



139 East Fourth Street
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Lisa Steinkuhl@duke-energy.com

Lisa Steinkuhl
Rate Coordinator

VIA OVERNIGHT DELIVERY

February 19, 2008

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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FEB 19 2008

PUBLIC SERVICE
COMMISSION

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FEB 19 2008
FINANCIAL ANA

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 March 2008.

Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Enclosure

DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: January 2008

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line I)	\$7,656,061.00	
2	Sales S_m (Schedule 3, Line C) ÷	366,869,895	2.0869
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>(0.0750)</u>

Effective Date for Billing:

February 29, 2008

Submitted by:

Jessie D. Stembull

Title:

Lead Rates Analyst

Date Submitted:

February 19, 2008

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: January 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	7,732,993.84
Oil Burned	(+)	-
Gas Burned	(+)	1,258,999.31
MISO Make Whole Payments	(-)	1,445,064.30
Fuel (assigned cost during Forced Outage ^(a))	(+)	51,181.06
Fuel (substitute cost during Forced Outage ^(a))	(-)	68,158.60
Sub-Total		<u>\$7,529,951.31</u>
B. Purchases		
Economy Purchases	(+)	706,271.58
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	194,686.06
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$511,585.52</u>
C. Non-Native Sales Fuel Costs		<u>\$286,881.01</u>
D. Total Fuel Costs (A + B - C)	(+)	\$7,754,655.82 ^(b)
E. Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	(\$22,718.25)
F. Adjustment indicating the difference in actual fuel cost for the month of December 2007 and the estimated cost originally reported		
reported \$6,240,601.32 - \$6,376,523.31	(+)	(\$135,921.99)
(actual) (estimate)		
G. MISO Resettlements for prior periods from Schedule 6, Line F	(+)	\$14,608.92
H. Deferral of Current Purchased Power Costs for Backup Power	(-)	\$0.00
I. Grand Total Fuel Cost (D - E + F + G - H)		<u><u>\$7,656,061.00</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: January 2008

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	405,701,990
<u>Purchases Including Interchange-In</u>	(+)	<u>9,549,820</u>
Sub-Total		<u>415,251,810</u>
B Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	29,479,050
<u>System Losses (385,772,760 KWH times 4.9%^(a))</u>	(+)	<u>18,902,865</u>
Sub-Total		<u>48,381,915</u>
C Total Sales (A - B)		<u><u>366,869,895</u></u>

Note: ^(a) Average of prior 12 months

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: December 2007

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	6,784,266.11
Oil Burned	(+)	61,626.00
Gas Burned	(+)	644,426.20
MISO Make Whole Payments	(-)	973,377.51
Fuel (assigned cost during Forced Outage ^(a))	(+)	195,015.31
Fuel (substitute cost during Forced Outage ^(a))	(-)	217,464.30
Sub-Total		<u>\$6,494,491.81</u>
B. Purchases		
Economy Purchases	(+)	644,292.44
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	491,309.01
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$152,983.43</u>
C. Non-Native Sales Fuel Costs		\$406,873.92
D. Total Fuel Costs (A + B - C)		<u>\$6,240,601.32</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: November 2007

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	(0 0361)
2	Retail kWh Billed at Above Rate	(x)	<u>362,462,521</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>(\$130,848.97)</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	299,531,073
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>299,531,073</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		(\$108,130 72)
8	Over or (Under) (Line 3 - Line 7)		(\$22,718 25)
9	Total Sales (Schedule 3 Line C)	(-)	366,869,895
10	Kentucky Jurisdictional Sales	(+)	<u>366,869,895</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)	(+)	(\$22,718 25)
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0 00
14	Total Company Over or (Under) Recovery		<u><u>(\$22,718.25)</u></u>

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

Expense Month:		September 2007 <u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	6,833,429.14
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))	(+)	110,258.87
Fuel (substitute cost during Forced Outage ^(a))	(-)	64,462.34
Sub-Total		<u>\$6,764,001.07</u>
B. Purchases		
Economy Purchases	(+)	1,948,308.04
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	307,011.85
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$1,641,296.19</u>
C. Non-Native Sales Fuel Costs		\$474,848.68
D. Total Fuel Costs (A + B - C)		<u>\$7,930,448.58</u>
E. Total Fuel Costs Previously Reported		7,915,839.66
F. Adjustment due to MISO Resettlements		<u>\$14,608.92</u>

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



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Rate Coordinator

VIA OVERNIGHT DELIVERY

March 20, 2008

Ms. Stephanie Stumbo, 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 21 2008

PUBLIC SERVICE
COMMISSION RECEIVED

MAR 21 2008

FINANCIAL ANA

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 April 2008.

Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Enclosure

**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: February 2008

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Rate (¢/kWh)</u>
1	Fuel F_m (Schedule 2, Line I)	\$6,285,910.94	
2	Sales S_m (Schedule 3, Line C) ÷	335,554,045	1.8733
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>(0.2886)</u></u>

Effective Date for Billing: April 1, 2008

Submitted by: *Lisa D. Henkel*

Title: Lead Rates Analyst

Date Submitted: March 21, 2008

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: February 2008

		<u>Dollars (\$)</u>
A Company Generation		
Coal Burned	(+)	7,160,596.50
Oil Burned	(+)	-
Gas Burned	(+)	938,686.70
MISO Make Whole Payments	(-)	1,376,542.90
Fuel (assigned cost during Forced Outage ^(a))	(+)	197,260.58
Fuel (substitute cost during Forced Outage ^(a))	(-)	251,663.65
Sub-Total		<u>\$6,668,337.23</u>
B Purchases		
Economy Purchases	(+)	784,565.73
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	594,343.34
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$190,222.39</u>
C Non-Native Sales Fuel Costs		<u>\$240,719.97</u>
D Total Fuel Costs (A + B - C)	(+)	\$6,617,839.65 ^(b)
E Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	(\$2,695.63)
F Adjustment indicating the difference in actual fuel cost for the month of January 2008 and the estimated cost originally reported		
reported \$7,437,877.13 - \$7,754,655.82	(+)	(\$316,778.69)
(actual) (estimate)		
G MISO Resettlements for prior periods from Schedule 6, Line F	(+)	(\$17,845.65)
H Deferral of Current Purchased Power Costs for Backup Power	(-)	\$0.00
I Grand Total Fuel Cost (D - E + F + G - H)		<u><u>\$6,285,910.94</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: February 2008

		<u>Kilowatt-Hours Current Month</u>
A Generation (Net)	(+)	368,516,000
<u>Purchases Including Interchange-In</u>	(+)	<u>10,394,350</u>
Sub-Total		<u>378,910,350</u>
 B Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	26,066,980
<u> System Losses (352,843,370 KWH times 4.9%^(a))</u>	(+)	<u>17,289,325</u>
Sub-Total		<u>43,356,305</u>
 C Total Sales (A - B)		<u><u>335,554,045</u></u>

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

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: January 2008

		<u>Dollars (\$)</u>
A Company Generation		
Coal Burned	(+)	7,658,414.19
Oil Burned	(+)	74,575.00
Gas Burned	(+)	1,258,999.47
MISO Make Whole Payments	(-)	1,584,979.79
Fuel (assigned cost during Forced Outage ^(a))	(+)	90,677.41
Fuel (substitute cost during Forced Outage ^(a))	(-)	171,351.73
Sub-Total		<u>\$7,326,334.55</u>
B Purchases		
Economy Purchases	(+)	687,164.28
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	223,813.86
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$463,350.42</u>
C Non-Native Sales Fuel Costs		\$351,807.84
D Total Fuel Costs (A + B - C)		<u>\$7,437,877.13</u>

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

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

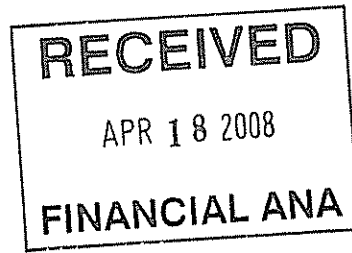
Expense Month: December 2007

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	(0.0894)
2	Retail kWh Billed at Above Rate	(x)	<u>344,234,799</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>(\$307,745.91)</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	341,219,553
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>341,219,553</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		(\$305,050.28)
8	Over or (Under) (Line 3 - Line 7)		(\$2,695.63)
9	Total Sales (Schedule 3 Line C)	(-)	335,554,045
10	Kentucky Jurisdictional Sales	(+)	<u>335,554,045</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)	(+)	(\$2,695.63)
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0.00
14	Total Company Over or (Under) Recovery		<u><u>(\$2,695.63)</u></u>

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

Expense Month:		October 2007 Dollars (\$)
A Company Generation		
Coal Burned	(+)	6,921,243.92
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))	(+)	387,263.19
Fuel (substitute cost during Forced Outage ^(a))	(-)	303,782.09
Sub-Total		<u>\$6,955,870.34</u>
B Purchases		
Economy Purchases	(+)	1,234,150.47
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	1,009,046.84
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$225,103.63</u>
C Non-Native Sales Fuel Costs		\$961,163.47
D Total Fuel Costs (A + B - C)		<u>\$6,219,810.50</u>
E Total Fuel Costs Previously Reported		6,237,656.15
F Adjustment due to MISO Resettlements		<u><u>(\$17,845.65)</u></u>

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



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Lisa Steinkuhl@duke-energy.com

Lisa Steinkuhl
Lead Rates Analyst

VIA OVERNIGHT DELIVERY

April 18, 2008

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

RECEIVED
APR 18 2008
PUBLIC SERVICE
COMMISSION

Dear Ms. Stumbo, 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 2008.

Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Enclosure

DUKE ENERGY KENTUCKY
 FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: March 2008

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line I)	\$6,639,287.72	
2	Sales S_m (Schedule 3, Line C)	+ 325,109,571	2.0422
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>(0.1197)</u>

Effective Date for Billing: April 30, 2008

Submitted by: *Lisa D. Steinkell*

Title: Lead Rates Analyst

Date Submitted: April 18, 2008

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: March 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	7,624,676.31
Oil Burned	(+)	-
Gas Burned	(+)	1,077,650.86
MISO Make Whole Payments	(-)	1,330,286.44
Fuel (assigned cost during Forced Outage ^(a))	(+)	603,224.83
Fuel (substitute cost during Forced Outage ^(a))	(-)	426,747.24
Sub-Total		<u>\$7,548,518.32</u>
 B. Purchases		
Economy Purchases	(+)	1,814,194.95
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	1,929,637.41
Less purchases above highest cost units	(-)	-
Sub-Total		<u>(\$115,442.46)</u>
 C. Non-Native Sales Fuel Costs		<u>\$881,702.77</u>
 D. Total Fuel Costs (A + B - C)	(+)	\$6,551,373.09 ^(b)
 E. Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	\$25,224.75
 F. Adjustment indicating the difference in actual fuel cost for the month of February 2008 and the estimated cost originally reported		
\$6,677,259.39 - \$6,617,839.65	(+)	\$59,419.74
(actual) (estimate)		
 G. MISO Resettlements for prior periods from Schedule 6, Line F	(+)	\$53,719.64
 H. Deferral of Current Purchased Power Costs for Backup Power	(-)	\$0.00
 I. Grand Total Fuel Cost (D - E + F + G - H)		<u><u>\$6,639,287.72</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 2008

			<u>Kilowatt-Hours Current Month</u>
A Generation (Net)	(+)	377,554,980	
<u>Purchases Including Interchange-In</u>	(+)	<u>23,067,940</u>	
Sub-Total			<u>400,622,920</u>
 B Pumped Storage Energy	 (+)	 -	
Non-Native Sales Including Interchange Out	(+)	59,121,270	
<u>System Losses (341,501,650 KWH times 4.8%^(a))</u>	(+)	<u>16,392,079</u>	
Sub-Total			<u>75,513,349</u>
 C Total Sales (A - B)			 <u><u>325,109,571</u></u>

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

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: February 2008

		<u>Dollars (\$)</u>
A Company Generation		
Coal Burned	(+)	7,141,024.70
Oil Burned	(+)	189,099.00
Gas Burned	(+)	938,686.67
MISO Make Whole Payments	(-)	1,550,090.02
Fuel (assigned cost during Forced Outage ^(a))	(+)	356,023.04
Fuel (substitute cost during Forced Outage ^(a))	(-)	334,516.36
Sub-Total		<u>\$6,740,227.03</u>
 B Purchases		
Economy Purchases	(+)	849,842.23
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	622,114.51
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$227,727.72</u>
 C Non-Native Sales Fuel Costs		\$290,695.36
 D Total Fuel Costs (A + B - C)		<u><u>\$6,677,259.39</u></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 2008

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	(0 0750)
2	Retail kWh Billed at Above Rate	(x)	<u>333,236,893</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>(\$249,927.67)</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	366,869,895
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>366,869,895</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		(\$275,152 42)
8	Over or (Under) (Line 3 - Line 7)		\$25,224 75
9	Total Sales (Schedule 3 Line C)	(-)	325,109,571
10	Kentucky Jurisdictional Sales	(+)	<u>325,109,571</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)	(+)	\$25,224 75
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0 00
14	Total Company Over or (Under) Recovery		<u><u>\$25,224.75</u></u>

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

Expense Month:		November 2007 Dollars (\$)
A Company Generation		
Coal Burned	(+)	3,933,306 17
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))	(+)	1,598,076 06
Fuel (substitute cost during Forced Outage ^(a))	(-)	679,820.22
Sub-Total		<u>\$5,082,324.68</u>
B Purchases		
Economy Purchases	(+)	5,743,382 96
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	3,375,892 70
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$2,367,490.26</u>
C Non-Native Sales Fuel Costs		\$476,493 36
D Total Fuel Costs (A + B - C)		<u>\$6,973,321 58</u>
E Total Fuel Costs Previously Reported		6,919,601 94
F Adjustment due to MISO Resettlements		<u>\$53,719.64</u>

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



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Don.Wathen@duke-energy.com

Don Wathen, Jr.
Director - Revenue Requirements

VIA OVERNIGHT DELIVERY

May 20, 2008

Ms. Stephanie Stumbo, Executive Director

Attention: Daryl Newby

Chris Whelan

Kentucky Public Service Commission

211 Sower Boulevard

P.O. Box 615

Frankfort, Kentucky 40602-0615

Dear Ms. Stumbo, 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 2008.

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. The Company will spread the rate increase over a six-month period beginning in June 2008 and ending November 2008.

Please contact me if you have any questions.

Sincerely,

Don Wathen, Jr.

Enclosure

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MAY 20 2008

PUBLIC SERVICE
COMMISSION

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MAY 21 2008

FINANCIAL ANALYSIS

DUKE ENERGY KENTUCKY
 FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: April 2008

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line I)	\$6,943,539.58	
2	Sales S_m (Schedule 3, Line C) ÷	287,073,382	2.4187
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>0.2568</u>

Effective Date for Billing: May 30, 2008

Submitted by: *Lisa D. Heinkuhl*

Title: Lead Rates Analyst

Date Submitted: May 20, 2008

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: April 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	2,925,389.09
Oil Burned	(+)	-
Gas Burned	(+)	1,483,299.10
MISO Make Whole Payments	(-)	1,805,273.83
Fuel (assigned cost during Forced Outage ^(a))	(+)	40,172.40
Fuel (substitute cost during Forced Outage ^(a))	(-)	24,272.01
Sub-Total		<u>\$2,619,314.75</u>
B. Purchases		
Economy Purchases	(+)	8,426,689.12
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	55,157.43
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$8,371,531.69</u>
C. Non-Native Sales Fuel Costs		<u>\$126,492.13</u>
D. Total Fuel Costs (A + B - C)	(+)	\$10,864,354.31 ^(b)
E. Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	\$100,277.63
F. Adjustment indicating the difference in actual fuel cost for the month of March 2008 and the estimated cost originally reported		
\$6,425,165.63 - \$6,551,373.09	(+)	(\$126,207.46)
(actual) (estimate)		
G. MISO Resettlements for prior periods from Schedule 6, Line F	(+)	(\$7,819.62)
H. Deferral of Current Purchased Power Costs for April 2008 ^(c)	(-)	\$4,423,812.02
I. Amount of Purchased Power Costs for Backup Power purchased in April 2008 ^(c)	(+)	\$737,302.00
J. Grand Total Fuel Cost (D - E + F + G - H)		<u><u>\$6,943,539.58</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) DE Kentucky proposes to mitigate the impact on the ratepayers by deferring a portion of the purchased power costs due to a planned outage at the East Bend generating station over a six-month period beginning in June 2008 and ending November 2008.

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: April 2008

		<u>Kilowatt-Hours Current Month</u>
A Generation (Net)	(+)	148,663,000
<u>Purchases Including Interchange-In</u>	(+)	<u>159,879,210</u>
Sub-Total		<u>308,542,210</u>
 B Pumped Storage Energy	 (+)	 -
Non-Native Sales Including Interchange Out	(+)	6,994,540
<u>System Losses (301,547,670 KWH times 4.8%^(a))</u>	(+)	<u>14,474,288</u>
Sub-Total		<u>21,468,828</u>
 C Total Sales (A - B)		 <u><u>287,073,382</u></u>

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

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: March 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	7,416,142.16
Oil Burned	(+)	230,925.00
Gas Burned	(+)	1,094,215.63
MISO Make Whole Payments	(-)	1,438,129.79
Fuel (assigned cost during Forced Outage ^(a))	(+)	635,757.01
Fuel (substitute cost during Forced Outage ^(a))	(-)	591,600.07
Sub-Total		<u>\$7,347,309.94</u>
B. Purchases		
Economy Purchases	(+)	1,812,293.55
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	1,931,720.39
Less purchases above highest cost units	(-)	-
Sub-Total		<u>(\$119,426.84)</u>
C. Non-Native Sales Fuel Costs		\$802,717.47
D. Total Fuel Costs (A + B - C)		\$6,425,165.63

.....

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

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

Expense Month: February 2008

Line No.	Description		
1	FAC Rate Billed (ϕ /kWh)	(+)	(0.2886)
2	Retail kWh Billed at Above Rate	(x)	<u>300,807,810</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>(\$868,131.34)</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	335,554,045
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>335,554,045</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		(\$968,408.97)
8	Over or (Under) (Line 3 - Line 7)		\$100,277.63
9	Total Sales (Schedule 3 Line C)	(-)	287,073,382
10	Kentucky Jurisdictional Sales	(+)	<u>287,073,382</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (Line 9 \div Line 10)		1.00000
12	Total Company Over or (Under) Recovery (Line 8 * Line 11)	(+)	\$100,277.63
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0.00
14	Total Company Over or (Under) Recovery		<u><u>\$100,277.63</u></u>

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

Expense Month:		December 2007 <u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	6,784,262.25
Oil Burned	(+)	61,626.00
Gas Burned	(+)	644,426.20
MISO Make Whole Payments	(-)	989,297.73
Fuel (assigned cost during Forced Outage ^(a))	(+)	193,675.70
Fuel (substitute cost during Forced Outage ^(a))	(-)	201,295.00
Sub-Total		<u>\$6,493,397.42</u>
B. Purchases		
Economy Purchases	(+)	632,819.83
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	487,359.62
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$145,460.21</u>
C. Non-Native Sales Fuel Costs		\$406,075.93
D. Total Fuel Costs (A + B - C)		<u>\$6,232,781.70</u>
E. Total Fuel Costs Previously Reported		6,240,601.32
F. Adjustment due to MISO Resettlements		<u>(\$7,819.62)</u>

.....

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



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Lisa Steinkuhl@duke-energy.com

Lisa Steinkuhl
Lead Rates Analyst

VIA OVERNIGHT DELIVERY

June 20, 2008

Ms. Stephanie Stumbo, Executive Director

Attention: Daryl Newby

Chris Whelan

Kentucky Public Service Commission

211 Sower Boulevard

P.O. Box 615

Frankfort, Kentucky 40602-0615

RECEIVED

JUN 20 2008

**PUBLIC SERVICE
COMMISSION**

Dear Ms. Stumbo, 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 2008.

Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Enclosure

**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: May 2008

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line I)	\$7,950,494.13	
2	Sales S_m (Schedule 3, Line C) ÷	290,337,043	2.7384
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>0.5765</u></u>

Effective Date for Billing:

June 30, 2008

Submitted by:

Lisa D. Stenkus

Title:

Lead Rates Analyst

Date Submitted:

June 20, 2008

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: May 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	7,661,599.90
Oil Burned	(+)	-
Gas Burned	(+)	532,251.70
MISO Make Whole Payments	(-)	907,316.10
Fuel (assigned cost during Forced Outage ^(a))	(+)	-
Fuel (substitute cost during Forced Outage ^(a))	(-)	-
Sub-Total		<u>\$7,286,535.50</u>
B. Purchases		
Economy Purchases	(+)	403,746.74
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	-
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$403,746.74</u>
C. Non-Native Sales Fuel Costs		<u>\$775,486.96</u>
D. Total Fuel Costs (A + B - C)	(+)	\$6,914,795.28 ^(b)
E. Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	\$57,414.33
F. Adjustment indicating the difference in actual fuel cost for the month of April 2008 and the estimated cost originally reported	(+)	\$385,013.89
\$11,249,368.20 - \$10,864,354.31		
(actual) (estimate)		
G. MISO Resettlements for prior periods from Schedule 6, Line F	(+)	(\$29,202.71)
H. Deferral of Current Purchased Power Costs	(-)	\$0.00
I. Amount of Purchased Power Costs for Backup Power purchased in April 2008 ^(c)	(+)	\$737,302.00
J. Grand Total Fuel Cost (D - E + F + G - H)		<u><u>\$7,950,494.13</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) DE Kentucky proposes to mitigate the impact on the ratepayers by deferring a portion of the purchased power costs due to a planned outage at the East Bend generating station over a six-month period beginning in June 2008 and ending November 2008

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: May 2008

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	354,343,000
<u>Purchases Including Interchange-In</u>	(+)	<u>8,859,790</u>
Sub-Total		<u>363,202,790</u>
 B. Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	57,584,850
<u> System Losses (305,617,940 KWH times 5.0%^(a))</u>	(+)	<u>15,280,897</u>
Sub-Total		<u>72,865,747</u>
 C. Total Sales (A - B)		<u><u>290,337,043</u></u>

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

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: April 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	2,956,074.93
Oil Burned	(+)	297,672.00
Gas Burned	(+)	1,513,260.41
MISO Make Whole Payments	(-)	1,874,605.67
Fuel (assigned cost during Forced Outage ^(a))	(+)	93,112.03
Fuel (substitute cost during Forced Outage ^(a))	(-)	178,297.83
Sub-Total		\$2,807,215.87
B. Purchases		
Economy Purchases	(+)	8,545,112.81
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	55,548.51
Less purchases above highest cost units	(-)	-
Sub-Total		\$8,489,564.30
C. Non-Native Sales Fuel Costs		\$47,411.97
D. Total Fuel Costs (A + B - C)		\$11,249,368.20

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

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

Expense Month: March 2008

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	(0.1197)
2	Retail kWh Billed at Above Rate	(x)	<u>277,144,386</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>(\$331,741.83)</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	325,109,571
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>325,109,571</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		(\$389,156.16)
8	Over or (Under) (Line 3 - Line 7)		\$57,414.33
9	Total Sales (Schedule 3 Line C)	(-)	290,337,043
10	Kentucky Jurisdictional Sales	(+)	<u>290,337,043</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)	(+)	\$57,414.33
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0.00
14	Total Company Over or (Under) Recovery		<u><u>\$57,414.33</u></u>

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

Expense Month:	January 2008
	<u>Dollars (\$)</u>
A. Company Generation	
Coal Burned	(+) 7,658,414.55
Oil Burned	(+) 74,575.00
Gas Burned	(+) 1,258,999.47
MISO Make Whole Payments	(-) 1,584,979.79
Fuel (assigned cost during Forced Outage ^(a))	(+) 92,075.72
Fuel (substitute cost during Forced Outage ^(a))	(-) 179,136.05
Sub-Total	<u>\$7,319,948.90</u>
B. Purchases	
Economy Purchases	(+) 665,922.42
Other Purchases	(+) -
Other Purchases (substitute for Forced Outage ^(a))	(-) 222,252.68
Less purchases above highest cost units	(-) -
Sub-Total	<u>\$443,669.74</u>
C. Non-Native Sales Fuel Costs	\$354,944.22
D. Total Fuel Costs (A + B - C)	<u>\$7,408,674.42</u>
E. Total Fuel Costs Previously Reported	7,437,877.13
F. Adjustment due to MISO Resettlements	<u>(\$29,202.71)</u>

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



Daryl
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Lisa Steinkuhl
Lead Rates Analyst

VIA OVERNIGHT DELIVERY

July 18, 2008

Ms. Stephanie Stumbo, Executive Director

Attention: Daryl Newby

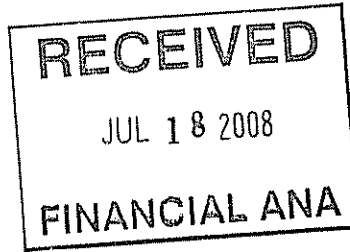
Chris Whelan

Kentucky Public Service Commission

211 Sower Boulevard

P.O. Box 615

Frankfort, Kentucky 40602-0615



RECEIVED

JUL 18 2008

**PUBLIC SERVICE
COMMISSION**

Dear Ms. Stumbo, 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 2008.

Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Enclosure

DUKE ENERGY KENTUCKY
 FUEL ADJUSTMENT CLAUSE SCHEDULE

Expense Month: June 2008

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line I)	\$10,660,907.73	
2	Sales S_m (Schedule 3, Line C)	÷ 365,093,423	2.9200
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>0.7581</u>

Effective Date for Billing: July 30, 2008

Submitted by: *Lisa R. Gembuch*

Title: Lead Rates Analyst

Date Submitted: July 18, 2008

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: June 2008

		<u>Dollars (\$)</u>						
A. Company Generation								
Coal Burned	(+)	8,225,998.21						
Oil Burned	(+)	-						
Gas Burned	(+)	1,698,107.31						
MISO Make Whole Payments	(-)	1,776,643.15						
Fuel (assigned cost during Forced Outage ^(a))	(+)	160,271.81						
Fuel (substitute cost during Forced Outage ^(a))	(-)	5,837.16						
Sub-Total		<u>\$8,301,897.02</u>						
B. Purchases								
Economy Purchases	(+)	2,981,457.35						
Other Purchases	(+)	-						
Other Purchases (substitute for Forced Outage ^(a))	(-)	522,989.06						
Less purchases above highest cost units	(-)	-						
Sub-Total		<u>\$2,458,468.29</u>						
C. Non-Native Sales Fuel Costs		<u>\$473,511.35</u>						
D. Total Fuel Costs (A + B - C)	(+)	\$10,286,853.96 ^(b)						
E. Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	\$100,007.61						
F. Adjustment indicating the difference in actual fuel cost for the month of May 2008 and the estimated cost originally reported	(+)	(\$220,577.32)						
<table style="display: inline-table; border: none;"> <tr> <td style="text-align: right;">\$6,694,217.96</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$6,914,795.28</td> </tr> <tr> <td style="text-align: right;">(actual)</td> <td></td> <td style="text-align: right;">(estimate)</td> </tr> </table>	\$6,694,217.96	-	\$6,914,795.28	(actual)		(estimate)		
\$6,694,217.96	-	\$6,914,795.28						
(actual)		(estimate)						
G. MISO Resettlements for prior periods from Schedule 6, Line F	(+)	(\$42,663.30)						
H. Deferral of Current Purchased Power Costs	(-)	\$0.00						
I. Amount of Purchased Power Costs for Backup Power purchased in April 2008 ^(c)	(+)	\$737,302.00						
J. Grand Total Fuel Cost (D - E + F + G - H)		<u><u>\$10,660,907.73</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) DE Kentucky proposes to mitigate the impact on the ratepayers by deferring a portion of the purchased power costs due to a planned outage at the East Bend generating station over a six-month period beginning in June 2008 and ending November 2008

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: June 2008

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	379,803,980
<u>Purchases Including Interchange-In</u>	(+)	<u>26,255,550</u>
Sub-Total		<u>406,059,530</u>
 B. Pumped Storage Energy	 (+)	 -
Non-Native Sales Including Interchange Out	(+)	22,960,450
<u>System Losses (383,099,080 KWH times 4.7%^(a))</u>	(+)	<u>18,005,657</u>
Sub-Total		<u>40,966,107</u>
 C. Total Sales (A - B)		 <u><u>365,093,423</u></u>

Note: ^(a) Average of prior 12 months

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: May 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	7,497,011.36
Oil Burned	(+)	164,596.00
Gas Burned	(+)	532,251.81
MISO Make Whole Payments	(-)	985,429.61
Fuel (assigned cost during Forced Outage ^(a))	(+)	-
Fuel (substitute cost during Forced Outage ^(a))	(-)	-
Sub-Total		<u>\$7,208,429.56</u>
B. Purchases		
Economy Purchases	(+)	403,150.76
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	-
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$403,150.76</u>
C. Non-Native Sales Fuel Costs		\$917,362.36
D. Total Fuel Costs (A + B - C)		<u>\$6,694,217.96</u>

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

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

Expense Month: April 2008

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	0 2568
2	Retail kWh Billed at Above Rate	(x)	<u>326,017,153</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$837,212.05</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	287,073,382
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>287,073,382</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$737,204 44
8	Over or (Under) (Line 3 - Line 7)		\$100,007.61
9	Total Sales (Schedule 3 Line C)	(-)	365,093,423
10	Kentucky Jurisdictional Sales	(+)	<u>365,093,423</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)	(+)	\$100,007.61
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0.00
14	Total Company Over or (Under) Recovery		<u><u>\$100,007.61</u></u>

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

Expense Month:		February 2008 Dollars (\$)
A. Company Generation		
Coal Burned	(+)	7,141,024.69
Oil Burned	(+)	189,099.00
Gas Burned	(+)	938,686.68
MISO Make Whole Payments	(-)	1,550,090.02
Fuel (assigned cost during Forced Outage ^(a))	(+)	348,299.35
Fuel (substitute cost during Forced Outage ^(a))	(-)	340,696.54
Sub-Total		\$6,726,323.16
B. Purchases		
Economy Purchases	(+)	789,448.31
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	618,698.22
Less purchases above highest cost units	(-)	-
Sub-Total		\$170,750.09
C. Non-Native Sales Fuel Costs		\$262,477.16
D. Total Fuel Costs (A + B - C)		\$6,634,596.09
E. Total Fuel Costs Previously Reported		6,677,259.39
F. Adjustment due to MISO Resettlements		(\$42,663.30)

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



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AUG 15 2008

PUBLIC SERVICE
COMMISSION

Whelan

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Lisa.Steinkuhl@duke-energy.com

Lisa Steinkuhl
Lead Rates Analyst

VIA OVERNIGHT DELIVERY

August 15, 2008

Ms. Stephanie Stumbo, Executive Director

Attention: **Daryl Newby**

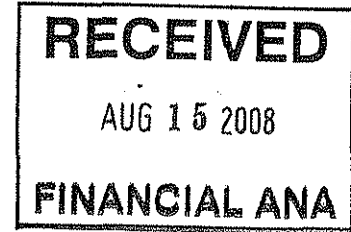
Chris Whelan

Kentucky Public Service Commission

211 Sower Boulevard

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Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Lisa D. Steinkuhl

Enclosure

**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: July 2008

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line I)	\$13,763,205.78	
2	Sales S_m (Schedule 3, Line C) ÷	395,770,070	3.4776
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>1.3157</u></u>

Effective Date for Billing: August 28, 2008

Submitted by: _____

Title: Lead Rates Analyst

Date Submitted: August 15, 2008

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: July 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	9,996,137.08
Oil Burned	(+)	-
Gas Burned	(+)	1,710,206.00
MISO Make Whole Payments	(-)	1,868,110.74
Fuel (assigned cost during Forced Outage ^(a))	(+)	78,930.72
Fuel (substitute cost during Forced Outage ^(a))	(-)	39,844.07
Sub-Total		<u>\$9,877,318.99</u>
B. Purchases		
Economy Purchases	(+)	4,061,113.40
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	422,341.42
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$3,638,771.98</u>
C. Non-Native Sales Fuel Costs		<u>\$164,671.47</u>
D. Total Fuel Costs (A + B - C)	(+)	\$13,351,419.50 ^(b)
E. Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	\$465,240.60
F. Adjustment indicating the difference in actual fuel cost for the month of June 2008 and the estimated cost originally reported		
\$10,388,181.48 - \$10,286,853.96	(+)	\$101,327.52
(actual) (estimate)		
G. MISO Resettlements for prior periods from Schedule 6, Line F	(+)	\$38,397.36
H. Deferral of Current Purchased Power Costs	(-)	\$0.00
I. Amount of Purchased Power Costs for Backup Power purchased in April 2008 ^(c)	(+)	\$737,302.00
J. Grand Total Fuel Cost (D - E + F + G - H)		<u><u>\$13,763,205.78</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) DE Kentucky proposes to mitigate the impact on the ratepayers by deferring a portion of the purchased power costs due to a planned outage at the East Bend generating station over a six-month period beginning in June 2008 and ending November 2008.

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: July 2008

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	390,057,990
Purchases Including Interchange-In	(+)	<u>39,205,090</u>
Sub-Total		<u>429,263,080</u>
 B. Pumped Storage Energy	 (+)	 -
Non-Native Sales Including Interchange Out	(+)	11,343,260
System Losses (417,919,820 KWH times 5.3% ^(a))	(+)	<u>22,149,750</u>
Sub-Total		<u>33,493,010</u>
 C. Total Sales (A - B)		 <u><u>395,770,070</u></u>

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

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: June 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	8,170,821.07
Oil Burned	(+)	80,969.00
Gas Burned	(+)	1,749,112.40
MISO Make Whole Payments	(-)	1,921,726.58
Fuel (assigned cost during Forced Outage ^(a))	(+)	161,119.79
Fuel (substitute cost during Forced Outage ^(a))	(-)	5,929.88
Sub-Total		<u>\$8,234,365.80</u>
B. Purchases		
Economy Purchases	(+)	3,001,065.49
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	527,202.09
<i>Less purchases above highest cost units</i>	(-)	-
Sub-Total		<u>\$2,473,863.40</u>
C. Non-Native Sales Fuel Costs		\$320,047.72
D. Total Fuel Costs (A + B - C)		<u>\$10,388,181.48</u>

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

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

Expense Month: May 2008

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	0.5765
2	Retail kWh Billed at Above Rate	(x)	<u>371,037,927</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$2,139,033.65</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	290,337,043
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>290,337,043</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$1,673,793.05
8	Over or (Under) (Line 3 - Line 7)		\$465,240.60
9	Total Sales (Schedule 3 Line C)	(-)	395,770,070
10	Kentucky Jurisdictional Sales	(÷)	<u>395,770,070</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)	(+)	\$465,240.60
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0.00
14	Total Company Over or (Under) Recovery		<u><u>\$465,240.60</u></u>

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

Expense Month:		March 2008 <u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	7,416,142.48
Oil Burned	(+)	230,925.00
Gas Burned	(+)	1,094,215.62
MISO Make Whole Payments	(-)	1,438,129.79
Fuel (assigned cost during Forced Outage ^(a))	(+)	646,400.55
Fuel (substitute cost during Forced Outage ^(a))	(-)	575,013.36
Sub-Total		<u>\$7,374,540.50</u>
B. Purchases		
Economy Purchases	(+)	1,824,632.18
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	1,943,921.82
Less purchases above highest cost units	(-)	-
Sub-Total		<u>(\$119,289.64)</u>
C. Non-Native Sales Fuel Costs		\$791,687.87
D. Total Fuel Costs (A + B - C)		<u>\$6,463,562.99</u>
E. Total Fuel Costs Previously Reported		6,425,165.63
F. Adjustment due to MISO Resettlements		<u><u>\$38,397.36</u></u>

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



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SEP 19 2008

PUBLIC SERVICE
COMMISSION

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

Lisa Steinkuhl
Lead Rates Analyst

VIA OVERNIGHT DELIVERY

September 19, 2008

Ms. Stephanie Stumbo, Executive Director

Attention: Daryl Newby

Chris Whelan

Kentucky Public Service Commission

211 Sower Boulevard

P.O. Box 615

Frankfort, Kentucky 40602-0615

Dear Ms. Stumbo, Mr. Newby and Ms. Whelan:

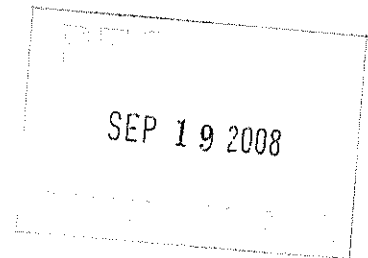
In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in October 2008.

Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Enclosure



**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: August 2008

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line I)	\$13,452,765.48	
2	Sales S_m (Schedule 3, Line C)	÷ 389,421,021	3.4546
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>1.2927</u></u>

Effective Date for Billing:

September 29, 2008

Submitted by:

Lisa D. Hunkuhl

Title:

Lead Rates Analyst

Date Submitted:

September 19, 2008

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: August 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	9,155,497.07
Oil Burned	(+)	-
Gas Burned	(+)	846,406.87
MISO Make Whole Payments	(-)	846,275.53
Fuel (assigned cost during Forced Outage ^(a))	(+)	415,631.89
Fuel (substitute cost during Forced Outage ^(a))	(-)	8,410.89
Sub-Total		<u>\$9,562,849.41</u>
B. Purchases		
Economy Purchases	(+)	4,638,938.28
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	1,221,069.00
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$3,417,869.28</u>
C. Non-Native Sales Fuel Costs		<u>\$227,532.05</u>
D. Total Fuel Costs (A + B - C)	(+)	\$12,753,186.64 ^(b)
E. Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	\$108,582.63
F. Adjustment indicating the difference in actual fuel cost for the month of July 2008 and the estimated cost originally reported		
reported \$13,361,379.16 - \$13,351,419.50	(+)	\$9,959.66
(actual) (estimate)		
G. MISO Resettlements for prior periods from Schedule 6, Line F	(+)	\$60,899.81
H. Deferral of Current Purchased Power Costs	(-)	\$0.00
I. Amount of Purchased Power Costs for Backup Power purchased in April 2008 ^(c)	(+)	\$737,302.00
J. Grand Total Fuel Cost (D - E + F + G - H)		<u><u>\$13,452,765.48</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) DE Kentucky proposes to mitigate the impact on the ratepayers by deferring a portion of the purchased power costs due to a planned outage at the East Bend generating station over a six-month period beginning in June 2008 and ending November 2008

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: August 2008

			<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	341,898,000	
<u>Purchases Including Interchange-In</u>	(+)	<u>76,167,650</u>	
Sub-Total			<u>418,065,650</u>
 B. Pumped Storage Energy	(+)	-	
Non-Native Sales Including Interchange Out	(+)	7,716,840	
<u>System Losses (410,348,810 KWH times 5.1%^(a))</u>	(+)	<u>20,927,789</u>	
Sub-Total			<u>28,644,629</u>
 C. Total Sales (A - B)			<u><u>389,421,021</u></u>

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

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: July 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	9,805,795.66
Oil Burned	(+)	190,341.00
Gas Burned	(+)	1,710,206.24
MISO Make Whole Payments	(-)	1,875,474.45
Fuel (assigned cost during Forced Outage ^(a))	(+)	71,752.16
Fuel (substitute cost during Forced Outage ^(a))	(-)	41,934.98
Sub-Total		<u>\$9,860,685.63</u>
B. Purchases		
Economy Purchases	(+)	4,055,065.00
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	395,450.48
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$3,659,614.52</u>
C. Non-Native Sales Fuel Costs		\$158,920.99
D. Total Fuel Costs (A + B - C)		<u>\$13,361,379.16</u>

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

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

Expense Month: June 2008

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	0 7581
2	Retail kWh Billed at Above Rate	(x)	379,416,419
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$2,876,355.87</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	365,093,423
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>365,093,423</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$2,767,773.24
8	Over or (Under) (Line 3 - Line 7)		\$108,582.63
9	Total Sales (Schedule 3 Line C)	(-)	389,421,021
10	Kentucky Jurisdictional Sales	(+)	<u>389,421,021</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)	(+)	\$108,582.63
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0 00
14	Total Company Over or (Under) Recovery		<u><u>\$108,582.63</u></u>

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

Expense Month:	April 2008 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>\$2,821,964.61</u>
B. Purchases	
Economy Purchases	(+)
Other Purchases	(+)
Other Purchases (substitute for Forced Outage ^(a))	(-)
Less purchases above highest cost units	(-)
Sub-Total	<u>\$8,532,238.83</u>
C. Non-Native Sales Fuel Costs	\$43,935.43
D. Total Fuel Costs (A + B - C)	<u>\$11,310,268.01</u>
E. Total Fuel Costs Previously Reported	11,249,368.20
F. Adjustment due to MISO Resettlements	<u>\$60,899.81</u>

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



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OCT 17 2008

PUBLIC SERVICE
COMMISSION

Newby

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
Lead Rates Analyst

VIA OVERNIGHT DELIVERY

October 17, 2008

Ms. Stephanie Stumbo, Executive Director

Attention: **Daryl Newby**

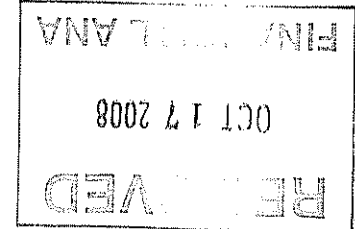
Chris Whelan

Kentucky Public Service Commission

211 Sower Boulevard

P.O. Box 615

Frankfort, Kentucky 40602-0615



Dear Ms. Stumbo, 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 2008.

Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Lisa D. Steinkuhl

Enclosure

**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: September 2008

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line I)	\$10,925,547.89	
2	Sales S_m (Schedule 3, Line C)	+ 333,406,316	3.2769
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>1.1150</u></u>

Effective Date for Billing:

October 28, 2008

Submitted by:

Lisa D. Henkeuhl

Title:

Lead Rates Analyst

Date Submitted:

October 17, 2008

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: September 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	9,943,164.63
Oil Burned	(+)	-
Gas Burned	(+)	1,349,564.49
MISO Make Whole Payments	(-)	1,552,729.97
Fuel (assigned cost during Forced Outage ^(a))	(+)	-
Fuel (substitute cost during Forced Outage ^(a))	(-)	-
Sub-Total		<u>\$9,739,999.15</u>
B. Purchases		
Economy Purchases	(+)	883,095.47
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	-
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$883,095.47</u>
C. Non-Native Sales Fuel Costs		<u>\$723,127.50</u>
D. Total Fuel Costs (A + B - C)	(+)	\$9,899,967.12 ^(b)
E. Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	(\$357,665.96)
F. Adjustment indicating the difference in actual fuel cost for the month of August 2008 and the estimated cost originally reported		
\$12,680,114.35 - \$12,753,186.64	(+)	(\$73,072.29)
(actual) (estimate)		
G. MISO Resettlements for prior periods from Schedule 6, Line F	(+)	\$3,685.10
H. Deferral of Current Purchased Power Costs	(-)	\$0.00
I. Amount of Purchased Power Costs for Backup Power purchased in April 2008 ^(c)	(+)	\$737,302.00
J. Grand Total Fuel Cost (D - E + F + G - H)		<u>\$10,925,547.89</u>

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

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

^(c) DE Kentucky proposes to mitigate the impact on the ratepayers by deferring a portion of the purchased power costs due to a planned outage at the East Bend generating station over a six-month period beginning in June 2008 and ending November 2008.

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: September 2008

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	371,355,000
<u>Purchases Including Interchange-In</u>	(+)	<u>13,755,090</u>
Sub-Total		<u>385,110,090</u>
 B. Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	34,525,110
<u>System Losses (350,584,980 KWH times 4.9%^(a))</u>	(+)	<u>17,178,664</u>
Sub-Total		<u>51,703,774</u>
 C. Total Sales (A - B)		<u><u>333,406,316</u></u>

Note: ^(a) Average of prior 12 months

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: August 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	8,906,034.57
Oil Burned	(+)	249,471.00
Gas Burned	(+)	846,407.06
MISO Make Whole Payments	(-)	990,123.82
Fuel (assigned cost during Forced Outage ^(a))	(+)	424,858.06
Fuel (substitute cost during Forced Outage ^(a))	(-)	8,390.73
Sub-Total		\$9,428,256.14
B. Purchases		
Economy Purchases	(+)	4,662,225.66
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	1,263,322.34
Less purchases above highest cost units	(-)	-
Sub-Total		\$3,398,903.32
C. Non-Native Sales Fuel Costs		\$147,045.11
D. Total Fuel Costs (A + B - C)		\$12,680,114.35

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

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

Expense Month: July 2008

Line No.	Description		
1	FAC Rate Billed (ϕ /kWh)	(+)	1.3157
2	Retail kWh Billed at Above Rate	(x)	<u>368,585,608</u>
3	FAC Revenue/(Refund) (Line 1 • Line 2)		<u>\$4,849,480.85</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	395,770,070
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>395,770,070</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$5,207,146.81
8	Over or (Under) (Line 3 - Line 7)		(\$357,665.96)
9	Total Sales (Schedule 3 Line C)	(-)	333,406,316
10	Kentucky Jurisdictional Sales	(+)	<u>333,406,316</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)	(+)	(\$357,665.96)
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0.00
14	Total Company Over or (Under) Recovery		<u><u>(\$357,665.96)</u></u>

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

Expense Month:		May 2008 Dollars (\$)
A. Company Generation		
Coal Burned	(+)	7,497,011.37
Oil Burned	(+)	164,596.00
Gas Burned	(+)	532,251.81
MISO Make Whole Payments	(-)	985,429.61
Fuel (assigned cost during Forced Outage ^(a))	(+)	-
Fuel (substitute cost during Forced Outage ^(a))	(-)	-
Sub-Total		<u>\$7,208,429.57</u>
B. Purchases		
Economy Purchases	(+)	404,192.50
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	-
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$404,192.50</u>
C. Non-Native Sales Fuel Costs		\$914,719.01
D. Total Fuel Costs (A + B - C)		<u>\$6,697,903.06</u>
E. Total Fuel Costs Previously Reported		6,694,217.96
F. Adjustment due to MISO Resettlements		<u>\$3,685.10</u>

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



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Tel: 513-419-6954
Fax: 513-419-6948
Lisa Steinkuhl@duke-energy.com

Lisa Steinkuhl
Lead Rates Analyst

VIA OVERNIGHT DELIVERY

November 21, 2008

Ms. Stephanie Stumbo, 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 21 2008

**PUBLIC SERVICE
COMMISSION**

Dear Ms. Stumbo, 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 2008.

Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Enclosure

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**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: October 2008

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line I)	\$10,939,798.38	
2	Sales S_m (Schedule 3, Line C)	÷ 301,753,517	3.6254
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>1.4635</u></u>

Effective Date for Billing:

December 1, 2008

Submitted by:

Lisa D. Steinkuhl

Title:

Lead Rates Analyst

Date Submitted:

November 21, 2008

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: October 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	8,471,290.21
Oil Burned	(+)	-
Gas Burned	(+)	457,365.00
MISO Make Whole Payments	(-)	761,552.19
Fuel (assigned cost during Forced Outage ^(a))	(+)	767,407.66
Fuel (substitute cost during Forced Outage ^(a))	(-)	201,934.06
Sub-Total		<u>\$8,732,576.62</u>
B Purchases		
Economy Purchases	(+)	2,139,079.34
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	898,081.43
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$1,240,997.91</u>
C. Non-Native Sales Fuel Costs		<u>\$374,259.02</u>
D. Total Fuel Costs (A + B - C)	(+)	\$9,599,315.51 ^(b)
E Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	(\$1,112,971.18)
F Adjustment indicating the difference in actual fuel cost for the month of September 2008 and the estimated cost originally reported		
\$10,160,325.70 - \$9,899,967.12	(+)	\$260,358.58
(actual) (estimate)		
G MISO Resettlements for prior periods from Schedule 6, Line G	(+)	(\$32,846.89)
H Deferral of Current Purchased Power Costs	(-)	\$0.00
I. Amount of Purchased Power Costs for Backup Power purchased	(+)	\$0.00
J Grand Total Fuel Cost (D - E + F + G - H)		<u>\$10,939,798.38</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: October 2008

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	284,133,980
<u>Purchases Including Interchange-In</u>	(+)	<u>57,383,470</u>
Sub-Total		<u>341,517,450</u>
B. Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	24,549,470
<u>System Losses (316,967,980 KWH times 4.8%^(a))</u>	(+)	<u>15,214,463</u>
Sub-Total		<u>39,763,933</u>
C. Total Sales (A - B)		<u><u>301,753,517</u></u>

Note: ^(a) Average of prior 12 months

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: September 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	10,173,299.78
Oil Burned	(+)	23,041.00
Gas Burned	(+)	1,179,199.48
MISO Make Whole Payments	(-)	1,495,396.36
Fuel (assigned cost during Forced Outage ^(a))	(+)	-
Fuel (substitute cost during Forced Outage ^(a))	(-)	-
Sub-Total		<u>\$9,880,143.90</u>
B. Purchases		
Economy Purchases	(+)	883,573.11
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	-
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$883,573.11</u>
C. Non-Native Sales Fuel Costs		\$603,391.31
D. Total Fuel Costs (A + B - C)		<u>\$10,160,325.70</u>

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

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

Expense Month: August 2008

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	1 2927
2	Retail kWh Billed at Above Rate	(x)	<u>303,324,388</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$3,921,074.36</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	389,421,021
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>389,421,021</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$5,034,045.54
8	Over or (Under) (Line 3 - Line 7)		(\$1,112,971.18)
9	Total Sales (Schedule 3 Line C)	(-)	301,753,517
10	Kentucky Jurisdictional Sales	(+)	<u>301,753,517</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)	(+)	(\$1,112,971.18)
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0.00
14	Total Company Over or (Under) Recovery		<u><u>(\$1,112,971.18)</u></u>

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

Expense Month:	June 2008 Dollars (\$)
A. Company Generation	
Coal Burned (+)	8,170,816.82
Oil Burned (+)	80,969.00
Gas Burned (+)	1,749,112.08
MISO Make Whole Payments (-)	1,926,097.08
Fuel (assigned cost during Forced Outage ^(a)) (+)	160,737.12
Fuel (substitute cost during Forced Outage ^(a)) (-)	6,033.32
Sub-Total	<u>\$8,229,504.62</u>
B. Purchases	
Economy Purchases (+)	2,969,321.07
Other Purchases (+)	-
Other Purchases (substitute for Forced Outage ^(a)) (-)	526,650.11
Less purchases above highest cost units (-)	-
Sub-Total	<u>\$2,442,670.96</u>
C. Non-Native Sales Fuel Costs	\$315,339.15
D. Total Fuel Costs (A + B - C)	<u>\$10,356,836.43</u>
E. Total Fuel Costs Previously Reported	10,388,181.48
F. Prior Period Adjustment	(1,501.84)
G. Adjustment due to MISO Resettlements	<u>(\$32,846.89)</u>

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



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
Lead Rates Analyst

VIA OVERNIGHT DELIVERY

RECEIVED

December 17, 2008

DEC 17 2008

Ms. Stephanie Stumbo, Executive Director
Attention: Daryl Newby

PUBLIC SERVICE
COMMISSION

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

Dear Ms. Stumbo 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 January 2009.

Please contact me if you have any questions.

Sincerely,

Lisa D. Steinkuhl

Enclosure

RECEIVED
DEC 17 2008
FINANCIAL ANA

**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: **November 2008**

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line I)	\$10,005,420.78	
2	Sales S_m (Schedule 3, Line C) ÷	303,771,496	3.2937
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>1.1318</u>

Effective Date for Billing:

January 2, 2009

Submitted by:

Lisa D. Hunkuhl

Title:

Lead Rates Analyst

Date Submitted:

December 17, 2008

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: November 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	9,273,821.13
Oil Burned	(+)	-
Gas Burned	(+)	567,688.85
MISO Make Whole Payments	(-)	842,696.22
Fuel (assigned cost during Forced Outage ^(a))	(+)	19,639.74
Fuel (substitute cost during Forced Outage ^(a))	(-)	87,402.54
Sub-Total		<u>\$8,931,050.96</u>
B. Purchases		
Economy Purchases	(+)	1,262,093.30
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	12,091.99
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$1,250,001.31</u>
C. Non-Native Sales Fuel Costs		<u>\$315,104.35</u>
D. Total Fuel Costs (A + B - C)	(+)	\$9,865,947.92 ^(b)
E. Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	(\$450,238.68)
F. Adjustment indicating the difference in actual fuel cost for the month of September 2008 and the estimated cost originally reported		
\$9,292,682.18 - \$9,599,315.51	(+)	(\$306,633.33)
(actual) (estimate)		
G. MISO Resettlements for prior periods from Schedule 6, Line G	(+)	(\$4,132.49)
H. Deferral of Current Purchased Power Costs	(-)	\$0.00
I. Amount of Purchased Power Costs for Backup Power purchased	(+)	\$0.00
J. Grand Total Fuel Cost (D - E + F + G - H)		<u>\$10,005,420.78</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: November 2008

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	296,705,990
<u>Purchases Including Interchange-In</u>	(+)	<u>44,173,350</u>
Sub-Total		<u>340,879,340</u>
 B. Pumped Storage Energy	 (+)	 -
Non-Native Sales Including Interchange Out	(+)	21,119,870
<u>System Losses (319,759,470 KWH times 5.0%^(a))</u>	(+)	<u>15,987,974</u>
Sub-Total		<u>37,107,844</u>
 C. Total Sales (A - B)		 <u><u>303,771,496</u></u>

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

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: October 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	8,124,830 57
Oil Burned	(+)	346,471 00
Gas Burned	(+)	457,365 07
MISO Make Whole Payments	(-)	760,290 50
Fuel (assigned cost during Forced Outage ^(a))	(+)	768,628 27
Fuel (substitute cost during Forced Outage ^(a))	(-)	215,635 00
Sub-Total		\$8,721,369.41
B. Purchases		
Economy Purchases	(+)	2,113,786 29
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	1,053,390 98
Less purchases above highest cost units	(-)	-
Sub-Total		\$1,060,395.31
C. Non-Native Sales Fuel Costs		\$489,082 54
D. Total Fuel Costs (A + B - C)		\$9,292,682.18

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

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

Expense Month: September 2008

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	1.1150
2	Retail kWh Billed at Above Rate	(x)	<u>293,026,165</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$3,267,241.74</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	333,406,316
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>333,406,316</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$3,717,480.42
8	Over or (Under) (Line 3 - Line 7)		(\$450,238.68)
9	Total Sales (Schedule 3 Line C)	(-)	303,771,496
10	Kentucky Jurisdictional Sales	(+)	<u>303,771,496</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)	(+)	(\$450,238.68)
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0.00
14	Total Company Over or (Under) Recovery		<u><u>(\$450,238.68)</u></u>

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

Expense Month:		July 2008 Dollars (\$)
A. Company Generation		
Coal Burned	(+)	9,805,796.68
Oil Burned	(+)	190,341.00
Gas Burned	(+)	1,710,206.25
MISO Make Whole Payments	(-)	1,876,729.63
Fuel (assigned cost during Forced Outage ^(a))	(+)	71,396.21
Fuel (substitute cost during Forced Outage ^(a))	(-)	41,248.12
Sub-Total		<u>\$9,859,762.39</u>
B. Purchases		
Economy Purchases	(+)	4,051,304.74
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	394,224.57
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$3,657,080.17</u>
C. Non-Native Sales Fuel Costs		\$159,595.89
D. Total Fuel Costs (A + B - C)		<u>\$13,357,246.67</u>
E. Total Fuel Costs Previously Reported		13,361,379.16
F. Prior Period Adjustment		-
G. Adjustment due to MISO Resettlements		<u><u>(\$4,132.49)</u></u>

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



139 East Fourth Street
P O Box 960
Cincinnati, Ohio 45201-0960
Tel: 513-419-5435
Fax: 513-419-6948
Phyllis Pickens@duke-energy.com

Phyllis Pickens
Lead Rates Analyst

VIA OVERNIGHT DELIVERY

RECEIVED

January 23, 2009

JAN 23 2009

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen, Executive Director
Attention: Daryl Newby

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

Dear Mr. Derouen and Mr. Newby:

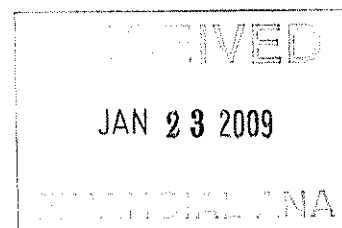
In compliance with KAR 807 5:056, enclosed for filing are the fuel adjustment clause schedules with supporting sales and fuel cost schedules supporting Duke Energy Kentucky's fuel adjustment factor applicable to billings for retail sales in February 2009.

Please contact me if you have any questions.

Sincerely,

Phyllis Pickens

Enclosure



**DUKE ENERGY KENTUCKY
FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month: December 2008

Line No.	Description	Amount	Rate (¢/kWh)
1	Fuel F_m (Schedule 2, Line I)	\$9,414,973.11	
2	Sales S_m (Schedule 3, Line C) ÷	354,190,914	2.6582
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>0.4963</u>

Effective Date for Billing: February 2, 2009

Submitted by: *Phyllis Pickens*

Title: Lead Rates Analyst

Date Submitted: January 23, 2009

**DUKE ENERGY KENTUCKY
FUEL COST SCHEDULE**

Expense Month: December 2008

		<u>Dollars (\$)</u>
A Company Generation		
Coal Burned	(+)	7,151,351.71 ^(c)
Oil Burned	(+)	-
Gas Burned	(+)	516,273.89
MISO Make Whole Payments	(-)	641,089.80
Fuel (assigned cost during Forced Outage ^(a))	(+)	589,422.88
Fuel (substitute cost during Forced Outage ^(a))	(-)	22,750.67
Sub-Total		<u>\$7,593,208.01</u>
B Purchases		
Economy Purchases	(+)	3,330,791.56
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	648,742.15
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$2,682,049.41</u>
C. Non-Native Sales Fuel Costs		<u>(\$81,254.26)</u>
D. Total Fuel Costs (A + B - C)	(+)	\$10,356,511.68 ^(b)
E. Total Company Over or (Under) Recovery from Schedule 5, Line 14	(-)	\$933,089.76
F. Adjustment indicating the difference in actual fuel cost for the month of September 2008 and the estimated cost originally reported		
\$9,869,620.72 - \$9,865,947.92	(+)	\$3,672.80
(actual) (estimate)		
G. MISO Resettlements for prior periods from Schedule 6, Line G	(+)	(\$12,121.61)
H. Deferral of Current Purchased Power Costs	(-)	\$0.00
I. Amount of Purchased Power Costs for Backup Power purchased	(+)	\$0.00
J. Grand Total Fuel Cost (D - E + F + G - H)		<u><u>\$9,414,973.11</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 2008

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	297,616,000
<u>Purchases Including Interchange-In</u>	(+)	<u>84,904,910</u>
Sub-Total		<u>382,520,910</u>
 B. Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	9,295,500
<u>System Losses (373,225,410 KWH times 5.1%^(a))</u>	(+)	<u>19,034,496</u>
Sub-Total		<u>28,329,996</u>
 C. Total Sales (A - B)		<u><u>354,190,914</u></u>

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

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: November 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	9,185,613.68
Oil Burned	(+)	88,199.00
Gas Burned	(+)	567,688.89
MISO Make Whole Payments	(-)	889,546.35
Fuel (assigned cost during Forced Outage ^(a))	(+)	13,204.01
Fuel (substitute cost during Forced Outage ^(a))	(-)	4,961.47
Sub-Total		\$8,960,197.76
B. Purchases		
Economy Purchases	(+)	1,253,564.61
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	14,457.39
Less purchases above highest cost units	(-)	-
Sub-Total		\$1,239,107.22
C. Non-Native Sales Fuel Costs		\$329,684.26
D. Total Fuel Costs (A + B - C)		\$9,869,620.72

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

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

Expense Month: October 2008

Line No.	Description		
1	FAC Rate Billed (¢/kWh)	(+)	1.4635
2	Retail kWh Billed at Above Rate	(x)	<u>365,510,931</u>
3	FAC Revenue/(Refund) (Line 1 * Line 2)		<u>\$5,349,252.48</u>
4	kWh Used to Determine Last FAC Rate Billed	(+)	301,753,517
5	Non-Jurisdictional kWh included in Line 4	(-)	<u>-</u>
6	Kentucky Jurisdictional kWh Included in Line 4 (Line 4- Line 5)		<u>301,753,517</u>
7	Recoverable FAC Revenue/(Refund) (Line 1 * Line 6)		\$4,416,162.72
8	Over or (Under) (Line 3 - Line 7)		\$933,089.76
9	Total Sales (Schedule 3 Line C)	(-)	354,190,914
10	Kentucky Jurisdictional Sales	(+)	<u>354,190,914</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)	(+)	\$933,089.76
13	Amount Over or (Under) Recovered in prior filings	(-)	\$0.00
14	Total Company Over or (Under) Recovery		<u><u>\$933,089.76</u></u>

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

Expense Month:		August 2008 <u>Dollars (\$)</u>
A Company Generation		
Coal Burned	(+)	8,906,034.52
Oil Burned	(+)	249,471.00
Gas Burned	(+)	846,406.82
MISO Make Whole Payments	(-)	992,250.75
Fuel (assigned cost during Forced Outage ^(a))	(+)	424,900.69
Fuel (substitute cost during Forced Outage ^(a))	(-)	8,657.00
Sub-Total		<u>\$9,425,905.28</u>
B Purchases		
Economy Purchases	(+)	4,651,412.66
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	1,262,650.84
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$3,388,761.82</u>
C Non-Native Sales Fuel Costs		\$146,674.36
D. Total Fuel Costs (A + B - C)		<u>\$12,667,992.74</u>
E. Total Fuel Costs Previously Reported		12,680,114.35
F. Prior Period Adjustment		-
G. Adjustment due to MISO Resettlements		<u><u>(\$12,121.61)</u></u>

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