



DUKE ENERGY CORPORATION
139 East Fourth St
P O Box 960
Cincinnati, OH 45201-0960

May 13, 2010

RECEIVED

MAY 13 2010

PUBLIC SERVICE
COMMISSION

Kentucky Public Service Commission
Attn: Mr. Jeff Derouen, Executive Director
211 Sower Boulevard
Frankfort, Kentucky 40602

2010-00197

Dear Mr. Derouen:

Enclosed for filing are an original and four (4) conformed copies of Duke Energy Kentucky's ("Duke") "Monthly Report of Gas Cost Calculations and Tariff Schedules," for the month commencing with the June 2010 revenue month in accordance with KPSC order dated November 6, 2003 in Case No. 2003-00386. This filing is based on supplier tariff rates expected to be in effect on June 2, 2010 and the NYMEX close on May 10, 2010 for the month of June 2010.

The above described schedules and GCA are effective with the final meter readings of District 1, June 2010 revenue month (i.e., final meter readings on and after June 2, 2010).

Duke's proposed GCA is \$6.515 per Mcf. This rate represents an increase of \$0.797 per Mcf from the rate currently in effect for May 2010.

Please stamp "FILED" on the additional enclosed copy and return for our file. Thank you.

Very truly yours,

Dana Patten

Enclosure

cc: L. Schmidt

R:/tariffs/gcr/ulhp/gca monthly filing.doc

DUKE ENERGY KENTUCKY, INC
GAS COST ADJUSTMENT CLAUSE

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM JUNE 2, 2010 THROUGH JUNE 30, 2010

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	6.402
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.003)
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.133
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.017)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	<u>6.515</u>

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	6.402

SUPPLIER REFUND ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ.	\$/MCF	(0.002)
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
SECOND PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
THIRD PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	<u>(0.003)</u>

ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	0.104
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.349
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.022)
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.298)
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>0.133</u>

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	(0.007)
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.001
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.015)
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.004
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>(0.017)</u>

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 8373 OF THE KENTUCKY PUBLIC SERVICE
COMMISSION DATED APRIL 16, 1982.DATE FILED: May 13, 2010BY: DON WATHENTITLE: VICE-PRESIDENT, RATES

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY
EXPECTED GAS COST RATE CALCULATION (EGC)**

"SUMMARY" FOR THE EGC RATE IN EFFECT AS OF JUNE 2, 2010

				\$
<u>DEMAND (FIXED) COSTS:</u>				
Columbia Gas Transmission Corp.				2,701,313
Texas Gas Transmission				1,640,705
Columbia Gulf Transmission Corp.				1,208,628
KO Transmission Company				307,584
Gas Marketers				46,783
	TOTAL DEMAND COST:			5,905,013
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:		10,605,641	MCF	
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$5,905,013	/	10,605,641 MCF	\$0.557 /MCF
<u>COMMODITY COSTS:</u>				
Gas Marketers				\$5.790 /MCF
Gas Storage				
Columbia Gas Transmission				\$0.000 /MCF
Propane				\$0.000 /MCF
COMMODITY COMPONENT OF EGC RATE:				\$5.790 /MCF
<u>OTHER COSTS:</u>				
Net Charge Off	\$17,952	/	325,874	\$0.055 /MCF
TOTAL EXPECTED GAS COST:				\$6.402 /MCF

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : JUNE 2, 2010

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GAS TRANSMISSION, LLC				
TARIFF RATE EFFECTIVE DATE : FSS: 2/1/2010				
SST: 2/1/2010				
<u>BILLING DEMAND - TARIFF RATE - FSS</u>				
Max. Daily Withdrawl Quan.	1.5060	39,656	12	716,663
Seasonal Contract Quantity	0.0289	1,365,276	12	473,478
<u>BILLING DEMAND - TARIFF RATE - SST</u>				
Maximum Daily Quantity	3.9630	39,656	4	628,627
Maximum Daily Quantity	4.4510	19,828	6	529,527
Maximum Daily Quantity	4.4510	39,656	2	353,018
CAPACITY RELEASE CREDIT				0
TOTAL COLUMBIA GAS TRANSMISSION, LLC - DEMAND CHARGES				2,701,313
INTERSTATE PIPELINE : TEXAS GAS TRANSMISSION				
TARIFF RATE EFFECTIVE DATE : NOT APPLICABLE				
<u>BILLING DEMAND - TARIFF RATE - STF</u>				
Max. Daily Quantity Zone 4	0.3250	10,000	151	490,750
<u>BILLING DEMAND - TARIFF RATE - FT</u>				
Max. Daily Quantity Zone 4	0.2950	5,000	151	222,725
Max. Daily Quantity Zone 4	0.1700	5,000	214	181,900
<u>BILLING DEMAND - TARIFF RATE - FT-GULF SOUTH</u>				
Max. Daily Quantity Zone 4	0.4084	5,000	365	745,330
CAPACITY RELEASE CREDIT				0
TOTAL TEXAS GAS TRANSMISSION DEMAND CHARGES				1,640,705

Currently Effective Rates
 Applicable to Rate Schedule FSS, ISS, and SIT
 Rate Per Dth

		Transportation Cost		Electric Power Costs Adjustment		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
		Base Tariff Rate 1/	Rate Adjustment Current Surcharge	Current	Surcharge			
Rate Schedule <u>FSS</u>								
Reservation Charge 3/	s	1.506	-	-	-	-	1.506	0.0495
Capacity 3/	c	2.89	-	-	-	-	2.89	2.89
Injection	c	1.53	-	-	-	-	1.53	1.53
Withdrawal	c	1.53	-	-	-	-	1.53	1.53
Overrun 3/	c	10.90	-	-	-	-	10.90	10.90
Rate Schedule ISS								
Commodity								
Maximum	c	5.95	-	-	-	-	5.95	5.95
Minimum	c	0.00	-	-	-	-	0.00	0.00
Injection	c	1.53	-	-	-	-	1.53	1.53
Withdrawal	c	1.53	-	-	-	-	1.53	1.53
Rate Schedule SIT								
Commodity								
Maximum	c	4.12	-	-	-	-	4.12	4.12
Minimum	c	1.53	-	-	-	-	1.53	1.53

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.

2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

3/ In addition to the above reflected Base Tariff Reservation Charge (MDSQ) and Capacity (SCQ) Rate, shippers utilizing the Eastern Market Expansion (EME) facilities for FSS service will pay an additional incremental reservation charge of \$2.624 per Dth per month, for a total FSS MDSQ reservation charge of \$4.130 and an additional 3.91 cents per Dth per month, for a total FSS SCQ capacity rate of 6.80 cents. If EME customers incur an overrun for FSS services that is provided under their EME Project service agreements, they will pay an additional 12.54 cents for such overruns, for a total FSS overrun rate of 23.44 cents. The additional EME demand charges and EME overrun charges can be added to the Total Effective Rate above to develop the EME Total Effective Rate.

Currently Effective Rates
 Applicable to Rate Schedule SST and GTS
 Rate Per Dth

	Base Tariff Rate 1/	Transportation Cost Rate Adjustment		Electric Power Costs Adjustment		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
		Current	Surcharge	Current	Surcharge			
Rate Schedule SST								
Reservation Charge 3/ 4/5	5.445	0.338	0.048	0.057	0.017	-	5.905	0.1942
Commodity						u/d, .0224		
Maximum	c 1.02	0.43	0.13	0.61	0.05	0.19	2.43	2.43
Minimum	c 1.02	0.43	0.13	0.61	0.05	0.19	2.43	2.43
Overrun 4/	c 18.92	1.54	0.29	0.80	0.11	0.19	21.85	21.85
Rate Schedule GTS								
Commodity								
Maximum	c 74.84	2.65	0.45	0.98	0.16	0.19	79.27	79.27
Minimum	c 3.08	0.43	0.13	0.61	0.05	0.19	4.49	4.49
MFCC	c 71.76	2.22	0.32	0.37	0.11	-	74.78	74.78

discounted to \$4.451

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Sheet No. 35.

2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

3/ Minimum reservation charge is \$0.00.

4/ In addition to the above reflected Base Tariff SST Demand Rate, shippers utilizing the Eastern Market Expansion (EME) facilities for Rate Schedule SST service will pay an additional demand charge of \$12.160 per Dth per month, for a total SST reservation charge of \$17.625. If EME customers incur an overrun for SST services that is provided under their EME Project service agreements, they will pay an additional 40.05 cents for such overruns, for a total overrun rate of 58.97 cents. The applicable EME demand charge and EME overrun charge can be added to the Total Effective Rate above to calculate the EME Total Effective Rates.

inj includes ACA of .0019

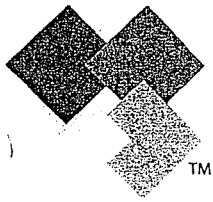
*.0224
 + .0019

 .0243 inj. rate*

RETAINAGE PERCENTAGES

Transportation Retainage	2.062%
Gathering Retainage	0.628%
Storage Gas Loss Retainage	0.150%
Columbia Processing Retainage/1	0%

1/ The Columbia Processing Retainage shall be assessed separately from the processing retainage applicable to third party processing plants set forth in Section 25.3 (f) of the General Terms and Conditions.



NiSource Gas Transmission & Storage

5151 San Felipe, Suite 2500
Houston, Texas 77056

August 18, 2009

Mr. James L. Turner
Group Executive, President & COO
139 East Fourth Street
EM025
Cincinnati, OH 45202

RE: Revision 1 to SST Service Agreement No. 79977
Discount Letter Agreement

Dear Mr. Turner:

This letter shall serve as an amendment to the SST Service Agreement between Columbia Gas Transmission, LLC (Transporter) and Duke Energy Kentucky, Inc. (Shipper) designated as Transporter's Contract No. 79977.

A) Transporter and Shipper hereby agree that Section 3 of the above-referenced contract number shall be amended to include the following additional language:

- 1) The rate for service, for the period from 11/01/09 to 3/31/10, shall include a discounted demand rate, inclusive of the base rate and all demand surcharges, of \$3.963 for deliveries to the primary delivery points: KOT DEK MLI (834696) and the following primary receipt points: MRTCO – Master Receipt TCO / RP Storage Point TCO. Shipper shall also provide the then-existing Retainage and shall pay the then-existing maximum commodity charge plus commodity surcharges as set forth in Transporter's FERC Gas Tariff from time to time.
- 2) The rate for service, for the period from 4/01/10 to 3/31/15, shall include a discounted demand rate, inclusive of the base rate and all demand surcharges, of \$4.451 for deliveries to the primary delivery points: KOT DEK MLI (834696) and the following primary receipt points: MRTCO – Master Receipt TCO / RP Storage Point TCO. Shipper shall also provide the then-existing Retainage and shall pay the then-existing maximum commodity charge plus commodity surcharges as set forth in Transporter's FERC Gas Tariff from time to time.

- 3) The discounted rate provided in paragraph one and two above is limited to the primary receipt/delivery point combinations set forth in Appendix A of the above-referenced service agreement. Except to the extent Federal Energy Regulatory Commission ("FERC") policies, rules and/or regulations, and/or Transporter's FERC Gas Tariff provide otherwise, for service under the above-referenced Service Agreement from secondary receipt points or to secondary delivery points, in lieu of the rates set forth in Paragraph 1 above, Transporter shall charge and Shipper shall pay the then existing maximum Recourse Rate set forth in Transporter's FERC Gas Tariff from time to time.
- 4) Notwithstanding the foregoing, the charge to be paid by Shipper and Transporter shall be no lower than the applicable total effective minimum charges or higher than the applicable total effective maximum charges as set forth in Transporter's FERC Gas Tariff from time to time. Rates provided for in this Discount Letter Agreement will be adjusted as necessary so that the rate will be no lower than the total effective minimum charges nor higher than the applicable total effective maximum charges as set forth in Transporter's FERC Gas Tariff from time to time. In the event that a rate component which was at or below the applicable maximum rate at the time this Discount Letter Agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. In the event the monthly Recourse Rate applicable to SST service is reduced to a level below \$3.963 or \$4.451 per Dth of Transportation Demand during the term of the above-referenced individual Service Agreement, the rates under the SST Service Agreement referenced above will be adjusted to the new monthly Recourse Rate.
- 5) This discounted transportation rate shall be apportioned in accordance with Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6) Shipper shall pay all then existing maximum overrun charges, if incurred, as set forth in Transporter's FERC Gas Tariff from time to time.

If you are in agreement with the above amendment, please execute both originals of this letter and return them to the Transporter at the address above, Attention: Sandra Dibello.

Terms agreed to this 16 day of September, 2009.

**COLUMBIA GAS
TRANSMISSION, LLC**

By: [Signature]
Its: Director, Commercial Services

[Signature]
Legal

PTB
DEF

Duke Energy Kentucky, Inc.

By: [Signature]
Its: Group Executive; President and COO
USFE+G

As To Form
[Signature]

[Signature]
Legal



3800 Frederica Street
P.O. Box 20008
Owensboro, KY 42304-0008
270/926-8686

May 22, 2007

Mr. Jim Henning
Duke Energy Kentucky, Inc.
139 E 4th Street
Cincinnati, OH 45202-4003

Re: Discount Agreement

Dear Jim:

Texas Gas Transmission, LLC (Texas Gas) has reviewed the request of Duke Energy Kentucky, Inc. (Duke) for a discounted transportation rate for the time period listed below. Accordingly, Texas Gas is willing to offer Duke the following discount:

Contract No.:	26549
Rate Schedule:	STF
Time Period:	November 1, 2007 - March 31, 2008 November 1, 2008 - March 31, 2009 November 1, 2009 - March 31, 2010 November 1, 2010 - March 31, 2011
Contract Demand:	10,000 MMBtu per day
Qualified Delivery Points:	Duke Energy OH/Zone 4, Meter No. 1229 Duke Energy KY/Zone 4, Meter No. 1872 Lebanon-Columbia Gas/Zone 4, Meter No. 1715 Lebanon-Dominion/Zone 4, Meter No. 1247 Lebanon-Texas Eastern/Zone 4, Meter No. 1859
Discounted Demand Rate:	For each unit of its daily contract demand, Duke shall pay <u>\$0.325</u> (including all surcharges).
Discounted Commodity Rate:	Texas Gas' minimum STF Commodity Rate plus ACA and applicable fuel retention.

.0226
 +.0019

 .0245



TEXAS GAS
TRANSMISSION, LLC

3800 Frederica Street
P.O. Box 20008
Owensboro, KY 42304-0008
270/926-8686

FORM OF DISCOUNTED RATE AGREEMENT

October 20, 2009

Mr. Jeff Kern
Duke Energy Kentucky, Inc.
139 E 4th St EM025
Cincinnati, OH 45202-4003

Re: Discounted Rate Agreement

Dear Jeff:

Texas Gas Transmission, LLC (Texas Gas) has reviewed Duke Energy Kentucky, Inc.'s (Duke) request for a discounted transportation rate(s) for the time period(s) listed below. Accordingly, Texas Gas is willing to offer the following discounted rate(s):

Contract No.: 29797 ✓
Rate Schedule: FT
Time Period(s): November 1, 2009 through March 31, 2010
Quantity(ies): 5,000 MMBtu/d
Point(s):
Qualified Receipt Point(s): Texas Gas receipt points located in zones SL, 1, 2, 3 and 4
Qualified Delivery Point(s): Duke Energy Ohio/Zone 4, Meter No. 1229
Duke Energy Kentucky/Zone 4, Meter No. 1872
Lebanon-Columbia Gas/Zone 4, Meter No. 1715
Lebanon-Dominion/Zone 4, Meter No. 1247
Lebanon-Texas Eastern/Zone 4, Meter No. 1859
Rate(s):
Commodity Rate(s): Texas Gas' minimum FT commodity rate plus applicable surcharges and fuel retention
Point Qualification(s): The discounted commodity rates above are applicable to Qualified Delivery Point(s) only.
Other: The discounted commodity rates are limited to a total of 5,000 MMBtu/d

Pursuant to this agreement, Duke will never pay more than the then currently effective maximum tariff rates or less than the then currently effective minimum tariff rates.

.2950 Nov - March
.1700 Apr - Oct



3800 Frederica Street
P.O. Box 20008
Owensboro, KY 42304-0008
270/926-8686

May 22, 2007

Mr. Jim Henning
Duke Energy Ohio, Inc.
139 East 4th Street
Cincinnati, OH 45202

Re: Discount Agreement

Dear Jim:

Texas Gas Transmission, LLC (Texas Gas) has reviewed the request of Duke Energy Ohio, Inc. (Duke) for a discounted transportation rate for the time period listed below. Accordingly, Texas Gas is willing to offer Duke the following discount:

Contract No.:	5420
Rate Schedule:	FT
Time Period:	November 1, 2008 through October 31, 2011
Contract Demand:	5,000 MMBtu per day
Qualified Delivery Points:	Duke Energy OH/Zone 4, Meter No. 1229 Duke Energy KY/Zone 4, Meter No. 1872 Lebanon-Columbia Gas/Zone 4 Meter No. 1715 Lebanon-Dominion/Zone 4, Meter No. 1247 Lebanon-Texas Eastern/Zone 4, Meter No. 1859
Winter Discounted Demand Rate:	For each unit of its daily contract demand, Duke shall pay \$0.295 (including all surcharges).
Summer Discounted Demand Rate:	For each unit of its daily contract demand, Duke shall pay \$0.17 (including all surcharges).
Discounted Commodity Rate:	Texas Gas' minimum FT Commodity Rate plus ACA and applicable fuel retention.

★ - This Duke Energy Ohio FT contract #5420 was released to Duke Energy Ky. See attached capacity release. LS

			0.0226
			+ 0.0019
			<u>0.0245</u>

New contract # is - #29797 Nov-09 - March 2010

#29796 Apr 2010 - Oct 2010

TSP: 115972101 Texas Gas Transmission, LLC

Display

Award No: 1629

Process Status: Posted
Status: Confirmation
Withdrawn: No

Bid No: 1855
Bidder: Duke Kentucky 006944672
Bidder E-mail: laura.schmidt@duke-energy.com

~~Bidder Contract Number: 29797~~
Affiliate Indicator: Releaser
Bidder Phone: (513) 287-3169

~~Offer No: 2756~~
Releaser: Duke Ohio 006999189

Replacement Shipper Role Identifier: Other

Posting Date/Time: 10/09/2009 13:12 CCT
Modified Posting Date/Time: 10/09/2009 13:12 CCT

Capacity Award Date/Time: 10/09/2009 13:12 CCT

Award Terms

Rate Schedule: FT
Release Term Start Date: 11/01/2009
Prearranged Deal: Yes
Permanent Release: No
Allowable Re-release: Yes
Awd Qty-K: 6,000

Release Term End Date: 03/31/2010

Previously Released: No

Award Recall Information

Recall/Reput: Capacity recallable and reput must be taken
Business Day: No
Recall Notification Period: Timely
Early Evening
Evening
Intraday 1
Intraday 2

Recall/Reput Terms: Intraday recallable.

Award Location(s)

Start Date	End Date	Loc/QTI	Location	Loc Prop	Loc Zn	Loc Purp	Awd Qty-Loc
11/01/2009	03/31/2010	Receipt Pt	152451	2102 Champlin	1	M2-Receipt Location	3,177
11/01/2009	03/31/2010	Receipt Pt	7580	9446 Lowry	SL	M2-Receipt Location	3,604
11/01/2009	03/31/2010	Delivery Pt	16281	1715 Lebanon-Columbia Gas	4	MQ-Delivery Location	5,000
11/01/2009	03/31/2010	Rec to Del Pt	218394 16281	3918 Mainline SL Strt 1715 Lebanon-Columbia Gas	SL 4	S8-Segment defined by 2 Loc	5,000
11/01/2009	03/31/2010	Segment		100 North Louisiana	1	S9-Segment defined by 1 Loc	3,177
11/01/2009	03/31/2010	Segment		500 Southwest	SL	S9-Segment defined by 1 Loc	3,604

1 - 6 of 6

Measurement Basis: Million BTU's

Award Rate(s)

Rate Form/Type Code: Reservation charge only
Bidder Bid Basis: Absolute dollars and cents per unit basis

Reservation Rate Basis: Per day

Rate Identification Code	Max Trf Rate	Award Rate
Reservation	\$0.3142	\$0.2950

Rate(s) stated include all applicable surcharges; no surcharge detail or surcharge total provided.

TSP: 110972001 Texas Gas Transmission, LLC

Display

Award No: 1628

Process Status: Posted
Status: Confirmation
Withdrawn: No

Bid No: 1856
Bidder: Duke Kentucky 006944672
Bidder E-mail: laura.schmidt@duke-energy.com

~~Bidder Contract Number:~~ 29796
Affiliate Indicator: Releaser
Bidder Phone: (513) 287-3169

Offer No: 2757
Releaser: Duke Ohio 006999189

Replacement Shipper Role Identifier: Other

Posting Date/Time: 10/09/2009 13:07 CCT
Modified Posting Date/Time: 10/09/2009 13:07 CCT

Capacity Award Date/Time: 10/09/2009 13:07 CCT

Award Terms

Rate Schedule: FT
Release Term Start Date: 04/01/2010

~~Release Term End Date:~~ 10/31/2010

Prearranged Deal: Yes
Permanent Release: No
Allowable Re-release: Yes

Previously Released: No

Awd Qty-K: 5,000

Award Recall Information

Recall/Reput: Capacity recallable and reput must be taken
Business Day: No
Recall Notification Period: Timely
Early Evening
Evening
Intraday 1
Intraday 2

Recall/Reput Terms: Intraday recallable

Award Location(s)

Start Date	End Date	Loc/QTI	Location	Loc Prop	Loc Zn	Loc Purp	Awd Qty-Loc
04/01/2010	10/31/2010	Receipt Pt	152451	2102 Champin	1	M2-Receipt Location	1,815
04/01/2010	10/31/2010	Receipt Pt	7580	9446 Lowry	SL	M2-Receipt Location	4,966
04/01/2010	10/31/2010	Delivery Pt	16281	1715 Lebanon-Columbia Gas	4	MQ-Delivery Location	5,000
04/01/2010	10/31/2010	Rec to Del Pt	218394 16281	3918 Mainline SL Strt 1715 Lebanon-Columbia Gas	SL 4	S8-Segment defined by 2 Loc	5,000
04/01/2010	10/31/2010	Segment		100 North Louisiana	1	S9-Segment defined by 1 Loc	1,815
04/01/2010	10/31/2010	Segment		500 Southwest	SL	S9-Segment defined by 1 Loc	4,966

1 - 6 of 6

Measurement Basis: Million BTU's

Award Rate(s)

Rate Form/Type Code: Reservation charge only
Bidder Bid Basis: Absolute dollars and cents per unit basis

Reservation Rate Basis: Per day

Rate Identification Code	Max Trf Rate	Award Rate
Reservation	\$0.3142	\$0.1700

Rate(s) stated include all applicable surcharges; no surcharge detail or surcharge total provided.



3800 Frederica Street
P.O. Box 20008
Owensboro, KY 42304-0008
270/926-8686

November 14, 2007

Mr. Jim Henning
Duke Energy Ohio, Inc.
139 E 4th Street, #EM025
Cincinnati, OH 45202-4003

RE: Negotiated Rate Agreement
Texas Gas Contract No. 25573

Dear Jim:

Texas Gas Transmission, LLC (Texas Gas) and Duke Energy Ohio, Inc. (Duke) have agreed on a negotiated transportation rate(s) for the time period(s) below. Accordingly, Texas Gas and Duke agree as follows:

Contract No: ~~25573~~
Rate Schedule: FT
Time Period(s): Beginning the later of December 1, 2007, or the first day of the month following completion of the facilities as described on Exhibit A of Contract No. 25573, and continuing through March 31, 2014.

Quantity(ies): Contract Demand - 30,000 MMBtu/d

Point(s): Primary Receipt Point – Gulf South-Duke East TX/Meter No. 9085
Receipt Points located in Texas Gas’ rate Zones 1, 2, 3 and 4 as stated on Texas Gas’ Master Location List
Gulf South-Enbridge E TX/Meter No. 9086
Gulf South-ETC East Texas/Meter No. 9087
Gulf South-Enterprise ETX/Meter No. 9088
Primary Delivery Point - Duke Energy Ohio, Inc., Meter No. 1229
Delivery Points located in Texas Gas’ rate Zones 1, 2, 3 and 4 as Stated on Texas Gas’ Master Location List

Negotiated Rate(s): Demand - \$0.4084/MMBtu
Commodity - \$0.0266/MMBtu for deliveries to the Primary Delivery Point, plus applicable ACA surcharge.

Point Qualification(s): $\frac{0.0266 + 0.0019}{0.285}$
The Negotiated Commodity Rate is limited to deliveries to the Primary Delivery Point. Duke shall pay the maximum applicable commodity rate (including any commodity rate or charges paid by Texas Gas under the Gulf South lease), plus applicable ACA surcharge, for deliveries to any point other than the Primary Delivery Point.

* - This Duke Energy Ohio FT contract released 5,000 dth/d to Duke Ky. (see attached capacity release) # 79001

NAVIGATION



Capacity Release - Awards



TSP: 115972101 Texas Gas Transmission, LLC

Search

Display

Award No: 632

Process Status: Posted
Status: Confirmation
Withdrawn: No

Bid No: 1854
Bidder: Duke Kentucky 006944672
Bidder E-mail: laura.schmidt@duke-energy.com
Offer No: 2755

~~Bidder Contract Number: 29803~~
Affiliate Indicator: Releaser
Bidder Phone: (513) 287-3169

Releaser: Duke Ohio 006999189
Posting Date/Time: 10/13/2009 13:09 CCT
Modified Posting Date/Time: 10/13/2009 13:09 CCT

Replacement Shipper Role Identifier: Other
Capacity Award Date/Time: 10/13/2009 13:09 CCT

Award Terms

Rate Schedule: FT
~~Release Term Start Date: 11/01/2009~~
Prearranged Deal: Yes
Permanent Release: No
Allowable Re-release: Yes
~~Awd Qty: 5,000~~

~~Release Term End Date: 10/31/2010~~

Previously Released: No

Award Recall Information

Recall/Reput: Capacity recallable and reput must be taken
Business Day: No
Recall Notification Period: Timely
Early Evening
Evening
Intraday 1
Intraday 2

Recall/Reput Terms: Intraday recallable.

Award Location(s)

Start Date	End Date	Loc/QTI	Location	Loc Prop	Loc Zn	Loc Purp	Awd Qty-Loc
11/01/2009	10/31/2010	Receipt Pt	694922	9085 Gulf South-Duke East TX	1	M2-Receipt Location	5,000
11/01/2009	10/31/2010	Delivery Pt	108797	1229 Duke Energy OH Shipper DE	4	MQ-Delivery Location	5,000
11/01/2009	10/31/2010	Rec to Del Pt	624816	9185 Centerpoint-Bosco	1	S8-Segment defined by 2 Loc	5,000
			108797	1229 Duke Energy OH Shipper DE	4		

Measurement Basis: Million BTU's

Award Rate(s)

Rate Form/Type Code: Reservation charge only
Bidder Bid Basis: Absolute dollars and cents per unit basis
Reservation Rate Basis: Per day

Rate Identification Code	Max Trf Rate	Award Rate
Reservation	\$0.2842	\$0.4084

Rate(s) stated include all applicable surcharges; no surcharge detail or surcharge total provided.



3800 Frederica Street
P.O. Box 20008
Owensboro, KY 42304-0008
270/926-8686

FORM OF NEGOTIATED RATE AGREEMENT

Gulf South

October 20, 2009

Mr. Jeff Kern
Duke Energy Kentucky, Inc.
139 E 4th St EM025
Cincinnati, OH 45202-4003

Re: Negotiated Rate Agreement

Dear Jeff:

Texas Gas Transmission, LLC (Texas Gas) and Duke Energy Kentucky, Inc. (Duke) have agreed on negotiated transportation rate(s) for the time period(s) listed below. Accordingly, Texas Gas and Duke agree as follows:

Contract No.:	29801 ✓
Rate Schedule:	FT
Time Period(s):	November 1, 2009 through October 31, 2010
Quantity(ies):	5,000 MMBtu/d
Point(s):	
Qualified Receipt Point(s):	Gulf South -Duke East TX/Zone 1, Meter No. 9085 Gulf South-Enbridge E TX/Zone 1, Meter No. 9086 Gulf South-ETC East TX/Zone 1, Meter No. 9087 Gulf South-Enterprise ETX/Zone 1, Meter No. 9088 Texas Gas receipt points located in zones 1, 2, 3 and 4
Qualified Delivery Point(s):	Duke Energy Ohio/Zone 4, Meter No. 1229
Eligible Delivery Point(s):	Duke Energy Kentucky/Zone 4, Meter No. 1872
Negotiated Rate(s):	
Commodity Rate(s):	\$0.0266 per MMBtu plus applicable surcharges and fuel retention
Point Qualification(s):	The Negotiated commodity rates above are applicable to the Qualified Delivery Point(s) and Eligible Delivery Point(s) only.
Other:	The Negotiated commodity rates are limited to a total of 5,000 MMBtu/d

Texas Gas' applicable maximum rates and charges continue to apply except as expressly agreed herein. In the event of a conflict between this agreement and the tariff, the tariff will control.

.4084

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : JUNE 2, 2010

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.				
TARIFF RATE EFFECTIVE DATE :				
				FTS-1: 10/1/2009
				FTS-2: 10/1/2009
<u>BILLING DEMAND - TARIFF RATE - FTS-1</u>				
Maximum Daily Quantity	3.1450	22,782	5	358,247
Maximum Daily Quantity	3.1450	17,598	7	387,420
Maximum Daily Quantity	3.1450	18,000	5	283,050
<u>BILLING DEMAND - TARIFF RATE - FTS-2</u>				
Maximum Daily Quantity	0.9995	15,000	5	74,963
Maximum Daily Quantity	0.9995	15,000	7	104,948
CAPACITY RELEASE CREDIT FOR FTS-1				0
CAPACITY RELEASE CREDIT FOR FTS-2				0
TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES				1,208,628
INTERSTATE PIPELINE : KO TRANSMISSION COMPANY				
TARIFF RATE EFFECTIVE DATE :				10/1/2009
<u>BILLING DEMAND - TARIFF RATE - FT</u>				
Maximum Daily Quantity	0.3560	72,000	12	307,584
CAPACITY RELEASE CREDIT				0
TOTAL KO TRANSMISSION CO. DEMAND CHARGES				307,584
VARIOUS GAS MARKETERS FIXED (RESERVATION) CHARGES :				
November - March	0.0022	14,940,740		33,283
December - February	0.108	125,000		13,500
TOTAL GAS MARKETERS FIXED CHARGES				46,783

Currently Effective Rates
 Applicable to Rate Schedule FTS-1
 Rates per Dth

	Base Rate (1) \$	Annual Charge Adjustment (2) \$ 1/	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Unaccounted For (6) %	Company Use and Unaccounted For (7) %
Rate Schedule FTS-1 Rayne, LA To Points North Reservation Charge 2/	3.1450	-	3.1450	3.1450	0.1034		
Commodity							
Maximum	0.0170	0.0019	0.0189	0.0189	0.0189	0.644	3.028
Minimum	0.0170	0.0019	0.0189	0.0189	0.0189	0.644	3.028
Overrun	0.1204	0.0019	0.1223	0.1223	0.1223	0.644	3.028

1/ Pursuant to Section 154.402 of the Commission's Regulations. Rate applies to all Gas Delivered and is non-cumulative, i.e.. when transportation involves more than one zone, rate will be applied only one time.

2/ The Minimum Rate under Reservation Charge is zero (0).

Currently Effective Rates
 Applicable to Rate Schedule FTS-2
 Rates per Dth

	Base Rate (1) \$	Annual Charge Adjustment (2) \$ 1/	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Company Use and Unaccounted For (6) ¢
Rate Schedule <u>FTS-2</u>						
Offshore Laterals						
Reservation Charge 2/	2.6700	-	2.6700	2.6700	0.0878	-
Commodity						
Maximum	0.0002	0.0019	0.0021	0.0021	0.0021	0.649
Minimum	0.0002	0.0019	0.0021	0.0021	0.0021	0.649
Overrun	0.0880	0.0019	0.0899	0.0899	0.0899	0.649
Onshore Laterals						
Reservation Charge 2/	1.0603	-	1.0603	<u>1.0603</u>	0.0349	-
Commodity						
Maximum	0.0017	<u>0.0019</u>	0.0036	0.0036	0.0036	0.894
Minimum	0.0017	0.0019	0.0036	0.0036	0.0036	0.894
Overrun	0.0366	0.0019	0.0385	0.0385	0.0385	0.894
Offsystem-Onshore						
Reservation Charge 2/	2.5255	-	2.5255	2.5255	0.0830	-
Commodity						
Maximum	0.0070	0.0019	0.0089	0.0089	0.0089	-
Minimum	0.0070	0.0019	0.0089	0.0089	0.0089	-
Overrun	0.0900	0.0019	0.0919	0.0919	0.0919	-

discounted to .9995

1/ Pursuant to Section 154.402 of the Commission's Regulations. Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more than one zone, rate will be applied only one time.

2/ The Minimum Rate under Reservation Charge is zero (0).

**CURRENTLY EFFECTIVE RATES
 APPLICABLE TO RATE SCHEDULES FTS AND ITS**

RATE LEVELS – RATE PER DTH

	Base Tariff Rate	Annual Charge Adjustment 1/	Total Effective Rate
RATE SCHEDULE FTS			
Reservation Charge 2/			
Maximum 1	\$0.3560	--	\$0.3560
Maximum 2	\$0.3560	--	\$0.3560
Daily Rate – Maximum 1	\$0.0117	--	\$0.0117
Daily Rate – Maximum 2	\$0.0117	--	\$0.0117
Commodity			
Maximum	\$0.0000	\$0.0019	\$0.0019
Minimum	\$0.0000	\$0.0019	\$0.0019
Overrun	\$0.0117	\$0.0019	\$0.0136
RATE SCHEDULE ITS			
Commodity			
Maximum	\$0.0117	\$0.0019	\$0.0136
Minimum	\$0.0000	\$0.0019	\$0.0019

1/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's regulations and will be charged pursuant to Section 23 of the General Terms and Conditions at such time that initial and successive annual ACA assessments applicable to Transporter are made.

2/ Minimum reservation charge is \$0.00.

Transportation Retainage Adjustment 0.58%

NOTE Utilizing GISB standards 5 3 22 and 5 3 23, Transporter's Rate Schedule FTS Reservation Charge can be converted to an applicable daily rate by dividing the above monthly rate by 30 4 days

5/10/2010

**DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 6/1/2010**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ **33,283** (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES **14,940,740** DTH (2)

CALCULATED RATE: \$ **0.0022** PER DTH

- (1) Reservation charges billed by firm suppliers for 2009 - 2010.
- (2) Contracted volumes for the 2009 - 2010 winter season.

5/10/2010

**DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM NEEDLE PEAKING SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 6/1/2010**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ 13,500 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 125,000 DTH (2)

CALCULATED RATE: \$ 0.1080 PER DTH

- (1) Reservation charges billed by needle peaking suppliers for 2009 - 2010.
- (2) Contracted volumes for the 2009 - 2010 winter season.

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : JUNE 2, 2010

GAS COMMODITY RATE FOR JUNE, 2010:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$5.5284	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.500%	\$0.1382	\$5.6666	\$/Dth
DTH TO MCF CONVERSION	1.0217	\$0.1230	\$5.7896	\$/Mcf
ESTIMATED WEIGHTING FACTOR	100.000%		\$5.7896	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$5.790	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$6.3815	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$6.3968	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.062%	\$0.1319	\$6.5287	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0224	\$6.5511	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0019	\$6.5530	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.500%	\$0.1638	\$6.7168	\$/Dth
DTH TO MCF CONVERSION	1.0217	\$0.1458	\$6.8626	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.000	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.44920	\$/Gallon
GALLON TO MCF CONVERSION	14.84	\$6.2169	\$6.6661	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
PROPANE COMMODITY RATE			\$0.000	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 05/10/10 and contracted hedging prices.

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
SUPPLIER REFUND ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED FEBRUARY 28, 2010

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD		
December 1 2009 THROUGH FEBRUARY 28, 2010	\$	21,718.14
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		0.9987
REFUNDS INCLUDING INTEREST (\$21,718.14 x 0.9987)	\$	21,689.91
DIVIDED BY TWELVE MONTH SALES ENDED May 31, 2011	MCF	10,675,995
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>(0.002)</u>

DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED FEBRUARY 28, 2010

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		
Columbia Gulf Transmission - December 18, 2009	\$	20,873.94
Columbia Gas Transmission - December 18, 2009		287.20
Columbia Gas Transmission - December 18, 2009		197.98
Columbia Gas Transmission - January 19, 2010		227.27
Columbia Gulf Transmission - February 19, 2010		131.75
TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA	\$	<u>21,718.14</u>

RAU

GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
ACTUAL ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED FEBRUARY 28, 2010

DESCRIPTION	UNIT	DECEMBER	JANUARY	FEBRUARY
<u>SUPPLY VOLUME PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	MCF	1,948,020	2,420,192	2,097,069
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	127	472	2,306
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	(3,545)	(6,357)	(10,159)
TOTAL SUPPLY VOLUMES	MCF	<u>1,944,602</u>	<u>2,414,307</u>	<u>2,089,216</u>
<u>SUPPLY COST PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	\$	12,301,384	16,098,931	13,417,381
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	867	3,639	17,686
OTHER COSTS (SPECIFY):				
X-5 TARIFF (\$)	\$	0	0	0
GAS COST UNCOLLECTIBLE	\$	0	(38,580)	(125,085)
MANAGEMENT FEES	\$	(63,375)	(63,375)	(63,375)
TRANSPORTATION SERVICE "UNACCOUNTED FOR"(\$)	\$	0	0	0
GAS COST CREDIT (\$)	\$	0	0	0
LOSSES - DAMAGED LINES	\$	(11,495)	0	0
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>12,227,381</u>	<u>16,000,615</u>	<u>13,246,607</u>
<u>SALES VOLUMES</u>				
JURISDICTIONAL	MCF	1,404,077.5	2,320,979.0	2,175,769.1
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	<u>1,404,077.5</u>	<u>2,320,979.0</u>	<u>2,175,769.1</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	8.708	6.894	6.088
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>6.278</u>	<u>6.849</u>	<u>7.196</u>
DIFFERENCE	\$/MCF	2.430	0.045	(1.108)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,404,077.5</u>	<u>2,320,979.0</u>	<u>2,175,769.1</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>3,411,908.33</u>	<u>104,444.06</u>	<u>(2,410,752.16)</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>1,105,600.23</u>
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>1,105,600.23</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>May 31,</u> 2011	MCF			10,675,995.0
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>0.104</u>
AAU				

**GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
BALANCE ADJUSTMENT
DETAILS FOR THE TWELVE MONTH PERIOD ENDED FEBRUARY 28, 2010**

DESCRIPTION	UNIT	AMOUNT
<u>RECONCILIATION OF A PREVIOUS GAS COST VARIANCE</u>		
GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE MARCH 1 2009	\$	7,450,963.16
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ 0.723 /MCF APPLIED TO TOTAL SALES OF 10,416,242 MCF (TWELVE MONTHS ENDED FEBRUARY 28, 2010)	\$	<u>7,530,943.24</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>(79,980.08)</u>
<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND</u>		
SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE MARCH 1 2009	\$	(48,868.70)
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ (0.005) /MCF APPLIED TO TOTAL SALES OF 10,416,242 MCF (TWELVE MONTHS ENDED FEBRUARY 28, 2010)	\$	<u>(52,081.22)</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>3,212.52</u>
<u>RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT</u>		
AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE MARCH 1 2009	\$	7,962.19
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ 0.001 /MCF APPLIED TO TOTAL SALES OF 10,416,242 MCF (TWELVE MONTHS ENDED FEBRUARY 28, 2010)	\$	<u>10,416.24</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>(2,454.05)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>(79,221.61)</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED May 31, 2011	MCF	<u>10,675,995</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u><u>(0.007)</u></u>
BAU		

REVISED TARIFFS

INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<u>SERVICE REGULATIONS</u>				
Service Agreements.....	20	01/04/10	01/04/10	
Supplying and Taking of Service.....	21	01/04/10	01/04/10	
Customer's Installation.....	22	01/04/10	01/04/10	
Company's Installation.....	23	01/04/10	01/04/10	
Metering.....	24	01/04/10	01/04/10	
Billing and Payment.....	25	01/04/10	01/04/10	
Deposits.....	26	01/04/10	01/04/10	
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Gas Space Heating Regulations.....	28	01/04/10	01/04/10	
Availability of Gas Service.....	29	01/04/10	01/04/10	
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Rate GS, General Service.....	31	06/02/10	06/02/10	(T)
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<u>TRANSPORTATION TARIFF SCHEDULE</u>				
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Rate FT-L, Firm Transportation Service.....	51	01/04/10	01/04/10	
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Rate AS, Pooling Service for Interruptible Transportation.....	55	01/04/10	01/04/10	
Reserved for Future Use.....	56			
Rate GTS, Gas Trading Service.....	57	01/04/10	01/04/10	
Rate IMBS, Interruptible Monthly Balancing Service.....	58	01/04/10	01/04/10	
Rate DGS, Distributed Generation Service.....	59	01/04/10	01/04/10	

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

Issued:

Effective: June 2, 2010

Issued by Julie Janson, President

INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED (Contd.)

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<u>RIDERS</u>				
Rider X, Main Extension Policy.....	60	01/04/10	01/04/10	
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Rider DSMR, Demand Side Management Rate.....	62	04/01/10	04/01/10	
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Rider GCAT, Gas Cost Adjustment Transition Rider.....	77	06/02/10	06/02/10	(T)
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Issued by authority of an Order of the Kentucky Public Service Commission dated
 _____ in Case No. _____.

Issued:

Effective: June 2, 2010

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.
525 W. Fifth Street, Suite 228
Covington, Kentucky 41011

KY.P.S.C. Gas No. 2
Forty-Fifth Revised Sheet No. 30
Cancelling and Superseding
Forty-Fourth 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: \$16.00

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a commodity Charge for all CCF at	\$0.37213	plus	\$0.6515	Equals	\$1.02363	(I)

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.

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:

Effective: June 2, 2010

Issued by Julie Janson, President

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

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	\$0.20530	Plus	\$0.6515	Equals	\$0.8568	(I)

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 shall be the minimum amount billed per month.

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 April 29, 2010 in Case No. 2010-00153.

Duke Energy Kentucky, Inc.
525 W. Fifth Street, Suite 228
Covington, Kentucky 41011

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

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 \$0.113 per 100 cubic feet. This rate shall be in effect during the month of June 2010 through August 2010 and shall be updated quarterly, concurrent with the Company's GCA filings.

(I)
(T)

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

Issued:

Effective: June 2, 2010

Issued by Julie Janson, President

DUKE ENERGY KENTUCKY
SUPPLEMENTAL INFORMATION
FOR THE EXPECTED GAS COST (EGC) RATE CALCULATION
OF THE GAS COST RECOVERY RATE
IN EFFECT AS OF JUNE 2, 2010

2nd QUARTER INT

DUKE ENERGY Kentucky, Inc.
USED FOR GCA EFFECTIVE JUNE 2, 2010

COMPUTATION OF THE INTEREST FACTOR
FOR THE GCA CALCULATION ON SCHEDULE II

TWELVE MONTHS ENDED MARCH 31, 2010
BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)

INTEREST RATE -0.0024

PAYMENT 0.083225

ANNUAL TOTAL 0.9987

MONTHLY INTEREST (0.000200)

AMOUNT 1

MARCH	2009	0.84	
APRIL	2009	0.51	
MAY	2009	0.32	
JUNE	2009	0.35	
JULY	2009	0.28	
AUGUST	2009	0.25	
SEPTEMBER	2009	0.19	
OCTOBER	2009	0.18	
NOVEMBER	2009	0.16	
DECEMBER	2009	0.20	
JANUARY	2010	0.18	
FEBRUARY	2010	0.22	3.68
MARCH	2010	0.25	3.09

PRIOR ANNUAL TOTAL 3.68

PLUS CURRENT MONTHLY RATE 0.25

LESS YEAR AGO RATE 0.84

NEW ANNUAL TOTAL 3.09

AVERAGE ANNUAL RATE 0.26

LESS 0.5% (ADMINISTRATIVE) (0.24)

DUKE ENERGY COMPANY KENTUCKY
 DETERMINATION OF TOTAL SUPPLY COST
 MONTH OF December 2009

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	12,311,899	
adjustments	(17,966)	
IT monthly charges entered by Gas Supply	7,451.31	12,301,384
<u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	0.00	0
PLUS: INCLUDABLE PROPANE		
a/c 728-3 Erlanger	866.96	867
<u>LESS: X-5 TARIFF</u>	0.00	0
LESS TENASKA MARKETING VENTURES MANAGEMENT FEE	63,375.00	(63,375)
LESS: TOP TRANSP. RECOVERIES	0.00	0
LESS: GAS LOSSES - DAMAGED LINES	11,494.74	(11,495)
adjustments	0.00	
	0.00	0
LESS: GAS COST CREDIT	0.00	0
<u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	0.00	0
TOTAL SUPPLY COSTS		12,227,381

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	3,411,908.33
ACCOUNT 805-10	(3,411,908.33)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

December 2009

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>December 2010</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	1,948,020
Utility Production	MCF	0
Includable Propane	MCF	127
Other Volumes (Specify) - Previous Month Adj.	MCF	(3,545)
TOTAL SUPPLY VOLUMES	MCF	<u>1,944,602</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	12,301,384
Includable Propane	\$	867
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(63,375)
- Losses-Damaged Lines	\$	(11,495)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>12,227,381</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	1,404,077.5
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>1,404,077.5</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	8.708
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.278</u>
DIFFERENCE	\$/MCF	2.430
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,404,077.5</u>
MONTHLY COST DIFFERENCE	\$	<u><u>3,411,908.33</u></u>

DUKE ENERGY COMPANY KENTUCKY

December 2009

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	1,404,077.5	8,814,756.93	6.27797036
RA		(8,455.45)	
AA		520,925.60	
BA		<u>(59,121.37)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>9,268,105.71</u>	
TOTAL SALES VOLUME	1,404,077.5		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>1,404,077.5</u>		

PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY

SUPPLIER COST - CURRENT MONTH	1,404,077.5	12,227,381.00	8.70848012
UNRECOVERED PURCHASED GAS COST		(2,890,982.73)	
ROUNDING(ADD/(DEDUCT))		<u>(715.74)</u>	
TOTAL GAS COST IN REVENUE		<u>9,335,682.53</u>	
TOTAL GAS COST RECOVERY(GCR)		9,268,105.71	
LESS: RA		(8,455.45)	
BA		<u>(59,121.37)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>9,335,682.53</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(2,890,982.73)	
LESS: AA		<u>520,925.60</u>	
MONTHLY COST DIFFERENCE		(3,411,908.33)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(3,412,624.07)</u>	
ROUNDING		<u>(715.74)</u>	

DUKE ENERGY COMPANY KENTUCKY
 GAS SERVICE
 SUMMARY OF GCA COMPONENTS
 MONTH: December 2009

REVISED IN FEB 2010

BILL CODE	REPORTED SALES	EGC		RECONCILIATION ADJUSTMENT					ACTUAL ADJUSTMENT					BALANCE ADJUSTMENT					
		\$/MCF	\$	CURRENT (0.001)	PREVIOUS 0.000	SEC.PREV. 0.000	THRD.PREV. (0.005)	TOTAL RA	CURRENT (0.022)	PREVIOUS (0.298)	SEC.PREV. (0.034)	THRD.PREV. 0.723	TOTAL AA	CURRENT (0.015)	PREVIOUS 0.004	SEC.PREV. (0.032)	THRD.PREV. 0.001	TOTAL BA	
048	0.0	9.493	0.00																
068	3.4	11.285	38.37																
078	1.7	10.907	18.54																
088	5.5	11.243	61.84																
108	5.2	11.303	58.78																
118	13.8	12.592	173.77																
128	35.1	10.410	365.39																
148	59.3	9.391	556.89																
158	92.2	8.899	820.49																
168	(404.8)	8.800	(3,562.24)																
019	208.3	8.191	1,706.19																
039	(677.4)	8.292	(5,617.00)																
049	2,072.4	7.418	15,373.06				(10.36)	(10.36)										2.07	
069	154.0	5.713	879.80				(0.77)	(0.77)										0.15	
079	(303.7)	5.877	(1,784.84)				1.52	1.52										(0.30)	
089	413.2	6.785	2,803.56			0.00	(2.07)	(2.07)										12.47	
109	18.1	6.083	110.10			0.00	(0.09)	(0.09)										12.47	
119	(18.5)	6.185	(114.42)			0.00	0.09	0.09										(12.81)	
129	(362.5)	6.474	(2,346.83)		0.00	0.00	1.81	1.81										(0.56)	
149	(899.2)	5.200	(4,675.84)		0.00	0.00	4.50	4.50										0.57	
159	(4,051.3)	6.497	(26,321.30)		0.00	0.00	20.26	20.26										9.79	
169	1,407,712.7	6.277	8,836,212.62	(1,407.71)	0.00	0.00	(7,038.56)	(8,446.27)										24.27	
TOTAL	1,404,077.5		8,814,756.93	(1,407.71)	0.00	0.00	(7,023.67)	(8,431.38)	(30,969.68)	(419,498.38)	(47,862.23)	1,017,776.28	519,445.99	(21,115.69)	5,630.85	(45,046.81)	1,407.71	(59,123.94)	
TRANSPORTATION:																			
Customer Choice Program (GCAT):																			
029	0.0						0.00	0.00										0.00	
059	0.0						0.00	0.00										0.00	
099	0.0						(24.07)	(24.07)										(129.99)	
139	4,814.5			0.00	0.00	0.00	(24.07)	(24.07)	0.00	(1,434.72)	(163.69)	3,480.88	1,882.47	0.00	19.26	(154.06)	4.81	0.00	
179				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FT CHOICE	4,814.5			0.00	0.00	0.00	(24.07)	(24.07)	0.00	(1,434.72)	(163.69)	3,480.88	1,882.47	0.00	19.26	(154.06)	4.81	(129.99)	
TOTAL FOR CHOICE				0.00	0.00	0.00	(24.07)	(24.07)	0.00	(1,434.72)	(163.69)	3,480.88	1,882.47	0.00	19.26	(154.06)	4.81	(129.99)	
TOTAL FOR GCR				(1,407.71)	0.00	0.00	(7,047.74)	(8,455.45)	(30,969.68)	(419,349.82)	(47,859.32)	1,019,104.42	520,925.60	(21,115.69)	5,628.85	(45,044.07)	1,409.54	(59,121.37)	
CONTROL CK																			
positive=recovered=cr 25313																			
negative=reduce refund=dr 25313																			
CONTROL CK																			
positive=recovered=cr 19140																			
negative=refund=dr 19140																			
CONTROL CK																			
positive=recovered=cr 25313																			
negative=reduce refund=dr 25313																			
FT:																			
NON-P	125,631.5																		
PURCH	0.0																		
FT	125,631.5																		
IT:																			
NON-P	137,173.1																		
PURCH	0.0																		
IT	137,173.1																		
TOTAL	1,671,696.6																		
ADJUSTED EGC		6.278																	

Note: The most current Bill Code includes interdept. sales, if any.

PREPARED BY: Dana Patten 5/12/10 9:44 AM

REVIEWED BY: R:\Data\Excel Files\Closing\ULH-GCAGCA 2009\GCA 2009.xls\Dec 2009 Revised Feb 2010

DUKE ENERGY COMPANY KENTUCKY
 DETERMINATION OF TOTAL SUPPLY COST
 MONTH OF January 2010

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	16,105,182.12	
adjustments	(5,206.80)	
IT monthly charges entered by Gas Supply	<u>(1,043.97)</u>	16,098,931
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 PLUS: INCLUDABLE PROPANE		
a/c 728-3 Erlanger	3,638.97	3,639
 PLUS: GAS COST UNCOLLECTIBLE	(38,580.00)	(38,580)
 <u>LESS: X-5 TARIFF</u>	0.00	0
LESS TENASKA MARKETING VENTURES MANAGEMENT FEE	63,375.00	(63,375)
 LESS: TOP TRANSP. RECOVERIES	0.00	0
LESS: GAS LOSSES - DAMAGED LINES	0.00	0
adjustments	<u>0.00</u>	0
LESS: GAS COST CREDIT	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		<u><u>16,000,615</u></u>

<u>ACCOUNTING ENTRY FOR DEFERRAL ONLY</u>	<u>AMOUNT</u>
ACCOUNT 191-40	104,444.06
ACCOUNT 805-10	(104,444.06)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

January 2010

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>January 2010</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	2,420,192
Utility Production	MCF	0
Includable Propane	MCF	472
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(6,357)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>2,414,307</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	16,098,931
Includable Propane	\$	3,639
Gas Cost Uncollectible	\$	(38,580)
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(63,375)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>16,000,615</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	2,320,979.0
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u> </u>
TOTAL SALES VOLUME	MCF	<u>2,320,979.0</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.894
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.849</u>
DIFFERENCE	\$/MCF	0.045
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>2,320,979.0</u>
MONTHLY COST DIFFERENCE	\$	<u><u>104,444.06</u></u>

DUKE ENERGY COMPANY KENTUCKY

January 2010

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	2,320,979.0	15,895,619.10	6.84866994
RA		(13,990.11)	
AA		860,933.60	
BA		<u>(97,898.10)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>16,644,664.49</u>	
TOTAL SALES VOLUME	2,320,979.0		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>2,320,979.0</u>		

PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY

SUPPLIER COST - CURRENT MONTH	2,320,979.0	16,000,615.00	6.89390770
UNRECOVERED PURCHASED GAS COST		756,489.54	
ROUNDING(ADD/(DEDUCT))		<u>(551.83)</u>	
TOTAL GAS COST IN REVENUE		<u>16,756,552.71</u>	
TOTAL GAS COST RECOVERY(GCR)		16,644,664.49	
LESS: RA		(13,990.11)	
BA		<u>(97,898.10)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>16,756,552.70</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		756,489.54	
LESS: AA		<u>860,933.60</u>	
MONTHLY COST DIFFERENCE		(104,444.06)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(104,995.89)</u>	
ROUNDING		<u>(551.83)</u>	

DUKE ENERGY COMPANY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: January 2010

BILL CODE	REPORTED SALES	EGC		RECONCILIATION ADJUSTMENT					ACTUAL ADJUSTMENT					BALANCE ADJUSTMENT					
		\$/MCF	\$	CURRENT (0.001)	PREVIOUS 0.000	SEC.PREV. 0.000	THRD.PREV. (0.005)	TOTAL RA	CURRENT (0.022)	PREVIOUS (0.298)	SEC.PREV. (0.034)	THRD.PREV. 0.723	TOTAL AA	CURRENT (0.015)	PREVIOUS 0.004	SEC.PREV. (0.032)	THRD.PREV. 0.001	TOTAL BA	
038	3.2	9.531	30.50																
048	4.5	9.493	42.72																
068	5.1	11.285	57.55																
078	4.6	10.907	50.17																
088	4.8	11.243	53.97																
108	8.2	11.303	92.68																
118	7.9	12.592	99.48																
128	10.0	10.410	104.10																
148	21.6	9.391	202.85																
158	43.6	8.899	388.00																
168	(14.1)	8.800	(124.08)																
019	73.1	8.191	598.76																
039	103.2	8.292	855.73																
049	925.3	7.418	6,863.88				(4.63)	(4.63)				668.99	668.99				0.93	0.93	
069	192.6	5.713	1,100.32				(0.96)	(0.96)				139.25	139.25				0.19	0.19	
079	(137.2)	5.877	(806.32)				0.69	0.69				(99.20)	(99.20)				(0.14)	(0.14)	
089	322.3	6.785	2,186.81			0.00	(1.61)	(1.61)			(10.96)	233.02	222.06			(10.31)	0.32	(9.99)	
109	79.3	6.083	482.38			0.00	(0.40)	(0.40)			(2.70)	57.33	54.63			(2.54)	0.08	(2.46)	
119	69.1	6.185	427.38			0.00	(0.35)	(0.35)			(2.35)	49.96	47.61			(2.21)	0.07	(2.14)	
							0.00	0.00				0.00	0.00				0.00	0.00	
129	90.5	6.474	585.90		0.00	0.00	(0.45)	(0.45)			(26.97)	(3.08)	65.43	35.38		0.36	(2.90)	0.09	(2.45)
149	(156.2)	5.200	(812.24)		0.00	0.00	0.78	0.78			46.55	5.31	(112.93)	(61.07)		(0.62)	5.00	(0.16)	4.22
159	(485.8)	6.497	(3,156.24)		0.00	0.00	2.43	2.43			144.77	16.52	(351.23)	(189.94)		(1.94)	15.55	(0.49)	13.12
169	(12,747.4)	6.277	(80,015.43)	12.75	0.00	0.00	63.74	76.49	280.44	3,798.73	433.41	(9,216.37)	(4,703.79)	191.21	(50.99)	407.92	(12.75)	535.39	
010	2,332,550.8	6.845	15,966,310.23	(2,332.55)	0.00	0.00	(11,662.75)	(13,995.30)	(51,316.12)	(695,100.14)	(79,306.73)	1,686,434.23	860,711.24	(34,988.26)	9,330.20	(74,641.63)	2,332.55	(97,967.14)	
TOTAL	2,320,979.0		15,895,619.10	(2,319.80)	0.00	0.00	(11,603.51)	(13,923.31)	(51,035.68)	(691,137.06)	(78,870.58)	1,677,868.48	856,825.16	(34,797.05)	9,277.01	(74,231.12)	2,320.69	(97,430.47)	
TRANSPORTATION:																			
Customer Choice Program (GCAT):																			
029	0.0																		
059	0.0						0.00	0.00					0.00					0.00	0.00
099	0.0						0.00	0.00					0.00					0.00	0.00
139	0.0						0.00	0.00					0.00					0.00	0.00
179	0.0						0.00	0.00					0.00					0.00	0.00
020	11,134.0			(11.13)	0.00	0.00	(55.67)	(66.80)	(244.95)	(3,317.93)	(378.56)	8,049.88	4,108.44	(167.01)	44.54	(356.29)	11.13	(467.63)	
FT CHOICE	11,134.0			(11.13)	0.00	0.00	(55.67)	(66.80)	(244.95)	(3,317.93)	(378.56)	8,049.88	4,108.44	(167.01)	44.54	(356.29)	11.13	(467.63)	
			TOTAL FOR CHOICE	(11.13)	0.00	0.00	(55.67)	(66.80)	(244.95)	(3,317.93)	(378.56)	8,049.88	4,108.44	(167.01)	44.54	(356.29)	11.13	(467.63)	
			TOTAL FOR GCR	(2,330.93)	0.00	0.00	(11,659.18)	(13,990.11)	(51,280.63)	(694,454.99)	(79,249.14)	1,685,918.36	860,933.60	(34,964.06)	9,321.55	(74,587.41)	2,331.82	(97,898.10)	
							CONTROL CK	(13,990.11)				860,933.60					CONTROL CK	(97,898.10)	
							positive=recovered=cr 25313					positive=recovered=cr 19140					positive=recovered=cr 25313		
							negative=reduce refund=dr25313					negative=refund=dr 19140					negative=reduce refund=dr25313		
FT:	NON-P	188,441.5																	
	PURCH	0.0																	
	FT	188,441.5																	
IT:	NON-P	136,065.5																	
	PURCH	0.0																	
	IT	136,065.5																	
	TOTAL	2,656,620.0																	
ADJUSTED EGC		6.849																	

Note: The most current Bill Code includes interdebt. sales, if any.

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DUKE ENERGY COMPANY KENTUCKY
 DETERMINATION OF TOTAL SUPPLY COST
 MONTH OF February 2010

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	13,494,704.27	
adjustments	(76,763.85)	
IT monthly charges entered by Gas Supply	<u>(559.64)</u>	13,417,381
<u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
PLUS: INCLUDABLE PROPANE		
a/c 728-3 Erlanger	17,686.35	17,686
PLUS: GAS COST UNCOLLECTIBLE	(125,085.00)	(125,085)
<u>LESS: X-5 TARIFF</u>	0.00	0
LESS TENASKA MARKETING VENTURES MANAGEMENT FEE	63,375.00	(63,375)
LESS: TOP TRANSP. RECOVERIES	0.00	0
LESS: GAS LOSSES - DAMAGED LINES	0.00	0
adjustments	0.00	
	<u>0.00</u>	0
LESS: GAS COST CREDIT	0.00	0
<u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
TOTAL SUPPLY COSTS		<u><u>13,246,607</u></u>

<u>ACCOUNTING ENTRY FOR DEFERRAL ONLY</u>	<u>AMOUNT</u>
ACCOUNT 191-40	(2,410,752.16)
ACCOUNT 805-10	2,410,752.16

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

REVISED February 2010

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH REVISED February 2010</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	2,097,069
Utility Production	MCF	0
Includable Propane	MCF	2,306
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(10,159)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>2,089,216</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	13,417,381
Includable Propane	\$	17,686
Gas Cost Uncollectible	\$	(125,085)
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(63,375)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>13,246,607</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	2,175,769.1
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>2,175,769.1</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.088
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>7.196</u>
DIFFERENCE	\$/MCF	(1.108)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>2,175,769.1</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(2,410,752.16)</u></u>

DUKE ENERGY COMPANY KENTUCKY

REVISED February 2010

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	2,175,769.1	15,656,529.5	7.19585984
RA		(13,154.25)	
AA		809,139.47	
BA		<u>(92,074.66)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>16,360,440.05</u>	
TOTAL SALES VOLUME	2,175,769.1		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>2,175,769.1</u>		

PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY

SUPPLIER COST - CURRENT MONTH	2,175,769.1	13,246,607.00	6.08824116
UNRECOVERED PURCHASED GAS COST		3,219,891.63	
ROUNDING(ADD/(DEDUCT))		<u>(829.66)</u>	
TOTAL GAS COST IN REVENUE		<u>16,465,668.97</u>	
TOTAL GAS COST RECOVERY(GCR)		16,360,440.05	
LESS: RA		(13,154.25)	
BA		<u>(92,074.66)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>0.00</u>	
		<u>16,465,668.96</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		3,219,891.63	
LESS: AA		<u>809,139.47</u>	
MONTHLY COST DIFFERENCE		2,410,752.16	
EXTENDED MONTHLY COST DIFFERENCE		<u>2,409,922.50</u>	
ROUNDING		<u>(829.66)</u>	

DUKE ENERGY COMPANY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: February 2010

BILL CODE	REPORTED SALES	EGC		RECONCILIATION ADJUSTMENT					ACTUAL ADJUSTMENT					BALANCE ADJUSTMENT				
		\$/MCF	\$	CURRENT (0.001)	PREVIOUS (0.000)	SEC.PREV. (0.000)	THRD.PREV. (0.005)	TOTAL RA	CURRENT (0.022)	PREVIOUS (0.298)	SEC.PREV. (0.034)	THRD.PREV. (0.723)	TOTAL AA	CURRENT (0.015)	PREVIOUS (0.004)	SEC.PREV. (0.032)	THRD.PREV. (0.001)	TOTAL BA
038	0.0	9.531	0.00															
048	0.0	9.493	0.00															
068	0.0	11.285	0.00															
078	0.0	10.907	0.00															
088	0.0	11.243	0.00															
108	0.0	11.303	0.00															
118	2.3	12.592	28.96															
128	8.1	10.410	84.32															
148	10.2	9.391	95.79															
158	26.2	8.899	233.15															
168	(49.6)	8.800	(436.48)															
019	(13.0)	8.191	(106.48)															
039	9.1	8.292	75.46															
049	462.5	7.418	3,430.83				(2.31)	(2.31)				334.39	334.39				0.46	0.46
069	40.2	5.713	229.66				(0.20)	(0.20)				29.06	29.06				0.04	0.04
079	(145.2)	5.877	(853.34)				0.73	0.73				(104.98)	(104.98)				(0.15)	(0.15)
089	189.7	6.785	1,287.11			0.00	(0.95)	(0.95)			(6.45)	137.15	130.70			(6.07)	0.19	(5.88)
109	25.6	6.083	155.72			0.00	(0.13)	(0.13)			(0.87)	18.51	17.64			(0.82)	0.03	(0.79)
119	30.3	6.185	187.41			0.00	(0.15)	(0.15)			(1.03)	21.91	20.88			(0.97)	0.03	(0.94)
129	70.3	6.474	455.12		0.00	0.00	(0.35)	(0.35)		(20.95)	(2.39)	50.83	27.49		0.28	(2.25)	0.07	(1.90)
149	(468.4)	5.200	(2,435.68)		0.00	0.00	2.34	2.34		139.58	15.93	(338.65)	(183.14)		(1.87)	14.99	(0.47)	12.65
159	(683.2)	6.497	(4,438.75)		0.00	0.00	3.42	3.42		203.59	23.23	(493.95)	(267.13)		(2.73)	21.86	(0.68)	18.45
169	(28,941.1)	6.277	(181,663.28)	28.94	0.00	0.00	144.71	173.65	636.70	8,624.45	984.00	(20,924.42)	(10,679.27)	434.12	(115.76)	926.12	(28.94)	1,215.54
010	5,668.5	6.845	38,800.88	(5.67)	0.00	0.00	(28.34)	(34.01)	(124.71)	(1,689.21)	(192.73)	4,098.33	2,091.68	(85.03)	22.67	(181.39)	5.67	(238.08)
030	2,199,526.6	7.184	15,801,399.09	(2,199.53)	0.00	0.00	(10,997.63)	(13,197.16)	(48,389.59)	(655,458.93)	(74,783.90)	1,590,257.73	811,625.31	(32,992.90)	8,798.11	(70,384.85)	2,199.53	(92,380.11)
TOTAL	2,175,769.1		15,656,529.49	(2,176.26)	0.00	0.00	(10,878.86)	(13,055.12)	(47,877.60)	(648,201.47)	(73,964.21)	1,573,085.91	803,042.63	(32,643.81)	8,700.70	(69,613.38)	2,175.78	(91,380.71)
TRANSPORTATION:																		
Customer Choice Program (GCAT):																		
029	0.0																	
059	0.0																	
099	0.0						0.00	0.00				0.00	0.00				0.00	0.00
139	0.0					0.00	0.00	0.00				0.00	0.00				0.00	0.00
179	0.0					0.00	0.00	0.00				0.00	0.00				0.00	0.00
020	16,522.6			(16.52)	0.00	0.00	(82.61)	(99.13)	(363.50)	(4,923.73)	(561.77)	11,945.84	6,096.84	(247.84)	66.09	(528.72)	16.52	(693.95)
FT CHOICE	16,522.6			(16.52)	0.00	0.00	(82.61)	(99.13)	(363.50)	(4,923.73)	(561.77)	11,945.84	6,096.84	(247.84)	66.09	(528.72)	16.52	(693.95)
TOTAL FOR CHOICE				(16.52)	0.00	0.00	(82.61)	(99.13)	(363.50)	(4,923.73)	(561.77)	11,945.84	6,096.84	(247.84)	66.09	(528.72)	16.52	(693.95)
TOTAL FOR GCR				(2,192.78)	0.00	0.00	(10,951.47)	(13,154.25)	(48,241.10)	(653,125.20)	(74,525.98)	1,565,031.75	809,139.47	(32,891.65)	8,766.79	(70,142.10)	2,192.30	(92,074.66)
CONTROL CK																		
positive=recovered=cr 25313																		
negative=reduce refund=dr 25313																		
CONTROL CK																		
positive=recovered=cr 19140																		
negative=refund=dr 19140																		
CONTROL CK																		
positive=recovered=cr 25313																		
negative=reduce refund=dr 25313																		
FT:	NON-P	216,455.8																
	PURCH	0.0																
	FT	216,455.8																
IT:	NON-P	150,796.1																
	PURCH	0.0																
	IT	150,796.1																
	TOTAL	2,559,543.6																
ADJUSTED EGC			7.196															

Note: The most current Bill Code includes interdebt. sales, if any.

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