



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

June 20, 2012

The Public Utilities Commission of Ohio
Attention: Docketing Division
180 East Broad Street
11th Floor
Columbus, OH 43215-3793

RE:	In the Matter of the Application of	)	
	Duke Energy Ohio, Inc. to Set its Fuel	)	Case No. 12-817-EL-RDR
	And Reserve Capacity Reconciliation	)	
	Rider, Rider RECON	)	

Docketing Division:

Enclosed are schedules supporting the calculation of the proposed tariff, Sheet No. 109.02, Rider RECON, Fuel and Reserve Capacity Reconciliation Rider, filed on May 25, 2012 to become effective for bills rendered beginning with the first billing cycle in July 2012.

Please time-stamp the enclosed extra copy and return for our file. Thank you.

Very truly yours,

Lisa Steinkuhl

Enclosures

Duke Energy Ohio
Fuel and Reserve Capacity Reconciliation Rider
Rider RECON
Effective for the Period July 2012 through September 2012

Line	Description	Per 3rd Qrt Filing Balance at December 31, 2011	Per 2nd Qrt Filing Balance at December 31, 2011	Increase
1	Rider FPP-PTC - Fuel and Economy Purchased Power Rider	\$ 1,151,249.32	\$ 329,728.28	
2	Rider SRT-SRA System Reliability Tracker Rider	\$ 97,416.61	\$ 97,416.61	
3	Total (line 1 + line 2)	\$ 1,248,665.93	\$ 427,144.89	\$ 821,521.05
4	Less: Revenues Collected in 2012	\$ 178,162.55		
5	Net Under Recovery	\$ 1,070,503.39		
6	Projected SSO kWh Sales for July through September 2012	1,242,523,353	2,864,319,000	
7	Rider RECON charge(credit) per kWh (line 5 ÷ line 6)	\$ 0.000862 \$/kWh	\$ 0.000149 \$/kWh	

Description	Increase
2011 Coal Margins delivered in 2012	\$ 864,038
2011 MISO FTR rebate received in 2012	\$ (365,946)
December MISO True-up (S105)	\$ 335,623
November MISO True-up (S105)	\$ 9,928
October MISO True-up (S105)	\$ (22,122)
	\$ 821,521

Duke Energy Ohio
Fuel and Reserve Capacity Reconciliation Rider
Rider RECON
Effective for the Period July 2012 through September 2012
April through June 2012 Rider RECON Revenues

Billed Revenues Year to Date April 2012							
Account ID CB	Account Long Descr CB	Product ID CB	Product Long Descr CB	Journal ID JD	3	4	
440000	Residential	ROERCN	Fuel & RESV Cap Recon	402ECS262		(44.34)	
				CMS2670001	(21.00)	(44,593.58)	
				ECS2620001			
440005	Residential-Transp Only	ROERCN	Fuel & RESV Cap Recon	CMS2670001		0.02	
442100	General Service	ROERCN	Fuel & RESV Cap Recon	CMS2670001	(3.32)	(13,953.22)	
442200	Industrial Service	ROERCN	Fuel & RESV Cap Recon	402ED995B		(614.97)	
				CMS2670001		(1,595.70)	
444000	Public St & Highway Lighting	ROERCN	Fuel & RESV Cap Recon	CMS2670001	(0.46)	(758.54)	
444005	Pbhc St & Hghwy Lghtng Transp	ROERCN	Fuel & RESV Cap Recon	CMS2670001		(13.15)	
445000	Other Sales to Public Auth	ROERCN	Fuel & RESV Cap Recon	CMS2670001		(845.34)	
Grand Total					(24.78)	(62,418.82)	
Total Revenues YTD 4/2012						62,443.60	

* per General Ledger system

Estimated Revenues for May and June 2012				
	Estimated kWh	Rate per Tariff		
May Estimated Revenues	418,716,403	0.000149	62,389	
June Estimated Revenues	357,920,814	0.000149	53,330	
Total Estimated Revenues			178,162.55	

Duke Energy Ohio
Fuel and Reserve Capacity Reconciliation Rider
Rider RECON
Effective for the Period July 2012 through September 2012

Line	Description	Reconciliation Adjustment for December 31, 2011	True Up of December Estimate of Calendar Revenues	Balance at December 31, 2011
1	Rider FPP-PTC - Fuel and Economy Purchased Power Rider	\$ 2,855,001.92	\$ (1,703,752.60)	\$ 1,151,249.32
2	Rider SRT-SRA System Reliability Tracker Rider	(\$123,671)	\$ 221,087.61	\$ 97,416.61
3	Total (line 1 + line 2)	<u>\$ 2,731,330.92</u>	<u>\$ (1,482,664.99)</u>	<u>\$ 1,248,665.93</u>

Duke Energy Ohio
Fuel and Reserve Capacity Reconciliation Rider
Rider RECON
Effective for the Period July 2012 through September 2012
FPP Revenues True Up of December Estimated Revenues

Billed January 2012 FPP Revenues

Fiscal Year CMD		2012				
Account ID CB	Account Long Descr CB	Journal ID JD	Bus Unit ID CB	Product ID CB	1	
440000	Residential	402ECS262	75030	ROEFPP		(9,088.64)
		CMS2670001	75030	ROEFPP		(8,740,213.18)
440000 Total						(8,749,301.82)
440005	Residential-Transp Only	CMS2670001	75030	ROEFPP		414.36
440005 Total						414.36
442100	General Service	CMS2670001	75030	ROEFPP		(1,785,968.35)
442100 Total						(1,785,968.35)
442105	General Svc Transp Only	CMS2670001	75030	ROEFPP		54.30
442105 Total						54.30
442200	Industrial Service	CMS2670001	75030	ROEFPP		(266,297.60)
442200 Total						(266,297.60)
444000	Public St & Highway Lighting	CMS2670001	75030	ROEFPP		(42.45)
444000 Total						(42.45)
445000	Other Sales to Public Auth	CMS2670001	75030	ROEFPP		(106,184.81)
445000 Total						(106,184.81)
Grand Total						(10,907,326.37)

Reversal of December Unbilled Revenues in January 2012

Unbilled usage 12/31/2011 (per Accounting Unbilled Wrksht)

Full Service

Residential	219,439,000
Commercial	47,860,000
Industrial	9,106,000
Street Lighting	0
OPA	2,837,000

Total Unbilled kWh 279,242,000

	% of usage per rate (a)		December 2011 Dec FPP Rate	December 2011 Unbilled Revenue Reversed In January 2012
Residential	76.26%	212,949,949	0.033137	\$7,056,522.46
Nonresidential	23.03%	64,309,433	0.032402	\$2,083,754.25
TS	0.71%	1,982,618	0.031926	\$63,297.06
Total Unbilled kWh		279,242,000		\$9,203,573.77

True up of calendar month December 2011 Revenues **(\$1,703,752.60)**

(a) percentages per billed usage for December 2011

Duke Energy Ohio
Fuel and Reserve Capacity Reconciliation Rider
Rider RECON
Effective for the Period July 2012 through September 2012
SRT Revenues True Up of December Estimated Revenues

Billed January 2012 SRT Revenues

Fiscal Year CMD		2012			
Account ID CB	Account Long Descr CB	Journal ID JD	Bus Unit ID CB	Product ID CB	1
440000	Residential	402ECS262	75030	ROESRT	(21.47)
		CMS2670001	75030	ROESRT	(20,945.40)
440000 Total					(20,966.87)
440005	Residential-Transp Only	CMS2670001	75030	ROESRT	(11,188.49)
440005 Total					(11,188.49)
442100	General Service	CMS2670001	75030	ROESRT	(47,826.82)
442100 Total					(47,826.82)
442105	General Svc Transp Only	CMS2670001	75030	ROESRT	(74,452.23)
442105 Total					(74,452.23)
442200	Industrial Service	CMS2670001	75030	ROESRT	(6,556.55)
442200 Total					(6,556.55)
442205	Industrial Svc Transp Only	CMS2670001	75030	ROESRT	(10,634.42)
442205 Total					(10,634.42)
444000	Public St & Highway Lighting	CMS2670001	75030	ROESRT	(2.01)
444000 Total					(2.01)
444005	Pbhc St & Hghwy Lghtng Transp	402ED990	75030	ROESRT	(4.19)
444005 Total					(4.19)
445000	Other Sales to Public Auth	CMS2670001	75030	ROESRT	(2,480.02)
445000 Total					(2,480.02)
445005	OPA Transp Only	CMS2670001	75030	ROESRT	(9,650.79)
445005 Total					(9,650.79)
Grand Total					(183,762.39)

Reversal of December Unbilled Revenues in January 2011

Unbilled usage 12/31/2010 (per Accounting Unbilled Wrksht)

Full Service

	December 2010 Unbilled Usage	December 2010 SRT Average Realization	December 2010 Unbilled Revenue Reversed in January 2011
Residential	263,137,000	0.000928	\$244,191.00
Commercial	61,843,000	0.0018738	\$115,881.00
Industrial	9,372,000	0.0039119	\$36,662.00
OPA	4,255,000	0.0019073	\$8,116.00
Total	338,607,000		\$404,850.00

True up of calendar month 2011 Revenues **\$221,087.61**

DUKE ENERGY OHIO

DETERMINATION OF SYSTEM RELIABILITY TRACKER - RIDER SRT REFLECTING RECOVERY OF 2011 CAPACITY AND PURCHASED POWER COSTS (EXCLUDING ENERGY COSTS) FOR THE PERIOD JANUARY THROUGH DECEMBER 2011

Line No.	Description	Allocated Percentage Share of System Peak Demands for the Company's Retail Electric Customers 1/ (A)	Estimate of 2011 Capacity and Purchased Power Costs By Retail Rate Group to be Collected Through System Reliability Tracker - Rider SRT (B)	Rider SRT Billings for January thru December 2011 (C)	Prior Period Rider SRT Over/ Under-Collections to be Collected from Customers 2/ (D)	Estimate of 2011 Net Power Costs By Retail Rate Group to be Collected Through System Reliability Tracker - Rider SRT (E)	Line No.
	Retail Rate Group						
	RS Rate Group						
1	Rates RS, ORH, HEC, TD, CUR	42.382%	\$665,987	\$254,444	(\$189,071)	\$222,472	1
2	Non-Residential	57.618%	905,404	\$3,895,404	\$2,643,857	(\$346,143)	2
		100.000%	\$1,571,391	\$4,149,848	\$2,454,786	(\$123,671)	

1/ Rate Group RS based on applicable peak demands from the Company's cost of service study in Case No. 92-1464-EL-AIR.

2/ Per Schedule A of 4th Quarter SRT

Duke Energy Ohio
Electric Department
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing
Reconciliation Adjustment
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary
July 2012 through September 2012

Line	Reconciliation Adjustment (RA)	Total	Residential	Non-Residential	Voltage Reduction	Total Non-Residential
1	December 2011 (See Page 5B Line 45)	\$ 610,521.30	\$ 360,005.84	\$ (53,921.99)	\$ 306,187.77	\$ 252,265.78
2	November 2011 (See Page 5D Line 45)	\$ (415,496.23) (a)	\$ (375,197.26)	\$ (332,115.23)	\$ 293,103.70	\$ (39,011.53)
3	October 2011 (See Page 5F Line 45)	\$ 293,079.38 (a)	\$ 159,029.27	\$ (168,238.41)	\$ 300,995.48	\$ 132,757.07
4	September 2011 (See Page 5H Line 45)	\$ (919,453.21) (a)	\$ (717,939.31)	\$ (338,741.15)	\$ 137,227.25	\$ (201,513.90)
5	August 2011 (See Page 5J Line 44)	\$ 2,560,148.90 (a)	\$ 1,999,977.19	\$ 414,788.93	\$ 145,382.78	\$ 560,171.71
6	July 2011 (See Page 5L Line 44)	\$ 968,934.39 (a)	\$ 730,763.27	\$ 96,114.57	\$ 142,056.55	\$ 238,171.12
7	June 2011 (See Page 5N Line 45)	\$ (226,828.98) (b)	\$ (168,423.05)	\$ (59,481.41)	\$ 1,075.48	\$ (58,405.93)
8	May 2011 (See Page 5P Line 46)	\$ 23,717.657 (b)	\$ 16,322.82	\$ 6,424.81	\$ 970.03	\$ 7,394.84
9	April 2011 (See Page 5R Line 46)	\$ (39,621.28) (b)	\$ (27,691.42)	\$ (11,999.56)	\$ 69.70	\$ (11,929.86)
10	Miscellaneous Prior Period Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
11	Total Reconciliation Adjustment (Line 1 through Line 16)	\$ 2,855,001.92	\$ 1,976,847.35	\$ (447,169.44)	\$ 1,327,068.74	\$ 879,899.30
12	Portion of Reconciliation deferred	\$ -	\$ -			\$ -
13	Reconciliation Adjustment to recover in 3rd quarter 2011	\$ 2,855,001.92	\$ 1,976,847.35	\$ (447,169.44)	\$ 1,327,068.74	\$ 879,899.30

(a) Total reconciliation recovered in Rider RECON filings.

(b) Incremental change from amount recovered in FPP filings.

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
July 2012 through September 2012
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	December 2011	Residential December 2011	Non-Residential December 2011	Voltage Reduction December 2011
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 16,897,774.44	\$ 16,897,774.44	\$ 16,897,774.44	\$ 16,897,774.44
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 15,865,878.05	\$ 15,865,878.05	\$ 15,865,878.05	\$ 15,865,878.05
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 465,096.78	\$ 465,096.78	\$ 465,096.78	\$ 465,096.78
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,104,546.33)	\$ (1,104,546.33)	\$ (1,104,546.33)	\$ (1,104,546.33)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 15,226,428.50	\$ 15,226,428.50	\$ 15,226,428.50	\$ 15,226,428.50
7	Total Generation and Purchase Power (per books)	589,932,844	589,932,844	589,932,844	589,932,844
8	Losses (kWh) (1-Line 2)*(Line 7)	36,025,429	36,025,429	36,025,429	36,025,429
9	Total Generation After Losses (kWh) (Line 7-Line 8)	553,907,415	553,907,415	553,907,415	553,907,415
10	kWh Subject to FPP	513,669,689	391,738,113	118,315,909	3,615,667
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	92.74%	70.72%	21.36%	0.66%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 14,442,121.51	\$ 11,014,487.86	\$ 3,325,844.15	\$ 101,789.50
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 14,442,121.51	\$ 11,014,487.86	\$ 3,325,844.15	\$ 101,789.50
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 11,463.52	\$ 8,742.38	\$ 2,640.45	\$ 80.69
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ (5,867.01)	\$ (4,474.34)	\$ (1,351.38)	\$ (41.29)
17	Audit Fees for 2011 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ 49,500.00	\$ 37,750.01	\$ 11,401.56	\$ 348.43
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 14,120,989.79	\$ 10,768,130.24	\$ 3,252,365.13	\$ 100,494.42
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (266,035.21)	\$ (204,339.57)	\$ (60,788.39)	\$ (907.25)
<u>Emissions Allowance Component (EA)</u>					
20	kWh Subject to FPP (Line 10)	513,669,689	391,738,113	118,315,909	3,615,667
21	EA Expense Allocated to FPP	\$ 65,689.60	\$ 50,096.63	\$ 15,130.59	\$ 462.38
22	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
23	Net EA Cost (Line 21 + Line 22)	\$ 65,689.60	\$ 50,096.63	\$ 15,130.59	\$ 462.38
24	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 84,942.88	\$ 64,821.61	\$ 19,521.01	\$ 600.26
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (19,253.28)	\$ (14,724.98)	\$ (4,390.42)	\$ (137.88)
<u>Environmental Reagents Component (ER)</u>					
27	kWh Subject to FPP (Line 10)	513,669,689	391,738,113	118,315,909	3,615,667
28	ER Expense Allocated to FPP	\$ 717,781.12	\$ 547,398.90	\$ 165,329.84	\$ 5,052.38
29	ER Revenue in FPP (per books)	\$ 696,833.17	\$ 531,537.20	\$ 160,378.49	\$ 4,917.48
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ 20,947.95	\$ 15,861.70	\$ 4,951.35	\$ 134.90
<u>Alternative Energy Portfolio Standard</u>					
31	kWh Subject to FPP (Line 10)	513,669,689	391,738,113	118,315,909	3,615,667
32	AEPS Expense	\$ 393,133.89	\$ 299,814.32	\$ 90,552.34	\$ 2,767.23
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 393,133.89	\$ 299,814.32	\$ 90,552.34	\$ 2,767.23
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 174,957.97	\$ 133,532.52	\$ 40,190.31	\$ 1,235.14
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 218,175.92	\$ 166,281.80	\$ 50,362.03	\$ 1,532.09
<u>Reconciliation Adjustment Amortization (RA)</u>					
37	RA Amount from 4th Quarter Filing (spread evenly)	\$ 887,272.07	\$ 641,446.95	\$ (56,141.61)	\$ 301,966.73
38	Actual RA recovery through FPP	\$ 1,010,384.99	\$ 838,791.63	\$ 166,502.73	\$ 5,090.63
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ (123,112.92)	\$ (197,344.68)	\$ (222,644.34)	\$ 296,876.10
<u>System Loss Component (SLA)</u>					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 512,732.98	\$ 391,346.37	\$ 118,197.59	\$ 3,189.02
42	Actual SLA recovery through FPP	\$ 498,164.06	\$ 381,151.06	\$ 115,212.23	\$ 1,800.77
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 956,980.71	\$ 729,757.13	\$ 220,413.07	\$ 6,810.51
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (53,916.33)	\$ (42,740.30)	\$ (12,996.75)	\$ 1,820.72
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (223,193.87)	\$ (277,006.03)	\$ (245,506.52)	\$ 299,318.68

Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
July 2012 through September 2012
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA)	December 2011	Residential December 2011	Non-Residential December 2011	Voltage Reduction December 2011
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 17,279,573.89	\$ 17,279,573.89	\$ 17,279,573.89	\$ 17,279,573.89
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 16,224,362.15	\$ 16,224,362.15	\$ 16,224,362.15	\$ 16,224,362.15
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,329,134.64	\$ 1,329,134.64	\$ 1,329,134.64	\$ 1,329,134.64
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,105,416.87)	\$ (1,105,416.87)	\$ (1,105,416.87)	\$ (1,105,416.87)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 16,448,079.92	\$ 16,448,079.92	\$ 16,448,079.92	\$ 16,448,079.92
7	Total Generation and Purchase Power (per books)	603,963,729	603,963,729	603,963,729	603,963,729
8	Losses (kWh) (1-Line 2)*(Line 7)	36,882,253	36,882,253	36,882,253	36,882,253
9	Total Generation After Losses (kWh) (Line 7-Line 8)	567,081,476	567,081,476	567,081,476	567,081,476
10	kWh Subject to FPP	513,669,689	391,738,113	118,315,909	3,615,667
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	90.58%	69.08%	20.86%	0.65%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 14,442,121.51	\$ 11,014,487.86	\$ 3,325,844.15	\$ 101,789.50
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 14,442,121.51	\$ 11,014,487.86	\$ 3,325,844.15	\$ 101,789.50
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 11,651.99	\$ 8,886.12	\$ 2,683.86	\$ 82.02
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ (5,867.01)	\$ (4,474.34)	\$ (1,351.38)	\$ (41.29)
17	Audit Fees for 2011 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ 99,000.00	\$ 75,500.02	\$ 22,803.13	\$ 696.85
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 14,898,670.79	\$ 11,362,333.61	\$ 3,431,069.47	\$ 106,912.51
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 561,334.26	\$ 427,757.55	\$ 129,360.93	\$ 5,860.59
<u>Emissions Allowance Component (EA)</u>					
20	kWh Subject to FPP (Line 10)	513,669,689	391,738,113	118,315,909	3,615,667
21	EA Expense Allocated to FPP	\$ 66,478.23	\$ 50,698.06	\$ 15,312.24	\$ 467.93
22	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
23	Net EA Cost (Line 21 + Line 22)	\$ 66,478.23	\$ 50,698.06	\$ 15,312.24	\$ 467.93
24	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 84,942.88	\$ 64,821.61	\$ 19,521.01	\$ 600.26
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (18,464.65)	\$ (14,123.55)	\$ (4,208.77)	\$ (132.33)
<u>Environmental Reagents Component (ER)</u>					
27	kWh Subject to FPP (Line 10)	513,669,689	391,738,113	118,315,909	3,615,667
28	ER Expense Allocated to FPP	\$ 729,582.05	\$ 556,398.60	\$ 168,048.00	\$ 5,135.44
29	ER Revenue in FPP (per books)	\$ 696,833.17	\$ 531,537.20	\$ 160,378.49	\$ 4,917.48
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ 32,748.88	\$ 24,861.40	\$ 7,669.51	\$ 217.96
<u>Alternative Energy Portfolio Standard</u>					
31	kWh Subject to FPP (Line 10)	513,669,689	391,738,113	118,315,909	3,615,667
32	AEPS Expense	\$ 388,059.95	\$ 295,944.80	\$ 89,383.64	\$ 2,731.51
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 388,059.95	\$ 295,944.80	\$ 89,383.64	\$ 2,731.51
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 174,957.97	\$ 133,532.52	\$ 40,190.31	\$ 1,235.14
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 213,101.98	\$ 162,412.28	\$ 49,193.33	\$ 1,496.37
<u>Reconciliation Adjustment Amortization (RA)</u>					
37	RA Amount from 4th Quarter Filing (spread evenly)	\$ 887,272.07	\$ 641,446.95	\$ (56,141.61)	\$ 301,966.73
38	Actual RA recovery through FPP	\$ 1,010,384.99	\$ 838,791.63	\$ 166,502.73	\$ 5,090.63
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ (123,112.92)	\$ (197,344.68)	\$ (222,644.34)	\$ 296,876.10
<u>System Loss Component (SLA)</u>					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 512,732.98	\$ 391,346.37	\$ 118,197.59	\$ 3,189.02
42	Actual SLA recovery through FPP	\$ 498,164.06	\$ 381,151.06	\$ 115,212.23	\$ 1,800.77
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 955,810.79	\$ 728,940.27	\$ 220,117.17	\$ 6,858.87
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (55,086.25)	\$ (43,557.16)	\$ (13,292.65)	\$ 1,869.08
<u>Net Under/(Over) Recovery of FPP Costs</u>					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 610,521.30	\$ 360,005.84	\$ (53,921.99)	\$ 306,187.77
<u>Net Under/(Over) Recovery of FPP Costs (Page 5AC, Line 45)</u>					
46		\$ (223,193.87)	\$ (277,006.03)	\$ (245,506.52)	\$ 299,318.68
<u>Net Adjustment for March 2011 (Line 44 - Line 45) To Page 3 Line 4</u>					
47		\$ 833,715.17	\$ 637,011.87	\$ 191,584.53	\$ 6,869.09

Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
July 2012 through September 2012
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA)	November 2011	Residential November 2011	Non-Residential November 2011	Voltage Reduction November 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 13,765,679.27	\$ 13,765,679.27	\$ 13,765,679.27	\$ 13,765,679.27
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 12,925,050.54	\$ 12,925,050.54	\$ 12,925,050.54	\$ 12,925,050.54
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (657,456.57)	\$ (657,456.57)	\$ (657,456.57)	\$ (657,456.57)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (491,252.05)	\$ (491,252.05)	\$ (491,252.05)	\$ (491,252.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 11,776,341.92	\$ 11,776,341.92	\$ 11,776,341.92	\$ 11,776,341.92
7	Total Generation and Purchase Power (per books)	470,588,776	470,588,776	470,588,776	470,588,776
8	Losses (kWh) (1-Line 2)*(Line 7)	28,737,445	28,737,445	28,737,445	28,737,445
9	Total Generation After Losses (kWh) (Line 7-Line 8)	441,851,331	441,851,331	441,851,331	441,851,331
10	kWh Subject to FPP	409,859,724	301,127,401	104,950,196	3,782,127
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	92.76%	68.15%	23.75%	0.86%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 11,540,872.91	\$ 8,479,184.61	\$ 2,954,094.99	\$ 107,593.31
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 11,540,872.91	\$ 8,479,184.61	\$ 2,954,094.99	\$ 107,593.31
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 666,904.06	\$ 49,154.98	\$ 17,131.70	\$ 617.38
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Audit Fees for 2010 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 10,923,734.76	\$ 8,025,577.02	\$ 2,796,881.21	\$ 101,276.53
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (550,234.09)	\$ (404,452.61)	\$ (140,082.08)	\$ (5,699.40)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	409,859,724	301,127,401	104,950,196	3,782,127
21	EA Expense Allocated to FPP	\$ 51,454.86	\$ 37,804.32	\$ 13,175.72	\$ 474.82
22	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
23	Net EA Cost (Line 21 + Line 22)	\$ 51,454.86	\$ 37,804.32	\$ 13,175.72	\$ 474.82
24	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 67,874.55	\$ 49,901.04	\$ 17,339.03	\$ 634.48
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (16,419.69)	\$ (12,096.72)	\$ (4,163.31)	\$ (159.66)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	409,859,724	301,127,401	104,950,196	3,782,127
28	ER Expense Allocated to FPP	\$ 449,173.92	\$ 330,011.87	\$ 115,017.13	\$ 4,144.92
29	ER Revenue in FPP (per books)	\$ 556,838.42	\$ 409,188.52	\$ 142,452.04	\$ 5,197.86
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (107,664.50)	\$ (79,176.65)	\$ (27,434.91)	\$ (1,052.94)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	409,859,724	301,127,401	104,950,196	3,782,127
32	AEPS Expense	\$ 327,309.56	\$ 240,477.10	\$ 83,812.10	\$ 3,020.36
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 327,309.56	\$ 240,477.10	\$ 83,812.10	\$ 3,020.36
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 139,799.72	\$ 102,796.14	\$ 35,698.01	\$ 1,305.57
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 187,509.84	\$ 137,680.96	\$ 48,114.09	\$ 1,714.79
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 4th Quarter Filing (spread evenly)	\$ 887,272.06	\$ 641,446.95	\$ (56,141.61)	\$ 301,966.72
38	Actual RA recovery through FPP	\$ 798,992.08	\$ 645,719.45	\$ 147,891.74	\$ 5,380.89
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 88,279.98	\$ (4,272.50)	\$ (204,033.35)	\$ 296,585.83
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 409,007.36	\$ 300,826.27	\$ 104,845.25	\$ 3,335.84
42	Actual SLA recovery through FPP	\$ 397,655.83	\$ 293,418.11	\$ 102,334.28	\$ 1,903.44
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 779,767.21	\$ 572,888.48	\$ 199,649.32	\$ 7,229.41
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (26,895.98)	\$ (21,355.90)	\$ (7,530.21)	\$ 1,990.13
45	Net Under/(Over) Recovery of FPP Costs (Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (425,424.44)	\$ (383,673.42)	\$ (335,129.77)	\$ 293,378.75

Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
July 2012 through September 2012
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA)	November 2011	Residential November 2011	Non-Residential November 2011	Voltage Reduction November 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 14,024,319.64	\$ 14,024,319.64	\$ 14,024,319.64	\$ 14,024,319.64
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 13,167,896.51	\$ 13,167,896.51	\$ 13,167,896.51	\$ 13,167,896.51
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (657,456.57)	\$ (657,456.57)	\$ (657,456.57)	\$ (657,456.57)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (492,222.63)	\$ (492,222.63)	\$ (492,222.63)	\$ (492,222.63)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 12,018,217.31	\$ 12,018,217.31	\$ 12,018,217.31	\$ 12,018,217.31
7	Total Generation and Purchase Power (per books)	480,137,685	480,137,685	480,137,685	480,137,685
8	Losses (kWh) (1-Line 2)*(Line 7)	29,320,568	29,320,568	29,320,568	29,320,568
9	Total Generation After Losses (kWh) (Line 7-Line 8)	450,817,117	450,817,117	450,817,117	450,817,117
10	kWh Subject to FPP	409,859,724	301,127,401	104,950,196	3,782,127
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	90.91%	66.80%	23.28%	0.84%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 11,540,872.91	\$ 8,479,184.61	\$ 2,954,094.99	\$ 107,593.31
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 11,540,872.91	\$ 8,479,184.61	\$ 2,954,094.99	\$ 107,593.31
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 68,015.20	\$ 49,971.34	\$ 17,416.22	\$ 627.63
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Audit Fees for 2010 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 10,925,761.36	\$ 8,028,169.16	\$ 2,797,840.99	\$ 100,953.02
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (547,096.35)	\$ (401,044.11)	\$ (138,837.78)	\$ (6,012.66)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	409,859,724	301,127,401	104,950,196	3,782,127
21	EA Expense Allocated to FPP	\$ 51,978.45	\$ 38,189.01	\$ 13,309.79	\$ 479.65
22	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
23	Net EA Cost (Line 21 + Line 22)	\$ 51,978.45	\$ 38,189.01	\$ 13,309.79	\$ 479.65
24	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 67,874.55	\$ 49,901.04	\$ 17,339.03	\$ 634.48
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (15,896.10)	\$ (11,712.03)	\$ (4,029.24)	\$ (154.83)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	409,859,724	301,127,401	104,950,196	3,782,127
28	ER Expense Allocated to FPP	\$ 456,633.75	\$ 335,492.67	\$ 116,927.32	\$ 4,213.76
29	ER Revenue in FPP (per books)	\$ 556,838.42	\$ 409,188.52	\$ 142,452.04	\$ 5,197.86
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (100,204.67)	\$ (73,695.85)	\$ (25,524.72)	\$ (984.10)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	409,859,724	301,127,401	104,950,196	3,782,127
32	AEPS Expense	\$ 327,309.56	\$ 240,477.10	\$ 83,812.10	\$ 3,020.36
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 327,309.56	\$ 240,477.10	\$ 83,812.10	\$ 3,020.36
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 139,799.72	\$ 102,796.14	\$ 35,698.01	\$ 1,305.57
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 187,509.84	\$ 137,680.96	\$ 48,114.09	\$ 1,714.79
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 4th Quarter Filing (spread evenly)	\$ 887,272.06	\$ 641,446.95	\$ (56,141.61)	\$ 301,966.72
38	Actual RA recovery through FPP	\$ 798,992.08	\$ 645,719.45	\$ 147,891.74	\$ 5,380.89
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 88,279.98	\$ (4,272.50)	\$ (204,033.35)	\$ 296,585.83
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 409,007.36	\$ 300,826.27	\$ 104,845.25	\$ 3,335.84
42	Actual SLA recovery through FPP	\$ 397,655.83	\$ 293,418.11	\$ 102,334.28	\$ 1,903.44
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 778,574.27	\$ 572,090.65	\$ 199,375.30	\$ 7,193.95
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (28,088.92)	\$ (22,153.73)	\$ (7,804.23)	\$ 1,954.67
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (415,496.23)	\$ (375,197.26)	\$ (332,115.23)	\$ 293,103.70
46	Net Under/(Over) Recovery of FPP Costs (Page 5AC, Line 45)	\$ (425,424.44)	\$ (383,673.42)	\$ (335,129.77)	\$ 293,378.75
47	Net Adjustment for March 2011 (Line 44 - Line 45) To Page 3 Line 4	\$ 9,928.21	\$ 8,476.16	\$ 3,014.54	\$ (275.05)

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
July 2012 through September 2012
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	October 2011	Residential October 2011	Non-Residential October 2011	Voltage Reduction October 2011
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 14,081,657.90	\$ 14,081,657.90	\$ 14,081,657.90	\$ 14,081,657.90
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 13,221,733.30	\$ 13,221,733.30	\$ 13,221,733.30	\$ 13,221,733.30
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (427,054.47)	\$ (427,054.47)	\$ (427,054.47)	\$ (427,054.47)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (473,392.30)	\$ (473,392.30)	\$ (473,392.30)	\$ (473,392.30)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 12,321,286.53	\$ 12,321,286.53	\$ 12,321,286.53	\$ 12,321,286.53
7	Total Generation and Purchase Power (per books)	457,882,109	457,882,109	457,882,109	457,882,109
8	Losses (kWh) (1-Line 2)*(Line 7)	27,961,487	27,961,487	27,961,487	27,961,487
9	Total Generation After Losses (kWh) (Line 7-Line 8)	429,920,622	429,920,622	429,920,622	429,920,622
10	kWh Subject to FPP	391,761,100	277,918,059	112,602,703	1,240,338
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	91.12%	64.64%	26.19%	0.29%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 11,031,139.03	\$ 7,825,848.88	\$ 3,170,371.73	\$ 34,918.42
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 11,031,139.03	\$ 7,825,848.88	\$ 3,170,371.73	\$ 34,918.42
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 311,104.00	\$ 22,065.39	\$ 8,940.13	\$ 98.48
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Audit Fees for 2010 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 11,227,156.29	\$ 7,964,479.61	\$ 3,226,944.94	\$ 35,731.74
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 227,121.26	\$ 160,696.12	\$ 65,513.34	\$ 911.80
<u>Emissions Allowance Component (EA)</u>					
20	kWh Subject to FPP (Line 10)	391,761,100	277,918,059	112,602,703	1,240,338
21	EA Expense Allocated to FPP	\$ 90,626.04	\$ 64,290.75	\$ 26,048.37	\$ 286.93
22	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
23	Net EA Cost (Line 21 + Line 22)	\$ 90,626.04	\$ 64,290.75	\$ 26,048.37	\$ 286.93
24	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 64,870.47	\$ 46,056.08	\$ 18,608.47	\$ 205.92
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 25,755.57	\$ 18,234.67	\$ 7,439.90	\$ 81.01
<u>Environmental Reagents Component (ER)</u>					
27	kWh Subject to FPP (Line 10)	391,761,100	277,918,059	112,602,703	1,240,338
28	ER Expense Allocated to FPP	\$ 326,649.56	\$ 231,727.48	\$ 93,887.89	\$ 1,034.19
29	ER Revenue in FPP (per books)	\$ 532,228.08	\$ 377,659.84	\$ 152,881.32	\$ 1,686.92
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (205,578.52)	\$ (145,932.36)	\$ (58,993.43)	\$ (652.73)
<u>Alternative Energy Portfolio Standard</u>					
31	kWh Subject to FPP (Line 10)	391,761,100	277,918,059	112,602,703	1,240,338
32	AEPS Expense	\$ 259,588.21	\$ 184,153.69	\$ 74,612.65	\$ 821.87
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 259,588.21	\$ 184,153.69	\$ 74,612.65	\$ 821.87
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 133,610.78	\$ 94,875.52	\$ 38,311.55	\$ 423.71
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 125,977.43	\$ 89,278.17	\$ 36,301.10	\$ 398.16
<u>Reconciliation Adjustment Amortization (RA)</u>					
37	RA Amount from 4th Quarter Filing (spread evenly)	\$ 887,272.06	\$ 641,446.95	\$ (56,141.61)	\$ 301,966.72
38	Actual RA recovery through FPP	\$ 756,431.25	\$ 595,965.66	\$ 158,719.27	\$ 1,746.32
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 130,840.81	\$ 45,481.29	\$ (214,860.88)	\$ 300,220.40
<u>System Loss Component (SLA)</u>					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 391,224.22	\$ 277,640.14	\$ 112,490.10	\$ 1,093.98
42	Actual SLA recovery through FPP	\$ 381,253.92	\$ 270,809.74	\$ 109,826.43	\$ 617.75
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 783,563.30	\$ 555,855.26	\$ 225,214.25	\$ 2,493.78
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ 11,085.16	\$ 7,405.38	\$ 2,897.72	\$ 782.05
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 315,201.71	\$ 175,163.27	\$ (161,702.25)	\$ 301,740.69

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
July 2012 through September 2012
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	October 2011	Residential October 2011	Non-Residential October 2011	Voltage Reduction October 2011
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 13,838,270.13	\$ 13,838,270.13	\$ 13,838,270.13	\$ 13,838,270.13
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 12,993,208.49	\$ 12,993,208.49	\$ 12,993,208.49	\$ 12,993,208.49
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (427,054.47)	\$ (427,054.47)	\$ (427,054.47)	\$ (427,054.47)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (480,671.83)	\$ (480,671.83)	\$ (480,671.83)	\$ (480,671.83)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 12,085,482.19	\$ 12,085,482.19	\$ 12,085,482.19	\$ 12,085,482.19
7	Total Generation and Purchase Power (per books)	449,825,087	449,825,087	449,825,087	449,825,087
8	Losses (kWh) (1-Line 2)*(Line 7)	27,469,469	27,469,469	27,469,469	27,469,469
9	Total Generation After Losses (kWh) (Line 7-Line 8)	422,355,618	422,355,618	422,355,618	422,355,618
10	kWh Subject to FPP	391,761,100	277,918,059	112,602,703	1,240,338
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	92.76%	65.80%	26.66%	0.29%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 11,031,139.03	\$ 7,825,848.88	\$ 3,170,371.73	\$ 34,918.42
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 11,031,139.03	\$ 7,825,848.88	\$ 3,170,371.73	\$ 34,918.42
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 330,633.78	\$ 21,731.82	\$ 8,804.97	\$ 96.99
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Audit Fees for 2010 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 11,210,493.28	\$ 7,952,247.28	\$ 3,221,989.55	\$ 35,047.91
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 209,988.03	\$ 148,130.22	\$ 60,422.79	\$ 226.48
<u>Emissions Allowance Component (EA)</u>					
20	kWh Subject to FPP (Line 10)	391,761,100	277,918,059	112,602,703	1,240,338
21	EA Expense Allocated to FPP	\$ 90,259.23	\$ 64,030.53	\$ 25,942.94	\$ 285.77
22	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
23	Net EA Cost (Line 21 + Line 22)	\$ 90,259.23	\$ 64,030.53	\$ 25,942.94	\$ 285.77
24	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 64,870.47	\$ 46,056.08	\$ 18,608.47	\$ 205.92
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 25,388.76	\$ 17,974.45	\$ 7,334.47	\$ 79.85
<u>Environmental Reagents Component (ER)</u>					
27	kWh Subject to FPP (Line 10)	391,761,100	277,918,059	112,602,703	1,240,338
28	ER Expense Allocated to FPP	\$ 321,711.39	\$ 228,224.30	\$ 92,468.53	\$ 1,018.56
29	ER Revenue in FPP (per books)	\$ 532,228.08	\$ 377,659.84	\$ 152,881.32	\$ 1,686.92
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (210,516.69)	\$ (149,435.54)	\$ (60,412.79)	\$ (668.36)
<u>Alternative Energy Portfolio Standard</u>					
31	kWh Subject to FPP (Line 10)	391,761,100	277,918,059	112,602,703	1,240,338
32	AEPS Expense	\$ 259,588.21	\$ 184,153.69	\$ 74,612.65	\$ 821.87
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 259,588.21	\$ 184,153.69	\$ 74,612.65	\$ 821.87
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 133,610.78	\$ 94,875.52	\$ 38,311.55	\$ 423.71
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 125,977.43	\$ 89,278.17	\$ 36,301.10	\$ 398.16
<u>Reconciliation Adjustment Amortization (RA)</u>					
37	RA Amount from 4th Quarter Filing (spread evenly)	\$ 887,272.06	\$ 641,446.95	\$ (56,141.61)	\$ 301,966.72
38	Actual RA recovery through FPP	\$ 756,431.25	\$ 595,965.66	\$ 158,719.27	\$ 1,746.32
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 130,840.81	\$ 45,481.29	\$ (214,860.88)	\$ 300,220.40
<u>System Loss Component (SLA)</u>					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 391,224.22	\$ 277,640.14	\$ 112,490.10	\$ 1,093.98
42	Actual SLA recovery through FPP	\$ 381,253.92	\$ 270,809.74	\$ 109,826.43	\$ 617.75
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 783,879.18	\$ 556,050.56	\$ 225,293.43	\$ 2,450.68
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ 11,401.04	\$ 7,600.68	\$ 2,976.90	\$ 738.95
<u>Net Under/(Over) Recovery of FPP Costs</u>					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 293,079.38	\$ 159,029.27	\$ (168,238.41)	\$ 300,995.48
<u>Net Under/(Over) Recovery of FPP Costs (Page 5AC, Line 45)</u>					
46		\$ 315,201.71	\$ 175,163.27	\$ (161,702.25)	\$ 301,740.69
<u>Net Adjustment for March 2011 (Line 44 - Line 45) To Page 3 Line 4</u>					
47		\$ (22,122.33)	\$ (16,134.00)	\$ (6,536.16)	\$ (745.21)

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
July 2012 through September 2012
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	September 2011	Residential September 2011	Non-Residential September 2011	Voltage Reduction September 2011
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 14,816,504.20	\$ 14,816,504.20	\$ 14,816,504.20	\$ 14,816,504.20
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 13,911,704.74	\$ 13,911,704.74	\$ 13,911,704.74	\$ 13,911,704.74
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (668,961.59)	\$ (668,961.59)	\$ (668,961.59)	\$ (668,961.59)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (484,957.13)	\$ (484,957.13)	\$ (484,957.13)	\$ (484,957.13)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 12,757,786.02	\$ 12,757,786.02	\$ 12,757,786.02	\$ 12,757,786.02
7	Total Generation and Purchase Power (per books)	484,220,922	484,220,922	484,220,922	484,220,922
8	Losses (kWh) (1-Line 2)*(Line 7)	29,569,919	29,569,919	29,569,919	29,569,919
9	Total Generation After Losses (kWh) (Line 7-Line 8)	454,651,003	454,651,003	454,651,003	454,651,003
10	kWh Subject to FPP	557,182,055	416,593,922	139,482,527	1,105,606
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	122.55%	91.63%	30.68%	0.24%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 16,310,350.12	\$ 12,192,643.63	\$ 4,085,356.81	\$ 32,349.68
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 16,310,350.12	\$ 12,192,643.63	\$ 4,085,356.81	\$ 32,349.68
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 9,881.59	\$ 7,388.27	\$ 2,473.71	\$ 19.61
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Audit Fees for 2010 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 15,634,666.77	\$ 11,689,959.33	\$ 3,914,088.75	\$ 30,618.69
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (665,801.76)	\$ (495,296.03)	\$ (168,794.35)	\$ (1,711.38)
<u>Emissions Allowance Component (EA)</u>					
20	kWh Subject to FPP (Line 10)	557,182,055	416,593,922	139,482,527	1,105,606
21	EA Expense Allocated to FPP	\$ 172,204.44	\$ 128,753.83	\$ 43,108.91	\$ 341.70
22	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
23	Net EA Cost (Line 21 + Line 22)	\$ 172,204.44	\$ 128,753.83	\$ 43,108.91	\$ 341.70
24	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 96,318.19	\$ 72,098.42	\$ 24,028.74	\$ 191.03
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 75,886.25	\$ 56,655.41	\$ 19,080.17	\$ 150.67
<u>Environmental Reagents Component (ER)</u>					
27	kWh Subject to FPP (Line 10)	557,182,055	416,593,922	139,482,527	1,105,606
28	ER Expense Allocated to FPP	\$ 671,052.59	\$ 501,732.65	\$ 167,988.38	\$ 1,331.56
29	ER Revenue in FPP (per books)	\$ 1,085,782.07	\$ 811,774.78	\$ 271,854.56	\$ 2,152.73
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (414,729.48)	\$ (310,042.13)	\$ (103,866.18)	\$ (821.17)
<u>Alternative Energy Portfolio Standard</u>					
31	kWh Subject to FPP (Line 10)	557,182,055	416,593,922	139,482,527	1,105,606
32	AEPS Expense	\$ 252,570.92	\$ 188,842.25	\$ 63,227.50	\$ 501.17
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 252,570.92	\$ 188,842.25	\$ 63,227.50	\$ 501.17
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 194,917.50	\$ 145,531.99	\$ 48,999.78	\$ 385.73
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 57,653.42	\$ 43,310.26	\$ 14,227.72	\$ 115.44
<u>Reconciliation Adjustment Amortization (RA)</u>					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (112,353.35)	\$ (295,947.11)	\$ 43,639.64	\$ 139,954.12
38	Actual RA recovery through FPP	\$ (176,697.38)	\$ (311,091.32)	\$ 133,335.94	\$ 1,058.00
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 64,344.03	\$ 15,144.21	\$ (89,696.30)	\$ 138,896.12
<u>System Loss Component (SLA)</u>					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 556,495.51	\$ 416,177.33	\$ 139,343.04	\$ 975.14
42	Actual SLA recovery through FPP	\$ 589,141.90	\$ 440,601.45	\$ 147,941.65	\$ 598.80
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,108,831.74	\$ 829,067.75	\$ 277,592.48	\$ 2,171.51
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (36,805.67)	\$ (27,711.03)	\$ (9,692.21)	\$ 597.57
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (919,453.21)	\$ (717,939.31)	\$ (338,741.15)	\$ 137,227.25

Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
July 2012 through September 2012
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA)	September 2011	Residential September 2011	Non-Residential September 2011	Voltage Reduction September 2011
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 14,816,504.20	\$ 14,816,504.20	\$ 14,816,504.20	\$ 14,816,504.20
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 13,911,704.74	\$ 13,911,704.74	\$ 13,911,704.74	\$ 13,911,704.74
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (668,961.59)	\$ (668,961.59)	\$ (668,961.59)	\$ (668,961.59)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (484,957.13)	\$ (484,957.13)	\$ (484,957.13)	\$ (484,957.13)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 12,757,786.02	\$ 12,757,786.02	\$ 12,757,786.02	\$ 12,757,786.02
7	Total Generation and Purchase Power (per books)	484,220,922	484,220,922	484,220,922	484,220,922
8	Losses (kWh) (1-Line 2)*(Line 7)	29,569,919	29,569,919	29,569,919	29,569,919
9	Total Generation After Losses (kWh) (Line 7-Line 8)	454,651,003	454,651,003	454,651,003	454,651,003
10	kWh Subject to FPP	557,182,055	416,593,922	139,482,527	1,105,606
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	122.55%	91.63%	30.68%	0.24%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 16,310,350.12	\$ 12,192,643.63	\$ 4,085,356.81	\$ 32,349.68
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 16,310,350.12	\$ 12,192,643.63	\$ 4,085,356.81	\$ 32,349.68
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 9,881.59	\$ 7,388.27	\$ 2,473.71	\$ 19.61
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Audit Fees for 2010 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 15,634,666.77	\$ 11,689,959.33	\$ 3,914,088.75	\$ 30,618.69
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (665,801.76)	\$ (495,296.03)	\$ (168,794.35)	\$ (1,711.38)
<u>Emissions Allowance Component (EA)</u>					
20	kWh Subject to FPP (Line 10)	557,182,055	416,593,922	139,482,527	1,105,606
21	EA Expense Allocated to FPP	\$ 172,204.44	\$ 128,753.83	\$ 43,108.91	\$ 341.70
22	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
23	Net EA Cost (Line 21 + Line 22)	\$ 172,204.44	\$ 128,753.83	\$ 43,108.91	\$ 341.70
24	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 96,318.19	\$ 72,098.42	\$ 24,028.74	\$ 191.03
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 75,886.25	\$ 56,655.41	\$ 19,080.17	\$ 150.67
<u>Environmental Reagents Component (ER)</u>					
27	kWh Subject to FPP (Line 10)	557,182,055	416,593,922	139,482,527	1,105,606
28	ER Expense Allocated to FPP	\$ 671,052.59	\$ 501,732.65	\$ 167,988.38	\$ 1,331.56
29	ER Revenue in FPP (per books)	\$ 1,085,782.07	\$ 811,774.78	\$ 271,854.56	\$ 2,152.73
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (414,729.48)	\$ (310,042.13)	\$ (103,866.18)	\$ (821.17)
<u>Alternative Energy Portfolio Standard</u>					
31	kWh Subject to FPP (Line 10)	557,182,055	416,593,922	139,482,527	1,105,606
32	AEPS Expense	\$ 252,570.92	\$ 188,842.25	\$ 63,227.50	\$ 501.17
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 252,570.92	\$ 188,842.25	\$ 63,227.50	\$ 501.17
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 194,917.50	\$ 145,531.99	\$ 48,999.78	\$ 385.73
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 57,653.42	\$ 43,310.26	\$ 14,227.72	\$ 115.44
<u>Reconciliation Adjustment Amortization (RA)</u>					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (112,353.35)	\$ (295,947.11)	\$ 43,639.64	\$ 139,954.12
38	Actual RA recovery through FPP	\$ (176,697.38)	\$ (311,091.32)	\$ 133,335.94	\$ 1,058.00
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 64,344.03	\$ 15,144.21	\$ (89,696.30)	\$ 138,896.12
<u>System Loss Component (SLA)</u>					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 556,495.51	\$ 416,177.33	\$ 139,343.04	\$ 975.14
42	Actual SLA recovery through FPP	\$ 589,141.90	\$ 440,601.45	\$ 147,941.65	\$ 598.80
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,108,831.74	\$ 829,067.75	\$ 277,592.48	\$ 2,171.51
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (36,805.67)	\$ (27,711.03)	\$ (9,692.21)	\$ 597.57
<u>Net Under/(Over) Recovery of FPP Costs</u>					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (919,453.21)	\$ (717,939.31)	\$ (338,741.15)	\$ 137,227.25
<u>Net Under/(Over) Recovery of FPP Costs (Page 5AC, Line 45)</u>					
46		\$ (919,453.21)	\$ (717,939.31)	\$ (338,741.15)	\$ 137,227.25
<u>Net Adjustment for March 2011 (Line 44 - Line 45) To Page 3 Line 4</u>					
47		\$ -	\$ -	\$ -	\$ -

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
July 2012 through September 2012
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	August 2011	Residential August 2011	Non-Residential August 2011	Voltage Reduction August 2011
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 24,424,524.54	\$ 24,424,524.54	\$ 24,424,524.54	\$ 24,424,524.54
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 22,932,992.10	\$ 22,932,992.10	\$ 22,932,992.10	\$ 22,932,992.10
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 77,330.52	\$ 77,330.52	\$ 77,330.52	\$ 77,330.52
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (998,685.60)	\$ (998,685.60)	\$ (998,685.60)	\$ (998,685.60)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 22,011,637.02	\$ 22,011,637.02	\$ 22,011,637.02	\$ 22,011,637.02
7	Total Generation and Purchase Power (per books)	711,098,837	711,098,837	711,098,837	711,098,837
8	Losses (kWh) (1-Line 2)*(Line 7)	43,424,673	43,424,673	43,424,673	43,424,673
9	Total Generation After Losses (kWh) (Line 7-Line 8)	667,674,164	667,674,164	667,674,164	667,674,164
10	kWh Subject to FPP	727,150,552	566,915,110	158,798,913	1,436,529
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	108.91%	84.91%	23.78%	0.22%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 21,280,490.92	\$ 16,590,828.68	\$ 4,647,629.83	\$ 42,032.41
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 21,280,490.92	\$ 16,590,828.68	\$ 4,647,629.83	\$ 42,032.41
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 6,598.32	\$ 5,144.31	\$ 1,440.98	\$ 13.04
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 23,972,873.88	\$ 18,690,080.99	\$ 5,234,367.28	\$ 48,425.60
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 2,698,981.28	\$ 2,104,396.62	\$ 588,178.43	\$ 6,406.23
<u>Emissions Allowance Component (EA)</u>					
19	kWh Subject to FPP (Line 10)	727,150,552	566,915,110	158,798,913	1,436,529
20	EA Expense Allocated to FPP	\$ 100,159.68	\$ 78,088.42	\$ 21,873.39	\$ 197.87
21	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
22	Net EA Cost (Line 19 + Line 20)	\$ 100,159.68	\$ 78,088.42	\$ 21,873.39	\$ 197.87
23	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 125,690.13	\$ 98,106.08	\$ 27,335.85	\$ 248.20
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (25,530.45)	\$ (20,017.66)	\$ (5,462.46)	\$ (50.33)
<u>Environmental Reagents Component (ER)</u>					
26	kWh Subject to FPP (Line 10)	727,150,552	566,915,110	158,798,913	1,436,529
27	ER Expense Allocated to FPP	\$ 883,925.63	\$ 689,143.12	\$ 193,036.27	\$ 1,746.25
28	ER Revenue in FPP (per books)	\$ 1,416,669.15	\$ 1,104,601.82	\$ 309,270.26	\$ 2,797.07
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (532,743.52)	\$ (415,458.70)	\$ (116,233.99)	\$ (1,050.82)
<u>Alternative Energy Portfolio Standard</u>					
30	kWh Subject to FPP (Line 10)	727,150,552	566,915,110	158,798,913	1,436,529
31	AEPS Expense	\$ 386,266.56	\$ 301,148.57	\$ 84,354.90	\$ 763.09
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 386,266.56	\$ 301,148.57	\$ 84,354.90	\$ 763.09
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 254,273.81	\$ 198,028.94	\$ 55,743.69	\$ 501.18
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ 131,992.75	\$ 103,119.63	\$ 28,611.21	\$ 261.91
<u>Reconciliation Adjustment Amortization (RA)</u>					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (112,353.34)	\$ (295,947.11)	\$ 43,639.64	\$ 139,954.13
37	Actual RA recovery through FPP	\$ (270,247.76)	\$ (423,309.58)	\$ 151,687.15	\$ 1,374.67
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 157,894.42	\$ 127,362.47	\$ (108,047.51)	\$ 138,579.46
<u>System Loss Component (SLA)</u>					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 726,255.32	\$ 566,348.19	\$ 158,640.11	\$ 1,267.02
41	Actual SLA recovery through FPP	\$ 768,618.24	\$ 599,537.17	\$ 168,303.05	\$ 778.02
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,624,427.98	\$ 1,266,460.19	\$ 354,686.41	\$ 3,281.37
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ 129,554.42	\$ 100,574.83	\$ 27,743.25	\$ 1,236.33
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 2,560,148.90	\$ 1,999,977.19	\$ 414,788.93	\$ 145,382.78

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
July 2012 through September 2012
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	August 2011	Residential August 2011	Non-Residential August 2011	Voltage Reduction August 2011
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 24,424,524.54	\$ 24,424,524.54	\$ 24,424,524.54	\$ 24,424,524.54
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 22,932,992.10	\$ 22,932,992.10	\$ 22,932,992.10	\$ 22,932,992.10
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 77,330.52	\$ 77,330.52	\$ 77,330.52	\$ 77,330.52
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (998,685.60)	\$ (998,685.60)	\$ (998,685.60)	\$ (998,685.60)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 22,011,637.02	\$ 22,011,637.02	\$ 22,011,637.02	\$ 22,011,637.02
7	Total Generation and Purchase Power (per books)	711,098,837	711,098,837	711,098,837	711,098,837
8	Losses (kWh) (1-Line 2)*(Line 7)	43,424,673	43,424,673	43,424,673	43,424,673
9	Total Generation After Losses (kWh) (Line 7-Line 8)	667,674,164	667,674,164	667,674,164	667,674,164
10	kWh Subject to FPP	727,150,552	566,915,110	158,798,913	1,436,529
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	108.91%	84.91%	23.78%	0.22%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 21,280,490.92	\$ 16,590,828.68	\$ 4,647,629.83	\$ 42,032.41
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 21,280,490.92	\$ 16,590,828.68	\$ 4,647,629.83	\$ 42,032.41
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 6,598.32	\$ 5,144.31	\$ 1,440.98	\$ 13.04
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 23,972,873.88	\$ 18,690,080.99	\$ 5,234,367.28	\$ 48,425.60
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 2,698,981.28	\$ 2,104,396.62	\$ 588,178.43	\$ 6,406.23
<u>Emissions Allowance Component (EA)</u>					
19	kWh Subject to FPP (Line 10)	727,150,552	566,915,110	158,798,913	1,436,529
20	EA Expense Allocated to FPP	\$ 100,159.68	\$ 78,088.42	\$ 21,873.39	\$ 197.87
21	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
22	Net EA Cost (Line 19 + Line 20)	\$ 100,159.68	\$ 78,088.42	\$ 21,873.39	\$ 197.87
23	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 125,690.13	\$ 98,106.08	\$ 27,335.85	\$ 248.20
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (25,530.45)	\$ (20,017.66)	\$ (5,462.46)	\$ (50.33)
<u>Environmental Reagents Component (ER)</u>					
26	kWh Subject to FPP (Line 10)	727,150,552	566,915,110	158,798,913	1,436,529
27	ER Expense Allocated to FPP	\$ 883,925.63	\$ 689,143.12	\$ 193,036.27	\$ 1,746.25
28	ER Revenue in FPP (per books)	\$ 1,416,669.15	\$ 1,104,601.82	\$ 309,270.26	\$ 2,797.07
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (532,743.52)	\$ (415,458.70)	\$ (116,233.99)	\$ (1,050.82)
<u>Alternative Energy Portfolio Standard</u>					
30	kWh Subject to FPP (Line 10)	727,150,552	566,915,110	158,798,913	1,436,529
31	AEPS Expense	\$ 386,266.56	\$ 301,148.57	\$ 84,354.90	\$ 763.09
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 386,266.56	\$ 301,148.57	\$ 84,354.90	\$ 763.09
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 254,273.81	\$ 198,028.94	\$ 55,743.69	\$ 501.18
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ 131,992.75	\$ 103,119.63	\$ 28,611.21	\$ 261.91
<u>Reconciliation Adjustment Amortization (RA)</u>					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (112,353.34)	\$ (295,947.11)	\$ 43,639.64	\$ 139,954.13
37	Actual RA recovery through FPP	\$ (270,247.76)	\$ (423,309.58)	\$ 151,687.15	\$ 1,374.67
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 157,894.42	\$ 127,362.47	\$ (108,047.51)	\$ 138,579.46
<u>System Loss Component (SLA)</u>					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 726,255.32	\$ 566,348.19	\$ 158,640.11	\$ 1,267.02
41	Actual SLA recovery through FPP	\$ 768,618.24	\$ 599,537.17	\$ 168,303.05	\$ 778.02
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,624,427.98	\$ 1,266,460.19	\$ 354,686.41	\$ 3,281.37
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ 129,554.42	\$ 100,574.83	\$ 27,743.25	\$ 1,236.33
<u>Net Under/(Over) Recovery of FPP Costs</u>					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 2,560,148.90	\$ 1,999,977.19	\$ 414,788.93	\$ 145,382.78
<u>Net Under/(Over) Recovery of FPP Costs (Page 5AC, Line 45)</u>					
45		\$ 2,560,148.90	\$ 1,999,977.19	\$ 414,788.93	\$ 145,382.78
46	Net Adjustment for March 2011 (Line 44 - Line 45) To Page 3 Line 4	\$ -	\$ -	\$ -	\$ -

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
July 2012 through September 2012
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	July 2011	Residential July 2011	Non-Residential July 2011	Voltage Reduction July 2011
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 28,492,742.03	\$ 28,492,742.03	\$ 28,492,742.03	\$ 28,492,742.03
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 26,752,775.75	\$ 26,752,775.75	\$ 26,752,775.75	\$ 26,752,775.75
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (201,168.08)	\$ (201,168.08)	\$ (201,168.08)	\$ (201,168.08)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,196,054.64)	\$ (1,196,054.64)	\$ (1,196,054.64)	\$ (1,196,054.64)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 25,355,553.03	\$ 25,355,553.03	\$ 25,355,553.03	\$ 25,355,553.03
7	Total Generation and Purchase Power (per books)	865,001,087	865,001,087	865,001,087	865,001,087
8	Losses (kWh) (1-Line 2)*(Line 7)	52,823,021	52,823,021	52,823,021	52,823,021
9	Total Generation After Losses (kWh) (Line 7-Line 8)	812,178,066	812,178,066	812,178,066	812,178,066
10	kWh Subject to FPP	661,177,707	507,216,284	152,605,537	1,355,886
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	81.41%	62.45%	18.79%	0.17%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 19,349,246.80	\$ 14,845,849.26	\$ 4,463,693.36	\$ 39,704.18
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 19,349,246.80	\$ 14,845,849.26	\$ 4,463,693.36	\$ 39,704.18
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 6,032.51	\$ 4,627.79	\$ 1,392.36	\$ 12.36
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 20,641,955.72	\$ 15,834,542.87	\$ 4,764,308.41	\$ 43,104.44
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 1,298,741.43	\$ 993,321.40	\$ 302,007.41	\$ 3,412.62
<u>Emissions Allowance Component (EA)</u>					
19	kWh Subject to FPP (Line 10)	661,177,707	507,216,284	152,605,537	1,355,886
20	EA Expense Allocated to FPP	\$ 126,619.90	\$ 97,135.27	\$ 29,224.97	\$ 259.66
21	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
22	Net EA Cost (Line 19 + Line 20)	\$ 126,619.90	\$ 97,135.27	\$ 29,224.97	\$ 259.66
23	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 114,275.99	\$ 87,787.54	\$ 26,253.99	\$ 234.46
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ 12,343.91	\$ 9,347.73	\$ 2,970.98	\$ 25.20
<u>Environmental Reagents Component (ER)</u>					
26	kWh Subject to FPP (Line 10)	661,177,707	507,216,284	152,605,537	1,355,886
27	ER Expense Allocated to FPP	\$ 748,193.71	\$ 573,969.80	\$ 172,689.58	\$ 1,534.33
28	ER Revenue in FPP (per books)	\$ 1,288,095.32	\$ 988,422.73	\$ 297,030.45	\$ 2,642.14
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (539,901.61)	\$ (414,452.93)	\$ (124,340.87)	\$ (1,107.81)
<u>Alternative Energy Portfolio Standard</u>					
30	kWh Subject to FPP (Line 10)	661,177,707	507,216,284	152,605,537	1,355,886
31	AEPS Expense	\$ 252,219.12	\$ 193,487.54	\$ 58,214.36	\$ 517.22
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 252,219.12	\$ 193,487.54	\$ 58,214.36	\$ 517.22
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 231,211.76	\$ 177,200.79	\$ 53,537.55	\$ 473.42
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ 21,007.36	\$ 16,286.75	\$ 4,676.81	\$ 43.80
<u>Reconciliation Adjustment Amortization (RA)</u>					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (112,353.34)	\$ (295,947.11)	\$ 43,639.64	\$ 139,954.13
37	Actual RA recovery through FPP	\$ (231,804.57)	\$ (378,787.00)	\$ 145,683.91	\$ 1,298.52
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 119,451.23	\$ 82,839.89	\$ (102,044.27)	\$ 138,655.61
<u>System Loss Component (SLA)</u>					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 660,357.89	\$ 506,709.07	\$ 152,452.93	\$ 1,195.89
41	Actual SLA recovery through FPP	\$ 698,856.59	\$ 536,479.44	\$ 161,642.22	\$ 734.93
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,416,506.55	\$ 1,086,608.94	\$ 326,939.66	\$ 2,957.95
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ 57,292.07	\$ 43,420.43	\$ 12,844.51	\$ 1,027.13
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 968,934.39	\$ 730,763.27	\$ 96,114.57	\$ 142,056.55

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
July 2012 through September 2012
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	July 2011	Residential July 2011	Non-Residential July 2011	Voltage Reduction July 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 28,492,742.03	\$ 28,492,742.03	\$ 28,492,742.03	\$ 28,492,742.03
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 26,752,775.75	\$ 26,752,775.75	\$ 26,752,775.75	\$ 26,752,775.75
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (201,168.08)	\$ (201,168.08)	\$ (201,168.08)	\$ (201,168.08)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,196,054.64)	\$ (1,196,054.64)	\$ (1,196,054.64)	\$ (1,196,054.64)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 25,355,553.03	\$ 25,355,553.03	\$ 25,355,553.03	\$ 25,355,553.03
7	Total Generation and Purchase Power (per books)	865,001,087	865,001,087	865,001,087	865,001,087
8	Losses (kWh) (1-Line 2)*(Line 7)	52,823,021	52,823,021	52,823,021	52,823,021
9	Total Generation After Losses (kWh) (Line 7-Line 8)	812,178,066	812,178,066	812,178,066	812,178,066
10	kWh Subject to FPP	661,177,707	507,216,284	152,605,537	1,355,886
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	81.41%	62.45%	18.79%	0.17%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 19,349,246.80	\$ 14,845,849.26	\$ 4,463,693.36	\$ 39,704.18
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 19,349,246.80	\$ 14,845,849.26	\$ 4,463,693.36	\$ 39,704.18
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 6,032.51	\$ 4,627.79	\$ 1,392.36	\$ 12.36
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 20,641,955.72	\$ 15,834,542.87	\$ 4,764,308.41	\$ 43,104.44
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 1,298,741.43	\$ 993,321.40	\$ 302,007.41	\$ 3,412.62
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	661,177,707	507,216,284	152,605,537	1,355,886
20	EA Expense Allocated to FPP	\$ 126,619.90	\$ 97,135.27	\$ 29,224.97	\$ 259.66
21	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
22	Net EA Cost (Line 19 + Line 20)	\$ 126,619.90	\$ 97,135.27	\$ 29,224.97	\$ 259.66
23	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 114,275.99	\$ 87,787.54	\$ 26,253.99	\$ 234.46
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ 12,343.91	\$ 9,347.73	\$ 2,970.98	\$ 25.20
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	661,177,707	507,216,284	152,605,537	1,355,886
27	ER Expense Allocated to FPP	\$ 748,193.71	\$ 573,969.80	\$ 172,689.58	\$ 1,534.33
28	ER Revenue in FPP (per books)	\$ 1,288,095.32	\$ 988,422.73	\$ 297,030.45	\$ 2,642.14
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (539,901.61)	\$ (414,452.93)	\$ (124,340.87)	\$ (1,107.81)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	661,177,707	507,216,284	152,605,537	1,355,886
31	AEPS Expense	\$ 252,219.12	\$ 193,487.54	\$ 58,214.36	\$ 517.22
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 252,219.12	\$ 193,487.54	\$ 58,214.36	\$ 517.22
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 231,211.76	\$ 177,200.79	\$ 53,537.55	\$ 473.42
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ 21,007.36	\$ 16,286.75	\$ 4,676.81	\$ 43.80
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (112,353.34)	\$ (295,947.11)	\$ 43,639.64	\$ 139,954.13
37	Actual RA recovery through FPP	\$ (231,804.57)	\$ (378,787.00)	\$ 145,683.91	\$ 1,298.52
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 119,451.23	\$ 82,839.89	\$ (102,044.27)	\$ 138,655.61
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 660,357.89	\$ 506,709.07	\$ 152,452.93	\$ 1,195.89
41	Actual SLA recovery through FPP	\$ 698,856.59	\$ 536,479.44	\$ 161,642.22	\$ 734.93
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,416,506.55	\$ 1,086,608.94	\$ 326,939.66	\$ 2,957.95
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ 57,292.07	\$ 43,420.43	\$ 12,844.51	\$ 1,027.13
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 968,934.39	\$ 730,763.27	\$ 96,114.57	\$ 142,056.55
45	Net Under/(Over) Recovery of FPP Costs (Page 5AC, Line 45)	\$ 968,934.39	\$ 730,763.27	\$ 96,114.57	\$ 142,056.55
46	Net Adjustment for March 2011 (Line 44 - Line 45) To Page 3 Line 4	\$ -	\$ -	\$ -	\$ -

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
July 2012 through September 2012
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	June 2011	Residential June 2011	Non-Residential June 2011	Voltage Reduction June 2011
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 22,961,646.75	\$ 22,961,646.75	\$ 22,961,646.75	\$ 22,961,646.75
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 21,559,447.87	\$ 21,559,447.87	\$ 21,559,447.87	\$ 21,559,447.87
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (19,967.56)	\$ (19,967.56)	\$ (19,967.56)	\$ (19,967.56)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,147,638.80)	\$ (1,147,638.80)	\$ (1,147,638.80)	\$ (1,147,638.80)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 20,391,841.51	\$ 20,391,841.51	\$ 20,391,841.51	\$ 20,391,841.51
7	Total Generation and Purchase Power (per books)	640,243,306	640,243,306	640,243,306	640,243,306
8	Losses (kWh) (1-Line 2)*(Line 7)	39,097,738	39,097,738	39,097,738	39,097,738
9	Total Generation After Losses (kWh) (Line 7-Line 8)	601,145,568	601,145,568	601,145,568	601,145,568
10	kWh Subject to FPP	562,360,402	413,321,182	148,006,936	1,032,284
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	93.55%	68.76%	24.62%	0.17%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 17,062,487.76	\$ 12,541,218.51	\$ 4,489,966.35	\$ 31,302.90
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 17,062,487.76	\$ 12,541,218.51	\$ 4,489,966.35	\$ 31,302.90
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 0.00	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Audit Fees for 2010 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ 99,000.00	\$ 72,762.59	\$ 26,055.69	\$ 181.72
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 19,076,567.73	\$ 14,021,430.22	\$ 5,020,471.38	\$ 34,666.13
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 2,113,079.97	\$ 1,552,974.30	\$ 556,560.72	\$ 3,544.95
<u>Emissions Allowance Component (EA)</u>					
20	kWh Subject to FPP (Line 10)	562,360,402	413,321,182	148,006,936	1,032,284
21	EA Expense Allocated to FPP	\$ 138,229.94	\$ 101,595.64	\$ 36,380.57	\$ 253.74
22	EA Sales Margin Allocated to FPP	\$ (14,563.38)	\$ (10,703.73)	\$ (3,832.92)	\$ (26.73)
23	Net EA Cost (Line 21 + Line 22)	\$ 123,666.56	\$ 90,891.91	\$ 32,547.65	\$ 227.01
24	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ 204,323.33	\$ 150,179.29	\$ 53,772.75	\$ 371.30
25	EA Revenue in FPP (per books)	\$ 108,254.78	\$ 79,472.79	\$ 28,582.54	\$ 199.45
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (188,911.55)	\$ (138,760.17)	\$ (49,807.64)	\$ (343.74)
<u>Environmental Reagents Component (ER)</u>					
27	kWh Subject to FPP (Line 10)	562,360,402	413,321,182	148,006,936	1,032,284
28	ER Expense Allocated to FPP	\$ 667,872.48	\$ 490,869.99	\$ 175,776.53	\$ 1,225.96
29	ER Revenue in FPP (per books)	\$ 940,453.18	\$ 691,516.45	\$ 247,213.92	\$ 1,722.81
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (272,580.70)	\$ (200,646.46)	\$ (71,437.39)	\$ (496.85)
<u>Alternative Energy Portfolio Standard</u>					
31	kWh Subject to FPP (Line 10)	562,360,402	413,321,182	148,006,936	1,032,284
32	AEPS Expense	\$ 204,989.45	\$ 150,662.25	\$ 53,950.92	\$ 376.28
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 204,989.45	\$ 150,662.25	\$ 53,950.92	\$ 376.28
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 190,863.08	\$ 140,367.52	\$ 50,144.81	\$ 350.75
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 14,126.37	\$ 10,294.73	\$ 3,806.11	\$ 25.53
<u>Reconciliation Adjustment Amortization (RA)</u>					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ (2,924,869.26)	\$ (2,972,163.23)	\$ (252,831.93)	\$ 300,125.90
38	Actual RA recovery through FPP	\$ (3,571,781.57)	\$ (3,602,078.23)	\$ 30,086.90	\$ 209.76
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 646,912.31	\$ 629,915.00	\$ (282,918.83)	\$ 299,916.14
<u>System Loss Component (SLA)</u>					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 561,677.26	\$ 412,907.86	\$ 147,858.93	\$ 910.47
42	Actual SLA recovery through FPP	\$ 639,732.37	\$ 470,644.03	\$ 168,486.56	\$ 601.78
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,311,757.05	\$ 964,151.95	\$ 345,221.36	\$ 2,383.74
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ 110,347.42	\$ 80,600.06	\$ 28,875.87	\$ 871.49
45	Net Under/(Over) Recovery of FPP Costs (Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 2,422,973.82	\$ 1,934,377.46	\$ 185,078.84	\$ 303,517.52

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
October 2011 through December 2011
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	June 2011	Residential June 2011	Non-Residential June 2011	Voltage Reduction June 2011
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 22,357,070.44	\$ 22,357,070.44	\$ 22,357,070.44	\$ 22,357,070.44
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 20,991,791.21	\$ 20,991,791.21	\$ 20,991,791.21	\$ 20,991,791.21
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (19,967.56)	\$ (19,967.56)	\$ (19,967.56)	\$ (19,967.56)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,142,768.87)	\$ (1,142,768.87)	\$ (1,142,768.87)	\$ (1,142,768.87)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 19,829,054.78	\$ 19,829,054.78	\$ 19,829,054.78	\$ 19,829,054.78
7	Total Generation and Purchase Power (per books)	629,298,871	629,298,871	629,298,871	629,298,871
8	Losses (kWh) (1-Line 2)*(Line 7)	38,429,394	38,429,394	38,429,394	38,429,394
9	Total Generation After Losses (kWh) (Line 7-Line 8)	590,869,477	590,869,477	590,869,477	590,869,477
10	kWh Subject to FPP	562,360,402	413,321,182	148,006,936	1,032,284
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	95.18%	69.95%	25.05%	0.18%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 17,062,487.76	\$ 12,541,218.51	\$ 4,489,966.35	\$ 31,302.90
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 17,062,487.76	\$ 12,541,218.51	\$ 4,489,966.35	\$ 31,302.90
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 0.00	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Audit Fees for 2010 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ 99,000.00	\$ 72,762.59	\$ 26,055.69	\$ 181.72
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 18,873,294.74	\$ 13,870,423.82	\$ 4,967,178.22	\$ 35,692.30
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 1,909,806.58	\$ 1,401,967.90	\$ 503,267.56	\$ 4,571.12
<u>Emissions Allowance Component (EA)</u>					
20	kWh Subject to FPP (Line 10)	562,360,402	413,321,182	148,006,936	1,032,284
21	EA Expense Allocated to FPP	\$ 135,305.30	\$ 99,446.10	\$ 35,610.83	\$ 248.37
22	EA Sales Margin Allocated to FPP	\$ (14,563.38)	\$ (10,703.73)	\$ (3,832.92)	\$ (26.73)
23	Net EA Cost (Line 21 + Line 22)	\$ 120,741.92	\$ 88,742.37	\$ 31,777.91	\$ 221.64
24	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ 204,323.33	\$ 150,172.67	\$ 53,775.60	\$ 375.06
25	EA Revenue in FPP (per books)	\$ 108,254.74	\$ 79,472.79	\$ 28,582.54	\$ 199.45
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (191,836.19)	\$ (140,903.09)	\$ (50,580.23)	\$ (352.87)
<u>Environmental Reagents Component (ER)</u>					
27	kWh Subject to FPP (Line 10)	562,360,402	413,321,182	148,006,936	1,032,284
28	ER Expense Allocated to FPP	\$ 659,525.81	\$ 484,735.39	\$ 173,579.78	\$ 1,210.64
29	ER Revenue in FPP (per books)	\$ 940,453.18	\$ 691,516.45	\$ 247,213.92	\$ 1,722.81
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (280,927.37)	\$ (206,781.06)	\$ (73,634.14)	\$ (512.17)
<u>Alternative Energy Portfolio Standard</u>					
31	kWh Subject to FPP (Line 10)	562,360,402	413,321,182	148,006,936	1,032,284
32	AEPS Expense	\$ 204,989.45	\$ 150,662.25	\$ 53,950.92	\$ 376.28
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 204,989.45	\$ 150,662.25	\$ 53,950.92	\$ 376.28
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 190,863.08	\$ 140,367.52	\$ 50,144.81	\$ 350.75
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 14,126.37	\$ 10,294.73	\$ 3,806.11	\$ 25.53
<u>Reconciliation Adjustment Amortization (RA)</u>					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ (2,924,869.26)	\$ (2,972,163.23)	\$ (252,831.93)	\$ 300,125.90
38	Actual RA recovery through FPP	\$ (3,571,781.57)	\$ (3,602,078.23)	\$ 30,086.90	\$ 209.76
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 646,912.31	\$ 629,915.00	\$ (282,918.83)	\$ 299,916.14
<u>System Loss Component (SLA)</u>					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 561,677.26	\$ 412,907.86	\$ 147,858.93	\$ 910.47
42	Actual SLA recovery through FPP	\$ 639,732.37	\$ 470,644.03	\$ 168,486.56	\$ 601.78
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,299,472.77	\$ 955,012.82	\$ 342,002.45	\$ 2,457.50
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ 98,063.14	\$ 71,460.93	\$ 25,656.96	\$ 945.25
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 2,196,144.84	\$ 1,765,954.41	\$ 125,597.43	\$ 304,593.00
46	Net Under/(Over) Recovery of FPP Costs (Page 5AC, Line 45)	\$ 2,422,973.82	\$ 1,934,377.46	\$ 185,078.84	\$ 303,517.52
47	Net Adjustment for March 2011 (Line 44 - Line 45) To Page 3 Line 4	\$ (226,828.98)	\$ (168,423.05)	\$ (59,481.41)	\$ 1,075.48

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
October 2011 through December 2011
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	May 2011	Residential May 2011	Non-Residential May 2011	Voltage Reduction May 2011
<u>Fuel Component (FC)</u>					
1	Net includable Fuel	\$ 17,660,375.96	\$ 17,660,375.96	\$ 17,660,375.96	\$ 17,660,375.96
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 16,581,909.79	\$ 16,581,909.79	\$ 16,581,909.79	\$ 16,581,909.79
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 449,211.28	\$ 449,211.28	\$ 449,211.28	\$ 449,211.28
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (457,696.67)	\$ (457,696.67)	\$ (457,696.67)	\$ (457,696.67)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 16,573,424.40	\$ 16,573,424.40	\$ 16,573,424.40	\$ 16,573,424.40
7	Total Generation and Purchase Power (per books)	531,962,687	531,962,687	531,962,687	531,962,687
8	Losses (kWh) (1-Line 2)*(Line 7)	32,485,365	32,485,365	32,485,365	32,485,365
9	Total Generation After Losses (kWh) (Line 7-Line 8)	499,477,322	499,477,322	499,477,322	499,477,322
10	kWh Subject to FPP	428,728,432	299,677,534	127,662,854	1,388,044
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	85.84%	60.00%	25.56%	0.28%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 12,995,830.36	\$ 9,076,052.07	\$ 3,877,687.36	\$ 42,090.93
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 12,995,830.36	\$ 9,076,052.07	\$ 3,877,687.36	\$ 42,090.93
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 14,291.34	\$ 9,989.53	\$ 4,255.55	\$ 46.26
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 14,226,627.50	\$ 9,944,054.64	\$ 4,236,167.28	\$ 46,405.58
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 1,245,088.48	\$ 877,992.10	\$ 362,735.47	\$ 4,360.91
<u>Emissions Allowance Component (EA)</u>					
19	kWh Subject to FPP (Line 10)	428,728,432	299,677,534	127,662,854	1,388,044
20	EA Expense Allocated to FPP	\$ 101,586.53	\$ 71,008.12	\$ 30,249.51	\$ 328.89
21	EA Sales Margin Allocated to FPP	\$ (1,204.27)	\$ (841.77)	\$ (358.60)	\$ (3.90)
22	Net EA Cost (Line 19 + Line 20)	\$ 100,382.26	\$ 70,166.35	\$ 29,890.91	\$ 324.99
23	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ 204,323.33	\$ 142,820.27	\$ 60,841.54	\$ 661.51
24	EA Revenue in FPP (per books)	\$ 82,467.31	\$ 57,514.28	\$ 24,684.85	\$ 268.18
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (186,408.38)	\$ (130,168.20)	\$ (55,635.48)	\$ (604.70)
<u>Environmental Reagents Component (ER)</u>					
26	kWh Subject to FPP (Line 10)	428,728,432	299,677,534	127,662,854	1,388,044
27	ER Expense Allocated to FPP	\$ 650,502.35	\$ 454,695.62	\$ 193,700.67	\$ 2,106.06
28	ER Revenue in FPP (per books)	\$ 716,267.80	\$ 500,448.92	\$ 213,502.33	\$ 2,316.55
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (65,765.45)	\$ (45,753.30)	\$ (19,801.66)	\$ (210.49)
<u>Alternative Energy Portfolio Standard</u>					
30	kWh Subject to FPP (Line 10)	428,728,432	299,677,534	127,662,854	1,388,044
31	AEPS Expense	\$ 454,596.54	\$ 317,759.12	\$ 135,365.62	\$ 1,471.80
32	AEPS Sales Margin	\$ 67,280.92	\$ 47,027.67	\$ 20,033.79	\$ 219.46
33	Net AEPS Cost (Line 31 + Line 32)	\$ 521,877.46	\$ 364,786.79	\$ 155,399.41	\$ 1,691.26
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 145,362.05	\$ 101,583.66	\$ 43,306.76	\$ 471.63
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ 376,515.41	\$ 263,203.13	\$ 112,092.65	\$ 1,219.63
<u>Reconciliation Adjustment Amortization (RA)</u>					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ (2,924,869.26)	\$ (2,972,163.23)	\$ (252,831.93)	\$ 300,125.90
37	Actual RA recovery through FPP	\$ (2,580,549.93)	\$ (2,606,816.04)	\$ 25,984.06	\$ 282.05
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ (344,319.33)	\$ (365,347.19)	\$ (278,815.99)	\$ 299,843.85
<u>System Loss Component (SLA)</u>					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 428,137.30	\$ 299,377.86	\$ 127,535.19	\$ 1,224.25
41	Actual SLA recovery through FPP	\$ 486,923.93	\$ 340,604.04	\$ 145,510.72	\$ 809.17
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 925,755.36	\$ 647,079.70	\$ 275,655.95	\$ 3,019.71
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ 10,694.13	\$ 7,097.80	\$ 2,610.04	\$ 986.29
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 1,035,804.86	\$ 607,024.34	\$ 123,185.03	\$ 305,595.49

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
October 2011 through December 2011
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	May 2011	Residential May 2011	Non-Residential May 2011	Voltage Reduction May 2011
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 17,397,345.36	\$ 17,397,345.36	\$ 17,397,345.36	\$ 17,397,345.36
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 16,334,941.67	\$ 16,334,941.67	\$ 16,334,941.67	\$ 16,334,941.67
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 449,211.28	\$ 449,211.28	\$ 449,211.28	\$ 449,211.28
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (453,619.36)	\$ (453,619.36)	\$ (453,619.36)	\$ (453,619.36)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 16,330,533.59	\$ 16,330,533.59	\$ 16,330,533.59	\$ 16,330,533.59
7	Total Generation and Purchase Power (per books)	522,878,177	522,878,177	522,878,177	522,878,177
8	Losses (kWh) (1-Line 2)*(Line 7)	31,930,602	31,930,602	31,930,602	31,930,602
9	Total Generation After Losses (kWh) (Line 7-Line 8)	490,947,575	490,947,575	490,947,575	490,947,575
10	kWh Subject to FPP	428,728,432	299,677,534	127,662,854	1,388,044
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	87.33%	61.04%	26.00%	0.29%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 12,995,830.36	\$ 9,076,052.07	\$ 3,877,687.36	\$ 42,090.93
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 12,995,830.36	\$ 9,076,052.07	\$ 3,877,687.36	\$ 42,090.93
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 14,068.44	\$ 9,833.72	\$ 4,189.17	\$ 45.55
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 14,261,454.98	\$ 9,968,157.70	\$ 4,245,938.73	\$ 47,358.55
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 1,279,693.06	\$ 901,939.35	\$ 372,440.54	\$ 5,313.17
<u>Emissions Allowance Component (EA)</u>					
19	kWh Subject to FPP (Line 10)	428,728,432	299,677,534	127,662,854	1,388,044
20	EA Expense Allocated to FPP	\$ 98,803.41	\$ 69,062.74	\$ 29,420.78	\$ 319.88
21	EA Sales Margin Allocated to FPP	\$ (1,204.27)	\$ (841.77)	\$ (358.60)	\$ (3.90)
22	Net EA Cost (Line 19 + Line 20)	\$ 97,599.14	\$ 68,220.97	\$ 29,062.18	\$ 315.98
23	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ 204,323.33	\$ 142,820.27	\$ 60,841.54	\$ 661.51
24	EA Revenue in FPP (per books)	\$ 82,467.31	\$ 57,514.28	\$ 24,684.85	\$ 268.18
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (189,191.50)	\$ (132,113.58)	\$ (56,464.21)	\$ (613.71)
<u>Environmental Reagents Component (ER)</u>					
26	kWh Subject to FPP (Line 10)	428,728,432	299,677,534	127,662,854	1,388,044
27	ER Expense Allocated to FPP	\$ 640,356.77	\$ 447,603.94	\$ 190,679.62	\$ 2,073.21
28	ER Revenue in FPP (per books)	\$ 716,267.80	\$ 500,448.92	\$ 213,502.33	\$ 2,316.55
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (75,911.03)	\$ (52,844.98)	\$ (22,822.71)	\$ (243.34)
<u>Alternative Energy Portfolio Standard</u>					
30	kWh Subject to FPP (Line 10)	428,728,432	299,677,534	127,662,854	1,388,044
31	AEPS Expense	\$ 454,596.54	\$ 317,759.12	\$ 135,365.62	\$ 1,471.80
32	AEPS Sales Margin	\$ 67,280.92	\$ 47,028.79	\$ 20,034.30	\$ 217.83
33	Net AEPS Cost (Line 31 + Line 32)	\$ 521,877.46	\$ 364,787.91	\$ 155,399.92	\$ 1,689.63
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 145,362.05	\$ 101,583.66	\$ 43,306.76	\$ 471.63
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ 376,515.41	\$ 263,204.25	\$ 112,093.16	\$ 1,218.00
<u>Reconciliation Adjustment Amortization (RA)</u>					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ (2,924,869.26)	\$ (2,972,163.23)	\$ (252,831.93)	\$ 300,125.90
37	Actual RA recovery through FPP	\$ (2,580,549.93)	\$ (2,606,816.04)	\$ 25,984.06	\$ 282.05
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ (344,319.33)	\$ (365,347.19)	\$ (278,815.99)	\$ 299,843.85
<u>System Loss Component (SLA)</u>					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 428,137.30	\$ 299,377.86	\$ 127,535.19	\$ 1,224.25
41	Actual SLA recovery through FPP	\$ 486,923.93	\$ 340,604.04	\$ 145,510.72	\$ 809.17
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 927,797.14	\$ 648,491.21	\$ 276,224.96	\$ 3,080.97
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ 12,735.91	\$ 8,509.31	\$ 3,179.05	\$ 1,047.55
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 1,059,522.52	\$ 623,347.16	\$ 129,609.84	\$ 306,565.52
Net Under/(Over) Recovery of FPP Costs (Page 5AC, Line 45)					
45		\$ 1,035,804.86	\$ 607,024.34	\$ 123,185.03	\$ 305,595.49
46	Net Adjustment for March 2011 (Line 44 - Line 45) To Page 3 Line 4	\$ 23,717.66	\$ 16,322.82	\$ 6,424.81	\$ 970.03

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
October 2011 through December 2011
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	April 2011	Residential April 2011	Non-Residential April 2011	Voltage Reduction April 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 14,334,366.50	\$ 14,334,366.50	\$ 14,334,366.50	\$ 14,334,366.50
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 13,459,009.74	\$ 13,459,009.74	\$ 13,459,009.74	\$ 13,459,009.74
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (64,292.10)	\$ (64,292.10)	\$ (64,292.10)	\$ (64,292.10)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (365,215.65)	\$ (365,215.65)	\$ (365,215.65)	\$ (365,215.65)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 13,029,501.99	\$ 13,029,501.99	\$ 13,029,501.99	\$ 13,029,501.99
7	Total Generation and Purchase Power (per books)	467,062,774	467,062,774	467,062,774	467,062,774
8	Losses (kWh) (1-Line 2)*(Line 7)	28,522,122	28,522,122	28,522,122	28,522,122
9	Total Generation After Losses (kWh) (Line 7-Line 8)	438,540,652	438,540,652	438,540,652	438,540,652
10	kWh Subject to FPP	458,281,516	326,423,480	130,349,946	1,508,090
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	104.50%	74.43%	29.73%	0.34%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 13,912,984.56	\$ 9,911,947.53	\$ 3,955,305.84	\$ 45,731.19
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 13,912,984.56	\$ 9,911,947.53	\$ 3,955,305.84	\$ 45,731.19
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 13,615,829.58	\$ 9,697,858.33	\$ 3,873,670.94	\$ 44,300.31
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (297,154.98)	\$ (214,089.20)	\$ (81,634.90)	\$ (1,430.88)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	458,281,516	326,423,480	130,349,946	1,508,090
20	EA Expense Allocated to FPP	\$ 128,234.86	\$ 91,338.77	\$ 36,474.10	\$ 421.99
21	EA Sales Margin Allocated to FPP	\$ (1,417.17)	\$ (1,009.42)	\$ (403.09)	\$ (4.66)
22	Net EA Cost (Line 19 + Line 20)	\$ 126,817.69	\$ 90,329.35	\$ 36,071.01	\$ 417.33
23	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ 204,323.33	\$ 145,534.85	\$ 58,116.10	\$ 672.38
24	EA Revenue in FPP (per books)	\$ 88,281.63	\$ 62,811.29	\$ 25,178.96	\$ 291.38
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (165,787.27)	\$ (118,016.79)	\$ (47,224.05)	\$ (546.43)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	458,281,516	326,423,480	130,349,946	1,508,090
27	ER Expense Allocated to FPP	\$ 542,918.90	\$ 386,708.77	\$ 154,423.52	\$ 1,786.61
28	ER Revenue in FPP (per books)	\$ 766,832.61	\$ 546,539.77	\$ 217,775.94	\$ 2,516.90
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (223,913.71)	\$ (159,831.00)	\$ (63,352.42)	\$ (730.29)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	458,281,516	326,423,480	130,349,946	1,508,090
31	AEPS Expense	\$ 94,364.47	\$ 67,213.66	\$ 26,840.28	\$ 310.53
32	AEPS Sales Margin	\$ (5,318.26)	\$ (3,787.92)	\$ (1,513.03)	\$ (17.31)
33	Net AEPS Cost (Line 31 + Line 32)	\$ 89,046.21	\$ 63,425.74	\$ 25,327.25	\$ 293.22
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 155,625.45	\$ 110,939.42	\$ 44,173.61	\$ 512.42
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (66,579.24)	\$ (47,513.68)	\$ (18,846.36)	\$ (219.20)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ (2,924,869.26)	\$ (2,972,163.23)	\$ (252,831.93)	\$ 300,125.90
37	Actual RA recovery through FPP	\$ (2,820,090.61)	\$ (2,846,901.23)	\$ 26,504.17	\$ 306.45
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ (104,778.65)	\$ (125,262.00)	\$ (279,336.10)	\$ 299,819.45
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 457,646.80	\$ 326,097.06	\$ 130,219.60	\$ 1,330.14
41	Actual SLA recovery through FPP	\$ 521,275.86	\$ 371,973.34	\$ 148,423.36	\$ 879.16
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 914,747.81	\$ 651,528.04	\$ 260,243.56	\$ 2,976.21
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (64,174.85)	\$ (46,542.36)	\$ (18,399.40)	\$ 766.91
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (922,388.70)	\$ (711,255.03)	\$ (508,793.23)	\$ 297,659.56

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Reconciliation Adjustment Component for Billing
October 2011 through December 2011
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	April 2011	Residential April 2011	Non-Residential April 2011	Voltage Reduction April 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 13,984,501.20	\$ 13,984,501.20	\$ 13,984,501.20	\$ 13,984,501.20
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 13,130,509.67	\$ 13,130,509.67	\$ 13,130,509.67	\$ 13,130,509.67
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (64,292.10)	\$ (64,292.10)	\$ (64,292.10)	\$ (64,292.10)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (360,224.67)	\$ (360,224.67)	\$ (360,224.67)	\$ (360,224.67)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 12,705,992.90	\$ 12,705,992.90	\$ 12,705,992.90	\$ 12,705,992.90
7	Total Generation and Purchase Power (per books)	455,657,251	455,657,251	455,657,251	455,657,251
8	Losses (kWh) (1-Line 2)*(Line 7)	27,825,621	27,825,621	27,825,621	27,825,621
9	Total Generation After Losses (kWh) (Line 7-Line 8)	427,831,630	427,831,630	427,831,630	427,831,630
10	kWh Subject to FPP	458,281,516	326,423,480	130,349,946	1,508,090
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	107.12%	76.30%	30.47%	0.35%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 13,912,984.56	\$ 9,911,947.53	\$ 3,955,305.84	\$ 45,731.19
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 13,912,984.56	\$ 9,911,947.53	\$ 3,955,305.84	\$ 45,731.19
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 13,610,659.59	\$ 9,694,672.58	\$ 3,871,516.04	\$ 44,470.98
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (302,324.97)	\$ (217,274.95)	\$ (83,789.80)	\$ (1,260.21)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	458,281,516	326,423,480	130,349,946	1,508,090
20	EA Expense Allocated to FPP	\$ 109,306.28	\$ 77,856.37	\$ 31,090.21	\$ 359.70
21	EA Sales Margin Allocated to FPP	\$ (1,417.17)	\$ (1,009.42)	\$ (403.09)	\$ (4.66)
22	Net EA Cost (Line 19 + Line 20)	\$ 107,889.11	\$ 76,846.95	\$ 30,687.12	\$ 355.04
23	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ 204,323.33	\$ 145,534.85	\$ 58,116.10	\$ 672.38
24	EA Revenue in FPP (per books)	\$ 88,281.63	\$ 62,811.29	\$ 25,178.96	\$ 291.38
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (184,715.85)	\$ (131,499.19)	\$ (52,607.94)	\$ (608.72)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	458,281,516	326,423,480	130,349,946	1,508,090
27	ER Expense Allocated to FPP	\$ 529,348.27	\$ 377,042.71	\$ 150,563.61	\$ 1,741.94
28	ER Revenue in FPP (per books)	\$ 766,832.61	\$ 546,539.77	\$ 217,775.94	\$ 2,516.90
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (237,484.34)	\$ (169,497.06)	\$ (67,212.33)	\$ (774.96)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	458,281,516	326,423,480	130,349,946	1,508,090
31	AEPS Expense	\$ 92,364.47	\$ 65,789.11	\$ 26,271.41	\$ 303.95
32	AEPS Sales Margin	\$ (5,318.26)	\$ (3,788.08)	\$ (1,512.68)	\$ (17.50)
33	Net AEPS Cost (Line 31 + Line 32)	\$ 87,046.21	\$ 62,001.03	\$ 24,758.73	\$ 286.45
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 155,625.45	\$ 110,939.42	\$ 44,173.61	\$ 512.42
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (68,579.24)	\$ (48,938.39)	\$ (19,414.88)	\$ (225.97)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ (2,924,869.26)	\$ (2,972,163.23)	\$ (252,831.93)	\$ 300,125.90
37	Actual RA recovery through FPP	\$ (2,820,090.61)	\$ (2,846,901.23)	\$ 26,504.17	\$ 306.45
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ (104,778.65)	\$ (125,262.00)	\$ (279,336.10)	\$ 299,819.45
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 457,646.80	\$ 326,097.06	\$ 130,219.60	\$ 1,330.14
41	Actual SLA recovery through FPP	\$ 521,275.86	\$ 371,973.34	\$ 148,423.36	\$ 879.16
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 914,795.73	\$ 651,595.54	\$ 260,211.22	\$ 2,988.97
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (64,126.93)	\$ (46,474.86)	\$ (18,431.74)	\$ 779.67
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (962,009.98)	\$ (738,946.45)	\$ (520,792.79)	\$ 297,729.26
Net Under/(Over) Recovery of FPP Costs (Page 5AC, Line 45)					
45		\$ (922,388.70)	\$ (711,255.03)	\$ (508,793.23)	\$ 297,659.56
Net Adjustment for March 2011 (Line 44 - Line 45) To Page 3 Line 4					
46		\$ (39,621.28)	\$ (27,691.42)	\$ (11,999.56)	\$ 69.70

