

PURCHASED GAS ADJUSTMENT

COMPANY NAME: DUKE ENERGY OHIO
GAS COST RECOVERY RATE CALCULATIONS

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	8.92
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	(0.00)
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.21
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	<u>9.13</u>

GAS COST RECOVERY RATE EFFECTIVE DATES: MAY 31, 2006 THROUGH JUNE 28, 2006

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	8.92

SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.00
PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.00
SECOND PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.00
THIRD PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	(0.00)
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	<u>(0.00)</u>

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	(0.13)
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.80
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.00
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.47)
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>0.20</u>

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 76-515-GA-ORD
OF THE PUBLIC UTILITIES COMMISSION OF OHIO, DATED OCTOBER 18, 1979.

DATE FILED: May 11, 2006

BY: PAUL G. SMITH

TITLE: VICE-PRESIDENT, RATES

PURCHASED GAS ADJUSTMENT

SCHEDULE 1

COMPANY NAME: DUKE ENERGY OHIO

EXPECTED GAS COST RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF MAY 31, 2006
 PROJECTED VOLUME FOR THE TWELVE MONTH PERIOD ENDED MAY 31, 2007

DEMAND COSTS	DEMAND EXPECTED GAS COST AMT (\$)	MISC EXPECTED GAS COST AMT (\$)	TOTAL DEMAND EXPECTED GAS COST AMT (\$)
INTERSTATE PIPELINE SUPPLIERS (SCH. 1-A)			
Columbia Gas Transmission Corp.	14,814,411	0	14,814,411
Duke Energy Kentucky	595,080	0	595,080
Columbia Gulf Transmission Co.	5,756,123	0	5,756,123
Texas Gas Transmission Corp.	7,395,941	0	7,395,941
K O Transmission Company	786,048	0	786,048
PRODUCER/MARKETER (SCH. 1-A)	833,455	0	833,455
SYNTHETIC (SCH. 1-A)			
OTHER GAS COMPANIES (SCH. 1-B)			
OHIO PRODUCERS (SCH. 1-B)			
SELF-HELP ARRANGEMENTS (SCH. 1-B)			
SPECIAL PURCHASES (SCH. 1-B)		(2,299,186)	(2,299,186)
TOTAL DEMAND COSTS:	30,181,058	(2,299,186)	\$27,881,872

PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:

45,485,512 MCF

DEMAND (FIXED) COMPONENT OF EGC RATE:

\$0.613 /MCF

COMMODITY COSTS:

GAS MARKETERS	\$8.308 /MCF
GAS STORAGE	\$0.000 /MCF
COLUMBIA GAS TRANSMISSION	\$0.000 /MCF
TEXAS GAS TRANSMISSION	\$0.000 /MCF
PROPANE	\$8.308 /MCF
COMMODITY COMPONENT OF EGC RATE:	

TOTAL EXPECTED GAS COST:

\$8.921 /MCF

PURCHASED GAS ADJUSTMENT

COMPANY NAME: DUKE ENERGY OHIO

PRIMARY GAS SUPPLIER / TRANSPORTER

DETAILS FOR THE EGC IN EFFECT AS OF MAY 31, 2006 AND THE PROJECTED
VOLUME FOR THE TWELVE MONTH PERIOD ENDED MAY 31, 2007

SUPPLIER OR TRANSPORTER NAME Columbia Gas Transmission Corp. - Zone #3
TARIFF SHEET REFERENCE Second Revised Volume No. 1 Sheet No. 29/26
EFFECTIVE DATE OF TARIFF 2/1/2006 / 4/1/2006 RATE SCHEDULE NUMBER FSS/SST

TYPE GAS PURCHASED NATURAL LIQUIFIED SYNTHETIC
UNIT OR VOLUME TYPE MCF CCF OTHER DTH
PURCHASE SOURCE INTERSTATE INTRASTATE

INCLUDABLE GAS SUPPLIERS

PARTICULARS	UNIT RATE (\$ PER)	TWELVE MONTH VOLUME	EXPECTED GAS COST AMOUNT (\$)
DEMAND			
CONTRACT DEMAND - FSS MDSQ	1.5000 *	2,598,168	3,897,252
CONTRACT DEMAND - FSS SCQ	0.0288 *	110,928,948	3,194,754
CONTRACT DEMAND - SST (Oct-Mar)	3.9630 *	1,299,084	5,148,270
CONTRACT DEMAND - SST (Apr-Sep)	3.9630 *	649,542	2,574,135
TOTAL DEMAND			14,814,411
COMMODITY			
COMMODITY			
OTHER COMMODITY (SPECIFY)			
TOTAL COMMODITY			-
MISCELLANEOUS			
TRANSPORTATION	-	-	-
OTHER MISCELLANEOUS (SPECIFY)	-	-	-
TOTAL MISCELLANEOUS			-
TOTAL EXPECTED GAS COST OF PRIMARY SUPPLIER/TRANSPORTER			14,814,411

NOTE: IF ANY RATE SHOWN ABOVE IS DIFFERENT THAN THE UNIT RATE REPORTED IN PREVIOUS QUARTERLY REPORT, INDICATE WITH AN ASTERISK (*) AND ATTACH COPY OF SUPPLIER TARIFF SHEET. IF TARIFF SHEET IS NOT AVAILABLE, THEN PROVIDE A DETAILED EXPLANATION.

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

Rate Schedule	Commodity	Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current	Electric Power Costs Adjustment Current	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
Rate Schedule FSS							
Reservation Charge		\$ 1.500	-	-	-	1.500	0.049
Capacity		¢ 2.88	-	-	-	2.88	2.88
Injection		¢ 1.53	-	-	-	1.53	1.53
Withdrawal		¢ 1.53	-	-	-	1.53	1.53
Overrun		¢ 10.87	-	-	-	10.87	10.87
Rate Schedule ISS							
Commodity							
Maximum		¢ 5.92	-	-	-	5.92	5.92
Minimum		¢ 0.00	-	-	-	0.00	0.00
Injection		¢ 1.53	-	-	-	1.53	1.53
Withdrawal		¢ 1.53	-	-	-	1.53	1.53
Rate Schedule SIT							
Commodity							
Maximum		¢ 4.11	-	-	-	4.11	4.11
Minimum		¢ 1.53	-	-	-	1.53	1.53

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCA) and Electric Power Costs Adjustment (EPGA), respectively.
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

Issued by: Carl W. Levander, Vice President
 Issued on: December 30, 2005

Effective: February 1, 2006

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

Commodity	Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current	Surcharge	Electric Power Costs Adjustment Current	Surcharge	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
Reservation Charge 3/	\$ 5.405	0.354	-0.017	0.029	0.000	-	5.771	0.190
Commodity								
Maximum	¢ 1.02	0.25	0.00	0.26	0.01	0.18	1.72	1.72
Minimum	¢ 1.02	0.25	0.00	0.26	0.01	0.18	1.72	1.72
Overrun	¢ 18.79	1.41	-0.06	0.36	0.01	0.18	20.69	20.69
Rate Schedule GTS								
Commodity								
Maximum	¢ 74.23	2.58	-0.11	0.45	0.01	0.18	77.34	77.34
Minimum	¢ 3.08	0.25	-0.11	0.26	0.01	0.18	3.67	3.67
MFCG	¢ 71.15	2.33	0.00	0.19	0.00	-	73.67	73.67

DISCOUNTED TO 3.963

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Sheet No. 30A.
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.
 3/ Minimum reservation charge is \$0.00.

COMPANY NAME: DUKE ENERGY OHIO

PRIMARY GAS SUPPLIER / TRANSPORTER

DETAILS FOR THE EGC IN EFFECT AS OF MAY 31, 2006 AND THE PROJECTED
VOLUME FOR THE TWELVE MONTH PERIOD ENDED MAY 31, 2007

SUPPLIER OR TRANSPORTER NAME Duke Energy Kentucky
TARIFF SHEET REFERENCE _____
EFFECTIVE DATE OF TARIFF 12/1/2005 RATE SCHEDULE NUMBER _____

TYPE GAS PURCHASED NATURAL _____ LIQUIFIED _____ SYNTHETIC _____
UNIT OR VOLUME TYPE _____ MCF _____ CCF OTHER DTH
PURCHASE SOURCE INTERSTATE _____ INTRASTATE _____

INCLUDABLE GAS SUPPLIERS

PARTICULARS	UNIT RATE (\$ PER)	TWELVE MONTH VOLUME	EXPECTED GAS COST AMOUNT (\$)
DEMAND			
CONTRACT DEMAND	0.2755 *	2,160,000	595,080

TOTAL DEMAND			595,080
COMMODITY			
COMMODITY			
OTHER COMMODITY (SPECIFY)			

TOTAL COMMODITY			-
MISCELLANEOUS			
TRANSPORTATION	-	-	-
OTHER MISCELLANEOUS (SPECIFY)	-	-	-

TOTAL MISCELLANEOUS			-
TOTAL EXPECTED GAS COST OF PRIMARY SUPPLIER/TRANSPORTER			595,080

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FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

In Reply Refer To:
The Union Light, Heat and Power
Company
Docket No. PR05-15-000
November 15, 2005

The Union Light, Heat and Power Company
Cinergy Services, Inc.
2500 Atrium II
139 East Fourth Street
Cincinnati, Ohio 45202

Attention: Diego A. Gomez, Senior Counsel

Reference: Petition for Rate Approval

Dear Mr. Gomez:

On July 21, 2005, The Union Light, Heat and Power Company (Union Light) filed a petition for approval to charge a firm reservation rate of \$0.2755 per Dth for no-notice service pursuant to section 284.123(b)(2) of the Commission's regulations. This rate is a decrease of \$0.0291 per Dth from the previous Commission approved and currently effective firm reservation rate of \$0.3046 per Dth.¹ This application presents nothing new from the previous Commission approved application except a small decrease in rates. Accordingly, Union Light's petition is accepted and approved herein as fair and equitable and consistent with prior Commission approved rates and conditions.

On or before July 21, 2008, Union Light shall file an application for rate approval under section 284.123(b)(2) of the Commission's regulations to justify its current rate or to establish a new maximum rate. Union Light must continue to comply with any applicable filing requirements under section 284 of the Commission's regulations.

The filing was noticed on August 3, 2005, 70 *Fed. Reg.* 46,161, with comments due on or before August 24, 2005. No protests or adverse comments were filed. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's

¹ 101 FERC ¶ 61,288 (2002).

PURCHASED GAS ADJUSTMENT

COMPANY NAME: DUKE ENERGY OHIO

PRIMARY GAS SUPPLIER / TRANSPORTER

DETAILS FOR THE EGC IN EFFECT AS OF MAY 31, 2006 AND THE PROJECTED
VOLUME FOR THE TWELVE MONTH PERIOD ENDED MAY 31, 2007

SUPPLIER OR TRANSPORTER NAME Columbia Gulf Transmission Corp.
TARIFF SHEET REFERENCE Second Revised Volume No. 1 Sheet no. 18/18A
EFFECTIVE DATE OF TARIFF 4/1/2006 / 4/1/2006 RATE SCHEDULE NUMBER FTS-1 / FTS-2

TYPE GAS PURCHASED NATURAL LIQUIFIED SYNTHETIC
UNIT OR VOLUME TYPE MCF CCF OTHER DTH
PURCHASE SOURCE INTERSTATE INTRASTATE

INCLUDABLE GAS SUPPLIERS

PARTICULARS	UNIT RATE (\$ PER)	TWELVE MONTH VOLUME	EXPECTED GAS COST AMOUNT (\$)
DEMAND			
FTS-1 DEMAND (NOV-MAR)	3.1450 *	566,070	1,780,290
FTS-1 DEMAND (APR-OCT)	3.1450 *	607,495	1,910,572
FTS-1 DEMAND (NOV-MAR)	3.1450 *	250,000	786,250
FTS-1 DEMAND (APR-OCT)	3.1450 *	175,000	550,375
FTS-2 DEMAND (NOV-MAR)	0.9995 *	365,000	364,818
FTS-2 DEMAND (APR-OCT)	0.9995 *	364,000	363,818
TOTAL DEMAND			5,756,123
COMMODITY			
COMMODITY			
OTHER COMMODITY (SPECIFY)			
TOTAL COMMODITY			0
MISCELLANEOUS			
TRANSPORTATION	-	-	-
OTHER MISCELLANEOUS (SPECIFY)	-	-	-
TOTAL MISCELLANEOUS			-
TOTAL EXPECTED GAS COST OF PRIMARY SUPPLIER/TRANSPORTER			5,756,123

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

Commodity	Base Rate (1)	Annual Charge Adjustment (2)	Subtotal (3)	Total Effective Rate (4)	Daily Rate (5)	Company Use and Unaccounted For (6)
Rate Schedule <u>FTS-1</u>						
Rayne, LA To Points North						
Reservation Charge 2/	<u>3.1450</u>	-	3.1450	3.1450	0.1034	-
Commodity	0.0170	0.0018	0.0188	0.0188	0.0188	2.265
Maximum	0.0170	0.0018	0.0188	0.0188	0.0188	2.265
Minimum	0.0170	0.0018	0.0188	0.0188	0.0188	2.265
Overrun	0.1204	0.0018	0.1222	0.1222	0.1222	2.265

- 1/ Pursuant to Section 154.402 of the Commission's Regulations, Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more than one zone, rate will be applied only one time.
- 2/ The Minimum Rate under Reservation Charge is zero (0).

Issued by: Thomas D. Stone, Manager
 Issued on: March 1, 2006

Effective: April 1, 2006

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

	Base Rate (1)	Annual Charge Adjustment (2)	Subtotal (3)	Total Effective Rate (4)	Daily Rate (5)	Company Use and Unaccounted For (6)
Rate Schedule FTS-2						
Offshore Laterals						
Reservation Charge 2/	2.6700	-	2.6700	2.6700	0.0878	-
Commodity	0.0002	0.0018	0.0020	0.0020	0.0020	0.341
Maximum	0.0002	0.0018	0.0020	0.0020	0.0020	0.341
Minimum	0.0898	0.0018	0.0898	0.0898	0.0898	0.341
Overrun						
Onshore Laterals						
Reservation Charge 2/	1.0603	-	1.0603	1.0603	0.0349	-
Commodity	0.0017	0.0018	0.0035	0.0035	0.0035	0.571
Maximum	0.0017	0.0018	0.0035	0.0035	0.0035	0.571
Minimum	0.0356	0.0018	0.0384	0.0384	0.0384	0.571
Overrun						
Offsystem-Onshore						
Reservation Charge 2/	2.5255	-	2.5255	2.5255	0.0830	-
Commodity	0.0070	0.0018	0.0088	0.0088	0.0088	-
Maximum	0.0070	0.0018	0.0088	0.0088	0.0088	-
Minimum	0.0900	0.0018	0.0918	0.0918	0.0918	-
Overrun						

DISCOUNTED TO 0.9995

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

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

Issued by: Thomas D. Stone, Manager
 Issued on: March 1, 2006

Effective: April 1, 2006

COMPANY NAME: DUKE ENERGY OHIO

PRIMARY GAS SUPPLIER / TRANSPORTER

DETAILS FOR THE EGC IN EFFECT AS OF MAY 31, 2006 AND THE PROJECTED
VOLUME FOR THE TWELVE MONTH PERIOD ENDED MAY 31, 2007

SUPPLIER OR TRANSPORTER NAME Texas Gas Transmission, LLC
TARIFF SHEET REFERENCE Second Revised Volume No. 1 Sheet no. 20
EFFECTIVE DATE OF TARIFF 2/1/2006 RATE SCHEDULE NUMBER NNS-4

TYPE GAS PURCHASED NATURAL LIQUIFIED SYNTHETIC
UNIT OR VOLUME TYPE MCF CCF OTHER DTH
PURCHASE SOURCE INTERSTATE INTRASTATE

INCLUDABLE GAS SUPPLIERS

PARTICULARS	UNIT RATE (\$ PER)	TWELVE MONTH VOLUME	EXPECTED GAS COST AMOUNT (\$)
DEMAND			
CONTRACT DEMAND Nom&Unnom (Nov-Mar)	0.4190 *	6,040,000	2,530,760
CONTRACT DEMAND Nom&Unnom (April)	0.4190 *	824,460	345,449
CONTRACT DEMAND Nom (May-Sep)	0.4190 *	1,680,246	704,023
CONTRACT DEMAND Nom&Unnom (October)	0.4190 *	1,006,942	421,909
TOTAL DEMAND			4,002,141
COMMODITY			
COMMODITY			
OTHER COMMODITY (SPECIFY)			
TOTAL COMMODITY			-
MISCELLANEOUS			
TRANSPORTATION	-	-	-
OTHER MISCELLANEOUS (SPECIFY)	-	-	-
TOTAL MISCELLANEOUS			-
TOTAL EXPECTED GAS COST OF PRIMARY SUPPLIER/TRANSPORTER			4,002,141

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Currently Effective Maximum Transportation Rates (\$ per MMBtu)
 For Service Under Rate Schedule NNS

	Base Tariff Rates (1)	FERC ACA (2)	Currently Effective Rates (3)
Zone SL			
Daily Demand	0.1800		0.1800
Commodity	0.0253	0.0018	0.0271
Overrun	0.2053	0.0018	0.2071
Zone 1			
Daily Demand	0.2782		0.2782
Commodity	0.0431	0.0018	0.0449
Overrun	0.3213	0.0018	0.3231
Zone 2			
Daily Demand	0.3088		0.3088
Commodity	0.0460	0.0018	0.0478
Overrun	0.3548	0.0018	0.3566
Zone 3			
Daily Demand	0.3543		0.3543
Commodity	0.0490	0.0018	0.0508
Overrun	0.4033	0.0018	0.4051
Zone 4			
Daily Demand	0.4190		<u>0.4190</u>
Commodity	0.0614	0.0018	0.0632
Overrun	0.4804	0.0018	0.4822

Minimum Rate: Demand \$-0-; Commodity - Zone SL 0.0163
 Zone 1 0.0186
 Zone 2 0.0223
 Zone 3 0.0262
 Zone 4 0.0308

Note: The maximum reservation charge component of the maximum firm volumetric capacity release rate shall be the applicable maximum daily demand rate herein pursuant to Section 25 of the General Terms and Conditions.

For receipts from Enterprise Texas Pipeline, L.P./Texas Eastern Transmission, LP interconnect near Beckville, Texas, the above rates shall be increased to include an incremental transportation charge of:

Daily Demand	\$0.0621
Commodity	\$0.0155
Overrun	\$0.0776

This receipt point is available to those customers agreeing to pay the incremental rate(s) applicable to such point and is not available for pooling under Rate Schedule TAPS.

* Voluntary interim rate reduction

PURCHASED GAS ADJUSTMENT

COMPANY NAME: DUKE ENERGY OHIO

PRIMARY GAS SUPPLIER / TRANSPORTER

DETAILS FOR THE EGC IN EFFECT AS OF MAY 31, 2006 AND THE PROJECTED
VOLUME FOR THE TWELVE MONTH PERIOD ENDED MAY 31, 2007

SUPPLIER OR TRANSPORTER NAME Texas Gas Transmission, LLC
 TARIFF SHEET REFERENCE Second Revised Volume No. 1 Sheet no. 24, 28
 EFFECTIVE DATE OF TARIFF N/A / N/A RATE SCHEDULE NUMBER FT, STF
 TYPE GAS PURCHASED NATURAL LIQUIFIED SYNTHETIC
 UNIT OR VOLUME TYPE MCF CCF OTHER DTH
 PURCHASE SOURCE INTERSTATE INTRASTATE

INCLUDABLE GAS SUPPLIERS

PARTICULARS	UNIT RATE (\$ PER)	TWELVE MONTH VOLUME	EXPECTED GAS COST AMOUNT (\$)
DEMAND			
FT - DEMAND Direct Assignment (Zn SL)	0.1800 *	1,825,000	328,500
FT - DEMAND Direct Assignment (Zn 1)	0.0000 *	0	0
STF - DEMAND (Zone SL)	0.2900 *	10,570,000	3,065,300
TOTAL DEMAND			3,393,800
COMMODITY			
COMMODITY			
OTHER COMMODITY (SPECIFY)			
TOTAL COMMODITY			0
MISCELLANEOUS			
TRANSPORTATION	-	-	-
OTHER MISCELLANEOUS (SPECIFY)	-	-	-
TOTAL MISCELLANEOUS			-
TOTAL EXPECTED GAS COST OF PRIMARY SUPPLIER/TRANSPORTER			3,393,800

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P.O. Box 20008
3800 Frederica St.
Owensboro, Kentucky 42304
270/926-8686

July 16, 2004

Mr. Jim Henning
The Cincinnati Gas & Electric Co.
139 East 4th Street
Cincinnati, OH 45202

Re: Discount Agreement

Dear Jim:

Texas Gas Transmission, LLC (Texas Gas) has reviewed the request of The Cincinnati Gas & Electric Co. (CG&E) for a discounted transportation rate for the time period listed below. Accordingly, Texas Gas is willing to offer CG&E the following discount:

Contract No.:	T005420
Rate Schedule:	<u>FT</u>
Time Period:	November 1, 2004 through October 31, 2008, and year to year thereafter unless cancelled upon 180 days prior written notice by either party.
Contract Demand:	<u>5,000 MMBtu per day</u>
Qualified Delivery Points:	Cincinnati Gas & Electric/Zone 4, Meter No. 1229 Lebanon-Columbia Gas/Zone 4 Meter No. 1715 Lebanon-Dominion/Zone 4, Meter No. 1247 Lebanon-Texas Eastern/Zone 4, Meter No. 1859 ANR-Slaughters/Zone 3, Meter No. 8082
Discounted Demand Rate:	CG&E's reservation rate will be discounted in a specified relationship to the quantities actually transported as follows. <u>The discounted daily reservation rate each month will be equal to \$0.18 per MMBtu times the sum of daily contract demands for the month, less the total commodity charges applicable to the quantity delivered in the month, divided by the sum of the daily contract demands for the month.</u>
Commodity Rate:	For each MMBtu delivered, CG&E shall pay the maximum currently effective commodity rate (including all surcharges) in effect from time to time during the time period set forth above for service under Rate Schedule FT. To the extent a GRI commodity surcharge or similar discountable commodity surcharge would be applicable, Texas Gas will discount such surcharge. CG&E also agrees to pay the applicable fuel retention.



P.O. Box 20008
3800 Frederica St
Owensboro, Kentucky 42304
270/926-8686

July 16, 2004

Mr. Jim Henning
The Cincinnati Gas & Electric Co.
139 East 4th Street
Cincinnati, OH 45202

Re: Discount Agreement

Dear Jim:

Texas Gas Transmission, LLC (Texas Gas) has reviewed the request of The Cincinnati Gas & Electric Co. (CG&E) for a discounted transportation rate for the time period listed below. Accordingly, Texas Gas is willing to offer CG&E the following discount:

Contract No.:	T019208
Rate Schedule:	<u>STF</u>
Time Period:	November 1, 2004 through March 31, 2006, and year to year thereafter unless cancelled upon 180 days prior written notice by either party.
Contract Demand:	<u>70,000 MMBtu per day</u>
Qualified Delivery Points:	CG&E/Zone 4, Meter No. 1229 Lebanon-Columbia/Zone 4, Meter No. 1715 (Lebanon) Lebanon-Dominion/Zone 4, Meter No. 1247 (Lebanon) Lebanon-Texas Eastern/Zone 4, Meter No. 1859 (Lebanon) ANR-Slaughters/Zone 3, Meter No. 8082 (ANR) Lebanon-AK Steel/Zone 4, Meter No. 9492 (AK Steel) Hamilton/Zone 4, Meter No. 1377 Indiana/Zone 4, Meter No. 1702 Lawrenceburg/Zone 4, Meter No. 1489 Ohio Valley/Zone 4, Meter No. 1756 Woodsdale No. 1/Zone 4, Meter No. 1234 Citizens/Zone 3, Meter No. 1367 Indiana/Zone 3, Meter No. 1440
Qualified Deliveries:	Qualified Deliveries shall include all quantities transported on any day to any of the Qualified Delivery Points up to a total of 70,000 MMBtu. Qualified Deliveries shall not exceed 70,000 MMBtu on any day.

COMPANY NAME: DUKE ENERGY OHIO

PRIMARY GAS SUPPLIER / TRANSPORTER

DETAILS FOR THE EGC IN EFFECT AS OF MAY 31, 2006 AND THE PROJECTED
VOLUME FOR THE TWELVE MONTH PERIOD ENDED MAY 31, 2007

SUPPLIER OR TRANSPORTER NAME K O Transmission Company
TARIFF SHEET REFERENCE Original Volume No. 1 Sheet No. 10
EFFECTIVE DATE OF TARIFF 4/1/2006 RATE SCHEDULE NUMBER FTS

TYPE GAS PURCHASED NATURAL LIQUIFIED SYNTHETIC
UNIT OR VOLUME TYPE MCF CCF OTHER DTH
PURCHASE SOURCE INTERSTATE INTRASTATE

INCLUDABLE GAS SUPPLIERS

PARTICULARS	UNIT RATE (\$ PER)	TWELVE MONTH VOLUME	EXPECTED GAS COST AMOUNT (\$)
DEMAND			
FT - DEMAND	0.3560 *	2,208,000	786,048

TOTAL DEMAND			786,048
COMMODITY			

TOTAL COMMODITY			0
MISCELLANEOUS			
TRANSPORTATION	-	-	-
OTHER MISCELLANEOUS (SPECIFY)	-	-	-

TOTAL MISCELLANEOUS			-
TOTAL EXPECTED GAS COST OF PRIMARY SUPPLIER/TRANSPORTER			786,048

NOTE: IF ANY RATE SHOWN ABOVE IS DIFFERENT THAN THE UNIT RATE REPORTED IN PREVIOUS QUARTERLY REPORT, INDICATE WITH AN ASTERISK (*) AND ATTACH COPY OF SUPPLIER TARIFF SHEET. IF TARIFF SHEET IS NOT AVAILABLE, THEN PROVIDE A DETAILED EXPLANATION.

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

RATE LEVELS - RATE PER DTH

	Base Tariff Rate	Annual Charge Adjustment 1/	Total Effective Rate
RATE SCHEDULE FTS			
Reservation Charge 2/			
Maximum 1	\$0.3560	--	\$0.3560
Maximum 2	\$0.3560	--	\$0.3560
Daily Rate - Maximum 1	\$0.0117	--	\$0.0117
Daily Rate - Maximum 2	\$0.0117	--	\$0.0117
Commodity			
Maximum	\$0.0000	\$0.0018	\$0.0018
Minimum	\$0.0000	\$0.0018	\$0.0018
Overrun	\$0.0117	\$0.0018	\$0.0135
RATE SCHEDULE ITS			
Commodity			
Maximum	\$0.0117	\$0.0018	\$0.0135
Minimum	\$0.0000	\$0.0018	\$0.0018

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

2/ Minimum reservation charge is \$0.00.

Transportation Retainage Adjustment 0.51%

NOTE: Utilizing GTSB standards 5.3.22 and 5.3.23, Transporter's Rate Schedule FTS Reservation Charge can be converted to an applicable daily rate by dividing the above monthly rate by 30.4 days.

Issued by: William A. Tucker
 Issued on: August 22, 2005

Effective: October 1, 2005

COMPANY NAME: DUKE ENERGY OHIO

PRIMARY GAS SUPPLIER / TRANSPORTER

DETAILS FOR THE EGC IN EFFECT AS OF MAY 31, 2006 AND THE PROJECTED
VOLUME FOR THE TWELVE MONTH PERIOD ENDED MAY 31, 2007

SUPPLIER OR TRANSPORTER NAME Various Producers / Marketers
 TARIFF SHEET REFERENCE _____
 EFFECTIVE DATE OF TARIFF _____ RATE SCHEDULE NUMBER _____
 TYPE GAS PURCHASED NATURAL _____ LIQUIFIED _____ SYNTHETIC _____
 UNIT OR VOLUME TYPE _____ MCF _____ CCF _____ OTHER DTH
 PURCHASE SOURCE INTERSTATE _____ INTRASTATE _____

INCLUDABLE GAS SUPPLIERS

PARTICULARS	UNIT RATE (\$ PER)	TWELVE MONTH VOLUME	EXPECTED GAS COST AMOUNT (\$)
DEMAND			
Various Producers/Marketers	-	39,180,787	221,215
Needle Peaking @ City Gate (Various Suppliers)	-	1,275,000	612,240
_____ _____ _____			
TOTAL DEMAND			833,455
COMMODITY			
See Commodity Costs sheet, Page 8 of 8.			
_____ _____ _____			
TOTAL COMMODITY			-
MISCELLANEOUS			
TRANSPORTATION	-	-	-
OTHER MISCELLANEOUS (SPECIFY)	-	-	-
_____ _____			
TOTAL MISCELLANEOUS			0
TOTAL EXPECTED GAS COST OF PRIMARY SUPPLIER/TRANSPORTER			833,455

NOTE: IF ANY RATE SHOWN ABOVE IS DIFFERENT THAN THE UNIT RATE REPORTED IN PREVIOUS QUARTERLY REPORT, INDICATE WITH AN ASTERISK (*) AND ATTACH COPY OF SUPPLIER TARIFF SHEET. IF TARIFF SHEET IS NOT AVAILABLE, THEN PROVIDE A DETAILED EXPLANATION.

PURCHASED GAS ADJUSTMENT

SCHEDULE I - A
PAGE 8 OF 8

COMPANY NAME: DUKE ENERGY OHIO

PRIMARY GAS SUPPLIER / TRANSPORTER

DETAILS FOR THE EGC IN EFFECT AS OF MAY 31, 2006 AND THE PROJECTED
VOLUME FOR THE TWELVE MONTH PERIOD ENDED MAY 31, 2007

SUPPLIER OR TRANSPORTER NAME	<u>Commodity Costs</u>		
TARIFF SHEET REFERENCE	_____		
EFFECTIVE DATE OF TARIFF	_____	RATE SCHEDULE NUMBER	_____
TYPE GAS PURCHASED	<input checked="" type="checkbox"/> NATURAL	<input type="checkbox"/> LIQUIFIED	<input type="checkbox"/> SYNTHETIC
UNIT OR VOLUME TYPE	<input type="checkbox"/> MCF	<input type="checkbox"/> CCF	<input type="checkbox"/> OTHER
PURCHASE SOURCE	<input checked="" type="checkbox"/> INTERSTATE	<input type="checkbox"/> INTRASTATE	

GAS COMMODITY RATE FOR JUNE, 2006:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$7.9967	\$/Dth
DUKE ENERGY OHIO FUEL	0.900%	\$0.0720	\$8.0687	\$/Dth
DTH TO MCF CONVERSION	1.0296	\$0.2388	\$8.3075	\$/Mcf
ESTIMATED WEIGHTING FACTOR	1.0000		\$8.3075	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$8.308	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE (Not applicable during injection months)			\$0.0000	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$0.0153	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.083%	\$0.0003	\$0.0156	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0154	\$0.0310	\$/Dth
KO TRANS. COMMODITY RATE		\$0.0135	\$0.0445	\$/Dth
DUKE ENERGY OHIO FUEL	0.900%	\$0.0004	\$0.0449	\$/Dth
DTH TO MCF CONVERSION	1.0296	\$0.0013	\$0.0462	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0000		\$0.0000	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.000	\$/Mcf
TEXAS GAS TRANSMISSION - STORAGE INVENTORY RATE (Not applicable during payback months)			\$0.0000	\$/Dth
TEXAS GAS COMMODITY RATE,		\$0.0632	\$0.0632	\$/Dth
DUKE ENERGY OHIO FUEL	0.900%	\$0.0006	\$0.0638	\$/Dth
DTH TO MCF CONVERSION	1.0296	\$0.0019	\$0.0657	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0000		\$0.0000	\$/Mcf
GAS STORAGE COMMODITY RATE - TEXAS GAS			\$0.000	\$/Mcf

PROPANE :

WEIGHTED AVERAGE PROPANE INVENTORY RATE			\$0.34676	\$/Ga
GALLON TO MCF CONVERSION	14.84	\$4.7992	\$5.1460	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0000		\$0.0000	\$/Mcf
PROPANE COMMODITY RATE			\$0.000	\$/Mcf

FOOTNOTE NO. (1) Weighted average cost of gas based on NYMEX prices on 5/9/06 and contracted hedging prices.

OTHER PRIMARY GAS SUPPLIERS

DETAILS FOR THE EGC IN EFFECT AS OF MAY 31, 2006 AND THE PROJECTED
VOLUME FOR THE TWELVE MONTH PERIOD ENDED MAY 31, 2007

SUPPLIER NAME	UNIT RATE	TWELVE MONTH VOLUME	EXPECTED GAS COST AMOUNT
<u>OTHER GAS COMPANIES</u>			

TOTAL OTHER GAS COMPANIES			-
<u>OHIO PRODUCERS</u>			

TOTAL OHIO PRODUCERS			-
<u>SELF-HELP ARRANGEMENT</u>			
TRANSPORTATION			
OTHER MISCELLANEOUS (SPECIFY)			
Firm Balancing Service (FBS) Credit (1)	0.181 *	12,015,545	(2,174,814)
Contract Commitment Cost Recovery (CCCR) Credit (1)	0.002 *	57,501,057	(124,372)

TOTAL SELF-HELP ARRANGEMENT			(2,299,186)
<u>SPECIAL PURCHASES</u>			

FOOTNOTE NO. (1) Unit rate and volumes are in \$/Mcf and Mcf respectively.

PURCHASED GAS ADJUSTMENT
DUKE ENERGY OHIO
ATTACHMENT TO SCHEDULE I

INCLUDABLE PROPANE (PEAK SHAVING @ EASTERN AVE. AND DICKS CREEK PLANTS):

BOOK COST OF INCLUDABLE PROPANE (\$/GAL)		0.34839
INCLUDABLE PROPANE FOR 12 MO. ENDED	<u>FEBRUARY 28, 2006</u>	(GALS) 254,817
	SUB TOTAL	<u>88,776</u>

INCLUDABLE PROPANE (PEAK SHAVING @ ERLANGER PLANT):

BOOK COST OF INCLUDABLE PROPANE (\$/GAL)		0.34268
INCLUDABLE PROPANE FOR 12 MO. ENDED	<u>FEBRUARY 28, 2006</u>	(GALS) 101,997
	SUB TOTAL	<u>34,952</u>

TOTAL DOLLARS \$123,728

TOTAL GALLONS 356,814

See Commodity Costs sheet, Page 8 of 8.

WEIGHTED AVERAGE RATE \$0.34676

PURCHASE GAS ADJUSTMENT
DUKE ENERGY OHIO
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED FEBRUARY 28, 2006

PARTICULARS	UNIT	AMOUNT
PROJECTED SALES: TWELVE MONTHS ENDED MAY 31, 2007	MCF	46,654,625
TOTAL PROJECTED SALES: TWELVE MONTHS ENDED MAY 31, 2007	MCF	46,654,625
RATIO OF JURISDICTIONAL SALES TO TOTAL SALES	RATIO	1.000
SUPPLIER REFUNDS RECEIVED AND RECONCILIATION ADJUSTMENTS ORDERED DURING THE THREE MONTH PERIOD FEBRUARY 28, 2006	\$	<u>(15,818.83)</u>
JURISDICTIONAL SHARE OF SUPPLIER REFUNDS AND RECONCILIATION ADJUSTMENTS	\$	(15,818.83)
INTEREST FACTOR		1.0550
JURISDICTIONAL SHARE OF SUPPLIER REFUNDS AND RECONCILIATION ADJUSTMENTS, INCLUDING INTEREST	\$	(16,688.87)
JURISDICTIONAL SALES: TWELVE MONTHS ENDED MAY 31, 2007	MCF	46,654,625
CURRENT SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$/MCF	<u>0.000</u>

DETAILS OF REFUNDS / ADJUSTMENTS
RECEIVED DURING THE THREE MONTH PERIOD ENDED FEBRUARY 28, 2006

PARTICULARS (SPECIFY)	UNIT	AMOUNT
<u>SUPPLIER</u>		
COLUMBIA GAS TRANSMISSION COMPANY - REFUND DATED FEBRUARY 20,2006	\$	15,818.83
TOTAL REFUNDS APPLICABLE TO THE CURRENT GCR	\$	<u>15,818.83</u>

PURCHASE GAS ADJUSTMENT
DUKE ENERGY OHIO
ACTUAL ADJUSTMENT

DETAILS FOR THE THREE MONTH PERIOD ENDED

FEBRUARY 28,

2006

PARTICULARS	UNIT	DECEMBER	JANUARY	FEBRUARY
SUPPLY VOLUME PER BOOKS				
PRIMARY GAS SUPPLIERS	MCF	8,535,539	6,040,666	6,874,624
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	4,035	384	4,513
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	<u>(22,478)</u>	<u>(57,625)</u>	<u>(18,939)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>8,517,096</u>	<u>5,983,425</u>	<u>6,860,198</u>
SUPPLY COST PER BOOKS				
PRIMARY GAS SUPPLIERS	\$	103,169,225	70,478,231	63,644,205
TRANSITION COSTS	\$	0	0	0
UTILITY PRODUCTION	\$	0	0	0
INCLUDABLE PROPANE	\$	16,384	1,646	17,095
OTHER COSTS (SPECIFY):				
CMT MANAGEMENT FEE	\$	(92,130)	(92,130)	(92,130)
CONTRACT COMMITMENT COSTS RIDER	\$	(17,973)	(18,816)	(16,847)
TRANSPORTATION GAS COST CREDIT	\$	0	0	0
RATE "IT" CREDIT	\$	0	0	0
FIRM TRANSPORTATION SUPPLIER COST	\$	3,912	(9,228)	(209)
CUSTOMER POOL USAGE COST	\$	(157,570)	(317,297)	(311,051)
LOSSES - DAMAGED LINES	\$	(20,283)	(3,703)	0
SALES TO REMARKETERS	\$	0	0	0
WEIGHTED AVERAGE PIPELINE COST REFUNDED/(BILLED) TO SUPPLIERS	\$	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL SUPPLY COSTS	\$	<u>102,901,565</u>	<u>70,038,703</u>	<u>63,241,063</u>
SALES VOLUMES				
JURISDICTIONAL	MCF	7,248,885.8	7,736,863.3	6,972,882.2
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL SALES VOLUMES	MCF	<u>7,248,885.8</u>	<u>7,736,863.3</u>	<u>6,972,882.2</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	14.196	9.053	9.070
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>11.697</u>	<u>11.631</u>	<u>10.184</u>
DIFFERENCE	\$/MCF	2.499	(2.578)	(1.114)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>7,248,885.8</u>	<u>7,736,863.3</u>	<u>6,972,882.2</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>18,114,965.61</u>	<u>(19,945,633.59)</u>	<u>(7,767,790.77)</u>
AMOUNT				
TOTAL COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			(9,598,458.75)
BALANCE ADJUSTMENT FROM SCHEDULE IV	\$			<u>2,421,965.59</u>
TOTAL COST DIFFERENCE FOR USE IN THE CURRENT AA CALCULATION	\$			(7,176,493.16)
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>MAY 31, 2007</u>	MCF			46,654.625
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>(0.154)</u>

PURCHASE GAS ADJUSTMENT
DUKE ENERGY OHIO
BALANCE ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED

FEBRUARY 28, 2006

PARTICULARS	UNIT	AMOUNT
COST DIFFERENCE BETWEEN BOOK AND EFFECTIVE EGC AS USED TO COMPUTE AA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR (MARCH 1, 2005)	\$	19,339,179.5
LESS: DOLLAR AMOUNT RESULTING FROM THE AA OF \$ 0.390 /MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 43,365,848 MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE	\$	<u>16,912,680.7</u>
BALANCE ADJUSTMENT FOR THE AA	\$	<u>2,426,498.7</u>
DOLLAR AMOUNT OF SUPPLIER REFUNDS AND COMMISSION ORDERED RECONCILIATION ADJUSTMENTS AS USED TO COMPUTE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR (MARCH 1, 2005)	\$	(4,533.2)
LESS: DOLLAR AMOUNT RESULTING FROM THE UNIT RATE FOR SUPPLIER REFUNDS AND RECONCILIATION ADJUSTMENTS OF \$ 0.000 /MCF AS USED TO COMPUTE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 43,365,848 MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE	\$	<u>0.0</u>
BALANCE ADJUSTMENT FOR THE RA	\$	<u>(4,533.2)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT TO BE INCLUDED WITH CURRENT AA ON SCHEDULE III	\$	<u><u>2,421,965.5</u></u>