



139 East Fourth Street
P O Box 960
Cincinnati, Ohio 45201-0960
Tel: 513-419-5908
Fax: 513-419-6948
Don.Wathen@duke-energy.com

Don Wathen, Jr.
Manager - Revenue Requirements

VIA OVERNIGHT DELIVERY

February 16, 2007

Ms. Elizabeth O'Donnell, Executive Director
Attention: Daryl Newby
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED
FEB 16 2007
PUBLIC SERVICE
COMMISSION

RECEIVED
FEB 16 2007
FINANCIAL ANA

Dear Ms. O'Donnell and Mr. Newby:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in March 2007.

Please contact me if you have any questions.

Sincerely,

Don Wathen, Jr.

Enclosure

**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: January 2007

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Rate (¢/kWh)</u>
1	Fuel F_m (Schedule 2, Line E)	\$7,054,138.16	
2	Sales S_m (Schedule 3, Line C)	+ 349,428,929	2 0188
3	Base Fuel Rate (F_b/S_b) per PSC Order in Case No 2006-00172	(-)	2 1619
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u><u>(0.1431)</u></u>

Effective Date for Billing:

March 1, 2007

Submitted by:



Title:

Director - Revenue Requirements

Date Submitted:

February 16, 2007

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: January 2007

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned		\$6,082,830.94
Oil Burned	(+)	-
Gas Burned	(+)	162,113.06
Fuel (assigned cost during Forced Outage ^(a))	(+)	4,875.18
Fuel (substitute cost during Forced Outage ^(a))	(-)	16,417.79
Sub-Total		<u>\$6,266,236.97</u>
B Purchases		
Economy Purchases	(+)	\$780,523.82
Other Purchases	(+)	
Other Purchases (substitute for Forced Outage)	(-)	7,377.37
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$787,901.19</u>
C. Inter-System Sales Fuel Costs		\$0.00
D Total Company Over or (Under) Recovery from Schedule 4, Line 12		<u>-</u>
E Total Fuel Costs (A + B - C - D)		<u><u>\$7,054,138.16</u></u> *

Note: ^(a) Forced Outage as defined in 807 KAR 5:056.

* Estimated - to be trued up in the filing next month

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: January 2007

		<u>Kilowatt-Hours Current Month</u>
A Generation (Net)	(+)	338,323,500
<u>Purchases Including Interchange-In</u>	(+)	<u>23,404,170</u>
Sub-Total		<u>361,727,670</u>
 B. Pumped Storage Energy	(+)	-
Inter-System Sales Including Interchange Out	(+)	
<u> System Losses (361,727,670 KWH times 3.4%^(a))</u>	(+)	<u>12,298,741</u>
Sub-Total		<u>12,298,741</u>
 C Total Sales (A - B)		 <u><u>349,428,929</u></u>

Note: ^(a) Average of prior 12 months.



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MAR 20 2007
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VIA OVERNIGHT DELIVERY

March 19, 2007

Ms. Elizabeth O'Donnell, Executive Director

**Attention: Daryl Newby
Chris Whelan**

Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

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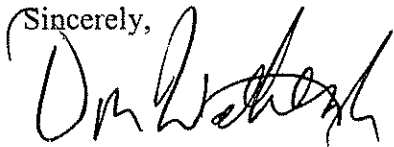
MAR 20 2007

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell, Mr. Newby and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in April 2007.

Please contact me if you have any questions.

Sincerely,


Don Wathen, Jr.

Enclosure

**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: February 2007

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Rate (¢/kWh)</u>
1	Fuel F_m (Schedule 2, Line G)	\$7,959,923.22	
2	Sales S_m (Schedule 3, Line C)	÷ 350,797,908	2.2691
3	Base Fuel Rate (F_b/S_b) per PSC Order in Case No. 2006-00172	(-)	2.1619
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u>0.1072</u>

Other Purchases (substitute for Forced Outage^(a))

Effective Date for Billing: March 30, 2007

Submitted by: _____

Title: Director - Revenue Requirements

Date Submitted: March 20, 2007

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: February 2007

	<u>Dollars (\$)</u>
A. Company Generation	
Coal Burned	\$6,292,535.17
Oil Burned	(+)
Gas Burned	(+)
MISO Make Whole Payments	(-)
Fuel (assigned cost during Forced Outage ^(a))	(+)
Fuel (substitute cost during Forced Outage ^(a))	(-)
Sub-Total	<u>\$6,834,517.16</u>
B. Purchases	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage ^(a))	(-)
Less purchases above highest cost units	(-)
Sub-Total	<u>\$1,172,317.15</u>
C. Inter-System Sales Fuel Costs	\$0.00
D. Total Company Over or (Under) Recovery from Schedule 4, Line 12	-
E. Total Fuel Costs (A + B - C - D)	\$8,006,834.31 ^(b)
F. Adjustment indicating the difference in actual fuel cost for the month of January 2007 and the estimated cost originally reported	
(actual)	\$7,007,227.07
(estimate)	\$7,054,138.16
	(\$46,911.09) ^(c)
G. Grand Total Fuel Cost (E + F)	<u><u>\$7,959,923.22</u></u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056.

^(b) Estimated - to be trued up in the filing next month

^(c) Adjustment includes correction of mathematical error on original January 2007 filing

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: February 2007

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	344,830,540
<u>Purchases Including Interchange-In</u>	(+)	<u>19,824,250</u>
Sub-Total		<u>364,654,790</u>
 B. Pumped Storage Energy	 (+)	 -
Inter-System Sales Including Interchange Out	(+)	
<u>System Losses (364,654,790 KWH times 3.8%^(a))</u>	(+)	<u>13,856,882</u>
Sub-Total		<u>13,856,882</u>
 C. Total Sales (A - B)		 <u><u>350,797,908</u></u>

Note: ^(a) Average of prior 12 months

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: January 2007

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	\$6,310,647.62
Oil Burned	(+)	-
Gas Burned	(+)	146,115.07
MISO Make Whole Payments	(-)	190,255.74
Fuel (assigned cost during Forced Outage ^(a))	(+)	2,697.42
Fuel (substitute cost during Forced Outage ^(a))	(-)	21,039.79
Sub-Total		<u>\$6,248,164.58</u>
B. Purchases		
Economy Purchases	(+)	\$762,469.64
Other Purchases	(+)	
Other Purchases (substitute for Forced Outage ^(a))	(-)	3,407.15
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$759,062.49</u>
C. Inter-System Sales Fuel Costs		\$0.00
D. Total Company Over or (Under) Recovery from Schedule 4, Line 12		-
E. Total Fuel Costs (A + B - C - D)		<u>\$7,007,227.07</u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056



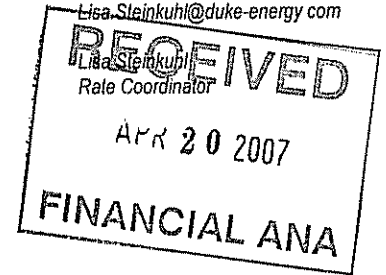
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APR 20 2007

PUBLIC SERVICE
COMMISSION

VIA OVERNIGHT DELIVERY

139 East Fourth Street
P O Box 960
Cincinnati, Ohio 45201-0960
Tel. 513-419-6954
Fax. 513-419-6948
Lisa.Steinkuhl@duke-energy.com



April 19, 2007

Ms. Elizabeth O'Donnell, Executive Director

Attention: **Daryl Newby**

Chris Whelan

Kentucky Public Service Commission

211 Sower Boulevard

P.O. Box 615

Frankfort, Kentucky 40602-0615

Dear Ms. O'Donnell, Mr. Newby and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in May 2007.

Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Enclosure

**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: March 2007

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line G)	\$5,991,893.63	
2	Sales S_m (Schedule 3, Line C)	÷ 320,200,224	1.8713
3	Base Fuel Rate (F_b/S_b) per PSC Order in Case No. 2006-00172	(-)	2.1619
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u><u>(0.2906)</u></u>

Other Purchases (substitute for Forced Outage^(a))

Effective Date for Billing: May 1, 2007

Submitted by: *Lisa D. Stenkubel*

Title: Rate Coordinator

Date Submitted: April 20, 2007

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: March 2007

	<u>Dollars (\$)</u>
A. Company Generation	
Coal Burned	\$7,680,999.24
Oil Burned	(+)
Gas Burned	(+)
MISO Make Whole Payments	(-)
Fuel (assigned cost during Forced Outage ^(a))	(+)
Fuel (substitute cost during Forced Outage ^(a))	(-)
Sub-Total	<u>\$7,508,113.07</u>
B. Purchases	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage ^(a))	(-)
Less purchases above highest cost units	(-)
Sub-Total	<u>\$50,081.40</u>
C. Non-Native Sales Fuel Costs	\$1,363,225.09
D. Total Company Over or (Under) Recovery from Schedule 5, Line 12	<u>\$34,585.35</u>
E. Total Fuel Costs (A + B - C - D)	\$6,160,384.03 ^(b)
F. Adjustment indicating the difference in actual fuel cost for the month of February 2007 and the estimated cost originally reported	
reported	\$7,791,432.82 - \$7,959,923.22
(actual) (estimate)	(\$168,490.40)
G. Grand Total Fuel Cost (E + F)	<u><u>\$5,991,893.63</u></u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056.

^(b) Estimated - to be trued up in the filing next month

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: March 2007

		<u>Kilowatt-Hours Current Month</u>
A Generation (Net)	(+)	409,726,990
<u>Purchases Including Interchange-In</u>	(+)	<u>8,215,110</u>
Sub-Total		<u>417,942,100</u>
 B Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	84,400,200
<u>System Losses (333,541,900 KWH times 4.0%^(a))</u>	(+)	<u>13,341,676</u>
Sub-Total		<u>97,741,876</u>
 C Total Sales (A - B)		<u><u>320,200,224</u></u>

Note: ^(a) Average of prior 12 months

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: February 2007

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	\$6,999,264.16
Oil Burned	(+)	-
Gas Burned	(+)	2,138,227.54
MISO Make Whole Payments	(-)	1,387,050.46
Fuel (assigned cost during Forced Outage ^(a))	(+)	4,727.05
Fuel (substitute cost during Forced Outage ^(a))	(-)	4,628.88
Sub-Total		<u>\$7,750,539.41</u>
B. Purchases		
Economy Purchases	(+)	\$895,038.24
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	5,023.66
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$890,014.58</u>
C. Non-Native Sales Fuel Costs		\$849,121.17
D. Total Fuel Costs (A + B - C)		<u>\$7,791,432.82</u>

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Note: ^(a) Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY
OVER OR (UNDER) RECOVERY SCHEDULE**

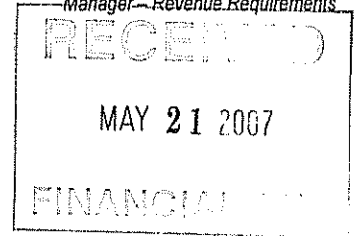
Expense Month: January 2007

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	(0.1431)
2	Retail kWh Billed at Above Rate	(x)	<u>325,260,273</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>(\$465,447.45)</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	349,428,929
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>349,428,929</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		(\$500,032.80)
8	Over or (Under) (Line 3 - Line 7)		\$34,585.35
9	Total Sales (Schedule 3 Line C)	(-)	320,200,224
10	Kentucky Jurisdictional Sales	(+)	<u>320,200,224</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)		<u><u>\$34,585.35</u></u>



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Don Wathen, Jr.
Manager - Revenue Requirements



VIA OVERNIGHT DELIVERY

May 18, 2007

Ms. Elizabeth O'Donnell, Executive Director

Attention: Daryl Newby

Chris Whelan

Kentucky Public Service Commission

211 Sower Boulevard

P.O. Box 615

Frankfort, Kentucky 40602-0615

RECEIVED

MAY 21 2007

**PUBLIC SERVICE
COMMISSION**

Dear Ms. O'Donnell, Mr. Newby and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in June 2007.

Please note on Schedule 1 of the filing that we are incorporating a modification to the calculation of the Rider FAC rate to mitigate the impact of the cost of replacement power purchased as a result of a planned outage at the Company's East Bend generating station. Per discussions with the Commission Staff, the Company will spread out the incremental impact of this power purchase over a six-month period beginning in June 2007 and ending November 2007.

Please contact me if you have any questions.

Sincerely,

Don Wathen, Jr.

Enclosure

**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: April 2007

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line I)	\$7,598,500.29	
2	Sales S_m (Schedule 3, Line C) +	295,990,277	2.5671
3	Base Fuel Rate (F_b/S_b) per PSC Order in Case No. 2006-00172 (-)		2.1619
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u>0.4052</u>

Other Purchases (substitute for Forced Outage^(a))

Effective Date for Billing:

May 31, 2007

Submitted by:

Lisa D Steinkell

Title:

Rate Coordinator

Date Submitted:

May 21, 2007

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: April 2007

	<u>Dollars (\$)</u>
A. Company Generation	
Coal Burned	\$2,239,549.39
Oil Burned	(+)
Gas Burned	(+)
MISO Make Whole Payments	(-)
Fuel (assigned cost during Forced Outage ^(a))	(+)
Fuel (substitute cost during Forced Outage ^(a))	(-)
Sub-Total	<u>\$1,387,537.58</u>
B. Purchases	
Economy Purchases	(+)
Other Purchases ^(d)	(+)
Other Purchases (substitute for Forced Outage ^(a))	(-)
Less purchases above highest cost units	(-)
Sub-Total	<u>\$9,100,524.86</u>
C. Non-Native Sales Fuel Costs	\$1,234.90
D. Total Company Over or (Under) Recovery from Schedule 5, Line 12	<u>(\$60,312.11)</u>
E. Total Fuel Costs (A + B - C - D)	\$10,547,139.65 ^(b)
F. Adjustment indicating the difference in actual fuel cost for the month of March 2007 and the estimated cost originally reported	(\$42,239.36)
\$6,199,641.11 - \$6,194,969.38 - \$46,911.09	
(actual) (estimate) (prior period correction ^(c))	
G. Deferral of Current Purchased Power Costs for Backup Power for April ^(e)	\$3,487,680.00
H. Amount of Purchased Power Costs for Backup Power purchased in April ^(e)	\$581,280.00
I. Grand Total Fuel Cost (E + F - G + H)	<u><u>\$7,598,500.29</u></u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056.

^(b) Estimated - to be trued up in the filing next month

^(c) The adjustment on Schedule 2, Line F, for the previous month's FAC inadvertently compared the estimated expense figure from Schedule 2, Line G, in the filing for the March FAC to the actual expense for February. It should have compared the estimated amount shown on Line E from Schedule 2 to compare to actual.

^(d) Backup power purchased pursuant to Backup Supply Plan approved by the Commission in Case No. 2007-00044 for a planned outage at the East Bend generating station.

^(e) Per discussions with the Staff, DE Kentucky proposes to mitigate the impact on ratepayers by deferring the incremental cost of purchasing backup power over the cost of East Bend over a six-month period beginning in June 2007 and ending November 2007.

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: April 2007

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	110,986,000
<u>Purchases Including Interchange-In</u>	(+)	<u>197,677,710</u>
Sub-Total		<u>308,663,710</u>
 B. Pumped Storage Energy	 (+)	 -
Non-Native Sales Including Interchange Out	(+)	19,000
<u>System Losses (308,644,710 KWH times 4.1%^(a))</u>	(+)	<u>12,654,433</u>
Sub-Total		<u>12,673,433</u>
 C. Total Sales (A - B)		 <u><u>295,990,277</u></u>

Note: ^(a) Average of prior 12 months

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: March 2007

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	7,305,015.48
Oil Burned	(+)	74,432.35
Gas Burned	(+)	848,730.82
MISO Make Whole Payments	(-)	916,703.15
Fuel (assigned cost during Forced Outage ^(a))	(+)	22,666.85
Fuel (substitute cost during Forced Outage ^(a))	(-)	911.49
Sub-Total		<u>\$7,333,230.86</u>
B. Purchases		
Economy Purchases	(+)	\$250,796.69
Other Purchases	(+)	
Other Purchases (substitute for Forced Outage ^(a))	(-)	47,778.17
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$203,018.52</u>
C. Non-Native Sales Fuel Costs		\$1,336,608.27
D. Total Fuel Costs (A + B - C)		\$6,199,641.11

Note: ^(a) Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: February 2007

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	0.1072
2	Retail kWh Billed at Above Rate	(x)	<u>294,536,614</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$315,743.25</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	350,797,908
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>350,797,908</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$376,055.36
8	Over or (Under) (Line 3 - Line 7)		(\$60,312.11)
9	Total Sales (Schedule 3 Line C)	(-)	295,990,277
10	Kentucky Jurisdictional Sales	(+)	<u>295,990,277</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)		<u><u>(\$60,312.11)</u></u>



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June 18, 2007

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Attention: Daryl Newby

Chris Whelan

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Dear Ms. O'Donnell, Mr. Newby and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in July 2007.

Please note on Schedule 2 of the filing that we are incorporating a modification to the calculation of the Rider FAC rate to mitigate the impact of the cost of replacement power purchased as a result of a planned outage at the Company's East Bend generating station. Per discussions with the Commission Staff, the Company will spread out the incremental impact of this power purchase over a six-month period beginning in July 2007 and ending December 2007.

Please contact me if you have any questions.

Sincerely,

Don Wathen, Jr.

Enclosure

DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: May 2007

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line I)	\$12,322,278.24	
2	Sales S_m (Schedule 3, Line C)	+ 329,190,915	3.7432
3	Base Fuel Rate (F_b/S_b) per PSC Order in Case No. 2006-00172	(-)	2.1619
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u>1.5813</u>

Other Purchases (substitute for Forced Outage^(a))

Effective Date for Billing: June 29, 2007

Submitted by: Lisa D. Stembuck

Title: Rate Coordinator

Date Submitted: June 19, 2007

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: May 2007

		<u>Dollars (\$)</u>
A Company Generation		
Coal Burned		\$2,213,691.82
Oil Burned	(+)	-
Gas Burned	(+)	1,473,619.97
MISO Make Whole Payments	(-)	1,228,118.38
Fuel (assigned cost during Forced Outage ^(a))	(+)	29,264.27
Fuel (substitute cost during Forced Outage ^(a))	(-)	3,648.51
Sub-Total		<u>\$2,484,809.17</u>
B Purchases		
Economy Purchases	(+)	7,403,329.51
Other Purchases ^(c)	(+)	3,911,840.00
Other Purchases (substitute for Forced Outage ^(a))	(-)	58,546.28
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$11,256,623.23</u>
C. Non-Native Sales Fuel Costs		<u>\$3,470.62</u>
D. Total Fuel Costs (A + B - C)	(+)	\$13,737,961.78 ^(b)
E. Total Company Over or (Under) Recovery from Schedule 5, Line 12	(-)	\$113,394.27
F. Adjustment indicating the difference in actual fuel cost for the month of April 2007 and the estimated cost originally reported	(+)	\$278,430.73
\$10,765,258.27 - \$10,486,827.54		
(actual) (estimate)		
G. Deferral of Current Purchased Power Costs for Backup Power for May ^(d)	(-)	\$2,594,400.00
H. Amount of Purchased Power Costs for Backup Power purchased in May ^(d)	(+)	\$432,400.00
I. Amount of Purchased Power Costs for Backup Power purchased in April ^(d)	(+)	\$581,280.00
J. Grand Total Fuel Cost (D - E + F - G + H + I)		<u><u>\$12,322,278.24</u></u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056

^(b) Estimated - to be trued up in the filing next month

^(c) Backup power purchased pursuant to Backup Supply Plan approved by the Commission in Case No. 2007-00044 for a planned outage at the East Bend generating station

^(d) Per discussions with the Staff, DE Kentucky proposes to mitigate the impact on ratepayers by deferring the incremental cost of purchasing backup power over the cost of East Bend over a six-month period beginning in July 2007 and ending December 2007

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: May 2007

		<u>Kilowatt-Hours Current Month</u>
A Generation (Net)	(+)	103,338,000
<u>Purchases Including Interchange-In</u>	(+)	<u>239,263,380</u>
Sub-Total		<u>342,601,380</u>
 B. Pumped Storage Energy	 (+)	 -
Non-Native Sales Including Interchange Out	(+)	51,000
<u>System Losses (342,550,380 KWH times 3.9%^(a))</u>	(+)	<u>13,359,465</u>
Sub-Total		<u>13,410,465</u>
 C. Total Sales (A - B)		 <u><u>329,190,915</u></u>

Note. ^(a) Average of prior 12 months.

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: April 2007

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	2,357,471.83
Oil Burned	(+)	43,579.38
Gas Burned	(+)	1,597,942.56
MISO Make Whole Payments	(-)	2,237,678.75
Fuel (assigned cost during Forced Outage ^(a))	(+)	9,188.13
Fuel (substitute cost during Forced Outage ^(a))	(-)	-
Sub-Total		<u>\$1,770,503.15</u>
B. Purchases		
Economy Purchases	(+)	3,732,875.24
Other Purchases	(+)	5,292,000.00
Other Purchases (substitute for Forced Outage ^(a))	(-)	28,180.17
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$8,996,695.07</u>
C. Non-Native Sales Fuel Costs		\$1,939.95
D. Total Fuel Costs (A + B - C)		<u>\$10,765,258.27</u>

 Note: ^(a) Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: March 2007

Line No.	Description		
1	FAC Rate Billed (ϕ /kWh)	(+)	(0 2906)
2	Retail kWh Billed at Above Rate	(x)	<u>281,179,484</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>(\$817,107.58)</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	320,200,224
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>320,200,224</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		(\$930,501.85)
8	Over or (Under) (Line 3 - Line 7)		\$113,394.27
9	Total Sales (Schedule 3 Line C)	(-)	329,190,915
10	Kentucky Jurisdictional Sales	(+)	<u>329,190,915</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)		<u><u>\$113,394.27</u></u>



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JUL 20 2007

**PUBLIC SERVICE
COMMISSION**

139 East Fourth Street
P O Box 960
Cincinnati, Ohio 45201-0960
Tel: 513-419-6954
Fax: 513-419-6948
Lisa Steinkuhl@duke-energy.com

Lisa Steinkuhl
Rate Coordinator

VIA OVERNIGHT DELIVERY

July 20, 2007

Ms. Elizabeth O'Donnell, Executive Director

Attention: Daryl Newby

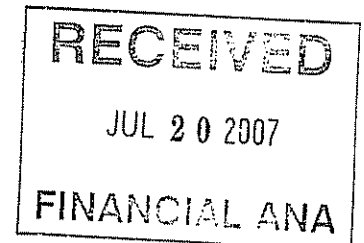
Chris Whelan

Kentucky Public Service Commission

211 Sower Boulevard

P.O. Box 615

Frankfort, Kentucky 40602-0615



Dear Ms. O'Donnell, Mr. Newby and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in August 2007.

Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Enclosure

**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: June 2007

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line K)	\$9,154,265.87	
2	Sales S_m (Schedule 3, Line C)	÷ 368,721,037	2.4827
3	Base Fuel Rate (F_b/S_b) per PSC Order in Case No. 2006-00172	(-)	2.1619
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u>0.3208</u>

Effective Date for Billing:

July 31, 2007

Submitted by:

Lisa D. Steinkubel

Title:

Rate Coordinator

Date Submitted:

July 20, 2007

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: June 2007

		<u>Dollars (\$)</u>	
A Company Generation			
Coal Burned		\$5,278,389.61	
Oil Burned	(+)	-	
Gas Burned	(+)	415,698.96	
MISO Make Whole Payments	(-)	763,765.16	
Fuel (assigned cost during Forced Outage ^(a))	(+)	1,141,567.68	
Fuel (substitute cost during Forced Outage ^(a))	(-)	12,426.57	
Sub-Total		<u>\$6,059,464.52</u>	
B Purchases			
Economy Purchases	(+)	5,926,164.86	
Other Purchases	(+)	-	
Other Purchases (substitute for Forced Outage ^(a))	(-)	3,081,519.98	
Less purchases above highest cost units	(-)	-	
Sub-Total		<u>\$2,844,644.88</u>	
C Non-Native Sales Fuel Costs		<u>\$68,096.59</u>	
D Total Fuel Costs (A + B - C)	(+)	\$8,836,012.81	^(b)
E Total Company Over or (Under) Recovery from Schedule 5, Line 12	(-)	\$183,829.65	
F Adjustment indicating the difference in actual fuel cost for the month of May 2007 and the estimated cost originally reported			
reported \$13,374,241.40 - \$13,737,961.78 ✓	(+)	(\$363,720.38)	
(actual) (estimate)			
G MISO Resettlements for prior periods from Schedule 6, Line F	(+)	(\$147,876.91)	
H Deferral of Current Purchased Power Costs for Backup Power	(-)	\$0.00	
I Amount of Purchased Power Costs for Backup Power purchased in May ^(c)	(+)	\$432,400.00	
J Amount of Purchased Power Costs for Backup Power purchased in April ^(d)	(+)	\$581,280.00	
K Grand Total Fuel Cost (D - E + F + G - H + I + J)		<u><u>\$9,154,265.87</u></u>	

Note: ^(a) Forced Outage as defined in 807 KAR 5:056

^(b) Estimated - to be trued up in the filing next month

^(c) Per discussions with the Staff, DE Kentucky proposes to mitigate the impact on ratepayers by deferring the incremental cost of purchasing backup power over the cost of East Bend over a six-month period beginning in July 2007 and ending December 2007

^(d) Per discussions with the Staff, DE Kentucky proposes to mitigate the impact on ratepayers by deferring the incremental cost of purchasing backup power over the cost of East Bend over a six-month period beginning in June 2007 and ending November 2007.

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: June 2007

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	287,671,000
<u>Purchases Including Interchange-In</u>	(+)	<u>100,605,450</u>
Sub-Total		<u>388,276,450</u>
 B. Pumped Storage Energy	 (+)	 -
Non-Native Sales Including Interchange Out	(+)	3,390,190
<u>System Losses (384,886,260 KWH times 4.2%^(a))</u>	(+)	<u>16,165,223</u>
Sub-Total		<u>19,555,413</u>
 C. Total Sales (A - B)		 <u><u>368,721,037</u></u>

Note: ^(a) Average of prior 12 months

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: May 2007

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	2,256,066 13
Oil Burned	(+)	23,446 00
Gas Burned	(+)	1,528,422 47
MISO Make Whole Payments	(-)	1,228,968 12
Fuel (assigned cost during Forced Outage ^(a))	(+)	31,357 70
Fuel (substitute cost during Forced Outage ^(a))	(-)	15,571.10
Sub-Total		<u>\$2,594,753.08</u>
B. Purchases		
Economy Purchases	(+)	6,913,670 17
Other Purchases	(+)	3,911,840 00
Other Purchases (substitute for Forced Outage ^(a))	(-)	41,881 54
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$10,783,628.63</u>
C. Non-Native Sales Fuel Costs		\$4,140 31
D. Total Fuel Costs (A + B - C)		<u>\$13,374,241.40</u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056

**DUKE ENERGY KENTUCKY
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: April 2007

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	0 4052
2	Retail kWh Billed at Above Rate	(x)	<u>341,357,910</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$1,383,182.25</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	295,990,277
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>295,990,277</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$1,199,352 60
8	Over or (Under) (Line 3 - Line 7)		\$183,829 65
9	Total Sales (Schedule 3 Line C)	(-)	368,721,037
10	Kentucky Jurisdictional Sales	(+)	<u>368,721,037</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)		<u><u>\$183,829.65</u></u>

**DUKE ENERGY KENTUCKY
MISO RESETTLEMENTS FUEL COST SCHEDULE**

Expense Month:		January 2007 <u>Dollars (\$)</u>	February 2007 <u>Dollars (\$)</u>	Total <u>Dollars (\$)</u>
A. Company Generation				
Coal Burned	(+)	7,170,345 21	6,930,337 01	
Oil Burned	(+)	107,675 00	68,927 00	
Gas Burned	(+)	982,265 48	2,138,227 55	
MISO Make Whole Payments	(-)	1,158,038 17	1,463,687 87	
Fuel (assigned cost during Forced Outage ^(a))	(+)	6,282.11	1,033 20	
Fuel (substitute cost during Forced Outage ^(a))	(-)	15,403.90	2,954.90	
Sub-Total		<u>\$7,093,125.73</u>	<u>\$7,671,881.99</u>	
B Purchases				
Economy Purchases	(+)	580,795 13	875,825 69	
Other Purchases	(+)	-	-	
Other Purchases (substitute for Forced Outage ^(a))	(-)	11,095 98	4,849 60	
Less purchases above highest cost units	(-)	-	-	
Sub-Total		<u>\$569,699.15</u>	<u>\$870,976.09</u>	
C. Non-Native Sales Fuel Costs				
		\$737,318 12	\$817,581 86	
D Total Fuel Costs (A + B - C)				
		<u>\$6,925,506 76</u>	<u>\$7,725,276 22</u>	
E. Total Fuel Costs Previously Reported				
		7,007,227 07	7,791,432 82	
F. Adjustment due to MISO Resettlements				
		<u>(\$81,720.31)</u>	<u>(\$66,156.60)</u>	<u>(\$147,876.91)</u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056



139 East Fourth Street
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Tel. 513-419-6954
Fax. 513-419-6948
Lisa Steinkuhl@duke-energy.com

Lisa Steinkuhl
Rate Coordinator

VIA OVERNIGHT DELIVERY

August 17, 2007

Ms. Elizabeth O'Donnell, Executive Director

**Attention: Daryl Newby
Chris Whelan**

Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

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AUG 17 2007

**PUBLIC SERVICE
COMMISSION**

Dear Ms. O'Donnell, Mr. Newby and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in September 2007.

Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Enclosure

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FINANCIAL ANA

DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: July 2007

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line K)	\$10,564,117.93	
2	Sales S_m (Schedule 3, Line C)	÷ 384,011,205	2.7510
3	Base Fuel Rate (F_b/S_b) per PSC Order in Case No 2006-00172		(-) 2.1619
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u>0.5891</u>

Effective Date for Billing:

August 29, 2007

Submitted by:

Lisa Q. Steinkuhl

Title:

Rate Coordinator

Date Submitted:

August 17, 2007

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: July 2007

		<u>Dollars (\$)</u>
A Company Generation		
Coal Burned		\$7,313,793.23
Oil Burned	(+)	-
Gas Burned	(+)	625,681.87
MISO Make Whole Payments	(-)	765,450.16
Fuel (assigned cost during Forced Outage ^(a))	(+)	261,546.66
Fuel (substitute cost during Forced Outage ^(a))	(-)	186,961.41
Sub-Total		<u>\$7,248,610.19</u>
B Purchases		
Economy Purchases	(+)	2,294,255.89
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	636,850.95
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$1,657,404.94</u>
C Non-Native Sales Fuel Costs		<u>\$234,320.86</u>
D Total Fuel Costs (A + B - C)	(+)	\$8,671,694.27 ^(b)
E Total Company Over or (Under) Recovery from Schedule 5, Line 12	(-)	\$647,237.05
F Adjustment indicating the difference in actual fuel cost for the month of June 2007 and the estimated cost originally reported		
reported \$10,383,275.79 - \$8,836,012.81	(+)	\$1,547,262.98
(actual) (estimate)		
G MISO Resettlements for prior periods from Schedule 6, Line F	(+)	(\$21,282.27)
H Deferral of Current Purchased Power Costs for Backup Power	(-)	\$0.00
I Amount of Purchased Power Costs for Backup Power purchased in May ^(c)	(+)	\$432,400.00
J Amount of Purchased Power Costs for Backup Power purchased in April ^(d)	(+)	\$581,280.00
K Grand Total Fuel Cost (D - E + F + G - H + I + J)		<u><u>\$10,564,117.93</u></u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056

^(b) Estimated - to be trued up in the filing next month

^(c) Per discussions with the Staff. DE Kentucky proposes to mitigate the impact on ratepayers by deferring the incremental cost of purchasing backup power over the cost of East Bend over a six-month period beginning in July 2007 and ending December 2007

^(d) Per discussions with the Staff. DE Kentucky proposes to mitigate the impact on ratepayers by deferring the incremental cost of purchasing backup power over the cost of East Bend over a six-month period beginning in June 2007 and ending November 2007

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: July 2007

		<u>Kilowatt-Hours Current Month</u>
A Generation (Net)	(+)	384,420,995
<u>Purchases Including Interchange-In</u>	(+)	<u>33,453,370</u>
Sub-Total		<u>417,874,365</u>
 B. Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	17,445,580
<u> System Losses (400,428,785 KWH times 4.1%^(a))</u>	(+)	<u>16,417,580</u>
Sub-Total		<u>33,863,160</u>
 C Total Sales (A - B)		<u><u>384,011,205</u></u>

Note: ^(a) Average of prior 12 months

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: June 2007

		<u>Dollars (\$)</u>
A Company Generation		
Coal Burned	(+)	5,181,895.59
Oil Burned	(+)	257,915.00
Gas Burned	(+)	433,696.16
MISO Make Whole Payments	(-)	736,395.81
Fuel (assigned cost during Forced Outage ^(a))	(+)	726,553.53
Fuel (substitute cost during Forced Outage ^(a))	(-)	100,786.82
Sub-Total		<u>\$5,762,877.65</u>
B Purchases		
Economy Purchases	(+)	5,827,123.46
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	1,140,641.79
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$4,686,481.67</u>
C Non-Native Sales Fuel Costs		\$66,083.53
D Total Fuel Costs (A + B - C)		<u><u>\$10,383,275.79</u></u>

.....

Note. ^(a) Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY
OVER OR (UNDER) RECOVERY SCHEDULE**

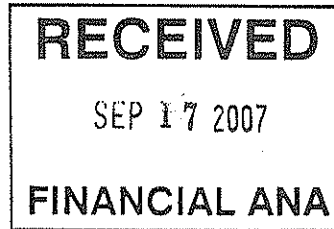
Expense Month: May 2007

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	1 5813
2	Retail kWh Billed at Above Rate	(x)	<u>370,121,608</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$5,852,732.99</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	329,190,915
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>329,190,915</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$5,205,495 94
8	Over or (Under) (Line 3 - Line 7)		\$647,237 05
9	Total Sales (Schedule 3 Line C)	(-)	384,011,205
10	Kentucky Jurisdictional Sales	(+)	<u>384,011,205</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1 00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)		<u><u>\$647,237.05</u></u>

**DUKE ENERGY KENTUCKY
MISO RESETTLEMENTS FUEL COST SCHEDULE**

Expense Month:		March 2007 Dollars (\$)
A Company Generation		
Coal Burned	(+)	7,305,021 93
Oil Burned	(+)	74,432 35
Gas Burned	(+)	848,730 82
MISO Make Whole Payments	(-)	916,703 15
Fuel (assigned cost during Forced Outage ^(a))	(+)	11,392 13
Fuel (substitute cost during Forced Outage ^(a))	(-)	1,304.44
Sub-Total		<u>\$7,321,569.64</u>
B Purchases		
Economy Purchases	(+)	250,120 04
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	27,870 93
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$222,249.11</u>
C Non-Native Sales Fuel Costs		\$1,365,459 91
D Total Fuel Costs (A + B - C)		<u>\$6,178,358 84</u>
E Total Fuel Costs Previously Reported		6,199,641 11
F Adjustment due to MISO Resettlements		<u><u>(\$21,282.27)</u></u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056



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Lisa Steinkuhl
Rate Coordinator

VIA OVERNIGHT DELIVERY

September 17, 2007

Ms. Elizabeth O'Donnell, Executive Director
Attention: Daryl Newby
Chris Whelan
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

SEP 17 2007
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COMMISSION

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In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in October 2007.

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Lisa D. Steinkuhl

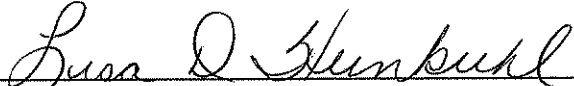
Enclosure

**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: August 2007

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Rate (¢/kWh)</u>
1	Fuel F_m (Schedule 2, Line K)	\$12,573,785.15	
2	Sales S_m (Schedule 3, Line C)	+ 459,638,505	2.7356
3	Base Fuel Rate (F_b/S_b) per PSC Order in Case No. 2006-00172	(-)	<u>2.1619</u>
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u><u>0.5737</u></u>

Effective Date for Billing: September 28, 2007

Submitted by: 

Title: Rate Coordinator

Date Submitted: September 17, 2007

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: August 2007

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned		\$7,238,169.53
Oil Burned	(+)	-
Gas Burned	(+)	1,831,066.97
MISO Make Whole Payments	(-)	1,452,112.95
Fuel (assigned cost during Forced Outage ^(a))	(+)	411,039.50
Fuel (substitute cost during Forced Outage ^(a))	(-)	8,599.35
Sub-Total		<u>\$8,019,563.70</u>
B. Purchases		
Economy Purchases	(+)	5,200,526.23
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	1,285,818.51
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$3,914,707.72</u>
C. Non-Native Sales Fuel Costs		<u>\$135,622.44</u>
D. Total Fuel Costs (A + B - C)	(+)	\$11,798,648.98 ^(b)
E. Total Company Over or (Under) Recovery from Schedule 5, Line 12	(-)	\$92,092.77
F. Adjustment indicating the difference in actual fuel cost for the month of July 2007 and the estimated cost originally reported		
reported \$8,522,824.08 - \$8,671,694.27	(+)	(\$148,870.19)
(actual) (estimate)		
G. MISO Resettlements for prior periods from Schedule 6, Line F	(+)	\$2,419.13
H. Deferral of Current Purchased Power Costs for Backup Power	(-)	\$0.00
I. Amount of Purchased Power Costs for Backup Power purchased in May ^(c)	(+)	\$432,400.00
J. Amount of Purchased Power Costs for Backup Power purchased in April ^(d)	(+)	\$581,280.00
K. Grand Total Fuel Cost (D - E + F + G - H + I + J)		<u><u>\$12,573,785.15</u></u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056.

^(b) Estimated - to be trued up in the filing next month

^(c) Per discussions with the Staff, DE Kentucky proposes to mitigate the impact on ratepayers by deferring the incremental cost of purchasing backup power over the cost of East Bend over a six-month period beginning in July 2007 and ending December 2007.

^(d) Per discussions with the Staff, DE Kentucky proposes to mitigate the impact on ratepayers by deferring the incremental cost of purchasing backup power over the cost of East Bend over a six-month period beginning in June 2007 and ending November 2007.

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: August 2007

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	392,558,000
<u>Purchases Including Interchange-In</u>	(+)	<u>93,823,910</u>
Sub-Total		<u>486,381,910</u>
 B. Pumped Storage Energy	 (+)	 -
Non-Native Sales Including Interchange Out	(+)	7,092,541
<u>System Losses (479,289,369 KWH times 4.1%^(a))</u>	(+)	<u>19,650,864</u>
Sub-Total		<u>26,743,405</u>
 C. Total Sales (A - B)		 <u><u>459,638,505</u></u>

Note: ^(a) Average of prior 12 months.

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: July 2007

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	7,159,190.03
Oil Burned	(+)	73,909.00
Gas Burned	(+)	634,434.63
MISO Make Whole Payments	(-)	748,712.82
Fuel (assigned cost during Forced Outage ^(a))	(+)	248,570.31
Fuel (substitute cost during Forced Outage ^(a))	(-)	165,262.77
Sub-Total		\$7,202,128.38
B. Purchases		
Economy Purchases	(+)	2,263,037.24
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	634,573.52
Less purchases above highest cost units	(-)	-
Sub-Total		\$1,628,463.72
C. Non-Native Sales Fuel Costs		\$307,768.02
D. Total Fuel Costs (A + B - C)		\$8,522,824.08

Note: ^(a) Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: June 2007

Line No.	Description		
1	FAC Rate Billed (ϕ /kWh)	(+)	0.3208
2	Retail kWh Billed at Above Rate	(x)	<u>397,428,261</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$1,274,949.86</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	368,721,037
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>368,721,037</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$1,182,857.09
8	Over or (Under) (Line 3 - Line 7)		\$92,092.77
9	Total Sales (Schedule 3 Line C)	(-)	459,638,505
10	Kentucky Jurisdictional Sales	(+)	<u>459,638,505</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)		<u><u>\$92,092.77</u></u>

**DUKE ENERGY KENTUCKY
MISO RESETTLEMENTS FUEL COST SCHEDULE**

Expense Month:	April 2007 Dollars (\$)
A. Company Generation	
Coal Burned	(+)
Oil Burned	(+)
Gas Burned	(+)
MISO Make Whole Payments	(-)
Fuel (assigned cost during Forced Outage ^(a))	(+)
Fuel (substitute cost during Forced Outage ^(a))	(-)
Sub-Total	<u>\$1,768,628.35</u>
B. Purchases	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage ^(a))	(-)
Less purchases above highest cost units	(-)
Sub-Total	<u>\$9,000,989.00</u>
C. Non-Native Sales Fuel Costs	\$1,939.95
D. Total Fuel Costs (A + B - C)	<u>\$10,767,677.40</u>
E. Total Fuel Costs Previously Reported	10,765,258.27
F. Adjustment due to MISO Resettlements	<u>\$2,419.13</u>

.....

Note: ^(a) Forced Outage as defined in 807 KAR 5:056.



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OCT 19 2007

PUBLIC SERVICE
COMMISSION

139 East Fourth Street
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Cincinnati, Ohio 45201-0960
Tel: 513-419-6954
Fax: 513-419-6948
Lisa Steinkuhl@duke-energy.com

Lisa Steinkuhl
Rate Coordinator

VIA OVERNIGHT DELIVERY

October 19, 2007

Ms. Elizabeth O'Donnell, Executive Director

Attention: Daryl Newby

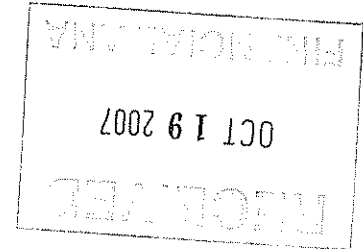
Chris Whelan

Kentucky Public Service Commission

211 Sower Boulevard

P.O. Box 615

Frankfort, Kentucky 40602-0615



Dear Ms. O'Donnell, Mr. Newby and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in November 2007.

Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Enclosure

DUKE ENERGY KENTUCKY
 FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: September 2007

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line K)	\$9,042,905.06	
2	Sales S_m (Schedule 3, Line C)	÷ 361,480,755	2.5016
3	Base Fuel Rate (F_b/S_b) per PSC Order in Case No. 2006-00172	(-)	2.1619
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u>0.3397</u>

Effective Date for Billing: October 29, 2007

Submitted by: *Risa O. Steinkull*

Title: Rate Coordinator

Date Submitted: October 19, 2007

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: September 2007

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned		\$6,987,653.60
Oil Burned	(+)	-
Gas Burned	(+)	1,121,014.86
MISO Make Whole Payments	(-)	1,332,750.63
Fuel (assigned cost during Forced Outage ^(a))	(+)	111,020.19
Fuel (substitute cost during Forced Outage ^(a))	(-)	60,154.85
Sub-Total		<u>\$6,826,783.17</u>
B. Purchases		
Economy Purchases	(+)	1,952,174.82
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	312,000.38
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$1,640,174.44</u>
C. Non-Native Sales Fuel Costs		<u>\$507,694.71</u>
D. Total Fuel Costs (A + B - C)	(+)	\$7,959,262.90 ^(b)
E. Total Company Over or (Under) Recovery from Schedule 5, Line 12	(-)	\$133,952.84
F. Adjustment indicating the difference in actual fuel cost for the month of August 2007 and the estimated cost originally reported		
\$12,099,841.06 - \$11,798,648.98	(+)	\$301,192.08
(actual) (estimate)		
G. MISO Resettlements for prior periods from Schedule 6, Line F	(+)	(\$97,277.08)
H. Deferral of Current Purchased Power Costs for Backup Power	(-)	\$0.00
I. Amount of Purchased Power Costs for Backup Power purchased in May ^(c)	(+)	\$432,400.00
J. Amount of Purchased Power Costs for Backup Power purchased in April ^(d)	(+)	\$581,280.00
K. Grand Total Fuel Cost (D - E + F + G - H + I + J)		<u><u>\$9,042,905.06</u></u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056

^(b) Estimated - to be trued up in the filing next month

^(c) Per discussions with the Staff, DE Kentucky proposes to mitigate the impact on ratepayers by deferring the incremental cost of purchasing backup power over the cost of East Bend over a six-month period beginning in July 2007 and ending December 2007

^(d) Per discussions with the Staff, DE Kentucky proposes to mitigate the impact on ratepayers by deferring the incremental cost of purchasing backup power over the cost of East Bend over a six-month period beginning in June 2007 and ending November 2007

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: September 2007

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	370,287,000
<u>Purchases Including Interchange-In</u>	(+)	<u>38,986,810</u>
Sub-Total		<u>409,273,810</u>
 B. Pumped Storage Energy	 (+)	 -
Non-Native Sales Including Interchange Out	(+)	30,759,930
<u>System Losses (378,513,880 KWH times 4.5%^(a))</u>	(+)	<u>17,033,125</u>
Sub-Total		<u>47,793,055</u>
 C. Total Sales (A - B)		 <u><u>361,480,755</u></u>

Note: ^(a) Average of prior 12 months.

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: August 2007

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	7,229,913 96
Oil Burned	(+)	27,317 00
Gas Burned	(+)	1,831,067 41
MISO Make Whole Payments	(-)	1,502,746 72
Fuel (assigned cost during Forced Outage ^(a))	(+)	393,426 94
Fuel (substitute cost during Forced Outage ^(a))	(-)	39,927.04
Sub-Total		\$7,939,051.55
B. Purchases		
Economy Purchases	(+)	5,500,218 24
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	1,268,833.26
Less purchases above highest cost units	(-)	-
Sub-Total		\$4,231,384.98
C. Non-Native Sales Fuel Costs		\$70,595 47
D. Total Fuel Costs (A + B - C)		\$12,099,841.06

 Note: ^(a) Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: July 2007

Line No.	Description		
1	FAC Rate Billed (ϕ /kWh)	(+)	0 5891
2	Retail kWh Billed at Above Rate	(x)	<u>406,749,762</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$2,396,162.85</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	384,011,205
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>384,011,205</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$2,262,210.01
8	Over or (Under) (Line 3 - Line 7)		\$133,952.84
9	Total Sales (Schedule 3 Line C)	(-)	361,480,755
10	Kentucky Jurisdictional Sales	(+)	<u>361,480,755</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1 00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)		<u><u>\$133,952.84</u></u>

**DUKE ENERGY KENTUCKY
MISO RESETTLEMENTS FUEL COST SCHEDULE**

Expense Month:		May 2007 Dollars (\$)
A. Company Generation		
Coal Burned	(+)	2,256,066.13
Oil Burned	(+)	23,446.00
Gas Burned	(+)	1,528,422.47
MISO Make Whole Payments	(-)	1,228,968.12
Fuel (assigned cost during Forced Outage ^(a))	(+)	31,470.96
Fuel (substitute cost during Forced Outage ^(a))	(-)	-
Sub-Total		\$2,610,437.44
B. Purchases		
Economy Purchases	(+)	10,034,935.56
Other Purchases	(+)	3,911,840.00
Other Purchases (substitute for Forced Outage ^(a))	(-)	57,586.40
Less purchases above highest cost units	(-)	-
Sub-Total		\$13,889,189.16
C. Non-Native Sales Fuel Costs		\$3,222,662.28
D. Total Fuel Costs (A + B - C)		\$13,276,964.32
E. Total Fuel Costs Previously Reported		13,374,241.40
F. Adjustment due to MISO Resettlements		(\$97,277.08)

Note: ^(a) Forced Outage as defined in 807 KAR 5:056



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Fax: 513-419-6948
Lisa Steinkuhl@duke-energy.com

Lisa Steinkuhl
Rate Coordinator

VIA OVERNIGHT DELIVERY

November 19, 2007

Ms. Elizabeth O'Donnell, Executive Director

Attention: Daryl Newby

Chris Whelan

Kentucky Public Service Commission

211 Sower Boulevard

P.O. Box 615

Frankfort, Kentucky 40602-0615

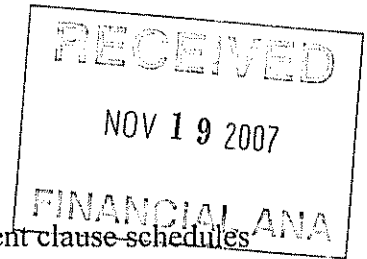
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NOV 19 2007

**PUBLIC SERVICE
COMMISSION**

Dear Ms. O'Donnell, Mr. Newby and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment ~~clause schedules~~ with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in December 2007.



Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Enclosure

DUKE ENERGY KENTUCKY
 FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: October 2007

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line K)	\$7,390,980.56	
2	Sales S_m (Schedule 3, Line C) +	320,300,167	2.3075
3	Base Fuel Rate (F_b/S_b) per PSC Order in Case No. 2006-00172 (-)		2.1619
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u>0.1456</u>

Effective Date for Billing: November 29, 2007

Submitted by: *Russ D. Stunkuhl*

Title: Rate Coordinator

Date Submitted: November 16, 2007

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: October 2007

	<u>Dollars (\$)</u>
A Company Generation	
Coal Burned	\$6,955,388.16
Oil Burned	(+)
Gas Burned	(+)
MISO Make Whole Payments	(-)
Fuel (assigned cost during Forced Outage ^(a))	(+)
Fuel (substitute cost during Forced Outage ^(a))	(-)
Sub-Total	<u>\$7,085,934.95</u>
B Purchases	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage ^(a))	(-)
Less purchases above highest cost units	(-)
Sub-Total	<u>\$213,311.54</u>
C. Non-Native Sales Fuel Costs	<u>\$1,639,241.57</u>
D Total Fuel Costs (A + B - C)	(+)
E Total Company Over or (Under) Recovery from Schedule 5, Line 12	(-)
F. Adjustment indicating the difference in actual fuel cost for the month of September 2007 and the estimated cost originally reported	(+)
\$7,915,839.66 - \$7,959,262.90	(+)
(actual) (estimate)	(\$43,423.24)
G. MISO Resettlements for prior periods from Schedule 6, Line F	(+)
H. Deferral of Current Purchased Power Costs for Backup Power	(-)
I. Amount of Purchased Power Costs for Backup Power purchased in May ^(c)	(+)
J. Amount of Purchased Power Costs for Backup Power purchased in April ^(d)	(+)
K Grand Total Fuel Cost (D - E + F + G - H + I + J)	<u><u>\$7,390,980.56</u></u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056.

^(b) Estimated - to be trued up in the filing next month

^(c) Per discussions with the Staff, DE Kentucky proposes to mitigate the impact on ratepayers by deferring the incremental cost of purchasing backup power over the cost of East Bend over a six-month period beginning in July 2007 and ending December 2007

^(d) Per discussions with the Staff, DE Kentucky proposes to mitigate the impact on ratepayers by deferring the incremental cost of purchasing backup power over the cost of East Bend over a six-month period beginning in June 2007 and ending November 2007.

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: October 2007

		<u>Kilowatt-Hours Current Month</u>
A Generation (Net)	(+)	374,602,000
<u>Purchases Including Interchange-In</u>	(+)	<u>23,280,220</u>
Sub-Total		<u>397,882,220</u>
 B Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	62,137,810
<u> System Losses (335,744,410KWH times 4.6%^(a))</u>	(+)	<u>15,444,243</u>
Sub-Total		<u>77,582,053</u>
 C Total Sales (A - B)		<u><u>320,300,167</u></u>

Note: ^(a) Average of prior 12 months

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: September 2007

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	6,833,429.18
Oil Burned	(+)	115,022.00
Gas Burned	(+)	1,166,705.34
MISO Make Whole Payments	(-)	1,396,951.94
Fuel (assigned cost during Forced Outage ^(a))	(+)	116,223.49
Fuel (substitute cost during Forced Outage ^(a))	(-)	77,857.41
Sub-Total		\$6,756,570.66
B. Purchases		
Economy Purchases	(+)	1,955,584.40
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	322,504.14
Less purchases above highest cost units	(-)	-
Sub-Total		\$1,633,080.26
C. Non-Native Sales Fuel Costs		\$473,811.26
D. Total Fuel Costs (A + B - C)		\$7,915,839.66

Note: ^(a) Forced Outage as defined in 807 KAR 5:056

**DUKE ENERGY KENTUCKY
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: August 2007

Line No.	Description		
1	FAC Rate Billed (ϕ /kWh)	(+)	0.5737
2	Retail kWh Billed at Above Rate	(x)	<u>222,232,850</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$1,274,949.86</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	459,638,505
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>459,638,505</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$2,636,946.10
8	Over or (Under) (Line 3 - Line 7)		(\$1,361,996.24)
9	Total Sales (Schedule 3 Line C)	(-)	320,300,167
10	Kentucky Jurisdictional Sales	(+)	<u>320,300,167</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)		<u><u>(\$1,361,996.24)</u></u>

**DUKE ENERGY KENTUCKY
MISO RESETTLEMENTS FUEL COST SCHEDULE**

Expense Month:	June 2007
	<u>Dollars (\$)</u>
A Company Generation	
Coal Burned	(+) 5,181,895.60
Oil Burned	(+) 257,915.00
Gas Burned	(+) 433,696.16
MISO Make Whole Payments	(-) 838,170.46
Fuel (assigned cost during Forced Outage ^(a))	(+) 650,707.69
Fuel (substitute cost during Forced Outage ^(a))	(-) 74,162.95
Sub-Total	<u>\$5,611,881.04</u>
B Purchases	
Economy Purchases	(+) 5,940,605.03
Other Purchases	(+) -
Other Purchases (substitute for Forced Outage ^(a))	(-) 1,124,773.69
Less purchases above highest cost units	(-) -
Sub-Total	<u>\$4,815,831.34</u>
C. Non-Native Sales Fuel Costs	\$64,433.95
D Total Fuel Costs (A + B - C)	<u>\$10,363,278.43</u>
E Total Fuel Costs Previously Reported	10,383,275.79
F. Adjustment due to MISO Resettlements	<u><u>(\$19,997.36)</u></u>

.....
 Note: ^(a) Forced Outage as defined in 807 KAR 5:056.



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Lisa Steinkuhl@duke-energy.com

Lisa Steinkuhl
Rate Coordinator

VIA OVERNIGHT DELIVERY

December 19, 2007

Ms. Elizabeth O'Donnell, Executive Director

**Attention: Daryl Newby
Chris Whelan**

Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

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PUBLIC SERVICE
COMMISSION

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DEC 19 2007

FINANCIAL ANA

Dear Ms. O'Donnell, Mr. Newby and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in January 2008.

Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Enclosure

**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: November 2007

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line K)	\$6,367,292 17	
2	Sales S_m (Schedule 3, Line C)	+ 299,531,073	2.1258
3	Base Fuel Rate (F_b/S_b) per PSC Order in Case No. 2006-00172	(-)	2.1619
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u><u>(0.0361)</u></u>

Effective Date for Billing:

January 2, 2008

Submitted by:

Lisa R. Stenkull

Title:

Rate Coordinator

Date Submitted:

December 19, 2007

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: November 2007

	<u>Dollars (\$)</u>
A. Company Generation	
Coal Burned	\$4,141,764.43
Oil Burned	(+)
Gas Burned	(+)
MISO Make Whole Payments	(-)
Fuel (assigned cost during Forced Outage ^(a))	(+)
Fuel (substitute cost during Forced Outage ^(a))	(-)
Sub-Total	<u>\$5,618,351.10</u>
B. Purchases	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage ^(a))	(-)
Less purchases above highest cost units	(-)
Sub-Total	<u>\$419,559.78</u>
C. Non-Native Sales Fuel Costs	<u>\$492,854.95</u>
D. Total Fuel Costs (A + B - C)	(+)
E. Total Company Over or (Under) Recovery from Schedule 5, Line 12	(-)
F. Adjustment indicating the difference in actual fuel cost for the month of October 2007 and the estimated cost originally reported	(+)
\$6,237,656.15 - \$5,660,004.92	\$577,651.23
(actual) (estimate)	
G. MISO Resettlements for prior periods from Schedule 6, Line F	(+)
H. Deferral of Current Purchased Power Costs for Backup Power	(-)
I. Amount of Purchased Power Costs for Backup Power purchased in May ^(c)	(+)
J. Amount of Purchased Power Costs for Backup Power purchased in April ^(d)	(+)
K. Grand Total Fuel Cost (D - E + F + G - H + I + J)	<u><u>\$6,367,292.17</u></u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056

^(b) Estimated - to be trued up in the filing next month

^(c) Per discussions with the Staff, DE Kentucky proposes to mitigate the impact on ratepayers by deferring the incremental cost of purchasing backup power over the cost of East Bend over a six-month period beginning in July 2007 and ending December 2007

^(d) Per discussions with the Staff, DE Kentucky proposes to mitigate the impact on ratepayers by deferring the incremental cost of purchasing backup power over the cost of East Bend over a six-month period beginning in June 2007 and ending November 2007

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: November 2007

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	215,677,990
<u>Purchases Including Interchange-In</u>	(+)	<u>126,310,540</u>
Sub-Total		<u>341,988,530</u>
 B. Pumped Storage Energy	 (+)	 -
Non-Native Sales Including Interchange Out	(+)	27,355,050
<u>System Losses (314,633,480KWH times 4.8%^(a))</u>	(+)	<u>15,102,407</u>
Sub-Total		<u>42,457,457</u>
 C. Total Sales (A - B)		 <u><u>299,531,073</u></u>

Note: ^(a) Average of prior 12 months

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: October 2007

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	6,921,244 05
Oil Burned	(+)	33,950 00
Gas Burned	(+)	1,495,135 88
MISO Make Whole Payments	(-)	1,577,940 56
Fuel (assigned cost during Forced Outage ^(a))	(+)	386,640 93
Fuel (substitute cost during Forced Outage ^(a))	(-)	290,866.46
Sub-Total		<u>\$6,968,163.84</u>
B. Purchases		
Economy Purchases	(+)	1,237,648 58
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	1,008,850 78
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$228,797.80</u>
C. Non-Native Sales Fuel Costs		\$959,305.49
D. Total Fuel Costs (A + B - C)		<u>\$6,237,656.15</u>

 Note: ^(a) Forced Outage as defined in 807 KAR 5:056.

**DUKE ENERGY KENTUCKY
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month: September 2007

Line No.	Description		
1	FAC Rate Billed (ϕ /kWh)	(+)	0.3397
2	Retail kWh Billed at Above Rate	(x)	<u>294,680,453</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$1,001,029.50</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	361,480,755
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>361,480,755</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$1,227,950.12
8	Over or (Under) (Line 3 - Line 7)		(\$226,920.62)
9	Total Sales (Schedule 3 Line C)	(-)	299,531,073
10	Kentucky Jurisdictional Sales	(+)	<u>299,531,073</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 ÷ Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)		<u><u>(\$226,920.62)</u></u>

**DUKE ENERGY KENTUCKY
MISO RESETTLEMENTS FUEL COST SCHEDULE**

Expense Month:		July 2007 Dollars (\$)
A Company Generation		
Coal Burned	(+)	7,159,190.00
Oil Burned	(+)	73,909.00
Gas Burned	(+)	634,434.63
MISO Make Whole Payments	(-)	748,712.82
Fuel (assigned cost during Forced Outage ^(a))	(+)	243,789.93
Fuel (substitute cost during Forced Outage ^(a))	(-)	138,801.00
Sub-Total		<u>\$7,223,809.74</u>
B Purchases		
Economy Purchases	(+)	2,258,985.49
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	632,868.10
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$1,626,117.39</u>
C Non-Native Sales Fuel Costs		\$309,438.66
D Total Fuel Costs (A + B - C)		<u>\$8,540,488.47</u>
E Total Fuel Costs Previously Reported		8,522,824.08
F Adjustment due to MISO Resettlements		<u>\$17,664.39</u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056.



RECEIVED
JAN 22 2008
FINANCIAL ANA

139 East Fourth Street
P O Box 960
Cincinnati, Ohio 45201-0960
Tel: 513-419-6954
Fax: 513-419-6948
Lisa Steinkuhl@duke-energy.com

Lisa Steinkuhl
Rate Coordinator

VIA OVERNIGHT DELIVERY

January 21, 2007

Executive Director
Attention: Daryl Newby
Chris Whelan
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED
JAN 22 2008
PUBLIC SERVICE
COMMISSION

Dear Mr. Newby and Ms. Whelan:

In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in February 2008.

Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Enclosure

**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: December 2007

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line K)	\$7,071,708.00	
2	Sales S_m (Schedule 3, Line C) ÷	341,219,553	2.0725
3	Base Fuel Rate (F_b/S_b) per PSC Order in Case No. 2006-00172	(-)	2.1619
4	Fuel Adjustment Clause Rate (Line 2 - Line 3)		<u><u>(0.0894)</u></u>

Effective Date for Billing:

January 31, 2008

Submitted by:

Lisa D. Stenkub

Title:

Lead Rates Analyst

Date Submitted:

January 21, 2008

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: December 2007

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned		\$6,845,880.28
Oil Burned	(+)	-
Gas Burned	(+)	627,450.61
MISO Make Whole Payments	(-)	1,006,760.65
Fuel (assigned cost during Forced Outage ^(a))	(+)	211,309.83
Fuel (substitute cost during Forced Outage ^(a))	(-)	196,343.22
Sub-Total		<u>\$6,481,536.85</u>
B. Purchases		
Economy Purchases	(+)	638,858.02
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	502,184.97
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$136,673.05</u>
C. Non-Native Sales Fuel Costs		<u>\$241,686.59</u>
D. Total Fuel Costs (A + B - C)	(+)	\$6,376,523.31 ^(b)
E. Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	\$673,400.92
F. Adjustment indicating the difference in actual fuel cost for the month of November 2007 and the estimated cost originally reported		
reported \$6,919,601.94 - \$5,545,055.93	(+)	\$1,374,546.01
(actual) (estimate)		
G. MISO Resettlements for prior periods from Schedule 6, Line F	(+)	(\$5,960.40)
H. Deferral of Current Purchased Power Costs for Backup Power	(-)	\$0.00
I. Grand Total Fuel Cost (D - E + F + G - H)		<u><u>\$7,071,708.00</u></u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056.

^(b) Estimated - to be trued up in the filing next month

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: December 2007

		<u>Kilowatt-Hours Current Month</u>
A Generation (Net)	(+)	386,818,990
<u>Purchases Including Interchange-In</u>	(+)	<u>10,584,060</u>
Sub-Total		<u>397,403,050</u>
 B. Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	38,979,150
<u>System Losses (358,423,900 KWH times 4.8%^(a))</u>	(+)	<u>17,204,347</u>
Sub-Total		<u>56,183,497</u>
 C Total Sales (A - B)		<u><u>341,219,553</u></u>

 Note: ^(a) Average of prior 12 months.

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: November 2007

		<u>Dollars (\$)</u>
A Company Generation		
Coal Burned	(+)	3,933,306.01
Oil Burned	(+)	371,841.00
Gas Burned	(+)	1,012,561.84
MISO Make Whole Payments	(-)	1,153,640.17
Fuel (assigned cost during Forced Outage ^(a))	(+)	1,594,310.04
Fuel (substitute cost during Forced Outage ^(a))	(-)	691,481.03
Sub-Total		<u>\$5,066,897.69</u>
B Purchases		
Economy Purchases	(+)	5,737,775.55
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	3,405,875.79
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$2,331,899.76</u>
C. Non-Native Sales Fuel Costs		\$479,195.51
D. Total Fuel Costs (A + B - C)		<u>\$6,919,601.94</u>

 Note: ^(a) Forced Outage as defined in 807 KAR 5:056.

DUKE ENERGY KENTUCKY
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month:

Line No.	Description		October 2007	August 2007	Total
1	FAC Rate Billed (¢/kWh)	(+)	0 1456	0 5737	
2	Retail kWh Billed at Above Rate	(x)	340,542,770	334,474,037	
3	FAC Revenue/(Refund) (Line 1 * Line 2)		\$495,830.27	\$1,918,877.55	
4	kWh Used to Determine Last FAC Rate Billed	(+)	320,300.167	459,638.505	
5	Non-Jurisdictional kWh included in Line 4	(-)	-	-	
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		320,300,167	459,638,505	
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$466,357 04	\$2,636,946 10	
8	Over or (Under) (Line 3 - Line 7)		\$29,473 23	(\$718,068 55)	
9	Total Sales (Schedule 3 Line C)	(-)	341,219,553	320,300,167	
10	Kentucky Jurisdictional Sales	(+)	341,219,553	320,300,167	
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 + Line 10)		1 00000	1 00000	
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)	(+)	\$29,473 23	(\$718,068 55)	
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0 00	(\$1,361,996 24)	
14	Total Company Over or (Under) Recovery		<u>\$29,473.23</u>	<u>\$643,927.69</u>	<u>\$673,400.92</u>

**DUKE ENERGY KENTUCKY
MISO RESETTLEMENTS FUEL COST SCHEDULE**

Expense Month:		August 2007 <u>Dollars (\$)</u>	January 2007 <u>Dollars (\$)</u>	Total <u>Dollars (\$)</u>
A. Company Generation				
Coal Burned	(+)	7,229,913.49	7,170,345.21	
Oil Burned	(+)	27,317.00	107,675.00	
Gas Burned	(+)	1,831,067.41	982,265.48	
MISO Make Whole Payments	(-)	1,502,746.72	1,231,585.33	
Fuel (assigned cost during Forced Outage ^(a))	(+)	378,980.70	6,282.11	
Fuel (substitute cost during Forced Outage ^(a))	(-)	22,702.47	15,403.90	
Sub-Total		<u>\$7,941,829.41</u>	<u>\$7,019,578.57</u>	
B. Purchases				
Economy Purchases	(+)	5,491,141.01	580,795.13	
Other Purchases	(+)	-	-	
Other Purchases (substitute for Forced Outage ^(a))	(-)	1,254,220.70	11,095.98	
Less purchases above highest cost units	(-)	-	-	
Sub-Total		<u>\$4,236,920.31</u>	<u>\$569,699.15</u>	
C. Non-Native Sales Fuel Costs				
		\$71,115.96	\$677,524.06	
D. Total Fuel Costs (A + B - C)				
		<u>\$12,107,633.76</u>	<u>\$6,911,753.66</u>	
E. Total Fuel Costs Previously Reported				
		12,099,841.06	6,925,506.76	
F. Adjustment due to MISO Resettlements				
		<u>\$7,792.70</u>	<u>(\$13,753.10)</u>	<u>(\$5,960.40)</u>

Note: ^(a) Forced Outage as defined in 807 KAR 5:056.