

Large Filing Separator Sheet

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08-710-EL-ATA
08-711-EL-AAM

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Schedule E

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Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19
Sheet No. 90.4
Cancels and Supersedes
Sheet No. 90.3
Page 4 of 4

APPLICABLE RIDERS

The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 51, Rider AAC, Annually Adjusted Component Rider	
Sheet No. 52, Rider DSMR, Demand Side Management Cost Recovery Rider	
Sheet No. 53, Rider FPP, Fuel and Economy Purchased Power Rider	
Sheet No. 54, Rider IMF, Infrastructure Maintenance Fund Rider	
<u>Sheet No. 55, Rider RSC, Rate Stabilization Charge Rider</u>	(D)
Sheet No. 56, Rider SRT, System Reliability Tracker	
Sheet No. 57, Rider TCR, Transmission Cost Recovery Rider	
Sheet No. 58, Rider DRI, Distribution Reliability Investment Rider	
<u>Sheet No. 59, Rider RSS, Rate Stabilization Surcredit Rider</u>	(D)
Sheet No. 81, Rider EER, Energy Efficiency Revolving Loan Program Rider	
Sheet No. 83, Rider OET, Ohio Excise Tax Rider	
Sheet No. 84, Rider RTC, Regulatory Transition Charge Rider	
Sheet No. 86, Rider USR, Universal Service Fund Rider	
<u>Sheet No. 103, Rider MSR-E, Merger Savings Credit Rider-Electric</u>	(D)

TERM AND CONDITIONS

Except as provided in this Rate RTP, all terms, conditions, rates, and charges outlined in the Standard Rate Schedule will apply. Participation in the RTP Program will not affect Customer's obligations for electric service under the Standard Rate Schedule.

The primary term of service is one (1) year consisting of a consecutive twelve month period.

Customers who terminate their service agreement under Rate RTP after the initial one (1) year term shall not be eligible to return to the program for twelve (12) months from the termination date.

Customers returning to the standard tariff shall have any historical demands in excess of the CBL, waived for purposes of calculating applicable billing demands.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to the Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio.

Issued pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

Issued: March 31, 2006

Effective: April 3, 2006

Issued by Sandra P. Meyer, President

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

RIDER ED

(D)

ECONOMIC DEVELOPMENT RIDER

AVAILABILITY

Available, at the Company's option, to non-residential customers receiving service under the provisions of one of the Company's non-residential tariff schedules. This Rider is available for load associated with initial permanent service to new establishments, expansion of existing establishments, or new customers in existing establishments who make application to the Company for service under this Rider and the Company approves such application. The new load applicable under this Rider must be a minimum of 1,000 kW at one delivery point. To qualify for service under this Rider, the customer must meet the qualifications as set forth below. Further, the customer must have applied for and received economic assistance from the State or local government or other public agency before the Company will approve a Service Agreement under this Rider. Where the customer is new to the Company's service area or is an existing customer expanding:

- 1) the customer must employ an additional workforce in the Company's service area of a minimum of twenty-five (25) full-time equivalent (FTE) employees per 1,000 kW of new load. Employment additions must occur following the Company's approval for service under this Rider, and;
- 2) the customer's new load must result in capital investment of one million dollars (\$1,000,000) per 1,000 kW of new load, provided that such investment is accompanied by a net increase in FTE employees employed by the customer in the Company's service area. This capital investment must occur following the Company's approval for service under this Rider.

The Company may also consider applying this Rider to an existing customer who, but for economic incentives being provided by the State and/or local government or public agency, would leave the Company's service area. In this event, the following provision applies:

- 1) The customer must agree, at a minimum, to retain the current number of FTE employees.

This Rider is not available to a new customer which results from a change in ownership of an existing establishment. However, if a change in ownership occurs after the customer enters into a Service Agreement for service under this Rider, the successor customer may be allowed to fulfill the balance of the Service Agreement under this Rider. This Rider is also not available for renewal of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. This Rider is not available for load shifted from one customer to another within the Company's service area.

TYPE OF SERVICE

The service provided shall be 60Hz alternating current provided at the Company's standard distribution or transmission voltage.

Issued pursuant to an Order dated May 31, 2006 in Case No. 05-633-EL-ATA before the Public Utilities Commission of Ohio.

Issued: May 31, 2006

Effective: June 5, 2006

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P.U.C.O. Electric No. 19
Sheet No. 100.1
Cancelling and Superseding
Sheet No. 100
Page 2 of 2

NET MONTHLY BILLING

The customer shall comply with all terms of the standard distribution tariff rate under which the customer takes service except that the customer's distribution bill for electric service, less any Rate Adjustment Rider amounts as shown on the standard distribution service tariff, shall be reduced by up to fifty (50) percent for a period of twelve (12) months. The customer will pay the full amount of the riders so indicated including the entirety of the applicable market-based standard service offer. The customer may request an effective date of the Rider which is no later than twelve (12) months after the Service Agreement is approved and signed by the Company. All subsequent billings shall be at the appropriate full standard service tariff rate.

TERMS AND CONDITIONS

The customer must enter into a Service Agreement with the Company which shall specify, among other things, the voltage at which the customer will be served, a description of the amount and nature of the new load and the basis on which the customer requests qualification for this Rider. The customer must affirm that the availability of this Rider was a factor in the customer's decision to locate the new load or retain current load in the Company's service area.

For customers entering into a service Agreement under this Rider due to expansion, the Company may, at the customer's expense, install metering equipment necessary to measure the new load to be billed under the provisions of this Rider separate from the customer's existing load which shall be billed under the applicable standard tariff schedule.

Following the effective date of the Service Agreement, the customer must maintain a minimum demand in accordance with the Service Agreement and maintain a monthly average of 300 hours use of demand. Failure to do so will result in the customer's Service Agreement being terminated.

The Company is not obligated to extend, expand or rearrange its facilities if it determines that existing distribution/transmission facilities are of adequate capacity to serve the customer's load.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to the Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio.

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P.U.C.O. Electric No. 19
Sheet No. 101.1
Cancelling and Superseding
Sheet No. 101
Page 1 of 2

RIDER UR

(D)

URBAN REDEVELOPMENT RIDER

APPLICABILITY

Applicable to new customers locating in an existing building of 25,000 square feet or more, which has been unoccupied and/or remained dormant for a period of two years or more, as determined by the Company. The new customer load must be a minimum of 500 kW at one delivery point. In addition, the requested service necessary to serve the new load must not result in additional investment in distribution or transmission facilities by the Company, excepting that minor alterations in the service supplied which can be accomplished feasibly and economically may be allowed.

This Rider is not available for renewal of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. This Rider is also not available for load shifted from one establishment to another in the Company's service area. However, if a change of ownership occurs after the customer enters into a Service Agreement under this Rider, the successor customer may be allowed to fulfill the balance of the Service Agreement under this Rider.

TYPE OF SERVICE

The service provided shall be 60Hz alternating current provided at the Company's standard distribution or transmission voltage.

NET MONTHLY BILLING

The customer shall comply with all terms of the standard distribution tariff rate under which the customer takes service excepting that the customers' monthly distribution billing amount, less any Rate Adjustment Rider amounts as shown on the standard distribution service tariff, shall be reduced by up to fifty (50) percent for a period of twelve (12) months. The customer will pay the full amount of the riders so indicated including the entirety of the applicable market-based standard service offer. The customer may request an effective date of the Service Agreement which is no later than twelve (12) months after Company's approval of the Service Agreement with the customer. All subsequent billings shall be at the appropriate full standard service tariff rate.

TERMS AND CONDITIONS

The customer shall enter into a Service Agreement with the Company which shall specify, among other things, the voltage at which the customer will be served, the amount and nature of the new load and the basis under which the customer will qualify for this Rider. The customer must also affirm that this Rider was a factor in the customer's decision to locate the new load in the Company's service area.

Following the effective date of the Service Agreement, the customer must maintain a minimum demand in accordance with the Service Agreement and maintain a monthly average of 300 hours use for the twelve (12) month incentive period. Failure to do so will result in the customer's Service Agreement being terminated.

The Company is not obligated to extend, expand or rearrange its facilities if it determines that existing distribution/transmission facilities are of adequate capacity to serve the customer's load.

Issued pursuant to an Order dated May 31, 2006 in Case No. 05-633-EL-ATA before the Public Utilities Commission of Ohio.

Issued: May 31, 2006

Effective: June 5, 2006

Issued by Sandra P. Meyer, President

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19
Sheet No. 101.1
Cancelling and Superseding
Sheet No. 101
Page 2 of 2

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to the Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio.

Issued pursuant to an Order dated May 31, 2006 in Case No. 05-633-EL-ATA before the Public Utilities Commission of Ohio.

Issued: May 31, 2006

Effective: June 5, 2006

Issued by Sandra P. Meyer, President

Duke Energy Ohio
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Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19
Sheet No. 103.2
Cancels and Supersedes
Sheet No. 103.1
Page 1 of 1

RIDER MSR-E

(D)

MERGER SAVINGS CREDIT RIDER – ELECTRIC

APPLICABILITY

Applicable to all retail sales in the Company's electric service area excluding Interdepartmental sales.

MERGER SAVINGS CREDIT RIDER FACTORS

The applicable energy charges for electric service shall be decreased monthly to reflect the sharing of the merger savings, net of merger costs, per the merger savings sharing plan approved by the Commission in Case Nos. 05-0732-EL-MER, 05-0733-EL-AAM and 05-0974-GA-AAM. This Rider shall remain in effect for the period of March 1, 2007 through March 29, 2007.

<u>Rate Group</u>	<u>Rate</u> \$/kWh
Rate RS, Residential Service	0.000817
Rate CUR, Common Use Residential Service	0.000817
Rate ORH, Optional Residential Service with Electric Space Heating	0.000817
Rate TD, Optional Time-of-Day Rate	0.000817
Rate DS, Service at Secondary Distribution Voltage Service	0.000220
Rate EH, Optional Rate for Electric Space Heating	0.000220
Rate DM, Secondary Distribution Service – Small	0.000220
Rate GS-FL, Optional Unmetered for Small Fixed Loads	0.000220
Rate SFL-ADPL, Optional Unmetered Rate for Small Fixed Loads Attached Directly to Company's Power Lines	0.000220
Rate DP, Service at Primary Distribution Voltage	0.000220
Rate TS, Service at Transmission Voltage Primary Voltage	0.000220
Rate SL, Street Lighting Service	0.000220
Rate TL, Traffic Lighting Service	0.000220
Rate OL, Outdoor Lighting Service	0.000220
Rate NSU, Street Lighting Service for Non-Standard Units	0.000220
Rate NSP, Private Outdoor Lighting for Non-Standard Units	0.000220
Rate SC, Street Lighting Service – Customer Owned	0.000220
Rate SE, Street Lighting Service – Overhead Equivalent	0.000220
Rate UOL, Unmetered Outdoor Lighting Electric Service	0.000220

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio and to the Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

Issued by authority of an Order of the Public Utilities Commission of Ohio dated December 21, 2005 in Case Nos. 05-0732-EL-MER, 05-0733-EL-AAM and 05-0974-GA-AAM.

Issued: February 28, 2007

Issued by Sandra P. Meyer, President

Effective: March 1, 2007

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. No. 1
Sheet No. 1.5
Cancels and Supersedes
Sheet No. 1.4
Page 1 of 6

RATE PA

POLE ATTACHMENT/OCCUPANCY TARIFF

(C)

APPLICABILITY

Applicable to attachments/occupancies by any person or entity other than a public utility to any pole/conduit of the Company within its entire territory or occupancy by any person or entity of any conduit of the Company by a licensee; i.e., a person who enters into an Agreement with the Company.

ATTACHMENT CHARGES

An annual rental of \$4.25 per pole shall be charged for the use of the Company's poles. The charge will apply if any portion of a pole is occupied or reserved at the licensee's request.

An initial contact fee of \$1.00 per pole, will be charged by the Company.

PAYMENT

Rental payments shall be made on the anniversary of the agreement. When payments are not made, the invoiced amount shall include an additional amount equal to one and one-half percent (1.5%) of the unpaid balance.

As new attachments/occupancies are made after the initial rental year, rentals for such attachments/occupancies shall be paid for the entire year if made within the six-month period after any anniversary date, and for one-half year if made during the following six-month period. For any attachments/occupancies removed by licensee and for which the Company shall have received written notice from licensee, the yearly rental shall be adjusted on the same basis.

TERMS AND CONDITIONS

1. Before any attachments/occupancies is made by licensee, it shall make written application for permission to install attachments/occupancies on any pole/conduit of the Company, specifying the location of each pole/conduit in question, the character of its proposed attachments/occupancies and the amount and location of space desired. Within 30 days after receipt of such application, the Company shall notify licensee in writing whether or not it is willing to permit the attachments/occupancies and, if so, under what conditions. The Company shall have the sole right to determine the availability of such pole/conduit for joint use and shall be under no obligation to grant permission for its use by licensee. If such permission is granted, licensee shall have the right to occupy the space allotted by the Company under the conditions specified in such permit and in accordance with the terms of the Agreement but Company shall not be required to set a pole/conduit for the sole use by licensee.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

Issued: March 31, 2006

Effective: April 3, 2006

Issued by Sandra P. Meyer, President

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139 East Fourth Street
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P.U.C.O. No. 1
Sheet No. 1.5
Cancels and Supersedes
Sheet No. 1.4
Page 2 of 6

TERM AND CONDITIONS (Contd.)

2. Upon the execution of the Agreement and before any attachments/occupancies are made by licensee, licensee shall send the Company all manufacturer's technical manuals and information, and construction standards and manuals regarding the equipment licensee proposes to use pursuant to the provisions of the Agreement.
3. All attachments/occupancies are to be placed on poles/conduits of the Company in a manner satisfactory to the Company and so as not to interfere with the present or any future use which the Company may desire to make of such poles/conduits, wires or other facilities. All attachments/occupancies shall be installed and maintained by licensee so as to comply at least with the minimum requirements of the National Electrical Safety Code and any other applicable regulations or codes promulgated by federal, state, local or other governmental authority having jurisdiction. Licensee shall take any necessary precautions, by the installation of protective equipment or other means, to protect all persons and property of all kinds against injury or damage occurring by reason of licensee's attachments/occupancies on the Company's poles/conduits. The Company shall be the sole judge as to the requirements for the present or future use of its poles/conduits and equipment and of any interference therewith.
4. In any case where it is necessary for the Company to replace a pole/conduit because of the necessity of providing adequate space or strength to accommodate the attachments/occupancies of licensee thereon, either at the request of licensee or to comply with the above codes and regulations, the licensee shall pay the Company the total cost of this replacement. Such cost shall be the total estimated cost of the new pole/conduit including material, labor, and applicable overheads, plus the cost of transferring existing electric facilities to the new pole/conduit, plus the cost of removal of the existing pole/conduit and any other incremental cost required to provide for the attachments/occupancies of the licensee, including any applicable taxes the Company may be required to pay because of this change in plant, minus salvage value of any facilities removed.

Licensee shall also pay to the Company and other owners thereof the cost of removing all existing attachments/occupancies from the existing pole/conduit and re-establishing the same or like attachments/occupancies on the newly installed pole/conduit. The new pole/conduit shall be the property of the Company regardless of any payments by licensee towards its cost and licensee shall acquire no right, title or interest in such pole/conduit.

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P.U.C.O. No. 1
Sheet No. 1.5
Cancels and Supersedes
Sheet No. 1.4
Page 3 of 6

TERM AND CONDITIONS (Contd.)

5. If licensee's proposed attachments/occupancies can be accommodated on existing poles/conduits of the Company by rearranging facilities of the Company and of other licensees or permittees thereon and if the Company and other licensees or permittees are willing to make such rearrangement, such rearrangement shall be made by the Company and such other licensees or permittees, and licensee shall on demand reimburse the Company and such other licensees or permittees for any expense incurred by them in transferring or rearranging such facilities. Any additional guying required by reason of the attachments/occupancies of licensee shall be made by licensee at its expense, and to the satisfaction of the Company.
6. The Company reserves the right to inspect each new installation of licensee on its poles/conduits and to make periodic inspections, semi-annually or more often as conditions may warrant, and licensee shall, on demand, reimburse the Company for the expense of such inspections. The Company's right to make such inspections and any inspection made pursuant to such right shall not relieve licensee of any responsibility, obligation, or liability imposed by law or assumed under the Agreement.
7. Whenever the Company notifies licensee in writing that the attachments/occupancies of licensee interfere with the operation of facilities of the Company or other licensee, or constitute a hazard to the service rendered by the Company or other licensee or permittee, or fail to comply with codes or regulations above-mentioned, licensee shall within 10 days after the date of such notice, remove, rearrange, or change its attachments/occupancies as directed by the Company. In case of emergency, the Company reserves the right to remove or relocate the attachments/occupancies of licensee at licensee's expense and without notice, and no liability therefor shall be incurred by the Company because of such action.
8. Licensee agrees to indemnify and save harmless the Company from and against any and all liability, loss, damage, costs, attorney fees, or expense, of whatsoever nature or character, arising out of or occasioned by any claim or any suit for damages, injunction or other relief, on account of injury to or death of any person, or damage to any property including the loss of use thereof, or on account of interruption of licensee's service to its subscribers or others, or for public charges and penalties for failure to comply with federal, state or local laws or regulations, growing out of or in connection with any act or omission, negligent or otherwise, of licensee or its servants, agents or subcontractors in the attachment/occupancy, operation and maintenance of facilities of licensee on the poles/conduits of the Company, and in the performance of work hereunder, whether or not due in whole or in part to any act, omission or negligence of the Company or any of its representatives or employees (except insofar as such indemnity arising out of such injury or damage caused by the sole negligence of the Company or such representatives or employees may be judicially found to be contrary to law, in which case this Agreement of indemnity shall in all other respects be and remain effective and binding). The Company may require licensee to defend any suits concerning the foregoing, whether such suits are justified or not.

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P.U.C.O. No. 1
Sheet No. 1.5
Cancels and Supersedes
Sheet No. 1.4
Page 4 of 6

TERM AND CONDITIONS (Contd.)

9. Licensee agrees to obtain and maintain at all times during the period licensee has attachments/occupancies on the Company's pole/conduits, policies of insurance as follows:
 - (a) Public liability and automobile liability insurance for itself in an amount as specified by the Company for bodily injury to or death of any one person, and, subject to the same limit for any one person, in an aggregate amount as specified by the Company for any one occurrence.
 - (b) Property damage liability insurance for itself in an amount as specified by the Company for any one occurrence.
 - (c) Contractual liability insurance in amounts as specified by the Company to cover the liability assumed by the licensee under the agreements of indemnity set forth in the Agreement.
10. Prior to making attachments/occupancies to the Company's poles/conduits, licensee shall furnish to the Company two copies of a certificate, from an insurance carrier acceptable to the Company, stating that policies of insurance have been issued by it to licensee providing for the insurance listed above and that such policies are in force. Such certificate shall state that the insurance carrier will give the Company 30 days prior written notice of any cancellation of or material change in such policies. The certificate shall also quote in full the agreements of indemnity set forth in the Agreement as evidence of the type of contractual liability coverage furnished. If such certificate recites that it is subject to any exceptions or exclusions contained in the policy or policies of insurance, such exceptions or exclusions shall be stated in full in such certificate, and the Company may, at its discretion, require licensee before starting work, to obtain policies of insurance which are not subject to any exceptions or exclusions which the Company finds objectionable.
11. The Company reserves the right, without liability to licensee or its subscribers, to discontinue the use of, remove, replace or change the location of any or all of the Company's poles/conduits, attachments/occupancies or facilities regardless of any occupancy of the Company's poles/conduits by licensee, and licensee shall, at its sole cost and within 10 days after written notice by the Company make such changes in, including removal or transfer of, its attachments/occupancies as shall be required by such action of the Company.
12. Licensee may at any time abandon the use of a jointly used pole/conduit hereunder by removing therefrom all of its attachments/occupancies and by giving written notice thereof to the Company.

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P.U.C.O. No. 1
Sheet No. 1.5
Cancels and Supersedes
Sheet No. 1.4
Page 5 of 6

TERM AND CONDITIONS (Contd.)

13. Licensee shall secure any right, license or permit from any governmental body, authority, or other person or persons which may be required for the construction or maintenance of attachments/occupancies of licensee, at its expense. The Company does not guarantee any easements, rights-of-way or franchises for the construction and maintenance of such attachments/occupancies. Licensee hereby agrees to indemnify and save harmless the Company from any and all claims, including the expenses incurred by the Company to defend itself against such claims, resulting from or arising out of the failure of licensee to secure such right, license, permit or easement for the construction or maintenance of such attachments/occupancies on the Company's pole/conduits.
14. Electric service for power supplies of a licensee shall be supplied from the lines of the Company in a manner specified by the Company.
15. The Company shall have the right, from time to time during the term of the Agreement, to grant, by contract or otherwise, to others not parties to the Agreement, rights or privileges to use any pole/conduits covered by the Agreement, and the Company shall have the right to continue and extend any such rights or privileges heretofore granted. The attachment/occupancy privileges granted hereunder shall at all times be subject thereto.
16. Licensee shall furnish bond, as specified by the Company, to guarantee the performance of the obligations assumed by licensee under the terms of the Agreement not otherwise covered by the insurance required by paragraph 9. Such bond shall be submitted to the Company prior to licensee's making attachment/occupancy to the Company's poles/conduits.
17. In case one party is obligated to perform certain work at its own expense and the parties mutually agree in writing that it is desirable for the other party to do such work, then such other party shall promptly do the work at the sole expense of the party originally obligated to perform the same. Bills for expense so incurred shall be due and payable within 30 days after presentation.
18. If licensee fails to comply with any of the provisions of the Agreement or defaults in the performance of any of its obligations under the Agreement and fails within 60 days after written notice from the Company to correct such default or non-compliance, the Company may, at its option, forthwith terminate the Agreement, or the specific permit or permits covering the poles/conduits and licensee's attachments/occupancies to which such default or non-compliance is applicable, and remove attachments/occupancies of licensee at licensee's expense, and no liability therefor shall be incurred by the Company because of such action.

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Sheet No. 1.5
Cancels and Supersedes
Sheet No. 1.4
Page 6 of 6

TERM AND CONDITIONS (Contd.)

19. The area covered by the Agreement is set forth on a map, attached to, and made a part of the Agreement. Such area may be extended or otherwise modified by a supplemental agreement mutually agreed upon and signed by the parties to an Agreement with a new map attached thereto showing the changed area to be thereafter covered by the Agreement. Such supplement shall be effective as of the date of final execution thereof and shall be attached to all executed copies of the Agreement.
20. If licensee does not exercise the rights herein granted within six months from the execution date of an agreement, the Agreement shall be void. The Agreement shall start as of the execution date thereof and shall continue for a period of one year and shall be self-renewing from year to year thereafter unless terminated by either party's giving to the other party written notice at least 60 days prior to the end of any yearly term. Licensee shall completely remove its attachments/occupancies from the Company's poles/conduits on or prior to the termination date, unless a new agreement covering such poles/conduits has been executed by the parties hereto.
21. The Agreement shall be binding upon and inure to the benefit of the parties thereto, their respective successors and/or assigns, but licensee shall not assign, transfer or sublet any of the rights hereby granted or obligations hereby assumed without the prior written consent of the Company.
22. The licensee may be required to pay a cash deposit to the Company in order to establish or re-establish credit in an amount not in excess of the total annual rental fees. After the licensee has established a reasonable credit record by paying the rental fees for two consecutive years within the time specified in the Agreement, the Company shall apply the deposit plus an accrued interest to the next annual rental fee amount which is due and payable with the next subsequent anniversary date. The Company shall pay interest thereon in accordance with Rule 4901:1-17-05 of the Ohio Administrative Code.

SERVICE REGULATIONS

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Issued: March 31, 2006

Effective: April 3, 2006

Issued by Sandra P. Meyer, President

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 1 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

GENERAL STATEMENT OF PROPOSAL

This schedule reflects the narrative tariff rationale used to generate the revenue requirement by class as determined by the Company's cost of service study. The overall increase is approximately 4.79%. Each rate is then designed to reflect the results of the cost of service study following a 100% reduction of subsidy excess revenues.

RATE IDENTIFIER: Service Regulations

**TYPE: Section IV – Customer's and
Company's Installation,
Sheet No. 23, Page 2**

Explanation of Proposal:

Verbiage was added which require the cost of any special construction of general distribution lines underground and/or the cost of any change of existing overhead general distribution lines to underground related to the relocation of Company facilities or service entrance wiring when the relocation is requested by the Customer, which is required or specified by a municipality or other public authority shall be paid for by that municipality or public authority.

Rationale:

This provision ensures that other parties pay for the relocation costs when they cause these costs.

Data Reference:

- (1) Schedule E-1, Page 8
- (2) Schedule E-2, Page 8

RATE IDENTIFIER: Service Regulations

**TYPE: Section VI – Billing and
Payment, Sheet No. 25,
Page 2**

Explanation of Proposal:

Verbiage relating to the fee charged for "Temporary Discontinuance of Service" was changed to refer to Sheet No. 92, Reconnection of Service, for the specific fee to be charged for disconnection of service per customer request.

Rationale:

This provision ensures that the correct fee will be charged consistent with the tariff.

Data Reference:

- (1) Schedule E-1, Page 10
- (2) Schedule E-2, Page 10

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 2 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

RATE IDENTIFIER: Service Regulations

**TYPE: Section VI – Billing and
Payment, Sheet No. 25,
Page 4**

Explanation of Proposal:

Verbiage is added to the last sentence of the top paragraph relating to the limitation of credits to generation charges only on the net-metering system.

Rationale:

Credits will be limited to Generation Charges and not to Distribution or Transmission Charges.

Data Reference:

- (1) Schedule E-1, Pages 12
- (2) Schedule E-2, Pages 12

RATE IDENTIFIER: Rate RS, Residential Service

TYPE: Domestic; Seasonal

Explanation of Proposal:

A typical residential customer using 1,000 kWh a month will see an increase of 4.7%. The increase is based upon the revenue requirement established by the cost of service study.

Rationale:

The customer charge was increased 122.2% to more closely align the charge with the costs associated with serving residential customers. The customer charge is below the cost to serve. The energy charge was reduced to recover the remaining cost of service revenue requirement. The seasonal and block structures were maintained.

Data Reference:

- (1) Schedule E-1, Pages 14-16
- (2) Schedule E-2, Pages 13-15
- (3) Schedule E-4.1, Pages 1-2
- (4) Schedule E-5, Page 1

**RATE IDENTIFIER: Rate ORH, Optional Residential Service
With Electric Space Heating**

TYPE: Domestic; Seasonal

Explanation of Proposal:

Rate ORH charges will reflect the same increases as Rate RS.

Rationale:

The customer charge was increased 122.2% to better reflect the cost of serving residential customers. The customer charge is below the cost to serve. The energy charge was reduced to

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 3 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

recover the remaining cost of service revenue requirement. The seasonal and block structures were maintained.

Data Reference:

- (1) Schedule E-1, Pages 17-19
- (2) Schedule E-2, Pages 16-18
- (3) Schedule E-4.1, Pages 3-4
- (4) Schedule E-5, Page 1

**RATE IDENTIFIER: Rate HEC, Home Energy
Check-Up Service Program**

TYPE: Rider

Explanation of Proposal:

Rider HEC is being withdrawn and cancelled. Program is being eliminated.

Rationale:

The Company is no longer providing this service.

Data Reference:

- (1) Schedule E-1, Page 20
- (2) Schedule E-2, Page 19

**RATE IDENTIFIER: Rate TD, Optional Time of Day
Rate for Residential Service**

TYPE: Domestic; Time-of-Day

Explanation of Proposal:

Rate TD charges will reflect the same increases as Rate RS.

Rationale:

The customer charge was increased 42.3% to better reflect the cost of serving residential customers. The energy charge was reduced to recover the remaining cost of service revenue requirement. The seasonal and block structures were maintained.

Data Reference:

- (1) Schedule E-1, Pages 21-22
- (2) Schedule E-2, Pages 20-22
- (3) Schedule E-4.1, Pages 5-6
- (4) Schedule E-5, Page 2

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 4 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

**RATE IDENTIFIER: Rate CUR, Common Use
Residential Service**

TYPE: Domestic; Seasonal

Explanation of Proposal:

A typical customer using 1,000 kWh a month will see an increase of 8.8%. The increase is based upon the revenue requirement established by the cost of service study.

Rationale:

The customer charge was increased 122.2% to more closely align the charge with the costs associated with serving residential customers. The customer charge is below the cost to serve. The energy charge was reduced to recover the remaining cost of service revenue requirement. The seasonal and block structures were maintained.

Data Reference:

- (1) Schedule E-1, Pages 23-24
- (2) Schedule E-2, Pages 23-24
- (3) Schedule E-4.1, Pages 7-8
- (4) Schedule E-5, Page 3

**RATE IDENTIFIER: Rate RS3P, Residential
Three-Phase Service**

TYPE: Domestic; Seasonal

Explanation of Proposal:

A typical customer using 1,000 kWh a month will see an increase of 2.9%. The increase is based upon the revenue requirement established by the cost of service study.

Rationale:

The customer charge was increased 84.6% to more closely align the charge with the costs associated with serving residential customers. The energy charge was reduced to recover the remaining cost of service revenue requirement. The seasonal and block structures were maintained.

Data Reference:

- (1) Schedule E-1, Pages 25-27
- (2) Schedule E-2, Pages 25-27
- (3) Schedule E-4.1, Pages 9-10
- (4) Schedule E-5, Page 3

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 5 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

**RATE IDENTIFIER: Rate DS, service at Secondary Distribution
Voltage**

**TYPE: Non-residential
Declining Block**

Explanation of Proposal:

An overall increase of 5.8% is proposed to Rate DS to recover the allocated increase from the cost of service study.

Rationale:

The customer charge has been increased by 166.7%. The customer charge is significantly below the cost to serve. The distribution related demand charges have been increased to recover the remaining cost of service revenue requirement. The transmission demand and other energy charges have not changed.

Data Reference:

- | | |
|-------------------------|-------------|
| (1) Schedule E-1, | Pages 28-31 |
| (2) Schedule E-2, | Pages 28-31 |
| (3) Schedule E-4.1, | Pages 11-12 |
| (4) Schedule E-4, | Pages 1-2 |
| (5) Schedule E Summary, | Page 1 |
| (6) Schedule E-5, | Page 4 |

**RATE IDENTIFIER: Rate GS-FL, Optional Unmetered
General Service Rate for Small
Fixed Loads**

TYPE: Flat Rate

Explanation of Proposal:

An average overall increase of 3.6% over base revenue is proposed.

Rationale:

The total energy charges were increased such that the percentage of the Rate GS-FL distribution revenue that is collected by each charge type is the same as in current rates.

Data Reference:

- | | |
|---------------------|-------------|
| (1) Schedule E-1, | Pages 32-34 |
| (2) Schedule E-2, | Pages 32-34 |
| (3) Schedule E-4.1, | Pages 15-16 |

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: ☒ ORIGINAL ☐ UPDATED ☐ REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 6 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

**RATE IDENTIFIER: Rate EH, Optional Rate for
Electric Space Heating**

TYPE: Seasonal/Flat

Explanation of Proposal:

An overall increase of about 8.8% is proposed. Customer charges increased consistent with Rates DS and DP. The energy charge is increased to generate the remaining revenue increase.

Non-heating usage will continue to be billed at the applicable distribution rate.

Rationale:

Customer charges are increased and set equal to those contained in Rates DS and DP. The energy charge was calculated by dividing the distribution revenue requirement, excluding customer charge revenue, by the test year kWh usage.

Data Reference:

- (1) Schedule E-1, Pages 35-37
- (2) Schedule E-2, Pages 35-37
- (3) Schedule E-4.1, Pages 17-18
- (4) Schedule E-5, Page 4

**RATE IDENTIFIER: Rate DM, Secondary Distribution
Service – Small**

TYPE: Declining Block Rate

Explanation of Proposal:

An overall decrease of 3.2% is proposed to Rate DM to recover the allocated decrease from the cost of service study.

Rationale:

The customer charge has not changed based upon the cost of service study. The distribution block energy charges have been decreased to recover the remaining cost of service revenue requirement. The transmission and generation charges have not changed.

Data Reference:

- (1) Schedule E-1, Pages 38-40
- (2) Schedule E-2, Pages 38-40
- (3) Schedule E-4.1, Pages 19-20
- (4) Schedule E-4, Pages 1-2
- (5) Schedule E Summary, Page 1
- (6) Schedule E-5, Page 5

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 7 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

**RATE IDENTIFIER: Rate DP, Service at Primary
Distribution Voltage**

TYPE: Modified Declining Block

Explanation of Proposal:

An overall increase of 8.2% is proposed to Rate DP to recover the allocated increase from the cost of service study.

Rationale:

The customer charge has been increased by 33.3%. The customer charge is significantly below the cost to serve. The distribution demand charges have been increased to recover the remaining cost of service revenue requirement. The transmission and generation charges have not changed.

Data Reference:

- | | |
|-------------------------|-------------|
| (1) Schedule E-1, | Pages 41-44 |
| (2) Schedule E-2, | Pages 41-44 |
| (3) Schedule E-4.1, | Pages 21-22 |
| (4) Schedule E-4, | Pages 1-2 |
| (5) Schedule E Summary, | Page 1 |
| (6) Schedule E-5, | Page 6 |

**RATE IDENTIFIER: Rate SFL-ADPL, Optional Unmetered
Rate for Small Fixed Loads Attached
Directly to Company Power Lines**

TYPE: Flat Rate

Explanation of Proposal:

The charge is set to the same level as the higher load factor charge in Rate GS-FL.

Rationale:

The rate is consistent with Rate GS-FL, without the minimum monthly bill.

Data Reference:

- | | |
|-------------------|-------------|
| (1) Schedule E-1, | Pages 45-47 |
| (2) Schedule E-2, | Pages 45-47 |

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 8 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

RATE IDENTIFIER: Rate TS, Service at Transmission Voltage

TYPE: Large Power

Explanation of Proposal:

An overall decrease of 0.61% is proposed to Rate TS to recover the allocated decrease from the cost of service study.

Rationale:

The customer charge has been increased by 33.3%. The customer charge is significantly below the cost to serve. The distribution demand charges have been decreased to recover the remaining cost of service revenue requirement. The transmission and generation charges have not changed.

Data References:

- (1) Schedule E-1, Pages 48-50
- (2) Schedule E-2, Pages 48-50
- (3) Schedule E-4.1, Pages 25-26
- (4) Schedule E-4, Pages 1-2
- (5) Schedule E Summary, Page 1
- (6) Schedule E-5, Page 7

**RATE IDENTIFIER: Rate RSS, Rate Stabilization
Surcredit Rider**

TYPE: Rider

Explanation of Proposal:

Rider RSS is being withdrawn and cancelled. Program ended March 31, 2007.

Rationale:

Program has being eliminated.

Data Reference:

- (1) Schedule E-1, Page 51
- (2) Schedule E-2, Page 51

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 9 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

RATE IDENTIFIER: Rate SL, Street Lighting Service

TYPE: Flat Rate

Explanation of Proposal:

An overall increase of about 1.6% over base rates is proposed.

Rationale:

An across the board percentage increase is used because an individual unit cost of service study approach is impractical.

Data Reference:

- (1) Schedule E-1, Pages 52-57
- (2) Schedule E-2, Pages 52-57
- (3) Schedule E-4.1, Pages 29, 29a, 29b, 29c, 30, 30a, 30b, 30c

RATE IDENTIFIER: Rate TL, Traffic Lighting Service

TYPE: Flat Rate

Explanation of Proposal:

An overall increase of about 0.4% over base rates is proposed.

Rationale:

The increase is based on the overall average lighting class' increase over base revenue of 1.5%.

Data Reference:

- (1) Schedule E-1, Pages 58-60
- (2) Schedule E-2, Pages 58-60
- (3) Schedule E-4.1, Pages 31-32

RATE IDENTIFIER: Rate OL, Outdoor Lighting Service

TYPE: Flat Rate

Explanation of Proposal:

The rates for private outdoor lighting under Rate OL reflect a proposed increase of approximately 1.4% over base rates.

Rationale:

Rate OL has been increased to be consistent with the overall increase allocated to the lighting class.

Data Reference:

- (1) Schedule E-1, Pages 61-64
- (2) Schedule E-2, Pages 61-64
- (3) Schedule E-4.1, Pages 33-34

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 10 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

RATE IDENTIFIER: Rate NSU, Street Lighting Service for Non-Standard Units **TYPE: Flat Rate**

Explanation of Proposal:

The proposed charges reflect an overall 1.5% increase over the base rates they are superseding.

Rationale:

These charges were increased at the same percentage rate as the overall lighting class to achieve relative consistency between the lighting rates.

Data Reference:

- (1) Schedule E-1, Pages 65-67
- (2) Schedule E-2, Pages 65-67
- (3) Schedule E-4.1, Pages 35-36

RATE IDENTIFIER: Rate NSP, Private Outdoor Lighting Service for Non-Standard Units

TYPE: Flat Rate

Explanation of Proposal:

The proposed charges reflect an overall 1.8% increase over the base rates they are superseding.

Rationale:

The increase in the charges reflects the same percentage increase proposed for the entire lighting class.

Data Reference:

- (1) Schedule E-1, Pages 68-70
- (2) Schedule E-2, Pages 68-70
- (3) Schedule E-4.1, Pages 37-38

RATE IDENTIFIER: Rate SC, Street Lighting Service - Customer Owned

TYPE: Flat Rate

Explanation of Proposal:

The proposed charges reflect an overall 0.5% increase over the base rates they are superseding. The rate will be frozen after December 31, 2008. The Company desires to limit the availability of lights and yet still provide essential lighting services.

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 11 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

Rationale:

The increase in the charges reflects the same percentage increase proposed for the entire lighting class.

Data Reference:

- (1) Schedule E-1, Pages 71-74
- (2) Schedule E-2, Pages 71-74
- (3) Schedule E-4.1, Pages 39-40

**RATE IDENTIFIER: Rate SE, Street Lighting Service -
Overhead Equivalent**

TYPE: Flat Rate

Explanation of Proposal:

The proposed charges reflect an overall 1.3% increase over the base rates they are superseding.

Rationale:

The increase in the charges reflects the same percentage increase proposed for the entire lighting class.

Data Reference:

- (1) Schedule E-1, Pages 75-78
- (2) Schedule E-2, Pages 75-78
- (3) Schedule E-4.1, Pages 41-42

**RATE IDENTIFIER: Rate UOLS, Unmetered Outdoor
Lighting Electric Service**

TYPE: Flat Rate

Explanation of Proposal:

The proposed charges reflect an overall 0.3% increase over the base rates they are superseding.

Rationale:

The increase in the charges reflects the same percentage increase proposed for the entire lighting class.

Data Reference:

- (1) Schedule E-1, Pages 79-81
- (2) Schedule E-2, Pages 79-81
- (3) Schedule E-4.1, Pages 43-44

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL _____ UPDATED _____ REVISED _____
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 12 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

RATE IDENTIFIER: Rider DR, Distribution Rider

TYPE: Rider

Explanation of Proposal:

The Rider is to recover incremental revenue requirements associated with changes in distribution investment and distribution expenses, net of customer growth.

Rationale:

This Rider will allow the Company to recover distribution related investments and expenditures necessary to maintain or improve the reliability of the Company's distribution system.

Data Reference:

(1) Schedule E-1, Page 82

RATE IDENTIFIER: Rider DIR, Development Incentive Rider

TYPE: Rider

Explanation of Proposal:

The Rider consists of three separate programs designed to encourage development and/or redevelopment within the Company's service territory.

Rationale:

This Rider combines three separate programs by consolidating and replacing Rider BR, Brownfield Redevelopment Rider; Rider ED, Economic Development Rider; and Rider UR, Urban Redevelopment Rider, which are hereby being cancelled and withdrawn in this filing.

Data Reference:

(1) Schedule E-1, Pages 83-85

RATE IDENTIFIER: Rate BR, Brownfield Redevelopment Rider

TYPE: Rider

Explanation of Proposal:

Rider BR is being withdrawn and cancelled. It is being combined with other development and/or redevelopment programs under Rider DIR, Development Incentive Rider.

Rationale:

This Rider is being consolidated with other development/redevelopment programs.

Data Reference:

(1) Schedule E-1, Page 86
(2) Schedule E-2, Page 82

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 13 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

RATE IDENTIFIER: Rate RGR, Residential Generation Rider

TYPE: Rider

Explanation of Proposal:

Rider RGR is being withdrawn and cancelled.

Rationale:

This rider was terminated on December 31, 2005.

Data Reference:

- (1) Schedule E-1, Page 87
- (2) Schedule E-2, Page 83

RATE IDENTIFIER: Rate SC, Shopping Credit Rider

TYPE: Rider

Explanation of Proposal:

Rider SC is being withdrawn and cancelled. This rider was no longer applicable after the Market Development Period or December 31, 2005, whichever is earlier.

Rationale:

This rider was terminated on December 31, 2005.

Data Reference:

- (1) Schedule E-1, Page 88
- (2) Schedule E-2, Pages 84-85

RATE IDENTIFIER: Rate AG, Optional Alternative Generation Service

TYPE: Rider

Explanation of Proposal:

Rider AG is being withdrawn and cancelled.

Rationale:

This rider was terminated because it has been rendered obsolete by various Commission Orders.

Data Reference:

- (1) Schedule E-1, Page 89
- (2) Schedule E-2, Page 86

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 14 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

RATE IDENTIFIER: Rate RTP

TYPE: Real Time Pricing

Explanation of Proposal:

Changes are proposed to Rate RTP to recover increased (decreased) distribution costs similarly experienced by the tariff applicable to the customer's CBL.

Rationale:

The customer charge has been increased by 77.6%. The program charge is significantly below the cost to serve. The distribution charges were modified to approximate the average distribution charges of the base tariff expressed as an energy charge.

Data References:

- (1) Schedule E-1, Pages 90-93
- (2) Schedule E-2, Pages 87-90
- (3) Schedule E-4.1, Pages 13-14, 23-24, 27-28

RATE IDENTIFIER: Rate ED, Economic Development Rider TYPE: Rider

Explanation of Proposal:

Rider ED is being withdrawn and cancelled. It is being combined with other development and/or redevelopment programs under Rider DIR, Development Incentive Rider.

Rationale:

This rider was consolidated with other development/redevelopment programs.

Data Reference:

- (1) Schedule E-1, Page 94
- (2) Schedule E-2, Pages 91-92

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 15 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

RATE IDENTIFIER: Rate UR, Urban Redevelopment Rider TYPE: Rider

Explanation of Proposal:

Rider UR is being withdrawn and cancelled. It is being combined with other development and/or redevelopment programs under Rider DIR, Development Incentive Rider.

Rationale:

This rider was consolidated with other development/redevelopment programs.

Data Reference:

- (1) Schedule E-1, Page 95
- (2) Schedule E-2, Pages 93-94

RATE IDENTIFIER: Rate MSR-E, Merger Savings Credit Rider TYPE: Rider

Explanation of Proposal:

Rider MSR-E is being withdrawn and cancelled.

Rationale:

This rider was terminated on March 27, 2007.

Data Reference:

- (1) Schedule E-1, Page 96
- (2) Schedule E-2, Page 95

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE E-3
PAGE 16 OF 16
WITNESS RESPONSIBLE: J. Ziolkowski

**RATE IDENTIFIER: Rate PA, Pole Attachment/Conduit
Occupancy Rate**

**TYPE: Service PUCO No. 1,
Sheet No. 1.6,
Pages 1 – 9**

Explanation of Proposal:

More specific verbiage has been added relating to the size, type and placement of equipment, or occupancy, including more specific payment terms, and permissions granted by the Company together with increased annual rental fees. Specific verbiage related to penalties for unauthorized sanctions under "Inspections" and violations of codes, regulations and requirements under "Safety Violations", including an added section related to liabilities under "Force Majeure".

Rationale:

Makes tariff consistent with current practices.

Data Reference:

- (1) Schedule E-1, Pages 97-105
- (2) Schedule E-2, Pages 96-101

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
RESIDENTIAL SERVICE
CUSTOMER CHARGE/MINIMUM BILL RATIONALE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
DATA REFERENCE NO(S): SCH E-3.2, E-4.1

SCHEDULE E-3.1
PAGE 1 OF 6
WITNESS RESPONSIBLE: J.E. ZIOLKOWSKI

LINE NO.	DESCRIPTION	AMOUNT
1	Customer Cost Component (Revenue Requirement)	<u>\$81,727,870</u>
2	Total Residential Customer Bills	<u>7,545,060</u>
3	Monthly Revenue/Customer	<u>\$10.83</u>
4	Annual Revenue/Customer	<u>\$129.96</u>

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
SECONDARY DISTRIBUTION-SMALL
CUSTOMER CHARGE/MINIMUM BILL RATIONALE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
DATA REFERENCE NO(S): SCH E-3.2, E-4.1

SCHEDULE E-3.1
PAGE 2 OF 6
WITNESS RESPONSIBLE: J.E. ZIOLKOWSKI

LINE NO.	DESCRIPTION	AMOUNT
1	Customer Cost Component (Revenue Requirement)	<u>\$6,847,448</u>
2	Total Secondary Distribution - Small Customer Bills	<u>504,887</u>
3	Monthly Revenue/Customer	<u>\$13.56</u>
4	Annual Revenue/Customer	<u>\$162.72</u>

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
RATE EH - OPTIONAL RATE FOR ELECTRIC SPACE HEATING
CUSTOMER CHARGE/MINIMUM BILL RATIONALE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
DATA REFERENCE NO(S): SCH E-3.2, E-4.1

SCHEDULE E-3.1
PAGE 3 OF 6
WITNESS RESPONSIBLE: J.E. ZIOLKOWSKI

LINE NO.	DESCRIPTION	AMOUNT
1	Customer Cost Component (Revenue Requirement)	<u>\$276,097</u>
2	Total Rate EH Customer Bills	<u>5,160</u>
3	Monthly Revenue/Customer	<u>\$53.51</u>
4	Annual Revenue/Customer	<u>\$642.12</u>

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
SECONDARY DISTRIBUTION-LARGE
CUSTOMER CHARGE/MINIMUM BILL RATIONALE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
DATA REFERENCE NO(S): SCH E-3.2, E-4.1

SCHEDULE E-3.1
PAGE 4 OF 6
WITNESS RESPONSIBLE: J.E. ZIOLKOWSKI

LINE NO.	DESCRIPTION	AMOUNT
1	Customer Cost Component (Revenue Requirement)	<u>\$12,045,317</u>
2	Total Secondary Distribution - Large Customer Bills	<u>256,944</u>
3	Monthly Revenue/Customer	<u>\$46.88</u>
4	Annual Revenue/Customer	<u>\$562.56</u>

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
PRIMARY DISTRIBUTION
CUSTOMER CHARGE/MINIMUM BILL RATIONALE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
DATA REFERENCE NO(S): SCH E-3.2, E-4.1

SCHEDULE E-3.1
PAGE 5 OF 6
WITNESS RESPONSIBLE: J.E. ZIOLKOWSKI

LINE NO.	DESCRIPTION	AMOUNT
1	Customer Cost Component (Revenue Requirement)	<u>\$1,313,733</u>
2	Total Primary Customer Bills	<u>2,932</u>
3	Monthly Revenue/Customer	<u>\$448.07</u>
4	Annual Revenue/Customer	<u>\$5,376.84</u>

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
TRANSMISSION SERVICE
CUSTOMER CHARGE/MINIMUM BILL RATIONALE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: X ORIGINAL UPDATED REVISED
DATA REFERENCE NO(S): SCH E-3.2, E-4.1

SCHEDULE E-3.1
PAGE 6 OF 6
WITNESS RESPONSIBLE: J.E. ZIOLKOWSKI

LINE NO.	DESCRIPTION	AMOUNT
1	Customer Cost Component (Revenue Requirement)	<u>\$120,945</u>
2	Total Transmission Customer Bills	<u>341</u>
3	Monthly Revenue/Customer	<u>\$354.68</u>
4	Annual Revenue/Customer	<u>\$4,256.16</u>

DUKE ENERGY OHIO, INC.

COST OF SERVICE STUDY

TWELVE MONTHS ENDING DECEMBER 31, 2003

ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE

TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 1 OF 25sl, se, neu, resp, li,
uola, oi

LINE NO.	SUMMARY OF RESULTS	ITEM	REF	TOTAL DISTRIBUTION	2	3	4	5	6	7	8	9	10	11
1	NET INCOME COMPUTATION													
2	GROSS ELECTRIC PLANT IN SERVICE	GP11	E-3.2, P. 2	\$1,783,353,488	\$800,499,359	\$580,560,047	\$7,846,850	\$87,523,579	\$2,770,813	\$149,364,148	\$315,903	\$44,440,989	\$1,783,353,488	
3	TOTAL DEPRECIATION RESERVE	DR11	E-3.2, P. 3	(817,982,998)	(834,388,875)	(185,253,535)	(2,620,139)	(23,521,952)	(928,987)	(47,905,755)	(90,086)	(22,783,859)	(817,982,998)	
4	TOTAL RATE BASE ADJUSTMENTS	RB71	E-3.2, P. 9	(155,879,900)	(83,394,089)	(56,967,630)	(787,830)	(6,268,154)	(275,585)	(15,070,069)	(35,523)	(3,171,980)	(155,879,900)	
5	TOTAL RATE BASE	RB91		979,490,588	512,235,565	318,438,382	4,428,681	37,737,473	1,556,051	86,418,294	188,264	18,485,150	979,490,588	
6	OPERATING EXPENSES													
7	TOTAL O&M EXPENSE	OM31	E-3.2, P. 12	185,945,124	98,386,460	43,244,735	577,271	7,383,640	224,144	12,628,632	71,862	2,955,380	185,945,124	
8	TOTAL DEPRECIATION EXPENSE	DE41	E-3.2, P. 13	49,881,474	26,256,775	16,053,512	222,841	1,942,984	78,553	4,372,788	11,045	942,966	49,881,474	
9	TOTAL OTHER TAX & MISC EXPENSE	LS91	E-3.2, P. 14	62,669,377	33,440,489	20,113,060	279,392	2,437,303	99,563	5,995,356	21,717	1,182,457	62,669,377	
10	TOTAL OP EXP EXC INC & R TAX	OP61		278,735,975	158,553,724	79,411,327	1,078,504	11,763,927	401,260	22,397,866	104,724	5,083,803	278,735,975	
11	NET FED INCOME TAX ALLOWABLE	IB79	E-3.2, P. 17	34,984,898	19,382,454	11,294,788	156,646	1,364,180	55,291	3,074,616	6,828	859,935	34,984,898	
12	NET STATE INCOME TAX ALLOWABLE	J979	E-3.2, P. 19	392,174	209,666	123,313	1,703	15,477	607	33,926	88	7,394	392,174	
13	TOTAL REVENUE TAX	LOS3	E-3.2, P. 20	0	0	0	0	0	0	0	0	0	0	
14	TOTAL OPERATING EXPENSE	OPEX		314,183,047	177,155,844	90,829,403	1,238,653	13,133,564	497,178	25,506,228	111,840	5,751,132	314,183,047	
15	RETURN ON RATE BASE	R781	E-3.2, P. 9	89,133,644	45,613,529	28,977,939	405,028	3,424,110	141,589	7,864,065	17,228	1,882,149	89,133,644	
16	TOTAL OTHER OPERATING REVENUES	CS05	E-3.2, P. 20	(8,733,906)	(3,894,840)	(1,928,772)	(26,658)	(308,509)	(9,978)	(480,857)	(7,821)	(126,681)	(8,733,906)	
17	TOTAL ELECTRIC COST OF SERVICE			306,332,785	219,874,524	117,878,574	1,814,422	16,259,165	588,799	32,889,736	120,945	7,305,632	306,332,785	
18	ADJUSTMENT FOR INTERCLASS SUBSIDIZATION		8%	0	0	0	0	0	0	0	0	0	0	
19	REQUESTED REVENUES		Line 19-Line 20	306,332,785	219,874,524	117,878,574	1,814,422	16,259,165	588,799	32,889,736	120,945	7,305,632	306,332,785	
20	PROPOSED REVENUES	R602	E-3.2, P. 21	306,531,866	219,874,659	117,878,702	1,814,420	16,259,178	588,784	32,889,722	119,800	7,305,632	306,531,866	
21	DIFFERENCE (REQUESTED LESS PROPOSED)	XREV	Line 21-Line 22	919	(34)	(128)	2	(13)	15	(56)	1,145	(12)	919	
22	TOTAL RETURN EARNED	RETE	E-3.2, P. 20 + Line 17	89,133,049	45,613,551	28,978,021	403,027	3,424,118	141,589	7,864,101	18,485	1,882,157	89,133,049	
23	RATE OF RETURN EARNED	RORE		0.09099393	0.09100042	0.091000260	0.09099738	0.091000211	0.09099388	0.091000419	0.087086754	0.091000452	0.09099393	
24	TOTAL RATE OF RETURN ALLOWABLE	RORA		0.10996	0.10999	0.10999	0.10999	0.10999	0.10997	0.10999	0.10327	0.10699	0.10996	
25	RETURN EARNED ON COMMON EQUITY	ROCE		0.10996	0.10999	0.10999	0.10999	0.10999	0.10999	0.10999	0.10999	0.10999	0.10999	
26	ALLOWED RETURN ON COMMON EQUITY	AROE		0.10996	0.10999	0.10999	0.10999	0.10999	0.10999	0.10999	0.10999	0.10999	0.10996	
27	PRESENT REVENUES	R600	E-3.2, P. 21	310,927,415	183,880,582	82,512,029	1,063,549	18,263,886	463,026	16,417,391	1,188,721	7,140,221	310,927,415	
28	REVENUE INCREASE JUSTIFIED	RUD	Line 19 - Line 32	85,605,370	35,993,942	35,366,545	550,873	(2,004,731)	125,773	16,472,345	(1,063,778)	168,399	85,605,370	
29	REVENUE INCREASE REQUESTED	RIRD	Line 22 - Line 32	85,604,451	35,993,976	35,366,673	550,871	(2,004,716)	125,759	16,472,401	(1,068,821)	166,411	85,604,461	

ENERGY OHIO, INC.

OF SERVICE STUDY

12 MONTHS ENDING DECEMBER 31, 2008

TRC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM

: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE

OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 2 OF 25

GROSS ELECTRIC PLANT IN SERVICE		ITEM	ALLO	TOTAL	2	3	4	5	6	7	8	9	10	11	12
				DISTRIBUTION	RESIDENTIAL	SECONDARY	DIST LARGE	DIST LARGE EH	SECONDARY	DIST SMALL	SECONDARY	TRANSMISSION	LIGHTING	TOTAL	ALL
														DISTRIBUTION	OTHER
PRODUCTION PLANT															
PRODUCTION - STEAM		P100	K597	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION - OTHER		P106	K597	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION PLANT IN SERVICE		P121		0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION PLANT															
MAIN STEP-UP TRANSFORMERS		T100	K597	0	0	0	0	0	0	0	0	0	0	0	0
OTHER TRANSMISSION		T102	K597	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION PLANT IN SERVICE		T121	K597	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROD & TRANS PLANT		PT21		0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT															
SUBSTATIONS		D100	K201	248,870,453	115,455,151	91,756,910	1,114,044	8,186,718	447,607	29,400,308	2,297,715	248,870,453	0	0	0
POLES, TOWERS & FIXTURES		D102	K206	318,364,707	147,828,235	117,473,393	1,428,274	10,483,750	573,056	37,640,259	2,941,690	318,364,707	0	0	0
CONDUCTORS		D104	K203	601,101,178	278,109,310	221,800,324	2,692,933	19,794,262	1,081,982	71,088,192	5,554,175	601,101,178	0	0	0
TRANSFORMERS DEMAND RELATED		D106	K203	230,091,320	150,610,875	68,433,760	1,355,238	8,115,321	437,174	0	0	230,091,320	0	0	0
TRANSFORMERS CUSTOMER RELATED		D107	K404	89,138,559	80,976,142	2,617,989	74,876	5,011,370	43,876	0	4,457	89,138,559	0	0	0
SERVICES		D108	K409	49,871,340	43,925,134	2,840,243	81,192	2,718,205	23,909	0	0	49,871,340	0	0	0
METERS		D110	K405	77,688,906	43,134,438	23,709,100	676,670	8,008,172	0	1,897,183	233,366	77,688,906	0	0	0
CUSTOMER PREM.		D112	K408	135,471	119,461	7,725	221	7,393	65	0	0	135,471	0	0	0
STREET LIGHTS		D114	K401	28,634,843	0	0	0	0	0	0	0	28,634,843	0	0	0
CONC		D116	K657	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT IN SERVICE		D141		1,644,636,777	851,166,794	528,639,454	7,421,448	62,327,191	2,607,471	140,005,922	267,822	1,644,636,777	0	0	0
TOTAL TRANS & DIST PLANT		TD21		1,644,636,777	851,166,794	528,639,454	7,421,448	62,327,191	2,607,471	140,005,922	267,822	1,644,636,777	0	0	0
TOTAL GROSS PTD PLANT		PD21		1,644,636,777	851,166,794	528,639,454	7,421,448	62,327,191	2,607,471	140,005,922	267,822	1,644,636,777	0	0	0
GENERAL & INTANGIBLE PLANT															
PRODUCTION-DEMAND RELATED		G100	K597	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION-ENERGY RELATED		G102	K597	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		G104	K597	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		G106	K310	31,599,670	14,661,632	11,334,802	145,674	1,123,368	53,087	3,528,735	4,740	31,599,670	0	0	0
CUSTOMER ACCTG		G108	K311	12,845,823	10,457,656	1,234,869	20,682	790,769	10,277	189,347	13,873	12,845,823	0	0	0
CUST SERVICE & INFO		G110	K312	2,585,576	2,347,805	75,913	2,172	145,264	1,267	1,112	129	2,585,576	0	0	0
SALES		G112	K313	2,717	1,113	887	10	80	3	285	317	2,717	0	0	0
GEN & INTANG PLANT IN SERVICE		G121		47,033,786	27,468,506	12,646,471	168,538	2,059,521	84,634	3,719,479	19,059	47,033,786	0	0	0
COMMON & OTHER PLANT															
PRODUCTION-DEMAND RELATED		C100	K597	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION-ENERGY RELATED		C102	K597	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		C104	K597	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		C106	K310	48,160,280	22,345,889	17,275,092	222,019	1,712,098	80,909	5,378,058	7,224	48,160,280	0	0	0
CUSTOMER ACCTG		C108	K311	19,578,328	15,938,520	1,882,086	31,521	1,205,242	15,863	288,585	21,145	19,578,328	0	0	0
CUST SERVICE & INFO		C110	K312	3,940,410	3,578,050	115,690	3,310	221,415	1,931	1,694	197	3,940,410	0	0	0
SALES		C112	K313	3,907	1,600	1,275	14	115	5	410	456	3,907	0	0	0
COMMON & OTHER PLY IN SERVICE		C121		71,682,825	41,864,059	16,274,122	256,864	3,138,867	98,508	5,668,747	29,022	71,682,825	0	0	0
GROSS ELECTRIC PLANT IN SERVICE		OP11		1,763,353,488	930,499,359	560,560,047	7,848,850	67,525,579	2,770,613	149,394,148	315,903	1,763,353,488	0	0	0

ENERGY OHIO, INC.

OF SERVICE STUDY
 MONTHS ENDING DECEMBER 31, 2008
 TRIC CASE NOS: 08-708-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 3 OF 25

DEPRECIATION RESERVE		ITEM	ALLO	TOTAL DISTRIBUTION	2	3	da, vs	SECONDARY DIST LARGE	4	SECONDARY DIST LARGE EH	5	dh	SECONDARY DIST SMALL DM	6	ga, fi, af, adpl	PRIMARY DISTRIBUTION	7	8	9	ts	TRANSMISSION	LIGHTING	10	11	TOTAL DISTRIBUTION	ALL OTHER
PRODUCTION PLANT																										
PRODUCTION - STEAM		P150	K597	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION - OTHER		P152	K597	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROD DEPREC RESERVE		P171		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION PLANT																										
MAIN STEP-UP TRANSFORMERS		T150	K597	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER TRANSMISSION		T152	K597	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANS DEPREC RESERVE		T171	K597	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROD & TRANS DEPREC RESERVE				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT																										
SUBSTATIONS		D150	K201	81,908,363	42,676,274	33,913,636	411,754	3,026,575	165,437	10,888,444	12,116,437	21,170,592	0	0	0	0	0	0	0	0	0	0	0	0	0	0
POLES, TOWERS & FIXTURES		D152	K205	102,481,819	47,585,430	37,814,903	455,119	3,374,730	184,487	12,116,437	12,116,437	21,170,592	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CONDUCTORS		D154	K203	179,062,696	83,144,191	66,072,344	802,201	5,896,535	322,313	21,170,592	21,170,592	481,899	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFORMERS DEMAND RELATED		D108	K203	93,312,985	61,079,681	27,753,148	548,813	3,291,149	177,296	1,807	1,807	1,807	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFORMERS CUSTOMER RELATED		D107	K404	36,148,930	32,839,682	1,061,723	30,366	2,033,348	17,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SERVICES		D158	K409	34,948,236	30,816,422	1,992,790	66,966	1,907,126	16,775	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
METERS		D160	K405	19,908,948	10,968,324	6,045,295	172,538	2,041,906	0	483,795	483,795	67,152	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CUSTOMER PREM		D162	K409	(92,486)	(81,557)	(5,273)	(151)	(5,047)	(44)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
STREET LIGHTS		D164	K401	17,854,111	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RWP		D168	K401	(15,890,072)	(8,320,380)	(5,107,546)	(71,684)	(502,234)	(25,265)	(1,352,722)	(2,542)	(2,542)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DIST DEPREC RESERVE		D181		559,545,652	300,740,277	169,540,680	2,410,740	20,963,089	868,691	43,284,476	43,284,476	66,417	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANS & DIST DEPREC RESERVE				559,545,652	300,740,277	169,540,680	2,410,740	20,963,089	868,691	43,284,476	43,284,476	66,417	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL GROSS PTD PLANT DEPREC RESERVE				559,545,652	300,740,277	169,540,680	2,410,740	20,963,089	868,691	43,284,476	43,284,476	66,417	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL & INTANGIBLE PLANT																										
PRODUCTION-DEMAND RELATED		G150	K597	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION-ENERGY RELATED		G152	K597	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		G154	K597	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		G156	K310	16,984,342	7,860,564	6,082,284	78,298	603,793	26,534	1,896,641	2,548	2,548	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CUSTOMER ACCTG		G158	K311	6,904,434	5,620,831	663,723	11,116	425,037	5,524	101,771	7,457	7,457	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CUST SERVICE & INFO		G160	K312	1,388,708	1,261,910	40,802	1,167	78,088	681	588	588	588	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SALES		G162	K313	1,460	599	476	5	43	2	153	170	170	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL GEN DEPREC RESERVE		G171		25,278,945	14,763,904	6,787,285	90,588	1,106,961	34,741	1,988,163	10,244	10,244	0	0	0	0	0	0	0	0	0	0	0	0	0	0
COMMON & OTHER PLANT																										
PRODUCTION-DEMAND RELATED		C150	K587	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION-ENERGY RELATED		C152	K587	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		C154	K597	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		C156	K310	22,278,850	10,336,235	7,890,706	102,896	781,842	37,425	2,487,666	3,342	3,342	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CUSTOMER ACCTG		C158	K311	9,056,083	7,372,467	870,561	14,580	567,492	7,245	133,487	9,781	9,781	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CUST SERVICE & INFO		C160	K312	1,822,862	1,555,051	53,513	1,931	102,415	863	784	81	81	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SALES		C162	K313	1,807	741	590	6	53	2	189	211	211	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COM & OTHER PLT RESERVE		C171		33,157,402	19,364,494	8,815,370	118,813	1,451,902	45,565	2,623,116	13,425	13,425	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEPRECIATION RESERVE		DR11		617,992,999	334,666,675	188,753,535	2,820,136	23,521,952	938,997	47,905,755	80,086	80,086	0	0	0	0	0	0	0	0	0	0	0	0	0	0

NET ELECTRIC PLANT IN SERVICE	ITEM	TOTAL		rs on ldr		ds, ws		eh		dm		gs-fl, str-adjpl		dp		ts		TOTAL		
		DISTRIBUTION	ALLO	RESIDENTIAL	SECONDARY	DIST LARGE	SECONDARY	DIST SMALL	SECONDARY	DIST LARGE	SECONDARY	DIST SMALL	SECONDARY	DIST SMALL	SECONDARY	DISTRIBUTION	TRANSMISSION	LIGHTING	DISTRIBUTION	OTHER
PRODUCTION PLANT		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION - STEAM		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION - OTHER		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROD		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION PLANT		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAIN STEP-UP TRANSFORMERS		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER TRANSMISSION		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANSMISSION		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET PROD & TRANS PLANT		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT		156,761,090		72,798,877	57,843,274	702,290	5,162,143	282,170	18,533,864	0	1,448,472	156,761,090	0	1,448,472	156,761,090	0	1,448,472	156,761,090	0	0
SUBSTATIONS		215,882,788		100,240,855	79,858,590	987,155	7,109,020	388,588	25,623,822	0	1,994,757	215,882,788	0	1,994,757	215,882,788	0	1,994,757	215,882,788	0	0
POLES, TOWERS AND FIXTURES		422,036,463		195,965,129	155,727,980	1,990,732	13,687,727	769,869	49,897,610	0	3,899,696	422,036,463	0	3,899,696	422,036,463	0	3,899,696	422,036,463	0	0
CONDUCTORS		139,778,335		89,530,994	40,680,612	805,625	4,824,172	259,879	4,824,172	0	677,053	139,778,335	0	677,053	139,778,335	0	677,053	139,778,335	0	(9)
TRANSFORMERS DEMAND RELATED		52,988,629		48,136,460	1,556,276	44,510	2,979,021	25,965	2,979,021	0	2,650	52,988,629	0	2,650	52,988,629	0	2,650	52,988,629	0	0
TRANSFORMERS CUSTOMER RELATED		14,853,082		13,106,712	847,493	24,226	811,079	7,134	811,079	0	66,438	14,853,082	0	66,438	14,853,082	0	66,438	14,853,082	0	0
SERVICES		57,879,658		32,136,112	17,663,605	504,134	5,996,268	1,413,428	1,413,428	0	1,018	57,879,658	0	1,018	57,879,658	0	1,018	57,879,658	0	0
METERS		227,856		201,018	12,998	372	12,440	109	12,440	0	0	227,856	0	109	227,856	0	109	227,856	0	0
CUSTOMER PREM.		11,780,732		0	0	0	0	0	0	0	0	11,780,732	0	0	11,780,732	0	0	11,780,732	0	0
STREET LIGHTS		15,890,072		8,320,360	5,107,548	71,664	602,234	25,265	1,352,722	2,542	407,739	15,890,072	0	2,542	15,890,072	0	407,739	15,890,072	0	0
CONCR/WIP		1,085,091,125		580,426,517	359,098,574	5,010,708	41,364,102	1,748,780	96,721,446	201,405	20,519,593	1,085,091,125	0	20,519,593	1,085,091,125	0	20,519,593	1,085,091,125	0	0
TOTAL DIST		1,085,091,125		580,426,517	359,098,574	5,010,708	41,364,102	1,748,780	96,721,446	201,405	20,519,593	1,085,091,125	0	20,519,593	1,085,091,125	0	20,519,593	1,085,091,125	0	0
NET TRANS & DIST PLANT		1,085,091,125		580,426,517	359,098,574	5,010,708	41,364,102	1,748,780	96,721,446	201,405	20,519,593	1,085,091,125	0	20,519,593	1,085,091,125	0	20,519,593	1,085,091,125	0	0
NET PTD PLANT		1,085,091,125		580,426,517	359,098,574	5,010,708	41,364,102	1,748,780	96,721,446	201,405	20,519,593	1,085,091,125	0	20,519,593	1,085,091,125	0	20,519,593	1,085,091,125	0	0
GENERAL & INTANGIBLE PLANT		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION-DEMAND RELATED		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION-ENERGY RELATED		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		14,616,328		6,781,368	5,242,518	67,376	519,675	24,533	1,632,094	2,162	346,652	14,616,328	0	346,652	14,616,328	0	346,652	14,616,328	0	(9)
DISTRIBUTION		5,941,388		4,836,825	571,146	9,566	365,752	4,753	87,676	6,418	59,355	5,941,388	0	59,355	5,941,388	0	59,355	5,941,388	0	(1)
CUSTOMER ACCTG		1,196,868		1,085,895	35,111	1,005	67,196	566	514	60	6,501	1,196,868	0	6,501	1,196,868	0	6,501	1,196,868	0	(1)
CUST SERVICE & INFO		1,267		514	411	5	37	1	132	147	10	1,267	0	10	1,267	0	10	1,267	0	(0)
SALES		21,753,841		12,704,602	5,849,186	77,952	952,560	29,893	1,720,316	8,815	410,518	21,753,841	0	410,518	21,753,841	0	410,518	21,753,841	0	(1)
TOTAL GEN		21,753,841		12,704,602	5,849,186	77,952	952,560	29,893	1,720,316	8,815	410,518	21,753,841	0	410,518	21,753,841	0	410,518	21,753,841	0	(1)
COMMON & OTHER PLANT		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION-DEMAND RELATED		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION-ENERGY RELATED		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		25,883,430		12,008,654	9,284,386	119,323	920,156	43,484	2,890,402	3,882	812,143	25,883,430	0	812,143	25,883,430	0	812,143	25,883,430	0	0
CUSTOMER ACCTG		10,522,245		8,586,083	1,011,504	18,941	647,750	8,418	155,098	11,364	105,117	10,522,245	0	105,117	10,522,245	0	105,117	10,522,245	0	0
CUST SERVICE & INFO		2,117,748		1,922,959	62,177	1,779	118,997	1,038	9,742	108	9,742	2,117,748	0	9,742	2,117,748	0	9,742	2,117,748	0	0
SALES		2,100		859	685	8	62	3	221	245	17	2,100	0	17	2,100	0	17	2,100	0	0
TOTAL COM & OTHER PLT		38,525,523		22,490,565	10,359,752	138,051	1,686,965	52,943	3,046,631	15,597	727,019	38,525,523	0	727,019	38,525,523	0	727,019	38,525,523	0	0
TOTAL ELECTRIC PLANT IN SERVICE		1,145,370,489		595,630,684	375,305,512	5,226,711	44,003,627	1,831,616	101,486,393	225,817	21,657,130	1,145,370,489	0	21,657,130	1,145,370,489	0	21,657,130	1,145,370,489	0	(1)

ENERGY OHIO, INC.
OF SERVICE STUDY

YE MONTHS ENDING DECEMBER 31, 2008

TRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM

U: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE

OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 5 OF 25

NET ELECTRIC PLANT	ITEM	ALLO	TOTAL DISTRIBUTION	2	3	4	5	6	7	8	9	10	11	TOTAL DISTRIBUTION	ALL OTHER
				rs, m, id, cur, m3p	ds, ws	SECONDARY DIST LARG	SECONDARY DIST LARG	SECONDARY DIST LARG	SECONDARY DIST LARG	SECONDARY DIST LARG	SECONDARY DIST LARG	SECONDARY DIST LARG	SECONDARY DIST LARG	SECONDARY DIST LARG	SECONDARY DIST LARG
PRODUCTION PLANT															
PRODUCTION PLANT IN SERVICE	P121			0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROD DEPRC RESERVE	P171			0	0	0	0	0	0	0	0	0	0	0	0
NET PRODUCTION PLANT	P221			0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION PLANT															
TRANSMISSION PLANT IN SERVICE	T121			0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANS DEPRC RESERVE	T171			0	0	0	0	0	0	0	0	0	0	0	0
NET TRANSMISSION PLANT	T221			0	0	0	0	0	0	0	0	0	0	0	0
NET PROD & TRANS PLANT				0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT															
DISTRIBUTION PLANT IN SERVICE	D141			1,644,636,777	861,166,794	628,639,454	7,421,448	62,327,191	2,607,471	140,006,922	287,822	42,200,675	1,644,636,777	0	0
TOTAL DIST DEPRC RESERVE	D191			(559,545,652)	(300,740,277)	(169,540,880)	(2,410,740)	(20,953,080)	(853,691)	(43,284,476)	(68,417)	(21,681,082)	(559,545,652)	0	0
NET DISTRIBUTION PLANT	D241			1,085,091,125	560,426,517	359,098,574	5,010,708	41,364,102	1,748,780	96,721,446	201,405	20,519,593	1,085,091,125	0	0
NET TRANS & DIST PLANT	NT21			1,085,091,125	560,426,517	359,098,574	5,010,708	41,364,102	1,748,780	96,721,446	201,405	20,519,593	1,085,091,125	0	0
NET PTD PLANT	NT31			1,085,091,125	560,426,517	359,098,574	5,010,708	41,364,102	1,748,780	96,721,446	201,405	20,519,593	1,085,091,125	0	0
GENERAL & INTANGIBLE PLANT															
GEN & INTANG PLANT IN SERVICE	G121			47,033,786	27,489,506	12,646,471	168,535	2,059,521	64,634	3,719,478	19,058	887,578	47,033,786	(0)	(0)
TOTAL GEN & INTG DEPRC RESERVE	G171			(25,279,944)	(14,783,904)	(8,787,285)	(90,568)	(1,106,961)	(34,741)	(1,999,163)	(10,244)	(477,060)	(25,279,944)	(1)	(1)
NET GENERAL & INTANG PLANT	G221			21,753,841	12,704,602	5,849,186	77,962	932,560	29,893	1,720,316	8,815	410,518	21,753,842	(1)	(1)
COMMON & OTHER PLANT															
COMMON & OTH PLT IN SERVICE	C121			71,882,925	41,864,059	19,274,122	256,864	3,138,867	98,508	5,668,747	29,022	1,352,736	71,882,925	0	0
TOTAL COM & OTH DEPRC RESERVE	C171			(33,157,402)	(19,364,494)	(8,915,370)	(118,813)	(1,451,902)	(45,565)	(2,622,116)	(13,425)	(625,717)	(33,157,402)	0	0
NET COMMON & OTHER PLANT	C221			38,626,523	22,499,565	10,358,752	138,051	1,686,965	52,943	3,046,631	15,597	727,019	38,626,523	0	0
NET ELECTRIC PLANT IN SERVICE	NP21			1,145,370,489	595,630,664	375,308,512	5,226,711	44,003,627	1,831,616	101,488,393	225,817	21,957,130	1,145,370,490	(1)	(1)

Schedula 5.1

ENERGY OHIO, INC.
 OF SERVICE STUDY
 12 MONTHS ENDING DECEMBER 31, 2008
 TRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-A7A, 08-711-EL-A4M
 1-5 MONTHS ACTUAL, 6-9 MONTHS ESTIMATE
 OF FILING: "X" ORIGINAL, UPDATED, REVISED

SCHEDULE E-3.2
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 7 OF 25

ADDITIVE ADJUSTMENTS		ITEM	ALLO	TOTAL	rs, bft, id, cur, r3p	ds, vs	eh	dm	gs-fl, st, ad, pl	dp	ts	LIGHTING	DISTRIBUTION	TOTAL	ALL
				DISTRIBUTION	RESIDENTIAL	DIST. LARGE	SECONDARY DIST. LARGE	SECONDARY DIST. SMALL	DM DIST. SMALL	PRIMARY DISTRIBUTION	TRANSMISSION	10	11	12	OTHER
ACCU DEF INC TAXES (180)		V200	K411	(33,454)	(19,538)	(8,885)	(120)	(1,465)	(46)	(2,646)	(13)	(631)	(33,454)	0	0
COST TO ACHIEVE MERGER SAVINGS		V201	K411	431,505	352,012	116,023	1,545	18,888	891	34,123	173	8,142	431,505	0	0
DUKE MERGER COSTS - TIMING		V202	D249	(6,786,254)	(3,510,082)	(2,249,152)	(31,399)	(256,516)	(10,942)	(605,816)	(1,291)	(126,517)	(6,786,254)	0	0
RSP COSTS CAPITALIZED		V203	K411	(14,934,258)	(8,723,055)	(4,015,523)	(53,465)	(653,971)	(20,460)	(1,161,001)	(5,974)	(281,809)	(14,934,258)	0	0
REGULATORY ASSET BENEFITS		V204	D249	814,490	420,680	269,547	3,763	31,048	1,311	72,804	155	15,402	814,490	0	0
UNAMORTIZED DEBT PREMIUMS		V205	K411	10,440	6,068	2,907	37	457	14	826	4	197	10,440	0	0
401K INCENTIVE PLAN		V206	K411	(224,034)	(130,642)	(60,236)	(802)	(9,810)	(307)	(17,717)	(90)	(4,228)	(224,034)	0	0
EXECUTIVE LIFE INSURANCE		V207	K411	(257,443)	(150,354)	(69,221)	(922)	(11,273)	(353)	(20,369)	(103)	(4,859)	(257,443)	0	0
INCENTIVE PLAN		V208	K411	(3,736)	(2,183)	(1,005)	(13)	(164)	(5)	(296)	(1)	(71)	(3,736)	0	0
INJURIES AND DAMAGES		V210	K411	120,664	70,472	32,444	432	5,284	185	9,542	46	2,277	120,664	0	0
HOSPITAL & MEDICAL EXPENSE		V211	K411	122,002	71,253	32,804	437	5,342	187	9,846	49	2,302	122,002	0	0
LTP		V212	K411	19,848,948	11,592,320	5,336,958	71,059	669,181	27,193	1,569,647	7,940	374,548	19,848,948	0	0
PENSION EXPENSE		V213	K411	177,703	103,784	47,781	636	7,782	243	14,053	71	3,353	177,703	0	0
POST EMP BENEFITS - FAS 112		V214	K411	17,247,591	10,873,112	4,637,532	61,746	755,272	23,629	1,363,839	6,899	325,462	17,247,591	0	0
POST RETIREMENT HEALTH CARE		V215	K411	1,729,595	1,010,134	465,053	6,192	75,739	2,370	138,776	692	32,637	1,729,595	0	0
POST RETIREMENT LIFE INSURANCE		V216	K411	830,237	484,984	223,234	2,972	36,366	1,137	65,555	332	15,687	830,237	0	0
SUPPLEMENTAL PENSION PLAN		V217	K411	1,023,128	597,537	275,099	3,683	44,803	1,402	60,809	409	19,308	1,023,128	0	0
VACATION PAY ACCRUAL		V218	K411	1,978,724	1,156,219	532,308	7,067	86,992	2,712	156,557	792	37,357	1,978,724	0	0
VACATION PAY ACCRUAL - REG ASSET		V220	K411	(2,510,366)	(1,468,148)	(674,895)	(8,987)	(109,900)	(3,439)	(196,522)	(1,004)	(47,371)	(2,510,366)	0	0
MISCELLANEOUS		V221	K403	(2,772)	(2,518)	(81)	(2)	(156)	(1)	(1)	0	(13)	(2,772)	0	0
PARTNERSHIP		V222	K411	(66,572)	(40,631)	(18,707)	(249)	(3,047)	(95)	(5,502)	(28)	(1,313)	(66,572)	0	0
RATE CASE EXPENSE		V224	D249	141,664	73,166	46,882	654	5,400	228	12,628	27	2,679	141,664	0	0
RATE ORDER LATTICE		V225	K406	1,713,632	1,487,608	146,231	1,905	32,807	824	29,495	2,129	12,834	1,713,632	0	0
UNCOLLECTIBLE ACCOUNTS		V226	NP29	3,859,976	2,022,905	1,274,628	17,738	149,453	8,224	344,691	778	73,559	3,859,976	0	0
TAX INTEREST ACCRUAL		V227	NP29	2,120,188	1,102,581	894,732	9,686	81,458	3,392	187,870	424	40,093	2,120,188	0	0
PROPERTY TAX		V228	K411	(265,034)	(154,789)	(71,262)	(945)	(11,606)	(383)	(20,659)	(106)	(5,001)	(265,034)	0	0
STATE INCOME TAX ACCRUAL		V229	K411	(57,328)	(33,482)	(15,414)	(205)	(2,510)	(79)	(4,533)	(23)	(1,082)	(57,328)	0	0
SECTION 481A ADJUSTMENT		V250		27,049,300	16,292,124	6,951,460	92,421	1,142,895	35,512	2,031,868	12,288	490,921	27,049,300	0	0
TOTAL ACCOUNT 180															

ENERGY OHIO, INC.

OF SERVICE STUDY

VE MONTHS ENDING DECEMBER 31, 2008

TRIC CASE NOS: 08-708-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM

U: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE

OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-32
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 8 OF 25

OTHER RATE BASE	ITEM	ALLO	TOTAL DISTRIBUTION	RESIDENTIAL		SECONDARY DIST LARGE		SECONDARY DIST LARGE EH		SECONDARY DIST SMALL DM		SECONDARY DIST SMALL GSFL		PRIMARY DISTRIBUTION		TRANSMISSION		LIGHTING		TOTAL DISTRIBUTION		ALL OTHER	
				2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
POST RETIREMENT BENEFITS	V251	K411	8,277,974	4,834,588	2,225,782	29,635	362,492	11,341	654,622	3,311	158,205	8,277,974	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS	V254	K411	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER	V255		8,277,974	4,834,588	2,225,782	29,635	362,492	11,341	654,622	3,311	158,205	8,277,974	0	0	0	0	0	0	0	0	0	0	0
RATE BASE - CONSTRUCTION WORK IN PROGRESS																							
TOTAL RATE BASE CWIP	V256		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ADDITIVE ADJUSTMENTS	V260		35,327,274	21,128,710	9,177,342	122,058	1,505,457	46,653	2,698,231	15,599	647,128	35,327,274	0	0	0	0	0	0	0	0	0	0	0
NET ORIGINAL COST RATE BASE	RS21		977,884,319	511,873,132	317,074,411	4,417,198	37,749,480	1,553,018	86,148,038	201,882	18,469,160	977,884,319	(1)										

all amounts in \$ mils.

WORKING CAPITAL	ITEM	ALLO	TOTAL DISTRIBUTION	2	3	4	5	6	7	8	9	10	11	12
MATERIALS & SUPPLIES														
FUEL SUPPLIES														
FOSIL														
TOTAL FUEL STOCKS														
PLANT MATERIALS & SUPPLIES														
PRODUCTION														
TRANSMISSION														
DISTRIBUTION														
GENERAL AND COMMON														
TOTAL PLANT MATS. & SUPPLIES														
TOTAL MATERIALS & SUPPLIES														
PREPAYMENTS														
MISCELLANEOUS														
TOTAL PREPAYMENTS														
CASH WORKING CAPITAL - RATE BASE														
OTHER														
TOTAL FUEL, PP & OTHER														
AUTO CALC (O&M-F-PP)/B														
TOTAL WORKING CASH														
MISCELLANEOUS WORKING CAPITAL														
CUSTOMER SERVICE DEPOSITS - RETAIL														
CUSTOMER SERVICE DEPOSITS - TRANS SERV														
TOTAL MISC WORK CAPITAL														
TOTAL WORKING CAPITAL														
PRELIMINARY SUMMARY														
TOTAL SUBTRACTIVE ADJUSTMENTS														
TOTAL ADDITIVE ADJUSTMENTS														
TOTAL WORKING CAPITAL														
TOTAL RATE BASE ADJUSTMENTS														
RATE BASE CALCULATION														
NET ELECTRIC PLANT IN SERVICE														
TOTAL RATE BASE ADJUSTMENTS														
TOTAL RATE BASE														
TOTAL RATE OF RETURN ALLOWABLE														
RETURN ON RATE BASE														

sl,ss,sc,rsu,rspl,li juds, oi													
ts													
dp													
gs-fl,slf-adpl													
dm													
sh													
de,ws													
rs,oth,ld,cur,rs3p													
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DATE OF FILING: "X" ORIGINAL UPDATED REVISED

PAGE 11 OF 26

SUBTOTAL O&M EXCL. A&G

SCHEDULE E-3.2
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 12 OF 25

: ENERGY OHIO, INC.
 : OF SERVICE STUDY
 : VE MONTHS ENDING DECEMBER 31, 2006
 : TRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 : 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 : OF FILING: "x" ORIGINAL UPDATED REVISED

O&M EXPENSES														\$1.00 SEC RESURP, if judes, of
ITEM	ALLO	TOTAL DISTRIBUTION	2	3	4	5	6	7	8	9	10	11	12	
ADMINISTRATIVE & GENERAL & OTHER EXP														
A&G EXPENSE EXCL REGULATORY EXP														
PRODUCTION-DEMAND RELATED														
PRODUCTION-ENERGY RELATED														
TRANSMISSION														
DISTRIBUTION														
CUSTOMER ACCTG														
CUST SERVICE & INFO														
SALES														
A&G EXPENSE EXCL REGULATORY EXP														
A300 K597		58,315,572	0	0	0	0	0	0	0	0	0	0	0	
A302 K597		23,706,702	0	0	0	0	0	0	0	0	0	0	0	
A304 K597		4,771,303	0	0	0	0	0	0	0	0	0	0	0	
A306 K310		58,315,572	27,067,842	20,917,795	288,835	2,073,119	97,870	87,870	6,512,100	8,747	1,379,163	58,315,572	0	
A308 K311		23,706,702	19,298,388	2,278,925	38,166	1,459,368	1,459,368	1,459,368	2,459,437	25,603	236,930	23,706,702	0	
A310 K312		4,771,303	4,332,533	140,065	4,006	268,100	2,358	2,358	2,052	239	21,948	4,771,303	0	
A312 K313		4,731	1,938	1,544	17	138	5	5	498	552	39	4,731	0	
A314 K411		86,798,308	50,681,702	23,338,350	311,028	3,800,743	119,279	119,279	6,864,085	35,141	1,637,960	86,798,308	0	
A319 K427		(32,901)	(18,215)	(8,846)	(118)	(1,441)	(45)	(45)	(2,802)	(13)	(621)	(32,901)	0	
A320 K411		(5,409,871)	(3,159,527)	(1,454,506)	(19,367)	(236,888)	(7,412)	(7,412)	(427,813)	(2,164)	(102,084)	(5,409,871)	0	
A322 K595		(90,475)	(53,507)	(24,009)	(309)	(5,315)	(135)	(135)	(4,777)	(346)	(2,077)	(90,475)	0	
A324 K587		0	0	0	0	0	0	0	0	0	0	0	0	
A326 K595		1,345,404	795,873	367,030	4,601	79,029	2,005	2,005	71,037	5,139	30,960	1,345,404	0	
A328 K412		(985,411)	(457,221)	(353,467)	(4,543)	(35,031)	(1,855)	(1,855)	(110,041)	(149)	(23,306)	(985,411)	0	
A328 K205		6,836,400	3,174,345	2,522,563	30,627	225,123	12,306	12,306	808,268	0	63,168	6,836,400	0	
A330 K412		0	0	0	0	0	0	0	0	0	0	0	0	
A332 K597		0	0	0	0	0	0	0	0	0	0	0	0	
A334 K595		0	0	0	0	0	0	0	0	0	0	0	0	
A336 K411		0	0	0	0	0	0	0	0	0	0	0	0	
A348 K412		(80,108)	(22,740)	(17,579)	(226)	(1,742)	(82)	(82)	(5,473)	(7)	(1,156)	(49,006)	0	
A348 K595		(80,108)	(47,376)	(21,256)	(274)	(4,706)	(119)	(119)	(4,230)	(308)	(1,839)	(80,108)	0	
A350 K411		(63,799)	(37,261)	(17,154)	(228)	(2,794)	(87)	(87)	(5,045)	(26)	(1,204)	(63,798)	0	
A352 K595		0	0	0	0	0	0	0	0	0	0	0	0	
A352 K411		(3,849,322)	(2,248,118)	(1,036,006)	(13,791)	(168,562)	(5,274)	(5,274)	(304,404)	(1,540)	(72,537)	(3,849,322)	0	
A356 K595		(124,473)	(73,614)	(33,031)	(426)	(7,312)	(185)	(185)	(6,572)	(475)	(2,958)	(124,473)	0	
A358 K595		0	0	0	0	0	0	0	0	0	0	0	0	
A357		84,294,744	48,543,141	23,252,987	306,984	3,641,084	118,596	118,596	6,872,433	35,255	1,524,254	84,294,744	0	
TOTAL ADMIN. & GENERAL														
TOTAL O & M EXPENSE														
DM31		165,945,124	96,856,460	43,244,735	577,271	7,383,640	224,144	224,144	12,638,632	71,962	2,958,380	165,945,124	0	

3/14/2008

9:23 AM

ENERGY OHIO, INC.
 OF SERVICE STUDY

LIVE MONTHS ENDING DECEMBER 31, 2008

TRC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM

A: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE

OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 13 OF 25

EL-08 SC, NSU, REP, II,
 UNIS, OF

DEPRECIATION EXPENSE	ITEM	ALLO	TOTAL DISTRIBUTION	2	3	4	5	6	7	8	9	10	11	12
				RES, OF, ID, CUR, RS, P	SECONDARY DIST, LARGE	SECONDARY DIST, LARGE	SECONDARY DIST, LARGE	SECONDARY DIST, LARGE	SECONDARY DIST, LARGE	SECONDARY DIST, LARGE	SECONDARY DIST, LARGE	SECONDARY DIST, LARGE	SECONDARY DIST, LARGE	SECONDARY DIST, LARGE
PRODUCTION DEPRECIATION														
PRODUCTION DEPRECIATION	P460 P229			0	0	0	0	0	0	0	0	0	0	0
ANNUALIZATION ADJUSTMENT	P462 K597			0	0	0	0	0	0	0	0	0	0	0
TOTAL PRODUCTION DEPREC EXP.	P481			0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION DEPRECIATION														
TRANSMISSION DEPRECIATION	T460 T229			0	0	0	0	0	0	0	0	0	0	0
ANNUALIZATION ADJUSTMENT	T462 K597			0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANSMISSION DEPREC EXP.	T481			0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION DEPRECIATION														
DISTRIBUTION DEPRECIATION	D460 D248			37,028,487	19,123,069	12,253,646	171,062	1,411,450	49,813	3,300,541	7,035	700,171	37,028,487	0
ANNUALIZATION ADJUSTMENT	D462 D248			5,535,237	2,858,784	1,831,831	25,573	211,003	8,912	483,411	1,052	104,871	5,535,237	0
TOTAL DIST. DEPREC EXP.	D481			42,561,724	21,981,853	14,085,377	196,635	1,622,453	58,725	3,783,952	8,087	804,942	42,561,724	0
GENERAL DEPRECIATION														
GENERAL DEPRECIATION	G460 G229			1,964,161	1,147,108	528,124	7,032	86,011	2,891	155,328	805	37,064	1,964,161	0
ANNUALIZATION ADJUSTMENT	G462 G229			1,039,013	606,805	279,370	3,720	45,498	1,423	82,185	429	19,808	1,039,013	0
TOTAL GENERAL DEPREC EXP.	G481			3,003,174	1,753,913	807,494	10,752	131,509	4,314	237,491	1,231	56,870	3,003,174	0
COMMON AND OTHER DEPRECIATION														
COMMON DEPRECIATION	C460 C229			2,911,406	1,700,348	782,819	10,423	127,480	3,989	230,234	1,165	54,938	2,911,406	0
ANNUALIZATION ADJUSTMENT	C462 C229			1,405,170	820,861	377,822	5,031	61,532	1,925	111,121	562	26,516	1,405,170	0
TOTAL COM & OTHER DEPREC EXP.	C481			4,316,576	2,521,009	1,160,641	15,454	189,012	5,914	341,355	1,727	81,454	4,316,576	0
TOTAL DEPRECIATION EXPENSE	DE41			49,881,474	26,256,775	16,053,512	222,841	1,942,964	76,553	4,372,796	11,045	942,986	49,881,474	0

SCHEDULE E-3.2
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 14 OF 25

ENERGY OHIO, INC.
OF SERVICE STUDY
-VE MONTHS ENDING DECEMBER 31, 2008
TRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
-3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
OF FILING: "X" ORIGINAL UPDATED REVISED

TAXES OTHER THAN INC. & REV		ITEM	ALLO	TOTAL DISTRIBUTION	rs, crh, id, cur, nsp	ds, ws	SECONDARY DIST LARG	eh	SECONDARY DIST LARG EH	dm	SECONDARY DIST SMALL DM	gs-ft, st-adj	PRIMARY DISTRIBUTION	ts	LIGHTING	TOTAL DISTRIBUTION	ALL OTHER
REAL ESTATE & PROPERTY TAX																	
PRODUCTION - ORE/MINE RELATED		L500 K597		0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION - ENERGY RELATED		L502 K597		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		L504 K597		0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		L506 D249		56,232,636	28,042,469	18,609,679	258,795	258,795	2,143,569	90,435	5,012,577	10,694	1,093,369	2,885	56,232,636	0	0
OTHER		L508 G228		152,910	85,304	41,114	547	547	8,695	208	12,982	10,694	1,093,369	2,885	152,910	0	0
TAXABLE PLANT																	
ANNUALIZED PROPERTY TAX ADJUSTMENT - DIST.		L510 D249		56,385,546	28,131,773	18,630,743	260,342	260,342	2,150,284	90,744	5,024,569	10,747	1,085,244	2,885	56,385,546	0	0
ELIMINATE PROPERTY TAX - HARTWELL		L511 G228		(619,706)	(320,068)	(235,086)	(2,863)	(2,863)	(23,823)	(998)	(95,241)	(118)	(11,719)	(10)	(619,706)	0	0
ANNUALIZED PROPERTY TAX ADJUSTMENT - GENERAL		L512 G228		(10)	(8)	(3)	0	0	0	0	(1)	0	(10)	0	(10)	0	0
TOTAL REAL ESTATE & PROP TAX		L521		52,307	30,549	14,064	187	187	2,291	72	4,136	21	987	0	52,307	0	0
MISCELLANEOUS TAXES																	
FUTURE USE		L560 K411		0	0	0	0	0	0	0	0	0	0	0	0	0	0
HIGHWAY USE TAX		L562 K411		27,019	15,779	7,285	97	97	1,183	2,137	2,137	11	510	0	27,019	0	0
SERVICE CO ALLOC		L564 K412		(3,254)	(1,511)	(1,167)	(15)	(15)	(118)	(363)	(5)	(77)	(3,254)	0	(3,254)	0	0
COMMERCIAL ACTIVITIES TAX		L566 K595		1,010,102	597,374	268,051	3,455	3,455	59,333	1,505	53,333	3,559	23,192	0	1,010,102	0	0
PAYROLL TAXES		L568 K411		4,482,501	2,806,234	1,199,877	15,976	15,976	195,413	6,114	352,865	1,785	84,207	0	4,482,501	0	0
ANNUALIZE FICA & UNEMPLOYMENT TAXES ADJ		L570 K411		(978,706)	(508,520)	(234,115)	(3,117)	(3,117)	(38,128)	(1,193)	(68,855)	(348)	(16,430)	0	(978,706)	0	0
CINCINNATI FRANCHISE TAX		L572 K395		612,186	362,047	162,456	2,094	2,094	38,960	912	32,324	2,339	14,056	0	612,186	0	0
SALES & USE TAX		L576 K411		54,000	31,537	14,520	193	193	2,365	74	4,270	22	1,019	0	54,000	0	0
TOTAL MISCELLANEOUS TAXES		L581		5,281,850	3,102,940	1,416,887	18,583	18,583	255,010	7,444	375,741	7,688	105,477	0	5,281,850	0	0
MISCELLANEOUS EXPENSES																	
UNCOLLECTIBLE ACCT EXP DUE TO INCR		L582 K408		1,435,647	1,244,690	124,026	1,594	1,594	27,450	689	24,879	1,780	10,739	0	1,435,647	0	0
CAT & FRANCHISE DUE TO INCR		L583 K395		285,063	166,586	75,647	878	878	16,748	425	15,051	1,086	6,545	0	285,063	0	0
PUCO & OCC MAINT. ASSESS - NON DIST		L584 K395		138,679	82,015	35,801	474	474	8,148	207	7,322	530	3,184	0	138,679	0	0
TOTAL MISCELLANEOUS EXPENSES		L589		1,859,389	1,495,291	736,474	3,043	3,043	52,341	1,321	47,052	3,399	20,468	0	1,859,389	0	0
TOTAL OTHER TAX & MISC EXPENSE				62,969,377	33,440,489	20,113,080	278,382	278,382	2,437,303	58,563	5,396,556	21,717	1,182,457	0	62,969,377	0	0
PRELIMINARY SUMMARY																	
TOTAL OCM EXPENSE		OM01		165,945,124	98,866,480	43,244,735	977,271	977,271	7,363,640	224,144	12,628,532	71,962	2,958,390	0	165,945,124	0	0
TOTAL DEPRECIATION EXPENSE		DE41		49,881,474	28,256,775	16,053,512	232,841	232,841	1,942,984	76,593	4,372,788	11,045	942,966	0	49,881,474	0	0
TOTAL OTHER TAX & MISC EXPENSE		L591		62,969,377	33,440,489	20,113,080	279,352	279,352	2,437,303	58,563	5,396,556	21,717	1,182,457	0	62,969,377	0	0
TOTAL OF EXP EXC IT & REV TAX		OP61		278,795,975	155,563,724	79,411,327	1,079,504	1,079,504	11,765,927	401,280	22,397,886	104,724	5,083,803	0	278,795,975	0	0

ENERGY OHSO, INC.

T OF SERVICE STUDY

LVE MONTHS ENDING DECEMBER 31, 2003

STIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM

3 MONTHS ACTUAL & 9 MONTHS ESTIMATE

OF FILING: "N" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 15 OF 25

FEDERAL INCOME TAX - NET DEDUCTIONS AND ADDITIONS											
ITEM	ALLO	TOTAL DISTRIBUTION	RESIDENTIAL	SECONDARY DIST LARGE	SECONDARY DIST LARGE EH	SECONDARY DIST SMALL DM	SECONDARY DIST SMALL GSFI	PRIMARY DISTRIBUTION	TRANSMISSION	LIGHTING	ALL OTHER
		2	3	4	5	6	7	8	9	10	11
											12
FEDERAL INCOME TAX DEDUCTIONS											
AUTOMATIC INTEREST DED	Y761 D249	26,348,297	13,608,106	8,719,705	121,729	1,004,397	42,421	2,348,697	5,006	498,246	26,348,297
TOTAL INTEREST EXPENSE	Y763	26,348,297	13,608,106	8,719,705	121,729	1,004,397	42,421	2,348,697	5,006	498,246	26,348,297
OTHER DEDUCTIONS											
DEPREX EXCESS TAX-BOOK	Y790 D249	3,640,043	1,679,974	1,204,638	16,817	138,758	5,860	324,473	602	88,833	3,640,043
TEMPORARY DIFFERENCES	Y792 K411	(15,103,307)	(8,820,784)	(4,060,977)	(54,070)	(861,374)	(20,692)	(1,194,370)	(6,041)	(284,999)	(15,103,307)
PERMANENT DIFFERENCES	Y794 K411	(193,586)	(113,062)	(62,062)	(693)	(8,477)	(285)	(15,309)	(77)	(3,853)	(193,586)
TOTAL OTHER DEDUCTIONS	Y861	(11,656,852)	(7,053,872)	(2,906,393)	(37,946)	(831,093)	(15,087)	(885,206)	(5,436)	(219,819)	(11,656,852)
NET DEDUCTIONS AND ADDITIONS	Y871	14,691,445	6,554,234	5,811,312	83,783	473,304	27,324	1,463,481	(420)	278,427	14,691,445

ENERGY OHIO, INC.

STATE OF OHIO, DECEMBER 31, 2008

TRC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM

3 MONTHS ACTUAL & 9 MONTHS ESTIMATE

OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 17 OF 25

FEDERAL INCOME TAX COMPUTATION											
ITEM	ALLO	TOTAL DISTRIBUTION	rs. om. id. cur. (rs3p)	da. wa.	eh	dm	gs-fl-st-adj	dp	ts	LIGHTING	ALL OTHER
			RESIDENTIAL	SECONDARY DIST LARG	SECONDARY DIST LARG EH	SECONDARY DIST SMALL DM	SECONDARY DIST SMALL GSFL	PRIMARY DISTRIBUTION	TRANSMISSION		
751		89,133,644	46,613,529	28,977,938	403,028	3,434,110	141,599	7,864,065	17,226	1,682,149	86,133,644
771		(14,691,445)	(5,554,234)	(5,811,312)	(83,783)	(473,303)	(27,324)	(1,463,491)	420	(275,427)	(14,691,445)
2663		(3,308,086)	(2,065,656)	(766,720)	(9,786)	(156,078)	(4,057)	(241,704)	(1,738)	(82,345)	(3,308,086)
2945		0	0	0	0	0	0	0	0	0	0
2953		0	0	0	0	0	0	0	0	0	0
BASE FOR FIT COMPUTATION		71,134,113	37,593,637	22,398,906	309,459	2,804,728	110,218	6,136,860	15,908	1,341,377	71,134,113
1865		0	0	0	0	0	0	0	0	0	0
1867		0	0	0	0	0	0	0	0	0	0
1869		38,302,984	20,458,112	12,081,488	166,632	1,510,238	59,348	3,316,320	8,566	722,280	38,302,984
2523		0	0	0	0	0	0	0	0	0	0
1889		38,302,984	20,458,112	12,081,488	166,632	1,510,238	59,348	3,316,320	8,566	722,280	38,302,984
NET FED INCOME TAX ALLOWABLE		34,984,898	18,392,454	11,294,788	156,846	1,354,160	55,291	3,074,816	6,828	659,935	34,984,898
INCOME TAX BASED ON RETURN											
FEDERAL INCOME TAX PAYABLE											
PRELIM FEDERAL INCOME TAX											
OTHER											
NET FED INCOME TAX PAYABLE											

ENERGY OHIO, INC.

OF SERVICE STUDY

VE MONTHS ENDING DECEMBER 31, 2008

TRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM

1: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE

OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 18 OF 25

sl,se,ac,neu,np,dl
uols, ol

STATE INCOME TAX	ITEM	ALLO.	TOTAL DISTRIBUTION	2	rs,orfl,cur,rs3p	3	ds,ws	4	ah	5	dm	6	7	8	9	10	11	12
DEDUCTIONS IN ADDITION TO Y871																		
UNALLOWABLE DEPRECIATION	V880 NP29		3,011,694		1,566,172		966,842		13,733		115,709		4,819		286,866		56,951	0
OHIO TAXABLE INCOME ADJ. - OH FRANCHISE	V882 NP29		824,337		438,679		370,111		3,759		33,671		1,319		73,045		15,588	0
DEDUCTIONS IN ADD TO Y871	Y911		3,836,031		1,994,851		1,255,953		17,492		147,380		6,138		339,911		72,539	0
STATE INCOME TAX ADJUSTMENTS																		
STATE PROV DEF INC TAX (410 & 411)																		
TOT STATE PROV DEF IT (410 & 411)	Z907		0		0		0		0		0		0		0		0	0

ENERGY OHIO, INC.

OF SERVICE STUDY

VE MONTHS ENDING DECEMBER 31, 2008

TRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM

3 MONTHS ACTUAL & 9 MONTHS ESTIMATE

OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 19 OF 25

at 04/03/2009/rep.d

OTHER SIT ADJUSTMENTS	ITEM	ALLO	TOTAL DISTRIBUTION	2	3	4	5	6	7	8	9	10	11	12
CURRENT YEAR PAYABLE ADJUSTMENT	Z941	NP29												
OTHER SIT ADJUSTMENTS	Z942													
TOTAL STATE INC TAX ADJUSTMENT	Z945													
INCOME TAX BASED ON RETURN														
SUMMARY OF SIT CALCULATION														
RETURN ON RATE BASE	R751		89,133,644	46,613,529	28,977,938	403,028	3,434,110	141,599	141,599	7,894,085	17,226	1,682,149	89,133,644	0
NET FED INCOME TAX ALLOWABLE	I879		34,994,898	18,392,454	11,284,768	158,846	1,354,160	55,291	55,291	3,074,616	6,828	859,965	34,994,898	0
NET FED. DED. AND ADDITIONS	Y871		(14,691,445)	(6,554,234)	(5,811,312)	(83,783)	(473,304)	(27,324)	(27,324)	(1,463,481)	420	(278,427)	(14,691,445)	0
DEDUCTIONS IN ADD TO Y871	Y911		(3,836,031)	(1,994,851)	(1,256,953)	(17,492)	(147,380)	(6,138)	(6,138)	(339,911)	(767)	(72,559)	(3,836,031)	0
TOTAL STATE INC TAX ADJ	Z957		0	0	0	0	0	0	0	0	0	0	0	0
BASE FOR SIT COMPUTATION	J865		105,601,066	56,456,898	33,204,441	458,598	4,167,588	163,428	163,428	9,135,289	23,707	1,991,118	105,601,066	0
SIT FACTOR K192/(1-K192)	J867		0.00371374	0.00371374	0.00371374	0.00371374	0.00371374	0.00371374	0.00371374	0.00371374	0.00371374	0.00371374	0.00371374	0
PRELIMINARY STATE INCOME TAX	J869		392,174	209,666	123,313	1,703	15,477	607	607	33,926	88	7,394	392,174	0
TOTAL STATE INCOME TAX ADJ	Z967		0	0	0	0	0	0	0	0	0	0	0	0
NET STATE INC TAX ALLOWABLE	J979		392,174	209,666	123,313	1,703	15,477	607	607	33,926	88	7,394	392,174	0
STATE INCOME TAX PAYABLE														
PRELIMINARY STATE INCOME TAX	J989		392,174	209,666	123,313	1,703	15,477	607	607	33,926	88	7,394	392,174	0
OTHER SIT ADJUSTMENTS	Z955		0	0	0	0	0	0	0	0	0	0	0	0
NET STATE INCOME TAX PAYABLE	J989		392,174	209,666	123,313	1,703	15,477	607	607	33,926	88	7,394	392,174	0
COMPOSITE TAX RATE														
CTAX				0.352405	0.352405	0.352405	0.352405	0.352405	0.352405	0.352405	0.352405	0.352405	0.000000	0.352405

ENERGY OHIO, INC.
OF SERVICE STUDY
VE MONTHS ENDING DECEMBER 31, 2008
TRIC CASE NOS: 08-709-EL-AR, 08-710-EL-ATA, 08-711-EL-AAA
3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
OF FILING: "X" ORIGINAL UPDATED REVISED

COST OF SERVICE COMPUTATION																sl, sep, sep, sep, sep, #			
ITEM	ALLO	TOTAL DISTRIBUTION	rs, ch, id, cur, nosp	ca, wa	SECONDARY DIST LARG	SECONDARY DIST LARG	SECONDARY DIST LARG	dm	SECONDARY DIST SMALL	SECONDARY DIST SMALL	gs, flst, appl	PRIMARY DISTRIBUTION	TRANSMISSION	LIGHTING	TOTAL DISTRIBUTION	ALL OTHER			
OTHER OPERATING REVENUES																			
Q000 K595		108,037	63,893	28,870	389	6,348	161	5,704	413	2,481		5,704	413	2,481	108,037	0			
Q002 K595		12,000	7,096	3,184	41	705	18	634	46	276		634	46	276	12,000	0			
Q004 D249		753,780	388,305	249,456	3,482	28,734	1,214	27,520	143	14,254		27,520	143	14,254	753,780	0			
RECONNECTION CHARGES & CUSTOMER DIVERSION																			
Q006 K403		451,989	410,425	13,270	380	25,367	221	194	23	2,078		194	23	2,078	451,989	0			
Q008 K403		184,709	167,723	5,423	155	10,378	91	79	8	860		79	8	860	184,709	0			
Q010 K595		1,728,710	1,022,359	456,746	5,912	101,544	2,576	91,276	6,904	39,691		91,276	6,904	39,691	1,728,710	0			
Q012 D249		2,610,016	1,347,995	863,759	12,058	69,494	4,202	232,657	496	49,355		232,657	496	49,355	2,610,016	0			
Q014 NP28			0	0	0	0	0	0	0	0		0	0	0	0	0			
Q016 D249			0	0	0	0	0	0	0	0		0	0	0	0	0			
Q018 D249			0	0	0	0	0	0	0	0		0	0	0	0	0			
OTHER ELECTRIC REVENUES - OTHER PUB UTILITIES																			
Q020 NP29		934,665	486,053	306,262	4,282	35,910	1,495	32,821	187	17,876		32,821	187	17,876	934,665	0			
Q027		6,783,906	3,894,849	1,928,772	26,659	306,509	8,978	480,557	7,921	128,861		480,557	7,921	128,861	6,783,906	0			
TOTAL OTHER OPERATING REVS																			
COST OF SERVICE COMPUTATION																			
TOTAL OF EXP EXC INC & REV TAX																			
Q061		278,795,975	158,553,724	79,411,327	1,078,504	11,783,927	401,280	22,397,683	104,724	5,063,803		22,397,683	104,724	5,063,803	278,795,975	0			
R751		89,133,644	49,813,529	26,977,936	403,028	3,434,110	141,596	7,684,065	17,228	1,662,149		7,684,065	17,228	1,662,149	89,133,644	0			
B79		34,964,866	18,392,454	11,264,768	158,946	1,354,160	55,291	3,074,616	6,528	689,835		3,074,616	6,528	689,835	34,964,866	0			
J978		382,114	206,686	123,313	1,703	15,477	607	33,628	88	7,394		33,628	88	7,394	382,114	0			
Q027		(6,783,906)	(3,894,849)	(1,928,772)	(26,659)	(306,509)	(8,978)	(480,557)	(7,921)	(128,861)		(480,557)	(7,921)	(128,861)	(6,783,906)	0			
SUBTOTAL B		396,532,785	218,874,524	117,878,574	1,614,422	16,259,165	588,799	32,889,736	120,945	7,306,620		32,889,736	120,945	7,306,620	396,532,785	0			
TOTAL OTHER OPERATING REVENUES																			
Q027		6,783,906	3,894,849	1,928,772	26,659	306,509	8,978	480,557	7,921	128,861		480,557	7,921	128,861	6,783,906	0			
REXC		0	0	0	0	0	0	0	0	0		0	0	0	0	0			
OTHER OPERATING REVS TO BE TAXED																			
C027		6,783,906	3,894,849	1,928,772	26,659	306,509	8,978	480,557	7,921	128,861		480,557	7,921	128,861	6,783,906	0			
REVENUE TAX FACTOR																			
L030		0	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000		0.00000	0.00000	0.00000	0.00000	0			
L031		0	0	0	0	0	0	0	0	0		0	0	0	0	0			
L032		0	0	0	0	0	0	0	0	0		0	0	0	0	0			
TOTAL REVENUE TAX																			
L033		0	0	0	0	0	0	0	0	0		0	0	0	0	0			
TOTAL EL COST OF SERVICE																			
C036		396,532,785	219,874,524	117,878,574	1,614,422	16,259,165	588,799	32,889,736	120,945	7,306,620		32,889,736	120,945	7,306,620	396,532,785	0			
PROPOSED REVENUES																			
R602		396,531,966	218,874,558	117,878,702	1,614,420	16,259,179	588,784	32,888,792	119,800	7,306,632		32,888,792	119,800	7,306,632	396,531,966	0			
C505		(396,532,785)	(218,874,524)	(117,878,574)	(1,614,422)	(16,259,165)	(588,799)	(32,889,736)	(120,945)	(7,306,620)		(32,889,736)	(120,945)	(7,306,620)	(396,532,785)	0			
XREV		(919)	34	128	(2)	13	(18)	56	(1,145)	12		56	(1,145)	12	(919)	0			
TIMES COMPOSITE TAX RATE																			
CTAX		0.362405000	0.362405000	0.362405000	0.352405000	0.352405000	0.362405000	0.362405000	0.362405000	0.352405000		0.362405000	0.362405000	0.352405000	0.362405000	0			
EXCESS TAX																			
XTAX		(324)	45	45	(1)	5	(5)	20	(404)	4		20	(404)	4	(324)	0			
EXCESS RETURN																			
XRET		(595)	22	83	(1)	8	(10)	36	(741)	8		36	(741)	8	(595)	0			

ROR, TAX RATES & SPEC FACTORS											
ITEM	ALLO	TOTAL DISTRIBUTION	RESIDENTIAL	DIS. VS. SECONDARY	DIS. LARGE EH. SECONDARY	DIS. SMALL DM. SECONDARY	DIS. SMALL GEP. SECONDARY	DIS. DISTRIBUTION PRIMARY	TRANSMISSION	LIGHTING	OTHER
1	2	3	4	5	6	7	8	9	10	11	12
RATE OF RETURN											
CAPITALIZATION AMOUNTS											
LONG TERM DEBT											
PREFERRED STOCK											
COMMON STOCK											
SHORT TERM DEBT											
UNAMORTIZED DISCOUNT											
TOTAL											
COST OF CAPITAL											
LONG TERM DEBT											
PREFERRED STOCK											
COMMON STOCK											
SHORT TERM DEBT											
UNAMORTIZED DISCOUNT											
WEIGHTED COST OF CAPITAL											
LONG TERM DEBT											
PREFERRED STOCK											
COMMON STOCK											
SHORT TERM DEBT											
UNAMORTIZED DISCOUNT											
TOTAL RATE OF RETURN ALLOWABLE											
TAX RATES AND SPECIAL FACTORS											
SHORT TERM DEBT COST											
FEDERAL INCOME TAX RATE											
STATE INCOME TAX RATE											
REVENUE TAX RATE											
PRESENT REVENUES											
PROPOSED REVENUES											
PRESENT NOI											
GROSS REVENUE AT AVERAGE ROR (PRESENT NOI DIVIDED BY RATE BASE)											
(SUBSIDY) EXCESS											
REDUCTION IN (SUBSIDY) EXCESS											
RATE INCREASE											
TAX COMPLEMENT											
REVENUE NOT TO BE INCLUDED IN REVENUE TAX CALCULATION											
MISCELLANEOUS											
TOTAL											

ENERGY OHIO, INC.
OF SERVICE STUDY

VE MONTHS ENDING DECEMBER 31, 2008
TRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 22 OF 25

INCOME TAX BASED ON REVENUES		2	3	4	5	6	7	8	9	10	11	12
ITEM	ALLO	TOTAL DISTRIBUTION	RESIDENTIAL	SECONDARY DIST LARGE	SECONDARY DIST LARGE EH	SECONDARY DIST SMALL DM	SECONDARY DIST SMALL GSF	PRIMARY DISTRIBUTION	TRANSMISSION	LIGHTING	TOTAL DISTRIBUTION	ALL OTHER
NET INCOME COMPUTATION												
TOTAL ELECTRIC COST OF SERVICE	C505	396,532,785	219,874,524	117,878,574	1,514,422	16,258,165	588,799	32,888,736	120,945	7,306,630	396,532,785	0
TOTAL OTHER OPERATING REVENUES	C507	6,763,906	3,894,849	1,925,772	28,659	308,509	9,976	480,557	7,921	126,661	6,763,906	0
TOTAL ELECTRIC REVENUE	C507	403,316,691	223,769,373	119,807,348	1,543,081	16,566,674	598,777	33,370,293	128,866	7,433,291	403,316,691	0
TOTAL OF EXP EXC IT & REV TAX	OP61	(278,795,975)	(158,553,724)	(79,411,327)	(1,079,504)	(11,763,927)	(401,280)	(22,387,686)	(104,724)	(5,083,803)	(278,795,975)	0
FIRM SERVICE REVENUE TAX	RTXP	0	0	0	0	0	0	0	0	0	0	0
NET INCOME	N001	124,520,716	65,215,649	40,396,019	561,577	4,803,747	197,497	10,972,607	24,142	2,349,478	124,520,716	0
ADJUSTMENTS TO NET INCOME												
TOTAL INTEREST EXPENSE	Y783	(26,348,297)	(13,608,106)	(8,719,705)	(121,729)	(1,004,397)	(42,421)	(2,348,887)	(5,006)	(489,246)	(26,348,297)	0
TOTAL OTHER DEDUCTIONS	Y828	11,558,852	7,053,872	2,908,393	37,946	531,093	15,097	885,206	5,428	219,819	11,558,852	0
PRELIMINARY TAXABLE INCOME	T001	109,829,271	56,661,415	34,584,707	477,794	4,330,443	170,173	9,559,128	24,562	2,071,051	109,829,271	0
STATE INCOME TAX COMPUTATION												
PRELIMINARY TAXABLE INCOME	T001	109,829,271	56,661,415	34,584,707	477,794	4,330,443	170,173	9,559,128	24,562	2,071,051	109,829,271	0
DEDUCTIONS IN ADD TO T871	Y911	(3,836,031)	(1,984,851)	(1,256,953)	(17,492)	(147,380)	(6,139)	(339,911)	(767)	(72,539)	(3,836,031)	0
STATE TAXABLE INCOME	S001	105,993,240	54,676,564	33,327,754	460,302	4,183,063	164,035	9,169,215	23,795	1,998,512	105,993,240	0
STATE INCOME TAX PAYABLE	K192	362,174	209,666	123,313	1,703	15,477	607	33,926	88	7,394	362,174	0
PRELIM SIT = S001 * K192	T001	362,174	209,666	123,313	1,703	15,477	607	33,926	88	7,394	362,174	0
OTHER SIT ADJUSTMENTS	Z955	0	0	0	0	0	0	0	0	0	0	0
STATE INCOME TAX PAYABLE	SP001	362,174	209,666	123,313	1,703	15,477	607	33,926	88	7,394	362,174	0
SIT ALLOWABLE												
STATE INCOME TAX PAYABLE	SP001	362,174	209,666	123,313	1,703	15,477	607	33,926	88	7,394	362,174	0
TOTAL STATE PROV DEF IT (410 & 411)	Z911	392,174	209,666	123,313	1,703	15,477	607	33,926	88	7,394	392,174	0
NET STATE INC TAX ALLOWABLE	SA001	392,174	209,666	123,313	1,703	15,477	607	33,926	88	7,394	392,174	0
INCOME TAX BASED ON REVENUES												
FEDERAL INCOME TAX COMPUTATION												
PRELIMINARY TAXABLE INCOME	T001	109,829,271	56,661,415	34,584,707	477,794	4,330,443	170,173	9,559,128	24,562	2,071,051	109,829,271	0
PRELIM SIT = S001 * K192	ST001	(392,174)	(209,666)	(123,313)	(1,703)	(15,477)	(607)	(33,926)	(88)	(7,394)	(392,174)	0
NET FEDERAL TAXABLE INCOME	F001	109,437,097	56,451,749	34,461,394	476,091	4,314,966	169,566	9,475,200	24,474	2,063,657	109,437,097	0
FEDERAL INCOME TAX RATE	K190	38,302,984	20,458,112	12,061,488	169,632	1,510,238	59,348	3,316,320	8,568	722,280	38,302,984	0
PRELIMINARY FIT = F001 * K190	FT001	(2,512,186)	(1,354,599)	(803,325)	(6,109)	(126,738)	(2,776)	(170,757)	(1,987)	(47,285)	(2,512,186)	0
TOTAL FED PROV DEF IT (410 & 411)	Z812	(795,900)	(411,059)	(263,395)	(3,677)	(30,340)	(1,281)	(70,947)	(151)	(15,050)	(795,900)	0
TOTAL AMORTIZED ITC	Z813	34,994,898	18,382,454	11,294,768	156,846	1,354,160	55,291	3,074,576	6,928	689,935	34,994,898	0
NET FED INC TAX ALLOWABLE	FA001	38,302,984	20,458,112	12,061,488	169,632	1,510,238	59,348	3,316,320	8,568	722,280	38,302,984	0
FEDERAL INCOME TAX PAYABLE	FT001	38,302,984	20,458,112	12,061,488	169,632	1,510,238	59,348	3,316,320	8,568	722,280	38,302,984	0
TEST YEAR INV TAX CREDIT	Z823	0	0	0	0	0	0	0	0	0	0	0
FED INC TAX PAYABLE	FP001	38,302,984	20,458,112	12,061,488	169,632	1,510,238	59,348	3,316,320	8,568	722,280	38,302,984	0
PRELIMINARY SUMMARY												
NET INCOME	N001	124,520,716	65,215,649	40,396,019	561,577	4,803,747	197,497	10,972,607	24,142	2,349,478	124,520,716	0
NET FED INC TAX ALLOWABLE	FA001	(34,994,898)	(18,382,454)	(11,294,768)	(156,846)	(1,354,160)	(55,291)	(3,074,576)	(6,928)	(689,935)	(34,994,898)	0
NET STATE INC TAX ALLOWABLE	SA001	(392,174)	(209,666)	(123,313)	(1,703)	(15,477)	(607)	(33,926)	(88)	(7,394)	(392,174)	0
OVERALL RETURN EARNED	RETU	89,133,644	46,533,529	28,977,938	403,028	3,434,110	141,566	7,864,055	17,226	1,662,140	89,133,644	0
RATE OF RETURN EARNED	RORX	0.09100	0.09100	0.09100	0.09100	0.09100	0.09100	0.09100	0.09100	0.09100	0.09100	0.09100

ENERGY OHIO, INC.

OF SERVICE STUDY

12 MONTHS ENDING DECEMBER 31, 2006

TRIC CASE NOS: 06-79-EL-AIR, 06-716-EL-ATA, 06-711-EL-AAM

3 MONTHS ACTUAL & 9 MONTHS ESTIMATE

OF FILING: "X" ORIGINAL, UPDATED, REVISED

SCHEDULE E-3.2
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 23 OF 25

ALLOCATORS		TOTAL		RESIDENTIAL		SECONDARY		DIST. LARGE DS		DIST. LARGE EH		SECONDARY		DIST. SMALL DM		SECONDARY		DIST. SMALL GSFL		PRIMARY		TRANSMISSION		LIGHTING		TOTAL		ALL					
ITEM	ALLOC.	DISTRIBUTION	RESIDENTIAL	SECONDARY	DIST. LARGE DS	DIST. LARGE EH	SECONDARY	DIST. SMALL DM	SECONDARY	DIST. SMALL GSFL	DISTRIBUTION	TRANSMISSION	LIGHTING	AT ISSUE	OTHER																		
DEMAND ENERGY & SPEC. ASSIGN																																	
DIST KW (CLASS GROUP PEAK)																																	
K201	K201	3,434,192	1,594,629	1,267,173	15,381	113,078	6,170	406,030	0	0	0	0	31,731	3,434,192	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
K202	K202	3,895,563	1,594,629	1,267,173	15,381	113,078	6,170	406,030	0	0	0	0	31,731	3,895,563	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
K203	K203	6,097,528	3,984,711	1,810,546	35,873	214,699	11,573	0	0	0	0	0	30,126	6,097,528	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
K205	K205	3,434,192	1,594,629	1,267,173	15,381	113,078	6,170	406,030	0	0	0	0	31,731	3,434,192	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
K206	K206	15,404,450,250	7,871,172,027	7,020,017,766	87,541,212	570,202,440	28,907,578	2,791,351,004	0	0	0	0	124,256,203	15,404,450,250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
K303	K303	47,985,795	22,285,484	17,205,387	221,171	1,705,389	80,692	5,366,368	7,142	0	0	0	1,134,206	47,985,795	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
K310	K310	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
K311	K311	26,916,608	21,912,813	2,587,396	43,426	1,856,960	21,639	396,732	26,127	0	0	0	263,784	26,916,608	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
K312	K312	6,765,967	6,144,674	198,678	5,885	0	0	0	0	0	0	0	31,129	6,765,967	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
K313	K313	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
K401	K401	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
K403	K403	686,279	823,437	20,157	575	38,581	337	0	0	0	0	0	3,158	686,279	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
K404	K404	1,122,848	823,437	20,157	575	38,581	337	0	0	0	0	0	3,158	1,122,848	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
K405	K405	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
K406	K406	3,317,327	2,876,076	286,676	3,884	63,443	1,808	0	0	0	0	0	24,799	3,317,327	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
K409	K409	708,877	623,437	40,314	1,150	38,581	337	0	0	0	0	0	3,158	708,877	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
K411	K411	86,796,328	50,681,702	23,338,350	311,028	3,800,743	119,279	6,844,285	35,141	0	0	0	1,637,880	86,796,328	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
K412	K412	56,315,572	27,057,842	9,268,888	1,000,000	0	0	0	0	0	0	0	1,379,163	56,315,572	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
K415	K415	165,345,124	98,866,460	43,244,735	577,271	7,383,640	224,144	12,626,532	71,962	0	0	0	2,596,380	165,345,124	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
K503	K503	310,927,415	185,880,582	92,512,029	1,063,549	18,263,896	463,026	16,417,391	1,186,721	0	0	0	310,927,415	310,927,415	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
K505	K505	310,927,415	185,880,582	92,512,029	1,063,549	18,263,896	463,026	16,417,391	1,186,721	0	0	0	310,927,415	310,927,415	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
K506	K506	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
K507	K507	1,555,486,218	780,150,882	538,021,465	7,346,572	57,315,621	2,553,793	140,096,522	283,365	0	0	0	41,790,638	1,555,486,218	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATE DISTRIBUTION CONC																																	

ENERGY OHIO, INC.

OF SERVICE STUDY

YE MONTHS ENDING DECEMBER 31, 2005

TRIC CASE NOS: 00-705-EL-AUR, 00-710-EL-ATA, 00-711-EL-AAM

3 MONTHS ACTUAL & 9 MONTHS ESTIMATE

OF FILING. "X" ORIGINAL UPDATED REVISED

SCHEDULE B-3.2
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 24 OF 25

ALLOCATORS		ITEM	ALLOC	TOTAL ELECTRIC	RESIDENTIAL	COMM/IND/RS/SP	DS, WA	SECONDARY DIST LARGE DS	SH	SECONDARY DIST LARGE EH	DM	SECONDARY DIST SMALL DM	95-01-01-02-03 DIST SMALL GSFL	CP	PRIMARY DISTRIBUTION	TRANSMISSION	LIGHTING	TOTAL AT ISSUE	ALL OTHER
SPECIAL ALLOCATOR INFO FOR 6887																			
SUBSTATIONS																			
POLYS, TOWERS & PICTURES																			
CONDUCTORS																			
TRANSFORMERS																			
SERVICES																			
METERS																			
CUSTOMER PREM.																			
STREET LIGHTS																			
TOTAL																			
WEIGHTED RATIOS																			
GROSS ELECTRIC PLANT IN SERVICE																			
WTD GROSS PROD PLANT RATIOS																			
WTD GROSS TRANS PLANT RATIOS																			
WTD GROSS P & T PLT RATIOS																			
WTD GROSS DIST PLANT RATIOS																			
WTD GROSS TRANS & DIST RATIOS																			
WTD GROSS PTD PLT RATIOS																			
WTD GROSS G & I PLT RATIOS																			
WTD GROSS C & O PLANT RATIOS																			
WTD GROSS PLANT RATIOS																			
WTD TOTAL DEPRC RES RATIOS																			
NET ELECTRIC PLANT																			
WTD NET PROD PLANT RATIOS																			
WTD NET TRANS PLANT RATIOS																			
WTD NET DIST PLANT RATIOS																			
WTD NET TRANS & DIST RATIOS																			
WTD NET G & I PLT RATIOS																			
WTD NET C & O PLANT RATIOS																			
WTD NET DIST COM & GEN PLANT RATIOS																			
WTD NET PLANT RATIOS																			
WTD PLANT PROPERTY TAX																			
RATE BASE ADJUSTMENTS																			
WORKING CAPITAL																			
WTD MATERIAL & SUPPLY RATIOS																			
WTD PREPAYMENTS RATIOS																			
WTD CASH WORKING CAP RATIOS																			
WTD TOTAL WORKING CAP RATIOS																			
WTD TOTAL MISC WORKING CAP RATIO																			
WTD TOTAL WORKING CAP RATIOS																			

ALLOCATORS		ITEM	ALLOC	TOTAL ELECTRIC	RESIDENTIAL	DA, WA	SECONDARY DIST LARGE DS	SH	SECONDARY DIST LARGE EH	DM	SECONDARY DIST SMALL DM	GR-F, A, I, A, D, P	SECONDARY DIST SMALL GSFL	DP	PRIMARY DISTRIBUTION	TRANSMISSION	LIGHTING	TOTAL AT ISSUE	ALL OTHER
RATE BASE		R528	R529	1.00000	0.52324	0.32456	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432
		R559	R559	1.00000	0.52346	0.32811	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432	0.00432
O & M EXPENSES		P349	P349	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
		T349	T349	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
DEPRECIATION EXPENSES		D449	D449	1.00000	0.48399	0.35870	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461
		C319	C319	1.00000	0.48409	0.35813	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461	0.00461
OTHER TAXES & MISC EXPENSES		L529	L529	1.00000	0.51872	0.33071	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462
		L589	L589	1.00000	0.51865	0.32775	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462
INCOME TAXES		C509	C509	1.00000	0.55450	0.29727	0.00407	0.00407	0.00407	0.00407	0.00407	0.00407	0.00407	0.00407	0.00407	0.00407	0.00407	0.00407	0.00407
		P459	P459	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
WEIGHTED RATIOS		T429	T429	1.00000	0.51647	0.33084	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462
		D449	D449	1.00000	0.51647	0.33084	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462
JURISDICTIONAL NET ELECTRIC PLANT RATIOS		N749	N749	1.00000	0.51647	0.33084	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462
		C429	C429	1.00000	0.51647	0.33084	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462
		C429	C429	1.00000	0.51647	0.33084	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462
		N749	N749	1.00000	0.51647	0.33084	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462
		C429	C429	1.00000	0.51647	0.33084	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462
		N749	N749	1.00000	0.51647	0.33084	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462	0.00462

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 1 OF 23

LINE NO.	SUMMARY OF RESULTS	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
				2	3	4
1	NET INCOME COMPUTATION					
2	GROSS ELECTRIC PLANT IN SERVICE	GP11		\$930,499,359	\$726,067,747	\$204,431,612
3	TOTAL DEPRECIATION RESERVE	DR11		(334,868,675)	(244,081,648)	(90,807,027)
4	TOTAL RATE BASE ADJUSTMENTS	RB71		(83,394,099)	(69,382,600)	(14,011,499)
5	TOTAL RATE BASE	RB91		512,236,585	412,623,499	99,613,086
6						
7	OPERATING EXPENSES					
8	TOTAL O&M EXPENSE	OM31		98,856,460	44,101,092	54,755,368
9	TOTAL DEPRECIATION EXPENSE	DE41		26,256,775	20,285,773	5,971,002
10	TOTAL OTHER TAX & MISC EXPENSE	L591		33,440,489	25,533,707	7,906,782
11	TOTAL OP EXP EXC INC & R TAX	OP61		158,553,724	89,920,572	68,633,152
12	NET FED INCOME TAX ALLOWABLE	I879		18,392,454	13,145,441	5,247,013
13	NET STATE INCOME TAX ALLOWABLE	J979		209,666	151,682	57,985
14	TOTAL REVENUE TAX	L033		0	0	0
15	TOTAL OPERATING EXPENSE	OPEX		177,155,844	103,217,695	73,938,150
16						
17	RETURN ON RATE BASE	R751		46,613,529	37,548,738	9,064,791
18	TOTAL OTHER OPERATING REVENUES			(3,894,849)	(2,619,762)	(1,275,087)
19	TOTAL ELECTRIC COST OF SERVICE	CS05		219,874,524	138,146,671	81,727,854
20						
22	PROPOSED REVENUES	R602		219,874,558	144,420,988	75,453,570
23	DIFFERENCE (REQUESTED LESS PROPOSED)	XREV		34	6,274,317	(6,274,284)
24						
25	TOTAL RETURN EARNED	RETE		46,613,551	41,611,954	5,001,596
26	RATE OF RETURN EARNED	RORE		0.091000042	0.100847271	0.050210230
27	TOTAL RATE OF RETURN ALLOWABLE	RORA			0.09100	0.09100
28	RETURN EARNED ON COMMON EQUITY	REOE		0.10999	0.12688	0.04000
29	ALLOWED RETURN ON COMMON EQUITY	AROE		0.10999	0.10999	0.10999
30						
31	PRESENT REVENUES					
32	PRESENT REVENUES	R600		183,880,582	148,121,325	35,759,257
33	REVENUE INCREASE JUSTIFIED	RIJD		35,993,942	(9,974,654)	45,968,597
34	REVENUE INCREASE REQUESTED	RIRD		35,993,976	(3,700,337)	39,694,313

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 2 OF 23

LINE NO.	GROSS ELECTRIC PLANT IN SERVICE	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION - STEAM	P100	K_Non_Dist	0	0	0
3	PRODUCTION - OTHER	P106	K_Non_Dist	0	0	0
4	PRODUCTION PLANT IN SERVICE	P121		0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	MAIN STEP-UP TRANSFORMERS	T100	K_Non_Dist	0	0	0
8	OTHER TRANSMISSION	T102	K_Non_Dist	0	0	0
9	TRANSMISSION PLANT IN SERVICE	T121		0	0	0
10						
11	TOTAL PROD & TRANS PLANT	PT21		0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	SUBSTATIONS	D100	K_rbdsl_d	115,465,151	115,465,151	0
15	POLES, TOWERS & FIXTURES	D102	K_rbdpl_d	147,826,285	147,826,285	0
16	CONDUCTORS	D104	K_rbdsl_d	279,109,310	279,109,310	0
17	TRANSFORMERS DEMAND RELATED	D106	K_rbdlt_d	150,610,875	150,610,875	0
18	TRANSFORMERS CUSTOMER RELATED	D107	K_rbdlt_c	80,976,142	0	80,976,142
19	SERVICES	D108	K_rbdslvc_c	43,925,134	0	43,925,134
20	METERS	D110	K_rbdm_s	43,134,436	0	43,134,436
21	CUSTOMER PREM.	D112	K_rbdsl_c	119,461	0	119,461
22	STREET LIGHTS	D114	K_rbdsl_c	0	0	0
23	CCNC	D116	K_dcnc	0	0	0
24	DISTRIBUTION PLANT IN SERVICE	D141		861,166,794	693,011,621	168,155,173
25						
26	TOTAL TRANS & DIST PLANT	TD21		861,166,794	693,011,621	168,155,173
27	TOTAL GROSS PTD PLANT	PD21		861,166,794	693,011,621	168,155,173
28						
29	<u>GENERAL & INTANGIBLE PLANT</u>					
30	PRODUCTION-DEMAND RELATED	G100	K_Non_Dist	0	0	0
31	PRODUCTION-ENERGY RELATED	G102	K_Non_Dist	0	0	0
32	TRANSMISSION	G104	K_Non_Dist	0	0	0
33	DISTRIBUTION	G106	K_DistA&G	14,661,932	13,096,331	1,565,601
34	CUSTOMER ACCTG	G108	K_Ca_A&G	10,457,656	0	10,457,656
35	CUST SERVICE & INFO	G110	K_Csi_A&G	2,347,805	0	2,347,805
36	SALES	G112	K_Sales_A&G	1,113	0	1,113
37	GEN & INTANG PLANT IN SERVICE	G121		27,468,508	13,096,331	14,372,175
38						
39	<u>COMMON & OTHER PLANT</u>					
40	PRODUCTION-DEMAND RELATED	C100	K_Non_Dist	0	0	0
41	PRODUCTION-ENERGY RELATED	C102	K_Non_Dist	0	0	0
42	TRANSMISSION	C104	K_Non_Dist	0	0	0
43	DISTRIBUTION	C106	K_DistA&G	22,345,889	19,959,795	2,386,094
44	CUSTOMER ACCTG	C108	K_Ca_A&G	15,938,520	0	15,938,520
45	CUST SERVICE & INFO	C110	K_Csi_A&G	3,578,050	0	3,578,050
46	SALES	C112	K_Sales_A&G	1,600	0	1,600
47	COMMON & OTHER PLT IN SERVICE	C121		41,864,059	19,959,795	21,904,264
48						
49	GROSS ELECTRIC PLANT IN SERVICE	GP11		930,499,359	726,067,747	204,431,612

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 3 OF 23

LINE NO.	DEPRECIATION RESERVE	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION - STEAM	P150	K_Non_Dist	0	0	0
3	PRODUCTION - OTHER	P152	K_Non_Dist	0	0	0
4	TOTAL PROD DEPREC RESERVE	P171		0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	MAIN STEP-UP TRANSFORMERS	T150	K_Non_Dist	0	0	0
8	OTHER TRANSMISSION	T152	K_Non_Dist	0	0	0
9	TOTAL TRANS DEPREC RESERVE	T171		0	0	0
10						
11	TOTAL PROD & TRANS DEPREC RESERVE			0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	SUBSTATIONS	D150	K_rbdsl_d	42,676,274	42,676,274	0
15	POLES, TOWERS & FIXTURES	D152	K_rbdpl_d	47,585,430	47,585,430	0
16	CONDUCTORS	D154	K_rbdsl_d	83,144,181	83,144,181	0
17	TRANSFORMERS DEMAND RELATED	D106	K_rbdlt_d	61,079,881	61,079,881	0
18	TRANSFORMERS CUSTOMER RELATED	D107	K_rbdlt_c	32,839,682	0	32,839,682
19	SERVICES	D158	K_rbdsv_c	30,818,422	0	30,818,422
20	METERS	D160	K_rbdm_s	10,998,324	0	10,998,324
21	CUSTOMER PREM.	D162	K_rbdsl_c	(81,557)	0	(81,557)
22	STREET LIGHTS	D164	K_rbdsl_c	0	0	0
23	RWIP	D166	K_dcanc	(8,320,360)	(6,895,727)	(1,624,633)
24	TOTAL DIST DEPREC RESERVE	D191		300,740,277	227,790,039	72,950,238
25						
26	TOTAL TRANS & DIST DEPREC RESERVE			300,740,277	227,790,039	72,950,238
27	TOTAL GROSS PTD PLANT DEPREC RESERVE			300,740,277	227,790,039	72,950,238
28						
29	<u>GENERAL & INTANGIBLE PLANT</u>					
30	PRODUCTION-DEMAND RELATED	G150	K_Non_Dist	0	0	0
31	PRODUCTION-ENERGY RELATED	G152	K_Non_Dist	0	0	0
32	TRANSMISSION	G154	K_Non_Dist	0	0	0
33	DISTRIBUTION	G156	K_DistA&G	7,880,564	7,039,077	841,487
34	CUSTOMER ACCTG	G158	K_Ca_A&G	5,620,831	0	5,620,831
35	CUST SERVICE & INFO	G160	K_Csi_A&G	1,261,910	0	1,261,910
36	SALES	G162	K_Sales_A&G	599	0	599
37	TOTAL GEN DEPREC RESERVE	G171		14,763,904	7,039,077	7,724,827
38						
39	<u>COMMON & OTHER PLANT</u>					
40	PRODUCTION-DEMAND RELATED	C150	K_Non_Dist	0	0	0
41	PRODUCTION-ENERGY RELATED	C152	K_Non_Dist	0	0	0
42	TRANSMISSION	C154	K_Non_Dist	0	0	0
43	DISTRIBUTION	C156	K_DistA&G	10,336,235	9,232,532	1,103,703
44	CUSTOMER ACCTG	C158	K_Ca_A&G	7,372,467	0	7,372,467
45	CUST SERVICE & INFO	C160	K_Csi_A&G	1,655,051	0	1,655,051
46	SALES	C162	K_Sales_A&G	741	0	741
47	TOTAL COM & OTHER PLT RESERVE	C171		19,364,494	9,232,532	10,131,962
48						
49	TOTAL DEPRECIATION RESERVE	DR11		334,868,675	244,061,648	90,807,027

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
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SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 4 OF 23

LINE NO.	NET ELECTRIC PLANT IN SERVICE	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION - STEAM			0	0	0
3	PRODUCTION - OTHER			0	0	0
4	TOTAL PROD			0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	MAIN STEP-UP TRANSFORMERS			0	0	0
8	OTHER TRANSMISSION			0	0	0
9	TOTAL TRANSMISSION			0	0	0
10						
11	NET PROD & TRANS PLANT			0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	SUBSTATIONS			72,788,877	72,788,877	0
15	POLES, TOWERS AND FIXTURES			100,240,855	100,240,855	0
16	CONDUCTORS			195,965,129	195,965,129	0
17	TRANSFORMERS DEMAND RELATED			89,530,994	89,530,994	0
18	TRANSFORMERS CUSTOMER RELATED			48,136,460		48,136,460
19	SERVICES			13,106,712	0	13,106,712
20	METERS			32,136,112	0	32,136,112
21	CUSTOMER PREM.			201,018	0	201,018
22	STREET LIGHTS			0	0	0
23	CCNC/RWIP			8,320,360	6,695,727	1,624,633
24	TOTAL DIST			560,426,517	465,221,582	95,204,935
25						
26	NET TRANS & DIST PLANT			560,426,517	465,221,582	95,204,935
27	NET PTD PLANT			560,426,517	465,221,582	95,204,935
28						
29	<u>GENERAL & INTANGIBLE PLANT</u>					
30	PRODUCTION-DEMAND RELATED			0	0	0
31	PRODUCTION-ENERGY RELATED			0	0	0
32	TRANSMISSION			0	0	0
33	DISTRIBUTION			6,781,368	6,057,254	724,114
34	CUSTOMER ACCTG			4,836,825	0	4,836,825
35	CUST SERVICE & INFO			1,085,895	0	1,085,895
36	SALES			514	0	514
37	TOTAL GEN			12,704,602	6,057,254	6,647,348
38						
39	<u>COMMON & OTHER PLANT</u>					
40	PRODUCTION-DEMAND RELATED			0	0	0
41	PRODUCTION-ENERGY RELATED			0	0	0
42	TRANSMISSION			0	0	0
43	DISTRIBUTION			12,009,854	10,727,263	1,282,391
44	CUSTOMER ACCTG			8,566,053	0	8,566,053
45	CUST SERVICE & INFO			1,922,999	0	1,922,999
46	SALES			859	0	859
47	TOTAL COM & OTHER PLT			22,499,565	10,727,263	11,772,302
48						
49	TOTAL ELECTRIC PLANT IN SERVICE			595,630,684	482,006,099	113,624,585

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
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 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
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SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 5 OF 23

LINE NO.	NET ELECTRIC PLANT	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION PLANT IN SERVICE	P121		0	0	0
3	TOTAL PROD DEPRC RESERVE	P171		0	0	0
4	NET PRODUCTION PLANT	P221		0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	TRANSMISSION PLANT IN SERVICE	T121		0	0	0
8	TOTAL TRANS DEPREC RESERVE	T171		0	0	0
9	NET TRANSMISSION PLANT	T221		0	0	0
10						
11	NET PROD & TRANS PLANT			0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	DISTRIBUTION PLANT IN SERVICE	D141		861,166,794	693,011,621	168,155,173
15	TOTAL DIST DEPREC RESERVE	D191		(300,740,277)	(227,790,039)	(72,950,238)
16	NET DISTRIBUTION PLANT	D241		560,426,517	465,221,582	95,204,935
17						
18	NET TRANS & DIST PLANT	NT21		560,426,517	465,221,582	95,204,935
19	NET PTD PLANT	NT31		560,426,517	465,221,582	95,204,935
20						
21	<u>GENERAL & INTANGIBLE PLANT</u>					
22	GEN & INTANG PLANT IN SERVICE	G121		27,468,506	13,096,331	14,372,175
23	TOTAL GEN & INTG DEPREC RESERVE	G171		(14,763,904)	(7,039,077)	(7,724,827)
24	NET GENERAL & INTANG PLANT	G221		12,704,602	6,057,254	6,647,348
25						
26	<u>COMMON & OTHER PLANT</u>					
27	COMMON & OTH PLT IN SERVICE	C121		41,864,059	19,959,795	21,904,264
28	TOTAL COM & OTH DEPREC RESERVE	C171		(19,364,494)	(9,232,532)	(10,131,962)
29	NET COMMON & OTHER PLANT	C221		22,499,565	10,727,263	11,772,302
30						
31	NET ELECTRIC PLANT IN SERVICE	NP21		595,630,684	482,006,099	113,624,585

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 6 OF 23

LINE NO.	RATE BASE ADJUSTMENTS	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	ACCUM DEF INC TAXES (282)					
2	CIAC	B200	K_distnet	(6,732,952)	(5,589,158)	(1,143,794)
3	AFUDC	B201	K_distnet	1,593,633	1,322,907	270,726
4	ELECTRIC METERS & TRANSFORMERS	B202	K_distnet	198,691	164,937	33,754
5	LOSS ON ACRS	B203	K_distnet	256,302	212,761	43,541
6	MISCELLANEOUS PLANT	B204	K_distnet	2,573,705	2,136,484	437,221
7	NON-CASH OVERHEADS	B205	K_EPIS	1,329,283	1,075,709	253,574
8	SEC 174 EXPENSE	B206	K_EPIS	0	0	0
9	TAX DEPRECIATION	B207	K_distnet	81,673,634	67,798,917	13,874,717
10	TAX INTEREST CAPITALIZED	B208	K_EPIS	(1,861,051)	(1,506,037)	(355,014)
11	SEC 263A ADJUSTMENT	B209	K_EPIS	22,576,929	18,270,154	4,306,775
12	PERCENTAGE REPAIR ALLOWANCE	B210	K_distnet	1,089,258	904,215	185,043
13	AFUDC IN CWIP - FAS 109	B211	K_distnet	0	0	0
14	PLANT FAS 109	B227	K_distnet	0	0	0
15	MISCELLANEOUS	B228	K_EPIS	(207,324)	(167,775)	(39,549)
16	TOTAL ACCOUNT 282			102,490,108	84,623,114	17,866,994
17						
18	ACCUM DEF INC TAXES (283)					
19	ACCRUED PENSION & POST RETIREMENT - FAS 158	B229	K_EPIS	(403,394)	(326,443)	(76,951)
20	LOSS ON REACQUIRED DEBT	B212	K_EPIS	2,191,020	1,773,061	417,959
21	PROPERTY TAX	B213	K_EPIS	(89,296)	(72,262)	(17,034)
22	DEFERRED OHIO GROSS RECEIPTS	B216	K_EPIS	(124,905)	(101,078)	(23,827)
23	INVENTORY AND CONTRACT WRITE-UP	B217	K_distnet	300,820	249,717	51,103
24	BASE PRODUCTION PAYMENTS	B218	K_distnet	0	0	0
25	MISCELLANEOUS	B219	K_distnet	784,632	651,339	133,293
26	AUDIT CARRYOVER	B220	K_distnet	(158,763)	(131,792)	(26,971)
27	TOTAL ACCOUNT 283			2,500,114	2,042,542	457,572
28						
29	OTHER SUBTRACTIVE ADJUSTMENTS		Schedule 5.1			
30	INVESTMENT TAX CREDIT (ACGT 255)	B240	K_EPIS	94,040	76,101	17,939
31	TOTAL OTHER SUBTRACTIVE ADJS	B253		94,040	76,101	17,939
32						
33	TOTAL SUBTRACTIVE ADJUSTMENTS	B254		105,084,262	86,741,757	18,342,505

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 7 OF 23

LINE NO.	ADDITIVE ADJUSTMENTS	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	ACCUM DEF INC TAXES (190)					
2	COST TO ACHIEVE MERGER SAVINGS	V200	K_EPIS	(19,538)	(15,811)	(3,727)
3	DUKE MERGER COSTS - TIMING	V201	K_EPIS	252,012	203,938	48,074
4	RSP COSTS CAPITALIZED	V202	K_distnet	(3,510,062)	(2,913,773)	(596,289)
5	REGULATORY ASSET BENEFITS	V203	K_EPIS	(8,722,055)	(7,058,236)	(1,663,819)
6	UNAMORTIZED DEBT PREMIUMS	V204	K_EPIS	420,860	340,415	80,245
7	401K INCENTIVE PLAN	V205	K_EPIS	6,098	4,935	1,163
8	EXECUTIVE LIFE INSURANCE	V206	K_EPIS	(130,842)	(105,883)	(24,959)
9	INCENTIVE PLAN	V207	K_EPIS	(150,354)	(121,672)	(28,682)
10	INJURIES AND DAMAGES	V208	K_EPIS	(2,183)	(1,767)	(416)
11	HOSPITAL & MEDICAL EXPENSE	V210	K_EPIS	70,472	57,029	13,443
12	LTIP	V211	K_EPIS	71,253	57,681	13,592
13	PENSION EXPENSE	V212	K_EPIS	11,592,320	9,380,989	2,211,351
14	POST EMP BENEFITS - FAS 112	V213	K_EPIS	103,784	83,986	19,798
15	POST RETIREMENT HEALTH CARE	V214	K_EPIS	10,073,112	8,151,565	1,921,547
16	POST RETIREMENT LIFE INSURANCE	V215	K_EPIS	1,010,134	817,441	192,693
17	SUPPLEMENTAL PENSION PLAN	V216	K_EPIS	484,884	392,388	92,496
18	VACATION PAY ACCRUAL	V217	K_EPIS	597,537	483,551	113,986
19	VACATION PAY ACCRUAL - REG ASSET	V218	K_EPIS	1,158,219	935,659	220,560
20	MISCELLANEOUS	V220	K_EPIS	(1,466,148)	(1,186,466)	(279,682)
21	PARTNERSHIP	V221	K_EPIS	(2,518)	(2,038)	(480)
22	RATE CASE EXPENSE	V223	K_distnet	(40,631)	(33,729)	(6,902)
23	RATE ORDER LATTICE	V224	K_distnet	73,166	60,737	12,429
24	UNCOLLECTIBLE ACCOUNTS	V225	K_EPIS	1,487,608	1,203,832	283,776
25	TAX INTEREST ACCRUAL	V226	K_EPIS	2,022,905	1,637,016	385,889
26	PROPERTY TAX	V227	K_EPIS	1,102,561	882,236	210,325
27	STATE INCOME TAX ACCRUAL	V228	K_EPIS	(154,788)	(125,261)	(29,527)
28	SECTION 481A ADJUSTMENT	V229	K_EPIS	(33,482)	(27,095)	(6,387)
29	TOTAL ACCOUNT 190			16,292,124	13,111,627	3,180,497

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 8 OF 23

LINE NO.	OTHER RATE BASE	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	POST RETIREMENT BENEFITS	V251	K_EPIS	4,834,586	3,912,340	922,246
2	MISCELLANEOUS	V254	K_EPIS	0	0	0
3	TOTAL OTHER	V255		4,834,586	3,912,340	922,246
4						
5	RATE BASE - CONSTRUCTION WORK IN PROGRESS					
6	TOTAL RATE BASE CWIP	V256		0	0	0
7						
8	TOTAL ADDITIVE ADJUSTMENTS	V260		21,126,710	17,023,967	4,102,743
9						
10	NET ORIGINAL COST RATE BASE	RB21		511,673,132	412,288,309	99,384,823

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 9 OF 23

LINE NO.	WORKING CAPITAL	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>MATERIALS & SUPPLIES</u>					
2	FUEL SUPPLIES					
3	FOSSIL	W630	K_Non_Dist	0	0	0
4	TOTAL FUEL STOCKS	W641		0	0	0
5						
6	<u>PLANT MATERIALS & SUPPLIES</u>					
7	PRODUCTION	W642	K_Non_Dist	0	0	0
8	TRANSMISSION	W644	K_Non_Dist	0	0	0
9	DISTRIBUTION	W646	K_distnet	2,663,993	2,211,434	452,559
10	GENERAL AND COMMON	W648	K_comgenet	0	0	0
11	TOTAL PLANT MATS. & SUPPLIES	W659		2,663,993	2,211,434	452,559
12	TOTAL MATERIALS & SUPPLIES	W661		2,663,993	2,211,434	452,559
13						
14	<u>PREPAYMENTS</u>					
15	MISCELLANEOUS	W670	K_A&GexReg	0	0	0
16	TOTAL PREPAYMENTS	W677		0	0	0
17						
18	<u>CASH WORKING CAPITAL - RATE BASE</u>					
19	OTHER	W690	K_Non_Dist	0	0	0
20	TOTAL FUEL, PP & OTHER	W705		0	0	0
21						
22	AUTO CALC (O&M-F-PP)/8	W711	K_O&MxFuel	0	0	0
23	TOTAL WORKING CASH	W721		0	0	0
24						
25	<u>MISCELLANEOUS WORKING CAPITAL</u>					
26	CUSTOMER SERVICE DEPOSITS - RETAIL	W730	K_DistA&G	(2,100,540)	(1,876,244)	(224,296)
27	CUSTOMER SERVICE DEPOSITS - TRANS SERV	W736	K_Non_Dist	0	0	0
28	TOTAL MISC WORK CAPITAL	W747		(2,100,540)	(1,876,244)	(224,296)
29						
30	<u>TOTAL WORKING CAPITAL</u>	WC71		563,453	335,190	228,263
31	PRELIMINARY SUMMARY					
32	TOTAL SUBTRACTIVE ADJUSTMENTS	B254		(105,084,262)	(86,741,757)	(18,342,505)
33	TOTAL ADDITIVE ADJUSTMENTS	V260		21,126,710	17,023,967	4,102,743
34	TOTAL WORKING CAPITAL	WC71		563,453	335,190	228,263
35	TOTAL RATE BASE ADJUSTMENTS	R871		(83,394,099)	(69,382,600)	(14,011,499)
36						
37	RATE BASE CALCULATION					
38	NET ELECTRIC PLANT IN SERVICE	NP21		595,630,684	482,006,099	113,624,585
39	TOTAL RATE BASE ADJUSTMENTS	R871		(83,394,099)	(69,382,600)	(14,011,499)
40	TOTAL RATE BASE	R891		512,236,585	412,623,499	99,613,086
41						
42	TOTAL RATE OF RETURN ALLOWABLE	RORA		0.091000000	0.091000000	0.091000000
43	RETURN ON RATE BASE	R751		46,613,529	37,548,738	9,064,791

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 10 OF 23

LINE NO.	O&M EXPENSES	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION O&M</u>					
2	ENERGY RELATED PRODUCTION O&M					
3	FUEL COSTS	P300	K_Non_Dist	0	0	0
4	SYSTEM CONTROL, LOAD DISPATCHING & OTHER	P301	K_Non_Dist	0	0	0
5	EMISSION ALLOWANCES	P302	K_Non_Dist	0	0	0
6	COST OF LIME	P303	K_Non_Dist	0	0	0
7	ALL OTHER - OPERATION	P304	K_Non_Dist	0	0	0
8	ELIMIN NON PUCO JURISDICTIONAL EXP	P305	K_Non_Dist	0	0	0
9	COST POOL ANN ADJUSTMENTS	P306	K_Non_Dist	0	0	0
10	ANNUALIZE 4TH QTR ADJ	P307	K_Non_Dist	0	0	0
11	SERV CO ALLOC - PROD	P308	K_Non_Dist	0	0	0
12	TOTAL ENERGY RELATED	P341		0	0	0
13						
14	<u>DEMAND RELATED PROD O&M</u>					
15	ALL OTHER - OPERATION & MAINTENANCE	P356	K_Non_Dist	0	0	0
16	PURCHASED POWER	P356	K_Non_Dist	0	0	0
17	TOTAL DEMAND RELATED	P391		0	0	0
18						
19	OTHER THAN EN/DEM RELATED					
20	MISCELLANEOUS ITEMS	P400	K_Non_Dist	0	0	0
21	TOTAL PROD OTHER THAN EN/DEM	P441		0	0	0
22						
23	TOTAL PRODUCTION O&M	P451		0	0	0
24						
25	<u>TRANSMISSION O & M</u>					
26	MAIN STEP-UP TRANSFORMERS	T300	K_Non_Dist	0	0	0
27	OTHER TRANSMISSION	T302	K_Non_Dist	0	0	0
28	ELIMI NON JURIS EXPENSE	T304	K_Non_Dist	0	0	0
29	COST POOL BALANCE ANN ADJUSTMENT	T306	K_Non_Dist	0	0	0
30	ANNUALIZE 4TH QTR ADJ	T308	K_Non_Dist	0	0	0
31	SERV CO ALLOC - TRAN	T310	K_Non_Dist	0	0	0
32	TOTAL TRANSMISSION O & M	T341	K597	0	0	0
33						
34	<u>DISTRIBUTION O & M</u>					
35	SUBSTATIONS	D300	K_rbdsl_d	2,183,492	2,183,492	0
36	OVERHEAD LINES	D302	K_rbdpl_d	10,659,852	10,659,852	0
37	UNDERGROUND LINES	D304	K_rbdsl_d	1,762,536	1,762,536	0
38	TRANSFORMERS DEMAND RELATED	D106	K_rbdlt_d	386,840	386,840	0
39	TRANSFORMERS CUSTOMER RELATED	D107	K_rbdlt_c	207,986	0	207,986
40	METERS	D308	K_rbdssl_c	1,168,373	0	1,168,373
41	STREET LIGHTS & TRAFFIC SIGNALS	D310	K_distnet	0	0	0
42	OTHER OPERATION	D312	K_distnet	4,916,303	4,081,121	835,182
43	OTHER MAINTENANCE	D314	K_distnet	977,173	811,171	166,002
44	FUTURE USE	D316	K_distnet	0	0	0
45	SERV CO ALLOC - DISTRIBUTION	D318	K_distnet	(7,071)	(5,870)	(1,201)
				22,255,464	19,879,142	2,378,342

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AJR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 11 OF 23

LINE NO.	O&M EXPENSES	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>CUSTOMER ACCOUNTING</u>					
2	CUSTOMER ACCOUNTING EXPENSE	C300	K_Ca_O&M	19,811,567	0	19,811,567
3	UNCOLLECTIBLE EXPENSE	C302	K_Ca_O&M	17,280,995	0	17,280,995
4	CUSTOMER SERVICE DEPOSITS - RETAIL	C304	K_Ca_O&M	105,027	0	105,027
5	CUSTOMER SERVICE DEPOSITS - TRANS	C306	K_Ca_O&M	0	0	0
6	ANNUALIZE UNCOLLECTIBLE ACCOUNT EXP	C308	K_Ca_O&M	(19,904,455)	0	(19,904,455)
7	UNCOLLECTIBLE ACCT EXP DUE TO INCR DIST	C310	K_Ca_O&M	0	0	0
8	AMORTIZE BAD DEBT MORATORIUM	C312	K_Ca_O&M	(252,630)	0	(252,630)
9	SALE OF ACCOUNTS RECEIVABLE FEES - ELEC.	C313	K_Ca_O&M	4,872,309	0	4,872,309
10	ELIMINATE NON JURIS. EXPENSE	C314	K_Ca_O&M	0	0	0
11	ELIMINATE OET EXPENSE	C316	K_Ca_O&M	0	0	0
12	<u>TOTAL CUSTOMER ACCT EXPENSE</u>	C317		21,912,813	0	21,912,813
13						
14	<u>CUSTOMER SERVICE & INFORMATION</u>					
15	CUSTOMER ASSISTANCE	C320	K_Csi_O&M	2,159,287	0	2,159,287
16	INFORMATION & INSTRUCTIONAL ADV	C322	K_Csi_O&M	3,080	0	3,080
17	MISC CUST SERVICE & INFORMATION	C324	K_Csi_O&M	4,028,689	0	4,028,689
18	ELIMINATE NON JURIS EXPENSE	C326	K_Csi_O&M	(42,637)	0	(42,637)
19	SERV CO ALLOC CUST SERV & INFORM	C331	K_Csi_O&M	(3,745)	0	(3,745)
20	<u>TOTAL CUSTOMER SERV. & INFO.</u>			6,144,674	0	6,144,674
21						
22	<u>SALES</u>	S300	K_Sales_O&M	348	0	348
23	MARKETING OPERATIONS	S302	K_Sales_O&M	0	0	0
24	OTHER SALES EXPENSE	S304	K_Sales_O&M	0	0	0
25	SERV CO ALLOC SALES	S306	K_Sales_O&M	0	0	0
26	<u>ELIMINATE VARIOUS EXPENSES</u>	S317		348	0	348
27	<u>TOTAL SALES EXPENSE</u>					
28						
29	SUBTOTAL O&M EXCL. A&G			50,313,319	19,879,142	30,434,177

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 12 OF 23

LINE NO.	O&M EXPENSES	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>ADMINISTRATIVE & GENERAL & OTHER EXP</u>					
2	A&G EXPENSE EXCL. REGULATORY EXP					
3	PRODUCTION-DEMAND RELATED	A300	K_Non_Dist	0	0	0
4	PRODUCTION-ENERGY RELATED	A302	K_Non_Dist	0	0	0
5	TRANSMISSION	A304	K_Non_Dist	0	0	0
6	DISTRIBUTION	A306	K_distO&M	27,057,842	24,168,606	2,889,236
7	CUSTOMER ACCTG	A308	K_Ca_O&M	19,299,389	0	19,299,389
8	CUST SERVICE & INFO	A310	K_Cst_O&M	4,332,533	0	4,332,533
9	SALES	A312	K_Sales_O&M	1,938	0	1,938
10	A&G EXPENSE EXCL. REGULATORY EXP	A314	K_A&GexReg	50,691,702	24,168,606	26,523,096
11	HARTWELL ELIMINATION	A318	K_A&GexReg	(19,215)	(9,161)	(10,054)
12	ANNUALIZE WAGES	A320	K_A&GexReg	(3,159,527)	(1,506,399)	(1,653,128)
13	RATE CASE EXPENSE - ADJ	A322	K_EPIS	(53,507)	(43,300)	(10,207)
14	REGULATORY EXPENSE - FERC	A324	K_Non_Dist	0	0	0
15	REGULATORY EXPENSE - STATE	A326	K_EPIS	795,673	643,890	151,783
16	REG ASSET AMORTIZATION - TOWERS	A328	K_DistA&G	(457,221)	(408,399)	(48,822)
17	MERGER SAVINGS ADJUSTMENT	A329	K_EPIS	3,174,345	2,568,807	605,538
18	FUTURE USE	A330	K_DistA&G	0	0	0
19	FUTURE USE	A332	K_A&GexReg	0	0	0
20	FUTURE USE	A334	K_EPIS	0	0	0
21	FUTURE USE	A336	K_A&GexReg	0	0	0
22	ELIMINATE NON-PUCO JURIS EXP	A346	K_DistA&G	(22,740)	(20,312)	(2,428)
23	EEI EXPENSE ADJUSTMENT	A348	K_A&GexReg	(47,376)	(22,588)	(24,788)
24	SERV CO ALLOC	A350	K_A&GexReg	(37,281)	(17,765)	(19,496)
25	FUTURE USE	A352	K_A&GexReg	0	0	0
26	ANNUALIZE PENSION & BENEFIT EXP	A354	K_A&GexReg	(2,248,118)	(1,071,858)	(1,176,260)
27	PUCO & OCC MAINTENANCE ASSESSMENTS	A356	K_EPIS	(73,614)	(59,571)	(14,043)
28	OTHER	A356	K_EPIS	0	0	0
29	<u>TOTAL ADMIN. & GENERAL</u>	A357		48,543,141	24,221,950	24,321,191
30						
31	<u>TOTAL O & M EXPENSE</u>	OM31		98,856,460	44,101,092	54,755,368

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
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 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 13 OF 23

LINE NO.	DEPRECIATION EXPENSE	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION DEPRECIATION</u>					
2	PRODUCTION DEPRECIATION	P460	K_Non_Dist	0	0	0
3	ANNUALIZATION ADJUSTMENT	P462	K_Non_Dist	0	0	0
4	TOTAL PRODUCTION DEPREC EXP.	P481		0	0	0
5						
6	<u>TRANSMISSION DEPRECIATION</u>					
7	TRANSMISSION DEPRECIATION	T460	K_Non_Dist	0	0	0
8	ANNUALIZATION ADJUSTMENT	T462	K_Non_Dist	0	0	0
9	TOTAL TRANSMISSION DEP. EXP.	T481		0	0	0
10						
11	<u>DISTRIBUTION DEPRECIATION</u>					
12	DISTRIBUTION DEPRECIATION	D460	K_distnet	19,123,069	15,874,442	3,248,627
13	ANNUALIZATION ADJUSTMENT	D462	K_distnet	2,858,784	2,373,134	485,650
14	TOTAL DIST. DEPREC EXP.	D481		21,981,853	18,247,576	3,734,277
15						
16	<u>GENERAL DEPRECIATION</u>					
17	GENERAL DEPRECIATION	G460	K_gennet	1,147,108	548,918	600,190
18	ANNUALIZATION ADJUSTMENT	G462	K_gennet	606,805	289,312	317,493
19	TOTAL GENERAL DEPREC EXP.	G481		1,753,913	838,230	917,683
20						
21	<u>COMMON AND OTHER DEPRECIATION</u>					
22	COMMON DEPRECIATION	C460	K_comnet	1,700,348	810,692	888,656
23	ANNUALIZATION ADJUSTMENT	C462	K_comnet	820,661	391,275	429,386
24	TOTAL COM & OTHER DEPREC EXP.	C481		2,521,009	1,201,967	1,319,042
25						
26						
27	TOTAL DEPRECIATION EXPENSE	DE41		26,256,775	20,285,773	5,971,002

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 14 OF 23

LINE NO.	TAXES OTHER THAN INC & REV	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>REAL ESTATE & PROPERTY TAX</u>					
2	PRODUCTION - DEMAND RELATED	L500	K_Non_Dist	0	0	0
3	PRODUCTION - ENERGY RELATED	L502	K_Non_Dist	0	0	0
4	TRANSMISSION	L504	K_Non_Dist	0	0	0
5	DISTRIBUTION	L506	K_distnet	29,042,469	24,108,734	4,933,735
6	OTHER	L506	K_camgennet	89,304	42,578	46,726
7	TAXABLE PLANT		K_Tax_prop	29,131,773	24,151,312	4,980,461
8	ANNUALIZED PROPERTY TAX ADJUSTMENT - DIST.	L510	K_distnet	(320,058)	(265,687)	(54,371)
9	ELIMINATE PROPERTY TAX - HARTWELL	L511	K_gennet	(6)	(3)	(3)
10	ANNUALIZED PROPERTY TAX ADJUSTMENT - GENERAL	L512	K_gennet	30,549	14,565	15,984
11	TOTAL REAL EST & PROP TAX	L521		28,842,258	23,900,187	4,942,071
12						
13	<u>MISCELLANEOUS TAXES</u>					
14	FUTURE USE	L560	K_EPIS	0	0	0
15	HIGHWAY USE TAX	L562	K_A&GexReg	15,779	7,523	8,256
16	SERVICE CO ALLOC	L564	K_A&GexReg	(1,511)	(720)	(791)
17	COMMERCIAL ACTIVITIES TAX	L566	K_A&GexReg	597,374	284,816	312,558
18	PAYROLL TAXES	L568	K_A&GexReg	2,606,234	1,242,600	1,363,634
19	ANNUALIZE FICA & UNEMPLOYMENT TAXES ADJ	L570	K_EPIS	(508,520)	(411,515)	(97,005)
20	CINCINNATI FRANCHISE TAX	L572	K_EPIS	362,047	292,983	69,064
21	SALES & USE TAX	L576	K_A&GexReg	31,537	15,036	16,501
22	TOTAL MISCELLANEOUS TAXES	L581		3,102,940	1,430,723	1,672,217
23						
24	<u>MISCELLANEOUS EXPENSES</u>					
25	UNCOLLECTIBLE ACCT EXP DUE TO INCR	L582	K_Ca_O&M	1,244,690	0	1,244,690
26	CAT & FRANCHISE DUE TO INCR	L583	K_EPIS	168,586	136,427	32,159
27	PUCO & OCC MAINT. ASSESS. - NON DIST	L584	K_EPIS	82,015	66,370	15,645
28	TOTAL MISCELLANEOUS EXPENSES	L589		1,495,291	202,797	1,292,494
29						
30	TOTAL OTHER TAX & MISC EXPENSE			33,440,489	25,533,707	7,906,782
31						
32	<u>PRELIMINARY SUMMARY</u>					
33	TOTAL O&M EXPENSE	OM31		98,856,460	44,101,092	54,755,368
34	TOTAL DEPRECIATION EXPENSE	DE41		28,258,775	20,285,773	5,971,002
35	TOTAL OTHER TAX & MISC EXPENSE	L591		33,440,489	25,533,707	7,906,782
36	TOTAL OP EXP EXC IT & REV TAX	OP61		159,553,724	89,920,572	68,633,152

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
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 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 15 OF 23

LINE NO.	FEDERAL INCOME TAX - NET DEDUCTIONS AND ADDITIONS	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>FEDERAL INCOME TAX DEDUCTIONS</u>					
2	AUTOMATIC INTEREST CALCULATION					
3	AUTO PROC INTEREST DED	Y751	K_EPIS	13,608,106	11,012,224	2,595,882
4	TOTAL INTEREST EXPENSE	Y783		13,608,106	11,012,224	2,595,882
5						
6	<u>OTHER DEDUCTIONS</u>					
7	DEPREC EXCESS TAX-BOOK	Y790	K_EPIS	1,879,974	1,521,350	358,624
8	TEMPORARY DIFFERENCES	Y792	K_A&GexReg	(8,820,784)	(4,205,573)	(4,615,211)
9	PERMANENT DIFFERENCES	Y794	K_EPIS	(113,062)	(91,494)	(21,568)
10	TOTAL OTHER DEDUCTIONS	Y861		(7,053,872)	(2,775,717)	(4,278,155)
11						
12	NET DEDUCTIONS AND ADDITIONS	Y871		6,554,234	8,236,507	(1,682,273)

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
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 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 18 OF 23

LINE NO.	FEDERAL INCOME TAX ADJUSTMENTS	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>FED PROV DEF INC TAX (410 & 411)</u>					
2	DEFERRED INCOME TAX ON DEPRECIATION	Z762	K_distnet	697,686	579,163	118,523
3	OTHER DEFERRED INCOME TAXES - NET	Z763	K_distnet	(3,087,275)	(2,562,809)	(524,466)
4	DEFERRED INCOME TAX ADJUSTMENT - ARAM	Z764	K_distnet	(330,984)	(274,756)	(56,228)
5	DEFERRED INCOME TAX ADJUSTMENT - FLOW-THROUGH	Z765	K_distnet	1,065,974	884,888	181,086
6	TOTAL FED PROV DEF IT (410 & 411)	Z763		(1,654,599)	(1,373,516)	(281,083)
7						
8	<u>AMORTIZED INV TAX CREDIT</u>					
9	AMORTIZE ITC	Z811	K_distnet	411,059	341,228	69,831
10	AMORTIZE ITC ADJUSTMENT	Z812	K_distnet	0	0	0
11	TOTAL AMORTIZED ITC	Z813		411,059	341,228	69,831
12						
13	TEST YEAR INVESTMENT TAX CREDIT		K_distnet	0	0	0
14	TEST YEAR INVESTMENT TAX CREDIT	Z823		0	0	0
15						
16	<u>PRELIMINARY SUMMARY</u>					
17	TOTAL FED PROV DEF IT (410 & 411)	Z763		(1,654,599)	(1,373,516)	(281,083)
18	TOTAL AMORTIZED ITC	Z813		(411,059)	(341,228)	(69,831)
19	TOTAL FEDERAL TAX ADJUSTMENTS	Z863		(2,065,658)	(1,714,744)	(350,914)

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 17 OF 23

LINE NO.	FEDERAL INCOME TAX COMPUTATION	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	RETURN ON RATE BASE	R751		46,613,529	37,548,738	9,064,791
2	NET DEDUCTIONS AND ADDITIONS	Y871		(6,554,234)	(8,236,507)	1,682,273
3	TOTAL FEDERAL TAX ADJUSTMENTS	Z863		(2,065,658)	(1,714,744)	(350,914)
4	TOTAL STATE INC TAX ADJUSTMENT	Z945		0	0	0
5	TOTAL STATE PROV DEF IT (410 & 411)	Z933		0	0	0
6	BASE FOR FIT COMPUATION	I865		37,993,637	27,597,487	10,396,150
7						
8	FIT FACTOR K190/(1-K190)	I867		0.53846	0.53846	0.53846
9	PRELIM FED INCOME TAX	I869		20,458,112	14,860,185	5,597,927
10	TOTAL FEDERAL TAX ADJUSTMENTS	Z863		(2,065,658)	(1,714,744)	(350,914)
11	NET FED INCOME TAX ALLOWABLE	I879		18,392,454	13,145,441	5,247,013
12						
13	INCOME TAX BASED ON RETURN					
14	FEDERAL INCOME TAX PAYABLE					
15	PRELIM FEDERAL INCOME TAX	I869		20,458,112	14,860,185	5,597,927
16	OTHER	Z823		0	0	0
17	NET FED INCOME TAX PAYABLE	I889		20,458,112	14,860,185	5,597,927

DUKE ENERGY OHIO, INC.
 RESIDENTIAL COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 18 OF 23

LINE NO.	STATE INCOME TAX	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	DEDUCTIONS IN ADDITION TO Y871					
2	UNALLOWABLE DEPRECIATION	Y890	K_EPIS	1,566,172	1,267,409	298,763
3	OHIO TAXABLE INCOME ADJ - OH FRANCHISE	Y892	K_EPIS	428,679	346,904	81,775
4	DEDUCTIONS IN ADD TO Y871	Y911		1,994,851	1,614,313	380,538
5						
6	STATE INCOME TAX ADJUSTMENTS					
7	STATE PROV DEF INC TAX (410 & 411)					
8	TOT STATE PROV DEF IT (410 & 411)	Z907		0	0	0

DUKE ENERGY OHIO, INC.
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SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 19 OF 23

LINE NO.	OTHER SIT ADJUSTMENTS	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	CURRENT YEAR PAYABLE ADJUSTMENT	Z941	K_EPIS	0	0	0
2	OTHER SIT ADJUSTMENTS	Z942		0	0	0
3						
4	TOTAL STATE INC TAX ADJUSTMENT	Z945		0	0	0
5						
6	INCOME TAX BASED ON RETURN					
7	SUMMARY OF SIT CALCULATION					
8	RETURN ON RATE BASE	R751		46,613,529	37,548,738	9,064,791
9	NET FED INCOME TAX ALLOWABLE	I879		18,392,454	13,145,441	5,247,013
10	NET FED. DED. AND ADDITIONS	Y871		(6,554,234)	(8,236,507)	1,682,273
11	DEDUCTIONS IN ADD TO Y871	Y911		(1,994,851)	(1,614,313)	(380,538)
12	TOTAL STATE INC TAX ADJ	Z957		0	0	0
13	BASE FOR SIT COMPUTATION	J965		56,456,898	40,843,359	15,613,539
14						
15	SIT FACTOR K192/(1-K192)	J967		0.00371374	0.00371374	0.00371374
16	PRELIMINARY STATE INCOME TAX	J969		209,666	151,682	57,985
17	TOTAL STATE INCOME TAX ADJ.	Z957		0	0	0
18	NET STATE INC TAX ALLOWABLE	J979		209,666	151,682	57,985
19						
20	STATE INCOME TAX PAYABLE					
21	PRELIMINARY STATE INCOME TAX	J969		209,666	151,682	57,985
22	OTHER SIT ADJUSTMENTS	Z955		0	0	0
23	NET STATE INCOME TAX PAYABLE	J989		209,666	151,682	57,985
24						
25	COMPOSITE TAX RATE	CTAX		0.3524050	0.3524050	0.3524050

DUKE ENERGY OHIO, INC.
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 TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 20 OF 23

LINE NO.	COST OF SERVICE COMPUTATION	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>OTHER OPERATING REVENUES</u>					
2	INTERDEPARTMENTAL	Q000	K_EPIS	63,893	51,705	12,188
3	SPECIAL CONTRACTS	Q002	K_EPIS	7,096	5,742	1,354
4	MISCELLANEOUS	Q004	K_EPIS	389,305	315,041	74,264
5	RECONNECTION CHARGES & CUSTOMER DIVERSION	Q006	K_A&GexReg	410,425	195,682	214,743
6	BAD CHECK CHARGES	Q008	K_A&GexReg	167,723	79,967	87,756
7	POLE CONTACT RENTALS	Q010	K_A&GexReg	1,022,359	487,440	534,919
8	RENT ELECTRIC PROPERTIES - DISTR	Q012	K_EPIS	1,347,995	1,090,851	257,144
9	RENT ELECTRIC PROPERTIES	Q014	K_EPIS	0	0	0
10	OTHER ELECTRIC REVENUES - DIST	Q016	K_EPIS	0	0	0
11	OTHER ELECTRIC REVENUES - OTHER PUB UTILITIES	Q018	K_EPIS	0	0	0
12	OTHER ELECTRIC REVENUES - OTHER	Q020	K_EPIS	486,053	393,334	92,719
13	TOTAL OTHER OPERATING REVS	Q027		3,894,849	2,619,762	1,275,087
14						
15	<u>COST OF SERVICE COMPUTATION</u>					
16	TOTAL OP EXP EXC INC & REV TAX	OP61		158,553,724	89,920,572	68,633,152
17	RETURN ON RATE BASE	R751		46,613,529	37,548,738	9,064,791
18	NET FED INCOME TAX ALLOWABLE	I879		18,392,454	13,145,441	5,247,013
19	NET STATE INCOME TAX ALLOWABLE	J979		209,666	151,682	57,985
20	TOTAL OTHER OPERATING REVENUES	Q027		(3,894,849)	(2,619,762)	(1,275,087)
21	SUBTOTAL B	CS03		219,874,524	138,146,871	81,727,654
22						
23	TOTAL OTHER OPERATING REVENUES	Q027		3,894,849	2,619,762	1,275,087
24	LESS: REVS EXCL FROM REV TAX CALC	REXC		0	0	0
25	OTHER OPERATING REVS TO BE TAXED	OORT		3,894,849	2,619,762	1,275,087
26						
27	<u>REVENUE TAX FACTOR</u>	L030		0.00000	0.00000	0.00000
28	REVENUE TAX ON OTHER OPERATING REVS	L031		0	0	0
29	REVENUE TAX ON COST OF SERVICE	L032		0	0	0
30	TOTAL REVENUE TAX	L033		0	0	0
31	TOTAL EL. COST OF SERVICE	CS05		219,874,524	138,146,871	81,727,654
32						
33	<u>PROPOSED REVENUES</u>	R602		219,874,558	144,420,988	75,453,570
34	TOTAL ELECTRIC COST OF SERVICE	CS05		(219,874,524)	(138,146,871)	(81,727,854)
35	DIFFERENCE	XREV		34	6,274,317	(6,274,284)
36	TIMES COMPOSITE TAX RATE	CTAX		0.352405000	0.352405000	0.352405000
37	EXCESS TAX	XTAX		12	2,211,101	(2,211,089)
38	EXCESS RETURN	XRET		22	4,063,216	(4,063,195)

DUKE ENERGY OHIO, INC.
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SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 21 OF 23

LINE NO.	ROR, TAX RATES & SPEC FACTORS	ITEM	ALLO	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	RATE OF RETURN					
2						
3	CAPITALIZATION AMOUNTS			<u>Total Company</u>	<u>Ratio</u>	
4	LONG TERM DEBT	K100		1,787,741,777	0.4172	
5	PREFERRED STOCK	K102		0	0.0000	
6	COMMON STOCK	K104		2,497,378,912	0.5828	
7	SHORT TERM DEBT	K106		0	0.0000	
8	UNAMORTIZED DISCOUNT	K108		0	0.0000	
9	TOTAL	K115		4,285,120,689	1.0000	
10						
11	COST OF CAPITAL					
12	LONG TERM DEBT	K120		0.0645000		
13	PREFERRED STOCK	K122		0.0000000		
14	COMMON STOCK	K124		0.1100000		
15	SHORT TERM DEBT	K126		0.0000000		
16	UNAMORTIZED DISCOUNT	K128		0.0000000		
17						
18	WEIGHTED COST OF CAPITAL					
19	LONG TERM DEBT	K141		0.0269000		
20	PREFERRED STOCK	K143		0.0000000		
21	COMMON STOCK	K145		0.0641000		
22	SHORT TERM DEBT	K147		0.0000000		
23	UNAMORTIZED DISCOUNT	K149		0.0000000		
24	TOT RATE OF RETURN ALLOWABLE	RORA		0.09100000		
25						
26	TAX RATES AND SPECIAL FACTORS					
27	SHORT TERM DEBT COST	K180		0.0000000	0.00000	0.00000
28	FEDERAL INCOME TAX RATE	K190		0.3500000	0.35000	0.35000
29	STATE INCOME TAX RATE	K192		0.0037000	0.00370	0.00370
30	REVENUE TAX RATE	K196		0.0000000	0.00000	0.00000
31						
32						
33	PRESENT REVENUES	R600	K_OCDRB	183,880,582	148,121,325	35,759,257
34	PROPOSED REVENUES	R602		219,674,558	144,420,988	75,453,570
35	PRESENT NOI			23,304,032		
36	GROSS REVENUE AT AVERAGE ROR (PRESENT NOI DIVIDED BY RATE BASE)			175,105,853		
37	(SUBSIDY) EXCESS			8,774,729		
38	REDUCTION IN (SUBSIDY) EXCESS			8,774,729		
39	RATE INCREASE			35,993,976	(3,700,337)	39,694,313
40	TAX COMPLEMENT					
41						
42	REVENUE NOT TO BE INCLUDED IN REVENUE TAX CALCULATION					
43	MISCELLANEOUS		K_OCDRB	0	0	0
44	TOTAL	REXC		0	0	0

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SCHEDULE E-3.2a
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 22 OF 23

LINE NO		ALLOC	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	Substations	K_rbdssd_d	0	1.00000	0.00000
2	Poles Towers Fixtures	K_rbdpl_d	0	1.00000	0.00000
3	Conductors	K_rbdcl_d	0	1.00000	0.00000
4	Line Transformers - Demand	K_rbdll_d	0	1.00000	0.00000
5	Line Transformers - Customer	K_rbdll_c	0	0.00000	1.00000
6	Services	K_rbdsv_c	0	0.00000	1.00000
7	Meters	K_rbdm_s	0	0.00000	1.00000
8	Customer Premises	K_rbdsl_c	0	0.00000	1.00000
9	Street Lights	K_rbdsl_c	0	0.00000	1.00000
10	Customer Accounts	K_exca_c	0	0.00000	1.00000
11	Cust Sales & Info	K_exsal_c	0	0.00000	1.00000
12	Sales	K_exsle_c	0	0.00000	1.00000
13	Customer Accounting O&M	K_Ca_O&M	0	0.00000	1.00000
14	Customer Service & Informational	K_Cst_O&M	0	0.00000	1.00000
15	Sales	K_Sales_O&M	0	0.00000	1.00000
16	Non-Distribution	K_Non_Dist	0	0.00000	0.00000
17					
18			861,168,794	693,011,621	168,155,173
19	Distribution Plant excl CCNC-OC	K_dccnc	1.00000	0.80474	0.19526
20					
21			930,498,359	726,087,747	204,431,612
22	Gross Plant-OC	K_GrossPlt	1.00000	0.78000	0.21970
23					
24			861,168,794	693,011,621	168,155,173
25	Distribution Plant-OC	K_displlt	1.00000	0.80474	0.19526
26					
27			560,426,517	465,221,582	95,204,935
28	Distribution Plant-Net (OC-Dispr)	K_distnet	1.00000	0.83012	0.16988
29					
30			12,704,802	6,067,254	6,647,348
31	General Plant-Net	K_gennet	1.00000	0.47678	0.52322
32					
33			595,630,584	482,006,099	113,624,585
34	Net Electric Plant In Service	K_EPIS	1.00000	0.80924	0.19076
35					
36			22,499,565	10,727,263	11,772,302
37	Common Plant-net	K_comnat	1.00000	0.47678	0.52322
38					
39			35,204,167	16,784,517	18,419,650
40	Common & General Plant-net	K_comgennet	1.00000	0.47678	0.52322
41					
42			512,236,585	412,623,499	99,613,086
43	Total OCD Rate Base	K_OCDRB	1.00000	0.80553	0.19447
44					
45			48,543,141	24,221,950	24,321,191
46	A&G	K_A&G	1.00000	0.49898	0.50102
47					
48			50,691,702	24,168,606	26,523,096
49	A&G (ex reg exp)	K_A&GexReg	1.00000	0.47678	0.52322

DUKE ENERGY OHIO, INC.
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SCHEDULE E-3.2
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 23 OF 23

LINE NO.		ALLOC	TOTAL RESIDENTIAL	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1			27,057,842	24,168,606	2,889,236
2	Dist A&G (ex reg exp)	K_DistA&G	1.00000	0.89322	0.10678
3					
4			19,299,389	0	19,299,389
5	Customer Accounts A&G (ex reg exp)	K_Ca_A&G	1.00000	0.00000	1.00000
6					
7			4,332,533	0	4,332,533
8	Cust Service & Informational A&G (ex reg exp)	K_Cst_A&G	1.00000	0.00000	1.00000
9					
10			1,938	0	1,938
11	Sales A&G (ex reg exp)	K_Sales_A&G	1.00000	0.00000	1.00000
12					
13			21,970,525	17,232,062	4,738,473
14	Nonadjusted Depreciation Expense	K_NoadjDepEx	1.00000	0.78433	0.21567
15					
16			50,313,319	19,879,142	30,434,177
17	O&M (no A&G)	K_O&M	1.00000	0.39511	0.60489
18					
19			22,255,484	19,879,142	2,376,342
20	Dist O&M	K_distO&M	1.00000	0.89322	0.10678
21					
22			98,856,460	44,101,092	54,755,368
23	AutoCalc Wkg Capital (incl A&G)	K_O&MxFuel	1.00000	0.44611	0.55389
24					
25			37,993,637	27,597,487	10,396,150
26	Base for FIT Computation	K_FIT_base	1.00000	0.72637	0.27363
27					
28			29,131,773	24,151,312	4,980,461
29	Tax Property	K_Tax_prop	1.00000	0.82904	0.17096

DUKE ENERGY OHIO, INC.
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SCHEDULE E-3.2b
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 1 OF 23

LINE NO.	SUMMARY OF RESULTS	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
				2	3	4
1	NET INCOME COMPUTATION					
2	GROSS ELECTRIC PLANT IN SERVICE	GP11		\$560,560,047	\$526,545,082	\$34,014,965
3	TOTAL DEPRECIATION RESERVE	DR11		(185,253,535)	(174,058,524)	(11,195,011)
4	TOTAL RATE BASE ADJUSTMENTS	R871		(58,867,630)	(53,832,617)	(3,235,013)
5	TOTAL RATE BASE	R891		318,438,882	298,853,941	19,584,941
6						
7	OPERATING EXPENSES					
8	TOTAL O&M EXPENSE	OM31		43,244,735	36,233,033	7,011,702
9	TOTAL DEPRECIATION EXPENSE	DE41		16,053,512	14,956,463	1,097,049
10	TOTAL OTHER TAX & MISC EXPENSE	L591		20,113,080	18,708,976	1,404,104
11	TOTAL OP EXP EXC INC & R TAX	OP61		79,411,327	69,898,472	9,512,855
12	NET FED INCOME TAX ALLOWABLE	I879		11,294,768	10,393,645	901,123
13	NET STATE INCOME TAX ALLOWABLE	J979		123,313	113,574	9,739
14	TOTAL REVENUE TAX	L033		0	0	0
15	TOTAL OPERATING EXPENSE	OPEX		90,829,408	80,405,691	10,423,717
16						
17	RETURN ON RATE BASE	R751		28,977,938	27,195,709	1,782,230
18	TOTAL OTHER OPERATING REVENUES			(1,928,772)	(1,768,141)	(160,631)
19	TOTAL ELECTRIC COST OF SERVICE	CS05		117,878,574	105,833,259	12,045,316
20						
22	PROPOSED REVENUES	R602		117,878,702	108,370,512	9,508,190
23	DIFFERENCE (REQUESTED LESS PROPOSED)	XREV		128	2,537,253	(2,537,126)
24						
25	TOTAL RETURN EARNED	RETE		28,978,021	28,838,821	139,200
26	RATE OF RETURN EARNED	RORE		0.091000260	0.096498045	0.007107502
27	TOTAL RATE OF RETURN ALLOWABLE	RORA			0.09100	0.09100
28	RETURN EARNED ON COMMON EQUITY	REOE		0.10999	0.11942	(0.03396)
29	ALLOWED RETURN ON COMMON EQUITY	AROE		0.10999	0.10999	0.10999
30						
31	PRESENT REVENUES					
32	PRESENT REVENUES	R600		82,512,029	77,437,539	5,074,490
33	REVENUE INCREASE JUSTIFIED	RIJD		35,366,545	28,395,720	6,970,826
34	REVENUE INCREASE REQUESTED	RIRD		35,366,673	30,932,973	4,433,700

DUKE ENERGY OHIO, INC.
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SCHEDULE E-3.2b
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 2 OF 23

LINE NO.	GROSS ELECTRIC PLANT IN SERVICE	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION - STEAM	P100	K_Non_Dist	0	0	0
3	PRODUCTION - OTHER	P106	K_Non_Dist	0	0	0
4	PRODUCTION PLANT IN SERVICE	P121		0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	MAIN STEP-UP TRANSFORMERS	T100	K_Non_Dist	0	0	0
8	OTHER TRANSMISSION	T102	K_Non_Dist	0	0	0
9	TRANSMISSION PLANT IN SERVICE	T121		0	0	0
10						
11	TOTAL PROD & TRANS PLANT	PT21		0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	SUBSTATIONS	D100	K_rbdsl_d	91,756,910	91,756,910	0
15	POLES, TOWERS & FIXTURES	D102	K_rbdpl_d	117,473,393	117,473,393	0
16	CONDUCTORS	D104	K_rbdsl_d	221,800,324	221,800,324	0
17	TRANSFORMERS DEMAND RELATED	D106	K_rbdlt_d	68,433,760	68,433,760	0
18	TRANSFORMERS CUSTOMER RELATED	D107	K_rbdlt_c	2,617,999	0	2,617,999
19	SERVICES	D108	K_rbdslvc_c	2,840,243	0	2,840,243
20	METERS	D110	K_rbdm_s	23,709,100	0	23,709,100
21	CUSTOMER PREM.	D112	K_rbdsl_c	7,725	0	7,725
22	STREET LIGHTS	D114	K_rbdsl_c	0	0	0
23	CCNC	D116	K_dcnc	0	0	0
24	DISTRIBUTION PLANT IN SERVICE	D141		528,639,454	499,464,387	29,175,067
25						
26	TOTAL TRANS & DIST PLANT	TD21		528,639,454	499,464,387	29,175,067
27	TOTAL GROSS PTD PLANT	PD21		528,639,454	499,464,387	29,175,067
28						
29	<u>GENERAL & INTANGIBLE PLANT</u>					
30	PRODUCTION-DEMAND RELATED	G100	K_Non_Dist	0	0	0
31	PRODUCTION-ENERGY RELATED	G102	K_Non_Dist	0	0	0
32	TRANSMISSION	G104	K_Non_Dist	0	0	0
33	DISTRIBUTION	G106	K_DistA&G	11,334,802	10,728,957	605,845
34	CUSTOMER ACCTG	G108	K_Ca_A&G	1,234,869	0	1,234,869
35	CUST SERVICE & INFO	G110	K_Csi_A&G	75,913	0	75,913
36	SALES	G112	K_Sales_A&G	887	0	887
37	GEN & INTANG PLANT IN SERVICE	G121		12,646,471	10,728,957	1,917,514
38						
39	<u>COMMON & OTHER PLANT</u>					
40	PRODUCTION-DEMAND RELATED	C100	K_Non_Dist	0	0	0
41	PRODUCTION-ENERGY RELATED	C102	K_Non_Dist	0	0	0
42	TRANSMISSION	C104	K_Non_Dist	0	0	0
43	DISTRIBUTION	C106	K_DistA&G	17,275,092	16,351,738	923,354
44	CUSTOMER ACCTG	C108	K_Ca_A&G	1,882,065	0	1,882,065
45	CUST SERVICE & INFO	C110	K_Csi_A&G	115,690	0	115,690
46	SALES	C112	K_Sales_A&G	1,275	0	1,275
47	COMMON & OTHER PLT IN SERVICE	C121		19,274,122	16,351,738	2,922,384
48						
49	GROSS ELECTRIC PLANT IN SERVICE	GP11		560,560,047	526,545,082	34,014,965

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY COST OF SERVICE STUDY
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SCHEDULE E-3.2b
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 3 OF 23

LINE NO.	DEPRECIATION RESERVE	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION - STEAM	P150	K_Non_Dist	0	0	0
3	PRODUCTION - OTHER	P152	K_Non_Dist	0	0	0
4	TOTAL PROD DEPREC RESERVE	P171		0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	MAIN STEP-UP TRANSFORMERS	T150	K_Non_Dist	0	0	0
8	OTHER TRANSMISSION	T152	K_Non_Dist	0	0	0
9	TOTAL TRANS DEPREC RESERVE	T171		0	0	0
10						
11	TOTAL PROD & TRANS DEPREC RESERVE			0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	SUBSTATIONS	D150	K_rbdsl_d	33,913,636	33,913,636	0
15	POLES, TOWERS & FIXTURES	D152	K_rbdpl_d	37,814,803	37,814,803	0
16	CONDUCTORS	D154	K_rbdsl_d	66,072,344	66,072,344	0
17	TRANSFORMERS DEMAND RELATED	D106	K_rbdlt_d	27,753,148	27,753,148	0
18	TRANSFORMERS CUSTOMER RELATED	D107	K_rbdlt_c	1,061,723	0	1,061,723
19	SERVICES	D158	K_rbdsvc_c	1,992,750	0	1,992,750
20	METERS	D160	K_rbdm_s	6,045,295	0	6,045,295
21	CUSTOMER PREM.	D162	K_rbdsl_c	(5,273)	0	(5,273)
22	STREET LIGHTS	D164	K_rbdsl_c	0	0	0
23	RWIP	D166	K_dcnc	(5,107,546)	(4,825,661)	(281,885)
24	TOTAL DIST DEPREC RESERVE	D191		169,540,880	160,728,270	8,812,610
25						
26	TOTAL TRANS & DIST DEPREC RESERVE			169,540,880	160,728,270	8,812,610
27	TOTAL GROSS PTD PLANT DEPREC RESERVE			169,540,880	160,728,270	8,812,610
28						
29	<u>GENERAL & INTANGIBLE PLANT</u>					
30	PRODUCTION-DEMAND RELATED	G150	K_Non_Dist	0	0	0
31	PRODUCTION-ENERGY RELATED	G152	K_Non_Dist	0	0	0
32	TRANSMISSION	G154	K_Non_Dist	0	0	0
33	DISTRIBUTION	G156	K_DistA&G	6,092,284	5,766,651	325,633
34	CUSTOMER ACCTG	G158	K_Ca_A&G	663,723	0	663,723
35	CUST SERVICE & INFO	G160	K_Csi_A&G	40,802	0	40,802
36	SALES	G162	K_Sales_A&G	476	0	476
37	TOTAL GEN DEPREC RESERVE	G171		6,797,285	5,766,651	1,030,634
38						
39	<u>COMMON & OTHER PLANT</u>					
40	PRODUCTION-DEMAND RELATED	C150	K_Non_Dist	0	0	0
41	PRODUCTION-ENERGY RELATED	C152	K_Non_Dist	0	0	0
42	TRANSMISSION	C154	K_Non_Dist	0	0	0
43	DISTRIBUTION	C156	K_DistA&G	7,990,706	7,563,603	427,103
44	CUSTOMER ACCTG	C158	K_Ca_A&G	870,561	0	870,561
45	CUST SERVICE & INFO	C160	K_Csi_A&G	53,513	0	53,513
46	SALES	C162	K_Sales_A&G	590	0	590
47	TOTAL COM & OTHER PLT RESERVE	C171		8,915,370	7,563,603	1,351,767
48						
49	TOTAL DEPRECIATION RESERVE	DR11		185,253,535	174,058,524	11,195,011

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2b
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 4 OF 23

LINE NO.	NET ELECTRIC PLANT IN SERVICE	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION - STEAM			0	0	0
3	PRODUCTION - OTHER			0	0	0
4	TOTAL PROD			0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	MAIN STEP-UP TRANSFORMERS			0	0	0
8	OTHER TRANSMISSION			0	0	0
9	TOTAL TRANSMISSION			0	0	0
10						
11	NET PROD & TRANS PLANT			0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	SUBSTATIONS			57,843,274	57,843,274	0
15	POLES, TOWERS AND FIXTURES			79,658,590	79,658,590	0
16	CONDUCTORS			155,727,980	155,727,980	0
17	TRANSFORMERS DEMAND RELATED			40,680,612	40,680,612	0
18	TRANSFORMERS CUSTOMER RELATED			1,556,276		1,556,276
19	SERVICES			847,493	0	847,493
20	METERS			17,663,805	0	17,663,805
21	CUSTOMER PREM.			12,998	0	12,998
22	STREET LIGHTS			0	0	0
23	CCNC/RWIP			5,107,546	4,825,661	281,885
24	TOTAL DIST			359,098,574	338,736,117	20,362,457
25						
26	NET TRANS & DIST PLANT			359,098,574	338,736,117	20,362,457
27	NET PTD PLANT			359,098,574	338,736,117	20,362,457
28						
29	<u>GENERAL & INTANGIBLE PLANT</u>					
30	PRODUCTION-DEMAND RELATED			0	0	0
31	PRODUCTION-ENERGY RELATED			0	0	0
32	TRANSMISSION			0	0	0
33	DISTRIBUTION			5,242,518	4,962,306	280,212
34	CUSTOMER ACCTG			571,146	0	571,146
35	CUST SERVICE & INFO			35,111	0	35,111
36	SALES			411	0	411
37	TOTAL GEN			5,849,186	4,962,306	886,880
38						
39	<u>COMMON & OTHER PLANT</u>					
40	PRODUCTION-DEMAND RELATED			0	0	0
41	PRODUCTION-ENERGY RELATED			0	0	0
42	TRANSMISSION			0	0	0
43	DISTRIBUTION			9,284,386	8,788,135	496,251
44	CUSTOMER ACCTG			1,011,504	0	1,011,504
45	CUST SERVICE & INFO			62,177	0	62,177
46	SALES			685	0	685
47	TOTAL COM & OTHER PLT			10,358,752	8,788,135	1,570,817
48						
49	TOTAL ELECTRIC PLANT IN SERVICE			375,306,512	352,486,558	22,819,954

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
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SCHEDULE E-3.2b
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 5 OF 23

LINE NO.	NET ELECTRIC PLANT	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION PLANT IN SERVICE	P121		0	0	0
3	TOTAL PROD DEPRC RESERVE	P171		0	0	0
4	NET PRODUCTION PLANT	P221		0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	TRANSMISSION PLANT IN SERVICE	T121		0	0	0
8	TOTAL TRANS DEPREC RESERVE	T171		0	0	0
9	NET TRANSMISSION PLANT	T221		0	0	0
10						
11	NET PROD & TRANS PLANT			0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	DISTRIBUTION PLANT IN SERVICE	D141		528,639,454	499,464,387	29,175,067
15	TOTAL DIST DEPREC RESERVE	D191		(169,540,880)	(160,728,270)	(8,812,610)
16	NET DISTRIBUTION PLANT	D241		359,098,574	338,736,117	20,362,457
17						
18	NET TRANS & DIST PLANT	NT21		359,098,574	338,736,117	20,362,457
19	NET PTD PLANT	NT31		359,098,574	338,736,117	20,362,457
20						
21	<u>GENERAL & INTANGIBLE PLANT</u>					
22	GEN & INTANG PLANT IN SERVICE	G121		12,646,471	10,728,957	1,917,514
23	TOTAL GEN & INTG DEPREC RESERVE	G171		(6,797,285)	(5,766,651)	(1,030,634)
24	NET GENERAL & INTANG PLANT	G221		5,849,186	4,962,306	886,880
25						
26	<u>COMMON & OTHER PLANT</u>					
27	COMMON & OTH PLT IN SERVICE	C121		19,274,122	16,351,738	2,922,384
28	TOTAL COM & OTH DEPREC RESERVE	C171		(8,915,370)	(7,563,603)	(1,351,767)
29	NET COMMON & OTHER PLANT	C221		10,358,752	8,788,135	1,570,617
30						
31	NET ELECTRIC PLANT IN SERVICE	NP21		375,306,512	352,486,558	22,819,954

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
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SCHEDULE E-3.2b
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 8 OF 23

LINE NO.	RATE BASE ADJUSTMENTS	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	ACCUM DEF INC TAXES (282)					
2	CIAC	B200	K_distnet	(4,314,294)	(4,069,674)	(244,620)
3	AFUDC	B201	K_distnet	1,004,145	947,210	56,935
4	ELECTRIC METERS & TRANSFORMERS	B202	K_distnet	127,316	120,097	7,219
5	LOSS ON ACRS	B203	K_distnet	161,496	152,339	9,157
6	MISCELLANEOUS PLANT	B204	K_distnet	1,649,160	1,555,653	93,507
7	NON-CASH OVERHEADS	B205	K_EPIS	611,984	574,775	37,209
8	SEC 174 EXPENSE	B206	K_EPIS	0	0	0
9	TAX DEPRECIATION	B207	K_distnet	52,334,254	49,366,902	2,967,352
10	TAX INTEREST CAPITALIZED	B208	K_EPIS	(1,172,645)	(1,101,348)	(71,297)
11	SEC 263A ADJUSTMENT	B209	K_EPIS	14,225,684	13,360,762	864,922
12	PERCENTAGE REPAIR ALLOWANCE	B210	K_distnet	686,339	647,424	38,915
13	AFUDC IN CWIP - FAS 109	B211	K_distnet	0	0	0
14	PLANT FAS 109	B227	K_distnet	0	0	0
15	MISCELLANEOUS	B228	K_EPIS	(95,449)	(89,646)	(5,803)
16	TOTAL ACCOUNT 282			65,217,990	61,464,494	3,753,496
17						
18	ACCUM DEF INC TAXES (283)					
19	ACCRUED PENSION & POST RETIREMENT - FAS 158	B229	K_EPIS	(185,717)	(174,425)	(11,292)
20	LOSS ON REACQUIRED DEBT	B212	K_EPIS	1,403,945	1,318,585	85,360
21	PROPERTY TAX	B213	K_EPIS	(56,265)	(52,844)	(3,421)
22	DEFERRED OHIO GROSS RECEIPTS	B216	K_EPIS	(57,505)	(54,009)	(3,496)
23	INVENTORY AND CONTRACT WRITE-UP	B217	K_distnet	138,484	130,641	7,853
24	BASE PRODUCTION PAYMENTS	B218	K_distnet	0	0	0
25	MISCELLANEOUS	B219	K_distnet	361,234	340,752	20,482
26	AUDIT CARRYOVER	B220	K_distnet	(73,092)	(68,948)	(4,144)
27	TOTAL ACCOUNT 283			1,531,094	1,439,752	91,342
28						
29	OTHER SUBTRACTIVE ADJUSTMENTS		Schedule 5.1			
30	INVESTMENT TAX CREDIT (ACCT 255)	B240	K_EPIS	60,259	56,595	3,664
31	TOTAL OTHER SUBTRACTIVE ADJS	B253		60,259	56,595	3,664
32						
33	TOTAL SUBTRACTIVE ADJUSTMENTS	B254		66,809,343	62,980,841	3,848,502

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2b
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 7 OF 23

LINE NO.	ADDITIVE ADJUSTMENTS	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	ACCUM DEF INC TAXES (190)					
2	COST TO ACHIEVE MERGER SAVINGS	V200	K_EPIS	(8,995)	(8,448)	(547)
3	DUKE MERGER COSTS - TIMING	V201	K_EPIS	116,023	108,969	7,054
4	RSP COSTS CAPITALIZED	V202	K_distnet	(2,249,152)	(2,121,825)	(127,527)
5	REGULATORY ASSET BENEFITS	V203	K_EPIS	(4,015,523)	(3,771,379)	(244,144)
6	UNAMORTIZED DEBT PREMIUMS	V204	K_EPIS	269,547	253,159	16,388
7	401K INCENTIVE PLAN	V205	K_EPIS	2,807	2,636	171
8	EXECUTIVE LIFE INSURANCE	V206	K_EPIS	(60,238)	(56,576)	(3,662)
9	INCENTIVE PLAN	V207	K_EPIS	(69,221)	(65,012)	(4,209)
10	INJURIES AND DAMAGES	V208	K_EPIS	(1,005)	(944)	(61)
11	HOSPITAL & MEDICAL EXPENSE	V210	K_EPIS	32,444	30,471	1,973
12	LTIP	V211	K_EPIS	32,804	30,810	1,994
13	PENSION EXPENSE	V212	K_EPIS	5,336,958	5,012,471	324,487
14	POST EMP BENEFITS - FAS 112	V213	K_EPIS	47,781	44,876	2,905
15	POST RETIREMENT HEALTH CARE	V214	K_EPIS	4,637,532	4,355,570	281,962
16	POST RETIREMENT LIFE INSURANCE	V215	K_EPIS	465,053	436,778	28,275
17	SUPPLEMENTAL PENSION PLAN	V216	K_EPIS	223,234	209,661	13,573
18	VACATION PAY ACCRUAL	V217	K_EPIS	275,099	258,373	16,726
19	VACATION PAY ACCRUAL - REG ASSET	V218	K_EPIS	532,308	499,944	32,364
20	MISCELLANEOUS	V220	K_EPIS	(674,895)	(633,955)	(41,040)
21	PARTNERSHIP	V221	K_EPIS	(81)	(76)	(5)
22	RATE CASE EXPENSE	V223	K_distnet	(18,707)	(17,646)	(1,061)
23	RATE ORDER LATTICE	V224	K_distnet	46,882	44,224	2,658
24	UNCOLLECTIBLE ACCOUNTS	V225	K_EPIS	148,231	139,219	9,012
25	TAX INTEREST ACCRUAL	V226	K_EPIS	1,274,828	1,197,131	77,497
26	PROPERTY TAX	V227	K_EPIS	694,722	652,483	42,239
27	STATE INCOME TAX ACCRUAL	V228	K_EPIS	(71,262)	(66,929)	(4,333)
28	SECTION 481A ADJUSTMENT	V229	K_EPIS	(15,414)	(14,477)	(937)
29	TOTAL ACCOUNT 190			6,951,460	6,519,708	431,752

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2b
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 8 OF 23

LINE NO.	OTHER RATE BASE	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	POST RETIREMENT BENEFITS	V251	K_EPIS	2,225,782	2,090,454	135,328
2	MISCELLANEOUS	V254	K_EPIS	0	0	0
3	TOTAL OTHER	V255		2,225,782	2,090,454	135,328
4						
5	RATE BASE - CONSTRUCTION WORK IN PROGRESS					
6	TOTAL RATE BASE CWIP	V256		0	0	0
7						
8	TOTAL ADDITIVE ADJUSTMENTS	V260		9,177,242	8,610,162	567,080
9						
10	NET ORIGINAL COST RATE BASE	RB21		317,674,411	298,135,879	19,538,532

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2b
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 9 OF 23

LINE NO.	WORKING CAPITAL	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>MATERIALS & SUPPLIES</u>					
2	FUEL SUPPLIES					
3	FOSSIL	W630	K_Non_Dist	0	0	0
4	TOTAL FUEL STOCKS	W641		0	0	0
5						
6	<u>PLANT MATERIALS & SUPPLIES</u>					
7	PRODUCTION	W642	K_Non_Dist	0	0	0
8	TRANSMISSION	W644	K_Non_Dist	0	0	0
9	DISTRIBUTION	W646	K_distnet	1,707,014	1,610,226	96,788
10	GENERAL AND COMMON	W646	K_comgenet	0	0	0
11	TOTAL PLANT MATS. & SUPPLIES	W659		1,707,014	1,610,226	96,788
12	TOTAL MATERIALS & SUPPLIES	W661		1,707,014	1,610,226	96,788
13						
14	<u>PREPAYMENTS</u>					
15	MISCELLANEOUS	W670	K_A&GexReg	0	0	0
16	TOTAL PREPAYMENTS	W677		0	0	0
17						
18	<u>CASH WORKING CAPITAL - RATE BASE</u>					
19	OTHER	W690	K_Non_Dist	0	0	0
20	TOTAL FUEL, PP & OTHER	W705		0	0	0
21						
22	AUTO CALC (O&M-F-PPYB	W711	K_O&MxFuel	0	0	0
23	TOTAL WORKING CASH	W721		0	0	0
24						
25	<u>MISCELLANEOUS WORKING CAPITAL</u>					
26	CUSTOMER SERVICE DEPOSITS - RETAIL	W730	K_DistA&G	(942,543)	(892,164)	(50,379)
27	CUSTOMER SERVICE DEPOSITS - TRANS SERV	W736	K_Non_Dist	0	0	0
28	TOTAL MISC WORK CAPITAL	W747		(942,543)	(892,164)	(50,379)
29						
30	<u>TOTAL WORKING CAPITAL</u>	WC71		764,471	718,062	46,409
31	<u>PRELIMINARY SUMMARY</u>					
32	TOTAL SUBTRACTIVE ADJUSTMENTS	B254		(66,809,343)	(62,960,841)	(3,848,502)
33	TOTAL ADDITIVE ADJUSTMENTS	V260		9,177,242	8,610,162	567,080
34	TOTAL WORKING CAPITAL	WC71		764,471	718,062	46,409
35	TOTAL RATE BASE ADJUSTMENTS	R871		(56,867,630)	(53,632,617)	(3,235,013)
36						
37	RATE BASE CALCULATION					
38	NET ELECTRIC PLANT IN SERVICE	NP21		375,306,512	352,486,558	22,819,954
39	TOTAL RATE BASE ADJUSTMENTS	R871		(56,867,630)	(53,632,617)	(3,235,013)
40	TOTAL RATE BASE	R891		318,438,882	298,853,941	19,584,941
41						
42	TOTAL RATE OF RETURN ALLOWABLE	RORA		0.091000000	0.091000000	0.091000000
43	RETURN ON RATE BASE	R751		28,977,938	27,195,709	1,782,230

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY COST OF SERVICE STUDY
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SCHEDULE E-3.2b
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 10 OF 23

LINE NO.	O&M EXPENSES	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION O&M</u>					
2	ENERGY RELATED PRODUCTION O&M					
3	FUEL COSTS	P300	K_Non_Dist	0	0	0
4	SYSTEM CONTROL, LOAD DISPATCHING & OTHER	P301	K_Non_Dist	0	0	0
5	EMISSION ALLOWANCES	P302	K_Non_Dist	0	0	0
6	COST OF LIME	P303	K_Non_Dist	0	0	0
7	ALL OTHER - OPERATION	P304	K_Non_Dist	0	0	0
8	ELIMIN NON PUJO JURISDICTIONAL EXP	P305	K_Non_Dist	0	0	0
9	COST POOL ANN ADJUSTMENTS	P306	K_Non_Dist	0	0	0
10	ANNUALIZE 4TH QTR ADJ	P307	K_Non_Dist	0	0	0
11	SERV CO ALLOC - PROD	P308	K_Non_Dist	0	0	0
12	TOTAL ENERGY RELATED	P341		0	0	0
13						
14	<u>DEMAND RELATED PROD O&M</u>					
15	ALL OTHER - OPERATION & MAINTENANCE	P356	K_Non_Dist	0	0	0
16	PURCHASED POWER	P356	K_Non_Dist	0	0	0
17	TOTAL DEMAND RELATED	P391		0	0	0
18						
19	<u>OTHER THAN EN/DEM RELATED</u>					
20	MISCELLANEOUS ITEMS	P400	K_Non_Dist	0	0	0
21	TOTAL PROD OTHER THAN EN/DEM	P441		0	0	0
22						
23	TOTAL PRODUCTION O&M	P451		0	0	0
24						
25	<u>TRANSMISSION O & M</u>					
26	MAIN STEP-UP TRANSFORMERS	T300	K_Non_Dist	0	0	0
27	OTHER TRANSMISSION	T302	K_Non_Dist	0	0	0
28	ELIMI NON JURIS EXPENSE	T304	K_Non_Dist	0	0	0
29	COST POOL BALANCE ANN ADJUSTMENT	T306	K_Non_Dist	0	0	0
30	ANNUALIZE 4TH QTR ADJ	T308	K_Non_Dist	0	0	0
31	SERV CO ALLOC - TRAN	T310	K_Non_Dist	0	0	0
32	TOTAL TRANSMISSION O & M	T341	K597	0	0	0
33						
34	<u>DISTRIBUTION O & M</u>					
35	SUBSTATIONS	D300	K_rbdsl_d	1,735,160	1,735,160	0
36	OVERHEAD LINES	D302	K_rbdpl_d	8,471,085	8,471,085	0
37	UNDERGROUND LINES	D304	K_rbdsl_d	1,400,638	1,400,638	0
38	TRANSFORMERS DEMAND RELATED	D106	K_rbdlt_d	175,770	175,770	0
39	TRANSFORMERS CUSTOMER RELATED	D107	K_rbdlt_c	6,724	0	6,724
40	METERS	D308	K_rbdssl_c	642,204	0	642,204
41	STREET LIGHTS & TRAFFIC SIGNALS	D310	K_distnet	0	0	0
42	OTHER OPERATION	D312	K_distnet	3,908,848	3,685,330	221,518
43	OTHER MAINTENANCE	D314	K_distnet	871,500	822,086	49,414
44	FUTURE USE	D316	K_distnet	0	0	0
45	SERV CO ALLOC - DISTRIBUTION	D318	K_distnet	(4,532)	(4,275)	(257)
				17,205,397	16,285,794	919,603

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2b
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 11 OF 23

LINE NO.	O&M EXPENSES	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>CUSTOMER ACCOUNTING</u>					
2	CUSTOMER ACCOUNTING EXPENSE	C300	K_Ca_O&M	640,575	0	640,575
3	UNCOLLECTIBLE EXPENSE	C302	K_Ca_O&M	1,721,941	0	1,721,941
4	CUSTOMER SERVICE DEPOSITS - RETAIL	C304	K_Ca_O&M	47,127	0	47,127
5	CUSTOMER SERVICE DEPOSITS - TRANS	C306	K_Ca_O&M	0	0	0
6	ANNUALIZE UNCOLLECTIBLE ACCOUNT EXP	C308	K_Ca_O&M	(1,983,351)	0	(1,983,351)
7	UNCOLLECTIBLE ACCT EXP DUE TO INCR DIST	C310	K_Ca_O&M	0	0	0
8	AMORTIZE BAD DEBT MORATORIUM	C312	K_Ca_O&M	(25,173)	0	(25,173)
9	SALE OF ACCOUNTS RECEIVABLE FEES - ELEC.	C313	K_Ca_O&M	2,186,277	0	2,186,277
10	ELIMINATE NON JURIS. EXPENSE	C314	K_Ca_O&M	0	0	0
11	ELIMINATE OET EXPENSE	C316	K_Ca_O&M	0	0	0
12	<u>TOTAL CUSTOMER ACCT EXPENSE</u>	C317		2,587,396	0	2,587,396
13						
14	<u>CUSTOMER SERVICE & INFORMATION</u>					
15	CUSTOMER ASSISTANCE	C320	K_Csi_O&M	69,817	0	69,817
16	INFORMATION & INSTRUCTIONAL ADV	C322	K_Csi_O&M	100	0	100
17	MISC CUST SERVICE & INFORMATION	C324	K_Csi_O&M	130,261	0	130,261
18	ELIMINATE NON JURIS EXPENSE	C326	K_Csi_O&M	(1,379)	0	(1,379)
19	SERV CO ALLOC CUST SERV & INFORM	C331	K_Csi_O&M	(121)	0	(121)
20	<u>TOTAL CUSTOMER SERV. & INFO.</u>			198,678	0	198,678
21						
22	<u>SALES</u>	S300	K_Sales_O&M	277	0	277
23	MARKETING OPERATIONS	S302	K_Sales_O&M	0	0	0
24	OTHER SALES EXPENSE	S304	K_Sales_O&M	0	0	0
25	SERV CO ALLOC SALES	S306	K_Sales_O&M	0	0	0
26	<u>ELIMINATE VARIOUS EXPENSES</u>	S317		277	0	277
27	<u>TOTAL SALES EXPENSE</u>					
28						
29	SUBTOTAL O&M EXCL. A&G			19,991,748	18,285,794	3,705,954

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2b
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 12 OF 23

LINE NO	O&M EXPENSES	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>ADMINISTRATIVE & GENERAL & OTHER EXP</u>					
2	A&G EXPENSE EXCL. REGULATORY EXP					
3	PRODUCTION-DEMAND RELATED	A300	K_Non_Dist	0	0	0
4	PRODUCTION-ENERGY RELATED	A302	K_Non_Dist	0	0	0
5	TRANSMISSION	A304	K_Non_Dist	0	0	0
6	DISTRIBUTION	A308	K_distO&M	20,917,796	19,799,740	1,118,056
7	CUSTOMER ACCTG	A308	K_Ca_O&M	2,278,925	0	2,278,925
8	CUST SERVICE & INFO	A310	K_Cst_O&M	140,085	0	140,085
9	SALES	A312	K_Sales_O&M	1,544	0	1,544
10	A&G EXPENSE EXCL. REGULATORY EXP	A314	K_A&GexReg	23,338,350	19,799,740	3,538,610
11	HARTWELL ELIMINATION	A318	K_A&GexReg	(8,646)	(7,505)	(1,341)
12	ANNUALIZE WAGES	A320	K_A&GexReg	(1,454,606)	(1,234,059)	(220,547)
13	RATE CASE EXPENSE - ADJ	A322	K_EPIS	(24,009)	(22,549)	(1,460)
14	REGULATORY EXPENSE - FERC	A324	K_Non_Dist	0	0	0
15	REGULATORY EXPENSE -STATE	A326	K_EPIS	357,030	335,323	21,707
16	REG ASSET AMORTIZATION - TOWERS	A328	K_DistA&G	(353,467)	(334,574)	(18,893)
17	MERGER SAVINGS ADJUSTMENT	A329	K_EPIS	2,522,563	2,369,191	153,372
18	FUTURE USE	A330	K_DistA&G	0	0	0
19	FUTURE USE	A332	K_A&GexReg	0	0	0
20	FUTURE USE	A334	K_EPIS	0	0	0
21	FUTURE USE	A336	K_A&GexReg	0	0	0
22	ELIMINATE NON-PUCO JURIS EXP	A348	K_DistA&G	(17,579)	(16,639)	(940)
23	EEI EXPENSE ADJUSTMENT	A348	K_A&GexReg	(21,258)	(18,035)	(3,223)
24	SERV CO ALLOC	A350	K_A&GexReg	(17,154)	(14,553)	(2,601)
25	FUTURE USE	A352	K_A&GexReg	0	0	0
26	ANNUALIZE PENSION & BENEFIT EXP	A354	K_A&GexReg	(1,035,006)	(878,078)	(156,928)
27	PUCO & OCC MAINTENANCE ASSESSMENTS	A356	K_EPIS	(33,031)	(31,023)	(2,008)
28	OTHER	A356	K_EPIS	0	0	0
29	<u>TOTAL ADMIN. & GENERAL</u>	A357		23,252,987	19,847,239	3,305,748
30						
31	TOTAL O & M EXPENSE	OM31		43,244,735	36,233,033	7,011,702

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2b
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 13 OF 23

LINE NO.	DEPRECIATION EXPENSE	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION DEPRECIATION</u>					
2	PRODUCTION DEPRECIATION	P460	K_Non_Dist	0	0	0
3	ANNUALIZATION ADJUSTMENT	P462	K_Non_Dist	0	0	0
4	TOTAL PRODUCTION DEPREC EXP.	P481		0	0	0
5						
6	<u>TRANSMISSION DEPRECIATION</u>					
7	TRANSMISSION DEPRECIATION	T460	K_Non_Dist	0	0	0
8	ANNUALIZATION ADJUSTMENT	T462	K_Non_Dist	0	0	0
9	TOTAL TRANSMISSION DEP. EXP.	T481		0	0	0
10						
11	<u>DISTRIBUTION DEPRECIATION</u>					
12	DISTRIBUTION DEPRECIATION	D460	K_distnet	12,253,546	11,558,770	694,776
13	ANNUALIZATION ADJUSTMENT	D462	K_distnet	1,831,831	1,727,966	103,865
14	TOTAL DIST. DEPREC EXP.	D481		14,085,377	13,286,736	798,641
15						
16	<u>GENERAL DEPRECIATION</u>					
17	GENERAL DEPRECIATION	G460	K_gennet	528,124	448,050	80,074
18	ANNUALIZATION ADJUSTMENT	G462	K_gennet	279,370	237,012	42,358
19	TOTAL GENERAL DEPREC EXP.	G481		807,494	685,062	122,432
20						
21	<u>COMMON AND OTHER DEPRECIATION</u>					
22	COMMON DEPRECIATION	C460	K_comnet	782,819	664,128	118,691
23	ANNUALIZATION ADJUSTMENT	C462	K_comnet	377,822	320,537	57,285
24	TOTAL COM & OTHER DEPREC EXP.	C481		1,160,641	984,665	175,976
25						
26						
27	TOTAL DEPRECIATION EXPENSE	DE41		16,053,512	14,956,463	1,097,049

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2b
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 14 OF 23

LINE NO.	TAXES OTHER THAN INC & REV	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>REAL ESTATE & PROPERTY TAX</u>					
2	PRODUCTION - DEMAND RELATED	L500	K_Non_Dist	0	0	0
3	PRODUCTION - ENERGY RELATED	L502	K_Non_Dist	0	0	0
4	TRANSMISSION	L504	K_Non_Dist	0	0	0
5	DISTRIBUTION	L506	K_distnet	18,809,829	17,554,463	1,055,166
6	OTHER	L508	K_comgenet	41,114	34,880	6,234
7	TAXABLE PLANT		K_Tax_prop	18,650,743	17,589,343	1,061,400
8	ANNUALIZED PROPERTY TAX ADJUSTMENT - DIST.	L510	K_distnet	(205,085)	(193,457)	(11,628)
9	ELIMINATE PROPERTY TAX - HARTWELL	L511	K_gennet	(3)	(3)	0
10	ANNUALIZED PROPERTY TAX ADJUSTMENT - GENERAL	L512	K_gennet	14,064	11,932	2,132
11	<u>TOTAL REAL EST & PROP TAX</u>	L521		18,459,719	17,407,815	1,051,904
12						
13	<u>MISCELLANEOUS TAXES</u>					
14	FUTURE USE	L560	K_EPIS	0	0	0
15	HIGHWAY USE TAX	L562	K_A&GexReg	7,265	6,163	1,102
16	SERVICE CO ALLOC	L564	K_A&GexReg	(1,167)	(990)	(177)
17	COMMERCIAL ACTIVITIES TAX	L566	K_A&GexReg	268,051	227,409	40,642
18	PAYROLL TAXES	L568	K_A&GexReg	1,199,877	1,017,952	181,925
19	ANNUALIZE FICA & UNEMPLOYMENT TAXES ADJ	L570	K_EPIS	(234,115)	(219,881)	(14,234)
20	CINCINNATI FRANCHISE TAX	L572	K_EPIS	162,456	152,579	9,877
21	SALES & USE TAX	L576	K_A&GexReg	14,520	12,318	2,202
22	<u>TOTAL MISCELLANEOUS TAXES</u>	L581		1,416,887	1,195,550	221,337
23						
24	<u>MISCELLANEOUS EXPENSES</u>					
25	UNCOLLECTIBLE ACCT EXP DUE TO INCR	L582	K_Ca_O&M	124,028	0	124,028
26	CAT & FRANCHISE DUE TO INCR	L583	K_EPIS	75,647	71,048	4,599
27	PUCO & OCC MAINT. ASSESS. - NON DIST	L584	K_EPIS	38,801	34,563	2,238
28	<u>TOTAL MISCELLANEOUS EXPENSES</u>	L589		238,474	105,611	130,863
29						
30	<u>TOTAL OTHER TAX & MISC EXPENSE</u>			20,113,080	18,708,976	1,404,104
31						
32	<u>PRELIMINARY SUMMARY</u>					
33	TOTAL O&M EXPENSE	QM31		43,244,735	38,233,033	7,011,702
34	TOTAL DEPRECIATION EXPENSE	DE41		16,053,512	14,956,463	1,097,049
35	TOTAL OTHER TAX & MISC EXPENSE	L591		20,113,080	18,708,976	1,404,104
36	<u>TOTAL OP EXP EXC IT & REV TAX</u>	OP61		79,411,327	69,898,472	9,512,855

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2b
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 15 OF 23

LINE NO.	FEDERAL INCOME TAX - NET DEDUCTIONS AND ADDITIONS	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>FEDERAL INCOME TAX DEDUCTIONS</u>					
2	AUTOMATIC INTEREST CALCULATION					
3	AUTO PROC INTEREST DED	Y751	K_EPIS	8,719,705	8,189,547	530,158
4	TOTAL INTEREST EXPENSE	Y783		8,719,705	8,189,547	530,158
5						
6	<u>OTHER DEDUCTIONS</u>					
7	DEPREC EXCESS TAX-BOOK	Y790	K_EPIS	1,204,636	1,131,394	73,242
8	TEMPORARY DIFFERENCES	Y792	K_A&GasReg	(4,060,977)	(3,445,252)	(615,725)
9	PERMANENT DIFFERENCES	Y794	K_EPIS	(52,052)	(48,887)	(3,165)
10	TOTAL OTHER DEDUCTIONS	Y861		(2,908,393)	(2,362,745)	(545,648)
11						
12	NET DEDUCTIONS AND ADDITIONS	Y871		5,811,312	5,826,802	(15,490)

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AJR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2b
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 16 OF 23

LINE NO.	FEDERAL INCOME TAX ADJUSTMENTS	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>FED PROV DEF INC TAX (410 & 411)</u>					
2	DEFERRED INCOME TAX ON DEPRECIATION	Z762	K_distnet	447,058	421,710	25,348
3	OTHER DEFERRED INCOME TAXES - NET	Z763	K_distnet	(1,421,342)	(1,340,752)	(80,590)
4	DEFERRED INCOME TAX ADJUSTMENT - ARAM	Z764	K_distnet	(212,087)	(200,062)	(12,025)
5	DEFERRED INCOME TAX ADJUSTMENT - FLOW-THROUGH	Z765	K_distnet	683,048	644,317	38,729
6	<u>TOTAL FED PROV DEF IT (410 & 411)</u>	Z783		(503,325)	(474,787)	(28,538)
7						
8	<u>AMORTIZED INV TAX CREDIT</u>					
9	AMORTIZE ITC	Z811	K_distnet	263,395	248,461	14,934
10	AMORTIZE ITC ADJUSTMENT	Z812	K_distnet	0	0	0
11	<u>TOTAL AMORTIZED ITC</u>	Z813		263,395	248,461	14,934
12						
13	TEST YEAR INVESTMENT TAX CREDIT		K_distnet	0	0	0
14	TEST YEAR INVESTMENT TAX CREDIT	Z823		0	0	0
15						
16	<u>PRELIMINARY SUMMARY</u>					
17	TOTAL FED PROV DEF IT (410 & 411)	Z783		(503,325)	(474,787)	(28,538)
18	TOTAL AMORTIZED ITC	Z813		(263,395)	(248,461)	(14,934)
19	<u>TOTAL FEDERAL TAX ADJUSTMENTS</u>	Z863		(766,720)	(723,248)	(43,472)

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2b
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 17 OF 23

LINE NO.	FEDERAL INCOME TAX COMPUTATION	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	RETURN ON RATE BASE	R751		28,977,938	27,195,709	1,782,230
2	NET DEDUCTIONS AND ADDITIONS	Y871		(5,811,312)	(5,826,802)	15,490
3	TOTAL FEDERAL TAX ADJUSTMENTS	Z863		(766,720)	(723,248)	(43,472)
4	TOTAL STATE INC TAX ADJUSTMENT	Z945		0	0	0
5	TOTAL STATE PROV DEF IT (410 & 411)	Z933		0	0	0
6	BASE FOR FIT COMPUATION	I865		22,399,906	20,645,659	1,754,248
7						
8	FIT FACTOR K190/(1-K190)	I867		0.53846	0.53846	0.53846
9	PRELIM FED INCOME TAX	I869		12,061,488	11,116,893	944,595
10	TOTAL FEDERAL TAX ADJUSTMENTS	Z863		(766,720)	(723,248)	(43,472)
11	NET FED INCOME TAX ALLOWABLE	I879		11,294,768	10,393,645	901,123
12						
13	INCOME TAX BASED ON RETURN					
14	FEDERAL INCOME TAX PAYABLE					
15	PRELIM FEDERAL INCOME TAX	I869		12,061,488	11,116,893	944,595
16	OTHER	Z823		0	0	0
17	NET FED INCOME TAX PAYABLE	I889		12,061,488	11,116,893	944,595

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AMR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2b
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 18 OF 23

LINE NO.	STATE INCOME TAX	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	DEDUCTIONS IN ADDITION TO Y871					
2	UNALLOWABLE DEPRECIATION	Y890	K_EPIS	986,842	926,842	60,000
3	OHIO TAXABLE INCOME ADJ - OH FRANCHISE	Y892	K_EPIS	270,111	253,688	16,423
4	DEDUCTIONS IN ADD TO Y871	Y911		1,256,953	1,180,530	76,423
5						
6	STATE INCOME TAX ADJUSTMENTS					
7	STATE PROV DEF INC TAX (410 & 411)					
8	TOT STATE PROV DEF IT (410 & 411)	Z907		0	0	0

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2b
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 19 OF 23

LINE NO.	OTHER SIT ADJUSTMENTS	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	CURRENT YEAR PAYABLE ADJUSTMENT	Z941	K_EPIS	0	0	0
2	OTHER SIT ADJUSTMENTS	Z942		0	0	0
3						
4	TOTAL STATE INC TAX ADJUSTMENT	Z945		0	0	0
5						
6	INCOME TAX BASED ON RETURN					
7	SUMMARY OF SIT CALCULATION					
8	RETURN ON RATE BASE	R751		28,977,938	27,195,709	1,782,230
9	NET FED INCOME TAX ALLOWABLE	I879		11,294,768	10,393,645	901,123
10	NET FED. DED. AND ADDITIONS	Y871		(5,811,312)	(5,826,802)	15,490
11	DEDUCTIONS IN ADD TO Y871	Y911		(1,258,953)	(1,180,530)	(76,423)
12	TOTAL STATE INC TAX ADJ	Z957		0	0	0
13	BASE FOR SIT COMPUTATION	J965		33,204,441	30,582,022	2,622,420
14						
15	SIT FACTOR K192/(1-K192)	J967		0.00371374	0.00371374	0.00371374
16	PRELIMINARY STATE INCOME TAX	J969		123,313	113,574	9,739
17	TOTAL STATE INCOME TAX ADJ.	Z957		0	0	0
18	NET STATE INC TAX ALLOWABLE	J979		123,313	113,574	9,739
19						
20	STATE INCOME TAX PAYABLE					
21	PRELIMINARY STATE INCOME TAX	J969		123,313	113,574	9,739
22	OTHER SIT ADJUSTMENTS	Z955		0	0	0
23	NET STATE INCOME TAX PAYABLE	J989		123,313	113,574	9,739
24						
25	COMPOSITE TAX RATE	CTAX		0.3524050	0.3524050	0.3524050

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2b
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 20 OF 23

LINE NO.	COST OF SERVICE COMPUTATION	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>OTHER OPERATING REVENUES</u>					
2	INTERDEPARTMENTAL	Q000	K_EPIS	28,670	26,927	1,743
3	SPECIAL CONTRACTS	Q002	K_EPIS	3,184	2,990	194
4	MISCELLANEOUS	Q004	K_EPIS	249,456	234,289	15,167
5	RECONNECTION CHARGES & CUSTOMER DIVERSION	Q008	K_A&GexReg	13,270	11,258	2,012
6	BAD CHECK CHARGES	Q008	K_A&GexReg	5,423	4,601	822
7	POLE CONTACT RENTALS	Q010	K_A&GexReg	458,748	389,193	69,555
8	RENT ELECTRIC PROPERTIES - DISTR	Q012	K_EPIS	863,759	811,242	52,517
9	RENT ELECTRIC PROPERTIES	Q014	K_EPIS	0	0	0
10	OTHER ELECTRIC REVENUES - DIST	Q016	K_EPIS	0	0	0
11	OTHER ELECTRIC REVENUES - OTHER PUB UTILITIES	Q018	K_EPIS	0	0	0
12	<u>OTHER ELECTRIC REVENUES - OTHER</u>	Q020	K_EPIS	306,262	287,641	18,621
13	<u>TOTAL OTHER OPERATING REVS</u>	Q027		1,928,772	1,768,141	160,631
14						
15	<u>COST OF SERVICE COMPUTATION</u>					
16	TOTAL OP EXP EXC INC & REV TAX	OP61		79,411,327	69,898,472	9,512,855
17	RETURN ON RATE BASE	R751		28,977,938	27,195,709	1,782,230
18	NET FED INCOME TAX ALLOWABLE	I879		11,294,768	10,393,845	901,123
19	NET STATE INCOME TAX ALLOWABLE	J979		123,313	113,574	9,739
20	<u>TOTAL OTHER OPERATING REVENUES</u>	Q027		(1,928,772)	(1,768,141)	(160,631)
21	<u>SUBTOTAL B</u>	CS03		117,878,574	105,833,259	12,045,316
22						
23	<u>TOTAL OTHER OPERATING REVENUES</u>	Q027		1,928,772	1,768,141	160,631
24	<u>LESS: REVS EXCL FROM REV TAX CALC</u>	REXC		0	0	0
25	<u>OTHER OPERATING REVS TO BE TAXED</u>	OORT		1,928,772	1,768,141	160,631
26						
27	<u>REVENUE TAX FACTOR</u>	L030		0.00000	0.00000	0.00000
28	REVENUE TAX ON OTHER OPERATING REVS	L031		0	0	0
29	REVENUE TAX ON COST OF SERVICE	L032		0	0	0
30	<u>TOTAL REVENUE TAX</u>	L033		0	0	0
31	<u>TOTAL EL. COST OF SERVICE</u>	CS05		117,878,574	105,833,259	12,045,316
32						
33	<u>PROPOSED REVENUES</u>	R802		117,878,702	108,370,512	9,508,190
34	<u>TOTAL ELECTRIC COST OF SERVICE</u>	CS05		(117,878,574)	(105,833,259)	(12,045,316)
35	DIFFERENCE	XREV		128	2,537,253	(2,537,126)
36	TIMES COMPOSITE TAX RATE	CTAX		0.352405000	0.352405000	0.352405000
37	EXCESS TAX	XTAX		45	894,141	(894,096)
38	EXCESS RETURN	XRET		83	1,643,112	(1,643,030)

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2b
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 21 OF 23

LINE NO.	ROR, TAX RATES & SPEC FACTORS	ITEM	ALLO	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	RATE OF RETURN					
2						
3	CAPITALIZATION AMOUNTS			<u>Total Company</u>	<u>Ratio</u>	
4	LONG TERM DEBT	K100		1,787,741,777	0.4172	
5	PREFERRED STOCK	K102		0	0.0000	
6	COMMON STOCK	K104		2,497,378,912	0.5828	
7	SHORT TERM DEBT	K106		0	0.0000	
8	UNAMORTIZED DISCOUNT	K108		0	0.0000	
9	TOTAL	K115		4,285,120,689	1.0000	
10						
11	COST OF CAPITAL					
12	LONG TERM DEBT	K120		0.0645000		
13	PREFERRED STOCK	K122		0.0000000		
14	COMMON STOCK	K124		0.1100000		
15	SHORT TERM DEBT	K126		0.0000000		
16	UNAMORTIZED DISCOUNT	K128		0.0000000		
17						
18	WEIGHTED COST OF CAPITAL					
19	LONG TERM DEBT	K141		0.0269000		
20	PREFERRED STOCK	K143		0.0000000		
21	COMMON STOCK	K145		0.0641000		
22	SHORT TERM DEBT	K147		0.0000000		
23	UNAMORTIZED DISCOUNT	K149		0.0000000		
24	TOT RATE OF RETURN ALLOWABLE	RORA		0.09100000		
25						
26	TAX RATES AND SPECIAL FACTORS					
27	SHORT TERM DEBT COST	K180		0.0000000	0.00000	0.00000
28	FEDERAL INCOME TAX RATE	K190		0.3500000	0.35000	0.35000
29	STATE INCOME TAX RATE	K192		0.0037000	0.00370	0.00370
30	REVENUE TAX RATE	K196		0.0000000	0.00000	0.00000
31						
32						
33	PRESENT REVENUES	R600	K_OCDRB	82,512,029	77,437,539	5,074,490
34	PROPOSED REVENUES	R602	0	117,878,702	108,370,512	9,508,190
35	PRESENT NOI			6,074,740		
36	GROSS REVENUE AT AVERAGE ROR (PRESENT NOI DIVIDED BY RATE BASE)			90,047,903		
37	(SUBSIDY) EXCESS			(7,535,874)		
38	REDUCTION IN (SUBSIDY) EXCESS			(7,535,874)		
39	RATE INCREASE		0	35,366,673	30,932,973	4,433,700
40	TAX COMPLEMENT					
41						
42	REVENUE NOT TO BE INCLUDED IN REVENUE TAX CALCULATION					
43	MISCELLANEOUS		K_OCDRB	0	0	0
44	TOTAL	REXC		0	0	0

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2b
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 22 OF 23

LINE NO.		ALLOC	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	Substations	K_rbdsl_d	0	1.00000	0.00000
2	Poles Towers Fixtures	K_rbdpl_d	0	1.00000	0.00000
3	Conductors	K_rbdsl_d	0	1.00000	0.00000
4	Line Transformers - Demand	K_rbdlt_d	0	1.00000	0.00000
5	Line Transformers - Customer	K_rbdlt_c	0	0.00000	1.00000
6	Services	K_rbdslvc_c	0	0.00000	1.00000
7	Meters	K_rbdm_s	0	0.00000	1.00000
8	Customer Premises	K_rbdsl_c	0	0.00000	1.00000
9	Street Lights	K_rbdsl_c	0	0.00000	1.00000
10	Customer Accounts	K_exca_c	0	0.00000	1.00000
11	Cust Sales & Info	K_excl_c	0	0.00000	1.00000
12	Sales	K_exsale_c	0	0.00000	1.00000
13	Customer Accounting O&M	K_Ca_O&M	0	0.00000	1.00000
14	Customer Service & Informational	K_Csl_O&M	0	0.00000	1.00000
15	Sales	K_Sales_O&M	0	0.00000	1.00000
16	Non-Distribution	K_Non_Dist	0	0.00000	0.00000
17					
18			528,839,454	499,464,387	29,175,087
19	Distribution Plant excl CCNC-OC	K_dccnc	1.00000	0.94491	0.05519
20					
21			500,560,047	526,545,082	34,014,965
22	Gross Plant-OC	K_GrossPlt	1.00000	0.93932	0.06068
23					
24			528,839,454	499,464,387	29,175,087
25	Distribution Plant-OC	K_dislpt	1.00000	0.94491	0.05519
26					
27			359,098,574	338,736,117	20,362,457
28	Distribution Plant-Net (OC-Depr)	K_distnet	1.00000	0.94330	0.05670
29					
30			5,849,186	4,962,308	886,880
31	General Plant-Net	K_gennet	1.00000	0.84838	0.15162
32					
33			375,306,512	352,486,558	22,819,954
34	Net Electric Plant In Service	K_EPIS	1.00000	0.93920	0.06080
35					
36			10,358,752	8,788,135	1,570,617
37	Common Plant-net	K_comnet	1.00000	0.84838	0.15162
38					
39			18,207,938	13,750,441	2,457,497
40	Common & General Plant-net	K_comgennet	1.00000	0.84838	0.15162
41					
42			318,438,882	298,853,941	19,584,941
43	Total OCD Rate Base	K_OCDRB	1.00000	0.93850	0.06150
44					
45			23,252,967	19,947,239	3,305,728
46	A&G	K_A&G	1.00000	0.85784	0.14216
47					
48			23,338,350	19,799,740	3,538,610
49	A&G (ex rag exp)	K_A&GaxReg	1.00000	0.94838	0.15162

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2b
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 23 OF 23

LINE NO.		ALLOC	TOTAL DS	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1			20,917,798	19,798,740	1,119,058
2	Dist A&G (ex reg exp)	K_DistA&G	1.00000	0.94655	0.05345
3					
4			2,278,925	0	2,278,925
5	Customer Accounts A&G (ex reg exp)	K_Ca_A&G	1.00000	0.00000	1.00000
6					
7			140,085	0	140,085
8	Cust Service & Informational A&G (ex reg exp)	K_Csl_A&G	1.00000	0.00000	1.00000
9					
10			1,544	0	1,544
11	Sales A&G (ex reg exp)	K_Sales_A&G	1.00000	0.00000	1.00000
12					
13			13,564,489	12,670,948	893,541
14	Nonadjusted Depreciation Expense	K_NoadjDepEx	1.00000	0.93413	0.06587
15					
16			19,991,749	18,285,794	3,705,954
17	O&M (no A&G)	K_O&M	1.00000	0.81483	0.18517
18					
19			17,205,397	16,285,794	919,603
20	Dist O&M	K_distO&M	1.00000	0.94655	0.05345
21					
22			43,244,735	36,233,033	7,011,702
23	AutoCalc Wkg Capital (incl A&G)	K_O&MxFuel	1.00000	0.83786	0.16214
24					
25			22,389,906	20,645,659	1,754,248
26	Base for FIT Computation	K_FIT_base	1.00000	0.82189	0.07811
27					
28			18,650,743	17,589,343	1,061,400
29	Tax Property	K_Tax_prop	1.00000	0.94309	0.05691

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2c
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 1 OF 23

LINE NO.	SUMMARY OF RESULTS	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
				2	3	4
1	NET INCOME COMPUTATION					
2	GROSS ELECTRIC PLANT IN SERVICE	GP11		\$7,846,850	\$6,914,154	\$932,696
3	TOTAL DEPRECIATION RESERVE	DR11		(2,620,139)	(2,319,374)	(300,765)
4	TOTAL RATE BASE ADJUSTMENTS	RB71		(797,830)	(705,040)	(92,790)
5	TOTAL RATE BASE	RB91		4,428,881	3,889,740	539,141
6						
7	OPERATING EXPENSES					
8	TOTAL O&M EXPENSE	OM31		577,271	434,247	143,024
9	TOTAL DEPRECIATION EXPENSE	DE41		222,841	193,884	28,957
10	TOTAL OTHER TAX & MISC EXPENSE	L591		279,392	243,148	36,244
11	TOTAL OP EXP EXC INC & R TAX	OP61		1,079,504	871,279	208,225
12	NET FED INCOME TAX ALLOWABLE	I879		156,846	134,323	22,522
13	NET STATE INCOME TAX ALLOWABLE	J979		1,703	1,460	243
14	TOTAL REVENUE TAX	L033		0	0	0
15	TOTAL OPERATING EXPENSE	OPEX		1,238,053	1,007,062	230,990
16						
17	RETURN ON RATE BASE	R751		403,028	353,966	49,062
18	TOTAL OTHER OPERATING REVENUES			(26,659)	(22,704)	(3,955)
19	TOTAL ELECTRIC COST OF SERVICE	CS05		1,614,422	1,338,324	276,097
20						
22	PROPOSED REVENUES	R602		1,614,420	1,455,780	158,640
23	DIFFERENCE (REQUESTED LESS PROPOSED)	XREV		(2)	117,456	(117,457)
24						
25	TOTAL RETURN EARNED	RETE		403,027	430,030	(27,003)
26	RATE OF RETURN EARNED	RORE		0.090999736	0.110554947	(0.050085228)
27	TOTAL RATE OF RETURN ALLOWABLE	RORA			0.09100	0.09100
28	RETURN EARNED ON COMMON EQUITY	REOE		0.10999	0.14354	(0.13209)
29	ALLOWED RETURN ON COMMON EQUITY	AROE		0.10999	0.10999	0.10999
30						
31	PRESENT REVENUES					
32	PRESENT REVENUES	R600		1,063,549	934,083	129,466
33	REVENUE INCREASE JUSTIFIED	RJJD		550,873	404,241	146,631
34	REVENUE INCREASE REQUESTED	RIRD		550,871	521,697	29,174

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2c
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 2 OF 23

LINE NO.	GROSS ELECTRIC PLANT IN SERVICE	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION - STEAM	P100	K_Non_Dist	0	0	0
3	PRODUCTION - OTHER	P106	K_Non_Dist	0	0	0
4	PRODUCTION PLANT IN SERVICE	P121		0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	MAIN STEP-UP TRANSFORMERS	T100	K_Non_Dist	0	0	0
8	OTHER TRANSMISSION	T102	K_Non_Dist	0	0	0
9	TRANSMISSION PLANT IN SERVICE	T121		0	0	0
10						
11	TOTAL PROD & TRANS PLANT	PT21		0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	SUBSTATIONS	D100	K_rbdsl_d	1,114,044	1,114,044	0
15	POLES, TOWERS & FIXTURES	D102	K_rbdpl_d	1,426,274	1,426,274	0
16	CONDUCTORS	D104	K_rbdsl_d	2,692,933	2,692,933	0
17	TRANSFORMERS DEMAND RELATED	D106	K_rbdlt_d	1,355,238	1,355,238	0
18	TRANSFORMERS CUSTOMER RELATED	D107	K_rbdlt_c	74,876	0	74,876
19	SERVICES	D108	K_rbdslvc_c	81,192	0	81,192
20	METERS	D110	K_rbdm_s	676,670	0	676,670
21	CUSTOMER PREM.	D112	K_rbdsl_c	221	0	221
22	STREET LIGHTS	D114	K_rbdssl_c	0	0	0
23	CCNC	D116	K_dcnc	0	0	0
24	DISTRIBUTION PLANT IN SERVICE	D141		7,421,448	6,588,489	832,959
25						
26	TOTAL TRANS & DIST PLANT	TD21		7,421,448	6,588,489	832,959
27	TOTAL GROSS PTD PLANT	PD21		7,421,448	6,588,489	832,959
28						
29	<u>GENERAL & INTANGIBLE PLANT</u>					
30	PRODUCTION-DEMAND RELATED	G100	K_Non_Dist	0	0	0
31	PRODUCTION-ENERGY RELATED	G102	K_Non_Dist	0	0	0
32	TRANSMISSION	G104	K_Non_Dist	0	0	0
33	DISTRIBUTION	G106	K_DistA&G	145,674	129,023	16,651
34	CUSTOMER ACCTG	G108	K_Ca_A&G	20,682	0	20,682
35	CUST SERVICE & INFO	G110	K_Csi_A&G	2,172	0	2,172
36	SALES	G112	K_Sales_A&G	10	0	10
37	GEN & INTANG PLANT IN SERVICE	G121		168,538	129,023	39,515
38						
39	<u>COMMON & OTHER PLANT</u>					
40	PRODUCTION-DEMAND RELATED	C100	K_Non_Dist	0	0	0
41	PRODUCTION-ENERGY RELATED	C102	K_Non_Dist	0	0	0
42	TRANSMISSION	C104	K_Non_Dist	0	0	0
43	DISTRIBUTION	C106	K_DistA&G	222,019	196,642	25,377
44	CUSTOMER ACCTG	C108	K_Ca_A&G	31,521	0	31,521
45	CUST SERVICE & INFO	C110	K_Csi_A&G	3,310	0	3,310
46	SALES	C112	K_Sales_A&G	14	0	14
47	COMMON & OTHER PLT IN SERVICE	C121		256,864	196,642	60,222
48						
49	GROSS ELECTRIC PLANT IN SERVICE	GP11		7,846,850	6,914,154	932,696

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2c
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 3 OF 23

LINE NO.	DEPRECIATION RESERVE	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION - STEAM	P150	K_Non_Dist	0	0	0
3	PRODUCTION - OTHER	P152	K_Non_Dist	0	0	0
4	TOTAL PROD DEPREC RESERVE	P171		0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	MAIN STEP-UP TRANSFORMERS	T150	K_Non_Dist	0	0	0
8	OTHER TRANSMISSION	T152	K_Non_Dist	0	0	0
9	TOTAL TRANS DEPREC RESERVE	T171		0	0	0
10						
11	TOTAL PROD & TRANS DEPREC RESERVE			0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	SUBSTATIONS	D150	K_rbdsl_d	411,754	411,754	0
15	POLES, TOWERS & FIXTURES	D152	K_rbdpl_d	459,119	459,119	0
16	CONDUCTORS	D154	K_rbdsl_d	802,201	802,201	0
17	TRANSFORMERS DEMAND RELATED	D106	K_rbdlt_d	549,613	549,613	0
18	TRANSFORMERS CUSTOMER RELATED	D107	K_rbdlt_c	30,366	0	30,366
19	SERVICES	D158	K_rbdslvc_c	56,966	0	56,966
20	METERS	D160	K_rbdm_s	172,536	0	172,536
21	CUSTOMER PREM.	D162	K_rbdsl_c	(151)	0	(151)
22	STREET LIGHTS	D164	K_rbdsl_c	0	0	0
23	RWIP	D166	K_dccnc	(71,664)	(63,620)	(8,044)
24	TOTAL DIST DEPREC RESERVE	D191		2,410,740	2,159,067	251,673
25						
26	TOTAL TRANS & DIST DEPREC RESERVE			2,410,740	2,159,067	251,673
27	TOTAL GROSS PTD PLANT DEPREC RESERVE			2,410,740	2,159,067	251,673
28						
29	<u>GENERAL & INTANGIBLE PLANT</u>					
30	PRODUCTION-DEMAND RELATED	G150	K_Non_Dist	0	0	0
31	PRODUCTION-ENERGY RELATED	G152	K_Non_Dist	0	0	0
32	TRANSMISSION	G154	K_Non_Dist	0	0	0
33	DISTRIBUTION	G156	K_DistA&G	78,298	69,349	8,949
34	CUSTOMER ACCTG	G158	K_Ca_A&G	11,116	0	11,116
35	CUST SERVICE & INFO	G160	K_Csi_A&G	1,167	0	1,167
36	SALES	G162	K_Sales_A&G	5	0	5
37	TOTAL GEN DEPREC RESERVE	G171		90,586	69,349	21,237
38						
39	<u>COMMON & OTHER PLANT</u>					
40	PRODUCTION-DEMAND RELATED	C150	K_Non_Dist	0	0	0
41	PRODUCTION-ENERGY RELATED	C152	K_Non_Dist	0	0	0
42	TRANSMISSION	C154	K_Non_Dist	0	0	0
43	DISTRIBUTION	C156	K_DistA&G	102,696	90,958	11,738
44	CUSTOMER ACCTG	C158	K_Ca_A&G	14,580	0	14,580
45	CUST SERVICE & INFO	C160	K_Csi_A&G	1,531	0	1,531
46	SALES	C162	K_Sales_A&G	6	0	6
47	TOTAL COM & OTHER PLT RESERVE	C171		118,813	90,958	27,855
48						
49	TOTAL DEPRECIATION RESERVE	DR11		2,620,139	2,319,374	300,765

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
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SCHEDULE E-3.2c
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 4 OF 23

LINE NO.	NET ELECTRIC PLANT IN SERVICE	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION - STEAM			0	0	0
3	PRODUCTION - OTHER			0	0	0
4	TOTAL PROD			0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	MAIN STEP-UP TRANSFORMERS			0	0	0
8	OTHER TRANSMISSION			0	0	0
9	TOTAL TRANSMISSION			0	0	0
10						
11	NET PROD & TRANS PLANT			0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	SUBSTATIONS			702,290	702,290	0
15	POLES, TOWERS AND FIXTURES			967,155	967,155	0
16	CONDUCTORS			1,890,732	1,890,732	0
17	TRANSFORMERS DEMAND RELATED			805,625	805,625	0
18	TRANSFORMERS CUSTOMER RELATED			44,510		44,510
19	SERVICES			24,226	0	24,226
20	METERS			504,134	0	504,134
21	CUSTOMER PREM.			372	0	372
22	STREET LIGHTS			0	0	0
23	CCNC/RWIP			71,664	63,620	8,044
24	TOTAL DIST			5,010,708	4,429,422	581,286
25						
26	NET TRANS & DIST PLANT			5,010,708	4,429,422	581,286
27	NET PTD PLANT			5,010,708	4,429,422	581,286
28						
29	<u>GENERAL & INTANGIBLE PLANT</u>					
30	PRODUCTION-DEMAND RELATED			0	0	0
31	PRODUCTION-ENERGY RELATED			0	0	0
32	TRANSMISSION			0	0	0
33	DISTRIBUTION			67,376	59,674	7,702
34	CUSTOMER ACCTG			9,566	0	9,566
35	CUST SERVICE & INFO			1,005	0	1,005
36	SALES			5	0	5
37	TOTAL GEN			77,952	59,674	18,278
38						
39	<u>COMMON & OTHER PLANT</u>					
40	PRODUCTION-DEMAND RELATED			0	0	0
41	PRODUCTION-ENERGY RELATED			0	0	0
42	TRANSMISSION			0	0	0
43	DISTRIBUTION			119,323	105,684	13,639
44	CUSTOMER ACCTG			16,941	0	16,941
45	CUST SERVICE & INFO			1,779	0	1,779
46	SALES			8	0	8
47	TOTAL COM & OTHER PLT			138,051	105,684	32,367
48						
49	TOTAL ELECTRIC PLANT IN SERVICE			5,226,711	4,594,780	631,931

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2c
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 5 OF 23

LINE NO.	NET ELECTRIC PLANT	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION PLANT IN SERVICE	P121		0	0	0
3	TOTAL PROD DEPRC RESERVE	P171		0	0	0
4	NET PRODUCTION PLANT	P221		0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	TRANSMISSION PLANT IN SERVICE	T121		0	0	0
8	TOTAL TRANS DEPREC RESERVE	T171		0	0	0
9	NET TRANSMISSION PLANT	T221		0	0	0
10						
11	NET PROD & TRANS PLANT			0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	DISTRIBUTION PLANT IN SERVICE	D141		7,421,448	6,588,489	832,959
15	TOTAL DIST DEPREC RESERVE	D191		(2,410,740)	(2,159,067)	(251,673)
16	NET DISTRIBUTION PLANT	D241		5,010,708	4,429,422	581,286
17						
18	NET TRANS & DIST PLANT	NT21		5,010,708	4,429,422	581,286
19	NET PTD PLANT	NT31		5,010,708	4,429,422	581,286
20						
21	<u>GENERAL & INTANGIBLE PLANT</u>					
22	GEN & INTANG PLANT IN SERVICE	G121		168,538	129,023	39,515
23	TOTAL GEN & INTG DEPREC RESERVE	G171		(90,586)	(69,349)	(21,237)
24	NET GENERAL & INTANG PLANT	G221		77,952	59,674	18,278
25						
26	<u>COMMON & OTHER PLANT</u>					
27	COMMON & OTH PLT IN SERVICE	C121		256,864	196,642	60,222
28	TOTAL COM & OTH DEPREC RESERVE	C171		(118,813)	(90,958)	(27,855)
29	NET COMMON & OTHER PLANT	C221		138,051	105,684	32,367
30						
31	NET ELECTRIC PLANT IN SERVICE	NP21		5,226,711	4,594,780	631,931

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
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SCHEDULE E-3.2c
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 6 OF 23

LINE NO.	RATE BASE ADJUSTMENTS	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	ACCUM DEF INC TAXES (282)					
2	CIAC	B200	K_distnet	(80,229)	(53,242)	(6,987)
3	AFUDC	B201	K_distnet	13,974	12,353	1,621
4	ELECTRIC METERS & TRANSFORMERS	B202	K_distnet	1,777	1,571	206
5	LOSS ON ACRS	B203	K_distnet	2,247	1,986	261
6	MISCELLANEOUS PLANT	B204	K_distnet	23,023	20,352	2,671
7	NON-CASH OVERHEADS	B205	K_EPIS	8,148	7,163	985
8	SEC 174 EXPENSE	B206	K_EPIS	0	0	0
9	TAX DEPRECIATION	B207	K_distnet	730,598	645,841	84,757
10	TAX INTEREST CAPITALIZED	B208	K_EPIS	(16,319)	(14,346)	(1,973)
11	SEC 263A ADJUSTMENT	B209	K_EPIS	197,971	174,036	23,935
12	PERCENTAGE REPAIR ALLOWANCE	B210	K_distnet	9,551	8,443	1,108
13	AFUDC IN CWIP - FAS 109	B211	K_distnet	0	0	0
14	PLANT FAS 109	B227	K_distnet	0	0	0
15	MISCELLANEOUS	B228	K_EPIS	(1,271)	(1,117)	(154)
16	TOTAL ACCOUNT 282			909,470	803,040	106,430
17						
18	ACCUM DEF INC TAXES (283)					
19	ACCRUED PENSION & POST RETIREMENT - FAS 158	B229	K_EPIS	(2,473)	(2,174)	(299)
20	LOSS ON REACQUIRED DEBT	B212	K_EPIS	19,599	17,229	2,370
21	PROPERTY TAX	B213	K_EPIS	(783)	(688)	(95)
22	DEFERRED OHIO GROSS RECEIPTS	B216	K_EPIS	(766)	(673)	(93)
23	INVENTORY AND CONTRACT WRITE-UP	B217	K_distnet	1,844	1,630	214
24	BASE PRODUCTION PAYMENTS	B218	K_distnet	0	0	0
25	MISCELLANEOUS	B219	K_distnet	4,810	4,252	558
26	AUDIT CARRYOVER	B220	K_distnet	(973)	(860)	(113)
27	TOTAL ACCOUNT 283			21,258	18,716	2,542
28						
29	OTHER SUBTRACTIVE ADJUSTMENTS		Schedule 5.1			
30	INVESTMENT TAX CREDIT (ACCT 255)	B240	K_EPIS	841	739	102
31	TOTAL OTHER SUBTRACTIVE ADJS	B253		841	739	102
32						
33	TOTAL SUBTRACTIVE ADJUSTMENTS	B254		931,569	822,495	109,074

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
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DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2c
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 7 OF 23

LINE NO.	ADDITIVE ADJUSTMENTS	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	ACCUM DEF INC TAXES (190)					
2	COST TO ACHIEVE MERGER SAVINGS	V200	K_EPIS	(120)	(105)	(15)
3	DUKE MERGER COSTS - TIMING	V201	K_EPIS	1,545	1,358	187
4	RSP COSTS CAPITALIZED	V202	K_distnet	(31,399)	(27,756)	(3,643)
5	REGULATORY ASSET BENEFITS	V203	K_EPIS	(53,465)	(47,001)	(6,464)
6	UNAMORTIZED DEBT PREMIUMS	V204	K_EPIS	3,763	3,308	455
7	401K INCENTIVE PLAN	V205	K_EPIS	37	33	4
8	EXECUTIVE LIFE INSURANCE	V206	K_EPIS	(802)	(705)	(97)
9	INCENTIVE PLAN	V207	K_EPIS	(922)	(811)	(111)
10	INJURIES AND DAMAGES	V208	K_EPIS	(13)	(11)	(2)
11	HOSPITAL & MEDICAL EXPENSE	V210	K_EPIS	432	380	52
12	LTIP	V211	K_EPIS	437	384	53
13	PENSION EXPENSE	V212	K_EPIS	71,059	62,468	8,591
14	POST EMP BENEFITS - FAS 112	V213	K_EPIS	636	559	77
15	POST RETIREMENT HEALTH CARE	V214	K_EPIS	61,748	54,281	7,465
16	POST RETIREMENT LIFE INSURANCE	V215	K_EPIS	6,192	5,443	749
17	SUPPLEMENTAL PENSION PLAN	V216	K_EPIS	2,972	2,613	359
18	VACATION PAY ACCRUAL	V217	K_EPIS	3,663	3,220	443
19	VACATION PAY ACCRUAL - REG ASSET	V218	K_EPIS	7,087	6,230	857
20	MISCELLANEOUS	V220	K_EPIS	(8,987)	(7,900)	(1,087)
21	PARTNERSHIP	V221	K_EPIS	(2)	(2)	0
22	RATE CASE EXPENSE	V223	K_distnet	(249)	(220)	(29)
23	RATE ORDER LATTICE	V224	K_distnet	654	578	76
24	UNCOLLECTIBLE ACCOUNTS	V225	K_EPIS	1,905	1,675	230
25	TAX INTEREST ACCRUAL	V226	K_EPIS	17,738	15,593	2,145
26	PROPERTY TAX	V227	K_EPIS	9,668	8,499	1,169
27	STATE INCOME TAX ACCRUAL	V228	K_EPIS	(949)	(834)	(115)
28	SECTION 481A ADJUSTMENT	V229	K_EPIS	(205)	(180)	(25)
29	TOTAL ACCOUNT 190			92,421	81,097	11,324

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AJR, 08-710-EL-ATA, 08-711-EL-AAM
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SCHEDULE E-3.2c
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 8 OF 23

LINE NO.	OTHER RATE BASE	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	POST RETIREMENT BENEFITS	V251	K_EPIS	29,635	26,052	3,583
2	MISCELLANEOUS	V254	K_EPIS	0	0	0
3	TOTAL OTHER	V255		29,635	26,052	3,583
4						
5	RATE BASE - CONSTRUCTION WORK IN PROGRESS					
6	TOTAL RATE BASE CWIP	V256		0	0	0
7						
8	TOTAL ADDITIVE ADJUSTMENTS	V260		122,056	107,149	14,907
9						
10	NET ORIGINAL COST RATE BASE	RB21		4,417,198	3,879,434	537,764

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2c
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 9 OF 23

LINE NO.	WORKING CAPITAL	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>MATERIALS & SUPPLIES</u>					
2	FUEL SUPPLIES					
3	FOSSIL	W630	K_Non_Dist	0	0	0
4	TOTAL FUEL STOCKS	W641		0	0	0
5						
6	<u>PLANT MATERIALS & SUPPLIES</u>					
7	PRODUCTION	W642	K_Non_Dist	0	0	0
8	TRANSMISSION	W644	K_Non_Dist	0	0	0
9	DISTRIBUTION	W646	K_distnet	23,830	21,065	2,765
10	GENERAL AND COMMON	W646	K_comgenet	0	0	0
11	TOTAL PLANT MATS. & SUPPLIES	W659		23,830	21,065	2,765
12	TOTAL MATERIALS & SUPPLIES	W661		23,830	21,065	2,765
13						
14	<u>PREPAYMENTS</u>					
15	MISCELLANEOUS	W670	K_A&GexReg	0	0	0
16	TOTAL PREPAYMENTS	W677		0	0	0
17						
18	<u>CASH WORKING CAPITAL - RATE BASE</u>					
19	OTHER	W690	K_Non_Dist	0	0	0
20	TOTAL FUEL, PP & OTHER	W705		0	0	0
21						
22	AUTO CALC (O&M-F-PP)/8	W711	K_O&MxFuel	0	0	0
23	TOTAL WORKING CASH	W721		0	0	0
24						
25	<u>MISCELLANEOUS WORKING CAPITAL</u>					
26	CUSTOMER SERVICE DEPOSITS - RETAIL	W730	K_DistA&G	(12,147)	(10,759)	(1,388)
27	CUSTOMER SERVICE DEPOSITS - TRANS SERV	W736	K_Non_Dist	0	0	0
28	TOTAL MISC WORK CAPITAL	W747		(12,147)	(10,759)	(1,388)
29						
30	<u>TOTAL WORKING CAPITAL</u>	WC71		11,883	10,306	1,377
31	PRELIMINARY SUMMARY					
32	TOTAL SUBTRACTIVE ADJUSTMENTS	B254		(931,589)	(822,495)	(109,074)
33	TOTAL ADDITIVE ADJUSTMENTS	V260		122,056	107,149	14,907
34	TOTAL WORKING CAPITAL	WC71		11,883	10,306	1,377
35	TOTAL RATE BASE ADJUSTMENTS	RB71		(797,830)	(705,040)	(92,790)
36						
37	RATE BASE CALCULATION					
38	NET ELECTRIC PLANT IN SERVICE	NP21		5,226,711	4,594,780	631,931
39	TOTAL RATE BASE ADJUSTMENTS	RB71		(797,830)	(705,040)	(92,790)
40	TOTAL RATE BASE	RB91		4,428,881	3,889,740	539,141
41						
42	TOTAL RATE OF RETURN ALLOWABLE	RORA		0.091000000	0.091000000	0.091000000
43	RETURN ON RATE BASE	R751		403,028	353,966	49,062

DUKE ENERGY OHIO, INC.
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SCHEDULE E-3.2c
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 10 OF 23

LINE NO.	O&M EXPENSES	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION O&M</u>					
2	ENERGY RELATED PRODUCTION O&M					
3	FUEL COSTS	P300	K_Non_Dist	0	0	0
4	SYSTEM CONTROL, LOAD DISPATCHING & OTHER	P301	K_Non_Dist	0	0	0
5	EMISSION ALLOWANCES	P302	K_Non_Dist	0	0	0
6	COST OF LIME	P303	K_Non_Dist	0	0	0
7	ALL OTHER - OPERATION	P304	K_Non_Dist	0	0	0
8	ELIMIN NON PUCO JURISDICTIONAL EXP	P305	K_Non_Dist	0	0	0
9	COST POOL ANN ADJUSTMENTS	P306	K_Non_Dist	0	0	0
10	ANNUALIZE 4TH QTR ADJ	P307	K_Non_Dist	0	0	0
11	SERV CO ALLOC - PROD	P308	K_Non_Dist	0	0	0
12	TOTAL ENERGY RELATED	P341		0	0	0
13						
14	<u>DEMAND RELATED PROD O&M</u>					
15	ALL OTHER - OPERATION & MAINTENANCE	P356	K_Non_Dist	0	0	0
16	PURCHASED POWER	P356	K_Non_Dist	0	0	0
17	TOTAL DEMAND RELATED	P391		0	0	0
18						
19	<u>OTHER THAN EN/DEM RELATED</u>					
20	MISCELLANEOUS ITEMS	P400	K_Non_Dist	0	0	0
21	TOTAL PROD OTHER THAN EN/DEM	P441		0	0	0
22						
23	TOTAL PRODUCTION O&M	P451		0	0	0
24						
25	<u>TRANSMISSION O & M</u>					
26	MAIN STEP-UP TRANSFORMERS	T300	K_Non_Dist	0	0	0
27	OTHER TRANSMISSION	T302	K_Non_Dist	0	0	0
28	ELIMIN NON JURIS EXPENSE	T304	K_Non_Dist	0	0	0
29	COST POOL BALANCE ANN ADJUSTMENT	T306	K_Non_Dist	0	0	0
30	ANNUALIZE 4TH QTR ADJ	T308	K_Non_Dist	0	0	0
31	SERV CO ALLOC - TRAN	T310	K_Non_Dist	0	0	0
32	TOTAL TRANSMISSION O & M	T341	K587	0	0	0
33						
34	<u>DISTRIBUTION O & M</u>					
35	SUBSTATIONS	D300	K_rbdsl_d	21,067	21,067	0
36	OVERHEAD LINES	D302	K_rbdpl_d	102,850	102,850	0
37	UNDERGROUND LINES	D304	K_rbdsl_d	17,005	17,005	0
38	TRANSFORMERS DEMAND RELATED	D106	K_rbdlt_d	3,481	3,481	0
39	TRANSFORMERS CUSTOMER RELATED	D107	K_rbdlt_c	192	0	192
40	METERS	D308	K_rbdssl_c	18,329	0	18,329
41	STREET LIGHTS & TRAFFIC SIGNALS	D310	K_distnet	0	0	0
42	OTHER OPERATION	D312	K_distnet	47,434	41,931	5,503
43	OTHER MAINTENANCE	D314	K_distnet	10,876	9,614	1,262
44	FUTURE USE	D316	K_distnet	0	0	0
45	SERV CO ALLOC - DISTRIBUTION	D318	K_distnet	(63)	(56)	(7)
				221,171	195,892	25,279

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
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SCHEDULE E-3.2c
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 11 OF 23

LINE NO.	O&M EXPENSES	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>CUSTOMER ACCOUNTING</u>					
2	CUSTOMER ACCOUNTING EXPENSE	C300	K_Ca_O&M	18,327	0	18,327
3	UNCOLLECTIBLE EXPENSE	C302	K_Ca_O&M	22,125	0	22,125
4	CUSTOMER SERVICE DEPOSITS - RETAIL	C304	K_Ca_O&M	607	0	607
5	CUSTOMER SERVICE DEPOSITS - TRANS	C306	K_Ca_O&M	0	0	0
6	ANNUALIZE UNCOLLECTIBLE ACCOUNT EXP	C308	K_Ca_O&M	(25,484)	0	(25,484)
7	UNCOLLECTIBLE ACCT EXP DUE TO INCR DIST	C310	K_Ca_O&M	0	0	0
8	AMORTIZE BAD DEBT MORATORIUM	C312	K_Ca_O&M	(323)	0	(323)
9	SALE OF ACCOUNTS RECEIVABLE FEES - ELEC.	C313	K_Ca_O&M	28,176	0	28,176
10	ELIMINATE NON JURIS. EXPENSE	C314	K_Ca_O&M	0	0	0
11	ELIMINATE OET EXPENSE	C316	K_Ca_O&M	0	0	0
12	<u>TOTAL CUSTOMER ACCT EXPENSE</u>	C317		43,428	0	43,428
13						
14	<u>CUSTOMER SERVICE & INFORMATION</u>					
15	CUSTOMER ASSISTANCE	C320	K_Csi_O&M	1,997	0	1,997
16	INFORMATION & INSTRUCTIONAL ADV	C322	K_Csi_O&M	3	0	3
17	MISC CUST SERVICE & INFORMATION	C324	K_Csi_O&M	3,727	0	3,727
18	ELIMINATE NON JURIS EXPENSE	C326	K_Csi_O&M	(39)	0	(39)
19	<u>SERV CO ALLOC CUST SERV & INFORM</u>	C331	K_Csi_O&M	(3)	0	(3)
20	<u>TOTAL CUSTOMER SERV. & INFO.</u>			5,685	0	5,685
21						
22	<u>SALES</u>	S300	K_Sales_O&M	3	0	3
23	MARKETING OPERATIONS	S302	K_Sales_O&M	0	0	0
24	OTHER SALES EXPENSE	S304	K_Sales_O&M	0	0	0
25	SERV CO ALLOC SALES	S306	K_Sales_O&M	0	0	0
26	<u>ELIMINATE VARIOUS EXPENSES</u>	S317		3	0	3
27	<u>TOTAL SALES EXPENSE</u>					
28						
29	SUBTOTAL O&M EXCL. A&G			270,287	195,892	74,395

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
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SCHEDULE E-3.2c
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 12 OF 23

LINE NO.	O&M EXPENSES	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>ADMINISTRATIVE & GENERAL & OTHER EXP</u>					
2	A&G EXPENSE EXCL. REGULATORY EXP					
3	PRODUCTION-DEMAND RELATED	A300	K_Non_Dist	0	0	0
4	PRODUCTION-ENERGY RELATED	A302	K_Non_Dist	0	0	0
5	TRANSMISSION	A304	K_Non_Dist	0	0	0
6	DISTRIBUTION	A306	K_distO&M	268,835	238,107	30,728
7	CUSTOMER ACCTG	A308	K_Ca_O&M	38,188	0	38,188
8	CUST SERVICE & INFO	A310	K_Cst_O&M	4,008	0	4,008
9	SALES	A312	K_Sales_O&M	17	0	17
10	A&G EXPENSE EXCL. REGULATORY EXP	A314	K_A&GexReg	311,028	238,107	72,921
11	HARTWELL ELIMINATION	A318	K_A&GexReg	(118)	(90)	(28)
12	ANNUALIZE WAGES	A320	K_A&GexReg	(19,367)	(14,826)	(4,541)
13	RATE CASE EXPENSE - ADJ	A322	K_EPIS	(309)	(272)	(37)
14	REGULATORY EXPENSE - FERC	A324	K_Non_Dist	0	0	0
15	REGULATORY EXPENSE -STATE	A326	K_EPIS	4,601	4,045	556
16	REG ASSET AMORTIZATION - TOWERS	A328	K_DistA&G	(4,543)	(4,024)	(519)
17	MERGER SAVINGS ADJUSTMENT	A329	K_EPIS	30,627	26,924	3,703
18	FUTURE USE	A330	K_DistA&G	0	0	0
19	FUTURE USE	A332	K_A&GexReg	0	0	0
20	FUTURE USE	A334	K_EPIS	0	0	0
21	FUTURE USE	A336	K_A&GexReg	0	0	0
22	ELIMINATE NON-PUCO JURIS EXP	A346	K_DistA&G	(226)	(200)	(26)
23	EEI EXPENSE ADJUSTMENT	A348	K_A&GexReg	(274)	(210)	(64)
24	SERV CO ALLOC	A350	K_A&GexReg	(228)	(175)	(53)
25	FUTURE USE	A352	K_A&GexReg	0	0	0
26	ANNUALIZE PENSION & BENEFIT EXP	A354	K_A&GexReg	(13,781)	(10,550)	(3,231)
27	PUCO & OCC MAINTENANCE ASSESSMENTS	A356	K_EPIS	(426)	(374)	(52)
28	OTHER	A356	K_EPIS	0	0	0
29	TOTAL ADMIN. & GENERAL	A357		306,984	238,355	68,629
30						
31	TOTAL O & M EXPENSE	OM31		577,271	434,247	143,024

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2c
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 13 OF 23

LINE NO.	DEPRECIATION EXPENSE	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION DEPRECIATION</u>					
2	PRODUCTION DEPRECIATION	P460	K_Non_Dist	0	0	0
3	ANNUALIZATION ADJUSTMENT	P462	K_Non_Dist	0	0	0
4	TOTAL PRODUCTION DEPREC EXP.	P481		0	0	0
5						
6	<u>TRANSMISSION DEPRECIATION</u>					
7	TRANSMISSION DEPRECIATION	T460	K_Non_Dist	0	0	0
8	ANNUALIZATION ADJUSTMENT	T462	K_Non_Dist	0	0	0
9	TOTAL TRANSMISSION DEP. EXP.	T481		0	0	0
10						
11	<u>DISTRIBUTION DEPRECIATION</u>					
12	DISTRIBUTION DEPRECIATION	D460	K_distnet	171,062	151,217	19,845
13	ANNUALIZATION ADJUSTMENT	D462	K_distnet	25,573	22,608	2,967
14	TOTAL DIST. DEPREC EXP.	D481		196,635	173,823	22,812
15						
16	<u>GENERAL DEPRECIATION</u>					
17	GENERAL DEPRECIATION	G460	K_gennet	7,032	5,383	1,649
18	ANNUALIZATION ADJUSTMENT	G462	K_gennet	3,720	2,848	872
19	TOTAL GENERAL DEPREC EXP.	G481		10,752	8,231	2,521
20						
21	<u>COMMON AND OTHER DEPRECIATION</u>					
22	COMMON DEPRECIATION	C460	K_comnet	10,423	7,979	2,444
23	ANNUALIZATION ADJUSTMENT	C462	K_comnet	5,031	3,851	1,180
24	TOTAL COM & OTHER DEPREC EXP.	C481		15,454	11,830	3,624
25						
26						
27	TOTAL DEPRECIATION EXPENSE	DE41		222,841	193,884	28,957

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
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 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2c
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 14 OF 23

LINE NO.	TAXES OTHER THAN INC & REV	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>REAL ESTATE & PROPERTY TAX</u>					
2	PRODUCTION - DEMAND RELATED	L500	K_Non_Dist	0	0	0
3	PRODUCTION - ENERGY RELATED	L502	K_Non_Dist	0	0	0
4	TRANSMISSION	L504	K_Non_Dist	0	0	0
5	DISTRIBUTION	L506	K_distnet	259,795	229,858	30,139
6	OTHER	L508	K_comgennet	547	419	128
7	TAXABLE PLANT		K_Tax_prop	260,342	230,075	30,267
8	ANNUALIZED PROPERTY TAX ADJUSTMENT - DIST.	L510	K_distnet	(2,863)	(2,531)	(332)
9	ELIMINATE PROPERTY TAX - HARTWELL	L511	K_gennet	0	0	0
10	ANNUALIZED PROPERTY TAX ADJUSTMENT - GENERAL	L512	K_gennet	187	143	44
11	<u>TOTAL REAL EST & PROP TAX</u>	L521		257,666	227,887	29,979
12						
13	<u>MISCELLANEOUS TAXES</u>					
14	FUTURE USE	L560	K_EPIS	0	0	0
15	HIGHWAY USE TAX	L562	K_A&GexReg	97	74	23
16	SERVICE CO ALLOC	L564	K_A&GexReg	(15)	(11)	(4)
17	COMMERCIAL ACTIVITIES TAX	L566	K_A&GexReg	3,455	2,845	810
18	PAYROLL TAXES	L568	K_A&GexReg	15,976	12,230	3,746
19	ANNUALIZE FICA & UNEMPLOYMENT TAXES ADJ	L570	K_EPIS	(3,117)	(2,740)	(377)
20	CINCINNATI FRANCHISE TAX	L572	K_EPIS	2,094	1,841	253
21	SALES & USE TAX	L576	K_A&GexReg	193	148	45
22	<u>TOTAL MISCELLANEOUS TAXES</u>	L581		18,683	14,187	4,496
23						
24	<u>MISCELLANEOUS EXPENSES</u>					
25	UNCOLLECTIBLE ACCT EXP DUE TO INCR	L582	K_Ca_O&M	1,594	0	1,594
26	CAT & FRANCHISE DUE TO INCR	L583	K_EPIS	975	857	118
27	PUCO & OCC MAINT. ASSESS. - NON DIST	L584	K_EPIS	474	417	57
28	<u>TOTAL MISCELLANEOUS EXPENSES</u>	L589		3,043	1,274	1,769
29						
30	<u>TOTAL OTHER TAX & MISC EXPENSE</u>			279,392	243,148	36,244
31						
32	<u>PRELIMINARY SUMMARY</u>					
33	<u>TOTAL O&M EXPENSE</u>	OM31		577,271	434,247	143,024
34	<u>TOTAL DEPRECIATION EXPENSE</u>	DE41		222,841	193,884	28,957
35	<u>TOTAL OTHER TAX & MISC EXPENSE</u>	L591		279,392	243,148	36,244
36	<u>TOTAL OP EXP EXC IT & REV TAX</u>	OP61		1,079,504	871,279	208,225

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
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 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2c
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 15 OF 23

LINE NO.	FEDERAL INCOME TAX - NET DEDUCTIONS AND ADDITIONS	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>FEDERAL INCOME TAX DEDUCTIONS</u>					
2	AUTOMATIC INTEREST CALCULATION					
3	AUTO PROC INTEREST DED	Y751	K_EPIS	121,729	107,012	14,717
4	TOTAL INTEREST EXPENSE	Y783		121,729	107,012	14,717
5						
6	<u>OTHER DEDUCTIONS</u>					
7	DEPREC EXCESS TAX-BOOK	Y790	K_EPIS	16,817	14,784	2,033
8	TEMPORARY DIFFERENCES	Y792	K_A&GexReg	(54,070)	(41,393)	(12,677)
9	PERMANENT DIFFERENCES	Y794	K_EPIS	(693)	(609)	(84)
10	TOTAL OTHER DEDUCTIONS	Y861		(37,946)	(27,218)	(10,728)
11						
12	NET DEDUCTIONS AND ADDITIONS	Y871		83,783	79,794	3,989

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
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TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2c
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 18 OF 23

LINE NO.	FEDERAL INCOME TAX ADJUSTMENTS	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>FED PROV DEF INC TAX (410 & 411)</u>					
2	DEFERRED INCOME TAX ON DEPRECIATION	Z782	K_distnet	6,241	5,517	724
3	OTHER DEFERRED INCOME TAXES - NET	Z783	K_distnet	(18,924)	(18,729)	(2,195)
4	DEFERRED INCOME TAX ADJUSTMENT - ARAM	Z784	K_distnet	(2,961)	(2,617)	(344)
5	DEFERRED INCOME TAX ADJUSTMENT - FLOW-THROUGH	Z785	K_distnet	9,535	8,429	1,106
6	TOTAL FED PROV DEF IT (410 & 411)	Z783		(6,109)	(5,400)	(709)
7						
8	<u>AMORTIZED INV TAX CREDIT</u>					
9	AMORTIZE ITC	Z811	K_distnet	3,677	3,250	427
10	AMORTIZE ITC ADJUSTMENT	Z812	K_distnet	0	0	0
11	TOTAL AMORTIZED ITC	Z813		3,677	3,250	427
12						
13	TEST YEAR INVESTMENT TAX CREDIT		K_distnet	0	0	0
14	TEST YEAR INVESTMENT TAX CREDIT	Z823		0	0	0
15						
16	<u>PRELIMINARY SUMMARY</u>					
17	TOTAL FED PROV DEF IT (410 & 411)	Z783		(6,109)	(5,400)	(709)
18	TOTAL AMORTIZED ITC	Z813		(3,677)	(3,250)	(427)
19	TOTAL FEDERAL TAX ADJUSTMENTS	Z863		(9,786)	(8,650)	(1,136)

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2c
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 17 OF 23

LINE NO.	FEDERAL INCOME TAX COMPUTATION	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	RETURN ON RATE BASE	R751		403,028	353,966	49,062
2	NET DEDUCTIONS AND ADDITIONS	Y871		(83,783)	(78,794)	(3,989)
3	TOTAL FEDERAL TAX ADJUSTMENTS	Z863		(9,786)	(8,650)	(1,136)
4	TOTAL STATE INC TAX ADJUSTMENT	Z945		0	0	0
5	TOTAL STATE PROV DEF IT (410 & 411)	Z933		0	0	0
6	BASE FOR FIT COMPUATION	I865		309,459	265,522	43,937
7						
8	FIT FACTOR K190/(1-K190)	I867		0.53846	0.53846	0.53846
9	PRELIM FED INCOME TAX	I869		166,632	142,973	23,658
10	TOTAL FEDERAL TAX ADJUSTMENTS	Z863		(9,786)	(8,650)	(1,136)
11	NET FED INCOME TAX ALLOWABLE	I879		156,846	134,323	22,522
12						
13	INCOME TAX BASED ON RETURN					
14	FEDERAL INCOME TAX PAYABLE					
15	PRELIM FEDERAL INCOME TAX	I869		166,632	142,973	23,658
16	OTHER	Z823		0	0	0
17	NET FED INCOME TAX PAYABLE	I889		166,632	142,973	23,658

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2c
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 18 OF 23

LINE NO.	STATE INCOME TAX	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	DEDUCTIONS IN ADDITION TO Y871					
2	UNALLOWABLE DEPRECIATION	Y890	K_EPIS	13,733	12,073	1,660
3	OHIO TAXABLE INCOME ADJ - OH FRANCHISE	Y882	K_EPIS	3,759	3,305	454
4	DEDUCTIONS IN ADD TO Y871	Y911		17,492	15,378	2,114
5						
6	STATE INCOME TAX ADJUSTMENTS					
7	STATE PROV DEF INC TAX (410 & 411)					
8	TOT STATE PROV DEF IT (410 & 411)	Z907		0	0	0

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2c
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 19 OF 23

LINE NO.	OTHER SIT ADJUSTMENTS	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	CURRENT YEAR PAYABLE ADJUSTMENT	Z941	K_EPIS	0	0	0
2	OTHER SIT ADJUSTMENTS	Z942		0	0	0
3						
4	TOTAL STATE INC TAX ADJUSTMENT	Z945		0	0	0
5						
6	INCOME TAX BASED ON RETURN					
7	SUMMARY OF SIT CALCULATION					
8	RETURN ON RATE BASE	R751		403,028	353,986	49,062
9	NET FED INCOME TAX ALLOWABLE	I879		156,846	134,323	22,522
10	NET FED. DED. AND ADDITIONS	Y871		(83,783)	(79,794)	(3,989)
11	DEDUCTIONS IN ADD TO Y871	Y911		(17,492)	(15,378)	(2,114)
12	TOTAL STATE INC TAX ADJ	Z957		0	0	0
13	BASE FOR SIT COMPUTATION	J985		458,599	393,117	65,481
14						
15	SIT FACTOR K192/(1-K192)	J967		0.00371374	0.00371374	0.00371374
16	PRELIMINARY STATE INCOME TAX	J969		1,703	1,460	243
17	TOTAL STATE INCOME TAX ADJ.	Z957		0	0	0
18	NET STATE INC TAX ALLOWABLE	J979		1,703	1,460	243
19						
20	STATE INCOME TAX PAYABLE					
21	PRELIMINARY STATE INCOME TAX	J969		1,703	1,460	243
22	OTHER SIT ADJUSTMENTS	Z955		0	0	0
23	NET STATE INCOME TAX PAYABLE	J989		1,703	1,460	243
24						
25	COMPOSITE TAX RATE	CTAX		0.3524050	0.3524050	0.3524050

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
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DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
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SCHEDULE E-3.2c
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 20 OF 23

LINE NO.	COST OF SERVICE COMPUTATION	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>OTHER OPERATING REVENUES</u>					
2	INTERDEPARTMENTAL	Q000	K_EPIS	389	324	45
3	SPECIAL CONTRACTS	Q002	K_EPIS	41	36	5
4	MISCELLANEOUS	Q004	K_EPIS	3,482	3,081	421
5	RECONNECTION CHARGES & CUSTOMER DIVERSION	Q006	K_A&GexReg	380	291	89
6	BAD CHECK CHARGES	Q008	K_A&GexReg	155	119	36
7	POLE CONTACT RENTALS	Q010	K_A&GexReg	5,912	4,528	1,386
8	RENT ELECTRIC PROPERTIES - DISTR	Q012	K_EPIS	12,058	10,600	1,458
9	RENT ELECTRIC PROPERTIES	Q014	K_EPIS	0	0	0
10	OTHER ELECTRIC REVENUES - DIST	Q016	K_EPIS	0	0	0
11	OTHER ELECTRIC REVENUES - OTHER PUB UTILITIES	Q018	K_EPIS	0	0	0
12	OTHER ELECTRIC REVENUES - OTHER	Q020	K_EPIS	4,262	3,747	515
13	TOTAL OTHER OPERATING REVS	Q027		26,659	22,704	3,955
14						
15	<u>COST OF SERVICE COMPUTATION</u>					
16	TOTAL OP EXP EXC INC & REV TAX	OP61		1,079,504	871,279	208,225
17	RETURN ON RATE BASE	R751		403,028	353,966	49,062
18	NET FED INCOME TAX ALLOWABLE	I879		156,846	134,323	22,522
19	NET STATE INCOME TAX ALLOWABLE	J979		1,703	1,460	243
20	TOTAL OTHER OPERATING REVENUES	Q027		(26,659)	(22,704)	(3,955)
21	SUBTOTAL B	CS03		1,614,422	1,338,324	276,097
22						
23	TOTAL OTHER OPERATING REVENUES	Q027		26,659	22,704	3,955
24	LESS: REVS EXCL FROM REV TAX CALC	REXC		0	0	0
25	OTHER OPERATING REVS TO BE TAXED	OORT		26,659	22,704	3,955
26						
27	<u>REVENUE TAX FACTOR</u>	L030		0.00000	0.00000	0.00000
28	REVENUE TAX ON OTHER OPERATING REVS	L031		0	0	0
29	REVENUE TAX ON COST OF SERVICE	L032		0	0	0
30	TOTAL REVENUE TAX	L033		0	0	0
31	TOTAL EL. COST OF SERVICE	CS05		1,614,422	1,338,324	276,097
32						
33	<u>PROPOSED REVENUES</u>	R602		1,614,420	1,455,780	158,640
34	TOTAL ELECTRIC COST OF SERVICE	CS05		(1,614,422)	(1,338,324)	(276,097)
35	DIFFERENCE	XREV		(2)	117,456	(117,457)
36	TIMES COMPOSITE TAX RATE	CTAX		0.352405000	0.352405000	0.352405000
37	EXCESS TAX	XTAX		(1)	41,392	(41,392)
38	EXCESS RETURN	XRET		(1)	76,064	(76,065)

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
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TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2c
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 21 OF 23

LINE NO.	ROR, TAX RATES & SPEC FACTORS	ITEM	ALLO	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	RATE OF RETURN					
2						
3	CAPITALIZATION AMOUNTS			<u>Total Company</u>	<u>Ratio</u>	
4	LONG TERM DEBT	K100		1,787,741,777	0.4172	
5	PREFERRED STOCK	K102		0	0.0000	
6	COMMON STOCK	K104		2,487,378,912	0.5828	
7	SHORT TERM DEBT	K106		0	0.0000	
8	UNAMORTIZED DISCOUNT	K108		0	0.0000	
9	TOTAL	K115		4,285,120,689	1.0000	
10						
11	COST OF CAPITAL					
12	LONG TERM DEBT	K120		0.0645000		
13	PREFERRED STOCK	K122		0.0000000		
14	COMMON STOCK	K124		0.1100000		
15	SHORT TERM DEBT	K126		0.0000000		
16	UNAMORTIZED DISCOUNT	K128		0.0000000		
17						
18	WEIGHTED COST OF CAPITAL					
19	LONG TERM DEBT	K141		0.0269000		
20	PREFERRED STOCK	K143		0.0000000		
21	COMMON STOCK	K145		0.0641000		
22	SHORT TERM DEBT	K147		0.0000000		
23	UNAMORTIZED DISCOUNT	K149		0.0000000		
24	TOT RATE OF RETURN ALLOWABLE	RORA		0.09100000		
25						
26	TAX RATES AND SPECIAL FACTORS					
27	SHORT TERM DEBT COST	K180		0.0000000	0.00000	0.00000
28	FEDERAL INCOME TAX RATE	K190		0.3500000	0.35000	0.35000
29	STATE INCOME TAX RATE	K192		0.0037000	0.00370	0.00370
30	REVENUE TAX RATE	K196		0.0000000	0.00000	0.00000
31						
32						
33	PRESENT REVENUES	R600	K_OCDRB	1,063,549	934,083	129,466
34	PROPOSED REVENUES	R602	0	1,614,420	1,455,780	158,640
35	PRESENT NOI			46,285		
36	GROSS REVENUE AT AVERAGE ROR (PRESENT NOI DIVIDED BY RATE BASE)			1,227,351		
37	(SUBSIDY) EXCESS			(163,802)		
38	REDUCTION IN (SUBSIDY) EXCESS			(163,802)		
39	RATE INCREASE		0	550,871	521,697	29,174
40	TAX COMPLEMENT					
41						
42	REVENUE NOT TO BE INCLUDED IN REVENUE TAX CALCULATION					
43	MISCELLANEOUS		K_OCDRB	0	0	0
44	TOTAL	REXC		0	0	0

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2c
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 22 OF 23

LINE NO.	ALLOC	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1 Substations	K_rbdstd_d	0	1.00000	0.00000
2 Poles Towers Fixtures	K_rbdtp_d	0	1.00000	0.00000
3 Conductors	K_rbdsl_d	0	1.00000	0.00000
4 Line Transformers - Demand	K_rbdlt_d	0	1.00000	0.00000
5 Line Transformers - Customer	K_rbdlt_c	0	0.00000	1.00000
6 Services	K_rbdsv_c	0	0.00000	1.00000
7 Meters	K_rbdm_s	0	0.00000	1.00000
8 Customer Premises	K_rbdsl_c	0	0.00000	1.00000
9 Street Lights	K_rbdsl_c	0	0.00000	1.00000
10 Customer Accounts	K_exca_c	0	0.00000	1.00000
11 Cust Sales & Info	K_excsi_c	0	0.00000	1.00000
12 Sales	K_exsale_c	0	0.00000	1.00000
13 Customer Accounting O&M	K_Ca_O&M	0	0.00000	1.00000
14 Customer Service & Informational	K_Cai_O&M	0	0.00000	1.00000
15 Sales	K_Sales_O&M	0	0.00000	1.00000
16 Non-Distribution	K_Non_Dist	0	0.00000	0.00000
17				
18		7,421,448	6,588,489	832,959
19 Distribution Plant excl CCNC-OC	K_dcnc	1.00000	0.88776	0.11224
20				
21		7,846,850	6,914,154	832,696
22 Gross Plant-OC	K_GrossPlt	1.00000	0.88114	0.11886
23				
24		7,421,448	6,588,489	832,959
25 Distribution Plant-OC	K_distplt	1.00000	0.88776	0.11224
26				
27		5,010,708	4,429,422	581,286
28 Distribution Plant-Net (OC-Depr)	K_distnet	1.00000	0.88399	0.11601
29				
30		77,952	59,074	18,278
31 General Plant-Net	K_gennet	1.00000	0.78552	0.23448
32				
33		5,228,711	4,584,780	631,931
34 Net Electric Plant in Service	K_EPIS	1.00000	0.87916	0.12084
35				
36		138,051	105,684	32,367
37 Common Plant-net	K_comnet	1.00000	0.78554	0.23446
38				
39		216,003	165,358	50,645
40 Common & General Plant-net	K_comgennet	1.00000	0.78554	0.23446
41				
42		4,428,881	3,889,740	539,141
43 Total OCD Rate Base	K_OCDRB	1.00000	0.87827	0.12173
44				
45		306,984	238,355	68,629
46 A&G	K_A&G	1.00000	0.77644	0.22356
47				
48		311,028	238,107	72,921
49 A&G (ex reg exp)	K_A&GexReg	1.00000	0.78555	0.23445

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY EH COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2c
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 23 OF 23

LINE NO.		ALLOC	TOTAL EH	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1			268,535	238,107	30,728
2	Dist A&G (ex reg exp)	K_DistA&G	1.00000	0.88570	0.11430
3					
4			38,168	0	38,168
5	Customer Accounts A&G (ex reg exp)	K_Ca_A&G	1.00000	0.00000	1.00000
6					
7			4,008	0	4,008
8	Cust Service & Informational A&G (ex reg exp)	K_Cst_A&G	1.00000	0.00000	1.00000
9					
10			17	0	17
11	Sales A&G (ex reg exp)	K_Sales_A&G	1.00000	0.00000	1.00000
12					
13			188,517	184,579	23,938
14	Nonadjusted Depreciation Expense	K_NoadjDepEx	1.00000	0.87302	0.12698
15					
16			270,287	195,892	74,395
17	O&M (no A&G)	K_O&M	1.00000	0.72476	0.27524
18					
19			221,171	195,892	25,279
20	Dist O&M	K_distO&M	1.00000	0.88570	0.11430
21					
22			577,271	434,247	143,024
23	AutoCalc Wkg Capital (incl A&G)	K_O&MxFuel	1.00000	0.75224	0.24776
24					
25			309,459	265,522	43,937
26	Base for FIT Computation	K_FIT_base	1.00000	0.85802	0.14198
27					
28			260,342	230,075	30,267
29	Tax Property	K_Tax_prop	1.00000	0.88374	0.11626

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 1 OF 23

LINE NO.	SUMMARY OF RESULTS	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
				2	3	4
1	NET INCOME COMPUTATION					
2	GROSS ELECTRIC PLANT IN SERVICE	GP11		\$67,525,579	\$48,868,401	\$18,657,178
3	TOTAL DEPRECIATION RESERVE	DR11		(23,521,952)	(16,264,328)	(7,257,624)
4	TOTAL RATE BASE ADJUSTMENTS	RB71		(6,266,154)	(4,773,398)	(1,492,756)
5	TOTAL RATE BASE	RB91		37,737,473	27,830,675	9,906,798
6						
7	OPERATING EXPENSES					
8	TOTAL O&M EXPENSE	OM31		7,383,640	3,050,860	4,332,780
9	TOTAL DEPRECIATION EXPENSE	DE41		1,942,984	1,374,300	568,684
10	TOTAL OTHER TAX & MISC EXPENSE	L591		2,437,303	1,745,854	691,449
11	TOTAL OP EXP EXC INC & R TAX	OP61		11,763,927	6,171,014	5,592,913
12	NET FED INCOME TAX ALLOWABLE	I879		1,354,160	885,103	469,057
13	NET STATE INCOME TAX ALLOWABLE	J979		15,477	10,245	5,232
14	TOTAL REVENUE TAX	L033		0	0	0
15	TOTAL OPERATING EXPENSE	OPEX		13,133,564	7,066,362	6,067,202
16						
17	RETURN ON RATE BASE	R751		3,434,110	2,532,591	901,519
18	TOTAL OTHER OPERATING REVENUES			(308,509)	(187,236)	(121,273)
19	TOTAL ELECTRIC COST OF SERVICE	CS05		16,259,165	9,411,717	6,847,448
20						
22	PROPOSED REVENUES	R602		16,259,178	11,448,340	4,810,838
23	DIFFERENCE (REQUESTED LESS PROPOSED)	XREV		13	2,036,623	(2,036,610)
24						
25	TOTAL RETURN EARNED	RETE		3,434,118	3,851,498	(417,379)
26	RATE OF RETURN EARNED	RORE		0.091000211	0.138390391	(0.042130565)
27	TOTAL RATE OF RETURN ALLOWABLE	RORA			0.09100	0.09100
28	RETURN EARNED ON COMMON EQUITY	REOE		0.10999	0.19130	(0.11845)
29	ALLOWED RETURN ON COMMON EQUITY	AOE		0.10999	0.10999	0.10999
30						
31	PRESENT REVENUES					
32	PRESENT REVENUES	R600		18,263,896	13,469,258	4,794,638
33	REVENUE INCREASE JUSTIFIED	RIJD		(2,004,731)	(4,057,541)	2,052,810
34	REVENUE INCREASE REQUESTED	RIRD		(2,004,718)	(2,020,918)	16,200

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 2 OF 23

LINE NO.	GROSS ELECTRIC PLANT IN SERVICE	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION - STEAM	P100	K_Non_Dist	0	0	0
3	PRODUCTION - OTHER	P106	K_Non_Dist	0	0	0
4	PRODUCTION PLANT IN SERVICE	P121		0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	MAIN STEP-UP TRANSFORMERS	T100	K_Non_Dist	0	0	0
8	OTHER TRANSMISSION	T102	K_Non_Dist	0	0	0
9	TRANSMISSION PLANT IN SERVICE	T121		0	0	0
10						
11	TOTAL PROD & TRANS PLANT	PT21		0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	SUBSTATIONS	D100	K_rbdsl_d	8,188,718	8,188,718	0
15	POLES, TOWERS & FIXTURES	D102	K_rbdpl_d	10,483,750	10,483,750	0
16	CONDUCTORS	D104	K_rbdsl_d	19,794,262	19,794,262	0
17	TRANSFORMERS DEMAND RELATED	D106	K_rbdlt_d	8,115,321	8,115,321	0
18	TRANSFORMERS CUSTOMER RELATED	D107	K_rbdlt_c	5,011,370	0	5,011,370
19	SERVICES	D108	K_rbdslvc_c	2,718,205	0	2,718,205
20	METERS	D110	K_rbdm_s	8,008,172	0	8,008,172
21	CUSTOMER PREM.	D112	K_rbdsl_c	7,393	0	7,393
22	STREET LIGHTS	D114	K_rbdssl_c	0	0	0
23	CCNC	D116	K_dcnc	0	0	0
24	DISTRIBUTION PLANT IN SERVICE	D141		62,327,191	46,582,051	15,745,140
25						
26	TOTAL TRANS & DIST PLANT	TD21		62,327,191	46,582,051	15,745,140
27	TOTAL GROSS PTD PLANT	PD21		62,327,191	46,582,051	15,745,140
28						
29	<u>GENERAL & INTANGIBLE PLANT</u>					
30	PRODUCTION-DEMAND RELATED	G100	K_Non_Dist	0	0	0
31	PRODUCTION-ENERGY RELATED	G102	K_Non_Dist	0	0	0
32	TRANSMISSION	G104	K_Non_Dist	0	0	0
33	DISTRIBUTION	G106	K_DistA&G	1,123,368	905,817	217,551
34	CUSTOMER ACCTG	G108	K_Ca_A&G	790,789	0	790,789
35	CUST SERVICE & INFO	G110	K_Csl_A&G	145,284	0	145,284
36	SALES	G112	K_Sales_A&G	80	0	80
37	GEN & INTANG PLANT IN SERVICE	G121		2,059,521	905,817	1,153,704
38						
39	<u>COMMON & OTHER PLANT</u>					
40	PRODUCTION-DEMAND RELATED	C100	K_Non_Dist	0	0	0
41	PRODUCTION-ENERGY RELATED	C102	K_Non_Dist	0	0	0
42	TRANSMISSION	C104	K_Non_Dist	0	0	0
43	DISTRIBUTION	C106	K_DistA&G	1,712,098	1,380,533	331,565
44	CUSTOMER ACCTG	C108	K_Ca_A&G	1,205,242	0	1,205,242
45	CUST SERVICE & INFO	C110	K_Csl_A&G	221,412	0	221,412
46	SALES	C112	K_Sales_A&G	115	0	115
47	COMMON & OTHER PLT IN SERVICE	C121		3,138,867	1,380,533	1,758,334
48						
49	GROSS ELECTRIC PLANT IN SERVICE	GP11		67,525,579	48,868,401	18,657,178

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 3 OF 23

LINE NO.	DEPRECIATION RESERVE	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION - STEAM	P150	K_Non_Dist	0	0	0
3	PRODUCTION - OTHER	P152	K_Non_Dist	0	0	0
4	TOTAL PROD DEPREC RESERVE	P171		0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	MAIN STEP-UP TRANSFORMERS	T150	K_Non_Dist	0	0	0
8	OTHER TRANSMISSION	T152	K_Non_Dist	0	0	0
9	TOTAL TRANS DEPREC RESERVE	T171		0	0	0
10						
11	TOTAL PROD & TRANS DEPREC RESERVE			0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	SUBSTATIONS	D150	K_rbdsl_d	3,026,575	3,026,575	0
15	POLES, TOWERS & FIXTURES	D152	K_rbdpl_d	3,374,730	3,374,730	0
16	CONDUCTORS	D154	K_rbdsl_d	5,896,535	5,896,535	0
17	TRANSFORMERS DEMAND RELATED	D106	K_rbdlt_d	3,291,149	3,291,149	0
18	TRANSFORMERS CUSTOMER RELATED	D107	K_rbdlt_c	2,032,349	0	2,032,349
19	SERVICES	D158	K_rbdslvc_c	1,907,126	0	1,907,126
20	METERS	D160	K_rbdm_s	2,041,906	0	2,041,906
21	CUSTOMER PREM.	D162	K_rbdsl_c	(5,047)	0	(5,047)
22	STREET LIGHTS	D164	K_rbdssl_c	0	0	0
23	RWIP	D166	K_dcnc	(602,234)	(450,098)	(152,136)
24	TOTAL DIST DEPREC RESERVE	D191		20,963,089	15,138,891	5,824,198
25						
26	TOTAL TRANS & DIST DEPREC RESERVE			20,963,089	15,138,891	5,824,198
27	TOTAL GROSS PTD PLANT DEPREC RESERVE			20,963,089	15,138,891	5,824,198
28						
29	<u>GENERAL & INTANGIBLE PLANT</u>					
30	PRODUCTION-DEMAND RELATED	G150	K_Non_Dist	0	0	0
31	PRODUCTION-ENERGY RELATED	G152	K_Non_Dist	0	0	0
32	TRANSMISSION	G154	K_Non_Dist	0	0	0
33	DISTRIBUTION	G156	K_DistA&G	603,793	486,862	116,931
34	CUSTOMER ACCTG	G158	K_Ca_A&G	425,037	0	425,037
35	CUST SERVICE & INFO	G160	K_Csi_A&G	78,088	0	78,088
36	SALES	G162	K_Sales_A&G	43	0	43
37	TOTAL GEN DEPREC RESERVE	G171		1,106,961	486,862	620,099
38						
39	<u>COMMON & OTHER PLANT</u>					
40	PRODUCTION-DEMAND RELATED	C150	K_Non_Dist	0	0	0
41	PRODUCTION-ENERGY RELATED	C152	K_Non_Dist	0	0	0
42	TRANSMISSION	C154	K_Non_Dist	0	0	0
43	DISTRIBUTION	C156	K_DistA&G	791,942	638,575	153,367
44	CUSTOMER ACCTG	C158	K_Ca_A&G	557,492	0	557,492
45	CUST SERVICE & INFO	C160	K_Csi_A&G	102,415	0	102,415
46	SALES	C162	K_Sales_A&G	53	0	53
47	TOTAL COM & OTHER PLT RESERVE	C171		1,451,902	638,575	813,327
48						
49	TOTAL DEPRECIATION RESERVE	DR11		23,521,952	16,264,328	7,257,624

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 4 OF 23

LINE NO.	NET ELECTRIC PLANT IN SERVICE	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION - STEAM			0	0	0
3	PRODUCTION - OTHER			0	0	0
4	<u>TOTAL PROD</u>			0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	MAIN STEP-UP TRANSFORMERS			0	0	0
8	OTHER TRANSMISSION			0	0	0
9	<u>TOTAL TRANSMISSION</u>			0	0	0
10						
11	NET PROD & TRANS PLANT			0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	SUBSTATIONS			5,162,143	5,162,143	0
15	POLES, TOWERS AND FIXTURES			7,109,020	7,109,020	0
16	CONDUCTORS			13,897,727	13,897,727	0
17	TRANSFORMERS DEMAND RELATED			4,824,172	4,824,172	0
18	TRANSFORMERS CUSTOMER RELATED			2,979,021		2,979,021
19	SERVICES			811,079	0	811,079
20	METERS			5,966,266	0	5,966,266
21	CUSTOMER PREM.			12,440	0	12,440
22	STREET LIGHTS			0	0	0
23	<u>CCNC/RWIP</u>			602,234	450,098	152,136
24	<u>TOTAL DIST</u>			41,364,102	31,443,160	9,920,942
25						
26	NET TRANS & DIST PLANT			41,364,102	31,443,160	9,920,942
27	NET PTD PLANT			41,364,102	31,443,160	9,920,942
28						
29	<u>GENERAL & INTANGIBLE PLANT</u>					
30	PRODUCTION-DEMAND RELATED			0	0	0
31	PRODUCTION-ENERGY RELATED			0	0	0
32	TRANSMISSION			0	0	0
33	DISTRIBUTION			519,575	418,955	100,620
34	CUSTOMER ACCTG			365,752	0	365,752
35	CUST SERVICE & INFO			67,196	0	67,196
36	<u>SALES</u>			37	0	37
37	<u>TOTAL GEN</u>			952,560	418,955	533,605
38						
39	<u>COMMON & OTHER PLANT</u>					
40	PRODUCTION-DEMAND RELATED			0	0	0
41	PRODUCTION-ENERGY RELATED			0	0	0
42	TRANSMISSION			0	0	0
43	DISTRIBUTION			920,156	741,958	178,198
44	CUSTOMER ACCTG			647,750	0	647,750
45	CUST SERVICE & INFO			118,997	0	118,997
46	<u>SALES</u>			62	0	62
47	<u>TOTAL COM & OTHER PLT</u>			1,686,965	741,958	945,007
48						
49	TOTAL ELECTRIC PLANT IN SERVICE			44,003,627	32,604,073	11,399,554

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AJR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
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SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 5 OF 23

LINE NO.	NET ELECTRIC PLANT	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION PLANT</u>					
2	PRODUCTION PLANT IN SERVICE	P121		0	0	0
3	TOTAL PROD DEPRC RESERVE	P171		0	0	0
4	NET PRODUCTION PLANT	P221		0	0	0
5						
6	<u>TRANSMISSION PLANT</u>					
7	TRANSMISSION PLANT IN SERVICE	T121		0	0	0
8	TOTAL TRANS DEPREC RESERVE	T171		0	0	0
9	NET TRANSMISSION PLANT	T221		0	0	0
10						
11	NET PROD & TRANS PLANT			0	0	0
12						
13	<u>DISTRIBUTION PLANT</u>					
14	DISTRIBUTION PLANT IN SERVICE	D141		62,327,191	46,582,051	15,745,140
15	TOTAL DIST DEPREC RESERVE	D191		(20,963,089)	(15,138,891)	(5,824,198)
16	NET DISTRIBUTION PLANT	D241		41,364,102	31,443,160	9,920,942
17						
18	NET TRANS & DIST PLANT	NT21		41,364,102	31,443,160	9,920,942
19	NET PTD PLANT	NT31		41,364,102	31,443,160	9,920,942
20						
21	<u>GENERAL & INTANGIBLE PLANT</u>					
22	GEN & INTANG PLANT IN SERVICE	G121		2,059,521	905,817	1,153,704
23	TOTAL GEN & INTG DEPREC RESERVE	G171		(1,106,961)	(486,862)	(620,099)
24	NET GENERAL & INTANG PLANT	G221		952,560	418,955	533,605
25						
26	<u>COMMON & OTHER PLANT</u>					
27	COMMON & OTH PLT IN SERVICE	C121		3,138,867	1,380,533	1,758,334
28	TOTAL COM & OTH DEPREC RESERVE	C171		(1,451,902)	(638,575)	(813,327)
29	NET COMMON & OTHER PLANT	C221		1,686,965	741,958	945,007
30						
31	NET ELECTRIC PLANT IN SERVICE	NP21		44,003,627	32,604,073	11,399,554

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
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SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 6 OF 23

LINE NO.	RATE BASE ADJUSTMENTS	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	ACCUM DEF INC TAXES (282)					
2	CIAC	B200	K_distnet	(496,951)	(377,762)	(119,189)
3	AFUDC	B201	K_distnet	117,738	89,500	28,238
4	ELECTRIC METERS & TRANSFORMERS	B202	K_distnet	14,665	11,148	3,517
5	LOSS ON ACRS	B203	K_distnet	18,936	14,384	4,542
6	MISCELLANEOUS PLANT	B204	K_distnet	189,962	144,402	45,560
7	NON-CASH OVERHEADS	B205	K_EPIS	99,668	73,848	25,820
8	SEC 174 EXPENSE	B206	K_EPIS	0	0	0
9	TAX DEPRECIATION	B207	K_distnet	6,028,228	4,582,418	1,445,810
10	TAX INTEREST CAPITALIZED	B208	K_EPIS	(137,495)	(101,876)	(35,619)
11	SEC 263A ADJUSTMENT	B209	K_EPIS	1,667,992	1,235,882	432,110
12	PERCENTAGE REPAIR ALLOWANCE	B210	K_distnet	80,475	61,174	19,301
13	AFUDC IN CWIP - FAS 109	B211	K_distnet	0	0	0
14	PLANT FAS 109	B227	K_distnet	0	0	0
15	MISCELLANEOUS	B228	K_EPIS	(15,545)	(11,518)	(4,027)
16	TOTAL ACCOUNT 282			7,567,673	5,721,610	1,846,063
17						
18	ACCUM DEF INC TAXES (283)					
19	ACCRUED PENSION & POST RETIREMENT - FAS 158	B229	K_EPIS	(30,246)	(22,410)	(7,836)
20	LOSS ON REACQUIRED DEBT	B212	K_EPIS	161,716	119,822	41,894
21	PROPERTY TAX	B213	K_EPIS	(6,597)	(4,888)	(1,709)
22	DEFERRED OHIO GROSS RECEIPTS	B216	K_EPIS	(9,365)	(6,939)	(2,426)
23	INVENTORY AND CONTRACT WRITE-UP	B217	K_distnet	22,555	17,145	5,410
24	BASE PRODUCTION PAYMENTS	B218	K_distnet	0	0	0
25	MISCELLANEOUS	B219	K_distnet	58,831	44,721	14,110
26	AUDIT CARRYOVER	B220	K_distnet	(11,904)	(9,049)	(2,855)
27	TOTAL ACCOUNT 283			184,990	138,402	46,588
28						
29	OTHER SUBTRACTIVE ADJUSTMENTS		Schedule 5.1			
30	INVESTMENT TAX CREDIT (ACCT 255)	B240	K_EPIS	6,941	5,143	1,798
31	TOTAL OTHER SUBTRACTIVE ADJS	B253		6,941	5,143	1,798
32						
33	TOTAL SUBTRACTIVE ADJUSTMENTS	B254		7,759,604	5,865,155	1,894,449

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 7 OF 23

LINE NO.	ADDITIVE ADJUSTMENTS	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	ACCUM DEF INC TAXES (190)					
2	COST TO ACHIEVE MERGER SAVINGS	V200	K_EPIS	(1,465)	(1,085)	(380)
3	DUKE MERGER COSTS - TIMING	V201	K_EPIS	18,896	14,001	4,895
4	RSP COSTS CAPITALIZED	V202	K_distnet	(259,073)	(196,937)	(62,136)
5	REGULATORY ASSET BENEFITS	V203	K_EPIS	(653,871)	(484,553)	(169,418)
6	UNAMORTIZED DEBT PREMIUMS	V204	K_EPIS	31,048	23,005	8,043
7	401K INCENTIVE PLAN	V205	K_EPIS	457	339	118
8	EXECUTIVE LIFE INSURANCE	V206	K_EPIS	(9,810)	(7,269)	(2,541)
9	INCENTIVE PLAN	V207	K_EPIS	(11,273)	(8,353)	(2,920)
10	INJURIES AND DAMAGES	V208	K_EPIS	(164)	(122)	(42)
11	HOSPITAL & MEDICAL EXPENSE	V210	K_EPIS	5,284	3,915	1,369
12	LTIP	V211	K_EPIS	5,342	3,958	1,384
13	PENSION EXPENSE	V212	K_EPIS	869,181	644,011	225,170
14	POST EMP BENEFITS - FAS 112	V213	K_EPIS	7,782	5,766	2,016
15	POST RETIREMENT HEALTH CARE	V214	K_EPIS	755,272	559,611	195,661
16	POST RETIREMENT LIFE INSURANCE	V215	K_EPIS	75,739	56,118	19,621
17	SUPPLEMENTAL PENSION PLAN	V216	K_EPIS	36,356	26,938	9,418
18	VACATION PAY ACCRUAL	V217	K_EPIS	44,803	33,196	11,607
19	VACATION PAY ACCRUAL - REG ASSET	V218	K_EPIS	86,692	64,234	22,458
20	MISCELLANEOUS	V220	K_EPIS	(109,930)	(81,452)	(28,478)
21	PARTNERSHIP	V221	K_EPIS	(156)	(116)	(40)
22	RATE CASE EXPENSE	V223	K_distnet	(3,047)	(2,316)	(731)
23	RATE ORDER LATTICE	V224	K_distnet	5,400	4,105	1,295
24	UNCOLLECTIBLE ACCOUNTS	V225	K_EPIS	32,807	24,308	8,499
25	TAX INTEREST ACCRUAL	V226	K_EPIS	149,453	110,736	38,717
26	PROPERTY TAX	V227	K_EPIS	81,458	60,355	21,103
27	STATE INCOME TAX ACCRUAL	V228	K_EPIS	(11,606)	(8,599)	(3,007)
28	SECTION 481A ADJUSTMENT	V229	K_EPIS	(2,510)	(1,860)	(650)
29	TOTAL ACCOUNT 190			1,142,965	841,934	301,031

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
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SCHEDULE E-3.2d
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 8 OF 23

LINE NO.	OTHER RATE BASE	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	POST RETIREMENT BENEFITS	V251	K_EPIS	362,492	268,585	93,907
2	MISCELLANEOUS	V254	K_EPIS	0	0	0
3	TOTAL OTHER	V255		362,492	268,585	93,907
4						
5	RATE BASE - CONSTRUCTION WORK IN PROGRESS					
6	TOTAL RATE BASE CWIP	V256		0	0	0
7						
8	TOTAL ADDITIVE ADJUSTMENTS	V260		1,505,457	1,110,519	394,938
9						
10	NET ORIGINAL COST RATE BASE	RB21		37,749,480	27,849,437	9,900,043

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 9 OF 23

LINE NO.	WORKING CAPITAL	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>MATERIALS & SUPPLIES</u>					
2	FUEL SUPPLIES					
3	FOSSIL	W630	K_Non_Dist	0	0	0
4	TOTAL FUEL STOCKS	W641		0	0	0
5						
6	<u>PLANT MATERIALS & SUPPLIES</u>					
7	PRODUCTION	W642	K_Non_Dist	0	0	0
8	TRANSMISSION	W644	K_Non_Dist	0	0	0
9	DISTRIBUTION	W646	K_distnet	196,626	149,467	47,159
10	GENERAL AND COMMON	W646	K_comgenet	0	0	0
11	TOTAL PLANT MATS. & SUPPLIES	W659		196,626	149,467	47,159
12	TOTAL MATERIALS & SUPPLIES	W661		196,626	149,467	47,159
13						
14	<u>PREPAYMENTS</u>					
15	MISCELLANEOUS	W670	K_A&GexReg	0	0	0
16	TOTAL PREPAYMENTS	W677		0	0	0
17						
18	<u>CASH WORKING CAPITAL - RATE BASE</u>					
19	OTHER	W690	K_Non_Dist	0	0	0
20	TOTAL FUEL, PP & OTHER	W705		0	0	0
21						
22	AUTO CALC (O&M-F-PP)8	W711	K_O&MxFuel	0	0	0
23	TOTAL WORKING CASH	W721		0	0	0
24						
25	<u>MISCELLANEOUS WORKING CAPITAL</u>					
26	CUSTOMER SERVICE DEPOSITS - RETAIL	W730	K_DistA&G	(208,633)	(168,229)	(40,404)
27	CUSTOMER SERVICE DEPOSITS - TRANS SERV	W736	K_Non_Dist	0	0	0
28	TOTAL MISC WORK CAPITAL	W747		(208,633)	(168,229)	(40,404)
29						
30	<u>TOTAL WORKING CAPITAL</u>	WC71		(12,007)	(18,762)	6,755
31	PRELIMINARY SUMMARY					
32	TOTAL SUBTRACTIVE ADJUSTMENTS	B254		(7,759,804)	(5,865,155)	(1,894,449)
33	TOTAL ADDITIVE ADJUSTMENTS	V260		1,505,457	1,110,519	394,938
34	TOTAL WORKING CAPITAL	WC71		(12,007)	(18,762)	6,755
35	<u>TOTAL RATE BASE ADJUSTMENTS</u>	RB71		(6,266,154)	(4,773,398)	(1,492,756)
36						
37	RATE BASE CALCULATION					
38	NET ELECTRIC PLANT IN SERVICE	NP21		44,003,627	32,604,073	11,399,554
39	TOTAL RATE BASE ADJUSTMENTS	RB71		(6,266,154)	(4,773,398)	(1,492,756)
40	TOTAL RATE BASE	RB91		37,737,473	27,830,675	9,906,798
41						
42	TOTAL RATE OF RETURN ALLOWABLE	RORA		0.091000000	0.091000000	0.091000000
43	RETURN ON RATE BASE	R751		3,434,110	2,532,591	901,519

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 10 OF 23

LINE NO.	O&M EXPENSES	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION O&M</u>					
2	ENERGY RELATED PRODUCTION O&M					
3	FUEL COSTS	P300	K_Non_Dist	0	0	0
4	SYSTEM CONTROL, LOAD DISPATCHING & OTHER	P301	K_Non_Dist	0	0	0
5	EMISSION ALLOWANCES	P302	K_Non_Dist	0	0	0
6	COST OF LIME	P303	K_Non_Dist	0	0	0
7	ALL OTHER - OPERATION	P304	K_Non_Dist	0	0	0
8	ELIMIN NON PUCO JURISDICTIONAL EXP	P305	K_Non_Dist	0	0	0
9	COST POOL ANN ADJUSTMENTS	P306	K_Non_Dist	0	0	0
10	ANNUALIZE 4TH QTR ADJ	P307	K_Non_Dist	0	0	0
11	SERV CO ALLOC - PROD	P308	K_Non_Dist	0	0	0
12	TOTAL ENERGY RELATED	P341		0	0	0
13						
14	<u>DEMAND RELATED PROD O&M</u>					
15	ALL OTHER - OPERATION & MAINTENANCE	P356	K_Non_Dist	0	0	0
16	PURCHASED POWER	P356	K_Non_Dist	0	0	0
17	TOTAL DEMAND RELATED	P391		0	0	0
18						
19	<u>OTHER THAN EN/DEM RELATED</u>					
20	MISCELLANEOUS ITEMS	P400	K_Non_Dist	0	0	0
21	TOTAL PROD OTHER THAN EN/DEM	P441		0	0	0
22						
23	TOTAL PRODUCTION O&M	P451		0	0	0
24						
25	<u>TRANSMISSION O & M</u>					
26	MAIN STEP-UP TRANSFORMERS	T300	K_Non_Dist	0	0	0
27	OTHER TRANSMISSION	T302	K_Non_Dist	0	0	0
28	ELIMI NON JURIS EXPENSE	T304	K_Non_Dist	0	0	0
29	COST POOL BALANCE ANN ADJUSTMENT	T306	K_Non_Dist	0	0	0
30	ANNUALIZE 4TH QTR ADJ	T308	K_Non_Dist	0	0	0
31	SERV CO ALLOC - TRAN	T310	K_Non_Dist	0	0	0
32	TOTAL TRANSMISSION O & M	T341	K597	0	0	0
33						
34	<u>DISTRIBUTION O & M</u>					
35	SUBSTATIONS	D300	K_rbdsl_d	154,852	154,852	0
36	OVERHEAD LINES	D302	K_rbdpl_d	755,990	755,990	0
37	UNDERGROUND LINES	D304	K_rbdsl_d	124,998	124,998	0
38	TRANSFORMERS DEMAND RELATED	D106	K_rbdll_d	20,844	20,844	0
39	TRANSFORMERS CUSTOMER RELATED	D107	K_rbdll_c	12,872	0	12,872
40	METERS	D308	K_rbdssl_c	216,916	0	216,916
41	STREET LIGHTS & TRAFFIC SIGNALS	D310	K_distnet	0	0	0
42	OTHER OPERATION	D312	K_distnet	348,661	265,038	83,623
43	OTHER MAINTENANCE	D314	K_distnet	70,784	53,807	16,977
44	FUTURE USE	D316	K_distnet	0	0	0
45	SERV CO ALLOC - DISTRIBUTION	D318	K_distnet	(522)	(397)	(125)
				1,705,395	1,375,132	330,263

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 11 OF 23

LINE NO.	O&M EXPENSES	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>CUSTOMER ACCOUNTING</u>					
2	CUSTOMER ACCOUNTING EXPENSE	C300	K_Ca_O&M	1,225,950	0	1,225,950
3	UNCOLLECTIBLE EXPENSE	C302	K_Ca_O&M	381,103	0	381,103
4	CUSTOMER SERVICE DEPOSITS - RETAIL	C304	K_Ca_O&M	10,432	0	10,432
5	CUSTOMER SERVICE DEPOSITS - TRANS	C306	K_Ca_O&M	0	0	0
6	ANNUALIZE UNCOLLECTIBLE ACCOUNT EXP	C308	K_Ca_O&M	(438,959)	0	(438,959)
7	UNCOLLECTIBLE ACCT EXP DUE TO INCR DIST	C310	K_Ca_O&M	0	0	0
8	AMORTIZE BAD DEBT MORATORIUM	C312	K_Ca_O&M	(5,571)	0	(5,571)
9	SALE OF ACCOUNTS RECEIVABLE FEES - ELEC.	C313	K_Ca_O&M	483,935	0	483,935
10	ELIMINATE NON JURIS. EXPENSE	C314	K_Ca_O&M	0	0	0
11	ELIMINATE OET EXPENSE	C316	K_Ca_O&M	0	0	0
12	<u>TOTAL CUSTOMER ACCT EXPENSE</u>	C317		1,656,890	0	1,656,890
13						
14	<u>CUSTOMER SERVICE & INFORMATION</u>					
15	CUSTOMER ASSISTANCE	C320	K_Csi_O&M	133,618	0	133,618
16	INFORMATION & INSTRUCTIONAL ADV	C322	K_Csi_O&M	191	0	191
17	MISC CUST SERVICE & INFORMATION	C324	K_Csi_O&M	249,297	0	249,297
18	ELIMINATE NON JURIS EXPENSE	C326	K_Csi_O&M	(2,638)	0	(2,638)
19	<u>SERV CO ALLOC CUST SERV & INFORM</u>	C331	K_Csi_O&M	(232)	0	(232)
20	<u>TOTAL CUSTOMER SERV. & INFO.</u>			380,236	0	380,236
21						
22	<u>SALES</u>	S300	K_Sales_O&M	25	0	25
23	MARKETING OPERATIONS	S302	K_Sales_O&M	0	0	0
24	OTHER SALES EXPENSE	S304	K_Sales_O&M	0	0	0
25	SERV CO ALLOC SALES	S306	K_Sales_O&M	0	0	0
26	<u>ELIMINATE VARIOUS EXPENSES</u>	S317		25	0	25
27	<u>TOTAL SALES EXPENSE</u>					
28						
29	SUBTOTAL O&M EXCL. A&G			3,742,546	1,375,132	2,367,414

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
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SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 12 OF 23

LINE NO.	O&M EXPENSES	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>ADMINISTRATIVE & GENERAL & OTHER EXP</u>					
2	A&G EXPENSE EXCL. REGULATORY EXP					
3	PRODUCTION-DEMAND RELATED	A300	K_Non_Dist	0	0	0
4	PRODUCTION-ENERGY RELATED	A302	K_Non_Dist	0	0	0
5	TRANSMISSION	A304	K_Non_Dist	0	0	0
6	DISTRIBUTION	A306	K_distO&M	2,073,119	1,671,639	401,480
7	CUSTOMER ACCTG	A308	K_Ca_O&M	1,459,385	0	1,459,385
8	CUST SERVICE & INFO	A310	K_Csi_O&M	268,100	0	268,100
9	SALES	A312	K_Sales_O&M	139	0	139
10	A&G EXPENSE EXCL. REGULATORY EXP	A314	K_A&GexReg	3,800,743	1,671,639	2,129,104
11	HARTWELL ELIMINATION	A318	K_A&GexReg	(1,441)	(634)	(807)
12	ANNUALIZE WAGES	A320	K_A&GexReg	(238,898)	(104,192)	(132,706)
13	RATE CASE EXPENSE - ADJ	A322	K_EPIS	(5,315)	(3,938)	(1,377)
14	REGULATORY EXPENSE - FERC	A324	K_Non_Dist	0	0	0
15	REGULATORY EXPENSE -STATE	A326	K_EPIS	79,029	58,556	20,473
16	REG ASSET AMORTIZATION - TOWERS	A328	K_DistA&G	(35,031)	(28,247)	(6,784)
17	MERGER SAVINGS ADJUSTMENT	A329	K_EPIS	225,123	186,803	58,320
18	FUTURE USE	A330	K_DistA&G	0	0	0
19	FUTURE USE	A332	K_A&GexReg	0	0	0
20	FUTURE USE	A334	K_EPIS	0	0	0
21	FUTURE USE	A336	K_A&GexReg	0	0	0
22	ELIMINATE NON-PUCO JURIS EXP	A346	K_DistA&G	(1,742)	(1,405)	(337)
23	EEL EXPENSE ADJUSTMENT	A348	K_A&GexReg	(4,706)	(2,070)	(2,636)
24	SERV CO ALLOC	A350	K_A&GexReg	(2,794)	(1,229)	(1,565)
25	FUTURE USE	A352	K_A&GexReg	0	0	0
26	ANNUALIZE PENSION & BENEFIT EXP	A354	K_A&GexReg	(168,562)	(74,137)	(94,425)
27	PUCO & OCC MAINTENANCE ASSESSMENTS	A356	K_EPIS	(7,312)	(5,418)	(1,894)
28	OTHER	A356	K_EPIS	0	0	0
29	TOTAL ADMIN. & GENERAL	A357		3,641,094	1,675,728	1,965,366
30						
31	TOTAL O & M EXPENSE	OM31		7,383,640	3,050,860	4,332,780

DUKE ENERGY OHIO, INC.
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TWELVE MONTHS ENDING DECEMBER 31, 2008
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TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 13 OF 23

LINE NO.	DEPRECIATION EXPENSE	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>PRODUCTION DEPRECIATION</u>					
2	PRODUCTION DEPRECIATION	P460	K_Non_Dist	0	0	0
3	ANNUALIZATION ADJUSTMENT	P462	K_Non_Dist	0	0	0
4	TOTAL PRODUCTION DEPREC EXP.	P481		0	0	0
5						
6	<u>TRANSMISSION DEPRECIATION</u>					
7	TRANSMISSION DEPRECIATION	T460	K_Non_Dist	0	0	0
8	ANNUALIZATION ADJUSTMENT	T462	K_Non_Dist	0	0	0
9	TOTAL TRANSMISSION DEP. EXP.	T481		0	0	0
10						
11	<u>DISTRIBUTION DEPRECIATION</u>					
12	DISTRIBUTION DEPRECIATION	D460	K_distnet	1,411,450	1,072,928	338,522
13	ANNUALIZATION ADJUSTMENT	D462	K_distnet	211,003	160,396	50,607
14	TOTAL DIST. DEPREC EXP.	D481		1,622,453	1,233,324	389,129
15						
16	<u>GENERAL DEPRECIATION</u>					
17	GENERAL DEPRECIATION	G460	K_gennet	88,011	37,829	48,182
18	ANNUALIZATION ADJUSTMENT	G462	K_gennet	45,498	20,011	25,487
19	TOTAL GENERAL DEPREC EXP.	G481		131,509	57,840	73,669
20						
21	<u>COMMON AND OTHER DEPRECIATION</u>					
22	COMMON DEPRECIATION	C460	K_comnet	127,490	56,073	71,417
23	ANNUALIZATION ADJUSTMENT	C462	K_comnet	61,532	27,063	34,469
24	TOTAL COM & OTHER DEPREC EXP.	C481		189,022	83,136	105,886
25						
26						
27	TOTAL DEPRECIATION EXPENSE	DE41		1,942,984	1,374,300	568,684

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
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SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 14 OF 23

LINE NO.	TAXES OTHER THAN INC & REV	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>REAL ESTATE & PROPERTY TAX</u>					
2	PRODUCTION - DEMAND RELATED	L500	K_Non_Dist	0	0	0
3	PRODUCTION - ENERGY RELATED	L502	K_Non_Dist	0	0	0
4	TRANSMISSION	L504	K_Non_Dist	0	0	0
5	DISTRIBUTION	L506	K_distnet	2,143,588	1,629,470	514,118
6	OTHER	L508	K_comgennet	8,696	2,945	3,751
7	TAXABLE PLANT		K_Tax_prop	2,150,284	1,632,415	517,869
8	ANNUALIZED PROPERTY TAX ADJUSTMENT - DIST.	L510	K_distnet	(23,623)	(17,957)	(5,666)
9	ELIMINATE PROPERTY TAX - HARTWELL	L511	K_gennet	0	0	0
10	ANNUALIZED PROPERTY TAX ADJUSTMENT - GENERAL	L512	K_gennet	2,291	1,008	1,283
11	<u>TOTAL REAL EST & PROP TAX</u>	L521		2,128,952	1,615,466	513,486
12						
13	<u>MISCELLANEOUS TAXES</u>					
14	FUTURE USE	L560	K_EPIS	0	0	0
15	HIGHWAY USE TAX	L562	K_A&GexReg	1,183	520	663
16	SERVICE CO ALLOC	L564	K_A&GexReg	(116)	(51)	(65)
17	COMMERCIAL ACTIVITIES TAX	L566	K_A&GexReg	59,333	26,096	33,237
18	PAYROLL TAXES	L568	K_A&GexReg	195,413	85,947	109,466
19	ANNUALIZE FICA & UNEMPLOYMENT TAXES ADJ	L570	K_EPIS	(38,128)	(28,251)	(9,877)
20	CINCINNATI FRANCHISE TAX	L572	K_EPIS	35,860	26,644	9,316
21	<u>SALES & USE TAX</u>	L576	K_A&GexReg	2,365	1,040	1,325
22	<u>TOTAL MISCELLANEOUS TAXES</u>	L581		256,010	111,945	144,065
23						
24	<u>MISCELLANEOUS EXPENSES</u>					
25	UNCOLLECTIBLE ACCT EXP DUE TO INCR	L582	K_Ca_O&M	27,450	0	27,450
26	CAT & FRANCHISE DUE TO INCR	L583	K_EPIS	16,745	12,407	4,338
27	PUCO & OCC MAINT. ASSESS. - NON DIST	L584	K_EPIS	8,146	6,036	2,110
28	<u>TOTAL MISCELLANEOUS EXPENSES</u>	L589		52,341	18,443	33,898
29						
30	<u>TOTAL OTHER TAX & MISC EXPENSE</u>			2,437,303	1,745,854	691,449
31						
32	<u>PRELIMINARY SUMMARY</u>					
33	<u>TOTAL O&M EXPENSE</u>	OM31		7,383,640	3,050,860	4,332,780
34	<u>TOTAL DEPRECIATION EXPENSE</u>	DE41		1,942,984	1,374,300	568,684
35	<u>TOTAL OTHER TAX & MISC EXPENSE</u>	L591		2,437,303	1,745,854	691,449
36	<u>TOTAL OP EXP EXC IT & REV TAX</u>	OP61		11,763,927	6,171,014	5,592,913

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
 DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATE
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE E-3.2d
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 15 OF 23

LINE NO.	FEDERAL INCOME TAX - NET DEDUCTIONS AND ADDITIONS	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>FEDERAL INCOME TAX DEDUCTIONS</u>					
2	AUTOMATIC INTEREST CALCULATION					
3	AUTO PROC INTEREST DED	Y751	K_EPIS	1,004,397	744,198	260,199
4	TOTAL INTEREST EXPENSE	Y783		1,004,397	744,198	260,199
5						
6	<u>OTHER DEDUCTIONS</u>					
7	DEPREC EXCESS TAX-BOOK	Y790	K_EPIS	138,758	102,811	35,947
8	TEMPORARY DIFFERENCES	Y792	K_A&GexReg	(661,374)	(290,896)	(370,488)
9	PERMANENT DIFFERENCES	Y794	K_EPIS	(8,477)	(6,281)	(2,196)
10	TOTAL OTHER DEDUCTIONS	Y861		(531,093)	(194,356)	(336,737)
11						
12	NET DEDUCTIONS AND ADDITIONS	Y871		473,304	549,842	(76,538)

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 16 OF 23

LINE NO.	FEDERAL INCOME TAX ADJUSTMENTS	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>FED PROV DEF INC TAX (410 & 411)</u>					
2	DEFERRED INCOME TAX ON DEPRECIATION	Z762	K_distnet	51,495	39,144	12,351
3	OTHER DEFERRED INCOME TAXES - NET	Z763	K_distnet	(231,481)	(175,963)	(55,518)
4	DEFERRED INCOME TAX ADJUSTMENT - ARAM	Z764	K_distnet	(24,430)	(18,671)	(5,859)
5	DEFERRED INCOME TAX ADJUSTMENT - FLOW-THROUGH	Z765	K_distnet	78,678	59,808	18,870
6	TOTAL FED PROV DEF IT (410 & 411)	Z783		(125,738)	(95,582)	(30,156)
7						
8	<u>AMORTIZED INV TAX CREDIT</u>					
9	AMORTIZE ITC	Z811	K_distnet	30,340	23,063	7,277
10	AMORTIZE ITC ADJUSTMENT	Z812	K_distnet	0	0	0
11	TOTAL AMORTIZED ITC	Z813		30,340	23,063	7,277
12						
13	TEST YEAR INVESTMENT TAX CREDIT		K_distnet	0	0	0
14	TEST YEAR INVESTMENT TAX CREDIT	Z823		0	0	0
15						
16	<u>PRELIMINARY SUMMARY</u>					
17	TOTAL FED PROV DEF IT (410 & 411)	Z783		(125,738)	(95,582)	(30,156)
18	TOTAL AMORTIZED ITC	Z813		(30,340)	(23,063)	(7,277)
19	TOTAL FEDERAL TAX ADJUSTMENTS	Z863		(156,078)	(118,645)	(37,433)

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 17 OF 23

LINE NO.	FEDERAL INCOME TAX COMPUTATION	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	RETURN ON RATE BASE	R751		3,434,110	2,532,591	901,519
2	NET DEDUCTIONS AND ADDITIONS	Y871		(473,304)	(549,842)	76,538
3	TOTAL FEDERAL TAX ADJUSTMENTS	Z863		(156,078)	(118,645)	(37,433)
4	TOTAL STATE INC TAX ADJUSTMENT	Z945		0	0	0
5	TOTAL STATE PROV DEF IT (410 & 411)	Z933		0	0	0
6	BASE FOR FIT COMPUATION	I865		2,804,728	1,864,104	940,624
7						
8	FIT FACTOR K190/(1-K190)	I867		0.53846	0.53846	0.53846
9	PRELIM FED INCOME TAX	I869		1,510,238	1,003,748	506,490
10	TOTAL FEDERAL TAX ADJUSTMENTS	Z863		(156,078)	(118,645)	(37,433)
11	NET FED INCOME TAX ALLOWABLE	I879		1,354,160	885,103	469,057
12						
13	INCOME TAX BASED ON RETURN					
14	FEDERAL INCOME TAX PAYABLE					
15	PRELIM FEDERAL INCOME TAX	I869		1,510,238	1,003,748	506,490
16	OTHER	Z823		0	0	0
17	NET FED INCOME TAX PAYABLE	I889		1,510,238	1,003,748	506,490

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
 ELECTRIC CASE NOS: 08-709-EL-AIR, 08-710-EL-ATA, 08-711-EL-AAM
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SCHEDULE E-3.2d
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 18 OF 23

LINE NO.	STATE INCOME TAX	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	DEDUCTIONS IN ADDITION TO Y871					
2	UNALLOWABLE DEPRECIATION	Y890	K_EPIS	115,709	85,733	29,976
3	OHIO TAXABLE INCOME ADJ - OH FRANCHISE	Y892	K_EPIS	31,671	23,466	8,205
4	DEDUCTIONS IN ADD TO Y871	Y911		147,380	109,199	38,181
5						
6	STATE INCOME TAX ADJUSTMENTS					
7	STATE PROV DEF INC TAX (410 & 411)					
8	TOT STATE PROV DEF IT (410 & 411)	Z907		0	0	0

DUKE ENERGY OHIO, INC.
 DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
 TWELVE MONTHS ENDING DECEMBER 31, 2008
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SCHEDULE E-3.2d
 WITNESS RESPONSIBLE:
 DONALD L. STORCK
 PAGE 19 OF 23

LINE NO.	OTHER SIT ADJUSTMENTS	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	CURRENT YEAR PAYABLE ADJUSTMENT	Z941	K_EPIS	0	0	0
2	OTHER SIT ADJUSTMENTS	Z942		0	0	0
3						
4	TOTAL STATE INC TAX ADJUSTMENT	Z945		0	0	0
5						
6	INCOME TAX BASED ON RETURN					
7	SUMMARY OF SIT CALCULATION					
8	RETURN ON RATE BASE	R751		3,434,110	2,532,591	901,519
9	NET FED INCOME TAX ALLOWABLE	I879		1,354,160	885,103	469,057
10	NET FED. DED. AND ADDITIONS	Y871		(473,304)	(549,842)	76,538
11	DEDUCTIONS IN ADD TO Y871	Y911		(147,380)	(109,199)	(38,181)
12	TOTAL STATE INC TAX ADJ	Z957		0	0	0
13	BASE FOR SIT COMPUTATION	J965		4,167,586	2,758,653	1,408,933
14						
15	SIT FACTOR K192/(1-K192)	J967		0.00371374	0.00371374	0.00371374
16	PRELIMINARY STATE INCOME TAX	J969		15,477	10,245	5,232
17	TOTAL STATE INCOME TAX ADJ.	Z957		0	0	0
18	NET STATE INC TAX ALLOWABLE	J979		15,477	10,245	5,232
19						
20	STATE INCOME TAX PAYABLE					
21	PRELIMINARY STATE INCOME TAX	J969		15,477	10,245	5,232
22	OTHER SIT ADJUSTMENTS	Z955		0	0	0
23	NET STATE INCOME TAX PAYABLE	J989		15,477	10,245	5,232
24						
25	COMPOSITE TAX RATE	CTAX		0.3524050	0.3524050	0.3524050

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
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SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 20 OF 23

LINE NO.	COST OF SERVICE COMPUTATION	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	<u>OTHER OPERATING REVENUES</u>					
2	INTERDEPARTMENTAL	Q000	K_EPIS	6,346	4,702	1,644
3	SPECIAL CONTRACTS	Q002	K_EPIS	705	522	183
4	MISCELLANEOUS	Q004	K_EPIS	28,734	21,290	7,444
5	RECONNECTION CHARGES & CUSTOMER DIVERSION	Q006	K_A&GexReg	25,397	11,170	14,227
6	BAD CHECK CHARGES	Q008	K_A&GexReg	10,379	4,565	5,814
7	POLE CONTACT RENTALS	Q010	K_A&GexReg	101,544	44,661	56,883
8	RENT ELECTRIC PROPERTIES - DISTR	Q012	K_EPIS	99,494	73,719	25,775
9	RENT ELECTRIC PROPERTIES	Q014	K_EPIS	0	0	0
10	OTHER ELECTRIC REVENUES - DIST	Q016	K_EPIS	0	0	0
11	OTHER ELECTRIC REVENUES - OTHER PUB UTILITIES	Q018	K_EPIS	0	0	0
12	OTHER ELECTRIC REVENUES - OTHER	Q020	K_EPIS	35,910	26,607	9,303
13	<u>TOTAL OTHER OPERATING REVS</u>	Q027		308,509	187,236	121,273
14						
15	<u>COST OF SERVICE COMPUTATION</u>					
16	TOTAL OP EXP EXC INC & REV TAX	OP61		11,763,927	6,171,014	5,592,913
17	RETURN ON RATE BASE	R751		3,434,110	2,532,591	901,519
18	NET FED INCOME TAX ALLOWABLE	I879		1,354,160	885,103	469,057
19	NET STATE INCOME TAX ALLOWABLE	J979		15,477	10,245	5,232
20	<u>TOTAL OTHER OPERATING REVENUES</u>	Q027		(308,509)	(187,236)	(121,273)
21	<u>SUBTOTAL B</u>	CS03		16,259,165	9,411,717	6,847,448
22						
23	TOTAL OTHER OPERATING REVENUES	Q027		308,509	187,236	121,273
24	LESS: REVS EXCL FROM REV TAX CALC	REXC		0	0	0
25	<u>OTHER OPERATING REVS TO BE TAXED</u>	OORT		308,509	187,236	121,273
26						
27	<u>REVENUE TAX FACTOR</u>	L030		0.00000	0.00000	0.00000
28	REVENUE TAX ON OTHER OPERATING REVS	L031		0	0	0
29	REVENUE TAX ON COST OF SERVICE	L032		0	0	0
30	<u>TOTAL REVENUE TAX</u>	L033		0	0	0
31	<u>TOTAL EL. COST OF SERVICE</u>	CS05		16,259,165	9,411,717	6,847,448
32						
33	<u>PROPOSED REVENUES</u>	R602		16,259,178	11,448,340	4,810,838
34	TOTAL ELECTRIC COST OF SERVICE	CS05		(16,259,165)	(9,411,717)	(6,847,448)
35	DIFFERENCE	XREV		13	2,036,623	(2,036,610)
36	TIMES COMPOSITE TAX RATE	CTAX		0.352405000	0.352405000	0.352405000
37	EXCESS TAX	XTAX		5	717,716	(717,712)
38	EXCESS RETURN	XRET		8	1,318,907	(1,318,898)

DUKE ENERGY OHIO, INC.
DISTRIBUTION SECONDARY LARGE DM COST OF SERVICE STUDY
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SCHEDULE E-3.2d
WITNESS RESPONSIBLE:
DONALD L. STORCK
PAGE 21 OF 23

LINE NO.	ROR, TAX RATES & SPEC FACTORS	ITEM	ALLO	TOTAL DM	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER
1	RATE OF RETURN					
2						
3	CAPITALIZATION AMOUNTS			<u>Total Company</u>	<u>Ratio</u>	
4	LONG TERM DEBT	K100		1,787,741,777	0.4172	
5	PREFERRED STOCK	K102		0	0.0000	
6	COMMON STOCK	K104		2,497,378,912	0.5828	
7	SHORT TERM DEBT	K106		0	0.0000	
8	UNAMORTIZED DISCOUNT	K108		0	0.0000	
9	TOTAL	K115		4,285,120,689	1.0000	
10						
11	COST OF CAPITAL					
12	LONG TERM DEBT	K120		0.0645000		
13	PREFERRED STOCK	K122		0.0000000		
14	COMMON STOCK	K124		0.1100000		
15	SHORT TERM DEBT	K126		0.0000000		
16	UNAMORTIZED DISCOUNT	K128		0.0000000		
17						
18	WEIGHTED COST OF CAPITAL					
19	LONG TERM DEBT	K141		0.0269000		
20	PREFERRED STOCK	K143		0.0000000		
21	COMMON STOCK	K145		0.0641000		
22	SHORT TERM DEBT	K147		0.0000000		
23	UNAMORTIZED DISCOUNT	K149		0.0000000		
24	TOT RATE OF RETURN ALLOWABLE	RORA		0.0910000		
25						
26	TAX RATES AND SPECIAL FACTORS					
27	SHORT TERM DEBT COST	K180		0.0000000	0.00000	0.00000
28	FEDERAL INCOME TAX RATE	K190		0.3500000	0.35000	0.35000
29	STATE INCOME TAX RATE	K192		0.0037000	0.00370	0.00370
30	REVENUE TAX RATE	K196		0.0000000	0.00000	0.00000
31						
32						
33	PRESENT REVENUES	R600	K_OCDRB	18,263,896	13,469,258	4,794,638
34	PROPOSED REVENUES	R602	0	16,259,178	11,448,340	4,810,838
35	PRESENT NOI			4,732,364		
36	GROSS REVENUE AT AVERAGE ROR (PRESENT NOI DIVIDED BY RATE BASE)			12,961,015		
37	(SUBSIDY) EXCESS			5,302,881		
38	REDUCTION IN (SUBSIDY) EXCESS			5,302,881		
39	RATE INCREASE		0	(2,004,718)	(2,020,918)	16,200
40	TAX COMPLEMENT					
41						
42	REVENUE NOT TO BE INCLUDED IN REVENUE TAX CALCULATION					
43	MISCELLANEOUS		K_OCDRB	0	0	0
44	TOTAL	REXC		0	0	0