (Contd.)**

- (1) Unauthorized overrun/underrun charges as described above and resulting from pool operator's failure to comply with daily operational flow orders except as provided above.
- (2) End of month "cash-out" charges for volumes over/under-delivered outside of pool operator's selected option tolerance levels, as follows:

**DEFINITIONS**

- (a) Over-deliveries are defined as monthly deliveries into the Company's city-gate stations, plus the prior month's carryover volumes that exceed the pool's aggregated metered usage for the month as adjusted for shrinkage back to the city-gate, and as adjusted for the pool's elected monthly carry over tolerance percentage. Over-deliveries beyond the pool's elected monthly carry over tolerance percentage shall be cashed out to the pool operator at the first of the month index published in *Inside F.E.R.C. Natural Gas Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Onshore Louisiana Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city-gate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the volumes delivered in excess of the elected monthly carry over tolerance percentage, as measured at the burner tip.
- (b) Under-deliveries are defined as monthly deliveries into the Company's city-gate stations, plus the prior month's carryover volumes, that are less than the pool's aggregated metered usage for the month, as adjusted for shrinkage back to the city-gate. Under deliveries shall be cashed out at the first of the month index published in *Inside F.E.R.C. Natural Gas Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Onshore Louisiana Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city-gate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the under-delivered volumes, as measured at the burner tip.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in  
Case No. 2009-00202.

Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 59  
Cancelling and Superseding  
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**RATE DGS**  
**DISTRIBUTED GENERATION SERVICE**

**AVAILABILITY**

Available in the Company's entire service territory to customers who enter into a service agreement that identifies, among other provisions, facilities that are required to serve distributed generation installations. The facilities contemplated hereunder include, but are not limited to, the equipment necessary to accommodate non-standard system pressure. The Company reserves the right to decline requests to initiate or continue service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rates RS, GS, and FT-L.

**CHARACTER OF SERVICE**

The service provided under this tariff schedule is firm, on-demand, delivery service.

**NET MONTHLY BILL**

In addition to the provisions of the applicable firm transportation tariff, the following monthly charges shall apply for billing purposes.

**Administrative Charge**

A charge of \$25.00 per month shall be assessed for each account to which this service applies.

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**Monthly Capacity Reservation Charge**

The customer shall pay, except when the installation is operating according to the service agreement, a monthly amount equal to the level of contract capacity stated in the service agreement, times the capacity reservation charge per CCF. The level of contract capacity is the customer's estimate of the maximum hourly load in CCF that the installation will require when operating as intended. The capacity reservation charge equals the delivery charge stated in the applicable firm transportation service tariff. The minimum monthly capacity reservation charge shall be \$2.00 per installation.

**Facilities Charge**

The customer shall pay the amount specified in the service agreement.

**Delivery Charge**

All deliveries, as determined by the Company, shall be billed under the provisions of the applicable firm transportation service tariff.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly bill, which is the Net Monthly Bill plus five percent (5%), is due and payable.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in  
Case No. 2009-00202.

Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
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**TERMS AND CONDITIONS**

The customer shall enter into a written service agreement with the Company which specifies the type of service(s) required, operational requirements, the facilities necessary to accommodate the type of service, and the level of capacity required by customer. The customer and the Company will mutually agree upon the level of contract capacity.

An additional meter shall be installed to separately measure the service hereunder.

The cost of facilities, as described in the service agreement, shall be paid by the customer.

The customer shall have contracted for such interstate pipeline services, including, but not limited to, firm transportation and no-notice delivery services, that are sufficient to satisfy the installation's planned operating schedule.

Changes in the level of contract capacity may be requested annually by the customer, on the anniversary date of the service agreement. Such requests shall be made at least thirty (30) days in advance of the anniversary date.

The term of contract shall be five years.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

---

Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY P.S.C. Gas No. 2  
First Revised Sheet No. 60  
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## RIDER X

### MAIN EXTENSION POLICY

#### AVAILABILITY

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

#### APPLICABILITY

Applicable to gas service supplied in accordance with provisions of the appropriate rate currently in effect, from the nearest available distribution main when it is necessary to extend such main.

#### EXTENSION PLAN

1. Normal Extensions. An extension of one hundred (100) feet or less shall be made by the Company to an existing distribution main without charge for a prospective customer who shall apply for and contract to use service for one year or more.
2. Other Extensions. When an extension of the Company's main to serve an applicant amounts to more than one hundred (100) feet per customer, the Company will require the total cost of the excess footage in excess of one hundred (100) feet per customer to be deposited with the Company by the applicant based on the estimated cost per foot for main extensions.

The applicant will be reimbursed under the following plan:

- (i) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer, who paid for the excess footage, the cost of one hundred (100) feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed, but in no case shall the total amount refunded, including the amount determined under paragraph (ii), exceed the amount paid to the Company.
- (ii) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer who paid for the excess footage, an amount reflecting the positive impact of a subsequent connection or extension, by analyzing the estimated cost and corresponding revenues resulting from the subsequent connection or extension. This amount will be paid when the first customer is connected to the subsequent connection or extension.
3. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the applicant, who paid for the extension, a sum equivalent to the cost of one hundred (100) feet of the extension installed for each additional customer connected during the year, but in no case shall the total amount refunded over the ten (10) year period exceed the amount paid to the Company. There shall be no refunds after the end of the said ten (10) year period.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 60  
Cancelling and Superseding  
Original Sheet No. 60  
Page 2 of 2

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**EXTENSION PLAN (Contd.)**

4. Nothing contained herein shall be construed to prohibit the Company from making extensions under different arrangements provided such arrangements have been approved by the Kentucky Public Service Commission.
5. Nothing contained herein shall be construed as to prohibit the Company from making, at its expense, greater extensions than herein prescribed, should its judgement so dictate, provided like free extensions are made to other customers under similar conditions.
6. Upon complaint to and investigation by the Kentucky Public Service Commission, the Company may be required to construct extensions greater than one hundred (100) feet upon a finding by the Commission that such extension is reasonable.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in  
Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 61  
Cancelling and Superseding  
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**RIDER DSM**

**DEMAND SIDE MANAGEMENT COST RECOVERY RIDER**

**APPLICABILITY**

Applicable to service rendered under the provisions of Rates RS (residential class), GS, and FT (non-residential class).

**CHARGES**

The monthly amount computed under each of the rate schedules to which this rider is applicable shall be increased or decreased by the DSM Charge at a rate per hundred cubic feet (CCF) of monthly consumption in accordance with the following formula:

$$\text{DSM Charge} = \text{PC} + \text{LR} + \text{PI} + \text{BA}$$

Where: **PC = DSM PROGRAM COST RECOVERY.** For each twelve month period, the PC shall include all expected costs for demand-side management programs which have been approved by a collaborative process. Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the PC. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated avoided pipeline capacity and commodity costs resulting from each program.

The PC applicable to the residential class shall be determined by dividing the cost of approved programs allocated or assigned to the residential class by the expected CCF throughput for the upcoming twelve-month period. Similarly, the cost of approved programs assigned to the non-residential class shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PC applicable to the non-residential rate class.

**LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY.** Revenues from lost throughput due to DSM programs will be recovered through the decoupling of revenues from actual throughput of the residential class. At the end of each twelve-month period after implementation of the DSM Charge, the non-variable revenue requirement (total revenue requirement less variable costs) for the residential class for ULH&P's most recent twelve month period will be adjusted to reflect changes in the number of customers and the usage per customer as follows: (1) the non-variable revenue requirement will be multiplied by the factor obtained by

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 61  
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### CHARGES (Cont'd)

dividing the twelve month average number of customers at the end of the current twelve-month period by the twelve month average number of residential customers at the end of the twelve-month period ending December 1994, and (2) the non-variable revenue requirement will be multiplied by a factor "F<sub>g</sub>" calculated by the following formula:

#### LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY. (Contd.)

$$F_g = (1 + g)^{n/12}$$

Where: g = Growth factor - recalculated annually based on the most recent eleven years of actual customer data. Initially "g" shall be set at -0.0156; and  
n = the number of months from December 1994 to the end of the current twelve-month period.

At the end of each twelve-month period after implementation of the DSM Charge, the difference between the actual non-variable revenue billed during the twelve-month period and the adjusted non-variable revenue requirement, as described above, will be determined. This difference ("LR amount established for the twelve-month period") will be divided by the estimated CCF throughput for the upcoming twelve-month period to determine the LR for the residential class.

The LR applicable to the non-residential class shall be computed by 1) multiplying the amount of CCF throughput that will be lost for each twelve-month period as a result of the implementation of the approved programs times the CCF throughput charge for the applicable rate schedule, less the variable cost included in the charge; and, 2) dividing that product by the expected CCF throughput for the upcoming twelve-month period. The lost revenue attributable to decreased throughput to the non-residential class due to approved programs will be calculated through estimates agreed upon by the collaborative process, which may include engineering estimates, of the level of decreased throughput. Recovery of revenues from decreased throughput calculated for a twelve-month period for non-residential rate classes shall be included in the LR until January 1, 2000 or until terminated by the implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from such decreased throughput will be assigned for recovery purposes to the rate classes whose programs resulted in the decreased throughput.

**PI = DSM PROGRAM INCENTIVE RECOVERY.** The DSM Program Incentive (PI) amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent. Net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of Duke Energy Kentucky, Inc.'s avoided gas costs over the expected life of the program, and will include both capacity and commodity savings. The DSM incentive amount related to programs for the residential class shall

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President



Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 61  
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**CHARGES (Cont'd)**

be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. The PI amount related to programs for the non-residential class rates shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

**BA = DSM BALANCE ADJUSTMENT.** The BA is used to reconcile the difference between the amount of revenues actually billed through the respective DSM Charge components; namely, the PC, LR, and PI and previous BA, and the revenues which should have been billed, as follows:

(1) For the PC, the balance adjustment amount will equal the difference between the amount billed in a twelve-month period from the application of the PC unit charge and the actual cost of the approved programs during the same twelve-month period.

(2) For the LR applicable to the residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from the application of the LR unit charge and the LR amount established for the same twelve-month period.

For the LR applicable to the non-residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the LR unit charge and the amount of lost revenues determined for the actual DSM program, or measures implemented during the twelve-month period.

(3) For the PI, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the PI unit charge and the incentive amount determined for the actual DSM program, or measures implemented during the twelve-month period.

(4) For the BA, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the BA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined above shall include interest. The interest applied to the monthly amounts, shall be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of balance adjustment amounts shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the BA. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over or under-recoveries of DSM amounts were realized.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY P.S.C. Gas No. 2  
First Revised Sheet No. 61  
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### CHARGES (Cont'd)

All costs recovered through the DSM Charge will be assigned or allocated to Duke Energy Kentucky, Inc.'s electric or gas customers on the basis of the estimated net electric or gas resource savings resulting from each program.

#### DSM CHARGE FILINGS

The filing of modifications to the DSM Charge shall be made at least thirty days prior to the beginning of the effective period for billing. Each filing will include the following information as needed:

- (1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available
- (2) A statement setting forth the detailed calculation of each component of the DSM Charge.

Each change in the DSM Charge shall be applied to customers' bills with the first billing cycle of the revenue month which coincides with, or is subsequent to, the effective date of such change.

#### SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
Fourth Revised Sheet No. 62  
Cancels and Supersedes  
Third Revised Sheet No. 62  
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**RIDER DSMR**

**DEMAND SIDE MANAGEMENT RATE**

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 61 of this Tariff.

The DSMR to be applied to residential customer bills as of May 14, 2009 is \$0.066904 per hundred cubic feet.

Beginning with the November 2008 revenue month, a Home Energy Assistance Program (HEA) charge of \$0.10 will be applied monthly to residential customer bills through September 2011.

The DSMR to be applied to non-residential service customer bills as of May 14, 2009 is \$0.00 per hundred cubic feet.

Issued by authority of an Order by the Kentucky Public Service Commission dated May 12, 2009 in Case No. 2008-00473.

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Issued: May 13, 2009

Effective: May 14, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 63  
Cancelling and Superseding  
Original Sheet No. 63  
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**RIDER AMRP**

**(D)**

**ACCELERATED MAIN REPLACEMENT PROGRAM RIDER**

**THIS TARIFF IS HEREBY CANCELLED AND WITHDRAWN**

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 64  
Cancelling and Superseding  
Original Sheet No. 64  
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**RIDER MSR-G**

**(D)**

**MERGER SAVINGS CREDIT RIDER – GAS**

**THIS TARIFF IS HEREBY CANCELLED AND WITHDRAWN**

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in  
Case No. 2009-00202.

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Issued: July 1, 2009

Issued by Julie Janson, President

Effective: July 31, 2009

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 70  
Cancelling and Superseding  
Original Sheet No. 70  
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## **GAS COST ADJUSTMENT CLAUSE**

### **APPLICABILITY**

The charge to each customer for the cost of gas shall be the appropriate Gas Cost Adjustment Rate applied to the customer's monthly consumption. This charge is applicable to all Company sales that are under the jurisdiction of the Kentucky Public Service Commission (Commission).

### **DETERMINATION OF GCA**

The Company, unless otherwise ordered by the Commission, shall file a quarterly report with the Commission which shall contain an updated gas cost adjustment rate (GCA) and shall be filed at least thirty (30) days prior to the beginning of the billing period.

The GCA is comprised of:

- (1) The expected gas cost component (EGC) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which represents the average cost of gas supplies including propane.
- (2) The supplier refund adjustment (RA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which reflects refunds received during the reporting period plus interest at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period, less 1/2 of 1 percent to cover the cost of refunding.
- (3) The actual adjustment (AA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any previous over or under collections of gas cost experienced by the Company through the operation of this gas cost recovery procedure.
- (4) The balance adjustment (BA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any over or under collections which have occurred as a result of prior adjustments.

### **HEDGING PLAN**

In accordance with the approved hedging plan, Duke Energy Kentucky, Inc., will utilize fixed price contracts without cost averaging and no-cost collars for gas purchases within the range of volumes defined in the plan for up to eighteen (18) months from the time of the transaction. On or before each May 15, the Company shall file a report of its hedging activities for the twelve (12) months ended the previous March 31 that also identifies all existing hedging arrangements for future purchases.

### **BILLING**

The gas cost recovery rate to be applied to the customers' bills shall equal the sum of the following components:

$$\text{GCA} = \text{EGC} + \text{RA} + \text{AA} + \text{BA}$$

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 70  
Cancelling and Superseding  
Original Sheet No. 70  
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## DEFINITIONS

For purposes of this tariff:

- (A) "Average Cost" means the cost of gas supplies, including associated transportation and storage charges and propane, which results from the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the three (3) month period, on purchased volumes during the twelve month period ending with the reporting period, divided by the corresponding sales volume. This includes the cost of all gas supplies acquired through hedging instruments, including the cost of the hedging instruments themselves, acquired under a hedging plan approved by the Commission and under the terms and conditions of this tariff. Also included are carrying costs for gas stored underground. In addition net charge offs and collection fees less late payment charges related to gas costs billed to customers are included.
- (B) "GCA" means the sum of the expected gas cost component plus the supplier refund adjustment plus the actual adjustment plus the balancing adjustment; i.e.,  $GCA = EGC + RA + AA + BA$ .
- (C) "Billing period" means each of the four three-month periods of (1) December, January, and February; (2) March, April, and May; (3) June, July, and August; (4) September, October, and November.
- (D) "Reporting Period" means the three (3) month accounting period that ended approximately fifty-five days prior to the filing date of the updated gas cost adjustment rates.

(T)

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

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

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**RIDER GCAT**

**GAS COST ADJUSTMENT TRANSITION RIDER**

**APPLICABILITY**

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

**GCA TRANSITION RIDER**

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be \$(0.0393) per 100 cubic feet. This rate shall be in effect during the month of June 2009 through August 2009 and shall be updated quarterly, concurrent with the Company's GCA filings.

Issued by authority of an Order of the Kentucky Public Service Commission dated May 28, 2009 in Case No. 2009-00184.

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Issued: June 1, 2009

Effective: June 2, 2009

Issued by Julie Janson, President



Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 80  
Cancelling and Superseding  
Original Sheet No. 80  
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## BAD CHECK CHARGE

### APPLICABILITY

Applicable to all customers in the Company's gas service area.

### CHARGE

The Company may charge and collect a fee of \$11.00 to cover the cost of handling an unsecured check, where a customer tenders in payment of an account a check which upon deposit by the Company is returned as unpaid by the bank for any reason.

### SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order by the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

---

Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 81  
Cancelling and Superseding  
Original Sheet No. 81  
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### CHARGE FOR RECONNECTION OF SERVICE

#### APPLICABILITY

Applicable to all customers in the Company's entire service area who are in violation of Rule 3, Company's Right to Cancel Service Agreement or to Suspend Service, of the Company's Gas Service Regulations.

#### CHARGE

The Company may charge and collect in advance the following:

- A. The reconnection charge for service which has been disconnected due to enforcement of Rule 3 shall be twenty-five dollars (\$25.00).
- B. The reconnection charge for service which has been disconnected within the preceding twelve months at the request of the customer shall be twenty-five dollars (\$25.00).
- C. If service is discontinued because of fraudulent use thereof, the Company may charge and collect in addition to the reconnection charge of twenty-five dollars (\$25.00) the expense incurred by the Company by reason of such fraudulent use, plus an estimated bill for gas used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

#### SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 4101

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 82  
Cancelling and Superseding  
Original Sheet No. 82  
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**LOCAL FRANCHISE FEE**  
**APPLICABLE TO ALL RATE SCHEDULES**

There shall be added to the customer's bill, listed as a separate item, an amount equal to the fee now or hereafter imposed by local legislative authorities, whether by ordinance, franchise or other means, which fee is based on the gross receipts collected by the Company from the sale of gas to customers within the boundaries of the particular legislative authority. Such amount shall be added exclusively to bills of customers receiving service within the territorial limits of the authority imposing the fee.

Where the local legislative authority imposes a flat, fixed amount on the Company, the fee applied to the bills of customers receiving service within the territorial boundaries of that authority, shall be in the form of a flat dollar amount.

Where more than one such fee is imposed, each of the charges applicable to each customer shall be added to the customer's bill and listed separately.

The amount of such fee added to the customer's bill shall be determined in accordance with the terms of the ordinance, franchise or other directive agreed to be the Company.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in  
Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 83  
Cancelling and Superseding  
Original Sheet No. 83  
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**CURTAILMENT PLAN FOR  
MANAGEMENT OF  
AVAILABLE GAS SUPPLIES**

**AVAILABILITY**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**APPLICABILITY**

In the event of an emergency which necessitates curtailment of gas service, Duke Energy Kentucky, Inc. shall curtail gas service to its customers in the manner set forth herein, except where the Public Service Commission of Kentucky (Commission) or other authority having jurisdiction in the matter orders otherwise.

**DEFINITIONS**

Special Gas Service Contract Customers:

A customer who purchases gas, off-peak and firm, under a Special Gas Service Contract. Such a customer shall not qualify as a Domestic or Non-Domestic Customer.

Domestic Customers:

Customers which use gas in private homes, boarding houses, apartment houses, hotels, motels, restaurants, food processors, hospitals and places of like kind where the element of human welfare is the predominating requirement.

Non-Domestic Customers:

All other customers not defined as Domestic Customers or Special Gas Service Contract Customers.

Winter Period:

The consecutive customer billing months of November and December, of one year and the months of January, February and March in the next year.

Summer Period:

The consecutive customer billing months of April, May, June, July, August, September and October.

Winter Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of January, February, March, November and December of 1972.

Summer Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of April, May, June, July, August, September and October of 1972.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 83  
Cancelling and Superseding  
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## DEFINITIONS (Contd.)

### Adjusted Winter Volumetric Limitation:

A Non-Domestic Customer's winter base volumetric limitation for the gas usage during a winter period as adjusted from time to time by Duke Energy Kentucky, Inc. to reflect pro rata curtailment.

### Adjusted Summer Volumetric Limitation:

A Non-Domestic Customer's summer base volumetric limitation for the gas usage during the summer period as adjusted from time to time by Duke Energy Kentucky, Inc. to reflect pro rata curtailment.

## ORDER OF CURTAILMENT

- (1) The Special Gas Service Contract Customer will be curtailed to the extent of its off-peak usage limitation noted in the customer's contract whenever:
  - (a) Duke Energy Kentucky, Inc. cannot supply the Special Gas Service Contract customer its full requirements in excess of such customer's Contract Demand without incurring penalties under tariffs of Duke Energy Kentucky, Inc.'s supplier, or without having to purchase additional volumes of gas at premium rates, or without Duke Energy Kentucky, Inc. operating its peak load manufacturing facilities.
  - (b) Duke Energy Kentucky, Inc.'s supplier curtails delivery and as a result Duke Energy Kentucky, Inc. determines that it cannot supply the total requirements of its customers.

The off-peak gas of the Special Gas Service Contract Customer shall be fully curtailed before curtailment is imposed upon other customers; however, since all the contracted for firm gas is considered necessary for plant protection, it will not be curtailed prior to other customer curtailment.

- (2) Where additional curtailment is necessary after full curtailment of the off-peak of the Special Gas Service Contract Customers, Duke Energy Kentucky, Inc. shall, after giving reasonable notice, curtail those Non-Domestic Customers which use 50,000 cubic feet or more of gas per day on a pro rata basis by adjusting their Winter and/or Summer Base Volumetric Limitations downward to the extent necessary to limit the total usage to the gas supply available to Duke Energy Kentucky, Inc.. The resulting volumes will be the Non-Domestic Customer's adjusted Winter and/or Summer Volumetric Limitation. For plant protection the adjusted Winter and Summer Volumetric Limitations shall not be less than 20% of the respective Winter and Summer Base Volumetric Limitation. A Non-Domestic Customer consuming over 50,000 cubic feet or more of gas per day and having more than one metering location may, upon mutual agreement with Duke Energy Kentucky, Inc., combine his adjusted Volumetric Limitation at one or more locations only for curtailment purposes. Such customer must notify Duke Energy Kentucky, Inc. in writing and receive Duke Energy Kentucky, Inc.'s written consent of the accounts to be effected and the volumes to be combined.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 83  
Cancelling and Superseding  
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**ORDER OF CURTAILMENT (Cont'd)**

- (3) Where additional curtailment of gas service is necessary, after curtailment in curtailment with paragraph (2) above, then gas service to Non-Domestic Customers using under 50,000 cubic feet of gas per day shall be curtailed on a pro rata basis in the same manner provided in the above paragraph (2).
- (4) Where additional curtailment is necessary the Domestic Customer will then be curtailed on a pro rata basis.

**CARRY-OVER AND ADJUSTMENT OF BASE VOLUMETRIC LIMITATION**

No carry-over of volumes will be permitted from the Winter to Summer Period or from the Summer to Winter Period. In the establishment of the Winter and Summer Base Volumetric Limitations a customer may request an investigation as to the proper maximum volumes so determined. If such investigation discloses that the volumetric limitations do not reasonably reflect the normal usage of his equipment that was connected in 1972 or authorized by Duke Energy Kentucky, Inc. to be installed at a later date, such limitation will be adjusted accordingly. Such request must be made within 60 days of the approval of this curtailment plan and absent such a request the Base Volumetric Limitations will not be subject to any increase.

**PENALTIES**

Special Gas Service Contract Customers will be subject to penalties as set forth in their contract. As to the Non-Domestic Customers, after the end of the Winter Period and Summer Period the actual gas usage of each Non-Domestic Customer for the period during which curtailment was required shall be compared respectively to the Adjusted Winter and Summer Volumetric Limitations, and in addition to the Non-Domestic Customer's regular monthly bill, a penalty shall be charged if such usage exceeds the respective Adjusted Winter or Summer Volumetric Limitation. The penalty amount will be based on the same penalty rate applicable to Duke Energy Kentucky, Inc. from its sold supplier of natural gas, the Columbia Gas Transmission Corporation. As of June 1, 1975 the penalty as stated in the Columbia Gas Transmission Corporation's FPC filed tariff is ten dollars (\$10.00) for each 1,000 cubic feet overrun.

**ACTION FOR EXCESSIVE USAGE**

During periods of curtailment, where it appears to Duke Energy Kentucky, Inc. through its procedure of monitoring monthly usage of Non-Domestic Customers being curtailed, that a Non-Domestic Customer's usage will significantly exceed his adjusted Winter or Summer Volumetric Limitation, Duke Energy Kentucky, Inc. will give such customer notice to cease such excessive usage and, in the event such customer does not cease, Duke Energy Kentucky, Inc. may disconnect gas service to such customer.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 83  
Cancelling and Superseding  
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**PENALTY REFUND**

Penalties collected from Duke Energy Kentucky, Inc.'s customers will be added to the refunds received from Duke Energy Kentucky, Inc.'s supplier and held for redistribution and shall be refunded to all customers in accordance with Duke Energy Kentucky, Inc.'s gas cost adjustment provision. If Duke Energy Kentucky, Inc. incurred penalties from its supplier as a result of volumetric overruns, the amount of such penalties shall be subtracted from the total penalties collected by Duke Energy Kentucky, Inc. from its customers to determine the amount of penalties to be refunded.

**BILLING OF PENALTIES**

Penalties, as provided above, shall be reflected in the customers service bill for the Winter Period on the May bill and for the Summer Period on the December bill. Five percent (5%) will be added to the penalty amount if not paid on or before fourteen (14) calendar days after mailing date of the bill.

**EMERGENCIES**

In the event of a short-term emergency situation where immediate deliveries of additional gas are needed to prevent irreparable injury to life or property of an existing customer, Duke Energy Kentucky, Inc. shall, at its option, have the right to deliver additional volumes of gas to meet such emergency needs in excess of any limited volumes specified herein, without imposition of penalties where the emergency volumes are repaid by reduction of future gas purchases by the customer within ninety (90) days after termination of the emergency period.

**EXEMPTION**

No exemptions from this Plan, other than emergency deliveries, as defined above, shall be granted except by Order of the Commission, directly through its duly designated Staff, or other authority having jurisdiction in this matter.

**AMENDMENT, MODIFICATION OR CLARIFICATION**

Due to governmental order or rapid changes in gas supply it may be necessary to amend, modify or clarify this Curtailment Plan. This Plan may be so amended, modified or clarified by filing a Motion with the Commission.

**AVAILABILITY OF THE PLAN**

Copies of this Plan, together with the address and telephone number of the Commission shall be kept at each business office of Duke Energy Kentucky, Inc. and shall be made available to any customer upon request.

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Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
Original Sheet No. 84  
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**RATE MPS  
METER PULSE SERVICE**

(N)

**APPLICABILITY**

Applicable to customers that request the Company to install gas meter pulse equipment, which is a meter related service not otherwise provided by the Company.

**DESCRIPTION OF SERVICE AND SPECIFICATIONS**

The service provided is an electronic pulse output, representing a pre-determined natural gas volume. The volume will vary at different meter installations, and will thus be communicated to the customer at the time of installation. Pressure and temperature correcting factors may need to be applied by the customer.

The pulse supplied does not represent rate of flow, only total volume and should not be used for control purposes. The end-use customer is responsible for providing power and communication links to the meter pulse equipment per the Company's specifications.

Customer must provide either a regulated 24 volts DC, or 120 volts AC, an area 2' x 2', 20' away from any gas pipeline flanges or gas pressure relief devices. The Company will supply a dry contact to their energy Management software.

A failure of the pulse initiator will not be detected by Company on any routine meter reading or during other operations. Therefore, customer will be required to recognize and report any problems with the pulse system, and Company shall not be responsible for incorrect data, or subsequent customer actions based upon the data.

**TYPE OF CHARGES**

Installation of Meter Pulse Equipment: \$500.00

If replacement of Meter Index is necessary, additional charge of: \$155.00

If replacement of the Gas Meter is necessary, charges will be determined based on then current prices for purchase and installation of applicable replacement meter.

If the Company is required to make additional visits to the meter site due to the inability to gain access to the meter location or the necessary Communication Link has not been installed, or the Communication Link is not working properly, the Company may charge the customer for any additional trip to the meter site at the per visit rate of: \$60.00

In addition, the Company shall charge for the cost of any incremental equipment necessary to complete the pulser installation.

**SERVICE REGULATIONS**

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

---

Issued: July 1, 2009

Issued by Julie Janson, President

Effective: July 31, 2009





Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY P.S.C. Gas No. 2  
Thirty-Seventh ~~Eight~~ Revised Sheet No. 10  
Cancelling and Superseding  
Thirty-Sixth ~~Seventh~~ Revised Sheet No. 10  
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Issued by authority of an Order of the Kentucky Public Service Commission dated May 28, 2009 \_\_\_\_\_ in Case No. 2009-00184-2009-00202.

Issued: June 1, 2009 July 1, 2009

Effective: July 1, 2009 July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
~~Thirty-Seventh-Eighth~~ Revised Sheet No. 10  
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Issued by authority of an Order of the Kentucky Public Service Commission dated May 28, 2009 \_\_\_\_\_ in Case No. ~~2009-00184~~ 2009-00202.

Issued: ~~June 1, 2009~~ July 1, 2009

Effective: July 1, 2009 July 31, 2009

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY. P.S.C. Gas No. 2  
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Issued by authority of the ~~Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006, an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.~~

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY. P.S.C. Gas No. 2  
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Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth  
Newport, Kentucky 41071

Ky. P.S.C. Gas No. 2  
First Revised Sheet No. 20  
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## SERVICE REGULATIONS

### SECTION I - SERVICE AGREEMENTS

#### 1. Application for Service.

When a prospective customer desires gas service, an oral application may be accepted by the Company. However, a written application may be required in special circumstances (e.g., the necessity of using special apparatus in providing the requested service).

#### 2. Customers' Right to Cancel Service Agreement or to Suspend Service.

Except as otherwise provided in the Service Agreement, Rate Schedules or elsewhere in these Service Regulations, Customer may give Company ten days notice of desire to cancel the Service Agreement whenever he no longer requires any gas service for the purposes mentioned in said Agreement. Company will accept such notice as a cancellation of the Service Agreement upon being satisfied that Customer no longer requires any such service.

#### 3. Company's Right to Cancel Service Agreement or to Suspend Service.

Company, in addition to all other legal remedies, shall terminate the Service Agreement, refuse or discontinue service to an applicant or customer, after proper notice for any of the following reasons:

- (a) Default or breach of these Service Regulations, after having made a reasonable effort to obtain customer compliance.
- (b) Non-payment of bills when due.
- (c) Theft, fraudulent representation or concealment in relation to the use of gas.
- (d) Use of gas, by the customer, in a manner detrimental to the service rendered others.
- (e) Upon the basis of a lawful order of the Kentucky Public Service Commission, the State of Kentucky or any governmental subdivision thereof having jurisdiction over the premise.
- (f) When a customer or applicant refuses or neglects to provide reasonable access to the premise.

When a dangerous condition is found to exist on the customer's or applicant's premises, the gas service shall be disconnected without notice, or application for service refused. The Company shall notify the customer or applicant within 24 hours of such action, in writing, of the reasons for the discontinuance or refusal of service and the corrective action to be taken by the applicant or customer before service can be restored.

If discontinuance is for non-payment of bills, the customer shall be given at least ten (10) days written notice, separate from the original bill, and cut-off shall be effected not less than twenty-seven (27) days after the mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the utility a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be

Issued by authority of an Order of the Kentucky Public Service Commission in dated \_\_\_\_\_ in Case No. 2009-00202. ~~accordance with TFS2006-01494 dated September 29, 2006.~~

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Effective: ~~October 1, 2006~~ July 31, 2009

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Duke Energy Kentucky, Inc.  
1697-A Monmouth  
Newport, Kentucky 41071

Ky. P.S.C. Gas No. 2  
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effected not less than thirty (30) days from the termination date, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

#### SECTION I - SERVICE AGREEMENTS (Contd.)

Whenever a residential customer receiving both gas and electric service has received a termination of service notice, the customer shall be given the option to pay for and continue receipt of one utility service only. The Company shall offer extended payment arrangements for the service designated by the customer. If both the gas and electric service of a residential customer have been previously discontinued for non-payment, the Company shall reconnect either service upon payment by the customer of the total amount owed on the service designated by the customer to be reconnected, except as provided in 807 KAR 5:006, section 15, winter hardship reconnection.

#### 4. Connection of Service.

Except as provided in Section 15 of the Kentucky Public Service Commission's regulations, the Company shall reconnect existing service within twenty-four (24) hours, and shall install and connect new service within seventy-two (72) hours, when the cause for discontinuance or refusal of service has been corrected and the Company's tariffed rules and Commission's regulations have been met.

#### 5. Change of Address of Customer.

When Customer changes his address he should give notice thereof to Company prior to the date of change. Customer is responsible for all service supplied to the vacated premises until such notice has been received and Company has had a reasonable time, but not less than three (3) days, to discontinue service.

If Customer moves to an address at which he requires gas service for any purposes specified in his Service Agreement, and at which address Company has such service available under the same Rate Schedule, the notice is considered as Customer's request that Company transfer such service to the new address, but if Company does not have such service available at the new address the old Service Agreement is considered cancelled. If Company does have service available at the new address to which a different Rate Schedule applies, a new Service Agreement including the applicable Rate Schedule is offered to Customer. Company makes transfer of service as promptly as reasonably possible after receipt of notice.

#### 6. Successors and Assigns.

The benefits and obligations of the Service Agreement shall inure to and be binding upon the successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof; provided that no assignment hereof shall be made by Customer without first obtaining Company's written consent.

Issued by authority of an Order of the Kentucky Public Service Commission in dated \_\_\_\_\_ in Case No. 2009-00202, accordance with TFS2006-01494 dated September 29, 2006.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

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Duke Energy Kentucky, Inc.  
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## SECTION II - SUPPLYING AND TAKING OF SERVICE

### 1. Character of Service.

The Company by its present franchise requirements has agreed to furnish natural gas of the kind and quality produced in the natural gas fields from which its supply is procured (subject, however, to the removal of oil and gasoline vapors); except as said natural gas may be supplemented with manufactured gas, provided, however, that the heat unit quality of the gas supplied by the Company will, at no time, be less than 800 British Thermal Units (**B.T.U.**) to the cubic foot, as furnished at the point of consumption.

At present the Company is distributing gas of approximately 1030 B.T.U. per cubic foot, at a pressure of 4 ounces, subject to tolerance allowed by the Kentucky Public Service Commission.

### 2. Supplying of Service.

Service is supplied only under and pursuant to these Service Regulations and any modifications or additions hereto lawfully made, and such applicable Rate Schedules and Riders as may from time to time be lawfully fixed. Service is supplied under a given Rate Schedule only at such points of delivery as are adjacent to facilities of Company adequate and suitable, for the service desired; otherwise, special agreements between Customer and Company may be required.

Notwithstanding the provisions of 807 KAR 5:006, Section 15, Winter Hardship Reconnection to the contrary, service will not be supplied to any premises if at the time of application for service the applicant is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. Final Bills may be transferred regardless of whether they are for combination gas and electric or gas only or electric only charges. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a present or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

### 3. Information Relative to Service.

Information relative to the service that will be supplied at a given location should be obtained from Company. Company will not be responsible for mistakes of any kind resulting from information given orally or over the telephone. Such information must be confirmed in writing.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

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Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
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KY.P.S.C. Gas No. 2  
First Revised Sheet No. 21  
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## SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)

### 4. Continuity of Service.

The Company shall make reasonable provision to supply satisfactory and continuous service, but does not guarantee a constant or uninterrupted supply of gas and shall not be liable for any damage or claim of damage attributable to any interruption caused by unavoidable accident or casualty, extraordinary action of the elements, action of any governmental authority, litigation, or by any cause which the Company could not have reasonably foreseen and made provision against.

### 5. Suspension of Service for Repairs and Changes.

When necessary to make repairs to or changes in Company's plant, transmission or distribution system, or other property, Company may, without incurring any liability therefor, suspend service for such periods as may be reasonably necessary, and in such manner as not to inconvenience Customer unnecessarily.

### 6. Use of Service.

Service is supplied directly to Customer through Company's own meter and is to be used by Customer only for the purposes specified in and in accordance with the provisions of the Service Agreement and applicable Rate Schedule. Service is for Customer's use only and under no circumstances may Customer or Customer's agent or any other individual, association or corporation install meters for the purpose of reselling or otherwise disposing of service supplied Customer.

Customer will not install pipes under a street, alley, lane, court or avenue or other public or private space in order to obtain service for adjacent property through one meter even though such adjacent property be owned by Customer. Consent may be given when such adjacent properties are operated as one integral unit under the same name and for carrying on parts of the same business.

In case of unauthorized remetering, sale, extension or other disposition of service, Company may immediately discontinue the supplying of service to Customer until such unauthorized act is discontinued and full payment is made for all service supplied or used, billed on proper classification and Rate Schedule, and reimbursement in full made to Company for all extra expenses incurred, including expenses for clerical work, testing and inspections.

### 7. Customer's Responsibility.

Customer assumes all responsibility on Customer's side of the point of delivery (outlet side of the meter) for the service supplied or taken, as well as for the installation, appliances and apparatus used in connection therewith, and will save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on Customer's side of the point of delivery.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: October 6, 2006 — July 1, 2009

Effective: October 1, 2006 July 31, 2009

Issued by Sandra P. Meyer Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 21  
Cancelling and Superseding  
Original Sheet No. 21  
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## SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)

The customer's house lines, fittings, valve connections and appliance venting shall be installed with materials and workmanship which meet the reasonable requirements of the Company and shall be subject to inspection and test by the Company. The Company shall have no obligation to establish service until after such inspection and tests demonstrate compliance with such requirements of the Company with respect to the facilities as they exist at the time of the test.

### 8. Right-of-Way.

Customer is responsible for all conveyances to Company for all right-of-way satisfactory to it across the property owned or controlled by Customer for Company's mains or extensions thereof necessary or incidental to the supplying of service to Customer.

### 9. Access to Premises.

The properly authorized agents of the Company shall at all reasonable hours have free access to the premises for the purpose of inspecting the Customer's installation and of examining, repairing or removing the Company's meters, or other property, reading of meters and all other purposes incident to the supplying of service, and for such purpose the Customer authorizes and requests his landlord, if any, to permit such access to the premises.

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Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY. P.S.C. Gas No. 2  
First Revised Sheet No. 22  
Cancelling and Superseding  
Original Sheet No. 22  
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### SECTION III - CUSTOMER'S INSTALLATION

1. Nature and Use of Installation.

All equipment in the premises or connecting the premises with Company's service, furnished by the Customer, shall be suitable for the purposes thereof, and shall be maintained by Customer at all times in conformity with the safety requirements of the accredited agency having jurisdiction and with the rules, regulations and requirements of Company in force from time to time.

2. Materials - Fittings - Tests.

The piping and fittings for the distribution of gas after it has passed the meter, may be installed by any competent gas fitter employed by the customer or proprietor of the premises, subject, however, to the inspection and approval of the Company which requires an inspection and test of all such piping.

An application for inspection and test must be made to the Company when the piping work has been completed, but prior to its concealment by plastering, flooring or other materials.

3. Construction.

All piping shall be installed in accordance with applicable building codes and the rules and regulations of the Company.

4. Changes in Installations.

As Company's facilities used in supplying service to Customer have a limited capacity, Customer should give notice to Company, and obtain Company's consent, before making any material changes or increases in his installation. Company as promptly as possible after receipt of such notice will give its written approval to the proposed change or increase, or will advise Customer upon what conditions service can be supplied for such change or increase.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated July 1, 2009 in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009 Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

## SECTION IV - COMPANY'S INSTALLATION

### 1. Installation and Maintenance.

Except as otherwise provided in these Service Regulations, in Service Agreements or Rate Schedules, Company will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines or equipment, except meters and service regulators on Customer's side of the point of delivery without cost to Customer. Only Company's agents are authorized to connect Company's service to Customer's service piping.

### 2. Gas Service Piping.

The gas service pipe shall be installed by the Company from the Company's main in the street to the curb line at its own expense and from the curb line to the meter, including curb box and valve, at the Customer's expense, subject to the Company's rules, regulations and existing prices, upon execution of an application and provided that an adequate distribution main exists in front of the Customer's building. The service piping from the curb to the meter, including street box and valve, installed at the expense of the Customer, shall be maintained at the expense of the Company. No connections or work of any kind shall be done on a gas main or service piping up to the outlet of the meter by anyone who is not a qualified agent or employee of the Company.

Only one gas service will be installed in any individual dwelling or building, except in cases where the building's units are sectionalized by acceptable fire separations such as firewalls, regardless of the number of customers to be served within.

The service pipe will be laid from the point of the gas supply connection location to the meter location approved by the Company. Should the distance between the curb and the Customer's building be in excess of 150 feet or involve other special conditions, a suitable meter location, approved by the Company, will be selected.

Service pipe can be installed in the same ditch as the electric, telephone, and cable television cable, providing the electric cable is in a conduit and the gas service pipe has six inches of separation from the cables. Any other utilities will not occupy the ditch with the service pipe, and a minimum of three feet will be maintained between gas service pipe and other utilities.

Service piping will end at the inlet connection of the meter which will be set at the point and entry of the service. If it is necessary to extend the service pipe beyond the point of entry, such exposed service piping in the building under flooring, through walls, coal bins, etc., shall be properly protected and the expense thereof borne by the customer.

In case of more than one building on a lot, a separate service will be run direct from the main to each building except in cases where the building nearest the Company's main extends the full width of the lot. In such cases the meter will be placed on the service in the nearest building and the customer must make his own extension to the other building.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006. dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY. P.S.C. Gas No. 2  
First Revised Sheet No. 23  
Cancelling and Superseding  
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**SECTION IV - COMPANY'S INSTALLATION (Contd.)**

**3. Company's Property and Protection Thereof.**

All meters and equipment furnished by and at the expense of Company, which may at any time be in said premises, shall, unless otherwise expressly provided herein, be and remain the property of Company, and Customer shall protect such property from loss or damage, and no one who is not an agent of Company shall be permitted to remove or handle same.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 24  
Cancelling and Superseding  
Original Sheet No. 24  
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## SECTION V - METERING

### 1. Installation of Meters.

Gas will be measured by a meter or meters to be installed by Company upon Customer's premises at a point most convenient for Company's service, and upon the registration of said meters all bills will be calculated.

### 2. Meter Tests.

All meter tests shall be made in accordance with rules issued by the Kentucky Public Service Commission.

Upon written request by customer, the Company shall perform a meter test if the request is not made more frequently than once a year.

### 3. Monitoring of Customer Usage.

Each month the Company will monitor the usage of each customer according to the following procedure:

1. The customer's monthly usage is monitored through a "hi-lo" review process. An estimating factor is utilized to provide an expected level of usage. The estimating factor considers the customer's past usage and current variables, such as weather.
2. The actual usage is compared to an estimate based on the previous month's usage, an estimate based on the usage from the same month, one year previous, and an estimate based on the usage from the same month, two years previous.
3. If there is a substantial difference between the actual and estimated usages, the account will be reviewed manually to determine the appropriate usage level.
4. Where the difference is not otherwise explained, the Company may obtain a special meter read to verify the accuracy of the previous usage.
5. Where the difference is still unexplainable after taking the special meter read, the Company may test the customer's meter to determine its accuracy.
6. The Company will notify the customer of the investigation, its findings, and any refund or back billing to be made, in accordance with 807 KAR 5:006, Section 10 (4) and (5).

In addition to the monthly monitoring, the Company will immediately investigate the usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: October 6, 2006 July 1, 2009

Effective: October 1, 2006 July 31, 2009

Issued by Sandra P. Meyer Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

Ky. P.S.C. Gas No. 2  
First Revised Sheet No. 25  
Cancelling and Superseding  
Original Sheet No. 25  
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## SECTION VI - BILLING AND PAYMENT

### 1. Billing Periods - Time and Place for Payment of Bills.

Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Bills may be rendered by hand delivery, mail, electronically, or by any other reasonable means. If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed. Non-receipt of bills by Customer does not release or diminish the obligation of Customer with respect to payment thereof.

The word "month" as it pertains to the supply of service shall mean the period of approximately thirty days between meter readings, as fixed and made by Company. Meters are ordinarily read at monthly intervals but may be read more or less frequently at Company's option but no less than quarterly. Company shall have the right to establish billing districts for the purpose of reading meters and rendering bills to customers at various dates. A change or revision of any Rate Schedule shall be applicable to all bills on which the initial monthly meter reading is taken on or after the effective date of such change or revision, except as otherwise ordered by the Kentucky Public Service Commission.

Bills are due on the date indicated thereon as being the last date for payment of the net amount, and bills are payable only at the Company's offices or authorized agencies for collection. If a partial payment is made, the amount will be applied to items of indebtedness in the same order as they have accrued, except that any payment received shall first be applied to the bill for service rendered.

The Company may issue interim bills based on average normal usage instead of determining actual usage by reading the meter. Interim bills may also be used when access to Company's meter cannot be obtained or emergency conditions exist.

### 2. Information on Customer Bills.

Every bill rendered by the Company for metered service will clearly state:

- (a) The beginning and ending meter readings for the billing period and the dates thereof.
- (b) The amount of energy usage.
- (c) The amount due for the energy used, any adjustments, including assessed late payment charges, and the gross amount of the bill.
- (d) The rate code under which the customer is billed.
- (e) The date of the last day payment can be made without a late pay charge being assessed.
- (f) Any previous balance.
- (g) The address, phone number, and business hours of the Company.
- (h) The date of the next scheduled meter reading.
- (i) The date after which received payments are not reflected in the bill.
- (j) The type of service rendered (gas or electric).
- (k) The amount, and identification, of any tax or fee the Company is authorized either by state law or order of the Commission to collect.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009 Effective: ~~October 1, 2006~~ July 31, 2009  
Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
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Ky. P.S.C. Gas No. 2  
First Revised Sheet No. 25  
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**SECTION VI - BILLING AND PAYMENT (Contd.)**

**3. Charge for Restoring Service for Non-Payment of Bill and Unlawful Use of Service.**

Company may charge and collect in advance the sum as specified on Tariff Sheet "Charge For Reconnection of Service" for reconnecting a customer's service after service is disconnected because of non-payment of bill when due or when service is discontinued because of fraudulent use, except as may be provided by 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

**4. Temporary Discontinuance of Service.**

If any residential customer, because of absence or otherwise, shall notify Company in writing or by telephone to discontinue service, Company will make no minimum charge for any full meter reading period during the period of discontinuance; provided however, that Company may charge and collect the sum as specified on Tariff Sheet "Charge For Reconnection of Service" prior to reconnecting a service which was discontinued at customer's request within the preceding twelve months.

**5. Availability of Budget Billing.**

Company has available to its customers a "Budget Billing Plan" which minimizes billing amount fluctuations over a twelve month period. The Company may exercise discretion as to the availability of such a plan to a customer based on reasonable criteria, including but not limited to:

- (a) Customer's recent payment history.
- (b) The amount of the delinquent account.
- (c) Customer's payment performance in respect to any prior arrangements or plans.
- (d) Any other relevant factors concerning the circumstances of the customer including health and age.

If the customer fails to pay bills as rendered under the Budget Payment Plan, the Company reserves the right to revoke the plan, restore the customer to regular billing and require immediate payment of any deficiency.

Failure to receive a bill in no way exempts customer from the provisions of these terms and conditions.

**6. Partial Payment Plans.**

The Company shall negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice according to the regulations governing failure to pay, except the Company shall not be required to negotiate a partial payment plan with a customer who is delinquent under a previous payment plan.

**7. Bill Format**

The Company has included as Appendix A to these Service Regulations an example of the Company's customer bill format.

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Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006, dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009 Effective: ~~October 1, 2006~~ July 31, 2009  
Issued by ~~Sandra P. Meyer~~ Julie Janson, President



Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY. P.S.C. Gas No. 2  
First Revised Sheet No. 26  
Cancelling and Superseding  
Original Sheet No. 26  
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## SECTION VII - DEPOSITS

### 1. Deposits.

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the customer's bill.

The deposit may be waived by the Company upon a customer's showing of satisfactory credit or payment history, and required residential service deposits will be returned after one (1) year if the customer has established a satisfactory payment record for that period; but commercial deposits will be retained during the entire time that the account remains active. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The Company may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

In determining whether a deposit will be required or waived, information such as the following may be considered:

1. Previous payment history with the Company. If the customer has no previous history with the Company, statements from other utilities, banks, etc. may be presented by the customer as evidence of good credit.
2. Whether the customer has filed bankruptcy proceedings within the last seven years.
3. Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

A security deposit will be required pursuant to 11 U.S.C. Section 366 in all bankruptcies where the Company is listed as a creditor.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

### 2. All Calculated Deposits.

Customer deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed two-twelfths (2/12) of the customer's actual or estimated annual bill.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY. P.S.C. Gas No. 2  
First Revised Sheet No. 27  
Cancelling and Superseding  
Original Sheet No. 27  
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### SECTION VIII - APPLICATION

1. Application of Service Regulations and Rate Schedules.

All Service Agreements at present in effect or that may be entered into in the future are made expressly subject to these Service Regulations and any modifications hereof that may be lawfully made, and subject to all applicable existing Rate Schedules and any lawfully made changes therein, substitutions therefor or additions thereto.

2. Agents Cannot Modify Agreement.

No agent has the right to amend, modify or alter the application rates, terms, conditions, rules, or regulations as filed with the Kentucky Public Service Commission, or to make any promise or representation not contained in the Company's schedules, supplements thereto and revisions thereof, lawfully filed with said Commission.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006, dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 28  
Cancelling and Superseding  
Original Sheet No. 28  
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## SECTION IX - GAS SPACE HEATING REGULATIONS

### 1. Gas Space Heating Regulations.

The Company shall not be required to supply gas for new or additional space heating equipment installed from and after the effective date hereof unless the consumer present or prospective, makes written application to the Company for such supply at a specific address and receives written approval from the Company therefor. An approval for the use of gas for space heating is not transferable from one premise to another except by written approval from the Company.

If any consumer fails to install gas-fired space heating equipment pursuant to said approval within one year from the date of issuance thereof fails to demonstrate to the Company's satisfaction before the expiration of said period that he intends to avail himself of the use of such gas under such approval with due diligence, the Company may cancel, nullify and void such approval.

The Company need not issue an approval for the utilization of gas for space heating purposes in a commercial or industrial building for new or additional heating equipment having a total rated input capacity in excess of 1,000,000 Btu per hour, unless the applicant shall install standby facilities having a capacity satisfactory to the Company and shall agree in writing with the Company to use such standby facilities and discontinue the use of gas for space heating when and for such periods of time as the Company may request. In the event the use of gas for space heating by such consumer is not promptly discontinued at the request of the Company, the latter, upon discovery thereof, is authorized to discontinue all gas service to such consumer until such time as the gas space heating equipment has been disconnected. Where such action is necessary on the part of the Company it may cancel, nullify and void such approval.

Should any consumer fail to comply with these gas space heating regulations, the Company, upon discovery thereof, and after giving ten days notice to such consumer, is authorized to disconnect his gas service until such time as these regulations are complied with.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006, dated in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 29  
Cancelling and Superseding  
Original Sheet No. 29  
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**SECTION X - AVAILABILITY OF GAS SERVICE**

1. Gas Service to New Loads.

Mains shall be extended to customers in accordance with the currently effective tariff sheet entitled Rider X, Main Extension Policy, as contained within tariff Ky. P.S.C. Gas No. 1.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated in Case No. 2009-00202.

Issued: October 6, 2006-July 1, 2009

Effective: October 1, 2006-July 31, 2009

Issued by ~~Sandra P. Meyer~~Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
~~Thirty-Third~~ Fourth Revised Sheet No. 30  
Cancelling and Superseding  
~~Thirty-Second~~ Third Revised Sheet No. 30  
Page 1 of 1

**RATE RS  
RESIDENTIAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
All gas is billed in units of 100 cubic feet (CCF).

Customer Charge per month:	\$12.00	<u>30.00</u>	(I)
Plus the applicable charge per month as set forth on Sheet No. 63, <del>Rider AMRP, Accelerated Main Replacement Program</del>			(D)

	Delivery Rate		Gas Cost Adjustment		Total Rate		
Plus a commodity Charge for all CCF at	\$0.26687	plus	\$0.5690	Equals	\$0.83587	<u>7.6866</u>	(R)

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on Sheet No. 62, Rider DSMR, Demand Side Management Rate.

~~Plus, all gas delivered shall be subject to an adjustment per CCF as set forth on Sheet No. 64, Rider MSR-G, Merger Savings Credit Rider Gas.~~ (D)

The "Customer Charge" shown above ~~plus Rider AMRP~~ shall be the minimum amount billed each month. (D)

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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

Issued: July 1, 2009

Effective: July 1, 2009 July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

**RATE GS**

**GENERAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
All gas is billed in units of 100 cubic feet (CCF)

Customer Charge per month:	\$30.00	\$47.50	
Plus the applicable charge per month as set forth on Sheet No. 63, Rider AMRP, Accelerated Main Replacement Program			(I) (D)

	Delivery Rate		Gas Cost Adjustment		Total Rate	
Plus a Commodity Charge for all CCF at	\$0.20949	Plus	\$0.5690	Equals	\$0.77849	(I)
	<u>22786</u>				<u>79686</u>	

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on:  
Sheet No. 62, Rider DSMR, Demand Side Management Rate for non-residential service

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed per month. (D)

The "Gas Cost Adjustment," as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum bills or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

**TERM OF SERVICE**

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

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

Issued: July 1, 2009

Effective: July 1, 2009 July 31, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 44  
Cancelling and Superseding  
Original Sheet No. 44  
Page 1 of 8

## RATE FRAS

### FULL REQUIREMENTS AGGREGATION SERVICE

#### AVAILABILITY

This service is available to Suppliers delivering gas on a firm basis to the Company's city-gate receipt points on behalf of customers receiving firm transportation service from the Company under Rate Schedule FT-L.

#### DEFINITIONS

"Aggregation Service" is a service provided by the Company that allows Suppliers to deliver to the Company, on a combined basis, those natural gas supplies that are needed to satisfy the requirements of the two, or more, firm transportation customers that comprise the membership of the Supplier's pool, as defined below, all in accordance with the rules established by the Company regarding delivery requirements, banking, billing and payments, and Supplier performance requirements.

"Arrears" means an account that is at least 30 days past due and amounts to at least \$50.

"Commission" means the Kentucky Public Service Commission.

"Customer" means a recipient of transportation service provided by the Company under Rate FT-L, which secures its gas supply from a Supplier.

"Gas Supply Aggregation/Customer Pooling Agreement" is an agreement between the Company and Supplier that defines the mutual responsibilities and obligations of those parties relative to the Aggregation Service provided under Rate FRAS.

"Operational Flow Orders" (OFOs) are orders issued by the Company via its electronic bulletin board ("EBB") or fax transmission directing Suppliers to adjust their daily deliveries into the Company's system to either match, match or be less than, or match or be more than their actual measured pool volumes for those customers receiving service under Rate FT-L, Rate IT or interruptible special contracts.

A "Pool" is a group of customers that have been joined together for supply management purposes, and having a combined annual throughput of at least 30,000 Mcf. Supplier will have a one year period to build their annual pool throughput volume to the indicated level, after which they may be subject to removal from the Program for not having achieved a minimum participation level.

"Positive Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the individual Pools' Customers during the period is less than the sum of the volumes made available by supplier for redelivery by the Company to the individual Pools during the same period.

"Program" means the Company's firm transportation/supply aggregation program under Rate FT-L and Rate FRAS.

"Small Commercial Customer" is a commercial class transportation end-use customer which consumes less than 2,000 Mcf per year.

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Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by Sandra P. Meyer Julie Janson, President

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1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
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#### DEFINITIONS (Contd.)

"Supplier" is a marketer, supplier, broker, pool operator, producer, or other qualified business entity that has joined a group of the Company's firm transportation customers together for gas supply management purposes, meets the qualifications for a "Supplier" set forth in Rate FRAS, agrees to accept responsibility for the aggregate supply management requirements of the pool, and has executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company.

"Suppliers Daily Pool Delivery Obligation" is defined as the daily city-gate delivery quantities determined by the actual measured usage of customers in Supplier's FT-L pool adjusted for "unaccounted for" losses back to the Company's city-gate stations, and then converted from volumetric to thermal quantities.

#### AGGREGATION AGREEMENT

Before commencing service hereunder, Supplier must have met the qualifications to act as a program supplier and must have executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company. Such agreement shall be for a minimum of two years and shall set forth the mutual obligations and responsibilities of both the Company and the Supplier relative to this aggregation customer pooling service.

The mutual benefits and obligations under the "Gas Supply Aggregation/Customer Pooling Agreement" and under this tariff begin when the Supplier commences to supply pool customers with gas supply service. Supplier's obligations under this tariff and referenced Agreement shall inure to, and be binding on its successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof. However, no agreement for service may be assigned or transferred without the written consent or approval of the Company, which shall not be unreasonably withheld.

#### REQUIREMENTS FOR PARTICIPATION

Each Supplier who applies to participate in the Company's Customer Aggregation/Firm Transportation Program will be evaluated to ensure that it possesses the financial resources, experience, and reputation for satisfactory service that will enable it to perform its responsibilities as a Supplier in the program. On the basis of this evaluation, a Supplier's participation may be limited to a level specified by the Company.

Suppliers not meeting the necessary credit level will be required to provide additional security in the form of a letter of credit, a cash deposit, and/or other appropriate guaranty in order to participate.

In order for the Company to complete the evaluation, Suppliers will be required to provide the following information:

1. Audited financial statements prepared within the last 12 months;
2. Most recent annual report, 10K or 10Q;
3. A listing of parent company and other affiliates;
4. Names, addresses, and telephone numbers of 3 trade references; and
5. Names, addresses, and telephone numbers of banking institution contacts.

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#### REQUIREMENTS FOR PARTICIPATION (Contd.)

In the event any of the above information is unavailable from a Supplier, the Company may permit the Supplier to provide other verifiable sources of financial information for that Supplier.

Financial evaluations will be based on standard credit factors such as previous customer history, Dun & Bradstreet financial and credit ratings, trade references, bank information, unused line of credit, and related financial information. The Company will determine Supplier's credit worthiness based on the above criteria, and it will not deny a Supplier's participation in the Program without reasonable cause. A fee of \$50.00 will be assessed to Supplier for each financial evaluation.

The Company may acquire information regarding supplier's performance in other programs and other states in order to evaluate supplier's reputation and fitness for inclusion in the Company's Program.

The Company reserves the right to re-evaluate Suppliers from time to time. Such re-evaluation may be initiated either by a request from the Supplier, or by the Company if it has reason to believe that the credit worthiness of a Supplier may have deteriorated or that the Supplier's participation level has exceeded the level for which the Supplier was previously approved. On the basis of this re-evaluation, a Supplier's approved participation level may be increased or decreased, or the Supplier may be removed from further participation in the Program.

#### SUPPLIER CODE OF CONDUCT

Each Supplier participating in the Company's transportation programs must:

1. communicate to participating customers in clear, understandable terms the customer's rights and responsibilities. This communication must include (a) the Supplier's customer service address and local or toll-free telephone number; and (b) a statement describing the Supplier's dispute resolution procedures;
2. provide in writing pricing and payment terms that are clearly defined and understandable and that inform consumers whether the price that the customer will pay is inclusive or exclusive of applicable taxes, and Company approved tariff riders and surcharges;
3. refrain from engaging in communications or promotional practices which are fraudulent, deceptive, or misleading;
4. deliver gas to the Company on a firm basis on behalf of the Supplier's pool members in accordance with the requirements of the "Gas Supply Aggregation/Customer Pooling Agreement";
5. establish and maintain a credit-worthy financial position that enables Supplier to indemnify the Company and the customers for costs incurred as a result of any failure by Supplier to deliver gas in accordance with the requirements of the program and to assure payment of any KyPSC-approved charges for any such failure;
6. refrain from requesting customer-specific billing, payment, and usage history without first having received the customer's approval to access such information.

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**SUPPLIER CODE OF CONDUCT (Contd.)**

Failure to fulfill any of these obligations shall be considered a violation of the Supplier's Code of Conduct.

**CONSEQUENCES OF SUPPLIER'S' FAILURE TO PERFORM OR COMPLY**

If Supplier fails to deliver gas in accordance with the full service requirements of its Pool customers, the Company will supply gas temporarily to the affected Pool customers and shall bill Supplier the higher of either (1) the fair market price for that period or (2) the highest incremental cost of gas for that period that the Company actually paid for gas supplies, including transportation and other applicable charges. The Company has the right to immediately and unilaterally invoke supplier's' letter of credit or parental guarantee in order to enforce recovery from supplier of the cost of these replacement supplies.

If Supplier fails to deliver gas in accordance with the requirements of the Company's "Gas Supply Aggregation/Customer Pooling Agreement," or otherwise fails to comply with the provisions of this tariff, including those specified in the Supplier's "Code of Conduct" section, the Company will have the discretion to temporarily suspend or terminate such Supplier from further participation in the Program. If Supplier is suspended or terminated from the Company's Program, customers in the Supplier's' Pool shall revert to the Company's sales service until said customers join another Supplier's Pool.

If the Company seeks to suspend or terminate a Supplier from further participation in the Company's Program, it shall first notify the Supplier of the alleged violations which merit suspension or termination. Such notice must be in writing and must be sent to the Supplier at the fax number listed in the "Gas Supply Aggregation/Customer Pooling Agreement" at least five (5) business days prior to the effective date of the suspension or termination.

**BILLING**

Customers receiving service under Rate FT-L will receive two bills as follows:

- (a) The Company bills and collects its portion of the bill. This billing includes charges for local delivery service and all applicable surcharges. In the event, that a customer remits to the Company less than the amount included on the Company's bill, the customer shall be subject to the same late charges and disconnection procedures which would be applicable if the customer were receiving service as a Company sales customer.
- (b) Supplier will be responsible for billing and collecting its part of the bill including any arrearages that they are due from Supplier's own prior billings. To facilitate Supplier's' billing, the Company will provide the Supplier with a listing of the monthly meter readings and usages of all those customers within Supplier's pool that have been billed by the Company. This billing data will correspond to the consumption data on which the Company based its bill for local delivery service. Supplier is responsible for providing gas supplies to all customers within its pool until the customers are returned to system supply or move to another pool in accordance with the procedures that have been developed for adding and deleting customers from a Supplier's pool.

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#### **UPSTREAM CAPACITY REQUIREMENTS**

Suppliers participating in the Company's firm transportation program must secure their own upstream pipeline capacity required to meet Supplier's Rate FT-L pool peak day requirements. Due to the physical configuration of the Company's system, and certain upstream interstate pipeline facilities, and to enable the Company to comply with lawful interstate pipeline tariffs and/or to maintain the Company's system integrity, during the months of December, January and February, the Company reserves the right to direct Supplier to proportionally deliver, with respect to the Systems' (the Duke Energy Ohio and Duke Energy Kentucky, Inc. integrated operating system) northern and southern interstate pipeline interconnects, the Supplier's daily pool requirements. In those instances where the pool operator delivers gas into the Duke Energy Ohio pipeline system and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky, Inc. for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky, Inc. for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate.

The Company may make available to Suppliers, upstream interstate pipeline capacity. Suppliers accepting this capacity are subject to the terms and conditions of the tariffs of the pipeline companies on whose facilities such capacity is accepted. A Supplier who wishes to contract for released capacity must make a request for a period in excess of thirty days and agree to pay the full contract demand rate which the Company would otherwise pay for the released capacity, in order for supplier to be assured the assignment of such capacity. The Company shall not be obligated to provide requested capacity if it has no surplus capacity beyond the amount needed to supply its Gas Cost Adjustment customers.

#### **BALANCING REQUIREMENT**

Suppliers must deliver to the Company daily quantities of gas in accordance with the provisions of Rate IMBS.

Pool operators shall have access to Company offered services including balancing services, and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

Suppliers are subject to OFO's issued by the Company as described below. The Company may suspend from this program any Supplier which does not comply with an Operational Flow Order.

#### **MEASUREMENT OF CONSUMED VOLUMES**

Monthly volumes billed to participating customers shall be considered actual volumes consumed, whether the meter reading is actual or calculated.

#### **OPERATIONAL FLOW ORDERS**

Suppliers are subject to the Company's issuance of operational flow orders which will direct each Supplier to adjust scheduled daily delivery volumes to match the Customer Pool's metered FT-L usage.

Failure to comply with an OFO, which is defined as the difference between the daily OFO required delivery volume and actual daily deliveries, will result in the indicated action and/or billing of the following charges:

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#### OPERATIONAL FLOW ORDERS (Contd.)

##### Under-deliveries

- (1) the payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance;
- (2) one month's demand charges on the OFO shortfall. This charge shall not be imposed more frequently than once in any thirty day period; and
- (3) the payment of all other penalty charges incurred by Company including pipeline penalty charges on the date of the OFO shortfall.

##### Over-deliveries

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier.
- (2) Company shall bill and Supplier shall pay any penalty charges that the Company incurs from the interstate pipelines for such excess deliveries, provided such penalties can be attributed to Supplier's over-deliveries.

#### COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES

In conducting its Program, the Company will adhere to the following Standards of Conduct for Marketing Affiliates:

- (1) Company must apply any tariff provision relating to transportation services in the same manner for the same or similarly situated persons if there is discretion that may be applied in the application of the provision.
- (2) Company must strictly enforce a tariff provision for which there is no discretion allowed in the application of the provision.
- (3) Company may not, through a tariff provision or otherwise, give any Supplier including its marketing affiliate or customers of any Supplier including its affiliate, preference over any other gas Suppliers or their customers in matters, rates, information, or charges relating to transportation service including, but not limited to, scheduling, balancing, metering, storage, standby service, or curtailment policy. For purposes of the Company's Program, any ancillary service provided by Company; e.g., billing and envelope service, that is not tariffed will be priced and made equally available to all.
- (4) Company must process all similar requests for transportation in the same manner and within the same approximate period of time.
- (5) Company shall not disclose to anyone other than a Company employee any information regarding an existing or proposed gas transportation arrangement, which Company receives from (i) a customer or Supplier, (ii) a potential customer or Supplier, (iii) any agent of such customer or potential customer, or (iv) a Supplier or other entity seeking to supply gas to a customer or potential customer, unless such customer, agent, or Supplier authorizes disclosure of such information.

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**COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)**

- (6) If a customer requests information about Suppliers, the Company must provide a list of all Suppliers operating on its system, but shall not endorse any Supplier nor indicate that any Supplier will receive a preference because of a corporate relationship.
- (7) Before making customer lists available to any Supplier, including any Company marketing affiliate, Company will post on its electronic bulletin board a notice of its intent to make such customer list available. The notice will describe the date the customer list will be made available, and the method by which the customer list will be made available to all Suppliers.
- (8) The Company will, to the extent practicable, separate the activities of its operating employees from its affiliate marketing employees in all areas where their failure to maintain independent operations may have the effect of harming customers or unfairly disadvantaging unaffiliated Suppliers.
- (9) Company must not condition or tie its agreements for gas supply or for the release of interstate pipeline capacity to any agreement by a gas supplier, customer or other third party in which its marketing affiliate is involved.
- (10) Company and its marketing affiliate must keep separate books of accounts and records.
- (11) Neither the Company nor its marketing affiliate personnel shall communicate to any customer, Supplier or third party the idea that any advantage might accrue for such customer, Supplier or third party in the use of Company's service as a result of that customer's, Supplier's or other third party's dealing with any Supplier including its marketing affiliate.
- (12) The Company's complaint procedure for resolving issues concerning compliance with these standards of conduct will operate as follows. All complaints, whether written or verbal, will be referred to the Company's designated attorney. The Company's designated attorney will orally acknowledge the complaint within five (5) working days of receipt. The complainant party shall prepare a written statement of the complaint which will contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and specific claim. The Company's designated attorney must communicate the results of the preliminary investigation to the complainant in writing within thirty (30) days after the complaint was received including a description of any course of action which was taken. He or she must keep a file with all such complaint statements for a period of not less than three years.
- (13) If the Company offers any Supplier, including its affiliate or a customer of any Supplier, including its affiliate a discount, or fee waiver for transportation services, balancing, meters or meter installation, storage, standby service or any other service offered to shippers, it must prospectively offer such discounts, rebates or fee waivers to all similarly situated non-affiliated suppliers or customers under similar terms and conditions.

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**COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)**

(14) The Company will not use its name and logo in its marketing affiliate's promotional material, unless the promotional material discloses in plain, legible or audible language, on the first page or at the first point where the Company's name and logo appear, that its marketing affiliate is not the same entity as the Company. The Company is also prohibited from participating in exclusive joint activities with any Supplier, including its affiliate, such as advertising, marketing, sales calls or joint proposals to any existing or potential customers.

**OTHER RULES AND REGULATIONS**

Except to the extent superseded herein, the Company's Rules and Regulations Governing the Distribution and Sale of Gas and such other Commission rules as are applicable shall apply to all gas transportation service provided hereunder.

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## RATE IT

### INTERRUPTIBLE TRANSPORTATION SERVICE

#### APPLICABILITY

Applicable to curtailable natural gas local delivery service and available to any customer who: (1) signs a contract with the Company for service under Rate IT; (2) utilizes a minimum of 10,000 CCF per month during the seven consecutive billing periods commencing with customer's first meter reading taken on or after April 1; (3) has arranged for the delivery of gas into the Company's system for customer's sole use at one point of delivery where distribution mains are adjacent to the premises to be served, and (4) has become a member of a pool under Rate AS and elected Interruptible Monthly Balancing Service under Rate IMBS. Any service provided hereunder shall be provided by displacement and on a "reasonable efforts" basis. The Company reserves the right to decline requests to initiate or continue such service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L.

This rate schedule shall not preclude the Company from entering into alternative special arrangements with Commission approval, which are designed to meet unique circumstances.

The service provided hereunder shall be interruptible local gas delivery service provided on a "reasonable efforts" basis from the Company's city-gate receipt points to the outlet side of the meter used to serve Customer. The Company, to insure its ability to reliably supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L, shall have the right for operational purposes to designate the city-gate receipt points where the customer's pool operator is required to deliver its gas.

#### NET MONTHLY BILL

The Net Monthly Bill is determined as follows:  
All gas consumed is billed in units of 100 cubic feet (CCF)

Administrative Charge per month: \$430.00

Commodity Charge per CCF:

Company will deliver the arranged-for gas, less shrinkage which is equal to the Company's system average unaccounted for percentage, at a rate per CCF, of \$0.076260.1015 per CCF (I)

~~Plus the applicable charge per CCF as set forth on Sheet No. 63,  
Rider AMRP, Accelerated Main Replacement Program~~ (D)

Plus balancing related charges pursuant to Rates IMBS if customer has elected to operate as its own pool operator for supply management purposes.

Plus, if applicable, the throughput charge for the service level selected under Rate IMBS, Interruptible Monthly Balancing Service

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**NET MONTHLY BILL (Contd.)**

Plus, if applicable, charges for unauthorized deliveries as described later in this tariff.

The Company is required to install remote meter reading equipment on customer's meter in order to monitor customer's usage on a daily basis. Customer will be responsible for the cost of such equipment either through a monthly surcharge or an up front contribution designed to reimburse the Company for the cost of such equipment. The meter shall be owned by the Company.

**MINIMUM BILL**

The minimum monthly bill that customer shall receive shall be the monthly Administrative Charge and monthly charge for remote metering equipment shown above, and, in addition thereto during the seven (7) consecutive billing periods beginning in April, the 10,000 CCF volume minimum. If customer fails to take delivery of 10,000 CCF per month during the months of April through October, customer will be billed, in addition to the Administrative Charge and metering charges, and charges for the delivered volumes, an amount equal to the difference between 10,000 CCF and the delivered volumes billed at Rate GS, plus the applicable surcharge per CCF under Rider AMRP.

(D)

**UNAUTHORIZED DELIVERIES**

In the event customer fails to interrupt transportation deliveries at Company's request, any excess deliveries through customer's meter will be considered unauthorized deliveries that are subject to the flow through of pipeline penalty charges to the extent they are paid by the Company, and in addition thereto, shall be paid for as specified under the "Charges For Unauthorized Deliveries" provision of this rate. The charges for such unauthorized deliveries shall be billed directly to the customer in lieu of its "pool operator", if applicable. However, Company shall not be precluded from physically discontinuing service to the customer, if the customer refuses to interrupt service when requested by the Company.

**MINIMUM USAGE**

In the event that customer repeatedly and significantly fails to meet the seven (7) summer months minimum usage requirements of this tariff, Customer may at the Company's option be removed from this tariff and denied further service, or at the Company's option may be switched to either Rate GS or FT-L.

**ALTERNATIVE FUELS**

The Company may without prior Commission approval charge a rate lower than that specified in the "Net Monthly Bill" provision, to meet competition from alternative fuels. The decision to charge a lower rate will be made on a case-by-case basis, supported by a statement in an affidavit from the customer that absent such lower rate, customer would utilize an alternative fuel source. The lower rate shall not be less than one-half the commodity rate specified in the "Net Monthly Bill" provision, plus all applicable riders and surcharges.

The Company may also charge customer who has requested flexible rate pricing a rate higher than that specified in the "Net Monthly Bill" provision if such rate remains competitive with the price of energy from customer's alternative fuel source. The higher rate shall not exceed 150 percent of the commodity rate specified in the "Net Monthly Bill" provision, plus applicable riders and surcharges.

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#### **ALTERNATIVE FUELS (Contd.)**

Once a customer receives a flexible transportation rate, as described in the preceding paragraphs, the customer must continue to pay a flexible rate as determined by the Company for a period of three months. After three months, the customer may, upon written notification to the Company, apply for a flexible rate for another three months. Absent such notification, customer's rate will revert to the fixed rate established herein.

#### **CHARGES FOR UNAUTHORIZED DELIVERIES**

Any customer taking unauthorized deliveries shall be billed an amount reflective of the general service rate, Rate GS, Sheet No. 31, including the expected gas cost component of the gas cost recovery rate or Company's highest cost gas, and one month's demand charges on the volume difference (this charge shall not be imposed more frequently than once in any 30 day period) and/or the cost of operating the Company's propane peak shaving plant, and/or, if so required to effectuate compliance with the interruptible provisions of this schedule, the cost incurred by the Company to valve-off the service. In any event, customer shall reimburse the Company for any interstate pipeline penalty charges resulting from such unauthorized deliveries.

#### **ELECTION OF MONTHLY BALANCING OPTION**

A "pool" can be a single Rate IT customer acting on its own behalf, or a group of Rate IT customers who join, or are joined together for purposes of gas supply management under this tariff. A "pool operator" has a contractual responsibility to manage the aggregated gas supply requirements of all of the Rate IT customers that comprise its pool. All supply management responsibilities of individual customers are transferred to the pool operator once a customer becomes a part of a pool, as the aggregated balancing requirements of all pool members are treated under this tariff as though they were a single customer with its own supply management responsibilities.

Monthly throughput charges under Rate IMBS, shall be billed directly to the end-use customer. All other balancing charges and supply management charges, including "cash out" charges, penalties and other like charges billed under the provisions of Rate IMBS shall be billed directly to the pool operator, regardless of whether the pool operator is an individual customer acting as its own pool operator, or an aggregated customers pool operator. For purposes of calculating these charges, the usage of all customers within a pool will be combined into a single pool usage number that will be matched against the pool operator's total deliveries to its IT pool.

#### **LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5% is due and payable.

#### **TERMS AND CONDITIONS**

The customer shall enter into a written agreement with the Company. Such agreement shall set forth specific arrangements as to the transportation services provided, as well as, any other circumstances relating to the individual customer.

The Company's "reasonable efforts" basis is defined as the right, at any time, to curtail or interrupt the delivery or transportation of gas under this tariff when, in the judgment of the Company such curtailment or interruption is necessary to enable the Company to maintain deliveries to higher priority customers or to respond to any emergency.

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**TERMS AND CONDITIONS (Contd.)**

Customer acting as its own pool operator, or customer's designated pool operator/supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable the gas to be delivered into the Company's system.

At least one day preceding the day transportation nominations are due to the interstate pipeline(s) transporting customer's gas, customer's pool operator/supplier agrees to inform Company in writing or, at the Company's discretion, verbally, and confirm in writing within seven (7) days thereafter, the quantities of gas it desires to have transported for the upcoming month, along with all other necessary information. Customer's pool operator must agree upon request by Company to produce, in a timely manner, proof of the purchase of the natural gas transported, any necessary regulatory approvals, and any and all transportation arrangements with all interstate pipelines, intrastate pipelines, or others involved in transporting the pool's gas supplies.

The Company will not be liable for any costs and/or penalties charged by pipelines, or suppliers, because of pool operator's over or under deliveries into the pipeline, or pool customers' failure to take deliveries through the Company's meters that in the aggregate do not match the amount of gas transported by the pool operator to Company's city-gate.

Customers who satisfy the definition of human needs and public welfare customers must purchase standby service from a Company supplier, or have alternative fuel capability, or have a combination thereof sufficient to maintain minimal operations.

A human needs and public welfare customer is a customer whose facilities are used for residential dwelling on either a permanent or temporary basis; commercial customers of a residential nature; other customers whose service locations are places of the kind where the element of human welfare is the predominant factor; and civil and governmental customers whose facilities are required in the performance of protecting and preserving the public health, safety, and welfare. Such facilities shall include, but are not limited to, houses, apartment buildings, correctional institutions, hospitals, nursing homes, and charitable institutions.

On a daily basis, the Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool. Daily operational information shall include information on daily gas flows provided by Automatic Meter Reading (AMR), equipment, telemetry, or any other means the Company has available. In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. Customer will be responsible for payment of the cost of such telemetric equipment. Customer will also be responsible for providing the Company with access to a telephone service, or such other equipment or utilities as may be necessary at customer's metering site. Customer shall also be responsible for the monthly charges for such telephone service or other necessary equipment or utilities.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 50  
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**TERMS AND CONDITIONS (Contd.)**

The primary term of contract shall be one (1) year. After completion of the primary term, such contract shall continue on from month to month unless cancelled by either party upon thirty (30) days written notice. In the event customer re-applies for service under this tariff within one year from the date that this contract was terminated at customer's request, customer shall pay the "minimum bill" charges specified in the Net Monthly Bill provision of this tariff for the number of months customer's service was inactive.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: October 6, 2006 July 1, 2009 Effective: October 4, 2006 July 31, 2009

Issued by Sandra P. Meyer Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 51  
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**RATE FT - L**

**FIRM TRANSPORTATION SERVICE**

**AVAILABILITY**

Service under this rate schedule is available to any customer who: (1) enters into a written agreement with the Company; and (2) has arranged for delivery of gas into the Company's system for the customer's use at one point of delivery where distribution mains are adjacent to the premise to be served. Service provided hereunder shall be by displacement. This is a firm full requirements large volume transportation service, which is provided from the Company's city-gate receipt points to the outlet side of Company's meter used to serve the customer. This service is available within the Company's entire service territory to serve the firm service requirements of customers receiving firm service in combination with service under Rate IT, and the firm service requirements of all non-residential customers who use more than 20,000 CCF per year, except for those customers whose utility service accounts are past due at the time customer desires to utilize this service, or whose accounts fall into arrears, as defined in Rate FRAS after choosing this service. In the latter event, the customer will be returned to the Company's sales service effective with the customer's next scheduled meter reading, and will be ineligible to choose this transportation service until all arrears are paid in full. For customers receiving service under this tariff the written agreement between the Supplier and the customer may be terminated by supplier for non-payment of the customer's gas commodity portion of the bill if the account is at least 30 days past due. The Supplier shall give the Company and the customer no less than 30 days written notice that the customer will be switched from the Supplier and revert to the Company's sales service unless the past due amount is paid by the customer's next scheduled bill due date. If the past due amount is paid by the next scheduled bill due date, the customer will not revert to the Company's sales service but will remain with the Supplier. Customer must enter into a "pooling" agreement with a Supplier from a list of approved gas pool operators that have signed "Large Volume Customer Transportation Pooling Agreement" with the Company. Such suppliers must arrange for the delivery of gas into Company's system in accordance with Rate FRAS.

Customers who believe that they will significantly increase throughput, from their historic firm service levels, shall so inform the Company.

**DEFINITIONS**

Terms used in this tariff are defined in the same manner as set forth in Rate FRAS, Sheet No. 44.

**CHANGES IN CUSTOMERS' SERVICE ELECTIONS**

Customers, who elect service under this tariff and later return to Company's sales service may do so only in accordance with the requirements of the Company's tariffs and applicable regulations of the Kentucky Public Service Commission. If a customer voluntarily elects to return to the Company's sales service, all incremental gas procurement, upstream transportation, and storage costs incurred by Company in order to return customer to sales service may, as determined by the Company, have to be borne by customer.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006, dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by Sandra P. Meyer, Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 51  
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**NET MONTHLY BILL**

The Net Monthly Bill shall be determined in accordance with the following rates and charges:

Administrative Charge per Month: \$430.00

The Administration Charge hereunder will be waived when this service is used in combination with the service provided under Sheet No. 50, Rate IT, Interruptible Transportation Service.

Plus a charge per CCF for each CCF of gas transported for customer from Company's city-gate measuring stations to the outlet side of Company's meter used to measure deliveries to customer at: \$0.47743-0.19252 per CCF (I)

Plus the throughput charge for the service level selected under Rate IMBS, Interruptible Monthly Balancing Service

Plus all transported gas shall be subject to an adjustment per CCF as set forth on: Sheet No. 63, Rider AMRP, Accelerated Main Replacement Program Sheet No. 77, Rider GCAT, Gas Cost Adjustment Transition Rider, except as provided thereon. (D)

Plus the cost to install remote meter reading equipment on customer's meter in order to monitor customer's usage on a daily basis.

Plus, or minus, rate adjustments which may occur as a result of changes in the rates of interstate pipelines, or of rulings of the Kentucky Public Service Commission and/or the Federal Energy Regulatory Commission, and for which it is determined that all customers should be allocated some portion of the corresponding costs or refunds.

Customer and/or its Suppliers shall be responsible for the payment and collection of excise taxes, sales taxes, revenue taxes, or similar taxes on the gas supplies that customer purchases from its Supplier.

**MINIMUM BILL**

The monthly minimum bill shall be the Administrative Charge and charge for remote meter reading, both as shown above.

**LATE PAYMENT CHARGE**

Payment of the total amount due must be received in Company's office by the due date shown on the bill. When not so paid, an additional amount equal to five percent (5%) of the unpaid balance of the bill is due and payable.

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Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
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KY.P.S.C. Gas No. 2  
First Revised Sheet No. 51  
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**GENERAL TERMS AND CONDITIONS**

1. Remote Metering

In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. Customer will be responsible for payment of the cost of such equipment, through a monthly charge designed to, among other things, reimburse the Company for the costs of such equipment. As a pre-requisite for receiving service under this tariff, Customer will also be responsible for providing the Company with access, on an ongoing basis, to a telephone service at customer's metering site, or such other equipment or utilities which may be necessary, and shall also be responsible for the monthly charges for such telephone service or other necessary equipment or utilities.

The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on a daily basis. Daily operational information shall include information on daily gas flows provided by Automatic Meter Reading (AMR) equipment, telemetry, or any other means the Company has available to help the customer, or its designated pool operator estimate the daily gas deliveries for individual customer's receiving service under Rate FT-L and for the pool's combined accounts.

2. Approved Supplier List

Company shall maintain a list of approved Suppliers from which customer can choose. Such list will include Suppliers who have signed a Gas Supply Aggregation/Customer Pooling Agreement in which Supplier has agreed to participate in and provide gas supplies to Rate FT-L pools, and abide by Company's requirements for its pooling program. This list shall be available to any customer upon request.

3. Applications and Service Date

A customer who desires service under this tariff shall apply through its chosen Supplier. Customer must also enter into a written agreement with the Company, such agreement shall set forth specific arrangements as to the transportation services provided, as well as, any other circumstances relating to the individual customer. Unless the Company determines that the customer is not eligible to become a transportation customer of the Supplier, the Company shall exercise its reasonable efforts to transfer the customer to the Supplier's pool on the customer's next regularly scheduled meter reading date after the telephone line and automatic meter reading equipment is installed and operative.

A customer, who terminates service under this tariff and returns to sales service, or who changes Suppliers, shall through its supplier provide Company with written or electronic notice. Requests so received shall normally be honored on customer's next regularly scheduled meter reading date. In the event that a customer is returned to sales service for non-payment, the Supplier shall provide the Company with notice of termination and shall comply with any notice requirements of the Suppliers' Code of Conduct set forth in Rate FRAS, Sheet No. 44.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: October 6, 2006-July 1, 2009

Effective: October 1, 2006-July 31, 2009

Issued by Sandra P. Meyer/Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 51  
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**GENERAL TERMS AND CONDITIONS (Contd.)**

4. Access to Usage History and Current Billing Information

The "Customer Consent Form," used to initiate requests for service under this tariff, shall authorize customer's Supplier to receive customer's usage, billing, and payment history from the Company, to act on customer's behalf in making billing/usage inquiries, and in exchanging current billing information with Company, including notices of commencement or termination of service by either party.

5. Service Term

Except customers returned for non-payment or for good cause shown the primary term of contract shall be a minimum of one (1) year. Customers may not elect to move to or from the Company's sales service and transportation service, or between rate schedules during this twelve month primary term. In addition, such movements will require thirty days advance notice to the Company and the Company's specific authorization if such movements are to occur during the winter period, November through March. After completion of the primary term, such contract shall continue unless cancelled by either party upon thirty (30) days written notice

6. Regulatory Approvals

Customer's Supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable gas to be delivered to the Company's system.

**CURTAILMENT OF SERVICE**

In times of system emergencies, the Company may curtail service under this rate schedule in order to maintain service to human needs customers and customers receiving service under Rates RS, GS and in accordance with curtailment procedures on file with, and approved by, the Kentucky Public Service Commission. In the event customer fails to comply with the Company's direction to curtail, the Company reserves the right to physically discontinue service to the customer. Company shall not be liable in damages or otherwise to customer for any loss of production, other claim, or any consequences occasioned by customer as a result of such curtailment or because of the lack of advance notice to customer of such curtailment.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 53  
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## RATE SSIT

### SPARK SPREAD INTERRUPTIBLE TRANSPORTATION RATE

#### AVAILABILITY

Interruptible local delivery service for natural gas to be used in commercial gas fired electric generators and available to any customer who: (1) is certified as an Exempt Wholesale Generator or Independent Power Producer with the Federal Energy Regulatory Commission; (2) signs a contract with the Company for service under this Rate SSIT; (3) arranges for the delivery of gas into the Company's system for customer's sole use at one point of delivery where distribution mains are adjacent to the premise to be served; and (4) utilizes natural gas transported under this tariff as its primary fuel source in a combustion gas turbine unit(s) or combined cycle unit(s) for the purpose of generating electricity for sale into the wholesale electric market. Service under this tariff will be provided by displacement and on a "reasonable efforts" basis. The Company reserves the right to decline requests to initiate or continue service hereunder whenever, in the Company's sole judgment, rendering service will be detrimental to the operation of the Company's system or impair its ability to supply gas to customers receiving service under the provisions of Rate RS, Rate GS, Rate FT-L, Rate IT, or other special contract arrangements. This tariff schedule shall not preclude the Company from entering into special arrangements with Commission approval, which are designed to meet unique circumstances.

The service provided hereunder will be interruptible local gas delivery service provided on a "reasonable efforts" basis from the Company's city gate receipt points to the outlet side of Customer's meter. The Company, to insure its ability to reliably supply gas to customers receiving service under the provisions of Rate RS, Rate GS, Rate FT-L, and Rate IT, as well as under interruptible special contract arrangements, shall have the right for operational reasons to designate the city gate receipt points where the customer is required to deliver gas into the Company's system.

In order to receive service under this tariff, Customer must have in place throughout the term of this agreement a gas storage/balancing service agreement with an upstream supplier under which that supplier will balance customer's hourly and daily usage with deliveries into the Company's system. The Company will install at Customer's expense metering equipment that will allow it to monitor customer's hourly and daily usage.

#### NET MONTHLY BILL

The Net Monthly Bill is determined as follows:  
All gas delivered is billed in units of 1000 cubic feet (MCF).

Administrative Charge per month: \$430.00

Facilities Charge per month:

Monthly amount required to amortize over the term of the contract, the incremental costs that the Company incurs in order to construct facilities to bring service to Customer, including the costs of such facilities as mains and service installations, metering and regulating equipment, and telemetric and flow control equipment.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006, dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President



Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
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KY.P.S.C. Gas No. 2  
First Revised Sheet No. 53  
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**NET MONTHLY BILL (Contd.)**

Delivery Charge:

Company will deliver the arranged-for gas, less shrinkage, which is equal to the Company's system average unaccounted-for percentage, at a variable Spark Spread Rate determined as follows:

The transportation rate (\$ per MCF) shall be the greater of (Heat Rate / 1,000) x 0.0204 or (Spark Spread - 10.00) x (51.4 / Heat Rate)

Where:

Spark Spread = Electric Price - (Gas Price x Heat Rate / 1,000)

Heat Rate = Average heat rate at High Heating Value (HHV), subject to annual audit.

Electric Price = Weighted Average Index in \$/MWh for "Into Cinergy" as listed in Megawatt Daily.

Gas Price = Columbia Gas Appalachian midpoint in \$/MMBtu as listed in Gas Daily.

**Examples (Heat Rate = 8000):**

Electric Price \$/MWH	Gas Price \$MMBTU	Spark Spread \$/MWH	Transportation Rate \$/MCF
\$ 25.00	\$4.000	\$ (7.00)	\$0.1632
\$ 50.00	\$4.000	\$ 18.00	\$0.1632
\$ 75.00	\$4.000	\$ 43.00	\$0.2120
\$100.00	\$4.000	\$ 68.00	\$0.3727
\$125.00	\$4.000	\$ 93.00	\$0.5333
\$150.00	\$4.000	\$118.00	\$0.6939
\$175.00	\$4.000	\$143.00	\$0.8545
\$200.00	\$4.000	\$168.00	\$1.0152
\$225.00	\$4.000	\$193.00	\$1.1758

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on Sheet No. 63, Rider AMRP, Accelerated Main Replacement Program. **(D)**

**MINIMUM BILL PROVISION**

Customer will be subject to a monthly "minimum bill" equal to the Monthly Administrative Charge and Facilities Charge, as noted above.

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Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by Sandra P. Meyer Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
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KY.P.S.C. Gas No. 2  
First Revised Sheet No. 53  
Cancelling and Superseding  
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### UNAUTHORIZED DELIVERIES

In the event customer fails to interrupt transportation deliveries at Company's request, any excess deliveries through customer's meter will be considered unauthorized deliveries that are subject to the flow through of pipeline penalty charges to the extent that they are incurred by the Company, and in addition thereto, shall be paid for as specified under the "Charges For Unauthorized Deliveries" provision of this rate schedule. The charges for such unauthorized deliveries shall be billed directly to the customer. However, Company may at its sole discretion physically discontinue service to the customer if customer refuses to interrupt service when requested by Company. Further, Company may temporarily or permanently discontinue service if customer fails to operate in accordance with the Company's directives and limitations regarding service under this tariff.

### CHARGES FOR UNAUTHORIZED DELIVERIES

Any customer taking unauthorized deliveries shall be billed an amount reflective of the general service rate, Rate GS, Sheet No. 31, including the expected gas cost component of the gas cost recovery rate or Company's highest cost gas, and one month's pipeline and supplier related demand charges on the volume difference (this charge shall not be imposed more frequently than once in any 30 day period) and/or the cost of operating the Company's propane peak shaving plant, and/or, if so required to effectuate compliance with the interruptible provisions of this schedule, the cost incurred by the Company to valve-off the service. In any event, customer shall reimburse the Company for any interstate pipeline penalty charges resulting from such unauthorized deliveries.

### BALANCING

For purposes of this tariff a "pool" shall be defined as one or more customers taking service under Rate SSIT that are joined together for supply management purposes. A "pool operator" has a contractual responsibility to manage the aggregated gas supply requirements of all Rate SSIT customers that comprise its pool. All supply management responsibilities of individual customers are transferred to the pool operator once a customer becomes a part of a pool, as the aggregated balancing requirements of all pool members are treated under this tariff as though they were a single customer with its own supply management responsibilities. Because of the large hourly and daily usage likely to flow under this tariff, pool operator is required to contract with the pipelines designated by the Company for hourly and daily deliveries that correspond with their actual burn of gas delivered under this tariff.

### LATE PAYMENT CHARGE

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to five percent (5%) of the unpaid balance is due and payable.

### TERMS AND CONDITIONS

The customer shall enter into a written agreement with the Company. Such agreement shall set forth specific arrangements as to the transportation services provided as well as the level of firm gas required by customer and any other circumstances relating to the individual customer.

The Company's "reasonable efforts" is defined as the right, at any time, to curtail or interrupt the delivery or transportation of gas under this tariff when, in the judgment of the Company, such curtailment or interruption is necessary to enable the Company to maintain deliveries to higher priority customers or to respond to any emergency.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 53  
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**TERMS AND CONDITIONS (Contd.)**

Pool operator agrees upon request by Company to produce, in a timely manner, proof of the purchase of the natural gas transported, any necessary regulatory approvals, and any and all transportation arrangements with all interstate pipelines, intrastate pipelines, or others involved in transporting the pool gas' supplies.

Company will not be liable for any costs and/or penalties charged by pipelines, or suppliers, because of pool operator's over or under deliveries into the pipeline, or pool customers' failure to take deliveries through customer's meters that in the aggregate match the amount of gas transported by the pool operator to the Company's city gate.

The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on an hourly and daily basis. Hourly/daily operational information shall include information on hourly/daily gas flows provided by Automatic Meter Reading (AMR), equipment, telemetry, or any other means the Company has available to provide the customer, or its designated pool operator with its best estimate of hourly/daily gas deliveries for individual customer's and the pool's combined accounts.

In order to administer the provisions of this tariff and monitor customer's hourly/daily usage, the Company will install remote metering equipment on customer's meter site. Customer will be responsible for payment of the cost of such telemetric equipment, either through a lump sum payment, or at the Company's option, through a monthly facilities charge designed to reimburse the Company for the costs of such equipment. Customer will also be responsible for providing the Company with access to a telephone service at customer's metering site, or such other equipment or utilities which may be necessary, and shall also be responsible for the monthly charges for such telephone service or other necessary equipment or utilities.

The primary term of contract shall be a minimum of ten (10) years. After completion of the primary term, such contract shall continue unless cancelled by either party upon thirty (30) days written notice.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 55  
Cancelling and Superseding  
Original Sheet No. 55  
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## RATE AS

### POOLING SERVICE FOR INTERRUPTIBLE GAS TRANSPORTATION

#### AVAILABILITY

Pooling service available to (1) customers receiving interruptible gas transportation service under Rate IT and special contract interruptible customers who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT and special contract interruptible customers to manage gas supplies on their behalf and as a part of an aggregated customer pool. For purposes of administering this tariff, the usages of all customers within a pool will be combined into a single pool usage number, which will be matched against the pool operator's total deliveries to its Rate IT and special contract interruptible transportation pool.

#### CHARACTER OF SERVICE

Customers must elect whether they will operate as their own pool operator or choose a pool operator from a list of approved gas pool operators that have signed a "Large Volume Customer Transportation Pooling Agreement" with the Company. Such elections will be assumed to carryover from month to month unless the customer or pool operator notifies the Company of a change at least ten (10) days prior to the start of a new month. In such agreements, the pool operator accepts the responsibility for meeting the aggregated daily and monthly gas delivery requirements of those large volume Rate IT and special contract interruptible transportation customers that comprise their customer pool. Included among the aggregated gas supply and delivery obligations assumed by designated pool operators are requirements for responding to operational flow orders ("OFOs"), monthly balancing requirements, monthly "cash outs," Duke Energy Ohio to Duke Energy Kentucky, Inc. delivery charges, and the payment of penalty charges exclusive of those arising from customers' failure to interrupt or curtail deliveries when ordered to do so by the Company.

Pool operators shall have access to Company-offered services including balancing services, and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

#### POOL OPERATOR REQUIREMENTS

Customers will not be permitted to join pools, nor shall pool operators be permitted to disband their pools, until all outstanding imbalances with the Company have been settled or eliminated.

#### NET MONTHLY BILL

The Net Monthly Bill shall be rendered to the pool operator by the tenth day of the calendar month for services rendered during the preceding month, and shall consist of the following charges, or credits, calculated on an aggregated basis for the entire customer pool:

1. In those instances where gas supplies are purchased from or sold to the Company under the monthly "cash-out" provision of Rate IMBS, the Company shall bill pool operator for the cost of such "cash-outs" based on the aggregated imbalance of the pool and the "cash-out" pricing provisions of that tariff schedule.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
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**NET MONTHLY BILL (Contd.)**

2. In those instances where the pool operator has failed to respond to OFOs, pool operator will be billed unauthorized overrun/underrun charges, in addition to the flow-through of penalty charges from pipeline and gas suppliers, that can be attributed to pool operator's failure to respond.
3. In those instances where the pool operator delivers gas into the Duke Energy Ohio pipeline system and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky, Inc. for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky, Inc. for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate.

**LATE PAYMENT CHARGES**

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable.

(T)

**TERMS AND CONDITIONS**

Pool operators must enter written service agreements with the Company. Such service agreements shall set forth specific covenants and obligations undertaken by the Company and pool operators under this tariff on behalf of the customers that they serve.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by Sandra P. Meyer Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth  
Newport, Kentucky 40471

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 57  
Cancelling and Superseding  
Original Sheet No. 57  
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## RATE GTS

### GAS TRADING SERVICE

#### AVAILABILITY

Daily/monthly inter-pool imbalance trading services, available to (1) customers receiving interruptible gas transportation service under Rate IT or under special contract arrangements, who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT, special contract arrangements, or under Rate FT-L customers to manage their gas supplies on their behalf and as a part of an aggregated customer pool.

#### CHARACTER OF SERVICE

The Company will operate an electronic bulletin board (EBB) through which eligible pool operators can notice offers of gas supplies for purchase, sale, or trade. The pool operator offering to purchase, sell, or trade gas supplies must provide the following information for publication on the EBB:

- A) the pool operator's name,
- B) contact person and telephone number,
- C) quantities of gas available for purchase, sale or trade,
- D) other general text trade terms.

Daily imbalance trades or transfers must be made within four (4) business days from the date that the trade or transfer applies. Monthly imbalance trades or transfers must be completed within four (4) business days following the end of the month.

Transactions will be completed when the pool operator(s) on both sides of a transaction, key their acceptance into the EBB. When that occurs, all other would-be acceptors of the offer are locked out. The Company will adjust the daily/monthly accounts of both parties to a transaction in order to record the volume transfer embodied in the transaction. Any dollar payments, receipts, or exchanges of other consideration agreed upon between the parties to a transaction are outside the scope of this tariff and must be completed between the parties themselves.

#### BILLING

The Company will bill the receiving party to a transfer under this tariff a \$5.00 fee for each transaction. For purposes of this tariff, a transaction is each transfer of gas supplies from one pool to another on a specific gas day pursuant to an arrangement by, or between, pool operators to purchase, sell, or trade gas supplies. For purposes of this tariff, the receiving party of a transfer is the purchaser or the party to whom gas supplies are transferred on a specific gas day.

#### SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

Ky.P.S.C. Gas No. 2  
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## RATE IMBS

### INTERRUPTIBLE MONTHLY BALANCING SERVICE

#### AVAILABILITY

Interruptible monthly gas balancing service available (1) to customers receiving service under Rate FT-L, Rate IT and special contract interruptible transportation agreements who are acting as their own pool operator for supply management purposes, and (2) to pool operators designated by Rate FT-L, Rate IT and special contract interruptible transportation customers to manage their gas supplies on their behalf, and as a part of an aggregated customer pool. For purposes of this tariff, a pool operator shall aggregate the requirements of all of its pools' member customers and thereafter such aggregated pool shall be treated as a single customer for supply management purposes.

#### CHARACTER OF SERVICE

The service provided under this tariff is a "reasonable efforts," interruptible, gas balancing service that requires a general obligation by the pool operator to balance daily pool usage with pool deliveries into the Company's city-gate stations. It further provides that no daily imbalance charges or penalties will be levied on the pool operators, except when operational flow orders (OFO) have been issued. However, pool operators are under an ongoing obligation to work with the Company in a good faith manner to respond to both formal and informal system management requests, and to strive to maintain relatively close daily balances and additionally closely track their daily loads throughout the month. For purposes of this tariff an OFO is as defined in Rate FRAS, Sheet No. 44. OFO's will be issued on an ongoing basis for pool operators who disregard their obligation to provide gas supplies in quantities that reasonably match their daily loads. OFO's shall be issued for operational reasons only. In the event a pool operator violates this tariff or the aggregation agreement, the Company may assess such a violator for all direct incremental gas supply, capacity, or storage or penalty costs incurred due to the violation. In addition, if the violations are part of a pattern of non compliance, or of a magnitude that merits additional action be taken, the Company may take steps to suspend or permanently remove a pool operator from participation upon notice. The Company shall have the right to limit or terminate the availability of this service to pool operators guilty of excessive abuse of the system; i.e., engaging in extreme and/or continued violations of the tariff terms and conditions including this general balancing requirement. For purposes of administering this tariff, the daily and monthly usage of all customers within an individual pool will be combined into single daily/monthly pool usage number, which will be matched against the pool operator's total daily/monthly deliveries to its individual transportation pool(s).

#### SERVICE DESCRIPTION

Transportation customers who avail themselves of the service under this rate schedule must, with the agreement of their supplier, select a monthly imbalance carry over tolerance level from the following options:

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**SERVICE DESCRIPTION (Contd.)**

	Allowed Monthly Under-Run %	Allowed Seasonal Monthly Over-Run		Charge on All Throughput
		May Through November %	December Through April %	
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

Pool operators who select one or more of the balancing services contemplated under this Rate IMBS shall be held to a monthly balancing requirement within the monthly imbalance carry over tolerance level selected. Pool operators shall be subject to a general obligation to balance pool requirements and deliveries on a daily basis unless an OFO has been issued.

On days when OFO's have been issued, pool operators are required to operate on a "gas-in equals gas-out" basis. Any net imbalances on these OFO days may result in unauthorized overrun/underrun charges, or penalty charges being levied against the responsible pool operator. Such charges shall be calculated in accordance with the "Charges for Unauthorized Deliveries" provision of Rate IT, Interruptible Transportation Service. In order to minimize daily imbalance charges and penalties on OFO days, as well as end of month imbalance "cash-outs," pool operators are encouraged to participate in the Company's inter-pool imbalance trading/transfer opportunities and related electronic bulletin board (EBB) services. Daily imbalance trades/transfer made through the Company's EBB must be completed within four (4) business days from the date that the trade or transfer applies. Monthly imbalance trades to comply with the monthly balancing requirements of Rate IMBS must be made within four (4) business days after the end of the month. The pool or pool operator receiving gas that has been traded or transferred will be billed a fee in accordance with Rate GTS for each transaction.

**NET MONTHLY BILL**

Net monthly imbalances will be calculated for billing purposes as the net of:

- a) actual deliveries,
- b) plus or minus imbalance trades,
- c) plus or minus unauthorized daily or monthly OFO overrun/underrun volumes,
- d) plus monthly imbalance carryover,
- e) minus actual metered usage on an aggregated pool basis, as adjusted for unaccounted for losses.

The Net Monthly Imbalance percentage will be determined by dividing the net monthly imbalance as measured at the burner tip by the burner tip equivalent total aggregated pool deliveries for the month.

Pool operators receiving balancing services under this rate schedule shall be subject to the following charges:

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Issued: October 6, 2006-July 1, 2009      Effective: October 1, 2006-July 31, 2009  
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**NET MONTHLY BILL (Contd.)**

- (1) Unauthorized overrun/underrun charges as described above and resulting from pool operator's failure to comply with daily operational flow orders except as provided above.
- (2) End of month "cash-out" charges for volumes over/under-delivered outside of pool operator's selected option tolerance levels, as follows:

**DEFINITIONS**

- (a) Over-deliveries are defined as monthly deliveries into the Company's city-gate stations, plus the prior month's carryover volumes that exceed the pool's aggregated metered usage for the month as adjusted for shrinkage back to the city-gate, and as adjusted for the pool's elected monthly carry over tolerance percentage. Over-deliveries beyond the pool's elected monthly carry over tolerance percentage shall be cashed out to the pool operator at the first of the month index published in *Inside F.E.R.C. Natural Gas Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Onshore Louisiana Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city-gate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the volumes delivered in excess of the elected monthly carry over tolerance percentage, as measured at the burner tip.
- (b) Under-deliveries are defined as monthly deliveries into the Company's city-gate stations, plus the prior month's carryover volumes, that are less than the pool's aggregated metered usage for the month, as adjusted for shrinkage back to the city-gate. Under deliveries shall be cashed out at the first of the month index published in *Inside F.E.R.C. Natural Gas Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Onshore Louisiana Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city-gate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the under-delivered volumes, as measured at the burner tip.

**SERVICE REGULATIONS**

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Issued: October 6, 2006-July 1, 2009 Effective: October 1, 2006-July 31, 2009  
Issued by Sandra P. Meyer/Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
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## RATE DGS

### DISTRIBUTED GENERATION SERVICE

#### AVAILABILITY

Available in the Company's entire service territory to customers who enter into a service agreement that identifies, among other provisions, facilities that are required to serve distributed generation installations. The facilities contemplated hereunder include, but are not limited to, the equipment necessary to accommodate non-standard system pressure. The Company reserves the right to decline requests to initiate or continue service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rates RS, GS, and FT-L.

#### CHARACTER OF SERVICE

The service provided under this tariff schedule is firm, on-demand, delivery service.

#### NET MONTHLY BILL

In addition to the provisions of the applicable firm transportation tariff, the following monthly charges shall apply for billing purposes.

##### Administrative Charge

A charge of \$25.00 per month shall be assessed for each account to which this service applies. ~~Plus the applicable charge as set forth on Sheet No. 63, Rider AMRP, Accelerated Main Replacement Program~~

(D)

##### Monthly Capacity Reservation Charge

The customer shall pay, except when the installation is operating according to the service agreement, a monthly amount equal to the level of contract capacity stated in the service agreement, times the capacity reservation charge per CCF. The level of contract capacity is the customer's estimate of the maximum hourly load in CCF that the installation will require when operating as intended. The capacity reservation charge equals the delivery charge stated in the applicable firm transportation service tariff. The minimum monthly capacity reservation charge shall be \$2.00 per installation.

##### Facilities Charge

The customer shall pay the amount specified in the service agreement.

##### Delivery Charge

All deliveries, as determined by the Company, shall be billed under the provisions of the applicable firm transportation service tariff.

#### LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly bill, which is the Net Monthly Bill plus five percent (5%), is due and payable.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006, dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

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#### TERMS AND CONDITIONS

The customer shall enter into a written service agreement with the Company which specifies the type of service(s) required, operational requirements, the facilities necessary to accommodate the type of service, and the level of capacity required by customer. The customer and the Company will mutually agree upon the level of contract capacity.

An additional meter shall be installed to separately measure the service hereunder.

The cost of facilities, as described in the service agreement, shall be paid by the customer.

The customer shall have contracted for such interstate pipeline services, including, but not limited to, firm transportation and no-notice delivery services, that are sufficient to satisfy the installation's planned operating schedule.

Changes in the level of contract capacity may be requested annually by the customer, on the anniversary date of the service agreement. Such requests shall be made at least thirty (30) days in advance of the anniversary date.

The term of contract shall be five years.

#### SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

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Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
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KY.P.S.C. Gas No. 2  
First Revised Sheet No. 60  
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## RIDER X

### MAIN EXTENSION POLICY

#### AVAILABILITY

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

#### APPLICABILITY

Applicable to gas service supplied in accordance with provisions of the appropriate rate currently in effect, from the nearest available distribution main when it is necessary to extend such main.

#### EXTENSION PLAN

1. Normal Extensions. An extension of one hundred (100) feet or less shall be made by the Company to an existing distribution main without charge for a prospective customer who shall apply for and contract to use service for one year or more.
2. Other Extensions. When an extension of the Company's main to serve an applicant amounts to more than one hundred (100) feet per customer, the Company will require the total cost of the excess footage in excess of one hundred (100) feet per customer to be deposited with the Company by the applicant based on the estimated cost per foot for main extensions.

The applicant will be reimbursed under the following plan:

- (i) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer, who paid for the excess footage, the cost of one hundred (100) feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed, but in no case shall the total amount refunded, including the amount determined under paragraph (ii), exceed the amount paid to the Company.
- (ii) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer who paid for the excess footage, an amount reflecting the positive impact of a subsequent connection or extension, by analyzing the estimated cost and corresponding revenues resulting from the subsequent connection or extension. This amount will be paid when the first customer is connected to the subsequent connection or extension.
3. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the applicant, who paid for the extension, a sum equivalent to the cost of one hundred (100) feet of the extension installed for each additional customer connected during the year, but in no case shall the total amount refunded over the ten (10) year period exceed the amount paid to the Company. There shall be no refunds after the end of the said ten (10) year period.

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Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

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**EXTENSION PLAN (Contd.)**

4. Nothing contained herein shall be construed to prohibit the Company from making extensions under different arrangements provided such arrangements have been approved by the Kentucky Public Service Commission.
5. Nothing contained herein shall be construed as to prohibit the Company from making, at its expense, greater extensions than herein prescribed, should its judgement so dictate, provided like free extensions are made to other customers under similar conditions.
6. Upon complaint to and investigation by the Kentucky Public Service Commission, the Company may be required to construct extensions greater than one hundred (100) feet upon a finding by the Commission that such extension is reasonable.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Issued: October 6, 2006-July 1, 2009

Effective: October 1, 2006-July 31, 2009

Issued by Sandra P. Meyer/Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
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## RIDER DSM

### DEMAND SIDE MANAGEMENT COST RECOVERY RIDER

#### APPLICABILITY

Applicable to service rendered under the provisions of Rates RS (residential class), GS, and FT (non-residential class).

#### CHARGES

The monthly amount computed under each of the rate schedules to which this rider is applicable shall be increased or decreased by the DSM Charge at a rate per hundred cubic feet (CCF) of monthly consumption in accordance with the following formula:

$$\text{DSM Charge} = \text{PC} + \text{LR} + \text{PI} + \text{BA}$$

Where: **PC = DSM PROGRAM COST RECOVERY.** For each twelve month period, the PC shall include all expected costs for demand-side management programs which have been approved by a collaborative process. Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the PC. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated avoided pipeline capacity and commodity costs resulting from each program.

The PC applicable to the residential class shall be determined by dividing the cost of approved programs allocated or assigned to the residential class by the expected CCF throughput for the upcoming twelve-month period. Similarly, the cost of approved programs assigned to the non-residential class shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PC applicable to the non-residential rate class.

**LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY.** Revenues from lost throughput due to DSM programs will be recovered through the decoupling of revenues from actual throughput of the residential class. At the end of each twelve-month period after implementation of the DSM Charge, the non-variable revenue requirement (total revenue requirement less variable costs) for the residential class for ULH&P's most recent twelve month period will be adjusted to reflect changes in the number of customers and the usage per customer as follows: (1) the non-variable revenue requirement will be multiplied by the factor obtained by dividing the twelve month average number of customers at the end of the current twelve-month period by the twelve month average number of residential customers at the end of the twelve-

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Issued: October 6, 2006-July 1, 2009

Effective: October 1, 2006-July 31, 2009

Issued by Sandra P. Meyer/Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
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month period ending December 1994, and (2) the non-variable revenue requirement will be multiplied by a factor "F<sub>g</sub>" calculated by the following formula:

**LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY. (Contd.)**

$$F_g = (1 + g)^{n/12}$$

Where: g = Growth factor - recalculated annually based on the most recent eleven years of actual customer data. Initially "g" shall be set at -0.0156; and  
n = the number of months from December 1994 to the end of the current twelve-month period.

At the end of each twelve-month period after implementation of the DSM Charge, the difference between the actual non-variable revenue billed during the twelve-month period and the adjusted non-variable revenue requirement, as described above, will be determined. This difference ("LR amount established for the twelve-month period") will be divided by the estimated CCF throughput for the upcoming twelve-month period to determine the LR for the residential class.

The LR applicable to the non-residential class shall be computed by 1) multiplying the amount of CCF throughput that will be lost for each twelve-month period as a result of the implementation of the approved programs times the CCF throughput charge for the applicable rate schedule, less the variable cost included in the charge; and, 2) dividing that product by the expected CCF throughput for the upcoming twelve-month period. The lost revenue attributable to decreased throughput to the non-residential class due to approved programs will be calculated through estimates agreed upon by the collaborative process, which may include engineering estimates, of the level of decreased throughput. Recovery of revenues from decreased throughput calculated for a twelve-month period for non-residential rate classes shall be included in the LR until January 1, 2000 or until terminated by the implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from such decreased throughput will be assigned for recovery purposes to the rate classes whose programs resulted in the decreased throughput.

**PI = DSM PROGRAM INCENTIVE RECOVERY.** The DSM Program Incentive (PI) amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent. Net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of Duke Energy Kentucky, Inc.'s avoided gas costs over the expected life of the program, and will include both capacity and commodity savings. The DSM incentive amount related to programs for the residential class shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. The PI amount related to programs for the non-residential class rates shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. DSM incentive amounts will be assigned for recovery

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Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

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Duke Energy Kentucky, Inc.  
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purposes to the rate classes whose programs created the incentive.

**BA = DSM BALANCE ADJUSTMENT.** The BA is used to reconcile the difference between the amount of revenues actually billed through the respective DSM Charge components; namely, the PC, LR, and PI and previous BA, and the revenues which should have been billed, as follows:

- (1) For the PC, the balance adjustment amount will equal the difference between the amount billed in a twelve-month period from the application of the PC unit charge and the actual cost of the approved programs during the same twelve-month period.
- (2) For the LR applicable to the residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from the application of the LR unit charge and the LR amount established for the same twelve-month period.

For the LR applicable to the non-residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the LR unit charge and the amount of lost revenues determined for the actual DSM program, or measures implemented during the twelve-month period.

- (3) For the PI, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the PI unit charge and the incentive amount determined for the actual DSM program, or measures implemented during the twelve-month period.
- (4) For the BA, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the BA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined above shall include interest. The interest applied to the monthly amounts, shall be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of balance adjustment amounts shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the BA. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over or under-recoveries of DSM amounts were realized.

All costs recovered through the DSM Charge will be assigned or allocated to Duke Energy Kentucky, Inc.'s electric or gas customers on the basis of the estimated net electric or gas resource savings resulting from each program.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006, dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: October 6, 2006-July 1, 2009

Effective: October 1, 2006-July 31, 2009

Issued by Sandra P. Meyer Julie Janson, President



Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
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**DSM CHARGE FILINGS**

The filing of modifications to the DSM Charge shall be made at least thirty days prior to the beginning of the effective period for billing. Each filing will include the following information as needed:

- (1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.
- (2) A statement setting forth the detailed calculation of each component of the DSM Charge.

Each change in the DSM Charge shall be applied to customers' bills with the first billing cycle of the revenue month which coincides with, or is subsequent to, the effective date of such change.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky  
1697-A Monmouth Street  
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KY.P.S.C. Gas No. 2  
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**RIDER DSMR**

**DEMAND SIDE MANAGEMENT RATE**

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 61 of this Tariff.

The DSMR to be applied to residential customer bills as of May 14, 2009 is \$0.066904 per hundred cubic feet.

Beginning with the November 2008 revenue month, a Home Energy Assistance Program (HEA) charge of \$0.10 will be applied monthly to residential customer bills through September 2011.

The DSMR to be applied to non-residential service customer bills as of May 14, 2009 is \$0.00 per hundred cubic feet.

Issued by authority of an Order by the Kentucky Public Service Commission dated May 12, 2009 in Case No. 2008-00473.

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Issued: May 13, 2009

Effective: May 14, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
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KY.P.S.C. Gas No. 2  
First Revised Sheet No. 63  
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RIDER AMRP

ACCELERATED MAIN REPLACEMENT PROGRAM RIDER

(D)

**THIS TARIFF IS HEREBY CANCELLED AND WITHDRAWN**

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009                      Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 64  
Cancelling and Superseding  
Original Sheet No. 64  
Page 1 of 1

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**RIDER MSR-G**

**(D)**

**MERGER SAVINGS CREDIT RIDER – GAS**

**THIS TARIFF IS HEREBY CANCELLED AND WITHDRAWN**

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY P.S.C. Gas No. 2  
First Revised Sheet No. 70  
Cancelling and Superseding  
Original Sheet No. 70  
Page 1 of 2

## GAS COST ADJUSTMENT CLAUSE

### APPLICABILITY

The charge to each customer for the cost of gas shall be the appropriate Gas Cost Adjustment Rate applied to the customer's monthly consumption. This charge is applicable to all Company sales that are under the jurisdiction of the Kentucky Public Service Commission (Commission).

### DETERMINATION OF GCA

The Company, unless otherwise ordered by the Commission, shall file a quarterly report with the Commission which shall contain an updated gas cost adjustment rate (GCA) and shall be filed at least thirty (30) days prior to the beginning of the billing period.

The GCA is comprised of:

- (1) The expected gas cost component (EGC) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which represents the average cost of gas supplies including propane.
- (2) The supplier refund adjustment (RA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which reflects refunds received during the reporting period plus interest at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period, less 1/2 of 1 percent to cover the cost of refunding.
- (3) The actual adjustment (AA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any previous over or under collections of gas cost experienced by the Company through the operation of this gas cost recovery procedure.
- (4) The balance adjustment (BA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any over or under collections which have occurred as a result of prior adjustments.

### HEDGING PLAN

In accordance with the approved hedging plan, Duke Energy Kentucky, Inc., will utilize fixed price contracts without cost averaging and no-cost collars for gas purchases within the range of volumes defined in the plan for up to eighteen (18) months from the time of the transaction. On or before each May 15, the Company shall file a report of its hedging activities for the twelve (12) months ended the previous March 31 that also identifies all existing hedging arrangements for future purchases.

### BILLING

The gas cost recovery rate to be applied to the customers' bills shall equal the sum of the following components:

$$\text{GCA} = \text{EGC} + \text{RA} + \text{AA} + \text{BA}$$

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 70  
Cancelling and Superseding  
Original Sheet No. 70  
Page 2 of 2

## DEFINITIONS

For purposes of this tariff:

- (A) "Average Cost" means the cost of gas supplies, including associated transportation and storage charges and propane, which results from the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the three (3) month period, on purchased volumes during the twelve month period ending with the reporting period, divided by the corresponding sales volume. This includes the cost of all gas supplies acquired through hedging instruments, including the cost of the hedging instruments themselves, acquired under a hedging plan approved by the Commission and under the terms and conditions of this tariff. Also included are carrying costs for gas stored underground. In addition net charge offs and collection fees less late payment charges related to gas costs billed to customers are included. (T)
- (B) "GCA" means the sum of the expected gas cost component plus the supplier refund adjustment plus the actual adjustment plus the balancing adjustment, i.e.,  $GCA = EGC + RA + AA + BA$ .
- (C) "Billing period" means each of the four three-month periods of (1) December, January, and February; (2) March, April, and May; (3) June, July, and August; (4) September, October, and November.
- (D) "Reporting Period" means the three (3) month accounting period that ended approximately fifty-Five days prior to the filing date of the updated gas cost adjustment rates.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009 Effective: ~~October 1, 2006~~ July 31, 2009  
Issued by ~~Sandra Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

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

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**RIDER GCAT**

**GAS COST ADJUSTMENT TRANSITION RIDER**

**APPLICABILITY**

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

**GCA TRANSITION RIDER**

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be \$(0.0393) per 100 cubic feet. This rate shall be in effect during the month of June 2009 through August 2009 and shall be updated quarterly, concurrent with the Company's GCA filings.

Issued by authority of an Order of the Kentucky Public Service Commission dated May 28, 2009 in Case No. 2009-00184.

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Issued: June 1, 2009

Effective: June 2, 2009

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 80  
Cancelling and Superseding  
Original Sheet No. 80  
Page 1 of 1

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## BAD CHECK CHARGE

### APPLICABILITY

Applicable to all customers in the Company's gas service area.

### CHARGE

The Company may charge and collect a fee of \$11.00 to cover the cost of handling an unsecured check, where a customer tenders in payment of an account a check which upon deposit by the Company is returned as unpaid by the bank for any reason.

### SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order by the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006 dated \_\_\_\_\_ in Case No. 2009-00202.

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Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President



Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 81  
Cancelling and Superseding  
Original Sheet No. 81  
Page 1 of 1

## CHARGE FOR RECONNECTION OF SERVICE

### APPLICABILITY

Applicable to all customers in the Company's entire service area who are in violation of Rule 3, Company's Right to Cancel Service Agreement or to Suspend Service, of the Company's Gas Service Regulations.

### CHARGE

The Company may charge and collect in advance the following:

- A. The reconnection charge for service which has been disconnected due to enforcement of Rule 3 shall be twenty-five dollars (\$25.00).
- B. The reconnection charge for service which has been disconnected within the preceding twelve months at the request of the customer shall be twenty-five dollars (\$25.00).
- C. If service is discontinued because of fraudulent use thereof, the Company may charge and collect in addition to the reconnection charge of twenty-five dollars (\$25.00) the expense incurred by the Company by reason of such fraudulent use, plus an estimated bill for gas used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

### SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494  
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Effective: ~~October 1, 2006~~ July 31, 2009

Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 4101

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 82  
Cancelling and Superseding  
Original Sheet No. 82  
Page 1 of 1

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**LOCAL FRANCHISE FEE**  
**APPLICABLE TO ALL RATE SCHEDULES**

There shall be added to the customer's bill, listed as a separate item, an amount equal to the fee now or hereafter imposed by local legislative authorities, whether by ordinance, franchise or other means, which fee is based on the gross receipts collected by the Company from the sale of gas to customers within the boundaries of the particular legislative authority. Such amount shall be added exclusively to bills of customers receiving service within the territorial limits of the authority imposing the fee.

Where the local legislative authority imposes a flat, fixed amount on the Company, the fee applied to the bills of customers receiving service within the territorial boundaries of that authority, shall be in the form of a flat dollar amount.

Where more than one such fee is imposed, each of the charges applicable to each customer shall be added to the customer's bill and listed separately.

The amount of such fee added to the customer's bill shall be determined in accordance with the terms of the ordinance, franchise or other directive agreed to be the Company.

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Issued: ~~October 6, 2006~~ July 1, 2009

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Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 83  
Cancelling and Superseding  
Original Sheet No. 83  
Page 1 of 4

**CURTAILMENT PLAN FOR  
MANAGEMENT OF  
AVAILABLE GAS SUPPLIES**

**AVAILABILITY**

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

**APPLICABILITY**

In the event of an emergency which necessitates curtailment of gas service, Duke Energy Kentucky, Inc. shall curtail gas service to its customers in the manner set forth herein, except where the Public Service Commission of Kentucky (Commission) or other authority having jurisdiction in the matter orders otherwise.

**DEFINITIONS**

Special Gas Service Contract Customers:

A customer who purchases gas, off-peak and firm, under a Special Gas Service Contract. Such a customer shall not qualify as a Domestic or Non-Domestic Customer.

Domestic Customers:

Customers which use gas in private homes, boarding houses, apartment houses, hotels, motels, restaurants, food processors, hospitals and places of like kind where the element of human welfare is the predominating requirement.

Non-Domestic Customers:

All other customers not defined as Domestic Customers or Special Gas Service Contract Customers.

Winter Period:

The consecutive customer billing months of November and December, of one year and the months of January, February and March in the next year.

Summer Period:

The consecutive customer billing months of April, May, June, July, August, September and October.

Winter Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of January, February, March, November and December of 1972.

Summer Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of April, May, June, July, August, September and October of 1972.

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Issued by ~~Sandra P. Meyer~~ Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 83  
Cancelling and Superseding  
Original Sheet No. 83  
Page 2 of 4

## DEFINITIONS (Contd.)

### Adjusted Winter Volumetric Limitation:

A Non-Domestic Customer's winter base volumetric limitation for the gas usage during a winter period as adjusted from time to time by Duke Energy Kentucky, Inc. to reflect pro rata curtailment.

### Adjusted Summer Volumetric Limitation:

A Non-Domestic Customer's summer base volumetric limitation for the gas usage during the summer period as adjusted from time to time by Duke Energy Kentucky, Inc. to reflect pro rata curtailment.

## ORDER OF CURTAILMENT

(1) The Special Gas Service Contract Customer will be curtailed to the extent of its off-peak usage limitation noted in the customer's contract whenever:

- (a) Duke Energy Kentucky, Inc. cannot supply the Special Gas Service Contract customer its full requirements in excess of such customer's Contract Demand without incurring penalties under tariffs of Duke Energy Kentucky, Inc.'s supplier, or without having to purchase additional volumes of gas at premium rates, or without Duke Energy Kentucky, Inc. operating its peak load manufacturing facilities.
- (b) Duke Energy Kentucky, Inc.'s supplier curtails delivery and as a result Duke Energy Kentucky, Inc. determines that it cannot supply the total requirements of its customers.

The off-peak gas of the Special Gas Service Contract Customer shall be fully curtailed before curtailment is imposed upon other customers; however, since all the contracted for firm gas is considered necessary for plant protection, it will not be curtailed prior to other customer curtailment.

(2) Where additional curtailment is necessary after full curtailment of the off-peak of the Special Gas Service Contract Customers, Duke Energy Kentucky, Inc. shall, after giving reasonable notice, curtail those Non-Domestic Customers which use 50,000 cubic feet or more of gas per day on a pro rata basis by adjusting their Winter and/or Summer Base Volumetric Limitations downward to the extent necessary to limit the total usage to the gas supply available to Duke Energy Kentucky, Inc.. The resulting volumes will be the Non-Domestic Customer's adjusted Winter and/or Summer Volumetric Limitation. For plant protection the adjusted Winter and Summer Volumetric Limitations shall not be less than 20% of the respective Winter and Summer Base Volumetric Limitation. A Non-Domestic Customer consuming over 50,000 cubic feet or more of gas per day and having more than one metering location may, upon mutual agreement with Duke Energy Kentucky, Inc., combine his adjusted Volumetric Limitation at one or more locations only for curtailment purposes. Such customer must notify Duke Energy Kentucky, Inc. in writing and receive Duke Energy Kentucky, Inc.'s written consent of the accounts to be effected and the volumes to be combined.

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Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 83  
Cancelling and Superseding  
Original Sheet No. 83  
Page 3 of 4

#### ORDER OF CURTAILMENT (Cont'd)

- (3) Where additional curtailment of gas service is necessary, after curtailment in curtailment with paragraph (2) above, then gas service to Non-Domestic Customers using under 50,000 cubic feet of gas per day shall be curtailed on a pro rata basis in the same manner provided in the above paragraph (2).
- (4) Where additional curtailment is necessary the Domestic Customer will then be curtailed on a pro rata basis.

#### CARRY-OVER AND ADJUSTMENT OF BASE VOLUMETRIC LIMITATION

No carry-over of volumes will be permitted from the Winter to Summer Period or from the Summer to Winter Period. In the establishment of the Winter and Summer Base Volumetric Limitations a customer may request an investigation as to the proper maximum volumes so determined. If such investigation discloses that the volumetric limitations do not reasonably reflect the normal usage of his equipment that was connected in 1972 or authorized by Duke Energy Kentucky, Inc. to be installed at a later date, such limitation will be adjusted accordingly. Such request must be made within 60 days of the approval of this curtailment plan and absent such a request the Base Volumetric Limitations will not be subject to any increase.

#### PENALTIES

Special Gas Service Contract Customers will be subject to penalties as set forth in their contract. As to the Non-Domestic Customers, after the end of the Winter Period and Summer Period the actual gas usage of each Non-Domestic Customer for the period during which curtailment was required shall be compared respectively to the Adjusted Winter and Summer Volumetric Limitations, and in addition to the Non-Domestic Customer's regular monthly bill, a penalty shall be charged if such usage exceeds the respective Adjusted Winter or Summer Volumetric Limitation. The penalty amount will be based on the same penalty rate applicable to Duke Energy Kentucky, Inc. from its sold supplier of natural gas, the Columbia Gas Transmission Corporation. As of June 1, 1975 the penalty as stated in the Columbia Gas Transmission Corporation's FPC filed tariff is ten dollars (\$10.00) for each 1,000 cubic feet overrun.

#### ACTION FOR EXCESSIVE USAGE

During periods of curtailment, where it appears to Duke Energy Kentucky, Inc. through its procedure of monitoring monthly usage of Non-Domestic Customers being curtailed, that a Non-Domestic Customer's usage will significantly exceed his adjusted Winter or Summer Volumetric Limitation, Duke Energy Kentucky, Inc. will give such customer notice to cease such excessive usage and, in the event such customer does not cease, Duke Energy Kentucky, Inc. may disconnect gas service to such customer.

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Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
First Revised Sheet No. 83  
Cancelling and Superseding  
Original Sheet No. 83  
Page 4 of 4

#### **PENALTY REFUND**

Penalties collected from Duke Energy Kentucky, Inc.'s customers will be added to the refunds received from Duke Energy Kentucky, Inc.'s supplier and held for redistribution and shall be refunded to all customers in accordance with Duke Energy Kentucky, Inc.'s gas cost adjustment provision. If Duke Energy Kentucky, Inc. incurred penalties from its supplier as a result of volumetric overruns, the amount of such penalties shall be subtracted from the total penalties collected by Duke Energy Kentucky, Inc. from its customers to determine the amount of penalties to be refunded.

#### **BILLING OF PENALTIES**

Penalties, as provided above, shall be reflected in the customers service bill for the Winter Period on the May bill and for the Summer Period on the December bill. Five percent (5%) will be added to the penalty amount if not paid on or before fourteen (14) calendar days after mailing date of the bill.

#### **EMERGENCIES**

In the event of a short-term emergency situation where immediate deliveries of additional gas are needed to prevent irreparable injury to life or property of an existing customer, Duke Energy Kentucky, Inc. shall, at its option, have the right to deliver additional volumes of gas to meet such emergency needs in excess of any limited volumes specified herein, without imposition of penalties where the emergency volumes are repaid by reduction of future gas purchases by the customer within ninety (90) days after termination of the emergency period.

#### **EXEMPTION**

No exemptions from this Plan, other than emergency deliveries, as defined above, shall be granted except by Order of the Commission, directly through its duly designated Staff, or other authority having jurisdiction in this matter.

#### **AMENDMENT, MODIFICATION OR CLARIFICATION**

Due to governmental order or rapid changes in gas supply it may be necessary to amend, modify or clarify this Curtailment Plan. This Plan may be so amended, modified or clarified by filing a Motion with the Commission.

#### **AVAILABILITY OF THE PLAN**

Copies of this Plan, together with the address and telephone number of the Commission shall be kept at each business office of Duke Energy Kentucky, Inc. and shall be made available to any customer upon request.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-01494 dated September 29, 2006, dated \_\_\_\_\_ in Case No. 2009-00202.

Issued: ~~October 6, 2006~~ July 1, 2009

Effective: ~~October 1, 2006~~ July 31, 2009

Issued by Sandra P. Meyer Julie Janson, President

Duke Energy Kentucky, Inc.  
1697-A Monmouth Street  
Newport, Kentucky 41071

KY.P.S.C. Gas No. 2  
Original Sheet No. 84  
Page 1 of 1

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**RATE MPS  
METER PULSE SERVICE**

(N)

**APPLICABILITY**

Applicable to customers that request the Company to install gas meter pulse equipment, which is a meter related service not otherwise provided by the Company.

**DESCRIPTION OF SERVICE AND SPECIFICATIONS**

The service provided is an electronic pulse output, representing a pre-determined natural gas volume. The volume will vary at different meter installations, and will thus be communicated to the customer at the time of installation. Pressure and temperature correcting factors may need to be applied by the customer.

The pulse supplied does not represent rate of flow, only total volume and should not be used for control purposes. The end-use customer is responsible for providing power and communication links to the meter pulse equipment per the Company's specifications.

Customer must provide either a regulated 24 volts DC, or 120 volts AC, an area 2' x 2', 20' away from any gas pipeline flanges or gas pressure relief devices. The Company will supply a dry contact to their energy Management software.

A failure of the pulse initiator will not be detected by Company on any routine meter reading or during other operations. Therefore, customer will be required to recognize and report any problems with the pulse system, and Company shall not be responsible for incorrect data, or subsequent customer actions based upon the data.

**TYPE OF CHARGES**

Installation of Meter Pulse Equipment: \_\_\_\_\_ \$500.00

If replacement of Meter Index is necessary, additional charge of: \_\_\_\_\_ \$155.00

If replacement of the Gas Meter is necessary, charges will be determined based on then current prices for purchase and installation of applicable replacement meter.

If the Company is required to make additional visits to the meter site due to the inability to gain access to the meter location or the necessary Communication Link has not been installed, or the Communication Link is not working properly, the Company may charge the customer for any additional trip to the meter site at the per visit rate of: \_\_\_\_\_ \$60.00

In addition, the Company shall charge for the cost of any incremental equipment necessary to complete the pulser installation.

**SERVICE REGULATIONS**

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2009-00202.

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Issued: July 1, 2009

Effective: July 31, 2009

Issued by Julie Janson, President



RECYCLED PAPER MADE FROM 20% POST CONSUMER CONTENT



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 M

SECTION M

REVENUES AT PRESENT AND PROPOSED RATES

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended September 30, 2009

Forecasted Period: Twelve Months Ended January 31, 2011

Schedules

M	Revenues at Present and Proposed Rates
M-2.1	Base Period Revenues at Average Rates
M-2.2	Revenues at Current Rates
M-2.3	Revenues at Proposed Rates

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
REVENUES AT PRESENT AND PROPOSED RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M  
PAGE 1 OF 1  
WITNESS:  
J. ZIOLKOWSKI

EXCLUDES ALL RIDERS

LINE NO.	RATE CLASSIFICATION (A)	REVENUE AT PRESENT RATES (B)	REVENUE AT PROPOSED RATES (C)	REVENUE CHANGE (AMOUNT) (D=C-B)	% OF REVENUE CHANGE (E=D / B)
1	<u>SALES SERVICE:</u>				
2	RS RESIDENTIAL	80,216,857	94,636,517	14,419,660	17.98%
3	TOTAL RS	80,216,857	94,636,517	14,419,660	17.98%
4	GS COMMERCIAL	30,032,530	31,935,176	1,902,646	6.34%
5	GS INDUSTRIAL	3,746,169	3,866,300	120,131	3.21%
6	GS OTHER PUB AUTH	4,727,617	4,897,728	170,111	3.60%
7	TOTAL GS	38,506,316	40,699,204	2,192,888	5.69%
8	TOTAL SALES SERVICE	118,723,173	135,335,721	16,612,548	13.99%
9	<u>TRANSPORTATION:</u>				
10	FT LARGE	2,928,633	3,146,849	218,216	7.45%
11	IT	1,087,333	1,403,946	316,613	29.12%
12	TOTAL TRANSPORTATION	4,015,966	4,550,795	534,829	13.32%
13	TOTAL THROUGHPUT	122,739,139	139,886,516	17,147,377	13.97%
14	<u>MISCELLANEOUS REVENUES:</u>				
15	LATE PAYMENT CHARGES	0	0	0	0.00%
16	BAD CHECK CHARGES	10,063	10,063	0	0.00%
17	RECONNECTION CHARGES	27,402	27,402	0	0.00%
18	RENTS	548,268	548,268	0	0.00%
19	INTERDEPARTMENTAL	50,131	50,131	0	0.00%
20	SPECIAL CONTRACTS	0	0	0	0.00%
21	REVENUE TRANSP OF GAS-INTERCO	601,738	601,738	0	0.00%
22	PROVISION FOR RATE REFUNDS	(7,517,628)	(7,517,628)	0	0.00%
23	OTHER MISC	28,291	28,291	0	0.00%
24	TOTAL MISCELLANEOUS	(6,251,735)	(6,251,735)	0	0.00%
25	TOTAL COMPANY REVENUE	116,487,404	133,634,781	17,147,377	14.72%

PREPARED ON: 6/15/2009 10:59AM PM

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
BASE PERIOD REVENUES AT AVERAGE RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.1  
PAGE 1 OF 1  
WITNESS:  
J. ZIOLKOWSKI

EXCLUDES ALL RIDERS

BASE PERIOD ACTUAL

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	BASE PERIOD REVENUE LESS GAS COST REVENUE (E)		% OF REV TO TOTAL EXCLUSIVE OF GAS COST (G)		GAS COST REVENUE (H)	BASE PERIOD REVENUE TOTAL (I)	% OF REV TO TOTAL (J)
					(MCF)	(\$)	(\$/MCF)	(%)			
1	RS	RESIDENTIAL SERVICE	1,061,676	6,978,885	31,364,662	4.4942	78.62	48,852,195	80,216,857	68.86	
2	GS	GENERAL SERVICE COMMERCIAL	76,716	3,049,077	8,688,991	2.8497	21.78	21,343,539	30,032,530	25.78	
3	GS	GENERAL SERVICE INDUSTRIAL	2,632	403,216	923,657	2.2907	2.32	2,822,512	3,746,169	3.22	
4	GS	GENERAL SERVICE OTHER PUB AUTH	4,417	505,240	1,190,937	2.3572	2.99	3,536,680	4,727,617	4.06	
5	FT LARGI	FIRM TRANSPORTATION-LARGE	970	1,417,904	2,928,633	2.0655	7.34	0	2,928,633	2.51	
6	IT	INTERRUPTIBLE TRANSPORTATION	304	1,254,410	1,087,333	0.8668	2.73	0	1,087,333	0.93	
7		LATE PAYMENT CHARGES	0	0	0	-	-	0	0	-	
8		BAD CHECK CHARGES	0	0	10,063	-	0.03	0	10,063	0.01	
9		RECONNECTION CHARGES	0	0	27,402	-	0.07	0	27,402	0.02	
10		RENTS	0	0	548,268	-	1.37	0	548,268	0.47	
11		INTERDEPARTMENTAL	0	5,079	10,735	2.1136	0.03	39,396	50,131	0.04	
12		SPECIAL CONTRACTS	0	0	0	-	-	0	0	-	
13		REVENUE TRANSP OF GAS-INTERCO	0	0	601,738	-	1.51	0	601,738	0.52	
14		PROVISION FOR RATE REFUNDS	0	0	(7,517,628)	-	(18.84)	0	(7,517,628)	(6.45)	
15		OTHER MISCELLANEOUS	0	0	28,291	-	0.07	0	28,291	0.02	
16	TOTAL		1,146,715	13,613,811	39,893,082	2.9303	100.00	76,594,322	116,487,404	100.00	

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

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

EXCLUDES ALL RIDERS

SCHEDULE M-2.2  
PAGE 1 OF 7  
WITNESS:  
J. ZIOLKOWSKI

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE(4) (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	<b>SALES SERVICE:</b>											
2	RS	RESIDENTIAL	1,061,676	6,978,885	4.4942	31,364,662	100.00	14,419,660	46.0	48,852,195	80,216,857	18.0
3		TOTAL RS	1,061,676	6,978,885	4.4942	31,364,662	78.62	14,419,660	46.0	48,852,195	80,216,857	18.0
4	GS	COMMERCIAL	76,716	3,049,077	2.8497	8,688,991	80.43	1,902,646	21.9	21,343,539	30,032,530	6.3
5	GS	INDUSTRIAL	2,632	403,216	2.2907	923,657	8.55	120,131	13.0	2,822,512	3,746,169	3.2
6	GS	OTH PUB AUTH	4,417	505,240	2.3572	1,190,937	11.02	170,111	14.3	3,536,680	4,727,617	3.6
7		TOTAL GS	83,765	3,957,533	2.7299	10,803,585	27.08	2,192,888	20.3	27,702,731	38,506,316	5.7
8		TOTAL SALES SERVICE	1,145,441	10,936,418	3.8558	42,168,247	105.70	16,612,548	39.4	76,554,926	118,723,173	14.0
9	<b>TRANSPORTATION SERVICE:</b>											
10	FT-LARGE	FIRM TRANSP - LARGE	970	1,417,904	2.0655	2,928,633	72.92	218,216	7.5	0	2,928,633	7.5
11	IT	INTERRUPTIBLE	304	1,254,410	0.8668	1,087,333	27.08	316,613	29.1	0	1,087,333	29.1
12		TOTAL TRANSP SERVICE	1,274	2,672,314	1.5028	4,015,966	10.07	534,829	13.3	0	4,015,966	13.3
13		TOTAL THROUGHPUT	1,146,715	13,608,732	3.3937	46,184,213	115.77	17,147,377	37.1	76,554,926	122,739,139	14.0
14	<b>MISCELLANEOUS REVENUES:</b>											
15		LATE PAYMENT CHARGES	0	0		0	0.00	0		0	0	
16		BAD CHECK CHARGES	0	0		10,063	(0.16)	0		0	10,063	
17		RECONNECTION CHARGES	0	0		27,402	(0.44)	0		0	27,402	
18		RENTS	0	0		548,268	(8.71)	0		0	548,268	
19		INTERDEPARTMENTAL	0	5,079		10,735	(0.17)	0		39,396	50,131	
20		SPECIAL CONTRACTS	0	0		0	0.00	0		0	0	
21		REVENUE TRANSP OF GAS-INTERCO	0	0		601,738	(9.56)	0		0	601,738	
22		PROVISION FOR RATE REFUNDS	0	0		(7,517,628)	119.50	0		0	(7,517,628)	
23		OTHER MISC	0	0		28,291	(0.45)	0		0	28,291	
24		TOTAL MISC	0	5,079		(6,291,131)	(15.77)	0	0.0	39,396	(6,251,735)	0.0
25		TOTAL COMPANY	1,146,715	13,613,811	2.9303	39,893,082	100.00	17,147,377	43.0	76,594,322	116,487,404	14.7

(1) DETAIL CONTAINED ON SCHEDULES M-2.2, PAGES 2 THROUGH 7.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.000/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

SCHEDULE M-2.2  
PAGE 2 OF 7  
WITNESS:  
J. ZIOLKOWSKI

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	RS	RESIDENTIAL										
2		CUSTOMER CHARGE:										
3		RESIDENTIAL										
4		TOTAL MONTHLY BILLS x :										
5		CUSTOMER CHARGE PER MONTH	1,061,676		\$12.00	12,740,112	41.5	19,110,168	150.0		12,740,112	150.0
6		COMMODITY CHARGE:										
7		ALL CONSUMPTION		6,978,885	2.6687	18,624,550	60.7	(4,690,508)	(25.2)	48,852,195	67,476,745	(7.0)
8		RATE RS EXCLUDING RIDERS	1,061,676	6,978,885		31,364,662	102.1	14,419,660	46.0	48,852,195	80,216,857	18.0
9		RIDERS:										
10		HOME ENERGY ASSISTANCE PROGRAM (HEA)			\$0.10	106,168	0.3	0	0.0		106,168	0.0
11		DEMAND SIDE MANAGEMENT RATE (DSMR)			(0.109294)	(762,750)	(2.5)	0	0.0		(762,750)	0.0
12		TOTAL RIDERS				(656,582)	(2.1)	0	0.0		(656,582)	0.0
13		TOTAL RATE RS RESIDENTIAL INCLUDING RIDERS	1,061,676	6,978,885		30,708,080	100.0	14,419,660	47.0	48,852,195	79,560,275	18.1

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.000/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009-00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

SCHEDULE M-2.2  
PAGE 3 OF 7  
WITNESS:  
J. ZIOLKOWSKI

DATA: \_X\_ BASE PERIOD \_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	GS	COMMERCIAL										
2		CUSTOMER CHARGE:										
3		NON-RESIDENTIAL										
4		TOTAL MONTHLY BILLS x :										
5		CUSTOMER CHARGE PER MONTH	76,716		\$30.00	2,301,480	26.5	1,342,530	58.3		2,301,480	58.3
6		COMMODITY CHARGE:										
7		ALL CONSUMPTION		3,049,077	2.0949	6,387,511	73.5	560,116	8.8	21,343,539	27,731,050	2.0
8		RATE GS COMMERCIAL EXCLUDING RIDERS	76,716	3,049,077		8,688,991	100.0	1,902,646	21.9	21,343,539	30,032,530	6.3
9		RIDERS:										
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0	0	0.0		0	0.0
11		TOTAL RIDERS				0	0.0	0	0.0		0	0.0
12		TOTAL RATE GS COMMERCIAL INCLUDING RIDERS	76,716	3,049,077		8,688,991	100.0	1,902,646	21.9	21,343,539	30,032,530	6.3

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.000/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S).:  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.2  
PAGE 4 OF 7  
WITNESS:  
J. ZIOLKOWSKI

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS	% OF REV TO	REVENUE INCR LESS	% INCR IN	GAS COST REVENUE(3) (H)	CURRENT TOTAL	TOTAL REVENUE
						GAS COST REVENUE (K)	TOTAL LESS GAS COST REVENUE (L)	GAS COST REV (F - K) (M)	REV LESS GAS COST REV (M / K) (N)		REVENUE (K + H) (K1)	% INCREASE (M / K1) (O)
					(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	GS	INDUSTRIAL										
2	CUSTOMER CHARGE:											
3	NON-RESIDENTIAL											
4	TOTAL MONTHLY BILLS x :											
5	CUSTOMER CHARGE PER MONTH		2,632		\$30.00	78,960	8.5	46,060	58.3		78,960	58.3
6	COMMODITY CHARGE:											
7	ALL CONSUMPTION			403,216	2.0949	844,697	91.5	74,071	8.8	2,822,512	3,667,209	2.0
8	RATE GS INDUSTRIAL EXCLUDING RIDERS		2,632	403,216		923,657	100.0	120,131	13.0	2,822,512	3,746,169	3.2
9	RIDERS:											
10	DEMAND SIDE MANAGEMENT RATE (DSMR)				0.00000	0	0.0	0	0.0		0	0.0
11	TOTAL RIDERS					0	0.0	0	0.0		0	0.0
12	TOTAL RATE GS INDUSTRIAL INCLUDING RIDERS		2,632	403,216		923,657	100.0	120,131	13.0	2,822,512	3,746,169	3.2

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.000/MCF.



DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

DATA:  X  BASE PERIOD   FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL   UPDATED   REVISED  
WORK PAPER REFERENCE NO(S).:  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.2  
PAGE 5 OF 7  
WITNESS:  
J. ZIOLKOWSKI

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
			(MCF)		(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	GS	OTHER PUBLIC AUTHORITIES										
2		CUSTOMER CHARGE:										
3		NON-RESIDENTIAL										
4		TOTAL MONTHLY BILLS x :										
5		CUSTOMER CHARGE PER MONTH	4,417		\$30.00	132,510	11.1	77,298	58.3		132,510	58.3
6		COMMODITY CHARGE:										
7		ALL CONSUMPTION		505,240	2.0949	1,058,427	88.9	92,813	8.8	3,536,680	4,595,107	2.0
8		RATE GS OPA EXCLUDING RIDERS	4,417	505,240		1,190,937	100.0	170,111	14.3	3,536,680	4,727,617	3.6
9		RIDERS:										
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0	0	0.0		0	0.0
11		TOTAL RIDERS				0	0.0	0	0.0		0	0.0
12		TOTAL RATE GS OPA INCLUDING RIDERS	4,417	505,240		1,190,937	100.0	170,111	14.3	3,536,680	4,727,617	3.6

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.000/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

SCHEDULE M-2.2  
PAGE 6 OF 7  
WITNESS:  
J. ZIOLKOWSKI

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES(1) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1		FT - LARGE										
2		FIRM TRANSPORTATION - LARGE										
3		ADMINISTRATIVE CHARGE	970		\$430.00	417,100	14.4	0	0.0		417,100	0.0
4		TRANSPORTATION CHARGE:										
5		ALL CONSUMPTION		1,417,904	1.7713	2,511,533	87.0	218,216	8.7		2,511,533	8.7
6		RATE FT-LARGE EXCLUDING RIDERS	970	1,417,904		2,928,633	101.4	218,216	7.5		2,928,633	7.5
7		RIDERS:										
8		GAS COST ADJUSTMENT TRANSITION (GCAT)			(0.0290)	(41,119)	(1.4)	0	0.0		(41,119)	0.0
9		TOTAL RIDERS				(41,119)	(1.4)	0	0.0		(41,119)	0.0
10		TOTAL RATE FT - LARGE INCLUDING RIDERS	970	1,417,904		2,887,514	100.0	218,216	7.6		2,887,514	7.6

(1) REFLECTS NORMALIZED VOLUMES.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORK PAPER REFERENCE NO(S).:  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.2  
PAGE 7 OF 7  
WITNESS:  
J. ZIOLKOWSKI

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE(3) (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	RATE IT											
2	INTERRUPTIBLE TRANSPORTATION											
3	ADMINISTRATIVE CHARGE		304		\$430.00	130,720	12.0	0	0.0		130,720	0.0
4	COMMODITY CHARGE:											
5	ALL CONSUMPTION				1,254,410	0.7626	956,613	316,613	33.1		956,613	33.1
6	TOTAL RATE IT TRANSPORTATION		304		1,254,410		1,087,333	316,613	29.1		1,087,333	29.1

DUKE ENERGY KENTUCKY  
CASE NO. 2009-00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

DATA:   X\_ BASE PERIOD    FORECASTED PERIOD  
TYPE OF FILING:   X\_ ORIGINAL    UPDATED    REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.3  
PAGE 1 OF 7  
WITNESS:  
J. ZIOLKOWSKI

EXCLUDES ALL RIDERS  
PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE(4) (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
			(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)	
1	<b>SALES SERVICE:</b>								
2	RS	RESIDENTIAL	1,061,676	6,978,885	6.5604	45,784,322	100.00	48,852,195	94,636,517
3		TOTAL RS	1,061,676	6,978,885	6.5604	45,784,322	80.27	48,852,195	94,636,517
4	GS	COMMERCIAL	76,716	3,049,077	3.4737	10,591,637	81.50	21,343,539	31,935,176
5	GS	INDUSTRIAL	2,632	403,216	2.5887	1,043,788	8.03	2,822,512	3,866,300
6	GS	OTH PUB AUTH	4,417	505,240	2.6939	1,361,048	10.47	3,536,680	4,897,728
7		TOTAL GS	83,765	3,957,533	3.2840	12,996,473	22.78	27,702,731	40,699,204
8		TOTAL SALES SERVICE	1,145,441	10,936,418	5.3748	58,780,795	103.05	76,554,926	135,335,721
9	<b>TRANSPORTATION SERVICE:</b>								
10	FT-LARGE FIRM TRANSP - LARGE		970	1,417,904	2.2194	3,146,849	69.15	0	3,146,849
11	IT INTERRUPTIBLE		304	1,254,410	1.1192	1,403,946	30.85	0	1,403,946
12		TOTAL TRANSP SERVICE	1,274	2,672,314	1.7029	4,550,795	7.98	0	4,550,795
13		TOTAL THROUGHPUT	1,146,715	13,608,732	4.6537	63,331,590	111.03	76,554,926	139,886,516
14	<b>MISCELLANEOUS REVENUES:</b>								
15		LATE PAYMENT CHARGES	0	0		0	0.00	0	0
16		BAD CHECK CHARGES	0	0		10,063	(0.16)	0	10,063
17		RECONNECTION CHARGES	0	0		27,402	(0.44)	0	27,402
18		RENTS	0	0		548,268	(8.71)	0	548,268
19		INTERDEPARTMENTAL	0	5,079		10,735	(0.17)	39,396	50,131
20		SPECIAL CONTRACTS	0	0		0	0.00	0	0
21		REVENUE TRANSP OF GAS-INTERCO	0	0		601,738	(9.56)	0	601,738
22		PROVISION FOR RATE REFUNDS	0	0		(7,517,628)	119.50	0	(7,517,628)
23		OTHER MISC	0	0		28,291	(0.45)	0	28,291
24		TOTAL MISC	0	5,079		(6,291,131)	(11.03)	39,396	(6,251,735)
25		TOTAL COMPANY WITHOUT RIDERS	1,146,715	13,613,811	4.1899	57,040,459	100.00	76,594,322	133,634,781

(1) DETAIL CONTAINED ON SCHEDULES M-2.3, PAGES 2 THROUGH 7.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.000/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.3  
PAGE 2 OF 7  
WITNESS:  
J. ZIOLKOWSKI

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	RS	RESIDENTIAL							
2	CUSTOMER CHARGE:								
3	RESIDENTIAL								
4	TOTAL MONTHLY BILLS x :								
5		CUSTOMER CHARGE PER MONTH	1,061,676		\$30.00	31,850,280	70.6		31,850,280
6	COMMODITY CHARGE:								
7		ALL CONSUMPTION		6,978,885	1.9966	13,934,042	30.9	48,852,195	62,786,237
8		RATE RS EXCLUDING RIDERS	1,061,676	6,978,885		45,784,322	101.5	48,852,195	94,636,517
9	RIDERS:								
10		HOME ENERGY ASSISTANCE PROGRAM (HEA)			\$0.10	106,168	0.2		106,168
11		DEMAND SIDE MANAGEMENT RATE (DSMR)			(0.109294)	(762,750)	(1.7)		(762,750)
12		TOTAL RIDERS				(656,582)	(1.5)		(656,582)
13		TOTAL RATE RS RESIDENTIAL INCLUDING RIDERS	1,061,676	6,978,885		45,127,740	100.0	48,852,195	93,979,935

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.000/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORK PAPER REFERENCE NO(S).:  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.3  
PAGE 3 OF 7  
WITNESS:  
J. ZIOLKOWSKI

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	GS	COMMERCIAL							
2	CUSTOMER CHARGE:								
3	NON-RESIDENTIAL								
4	TOTAL MONTHLY BILLS x :								
5		CUSTOMER CHARGE PER MONTH	76,716		\$47.50	3,644,010	34.4		3,644,010
6	COMMODITY CHARGE:								
7		ALL CONSUMPTION		3,049,077	2.2786	6,947,627	65.6	21,343,539	28,291,166
8		RATE GS COMMERCIAL EXCLUDING RIDERS	76,716	3,049,077		10,591,637	100.0	21,343,539	31,935,176
9	RIDERS:								
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0		0
11		TOTAL RIDERS				0	0.0		0
12		TOTAL RATE GS COMMERCIAL INCLUDING RIDERS	76,716	3,049,077		10,591,637	100.0	21,343,539	31,935,176

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.000/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.3  
PAGE 4 OF 7  
WITNESS:  
J. ZIOLKOWSKI

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	GS	INDUSTRIAL							
2	CUSTOMER CHARGE:								
3	NON-RESIDENTIAL								
4	TOTAL MONTHLY BILLS x :								
5	CUSTOMER CHARGE PER MONTH		2,632		\$47.50	125,020	12.0		125,020
6	COMMODITY CHARGE:								
7	ALL CONSUMPTION			403,216	2.2786	918,768	88.0	2,822,512	3,741,280
8	RATE GS INDUSTRIAL EXCLUDING RIDERS		2,632	403,216		1,043,788	100.0	2,822,512	3,866,300
9	RIDERS:								
10	DEMAND SIDE MANAGEMENT RATE (DSMR)				0.000000	0	0.0		0
11	TOTAL RIDERS					0	0.0		0
12	TOTAL RATE GS INDUSTRIAL INCLUDING RIDERS		2,632	403,216		1,043,788	100.0	2,822,512	3,866,300

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.000/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORK PAPER REFERENCE NO(S).:  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.3  
PAGE 5 OF 7  
WITNESS:  
J. ZIOLKOWSKI

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS	% OF REV TO	GAS COST REVENUE(3) (H)	PROPOSED
						GAS COST REVENUE (F)	TOTAL LESS GAS COST REVENUE (G)		TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	GS	OTHER PUBLIC AUTHORITIES							
2		CUSTOMER CHARGE:							
3		NON-RESIDENTIAL							
4		TOTAL MONTHLY BILLS x :							
5		CUSTOMER CHARGE PER MONTH	4,417		\$47.50	209,808	15.4		209,808
6		COMMODITY CHARGE:							
7		ALL CONSUMPTION		505,240	2.2786	1,151,240	84.6	3,536,680	4,687,920
8		RATE GS OPA EXCLUDING RIDERS	4,417	505,240		1,361,048	100.0	3,536,680	4,897,728
9		RIDERS:							
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0		0
11		TOTAL RIDERS				0	0.0		0
12		TOTAL RATE GS OPA INCLUDING RIDERS	4,417	505,240		1,361,048	100.0	3,536,680	4,897,728

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.000/MCF.



DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.3  
PAGE 6 OF 7  
WITNESS:  
J. ZIOLKOWSKI

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES(1) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1		FT - LARGE							
2		FIRM TRANSPORTATION - LARGE							
3		ADMINISTRATIVE CHARGE	970		\$430.00	417,100	13.4		417,100
4		TRANSPORTATION CHARGE:							
5		ALL CONSUMPTION		<u>1,417,904</u>	1.9252	<u>2,729,749</u>	87.9		<u>2,729,749</u>
6		RATE FT-LARGE EXCLUDING RIDERS	970	<u>1,417,904</u>		<u>3,146,849</u>	101.3		<u>3,146,849</u>
7		RIDERS:							
8		GAS COST ADJUSTMENT TRANSITION (GCAT)			(0.0290)	<u>(41,119)</u>	<u>(1.3)</u>		<u>(41,119)</u>
9		TOTAL RIDERS				<u>(41,119)</u>	<u>(1.3)</u>		<u>(41,119)</u>
10		TOTAL RATE FT - LARGE INCLUDING RIDERS	970	<u>1,417,904</u>		<u>3,105,730</u>	100.0		<u>3,105,730</u>

(1) REFLECTS NORMALIZED VOLUMES.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009  
(GAS SERVICE)

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORK PAPER REFERENCE NO(S).:  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE M-2.3  
PAGE 7 OF 7  
WITNESS:  
J. ZIOLKOWSKI

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	IT								
2	INTERRUPTIBLE TRANSPORTATION								
3	ADMINISTRATIVE CHARGE		304		\$430.00	130,720	9.3		130,720
4	COMMODITY CHARGE:								
5	ALL CONSUMPTION			1,254,410	1.0150	1,273,226	90.7		1,273,226
6	TOTAL RATE IT TRANSPORTATION		304	1,254,410		1,403,946	100.0		1,403,946

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
REVENUES AT PRESENT AND PROPOSED RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD X FORECASTED PERIOD  
TYPE OF FILING: X ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MOS FORECASTED

SCHEDULE M  
PAGE 1 OF 1  
WITNESS:  
J. ZIOLKOWSKI

EXCLUDES ALL RIDERS

LINE NO.	RATE CLASSIFICATION (A)	REVENUE AT PRESENT RATES (B)	REVENUE AT PROPOSED RATES (C)	REVENUE CHANGE (AMOUNT) (D=C-B)	% OF REVENUE CHANGE (E=D / B)
1	<u>SALES SERVICE:</u>				
2	RS RESIDENTIAL	80,575,805	95,387,592	14,811,787	18.38%
3	TOTAL RS	80,575,805	95,387,592	14,811,787	18.38%
4	GS COMMERCIAL	31,082,603	32,986,983	1,904,380	6.13%
5	GS INDUSTRIAL	3,666,759	3,783,901	117,142	3.19%
6	GS OTHER PUB AUTH	5,061,436	5,234,329	172,893	3.42%
7	TOTAL GS	39,810,798	42,005,213	2,194,415	5.51%
8	TOTAL SALES SERVICE	120,386,603	137,392,805	17,006,202	14.13%
9	<u>TRANSPORTATION:</u>				
10	FT LARGE	2,490,892	2,669,206	178,314	7.16%
11	IT	1,059,928	1,369,748	309,820	29.23%
12	TOTAL TRANSPORTATION	3,550,820	4,038,954	488,134	13.75%
13	TOTAL THROUGHPUT	123,937,423	141,431,759	17,494,336	14.12%
14	<u>MISCELLANEOUS REVENUES:</u>				
15	LATE PAYMENT CHARGES	0	0	0	0.00%
16	BAD CHECK CHARGES	10,116	10,116	0	0.00%
17	RECONNECTION CHARGES	21,876	21,876	0	0.00%
18	RENTS	34,176	34,176	0	0.00%
19	INTERDEPARTMENTAL	43,376	43,376	0	0.00%
20	SPECIAL CONTRACTS	0	0	0	0.00%
21	REVENUE TRANSP OF GAS-INTERCO	600,696	600,696	0	0.00%
22	PROVISION FOR RATE REFUNDS	0	0	0	0.00%
23	OTHER MISC	33,684	33,684	0	0.00%
24	TOTAL MISCELLANEOUS	743,924	743,924	0	0.00%
25	TOTAL COMPANY REVENUE	124,681,347	142,175,683	17,494,336	14.03%

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
BASE PERIOD REVENUES AT AVERAGE RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD X FORECASTED PERIOD  
TYPE OF FILING: X ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MOS FORECASTED

SCHEDULE M-2.1  
PAGE 1 OF 1  
WITNESS:  
J. ZIOLKOWSKI

EXCLUDES ALL RIDERS  
BASE PERIOD ACTUAL

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	BASE PERIOD	AVERAGE	% OF REV	GAS COST	BASE PERIOD	% OF REV
					REVENUE LESS GAS COST REVENUE (E)		TO TOTAL EXCLUSIVE OF GAS COST (G)			
				(MCF)	(\$)	(\$/MCF)	(%)	(\$)	(\$)	(%)
1	RS	RESIDENTIAL SERVICE	1,073,044	6,699,903	30,756,559	4.5906	67.24	49,819,246	80,575,805	64.63
2	GS	GENERAL SERVICE COMMERCIAL	77,136	3,018,506	8,637,548	2.8615	18.88	22,445,055	31,082,603	24.93
3	GS	GENERAL SERVICE INDUSTRIAL	2,746	376,087	870,245	2.3139	1.90	2,796,514	3,666,759	2.94
4	GS	GENERAL SERVICE OTHER PUB AUTH	4,452	517,052	1,216,732	2.3532	2.66	3,844,704	5,061,436	4.06
5	FT LARGE	FIRM TRANSPORTATION-LARGE	1,020	1,158,636	2,490,892	2.1498	5.45	0	2,490,892	2.00
6	IT	INTERRUPTIBLE TRANSPORTATION	288	1,227,496	1,059,928	0.8635	2.32	0	1,059,928	0.85
7		LATE PAYMENT CHARGES	0	0	0	-	-	0	0	-
8		BAD CHECK CHARGES	0	0	10,116	-	0.02	0	10,116	0.01
9		RECONNECTION CHARGES	0	0	21,876	-	0.05	0	21,876	0.02
10		RENTS	0	0	34,176	-	0.08	0	34,176	0.03
11		INTERDEPARTMENTAL	0	4,552	9,528	2.0931	0.02	33,848	43,376	0.03
12		SPECIAL CONTRACTS	0	0	0	-	-	0	0	-
13		REVENUE TRANSP OF GAS-INTERCO	0	0	600,696	-	1.31	0	600,696	0.48
14		PROVISION FOR RATE REFUNDS	0	0	0	-	-	0	0	-
15		OTHER MISCELLANEOUS	0	0	33,684	-	0.07	0	33,684	0.03
16	TOTAL		1,158,686	13,002,232	45,741,980	3.5180	100.00	78,939,367	124,681,347	100.00

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

DUKE ENERGY KENTUCKY  
CASE NO. 2009-00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD X FORECASTED PERIOD  
TYPE OF FILING: X ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MOS FORECASTED

SCHEDULE M-2.2  
PAGE 1 OF 7  
WITNESS:  
J. ZIOLKOWSKI

EXCLUDES ALL RIDERS

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS	% OF REV TO	REVENUE	% INCR IN	GAS COST	CURRENT	TOTAL
						GAS COST REVENUE(4) (K)	TOTAL LESS GAS COST REVENUE (L)	INCR LESS GAS COST REV (F - K) (M)	REV LESS GAS COST REV (M / K) (N)	REVENUE(3) (H)	TOTAL REVENUE (K + H) (K1)	REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
<b>1 SALES SERVICE:</b>												
2	RS	RESIDENTIAL	1,073,044	6,699,903	4.5906	30,756,559	100.00	14,811,787	48.2	49,819,246	80,575,805	18.4
3		TOTAL RS	1,073,044	6,699,903	4.5906	30,756,559	67.24	14,811,787	48.2	49,819,246	80,575,805	18.4
4	GS	COMMERCIAL	77,136	3,018,506	2.8615	8,637,548	80.54	1,904,380	22.0	22,445,055	31,082,603	6.1
5	GS	INDUSTRIAL	2,746	376,087	2.3139	870,245	8.11	117,142	13.5	2,796,514	3,666,759	3.2
6	GS	OTH PUB AUTH	4,452	517,052	2.3532	1,216,732	11.35	172,893	14.2	3,844,704	5,061,436	3.4
7		TOTAL GS	84,334	3,911,645	2.7417	10,724,525	23.45	2,194,415	20.5	29,086,273	39,810,798	5.5
8		TOTAL SALES SERVICE	1,157,378	10,611,548	3.9091	41,481,084	90.69	17,006,202	41.0	78,905,519	120,386,603	14.1
<b>9 TRANSPORTATION SERVICE:</b>												
10	FT-LARGE	FIRM TRANSP - LARGE	1,020	1,158,636	2.1498	2,490,892	70.15	178,314	7.2	0	2,490,892	7.2
11	IT	INTERRUPTIBLE	288	1,227,496	0.8635	1,059,928	29.85	309,820	29.2	0	1,059,928	29.2
12		TOTAL TRANSP SERVICE	1,308	2,386,132	1.4881	3,550,820	7.76	488,134	13.7	0	3,550,820	13.7
13		TOTAL THROUGHPUT	1,158,686	12,997,680	3.4646	45,031,904	98.45	17,494,336	38.8	78,905,519	123,937,423	14.1
<b>14 MISCELLANEOUS REVENUES:</b>												
15		LATE PAYMENT CHARGES	0	0		0	0.00	0		0	0	
16		BAD CHECK CHARGES	0	0		10,116	1.42	0		0	10,116	
17		RECONNECTION CHARGES	0	0		21,876	3.08	0		0	21,876	
18		RENTS	0	0		34,176	4.81	0		0	34,176	
19		INTERDEPARTMENTAL	0	4,552		9,528	1.34	0		33,848	43,376	
20		SPECIAL CONTRACTS	0	0		0	0.00	0		0	0	
21		REVENUE TRANSP OF GAS-INTERCO	0	0		600,696	84.60	0		0	600,696	
22		PROVISION FOR RATE REFUNDS	0	0		0	0.00	0		0	0	
23		OTHER MISC	0	0		33,684	4.74	0		0	33,684	
24		TOTAL MISCELLANEOUS	0	4,552		710,076	1.55	0	0.0	33,848	743,924	0.0
25		TOTAL COMPANY	1,158,686	13,002,232	3.5180	45,741,980	100.00	17,494,336	38.2	78,939,367	124,681,347	14.0

(1) DETAIL CONTAINED ON SCHEDULES M-2.2, PAGES 2 THROUGH 7.

(2) REFLECTS NORMALIZED VOLUMES.

(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.435816/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S).:  
12 MOS FORECASTED

SCHEDULE M-2.2  
PAGE 2 OF 7  
WITNESS:  
J. ZIOLKOWSKI

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	RS	RESIDENTIAL										
2		CUSTOMER CHARGE:										
3		RESIDENTIAL										
4		TOTAL MONTHLY BILLS x :										
5		CUSTOMER CHARGE PER MONTH	1,073,044		\$12.00	12,876,528	42.7	19,314,792	150.0		12,876,528	150.0
6		COMMODITY CHARGE:										
7		ALL CONSUMPTION		6,699,903	2.6687	17,880,031	59.3	(4,503,005)	(25.2)	49,819,246	67,699,277	(6.7)
8		RATE RS EXCLUDING RIDERS	1,073,044	6,699,903		30,756,559	102.1	14,811,787	48.2	49,819,246	80,575,805	18.4
9		RIDERS:										
10		HOME ENERGY ASSISTANCE PROGRAM (HEA)			\$0.10	107,304	0.4	0	0.0		107,304	0.0
11		DEMAND SIDE MANAGEMENT RATE (DSMR)			(0.109294)	(732,259)	(2.4)	0	0.0		(732,259)	0.0
12		TOTAL RIDERS				(624,955)	(2.1)	0	0.0		(624,955)	0.0
13		TOTAL RATE RS RESIDENTIAL INCLUDING RIDERS	1,073,044	6,699,903		30,131,604	100.0	14,811,787	49.2	49,819,246	79,950,850	18.5

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.435816/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009-00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_X\_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MOS FORECASTED

SCHEDULE M-2.2  
PAGE 3 OF 7  
WITNESS:  
J. ZIOLKOWSKI

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	GS	COMMERCIAL										
2		CUSTOMER CHARGE:										
3		NON-RESIDENTIAL										
4		TOTAL MONTHLY BILLS x :										
5		CUSTOMER CHARGE PER MONTH	77,136		\$30.00	2,314,080	26.8	1,349,880	58.3		2,314,080	58.3
6		COMMODITY CHARGE:										
7		ALL CONSUMPTION		3,018,506	2.0949	6,323,468	73.2	554,500	8.8	22,445,055	28,768,523	1.9
8		RATE GS COMMERCIAL EXCLUDING RIDERS	77,136	3,018,506		8,637,548	100.0	1,904,380	22.0	22,445,055	31,082,603	6.1
9		RIDERS:										
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0	0	0.0		0	0.0
11		TOTAL RIDERS				0	0.0	0	0.0		0	0.0
12		TOTAL RATE GS COMMERCIAL INCLUDING RIDERS	77,136	3,018,506		8,637,548	100.0	1,904,380	22.0	22,445,055	31,082,603	6.1

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.435816/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_X\_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MOS FORECASTED

SCHEDULE M-2.2  
PAGE 4 OF 7  
WITNESS:  
J. ZIOLKOWSKI

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	GS	INDUSTRIAL										
2		CUSTOMER CHARGE:										
3		NON-RESIDENTIAL										
4		TOTAL MONTHLY BILLS x :										
5		CUSTOMER CHARGE PER MONTH	2,746		\$30.00	82,380	9.5	48,055	58.3		82,380	58.3
6		COMMODITY CHARGE:										
7		ALL CONSUMPTION		376,087	2.0949	787,865	90.5	69,087	8.8	2,796,514	3,584,379	1.9
8		RATE GS INDUSTRIAL EXCLUDING RIDERS	2,746	376,087		870,245	100.0	117,142	13.5	2,796,514	3,666,759	3.2
9		RIDERS:										
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0	0	0.0		0	0.0
11		TOTAL RIDERS				0	0.0	0	0.0		0	0.0
12		TOTAL RATE GS INDUSTRIAL INCLUDING RIDERS	2,746	376,087		870,245	100.0	117,142	13.5	2,796,514	3,666,759	3.2

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.435816/MCF.



DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MOS FORECASTED

SCHEDULE M-2.2  
PAGE 5 OF 7  
WITNESS:  
J. ZIOLKOWSKI

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE(3) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
			(MCF)		(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	GS	OTHER PUBLIC AUTHORITIES										
2		CUSTOMER CHARGE:										
3		NON-RESIDENTIAL										
4		TOTAL MONTHLY BILLS x										
5		CUSTOMER CHARGE PER MONTH	4,452		\$30.00	133,560	11.0	77,910	58.3		133,560	58.3
6		COMMODITY CHARGE:										
7		ALL CONSUMPTION		517,052	2.0949	1,083,172	89.0	94,983	8.8	3,844,704	4,927,876	1.9
8		RATE GS OPA EXCLUDING RIDERS	4,452	517,052		1,216,732	100.0	172,893	14.2	3,844,704	5,061,436	3.4
9		RIDERS:										
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0	0	0.0		0	0.0
11		TOTAL RIDERS				0	0.0	0	0.0		0	0.0
12		TOTAL RATE GS OPA INCLUDING RIDERS	4,452	517,052		1,216,732	100.0	172,893	14.2	3,844,704	5,061,436	3.4

- (1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.435816/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD  X  FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S)::  
12 MOS FORECASTED

SCHEDULE M-2.2  
PAGE 6 OF 7  
WITNESS:  
J. ZIOLKOWSKI

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS	SALES(1)	MOST CURRENT RATES	CURRENT REVENUE LESS GAS COST REVENUE	% OF REV TO TOTAL LESS GAS COST REVENUE	REVENUE INCR LESS GAS COST REV (F - K)	% INCR IN REV LESS GAS COST REV (M / K)	GAS COST REVENUE	CURRENT TOTAL REVENUE (K + H)	TOTAL REVENUE % INCREASE (M / K1)
	(A)	(B)	(C)	(D)	(J)	(K)	(L)	(M)	(N)	(H)	(K1)	(O)
			(MCF)		(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1		FT - LARGE										
2		FIRM TRANSPORTATION - LARGE										
3		ADMINISTRATIVE CHARGE	1,020		\$430.00	438,600	17.8	0	0.0		438,600	0.0
4		TRANSPORTATION CHARGE:										
5		ALL CONSUMPTION		1,158,636	1.7713	2,052,292	83.5	178,314	8.7		2,052,292	8.7
6		RATE FT-LARGE EXCLUDING RIDERS	1,020	1,158,636		2,490,892	101.4	178,314	7.2		2,490,892	7.2
7		RIDERS:										
8		GAS COST ADJUSTMENT TRANSITION (GCAT)			(0.0290)	(33,600)	(1.4)	0	0.0		(33,600)	0.0
9		TOTAL RIDERS				(33,600)	(1.4)	0	0.0		(33,600)	0.0
10		TOTAL RATE FT - LARGE INCLUDING RIDERS	1,020	1,158,636		2,457,292	100.0	178,314	7.3		2,457,292	7.3

(1) REFLECTS NORMALIZED VOLUMES.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

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

SCHEDULE M-2.2  
PAGE 7 OF 7  
WITNESS:  
J. ZIOLKOWSKI

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS GAS COST REVENUE(3) (K)	% OF REV TO TOTAL LESS GAS COST REVENUE (L)	REVENUE INCR LESS GAS COST REV (F - K) (M)	% INCR IN REV LESS GAS COST REV (M / K) (N)	GAS COST REVENUE (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
			(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(\$)	(%)
1		RATE IT										
2		INTERRUPTIBLE TRANSPORTATION										
3		ADMINISTRATIVE CHARGE	288		\$430.00	123,840	11.7	0	0.0		123,840	0.0
4		COMMODITY CHARGE:										
5		ALL CONSUMPTION			0.7626	936,088	88.3	309,820	33.1		936,088	33.1
6		TOTAL RATE IT TRANSPORTATION	288			1,059,928	100.0	309,820	29.2		1,059,928	29.2

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

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

SCHEDULE M-2.3  
PAGE 1 OF 7  
WITNESS:  
J. ZIOLKOWSKI

EXCLUDES ALL RIDERS  
PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE(4) (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	<b>SALES SERVICE:</b>								
2	RS	RESIDENTIAL	1,073,044	6,699,903	6.8013	45,568,346	100.00	49,819,246	95,387,592
3		TOTAL RS	1,073,044	6,699,903	6.8013	45,568,346	72.06	49,819,246	95,387,592
4	GS	COMMERCIAL	77,136	3,018,506	3.4924	10,541,928	81.60	22,445,055	32,986,983
5	GS	INDUSTRIAL	2,746	376,087	2.6254	987,387	7.64	2,796,514	3,783,901
6	GS	OTH PUB AUTH	4,452	517,052	2.6876	1,389,625	10.76	3,844,704	5,234,329
7		TOTAL GS	84,334	3,911,645	3.3027	12,918,940	20.43	29,086,273	42,005,213
8		TOTAL SALES SERVICE	1,157,378	10,611,548	5.5117	58,487,286	92.49	78,905,519	137,392,805
9	<b>TRANSPORTATION SERVICE:</b>								
10	FT-LARGE FIRM TRANSP - LARGE		1,020	1,158,636	2.3037	2,669,206	66.09	0	2,669,206
11	IT INTERRUPTIBLE		288	1,227,496	1.1159	1,369,748	33.91	0	1,369,748
12		TOTAL TRANSP SERVICE	1,308	2,386,132	1.6927	4,038,954	6.39	0	4,038,954
13		TOTAL THROUGHPUT	1,158,686	12,997,680	4.8106	62,526,240	98.88	78,905,519	141,431,759
14	<b>MISCELLANEOUS REVENUES:</b>								
15	LATE PAYMENT CHARGES		0	0		0	0.00	0	0
16	BAD CHECK CHARGES		0	0		10,116	1.42	0	10,116
17	RECONNECTION CHARGES		0	0		21,876	3.08	0	21,876
18	RENTS		0	0		34,176	4.81	0	34,176
19	INTERDEPARTMENTAL		0	4,552		9,528	1.34	33,848	43,376
20	SPECIAL CONTRACTS		0	0		0	0.00	0	0
21	REVENUE TRANSP OF GAS-INTERCO		0	0		600,696	84.60	0	600,696
22	PROVISION FOR RATE REFUNDS		0	0		0	0.00	0	0
23	OTHER MISC		0	0		33,684	4.74	0	33,684
24		TOTAL MISCELLANEOUS	0	4,552		710,076	1.12	33,848	743,924
25		TOTAL COMPANY	1,158,686	13,002,232	4.8635	63,236,316	100.00	78,939,367	142,175,683

(1) DETAIL CONTAINED ON SCHEDULES M-2.3, PAGES 2 THROUGH 7.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.435816/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009-00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

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

SCHEDULE M-2.3  
PAGE 2 OF 7  
WITNESS:  
J. ZIOLKOWSKI

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	RS	RESIDENTIAL							
2	CUSTOMER CHARGE:								
3	RESIDENTIAL								
4	TOTAL MONTHLY BILLS x :								
5		CUSTOMER CHARGE PER MONTH	1,073,044		\$30.00	32,191,320	71.6		32,191,320
6	COMMODITY CHARGE:								
7		ALL CONSUMPTION		6,699,903	1.9966	13,377,026	29.8	49,819,246	63,196,272
8		RATE RS EXCLUDING RIDERS	1,073,044	6,699,903		45,568,346	101.4	49,819,246	95,387,592
9	RIDERS:								
10		HOME ENERGY ASSISTANCE PROGRAM (HEA)			\$0.10	107,304	0.2		107,304
11		DEMAND SIDE MANAGEMENT RATE (DSMR)			(0.109294)	(732,259)	(1.6)		(732,259)
12		TOTAL RIDERS				(624,955)	(1.4)		(624,955)
13		TOTAL RATE RS RESIDENTIAL INCLUDING RIDERS	1,073,044	6,699,903		44,943,391	100.0	49,819,246	94,762,637

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.435816/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD  X  FORECASTED PERIOD  
TYPE OF FILING:  X  ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MOS FORECASTED

SCHEDULE M-2.3  
PAGE 3 OF 7  
WITNESS:  
J. ZIOLKOWSKI

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	GS	COMMERCIAL							
2	CUSTOMER CHARGE:								
3	NON-RESIDENTIAL								
4	TOTAL MONTHLY BILLS x :								
5		CUSTOMER CHARGE PER MONTH	77,136		\$47.50	3,663,960	34.8		3,663,960
6	COMMODITY CHARGE:								
7		ALL CONSUMPTION		3,018,506	2.2786	6,877,968	65.2	22,445,055	29,323,023
8		RATE GS COMMERCIAL EXCLUDING RIDERS	77,136	3,018,506		10,541,928	100.0	22,445,055	32,986,983
9	RIDERS:								
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0		0
11	TOTAL RIDERS								
12		TOTAL RATE GS COMMERCIAL INCLUDING RIDERS	77,136	3,018,506		10,541,928	100.0	22,445,055	32,986,983

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.435816/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD X FORECASTED PERIOD  
TYPE OF FILING: X ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MOS FORECASTED

SCHEDULE M-2.3  
PAGE 4 OF 7  
WITNESS:  
J. ZIOLKOWSKI

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	GS	INDUSTRIAL							
2	CUSTOMER CHARGE:								
3	NON-RESIDENTIAL								
4	TOTAL MONTHLY BILLS x :								
5	CUSTOMER CHARGE PER MONTH		2,746		\$47.50	130,435	13.2		130,435
6	COMMODITY CHARGE:								
7	ALL CONSUMPTION			376,087	2.2786	856,952	86.8	2,796,514	3,653,466
8	RATE GS INDUSTRIAL EXCLUDING RIDERS		2,746	376,087		987,387	100.0	2,796,514	3,783,901
9	RIDERS:								
10	DEMAND SIDE MANAGEMENT RATE (DSMR)				0.000000	0	0.0		0
11	TOTAL RIDERS					0	0.0		0
12	TOTAL RATE GS INDUSTRIAL INCLUDING RIDERS		2,746	376,087		987,387	100.0	2,796,514	3,783,901

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

(2) REFLECTS NORMALIZED VOLUMES.

(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.435816/MCF.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

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

SCHEDULE M-2.3  
PAGE 5 OF 7  
WITNESS:  
J. ZIOLKOWSKI

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES(2) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE(3) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	GS	OTHER PUBLIC AUTHORITIES							
2		CUSTOMER CHARGE:							
3		NON-RESIDENTIAL							
4		TOTAL MONTHLY BILLS x :							
5		CUSTOMER CHARGE PER MONTH	4,452		\$47.50	211,470	15.2		211,470
6		COMMODITY CHARGE:							
7		ALL CONSUMPTION		517,052	2.2786	1,178,155	84.8	3,844,704	5,022,859
8		RATE GS OPA EXCLUDING RIDERS	4,452	517,052		1,389,625	100.0	3,844,704	5,234,329
9		RIDERS:							
10		DEMAND SIDE MANAGEMENT RATE (DSMR)			0.000000	0	0.0		0
11		TOTAL RIDERS				0	0.0		0
12		TOTAL RATE GS OPA INCLUDING RIDERS	4,452	517,052		1,389,625	100.0	3,844,704	5,234,329

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.  
(2) REFLECTS NORMALIZED VOLUMES.  
(3) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.435816/MCF.



DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD X FORECASTED PERIOD  
TYPE OF FILING: X ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MOS FORECASTED

SCHEDULE M-2.3  
PAGE 6 OF 7  
WITNESS:  
J. ZIOLKOWSKI

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES(1) (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	FT - LARGE								
2	FIRM TRANSPORTATION - LARGE								
3	ADMINISTRATIVE CHARGE		1,020		\$430.00	438,600	16.6		438,600
4	TRANSPORTATION CHARGE:								
5	ALL CONSUMPTION			1,158,636	1.9252	2,230,606	84.6		2,230,606
6	RATE FT-LARGE EXCLUDING RIDERS		1,020	1,158,636		2,669,206	101.3		2,669,206
7	RIDERS:								
8	GAS COST ADJUSTMENT TRANSITION (GCAT)				(0.0290)	(33,600)	(1.3)		(33,600)
9	TOTAL RIDERS					(33,600)	(1.3)		(33,600)
10	TOTAL RATE FT - LARGE INCLUDING RIDERS		1,020	1,158,636		2,635,606	100.0		2,635,606

(1) REFLECTS NORMALIZED VOLUMES.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES  
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2011  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S).:  
12 MOS FORECASTED

SCHEDULE M-2.3  
PAGE 7 OF 7  
WITNESS:  
J. ZIOLKOWSKI

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS GAS COST REVENUE (F)	% OF REV TO TOTAL LESS GAS COST REVENUE (G)	GAS COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(MCF)	(\$/MCF)	(\$)	(%)	(\$)	(\$)
1	IT								
2	INTERRUPTIBLE TRANSPORTATION								
3	ADMINISTRATIVE CHARGE		288		\$430.00	123,840	9.0		123,840
4	COMMODITY CHARGE:								
5	ALL CONSUMPTION			1,227,496	1.0150	1,245,908	91.0		1,245,908
6	TOTAL RATE IT TRANSPORTATION		288	1,227,496		1,369,748	100.0		1,369,748



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 N

SECTION N  
TYPICAL BILL COMPARISON  
DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended September 30, 2009

Forecasted Period: Twelve Months Ended January 31, 2011

Schedules

N Typical Bill Comparison

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
EFFECTS OF PROPOSED RESIDENTIAL AND GENERAL SERVICE RATES  
TYPICAL BILL COMPARISON  
(GAS SERVICE)

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORK PAPER REFERENCE NO(S).:  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE N  
PAGE 1 OF 2  
WITNESS:  
J. ZIOLKOWSKI

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B) (MCF)	BILL DATA INCL DSM RIDER LESS COST of GAS (1)				GAS COST (2) (G) (\$)	TOTAL CURRENT BILL (C + G) (H) (\$)	TOTAL PROPOSED BILL (D + G) (I) (\$)	PERCENT INCREASE (I-H) /H (L) (%)
				CURRENT BILL(3) (C) (\$)	PROPOSED BILL(4) (D) (\$)	DOLLAR INCREASE (D - C) (E) (\$)	PERCENT INCREASE (E / C) (F) (%)				
1	(RS)										
2	RESIDENTIAL	Not	1	14.66	31.99	17.33	118.2	7.00	21.66	38.99	80.0
3		Applicable	3	19.78	35.76	15.98	80.8	21.00	40.78	56.76	39.2
4			6	27.46	41.42	13.96	50.8	42.00	69.46	83.42	20.1
5			8	32.58	45.20	12.62	38.7	56.00	88.58	101.20	14.2
6			10	37.69	48.97	11.28	29.9	70.00	107.69	118.97	10.5
7			12	42.81	52.75	9.94	23.2	84.00	126.81	136.75	7.8
8			16	53.05	60.30	7.25	13.7	112.00	165.05	172.30	4.4
9			20	63.29	67.85	4.56	7.2	140.00	203.29	207.85	2.2
10			30	88.88	86.72	(2.16)	(2.4)	210.00	298.88	296.72	(0.7)
11			40	114.48	105.59	(8.89)	(7.8)	280.00	394.48	385.59	(2.3)
12			50	140.07	124.47	(15.60)	(11.1)	350.00	490.07	474.47	(3.2)
13			60	165.66	143.34	(22.32)	(13.5)	420.00	585.66	563.34	(3.8)
14			80	216.85	181.08	(35.77)	(16.5)	560.00	776.85	741.08	(4.6)
15			100	268.04	218.83	(49.21)	(18.4)	700.00	968.04	918.83	(5.1)
16	(GS)										
17	NON-RESIDENTIAL		5	40.47	58.89	18.42	45.5	35.00	75.47	93.89	24.4
18			10	50.95	70.29	19.34	38.0	70.00	120.95	140.29	16.0
19			20	71.90	93.07	21.17	29.4	140.00	211.90	233.07	10.0
20			40	113.80	138.64	24.84	21.8	280.00	393.80	418.64	6.3
21			50	134.75	161.43	26.68	19.8	350.00	484.75	511.43	5.5
22			100	239.49	275.36	35.87	15.0	700.00	939.49	975.36	3.8
23			300	658.47	731.08	72.61	11.0	2,100.00	2,758.47	2,831.08	2.6
24			500	1,077.45	1,186.80	109.35	10.1	3,500.00	4,577.45	4,686.80	2.4
25			700	1,496.43	1,642.52	146.09	9.8	4,900.00	6,396.43	6,542.52	2.3
26			850	1,810.67	1,984.31	173.64	9.6	5,950.00	7,760.67	7,934.31	2.2
27			1,000	2,124.90	2,326.10	201.20	9.5	7,000.00	9,124.90	9,326.10	2.2
28			2,000	4,219.80	4,604.70	384.90	9.1	14,000.00	18,219.80	18,604.70	2.1
29			3,000	6,314.70	6,883.30	568.60	9.0	21,000.00	27,314.70	27,883.30	2.1

- (1) INCLUDES RIDER DSM OF (\$0.10929) /MCF AND HEA \$0.10 IN RATE RS.
- (2) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.00/MCF.
- (3) INCLUDES CURRENT RIDER AMRP OF \$0.00 IN RATE RS AND \$0.00 IN RATE GS.
- (4) INCLUDES PROPOSED RIDER AMRP OF \$0.00 IN RATE RS AND \$0.00 IN RATE GS.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
EFFECTS OF PROPOSED FIRM TRANSPORTATION-LARGE RATES  
AND INTERRUPTIBLE TRANSPORTATION RATES ON TYPICAL CUSTOMER BILLS  
(GAS SERVICE)

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORK PAPER REFERENCE NO(S):  
6 MOS ACTUAL/6MOS FORECASTED

SCHEDULE N  
PAGE 2 OF 2  
WITNESS:  
J. ZIOLKOWSKI

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	MONTHLY TRANSP VOLUME (B) (MCF)	MONTHLY CUSTOMER CHARGE				TRANSPORTATION COMMODITY CHARGE (3)				TOTAL BILL (C + G) (K)	TOTAL BILL (D + H) (L)	PERCENT INCREASE (DECREASE) (L-K) / K (M)	
				CURRENT MONTHLY CUST CHARGE (C) (\$)	PROPOSED MONTHLY CUST CHARGE (D) (\$)	DOLLAR INCREASE (DECREASE) (D - C) (\$)	PERCENT INCREASE (DECREASE) (E / C) (%)	CURRENT COMMODITY CHARGE (1) (G) (\$)	PROPOSED COMMODITY CHARGE (2) (H) (\$)	DOLLAR INCREASE (DECREASE) (H - G) (\$)	PERCENT INCREASE (DECREASE) (I / G) (%)				
1	(FT-LARGE)	Not													
2	FIRM	Applicable	1,000	430.00	430.00	0.00	0.0	1,742.30	1,896.20	153.90	8.8	2,172.30	2,326.20	7.1	
3	TRANSPORTATION		1,500	430.00	430.00	0.00	0.0	2,613.45	2,844.30	230.85	8.8	3,043.45	3,274.30	7.6	
4			2,000	430.00	430.00	0.00	0.0	3,484.60	3,792.40	307.80	8.8	3,914.60	4,222.40	7.9	
5			3,000	430.00	430.00	0.00	0.0	5,226.90	5,688.60	461.70	8.8	5,656.90	6,118.60	8.2	
6			5,000	430.00	430.00	0.00	0.0	8,711.50	9,481.00	769.50	8.8	9,141.50	9,911.00	8.4	
7			10,000	430.00	430.00	0.00	0.0	17,423.00	18,962.00	1,539.00	8.8	17,853.00	19,392.00	8.6	
8			20,000	430.00	430.00	0.00	0.0	34,846.00	37,924.00	3,078.00	8.8	35,276.00	38,354.00	8.7	
9			30,000	430.00	430.00	0.00	0.0	52,269.00	56,886.00	4,617.00	8.8	52,699.00	57,316.00	8.8	
10			40,000	430.00	430.00	0.00	0.0	69,692.00	75,848.00	6,156.00	8.8	70,122.00	76,278.00	8.8	
11			50,000	430.00	430.00	0.00	0.0	87,115.00	94,810.00	7,695.00	8.8	87,545.00	95,240.00	8.8	
12			75,000	430.00	430.00	0.00	0.0	130,672.50	142,215.00	11,542.50	8.8	131,102.50	142,645.00	8.8	
13			100,000	430.00	430.00	0.00	0.0	174,230.00	189,620.00	15,390.00	8.8	174,660.00	190,050.00	8.8	
14			150,000	430.00	430.00	0.00	0.0	261,345.00	284,430.00	23,085.00	8.8	261,775.00	284,860.00	8.8	
15			200,000	430.00	430.00	0.00	0.0	348,460.00	379,240.00	30,780.00	8.8	348,890.00	379,670.00	8.8	
16	(IT)	Not													
17	INTERRUPTIBLE	Applicable	2,000	430.00	430.00	0.00	0.0	1,525.20	2,030.00	504.80	33.1	1,955.20	2,460.00	25.8	
18	TRANSPORTATION		5,000	430.00	430.00	0.00	0.0	3,813.00	5,075.00	1,262.00	33.1	4,243.00	5,505.00	29.7	
19			10,000	430.00	430.00	0.00	0.0	7,626.00	10,150.00	2,524.00	33.1	8,056.00	10,580.00	31.3	
20			15,000	430.00	430.00	0.00	0.0	11,439.00	15,225.00	3,786.00	33.1	11,869.00	15,655.00	31.9	
21			20,000	430.00	430.00	0.00	0.0	15,252.00	20,300.00	5,048.00	33.1	15,682.00	20,730.00	32.2	
22			25,000	430.00	430.00	0.00	0.0	19,065.00	25,375.00	6,310.00	33.1	19,495.00	25,805.00	32.4	
23			30,000	430.00	430.00	0.00	0.0	22,878.00	30,450.00	7,572.00	33.1	23,308.00	30,880.00	32.5	
24			40,000	430.00	430.00	0.00	0.0	30,504.00	40,600.00	10,096.00	33.1	30,934.00	41,030.00	32.6	
25			50,000	430.00	430.00	0.00	0.0	38,130.00	50,750.00	12,620.00	33.1	38,560.00	51,180.00	32.7	
26			100,000	430.00	430.00	0.00	0.0	76,260.00	101,500.00	25,240.00	33.1	76,690.00	101,930.00	32.9	
27			200,000	430.00	430.00	0.00	0.0	152,520.00	203,000.00	50,480.00	33.1	152,950.00	203,430.00	33.0	
28			300,000	430.00	430.00	0.00	0.0	228,780.00	304,500.00	75,720.00	33.1	229,210.00	304,930.00	33.0	

(1) INCLUDES CURRENT RIDER AMRP OF \$0.000/MCF IN RATE FT-L AND \$0.000/MCF IN RATE IT.

(2) INCLUDES PROPOSED RIDER AMRP OF \$0.000/MCF IN RATE FT-L AND \$0.000/MCF IN RATE IT.

(3) INCLUDES CURRENT RIDER GCAT OF (\$0.029)/MCF AND PROPOSED RIDER CGAT OF (\$0.029)/MCF IN RATE FT-L.

DUKE ENERGY KENTUCKY  
CASE NO. 2009- 00202  
EFFECTS OF PROPOSED RESIDENTIAL AND GENERAL SERVICE RATES  
TYPICAL BILL COMPARISON  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD X FORECASTED PERIOD  
TYPE OF FILING: X ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MOS FORECASTED

SCHEDULE N  
PAGE 1 OF 2  
WITNESS:  
J. ZIOLKOWSKI

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B) (MCF)	BILL DATA INCL DSM RIDER LESS COST of GAS (1)				GAS COST (2) (G)	TOTAL CURRENT BILL (C + G) (H)	TOTAL PROPOSED BILL (D + G) (I)	PERCENT INCREASE (I-H) /H (L)
				CURRENT BILL(3) (C) (\$)	PROPOSED BILL(4) (D) (\$)	DOLLAR INCREASE (D - C) (E) (\$)	PERCENT INCREASE (E / C) (F) (%)				
1	(RS)										
2	RESIDENTIAL	Not	1	14.66	31.99	17.33	118.2	7.44	22.10	39.43	78.4
3		Applicable	3	19.78	35.76	15.98	80.8	22.31	42.09	58.07	38.0
4			6	27.46	41.42	13.96	50.8	44.61	72.07	86.03	19.4
5			8	32.58	45.20	12.62	38.7	59.49	92.07	104.69	13.7
6			10	37.69	48.97	11.28	29.9	74.36	112.05	123.33	10.1
7			12	42.81	52.75	9.94	23.2	89.23	132.04	141.98	7.5
8			16	53.05	60.30	7.25	13.7	118.97	172.02	179.27	4.2
9			20	63.29	67.85	4.56	7.2	148.72	212.01	216.57	2.2
10			30	88.88	86.72	(2.16)	(2.4)	223.07	311.95	309.79	(0.7)
11			40	114.48	105.59	(8.89)	(7.8)	297.43	411.91	403.02	(2.2)
12			50	140.07	124.47	(15.60)	(11.1)	371.79	511.86	496.26	(3.0)
13			60	165.66	143.34	(22.32)	(13.5)	446.15	611.81	589.49	(3.6)
14			80	216.85	181.08	(35.77)	(16.5)	594.87	811.72	775.95	(4.4)
15			100	268.04	218.83	(49.21)	(18.4)	743.58	1011.62	962.41	(4.9)
16	(GS)										
17	NON-RESIDENTIAL		5	40.47	58.89	18.42	45.5	37.18	77.65	96.07	23.7
18			10	50.95	70.29	19.34	38.0	74.36	125.31	144.65	15.4
19			20	71.90	93.07	21.17	29.4	148.72	220.62	241.79	9.6
20			40	113.80	138.64	24.84	21.8	297.43	411.23	436.07	6.0
21			50	134.75	161.43	26.68	19.8	371.79	506.54	533.22	5.3
22			100	239.49	275.36	35.87	15.0	743.58	983.07	1018.94	3.6
23			300	658.47	731.08	72.61	11.0	2,230.74	2889.21	2961.82	2.5
24			500	1,077.45	1,186.80	109.35	10.1	3,717.91	4795.36	4904.71	2.3
25			700	1,496.43	1,642.52	146.09	9.8	5,205.07	6701.50	6847.59	2.2
26			850	1,810.67	1,984.31	173.64	9.6	6,320.44	8131.11	8304.75	2.1
27			1,000	2,124.90	2,326.10	201.20	9.5	7,435.82	9560.72	9761.92	2.1
28			2,000	4,219.80	4,604.70	384.90	9.1	14,871.63	19091.43	19476.33	2.0
29			3,000	6,314.70	6,883.30	568.60	9.0	22,307.45	28622.15	29190.75	2.0

- (1) INCLUDES RIDER DSM OF (\$0.10929) /MCF AND HEA \$0.10 IN RATE RS.
- (2) REFLECTS AVERAGE EXPECTED GAS COST OF \$7.435816/MCF.
- (3) INCLUDES CURRENT RIDER AMRP OF \$0.00 IN RATE RS AND \$0.00 IN RATE GS.
- (4) INCLUDES PROPOSED RIDER AMRP OF \$0.00 IN RATE RS AND \$0.00 IN RATE GS.



DUKE ENERGY KENTUCKY  
CASE NO. 2009-00202  
EFFECTS OF PROPOSED FIRM TRANSPORTATION-LARGE RATES  
AND INTERRUPTIBLE TRANSPORTATION RATES ON TYPICAL CUSTOMER BILLS  
(GAS SERVICE)

DATA: \_\_\_ BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_X\_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORK PAPER REFERENCE NO(S):  
12 MOS FORECASTED

SCHEDULE N  
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WITNESS:  
J. ZIOLKOWSKI

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	MONTHLY TRANSP VOLUME (B) (MCF)	MONTHLY CUSTOMER CHARGE				TRANSPORTATION COMMODITY CHARGE (3)				TOTAL BILL (C + G) (K)	TOTAL BILL (D + H) (L)	PERCENT INCREASE (DECREASE) (L-K) / K (M)	
				CURRENT MONTHLY CUST CHARGE (C) (\$)	PROPOSED MONTHLY CUST CHARGE (D) (\$)	DOLLAR INCREASE (DECREASE) (D - C) (\$)	PERCENT INCREASE (DECREASE) (E / C) (%)	CURRENT COMMODITY CHARGE (1) (\$)	PROPOSED COMMODITY CHARGE (2) (\$)	DOLLAR INCREASE (DECREASE) (H - G) (\$)	PERCENT INCREASE (DECREASE) (I / G) (%)				
1	(FT-LARGE)	Not													
2	FIRM	Applicable	1,000	430.00	430.00	0.00	0.0	1,771.30	1,925.20	153.90	8.7	2,201.30	2,355.20	7.0	
3	TRANSPORTATION		1,500	430.00	430.00	0.00	0.0	2,656.95	2,887.80	230.85	8.7	3,086.95	3,317.80	7.5	
4			2,000	430.00	430.00	0.00	0.0	3,542.60	3,850.40	307.80	8.7	3,972.60	4,280.40	7.7	
5			3,000	430.00	430.00	0.00	0.0	5,313.90	5,775.60	461.70	8.7	5,743.90	6,205.60	8.0	
6			5,000	430.00	430.00	0.00	0.0	8,856.50	9,626.00	769.50	8.7	9,286.50	10,056.00	8.3	
7			10,000	430.00	430.00	0.00	0.0	17,713.00	19,252.00	1,539.00	8.7	18,143.00	19,682.00	8.5	
8			20,000	430.00	430.00	0.00	0.0	35,426.00	38,504.00	3,078.00	8.7	35,856.00	38,934.00	8.6	
9			30,000	430.00	430.00	0.00	0.0	53,139.00	57,756.00	4,617.00	8.7	53,569.00	58,186.00	8.6	
10			40,000	430.00	430.00	0.00	0.0	70,852.00	77,008.00	6,156.00	8.7	71,282.00	77,438.00	8.6	
11			50,000	430.00	430.00	0.00	0.0	88,565.00	96,260.00	7,695.00	8.7	88,995.00	96,690.00	8.6	
12			75,000	430.00	430.00	0.00	0.0	132,847.50	144,390.00	11,542.50	8.7	133,277.50	144,820.00	8.7	
13			100,000	430.00	430.00	0.00	0.0	177,130.00	192,520.00	15,390.00	8.7	177,560.00	192,950.00	8.7	
14			150,000	430.00	430.00	0.00	0.0	265,695.00	288,780.00	23,085.00	8.7	266,125.00	289,210.00	8.7	
15			200,000	430.00	430.00	0.00	0.0	354,260.00	385,040.00	30,780.00	8.7	354,690.00	385,470.00	8.7	
16	(IT)	Not													
17	INTERRUPTIBLE	Applicable	2,000	430.00	430.00	0.00	0.0	1,525.20	2,030.00	504.80	33.1	1,955.20	2,460.00	25.8	
18	TRANSPORTATION		5,000	430.00	430.00	0.00	0.0	3,813.00	5,075.00	1,262.00	33.1	4,243.00	5,505.00	29.7	
19			10,000	430.00	430.00	0.00	0.0	7,626.00	10,150.00	2,524.00	33.1	8,056.00	10,580.00	31.3	
20			15,000	430.00	430.00	0.00	0.0	11,439.00	15,225.00	3,786.00	33.1	11,869.00	15,655.00	31.9	
21			20,000	430.00	430.00	0.00	0.0	15,252.00	20,300.00	5,048.00	33.1	15,682.00	20,730.00	32.2	
22			25,000	430.00	430.00	0.00	0.0	19,065.00	25,375.00	6,310.00	33.1	19,495.00	25,805.00	32.4	
23			30,000	430.00	430.00	0.00	0.0	22,878.00	30,450.00	7,572.00	33.1	23,308.00	30,880.00	32.5	
24			40,000	430.00	430.00	0.00	0.0	30,504.00	40,600.00	10,096.00	33.1	30,934.00	41,030.00	32.6	
25			50,000	430.00	430.00	0.00	0.0	38,130.00	50,750.00	12,620.00	33.1	38,560.00	51,180.00	32.7	
26			100,000	430.00	430.00	0.00	0.0	76,260.00	101,500.00	25,240.00	33.1	76,690.00	101,930.00	32.9	
27			200,000	430.00	430.00	0.00	0.0	152,520.00	203,000.00	50,480.00	33.1	152,950.00	203,430.00	33.0	
28			300,000	430.00	430.00	0.00	0.0	228,780.00	304,500.00	75,720.00	33.1	229,210.00	304,930.00	33.0	

(1) INCLUDES CURRENT RIDER AMRP OF \$0.000/MCF IN RATE FT-L AND \$0.000/MCF IN RATE IT.

(2) INCLUDES PROPOSED RIDER AMRP OF \$0.000/MCF IN RATE FT-L AND \$0.000/MCF IN RATE IT.

(3) INCLUDES CURRENT RIDER GCAT OF (\$0.029)/MCF AND PROPOSED RIDER GCAT OF (\$0.029)/MCF IN RATE FT-L.