

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF DUKE ENERGY) CASE NO. 2009-00504
KENTUCKY, INC.)

O R D E R

On December 29, 2009, in Case No. 2009-00202,¹ 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 December 15, 2009, Duke submitted for the Commission’s consideration two alternative GCA applications, one that includes the recovery of the uncollectible expense related to the natural gas commodity and one that does not include such recovery. By letter received December 22, 2009, Duke requested to withdraw the application which includes uncollectible expense recovery. The Commission, by separate Order in Case No. 2009-00202², has approved Duke’s request to recover its uncollectible expenses related to the natural gas commodity through its GCA clause. However, based on the timing of the rates approved by that Order and the rates approved herein, we find that Duke’s request to withdraw the recovery of such

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

² id.

uncollectible expense in this GCA reasonable and that recovery should begin with Duke's next GCA filing.

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 \$6.845 per Mcf, which is an increase of \$.568 per Mcf from its previous EGC of \$6.277 per Mcf.

3. Duke's notice sets out a current quarter Refund Adjustment ("RA") of (\$.001) per Mcf. Duke's total RA is (\$.006) per Mcf, which represents no change from its previous total RA of (\$.006) per Mcf.

4. Duke's notice sets out its current quarter Actual Adjustment ("AA") of (\$.022) per Mcf. Duke's total AA is \$.369 per Mcf, which represents no change from its previous total AA of \$.369 per Mcf.

5. Duke's notice sets out its current quarter Balancing Adjustment ("BA") of (\$.015) per Mcf. Duke's total BA of (\$.042) per Mcf represents no change from its previous total BA of (\$.042) per Mcf.

6. Duke's Gas Cost Recovery Rate ("GCR") is \$7.166 per Mcf, which is an increase of \$.568 per Mcf from its previous GCR of \$6.598 per Mcf.

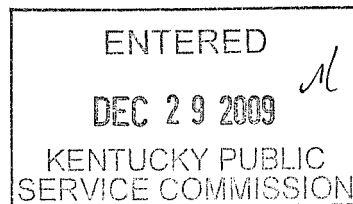
7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Duke on and after January 4, 2010.

IT IS THEREFORE ORDERED that:

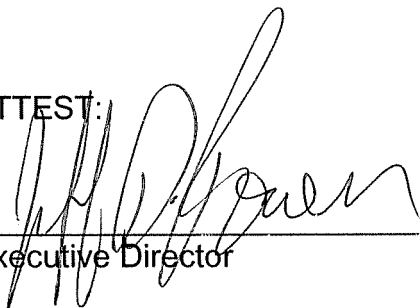
1. The rates in the Appendix to this Order are approved for final meter readings on and after January 4, 2010.

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

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00504 DATED **DEC 29 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 | \$.37213 | plus | \$.7166 | \$1.08963 |

RATE GS
GENERAL SERVICE

| | <u>Base Rate</u> | | <u>Gas Cost Adjustment</u> | <u>Total Rate</u> |
|--|----------------------|--|--------------------------------|-----------------------|
| Commodity Charge for All Ccf Consumed | \$.20530 | | \$.7166 | \$.92280 |

RIDER GCAT
GAS COST ADJUSTMENT TRANSITION RIDER

The amount of this charge or (credit) shall be \$.0321 per 100 cubic feet. This rate shall be in effect during the months of December 2009 through February 2010 and shall be updated quarterly, concurrent with the Company's GCA filings.

Lisa D Steinkuhl
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