



Duke Energy Corporation
139 East Fourth Street
P.O. Box 960
Cincinnati, Ohio 45201-0960

February 10, 2012

RECEIVED

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

FEB 10 2012
PUBLIC SERVICE
COMMISSION

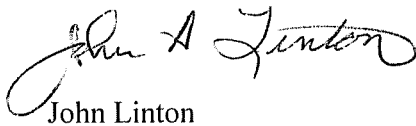
Dear Mr. Derouen:

Enclosed for filing are an original and ten (10) conformed copies of Duke Energy Kentucky's ("Duke") "Monthly Report of Gas Cost Calculations and Tariff Schedules," for the month commencing with the March 2012 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 March 1, 2012 and the NYMEX close on February 7, 2012 for the month of March 2012.

The above described schedules and GCA are effective with the final meter readings of District 1, March 2012 revenue month (i.e., final meter readings on and after March 1, 2012).

Duke's proposed GCA is \$4.199 per Mcf. This rate represents a decrease of \$0.619 per Mcf from the rate currently in effect for February 2012.

Very truly yours,



John Linton

Enclosure

cc: L. Schmidt

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1st Quarter

DUKE ENERGY KENTUCKY, INC
GAS COST ADJUSTMENT CLAUSE

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM March 1, 2012 THROUGH March 29, 2012

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	4.333
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.004)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.134)
BALANCE ADJUSTMENT (BA)	\$/MCF	0.004
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	4.199

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	4.333

SUPPLIER REFUND ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ	\$/MCF	(0.001)
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ	\$/MCF	(0.001)
SECOND PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ	\$/MCF	(0.001)
THIRD PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ	\$/MCF	(0.001)
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.004)

ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	0.174
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.038
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.308)
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.038)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.134)

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	0.000
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.008)
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.001
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.011
BALANCE ADJUSTMENT (BA)	\$/MCF	0.004

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 8373 OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED APRIL 16, 1982.

DATE FILED: February 10, 2012

BY: DON WATHEN

TITLE: VICE-PRESIDENT, RATES

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

"SUMMARY" FOR THE EGC RATE IN EFFECT AS OF MARCH 1, 2012

		\$
<u>DEMAND (FIXED) COSTS:</u>		
Columbia Gas Transmission Corp.		2,780,149
Columbia Gulf Transmission Corp.		1,403,798
KO Transmission Company		307,584
Tennessee Gas Pipeline		497,367
Gas Marketers		1,558,049
TOTAL DEMAND COST:		6,546,947
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	10,221,841 MCF	
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$6,546,947 / 10,221,841 MCF	\$0.640 /MCF
 <u>COMMODITY COSTS:</u>		
Gas Marketers		\$3.043 /MCF
Gas Storage		
Columbia Gas Transmission		\$0.631 /MCF
Propane		\$0.007 /MCF
COMMODITY COMPONENT OF EGC RATE:		\$3.681 /MCF
 <u>OTHER COSTS:</u>		
Net Charge Off ⁽¹⁾	\$17,952 / 1,445,249	\$0.012 /MCF
TOTAL EXPECTED GAS COST:		\$4.333 /MCF

**GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : MARCH 1, 2012

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GAS TRANSMISSION, LLC				
TARIFF RATE EFFECTIVE DATE : FSS: 2/1/2012				
SST: 2/1/2012				
<u>BILLING DEMAND - TARIFF RATE - FSS</u>				
Max. Daily Withdrawl Quan.	1.5090	39,656	12	718,091
Seasonal Contract Quantity	0.0289	1,365,276	12	473,478
<u>BILLING DEMAND - TARIFF RATE - SST</u>				
Maximum Daily Quantity	4.4510	19,828	6	529,527
Maximum Daily Quantity	4.4510	39,656	6	1,059,053
CAPACITY RELEASE CREDIT				0
TOTAL COLUMBIA GAS TRANSMISSION, LLC - DEMAND CHARGES				2,780,149
INTERSTATE PIPELINE : TENNESSEE GAS PIPELINE				
TARIFF RATE EFFECTIVE DATE : 11/1/2011				
<u>BILLING DEMAND - TARIFF RATE - FT-A</u>				
Max. Daily Quantity Zone 2	4.5630	21,800	5	497,367
TOTAL TENNESSEE GAS PIPELINE - DEMAND CHARGES				497,367

Currently Effective Rates
 Applicable to Rate Schedule FSS
 Rate Per Dth

Rate Schedule FSS	Base Tariff Rate 1/	Transportation Cost		Electric Power		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
		Rate Adjustment	Surcharge	Costs Adjustment	Surcharge			
Reservation Charge 3/	\$ 1.509	-	-	-	-	-	1.509 ✓	0.0496
Capacity 3/	¢ 2.89	-	-	-	-	-	2.89	2.89
Injection	¢ 1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	-	1.53 ✓	1.53
Overrun 3/	¢ 10.91	-	-	-	-	-	10.91	10.91

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 \$2.625 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.



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.

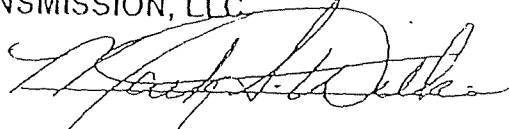
- 3) The discounted rate provided in paragraph one and two above is limited to the primary receipt/delivery point combinations set forth in Appendix A of the above-referenced service agreement. Except to the extent Federal Energy Regulatory Commission ("FERC") policies, rules and/or regulations, and/or 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.

①
C
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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.

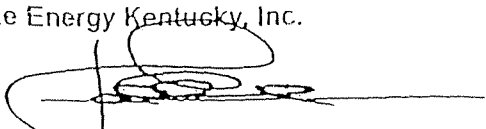
COLUMBIA GAS
TRANSMISSION, LLC

By: 
Its: Director, Commercial Services



PTB
DEF

Duke Energy Kentucky, Inc.

By: 
Its: Group Executive, President and COO
USFE+C

As To Form




RETAINAGE PERCENTAGES

Transportation Retainage	2.229% ✓
Gathering Retainage	0.601%
Storage Gas Loss Retainage	0.030%
Ohio Storage Gas Lost Retainage	0.060%
Columbia Processing Retainage/1	0.000%

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.

GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY

DETAILS FOR THE EGC RATE IN EFFECT AS OF : MARCH 1, 2012

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
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INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.
TARIFF RATE EFFECTIVE DATE : FTS-1: 2/1/2012

BILLING DEMAND - TARIFF RATE - FTS-1

Maximum Daily Quantity	4.2917	22,782	5	488,868
Maximum Daily Quantity	4.2917	17,598	7	528,677
Maximum Daily Quantity	4.2917	18,000	5	386,253

CAPACITY RELEASE CREDIT FOR FTS-1

0

TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES

1,403,798

INTERSTATE PIPELINE : KO TRANSMISSION COMPANY
TARIFF RATE EFFECTIVE DATE : 10/1/2011

BILLING DEMAND - TARIFF RATE - FT

Maximum Daily Quantity	0.3560	72,000	12	307,584
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CAPACITY RELEASE CREDIT

0

TOTAL KO TRANSMISSION CO. DEMAND CHARGES

307,584

VARIOUS GAS MARKETERS FIXED (RESERVATION) CHARGES :

November - March	0.0021	12,407,425		25,764
December - February	0.0447	275,000		12,285

TENASKA STORAGE SERVICE

November - March 1,000,000

1,520,000

TOTAL GAS MARKETERS FIXED CHARGES

1,558,049

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

Rate Schedule FTS-1	<u>Base Rate</u> (1)	<u>Annual Charge</u> <u>Adjustment 1/</u> (2)	<u>Total Effective</u> <u>Rate</u> (3)	<u>Daily Rate</u> (4)
<u>Market Zone</u>				
Reservation Charge				
Maximum	4.2917	-	4.2917	0.1411
Minimum	0.000	-	0.000	0.000
Commodity				
Maximum	0.0109	0.0018	0.0127	0.0127
Minimum	0.0109	0.0018	0.0127	0.0127
Overrun				
Maximum	0.1520	0.0018	0.1538	0.1538
Minimum	0.0109	0.0018	0.0127	0.0127

1/ Pursuant to 18 C.F.R. § 154.402. Rate applies to all Gas delivered. When transportation involves more than one zone, rate will be applied only one time.

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

Rate Schedule FTS-2	<u>Base Rate</u> (1)	<u>Annual Charge</u> <u>Adjustment 1/</u> (2)	<u>Total Effective</u> <u>Rate</u> (3)	<u>Daily Rate</u> (4)
<u>Offshore Zone</u>				
Reservation Charge				
Maximum	2.6700	-	2.6700	0.0878
Minimum	0.0000	-	0.0000	0.0000
Commodity				
Maximum	0.0002	0.0018	0.0020	0.0020
Minimum	0.0002	0.0018	0.0020	0.0020
Overrun				
Maximum	0.0880	0.0018	0.0898	0.0898
Minimum	0.0002	0.0018	0.0020	0.0020

KO Transmission Company, Tariffs, Rate Schedules and Service Agreements			
Filing Category:	Amendment	Filing Date:	08/31/2011
FERC Docket:	RP11-02404-001	FERC Action:	Accept
FERC Order:	Delegated Letter Order	Order Date:	09/15/2011
Effective Date:	10/01/2011	Status:	Effective
Part 3, Currently Effective Rates, 4.0.0			

**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	\$0.0018	\$0.0018
Minimum	\$0.0000	\$0.0018	\$0.0018
Overrun	\$0.0117	\$0.0018	\$0.0135
RATE SCHEDULE ITS			
Commodity			
Maximum	\$0.0117	\$0.0018	\$0.0135
Minimum	\$0.0000	\$0.0018	\$0.0018

^{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 0.94%

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.

**DUKE ENERGY KENTUCKY
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 3/1/2012**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ 25,764 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 12,407,425 Dth (2)

CALCULATED RATE: \$ 0.0021 per Dth

(1) Reservation charges billed by firm suppliers for 2011 - 2012.

(2) Contracted volumes for the 2011 - 2012 winter season.

DUKE ENERGY KENTUCKY
2010/2011 & 2011/2012 WINTER SEASONS
STORAGE AGREEMENT

RECOMMENDATION

This sheet signifies that upper management has approved the Kentucky storage agreements between Duke Energy Kentucky and Tenaska Gas Storage.

Term: Year 1 November 1, 2010- March 31, 2011 ✓
Year 2 November 1, 2011 - March 31, 2012
Withdraw Rights: 20,000 Dth/day
Total Season Withdraws: 1,000,000 Dths
Reservation Charge: \$304,000/Month of Term
Price: Year 1: \$4.9501
Year 2: Average NYMEX Close for Summer Strip on a date to be determined plus \$0.1075

Recommendation: [Signature] Date: 7/10
Approval: [Signature] Date: 3/9/2010
Approval: Patricia K. Walker Date: 3/9/2010

GAS COST ADJUSTMENT
DUKE ENERGY KENTUCKY

DETAILS FOR THE EGC RATE IN EFFECT AS OF : MARCH 1, 2012

GAS COMMODITY RATE FOR MARCH, 2012:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$3.2930	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.800%	\$0.0922	\$3.3852	\$/Dth
DTH TO MCF CONVERSION	1.0087	\$0.0295	\$3.4147	\$/Mcf
ESTIMATED WEIGHTING FACTOR	89.100%		\$3.0425	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$3.043	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$5.4619	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$5.4772	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.229%	\$0.1221	\$5.5993	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0303	\$5.6296	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0018	\$5.6314	\$/Dth
DUKE ENERGY KENTUCKY FUEL	2.800%	\$0.1577	\$5.7891	\$/Dth
DTH TO MCF CONVERSION	1.0087	\$0.0504	\$5.8395	\$/Mcf
ESTIMATED WEIGHTING FACTOR	10.800%		\$0.6307	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.631	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.44920	\$/Gallon
GALLON TO MCF CONVERSION	15.38	\$6.4595	\$6.9087	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.100%		\$0.0069	\$/Mcf
PROPANE COMMODITY RATE			\$0.007	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 2/7/12 and contracted hedging prices.

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

November 30, 2011

DESCRIPTION	UNIT	SEPTEMBER	OCTOBER	NOVEMBER
<u>SUPPLY VOLUME PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	MCF	247,062	471,985	705,837
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	0	0	0
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	994	(522)	(4,775)
TOTAL SUPPLY VOLUMES	MCF	<u>248,056</u>	<u>471,463</u>	<u>701,062</u>
<u>SUPPLY COST PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	\$	1,481,602	2,549,602	4,017,510
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	0	0	0
OTHER COSTS (SPECIFY):				
GAS COST UNCOLLECTIBLE	\$	25,167	17,089	23,811
MANAGEMENT FEE	\$	(63,375)	(63,375)	(34,675)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	0	(53)	(939)
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>1,443,394</u>	<u>2,503,263</u>	<u>4,005,707</u>
<u>SALES VOLUMES</u>				
JURISDICTIONAL	MCF	201,262.0	294,174.1	633,773.1
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	<u>201,262.0</u>	<u>294,174.1</u>	<u>633,773.1</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	7.172	8.509	6.320
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>5.802</u>	<u>5.642</u>	<u>5.261</u>
DIFFERENCE	\$/MCF	1.370	2.867	1.059
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>201,262.0</u>	<u>294,174.1</u>	<u>633,773.1</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>275,728.94</u>	<u>843,397.14</u>	<u>671,165.71</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>1,790,291.79</u>
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>1,790,291.79</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>February 28, 2013</u>	MCF			10,312,867
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>0.174</u>
AAU				

**GAS COST ADJUSTMENT CLAUSE
DUKE ENERGY KENTUCKY, INC
BALANCE ADJUSTMENT
DETAILS FOR THE TWELVE MONTH PERIOD ENDED November 30, 2011**

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 DECEMBER 1, 2010	\$	347,385.21
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ 0.033 /MCF APPLIED TO TOTAL SALES OF 10,566,652 MCF (TWELVE MONTHS ENDED November 30, 2011)	\$	<u>348,699.50</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>(1,314.29)</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 DECEMBER 1, 2010	\$	(6,825.86)
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ (0.001) /MCF APPLIED TO TOTAL SALES OF 10,566,652 MCF (TWELVE MONTHS ENDED November 30, 2011)	\$	<u>(10,566.66)</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>3,740.80</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 DECEMBER 1, 2010	\$	(24,897.25)
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ (0.002) /MCF APPLIED TO TOTAL SALES OF 10,566,652 MCF (TWELVE MONTHS ENDED November 30, 2011)	\$	<u>(21,133.26)</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>(3,763.99)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>(1,337.48)</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED February 28, 2013	MCF	<u>10,312,867</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u><u>0.000</u></u>

Revised Tariffs

INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED

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

Issued: _____

Issued by Julie Janson, President

Effective: March 1, 2012

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

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

Issued: _____

Issued by Julie Janson, President

Effective: March 1, 2012

Duke Energy Kentucky, Inc.
4580 Olympic Blvd.
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
Sixty-Sixth Revised Sheet No. 30
Cancelling and Superseding
Sixty-Fifth 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	\$0.4199	Equals	\$0.79203	(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.

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: _____, 2012

Effective: March 1, 2012

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	\$0.4199	Equals	\$0.6252	(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 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 _____ in Case No. _____

Issued: _____, 2012

Effective: March 1, 2012

Issued by Julie Janson, President

Duke Energy Kentucky, Inc.
4580 Olympic Blvd.
Erlanger, Kentucky 41018

KY.P.S.C. Gas No. 2
Twenty-Third Revised Sheet No. 77
Cancelling and Superseding
Twenty-Second 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 \$(0.0134) per 100 cubic feet. This rate shall be in effect during the month of March 2012 through May 2012 and shall be updated quarterly, concurrent with the Company's GCA filings. (R)

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

Issued:

Effective: March 1, 2012

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 MARCH 1, 2012

1st Quarter

DUKE ENERGY Kentucky, Inc.
USED FOR GCA EFFECTIVE March 1, 2012

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

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

INTEREST RATE	-0.0026
PAYMENT	0.083216
ANNUAL TOTAL	0.9986
MONTHLY INTEREST AMOUNT	(0.000217) 1

DECEMBER	2010	0.39	
JANUARY	2011	0.32	
FEBRUARY	2011	0.30	
MARCH	2011	0.34	
APRIL	2011	0.33	
MAY	2011	0.22	
JUNE	2011	0.24	
JULY	2011	0.23	
AUGUST	2011	0.27	
SEPTEMBER	2011	0.22	
OCTOBER	2011	0.17	
NOVEMBER	2011	0.16	3.19
DECEMBER	2011	0.11	3.30

PRIOR ANNUAL TOTAL	3.19
PLUS CURRENT MONTHLY RATE	0.11
LESS YEAR AGO RATE	0.39
NEW ANNUAL TOTAL	2.91
AVERAGE ANNUAL RATE	0.24
LESS 0.5% (ADMINISTRATIVE)	(0.26)

DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF Sep 2011

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,476,568.81	
adjustments	1,234.13	
IT monthly charges entered by Gas Supply	3,799.46	1,481,602
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	0.00	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>	25,167.00	25,167
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS Tenaska MANAGEMENT FEE</u>	63,375.00	(63,375)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
adjustments	0.00	0
 <u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	0.00	0
TOTAL SUPPLY COSTS		1,443,394

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	275,728.94
ACCOUNT 805-10	(275,728.94)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

Sep 2011

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH Sep 2011</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	247,062
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	994
TOTAL SUPPLY VOLUMES	MCF	248,056
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,481,602
Includable Propane	\$	0
Gas Cost Uncollectible	\$	25,167
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	\$	0
TOTAL SUPPLY COST	\$	1,443,394
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	201,262.0
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	201,262.0
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	7.172
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	5.802
DIFFERENCE	\$/MCF	1.370
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	201,262.0
MONTHLY COST DIFFERENCE	\$	275,728.94

DUKE ENERGY COMPANY KENTUCKY

Sep 2011

	<u>Applied</u>		
	<u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	201,262.0	1,167,647	5.80162629
RA		(812)	
AA		11,982	
BA		<u>1,424</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>1,180,239.50</u>	
TOTAL SALES VOLUME	201,262.0		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>201,262.0</u>		
 <u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	201,262.0	1,443,394.00	7.17171647
UNRECOVERED PURCHASED GAS COST		(263,747.43)	
ROUNDING(ADD/(DEDUCT))		<u>(18.15)</u>	
TOTAL GAS COST IN REVENUE		<u>1,179,628.42</u>	
TOTAL GAS COST RECOVERY(GCR)		1,180,239.50	
LESS: RA		(812.46)	
BA		<u>1,423.54</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u> </u>	
		<u>1,180,850.58</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(263,747.43)	
LESS: AA		<u>11,981.51</u>	
MONTHLY COST DIFFERENCE		(275,728.94)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(275,747.09)</u>	
ROUNDING		<u>(18.15)</u>	

DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: September 2011

BILL CODE	REPORTED SALES	EGC	RECONCILIATION ADJUSTMENT				TOTAL RA	ACTUAL ADJUSTMENT				TOTAL AA	BALANCE ADJUSTMENT				TOTAL BA
			CURRENT (0.001)	PREVIOUS (0.001)	THRD.PREV. (0.001)	THRD.PREV. (0.001)		CURRENT (0.309)	PREVIOUS (0.039)	THRD.PREV. (0.039)	THRD.PREV. (0.039)		CURRENT (0.001)	PREVIOUS (0.011)	THRD.PREV. (0.009)	THRD.PREV. (0.002)	
079		5.877	0.00														
089		6.785	0.00														
109		6.083	0.00														
119		6.185	0.00														
129		6.474	0.00														
149		5.200	0.00														
159		6.497	0.00														
169		6.277	0.00														
010		6.845	0.00														
030	(12.0)	7.184	0.00														
040		6.891	0.00														
060	10.3	5.012	72.01														
070	4.5	5.766	27.05														
080	7.4	6.402	42.67														
100	6.8	6.427	43.53														
110	7.4	6.713	49.68														
120	35.0	6.447	225.65														
140	34.9	6.427	224.30														
150	38.0	5.540	210.52														
160	100.1	5.371	537.64														
011	(1,535.3)	5.433															
031	15.9	5.881	93.51														
041	(29.2)	5.848	(170.79)														
061	2,305.7	5.760	13,280.83														
071	(1,829.0)	5.282	(8,520.67)														
081	(244.1)	5.577	(1,361.35)														
101	978.6	8.021	5,892.15														
111	(4,870.7)	8.343	(30,894.85)														
121	2,446.0	8.041	14,776.23														
TOTAL	203,591.7	5.804	1,181,646.23														
TOTAL	201,282.0		1,167,646.91														
TRANSPORTATION:																	
Customer Choice Program (GCAT):																	
178 & 029																	
059																	
139																	
179 & 020																	
050																	
130																	
170 & 021																	
091																	
131																	
FT CHOICE			1,025.1														
			0.0														
Firm Transportation:			88,511.4														
FT			0.0														
Interruptible Transportation:			88,511.4														
IT			124,344.7														
Grand Total			124,344.7														
ADJUSTED EGC			416,143.2														

JE ID - KUNBILAMZ

88,511.4
0.0
0.0
88,511.4
124,344.7
124,344.7
416,143.2
5.802

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DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF **Oct 2011**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	2,560,941.15	
adjustments	(2,308.90)	
IT monthly charges entered by Gas Supply	<u>(9,030.05)</u>	2,549,602
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>	17,089.00	17,089
 <u>LESS: X-5 TARIFF</u>	0.00	0
<u>LESS Tenaska MANAGEMENT FEE</u>	63,375.00	(63,375)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
<u>LESS: GAS LOSSES - DAMAGED LINES</u>	(52.80)	(53)
adjustments	0.00	
	<u>0.00</u>	0
<u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		<u><u>2,503,263</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	843,397.14
ACCOUNT 805-10	(843,397.14)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

Oct 2011

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH Oct 2011</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	471,985
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(522)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>471,463</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	2,549,602
Includable Propane	\$	0
Gas Cost Uncollectible	\$	17,089
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	\$	(53)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>2,503,263</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	294,174.1
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u></u>
TOTAL SALES VOLUME	MCF	<u>294,174.1</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	8.509
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>5.642</u>
DIFFERENCE	\$/MCF	2.867
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>294,174.1</u>
MONTHLY COST DIFFERENCE	\$	<u><u>843,397.14</u></u>

DUKE ENERGY COMPANY KENTUCKY

Oct 2011

	<u>Applied</u>		
	<u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	294,174.1	1,659,856	5.64242817
RA		(1,181)	
AA		17,826	
BA		<u>2,064</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>1,678,564.99</u>	
TOTAL SALES VOLUME	294,174.1		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>294,174.1</u>		
 <u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	294,174.1	2,503,263.00	8.50946089
UNRECOVERED PURCHASED GAS COST		(825,571.24)	
ROUNDING(ADD/(DEDUCT))		<u>(9.63)</u>	
TOTAL GAS COST IN REVENUE		<u>1,677,682.13</u>	
TOTAL GAS COST RECOVERY(GCR)		1,678,564.99	
LESS: RA		(1,181.14)	
BA		<u>2,064.00</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			
		<u>1,679,447.85</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(825,571.24)	
LESS: AA		<u>17,825.90</u>	
MONTHLY COST DIFFERENCE		(843,397.14)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(843,406.77)</u>	
ROUNDING		<u>(9.63)</u>	

DUKE ENERGY KENTUCKY
GAS SERVICE
SUMMARY OF GCA COMPONENTS
MONTH: October 2011

BILL CODE	REPORTED SALES	MIMEC	EGC \$	RECONCILIATION ADJUSTMENT			TOTAL RA	ACTUAL ADJUSTMENT			TOTAL AA	BALANCE ADJUSTMENT			TOTAL BA
				CURRENT (0.001)	PREVIOUS SEC.PREV. (0.001)	THRD.PREV. (0.001)		CURRENT (0.008)	PREVIOUS SEC.PREV. (0.008)	THRD.PREV. (0.003)		CURRENT (0.001)	PREVIOUS SEC.PREV. (0.003)	THRD.PREV. (0.002)	
079			0.00												
089			6.785				0.86								
109			6.083				(0.21)								
119			6.185				(0.22)								
129			6.474				(1.40)								
149			5.200				1.03								
159			6.497				(0.24)								
169			6.277				(0.83)								
010			6.845				1.29								
030			7.184				(1.03)								
040			6.991				1.17								
080	(7.8)		6.012				(294.48)								
070	3.3		5.766				(294.48)								
080	6.5		6.402				1.17								
100	0.7		8.713				(294.48)								
110	11.2		6.447				1.17								
120	11.8		6.427				1.17								
140	23.0		5.840				1.17								
150	72.4		5.371				1.17								
160	(857.6)		5.433				1.17								
011	206.6		5.881				1.17								
031	219.6		5.849				1.17								
041	1,401.2		5.760				1.17								
061	(1,033.3)		5.292				1.17								
071	235.1		5.577				1.17								
081	833.5		6.021				1.17								
101	(1,285.4)		6.343				1.17								
111	1,026.9		6.041				1.17								
121	(1,168.4)		5.804				1.17								
141	294,475.6		5.841				1.17								
TOTAL	294,174.1		1,659,856.23				1,659,856.23								
TRANSPORTATION:															
Customer Choice Program (GCAT):															
178 & 020															
059															
099															
139															
179 & 020															
050															
080															
130															
170 & 021															
051															
091															
131															
FT CHOICE			1,352.5												
FT CHOICE			1,352.5												
TOTAL FOR CHOICE															
TOTAL FOR GCR															
CONTROL CK (294.66)															
positive-recoveries= 25313															
negative-reduce refund=dr25313															
CONTROL CK (295.84)															
positive-recoveries= 25313															
negative-reduce refund=dr25313															
CONTROL CK (295.41)															
positive-recoveries= 18140															
negative-reduce refund=dr 19140															
CONTROL CK (1,181.14)															
positive-recoveries= 17,925.90															
negative-reduce refund=dr 19140															
CONTROL CK (887.51)															
positive-recoveries= 25313															
negative-reduce refund=dr25313															
CONTROL CK (680.80)															
positive-recoveries= 2,053.93															
negative-reduce refund=dr25313															

JE ID -KUNBIL AMZ

Firm Transportation: 89,631.7
0.0
FT 89,631.7
Interruptible Transportation: 136,051.8
IT 136,051.8
Grand Total 521,210.1 ties to last pg of A
ADJUSTED EGC 5,642.

**DUKE ENERGY COMPANY KENTUCKY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF Nov 2011**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	4,049,168.80	
adjustments	(21,349.54)	
IT monthly charges entered by Gas Supply	<u>(10,308.84)</u>	4,017,510
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>PLUS: GAS COST UNCOLLECTIBLE</u>	23,811.00	23,811
 <u>LESS: X-5 TARIFF</u>	0.00	0
<u>LESS Tenaska MANAGEMENT FEE</u>	34,675.00	(34,675)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
<u>LESS: GAS LOSSES - DAMAGED LINES</u>	(938.85)	(939)
adjustments	0.00	
	<u>0.00</u>	0
<u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		<u><u>4,005,707</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT - 191990/191400	671,165.71
ACCOUNT 805-10	(671,165.71)

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: DUKE ENERGY COMPANY KENTUCKY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

Nov 2011

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH</u> <u>Nov 2011</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	705,837
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(4,775)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>701,062</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	4,017,510
Includable Propane	\$	0
Gas Cost Uncollectible	\$	23,811
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(34,675)
- Losses-Damaged Lines	\$	(939)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>4,005,707</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	633,773.1
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u> </u>
TOTAL SALES VOLUME	MCF	<u>633,773.1</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.320
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>5.261</u>
DIFFERENCE	\$/MCF	1.059
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>633,773.1</u>
MONTHLY COST DIFFERENCE	\$	<u><u>671,165.71</u></u>

DUKE ENERGY COMPANY KENTUCKY

Nov 2011

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	633,773.1	3,334,025	5.26059787
RA		(2,566)	
AA		37,573	
BA		<u>4,498</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>3,373,530.35</u>	
TOTAL SALES VOLUME	633,773.1		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>633,773.1</u>		
<u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	633,773.1	4,005,707.00	6.32041183
UNRECOVERED PURCHASED GAS COST		(633,593.08)	
ROUNDING(ADD/(DEDUCT))		<u>(515.87)</u>	
TOTAL GAS COST IN REVENUE		<u>3,371,598.05</u>	
TOTAL GAS COST RECOVERY(GCR)		3,373,530.35	
LESS: RA		(2,565.62)	
BA		<u>4,497.92</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u> </u>	
		<u>3,375,462.65</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(633,593.08)	
LESS: AA		<u>37,572.63</u>	
MONTHLY COST DIFFERENCE		(671,165.71)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(671,681.58)</u>	
ROUNDING		<u>(515.87)</u>	

