

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF DUKE ENERGY)	CASE NO. 2009-00268
KENTUCKY, INC.)	

O R D E R

On February 2, 2006, in Case No. 2005-00042,¹ the Commission approved rates for Duke Energy Kentucky, Inc. ("Duke") and provided for their further adjustment in accordance with Duke's Gas Cost Adjustment ("GCA") clause.

On July 10, 2009, Duke filed its GCA to be effective July 31, 2009. Duke previously obtained Commission approval to file its GCA within 20 days of the proposed effective date.²

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Duke's notice includes rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Duke's Expected Gas Cost ("EGC") is \$6.185 per Mcf, which is an increase of \$.102 per Mcf from its previous EGC of \$6.083 per Mcf.

¹ Case No. 2005-00042, Adjustment of the Gas Rates of The Union Light, Heat and Power Company (Ky. PSC Dec. 22, 2005).

² Case No. 2003-00386, The Application of The Union Light, Heat and Power Company for Authority to Make Monthly Adjustments to the Expected Gas Cost Component of Its Gas Cost Adjustment Rate (Ky. PSC Nov. 6, 2003).

3. Duke's notice sets out no current quarter Refund Adjustment ("RA"). Duke's total RA is (\$.005) per Mcf, which represents no change from its previous total RA.

4. Duke's notice sets out its previously approved current quarter Actual Adjustment ("AA") of (\$.034) per Mcf and total AA of (\$.340) per Mcf, which represents no change from its previous total AA.

5. Duke's notice sets out its previously approved current quarter Balancing Adjustment ("BA") of (\$.032) per Mcf and total BA of (\$.048) per Mcf, which represents no change from its previous total BA.

6. Duke's Gas Cost Recovery Rate ("GCR") is \$5.792 per Mcf, which is an increase of \$.102 per Mcf from its previous GCR of \$5.690 per Mcf.

7. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for final meter readings by Duke on and after July 31, 2009.

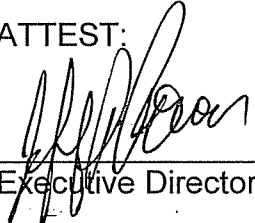
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after July 31, 2009.

2. Within 20 days of the date of this Order, Duke shall file with this Commission its revised tariffs setting out the rates authorized herein.

By the Commission

ENTERED *aw*
JUL 21 2009
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00268 DATED **JUL 21 2009**

The following rates and charges are prescribed for the customers served by Duke Energy Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

GAS SERVICE RATES

RATE RS
RESIDENTIAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.26687	plus	\$.5792	\$.84607

RATE GS
GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.20949		\$.5792	\$.78869

RIDER GCAT
GAS COST ADJUSTMENT TRANSITION RIDER

The amount of this charge or (credit) shall be (\$.0393) per 100 cubic feet. This rate shall be in effect during the months of June 2009 through August 2009 and shall be updated quarterly, concurrent with the Company's GCA filings.

Dana Patten
Duke Energy Kentucky, Inc.
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