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**VIA OVERNIGHT MAIL DELIVERY**

March 1, 2010

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, Ohio 43215

Re: Case No. 09-974-EL-FAC  
09-975-EL-RDR

Dear Docketing Division:

Enclosed please find for filing an original and twelve copies of the *Application to Approve the Fuel Economy Purchased Power Component and the System Reliability Tracker Component; Duke Energy Ohio, Inc.'s Motion for Protective Order; Direct testimony of Timothy J. Thieman and the Direct Testimony of William Don Wathen.*

We are also enclosing an envelope containing the Confidential material to be filed under seal as referenced in the Motion filed concurrently.

Please file-stamp and return two copies in the envelope provided.

Should you have any questions, please contact me at (513) 419-1837.

Very truly yours,

Dianne Kuhnell  
Senior Paralegal

Enclosure

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business  
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**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke Energy )  
Ohio, Inc. to Establish its Fuel and ) Case No. 09-974-EL-FAC  
Economy Purchased Power Component of its )  
Market-Based Standard Service Office for )  
2009. )

In the Matter of the Application of Duke Energy )  
Ohio, Inc. to Establish its System Reliability )  
Tracker of its Market-Based Standard Service ) Case No. 09-975-EL-RDR  
Offer for 2009. )

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**DIRECT TESTIMONY OF  
WILLIAM DON WATHEN JR.  
ON BEHALF OF  
DUKE ENERGY OHIO, INC.**

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### ATTACHMENTS:

- WDW-1 Rider PTC-FPP Quarterly Filings for the Period January 1, 2009, through  
December 31, 2009
- WDW-2 Rider SRA-SRT Quarterly Filings for the Period of January 1, 2009, through  
December 31, 2009

## **I. INTRODUCTION**

1   **Q.   PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2   A.   My name is William Don Wathen Jr. My business address is 139 East Fourth  
3       Street, Cincinnati, Ohio 45202.

4   **Q.   BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5   A.   I am employed by Duke Energy Corporation (Duke Energy), Duke Energy  
6       Business Services (DEBS) as Vice President Rates, Ohio and Kentucky.

7   **Q.   PLEASE SUMMARIZE YOUR EDUCATION AND PROFESSIONAL**  
8       **QUALIFICATIONS.**

9   A.   I received Bachelor Degrees in Business and Chemical Engineering, and a Master  
10       of Business Administration Degree, all from the University of Kentucky. After  
11       completing graduate studies, I was employed by Kentucky Utilities Company as a  
12       planning analyst. In 1989, I began employment with the Indiana Utility  
13       Regulatory Commission as a senior engineer. From 1992 until mid-1998, I was  
14       employed by SVBK Consulting Group, where I held several positions as a  
15       consultant focusing principally on utility rate matters. I was hired by Cinergy  
16       Services, Inc., in 1998, as an Economic and Financial Specialist in the Budgets  
17       and Forecasts Department. In 1999, I was promoted to the position of Manager,  
18       Financial Forecasts. In August 2003, I was named Director of Revenue  
19       Requirements in the Rates Department where I had responsibility for the  
20       preparation of financial and accounting data used in the wholesale and retail rate  
21       filings for Duke Energy Ohio, Inc. (Duke Energy Ohio or the Company) and  
22       Duke Energy Kentucky, Inc., and for changes in fuel and gas cost adjustment

1 clauses. In December 2009, I was named to my current position, Vice President  
2 Rates Ohio and Kentucky.

3 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

4 A. Yes. I have previously testified in several cases before the Public Utilities  
5 Commission of Ohio (Commission).

6 **Q. PLEASE SUMMARIZE YOUR DUTIES AS VICE PRESIDENT RATES,  
7 OHIO AND KENTUCKY.**

8 A. As Vice President, Rates, I am responsible for all state and federal regulated rate  
9 matters involving Duke Energy Ohio and Duke Energy Kentucky, Inc.

10 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

11 A. I will describe the mechanism for calculating Duke Energy Ohio's price-to-  
12 compare – fuel and purchased power (Rider PTC-FPP), support the filings made  
13 relating to Rider PTC-FPP charges for the period of January 1, 2009, through  
14 December 31, 2009, and discuss any changes that have impacted that calculation  
15 since last year's annual filing in Case No. 07-974-EL-UNC.

16 Next, I will describe the mechanism for calculating Duke Energy Ohio's  
17 system resource adjustment – system reliability tracker (Rider SRA-SRT), support  
18 the filings made relating to Rider SRA-SRT charges for the period of January 1,  
19 2009, through December 31, 2009, and discuss any changes that have impacted  
20 that calculation since last year's annual filing in Case No. 07-975-EL-UNC.

21 Finally, I will discuss any changes to the Rider PTC-FPP and Rider SRA-  
22 SRT calculations including those resulting from approval of the Company's  
23 Electric Security Plan (ESP) in Case No. 08-920-EL-SSO.

1    **Q.    PLEASE DESCRIBE THE ATTACHMENTS TO YOUR TESTIMONY.**

2    A.    Attachment WDW-1 is a complete set of all the Rider PTC-FPP filings made for  
3           prices that were in effect for the months January 2009 through December 2009.  
4           All of these were filed in the dockets for Case No. 07-974-EL-UNC. Attachment  
5           WDW-2 is a complete set of all Rider SRA-SRT filings made for the prices that  
6           were in effect for the months of January 2009 through December 31, 2009. All of  
7           these were filed in the docket for Case No. 07-975-EL-UNC.

**II.       OVERVIEW OF RIDER PTC-FPP CALCULATION**

8    **Q.    PLEASE DESCRIBE RIDER PTC-FPP.**

9    A.    Rider PTC-FPP is a component of the Company's standard service offer (SSO)  
10          approved in its ESP. Rider PTC-FPP provides the Company with recovery of the  
11          cost for fuel and economy purchased power, the cost of purchasing emission  
12          allowances (EAs) such as SO<sub>2</sub> and NO<sub>x</sub>, and the cost of renewable energy  
13          certificates (RECs) required to meet Ohio's renewable portfolio standard. Full  
14          recovery is limited to eligible costs that are allocated to its standard service offer  
15          (*i.e.*, non-switched native load) customers.

16   **Q.    PLEASE DESCRIBE THE METHODOLOGY FOR COMPUTING RIDER**  
17   **PTC-FPP.**

18   A.    The Company's ESP included a few changes to the Rider PTC-FPP calculation  
19          when compared to Rider FPP filings prior to 2009. First, the audit period for  
20          Rider PTC-FPP now coincides with an entire calendar year. Second, Rider PTC-  
21          FPP includes the costs of RECs needed to satisfy the Company's Ohio Renewable

1 Energy Portfolio Standard (RPS). Third, Rider PTC-FPP includes annual and  
2 seasonal NO<sub>x</sub> emission allowances. Fourth, Rider PTC-FPP now also includes  
3 environmental reagent (ER) expenses that were formerly recovered as part of the  
4 Company's Annually Adjusted Component Rider (Rider PTC-AAC). And,  
5 finally, the recovery of the "base" amount of fuel has been moved from the base  
6 generation charge (PTC-BG) to Rider PTC-FPP.

7 Similar to past Rider PTC-FPP calculations, the cost of fuel, purchased  
8 power, EAs, and now RECs, for the upcoming quarter are projected and used to  
9 compute certain components of Rider PTC-FPP. Rider PTC-FPP also includes  
10 components to reconcile prior period differences in costs and revenue (*i.e.*, the  
11 Reconciliation Adjustment or RA), and provides for recovery of losses incurred  
12 from the generator to the meter (*i.e.*, the System Loss Adjustment or SLA).

13 **Q. DO YOU MAKE ANY ADJUSTMENTS TO FUEL, PURCHASED**  
14 **POWER, RECs OR EA COSTS?**

15 A. Periodically, the Company will sell certain coal, EAs and RECs. To the extent we  
16 realize gains/losses on the sale of these commodities that had been assigned to  
17 Rider PTC-FPP, we include the value of these transactions in the calculation of  
18 the Rider PTC-FPP market price. In essence, Rider PTC-FPP reflects the **net** cost  
19 of fuel, purchased power, EAs, and RECs.

20 **Q. DO ALL CUSTOMERS PAY THE SAME RIDER PTC-FPP MARKET**  
21 **PRICE?**

22 A. No. We have three different Rider PTC-FPP market prices applicable at any  
23 given time. Although the fuel and purchased power component (FC) and the EA

1 component are the same for all customers, the SLA and RA components can  
2 differ. The differences in the SLA and the RA result in different overall Rider  
3 PTC-FPP market prices for residential and non-residential customers taking  
4 service at distribution level voltage, and for non-residential customers taking  
5 service at transmission level voltage (*i.e.*, voltage reduction customers).

6 **Q. WHAT CAUSES THESE DIFFERENCES?**

7 A. The difference between the RA component of the Rider PTC-FPP market price  
8 for residential customers and non-residential customers is due, in part, to the  
9 timing of when Rider PTC-FPP started for each class of customers. Because  
10 Rider PTC-FPP became effective one year later for residential customers, the RA  
11 has been and will continue to be calculated separately for residential and non-  
12 residential customers. Additionally, as I will discuss later, differences in  
13 switching among the customer classes also contributes to the differences in the  
14 RA component of the Rider PTC-FPP price.

15 There is also a difference in the SLA component of the Rider PTC-FPP  
16 market price for customers taking service at different voltage levels. A generator  
17 must produce more energy to provide power to customers at distribution level  
18 voltage than at the higher transmission level voltage. The Rider PTC-FPP  
19 calculation addresses this difference in the SLA component.

20 **Q. DOES CUSTOMER SWITCHING IMPACT THE RIDER PTC-FPP PRICE**  
21 **TO CUSTOMERS?**

22 A. Yes. Duke Energy Ohio has experienced significant levels of customer switching  
23 among its retail customers, particularly among commercial and industrial



1 customers. The table below shows the approximate levels of switching as a  
2 percent of load, an annualized basis, for each customer class, at the end of 2009.  
3 At the beginning of 2009, less than 10% of the distribution kWh sales were  
4 provided by competitive retail electric sales providers.

| <b>Customer Class</b>    | <b>Annualized kWh<br/>Switched (%)</b> |
|--------------------------|--|
| Residential              | 9%                                     |
| Commercial               | 34%                                    |
| Industrial               | 63%                                    |
| Other Public Authorities | 42%                                    |

5 Switching directly affects the RA component of Rider PTC-FPP when there is an  
6 over- or under-recovery of prior period costs. If the Company collected more or  
7 less revenue in a prior period for Rider PTC-FPP than its eligible costs for that  
8 period, the over or under-recovery flows through the next period's Rider PTC-  
9 FPP's RA component. As a result, every kilowatt-hour that switches from Duke  
10 Energy Ohio's SSO means there is one less kilowatt-hour to spread prior period  
11 over- or under-collections for future recovery. This has the potential to  
12 exacerbate switching if the Rider PTC-FPP increases because costs were under-  
13 collected in a prior period or to create a subsidy to non-switchers if costs were  
14 over-collected in a prior period to be refunded in a future period.

1   **Q.   HAVE THERE BEEN ANY SIGNIFICANT CHANGES TO THE**  
2       **METHODOLOGY FOR COMPUTING THE RIDER PTC-FPP MARKET**  
3       **PRICE SINCE THE LAST ANNUAL FILING?**

4   A.   No. Other than the changes I have describe above, the basic methodology of the  
5       Rider PTC-FPP calculation was essentially unchanged from the time of the last  
6       annual filing through December 2009.

7   **Q.   WOULD YOU SUMMARIZE THE RIDER PTC-FPP MARKET PRICES**  
8       **FOR THE PRIOR FOUR QUARTERS?**

9   A.   For the quarterly filings from Q1 2009 through Q4 2009, the Rider FPP market  
10      price is shown below for residential, non-residential, and voltage-reduction  
11      customers.

| Summary of Rider PTC-FPP Market Prices |        |        |  |        |          |     |
|--|--------|--------|--|--------|----------|-----|
| Residential (¢/kWh)                    |        |        |  |        |          |     |
|  | FC     | EA     | Alternative<br>Energy<br>Portfolio<br>Standard | SLA    | RA       | FPP |
| Q1                                     | 2.4689 | 0.1281 | 0.0000   | 0.0710 | 0.0000   | 2.6 |
| 2009                                   | 2.4188 | 0.0882 | 0.0000   | 0.0672 | (0.5979) | 680 |
| Q2                                     | 3.0195 | 0.1802 | 0.0000   | 0.1129 | 0.0659   | 1.9 |
| 2009                                   | 3.3453 | 0.0746 | 0.0632   | 0.1377 | 0.2847   | 763 |
| Q3                                     |        |        |  |        |          | 3.3 |
| 2009                                   |        |        |  |        |          | 785 |
| Q4                                     |        |        |  |        |          | 3.9 |
| 2009                                   |        |        |  |        |          | 055 |
| Non-Residential (¢/kWh)                |        |        |  |        |          |     |
| Q1                                     | 2.4689 | 0.1281 | 0.0000   | 0.0710 | 0.0000   | 2.6 |
| 2009                                   | 2.4188 | 0.0882 | 0.0000   | 0.0672 | (0.6573) | 680 |
| Q2                                     | 3.0195 | 0.1802 | 0.0000   | 0.1129 | 0.0583   | 1.9 |
| 2009                                   | 3.3453 | 0.0746 | 0.0632   | 0.1377 | 0.3619   | 169 |
| Q3                                     |        |        |  |        |          | 3.3 |
| 2009                                   |        |        |  |        |          | 709 |
| Q4                                     |        |        |  |        |          | 3.9 |
| 2009                                   |        |        |  |        |          | 827 |
| Voltage-Reduction (¢/kWh)              |        |        |  |        |          |     |
| Q1                                     | 2.4689 | 0.1281 | 0.0000   | 0.0364 | 0.0000   | 2.6 |
| 2009                                   | 2.4188 | 0.0882 | 0.0000   | 0.0344 | (0.4247) | 334 |
| Q2                                     | 3.0195 | 0.1802 | 0.0000   | 0.0578 | 0.0545   | 2.1 |
| 2009                                   | 3.3453 | 0.0746 | 0.0632   | 0.0705 | 0.3619   | 167 |
| Q3                                     |        |        |  |        |          | 3.3 |
| 2009                                   |        |        |  |        |          | 120 |
| Q4                                     |        |        |  |        |          | 3.9 |
| 2009                                   |        |        |  |        |          | 155 |

1 Q. WHAT ARE YOUR SOURCES FOR THE DATA USED TO COMPUTE  
2 THE RIDER PTC-FPP MARKET PRICE?

3 A. Duke Energy Ohio witness Salil Pradhan provides the projections of all  
4 underlying data used in the calculation of Rider PTC-FPP. Actual data for  
5 reconciliations comes from Mr. Pradhan and from other internal accounting  
6 sources.

### **III. OVERVIEW OF SRA-SRT CALCULATION**

1   **Q.   HAS RIDER SRA-SRT BEEN IN EFFECT FOR ALL OF THE PERIOD**  
2       **JANUARY 1, 2009, THROUGH DECEMBER 31, 2009?**

3   **A.   Yes.**

4   **Q.   PLEASE PROVIDE AN OVERVIEW OF THE METHODOLOGY FOR**  
5       **CALCULATING THE RIDER SRA-SRT MARKET PRICE.**

6   **A.   Obviously, the name is slightly different with the designation of "System**  
7       **Resource Adequacy" but the methodology underlying the Rider SRA-SRT**  
8       **calculation is essentially the same as it has been in prior years. Following the**  
9       **prior methodology, the Rider SRA-SRT market price is established for the first**  
10      **quarter of the following year based on a filing we make around December 1 of the**  
11      **current year. The Company projects its anticipated reserve margin requirements**  
12      **for the upcoming year and estimates the costs of purchasing a portfolio of**  
13      **capacity products to meet its minimum reserve requirement established by the**  
14      **Midwest Independent System Operator, Inc. (MISO).**

15           After the total cost of the expected purchased capacity has been  
16      determined, the estimated cost is then allocated among the rate classes using  
17      appropriate and previously agreed to allocators. Any over- or under-recovery of  
18      prior period Rider SRA-SRT revenue is added to the allocated estimated cost.  
19      Finally, the allocated costs and billing determinant data are used to develop the  
20      Rider SRA-SRT market prices for each rate class.

21           For any given year, each quarterly filing is essentially an update of the  
22      prior quarter's filing for that year. Consequently, the estimated data in the prior

1 quarter is replaced with either better estimates or with actual results. This method  
2 mitigates some of the volatility inherent in projecting data and minimizes the  
3 potential for large over- or under-recovery of costs. The mechanism is  
4 straightforward and is illustrated in Attachment WDW-2.

5 **Q. YOU INDICATED IN YOUR PREVIOUS RESPONSE THAT THE**  
6 **RESERVE REQUIREMENT IS ESTABLISHED BY MISO. IS THIS A**  
7 **CHANGE FROM THE PRIOR METHOD OF CALCULATING THE**  
8 **RESERVE REQUIREMENT?**

9 A. As described more fully in the testimony of Mr. Pradhan, Duke Energy Ohio's  
10 reserve requirements are established by MISO. In the past, the Company used the  
11 general guidelines established by the North American Electric Reliability Council  
12 (NERC) to ensure a 15% planning reserve margin. The Company continues to  
13 ensure that it has adequate reserves to meet its demand.

14 **Q. ARE CUSTOMERS ELIGIBLE TO AVOID THE RIDER SRA-SRT**  
15 **CHARGE?**

16 A. Although this particular rider is not considered part of the Company's "price-to-  
17 compare," non-residential customers can conditionally avoid the Rider SRA-SRT  
18 charge if, pursuant to the terms of the tariff, they contractually agree to only  
19 return to SSO service if they pay a premium. Residential customers can avoid the  
20 Rider SRA-SRT only if they are part of a governmental aggregation and the  
21 aggregator contractually waives the Rider SRA-SRT. Any aggregated residential  
22 customer then returning to Duke Energy Ohio's SSO service will pay the SSO  
23 price plus a premium.

**IV. 2009 CHANGES TO RIDERS PTC-FPP AND SRA-SRT**

1 Q. OTHER THAN THE CHANGES IN THE RIDERS YOU DESCRIBED  
2 ABOVE, HAVE THERE BEEN ANY SUBSTANTIVE CHANGES TO  
3 RIDER PTC-FPP OR RIDER SRA-SRT IN CALENDAR YEAR 2009?

4 A. No.

**V. CHANGES TO RIDER PTC-FPP AND RIDER PTC-AAC IN 2010**

5 Q. ARE THERE ADDITIONAL CHANGES TO RIDERS PTC-FPP AND SRA-  
6 SRT IN ANTICIPATED FOR 2010?

7 A. Yes. As part of its filing in Case No. 09-770-EL-RDR, to approve the 2010 prices  
8 for Rider PTC-AAC, the Company made a proposal to move recovery of  
9 environmental reagent costs from the Rider PTC-AAC to Rider PTC-FPP. The  
10 Commission approved this proposal in its December 16, 2009 Order in that  
11 proceeding. That change is reflected in the Company's Rider PTC-FPP filing for  
12 the first quarter of 2010.

13 Currently, there are no other material changes contemplated for the Rider  
14 PTC-FPP or Rider SRA-SRT.

**VI. CONCLUSION**

15 Q. WERE ATTACHMENTS WDW-1 AND WDW-2 PREPARED BY YOU OR  
16 UNDER YOUR SUPERVISION?

17 A. Yes.

18 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

19 A. Yes.

## **ATTACHMENT I**

### **STATEMENT OF FUEL PROCUREMENT PRACTICES AND POLICIES**

Duke Energy's ("Company") Commercial Asset Management Service (CAM) group is responsible for managing the power, fuel and emission allowance positions for the Company's operating units, including the Company's Ohio generation portfolio to provide a reliable, low cost, market-based supply of electricity for the Ohio customers.

CAMS is responsible for establishing and implementing the multi-commodity risk management strategy for power, fuel and emission allowances. CAM monitors and adjusts the optimal contract mix all the way through physical delivery. These adjustments result in the purchases or sales of Fuel, Emission Allowances, and Power for the approved term if the forward market allows them to transact. Fuel purchases are made through a combination of long-term and spot market purchases.

CAMS fuel procurement and Logistic groups include evaluating proposals for fuel and transportation contracts, selecting and qualifying suppliers and shippers, contract negotiation, administration and enforcement, and ongoing transportation maintenance and operations support. CAMS is responsible for complying with fuel procurement regulations.

CAMS evaluates its fuel and transportation services practices on a continuing basis and updates them as needed. This continuous self-evaluation ensures that CAMS follows the best available practices as they relate to the changing business environment of the Company and the industry, the effect of state and/or federal legislation, the orders or rules of any state commission, or any other event that may impact the Company's procurement and use of fuel.

A balancing of short-term and long-term contracts is an effective way to achieve critical portfolio goals such as:

- Effective management of market price risk
- Assurance of adequate and appropriate supply from reliable suppliers
- Competitive pricing
- Market intelligence
- Continuing evaluation of suppliers
- Flexibility in responding to changing market or economic conditions
- Efficient delivery of shipments and contract administration
- Coal basin balance and diversity

CAMS makes every effort to purchase fuels compatible for all Ohio generation portfolios. This decision making process also heavily involves Inputs from all station managers. Further, the cost of complying with environmental regulations regarding emissions is factored into purchasing decisions.

Coal quality specifications may include moisture, ash, calorific value, sulfur, volatility, grindability, chlorine, mineral ash analysis, fusion temperature. These parameters assure that the coal will be compatible with equipment operation and environmental regulations. Quality price adjustments will be made for deliveries not within contract specifications.

## **ATTACHMENT I**

### **STATEMENT OF FUEL PROCUREMENT PRACTICES AND POLICIES**

For longer term commitments, suppliers are generally evaluated on the basis of delivered cost (adjusted for MMBtu, SO<sub>2</sub>, and freight), credit strength, proximity to transportation, and willingness to extend commercial terms. Additional evaluation is done, as needed, concerning by-product handling, disposal, and various environmental limits at the station sites. For short-term purchases, the evaluation focuses primarily on evaluated cost relative to the market.



## ATTACHMENT II

### DUKE ENERGY OHIO (DUKE)

#### NARRATIVE STATEMENT SUPPORTING ITS PROPOSED FPP COMPONENT

Duke Energy Ohio has calculated a proposed Quarterly Fuel, Economy Purchased Power and Emission Allowance Component (FPP Component) of its standard service offer for the three-month projected period of January through March 2009.

The proposed FPP Rates are segregated into three types of customers, Residential, Non-Residential and Voltage Reduction customers. Depending on the type of customer, the appropriate rate will be applied to all bills, excluding consumers taking generation service from Certified Retail Electric Service providers, rendered on and after January 2, 2009, and will coincide with the billing of Cycle 1 of the January 2009 revenue month and remain in effect through March 2009.

The methodology for calculating the proposed FPP Component of 2.6680 cents per kilowatt-hour for Residential, 2.6680 cents per kilowatt-hour for Non-Residential and 2.6334 cents per kilowatt-hour for Voltage Reduction type customers is consistent with the Commission's Entry on Rehearing and is composed of the following components:

#### FUEL COMPONENT (FC)

The base period of January through March 2009 was utilized to calculate the proposed fuel and economy purchased power component (FC). The proposed FC is composed of three months projected includable fuel cost and economy purchased power data. The total FC calculated portion of the FPP Component is 2.4689 cents per kilowatt-hour for all types of customers. This proposed FC is supported by the attached calculations on Page 1 of 5 of Schedule 1.

#### EMISSION ALLOWANCES (EA)

The base period of January through March 2009 was utilized to calculate the emission allowance component (EA) for all types of customers. The proposed EA is composed of three months projected includable emission allowance data. The total EA calculated portion of the FPP Component is 0.1281 cents per kilowatt-hour for all types of customers. This proposed EA is supported by the attached calculations on Page 2 of 5 of Schedule 1.

#### RECONCILIATION ADJUSTMENT (RA)

The total RA as shown on page 3 of 5 is being deferred until the 2<sup>nd</sup> quarter 2009 filing; therefore, the proposed RA component for the current filing is \$0.00. The proposed RA calculated for the 2<sup>nd</sup> quarter 2009 filing will include a netting of all prior period RAs. The proposed RA component is based on the reconciliation of actual fuel, economy purchased power, emission allowance costs, and system loss adjustment to the FPP Component revenues for the three month period ending September 2008. The RA

## ATTACHMENT II

amount for the three month period ending September 2008 included in this filing is \$6,425,600.98 for Residential type customers and \$8,465,722.91 for Non-Residential type customers and \$2,984,533.94 for Voltage Reduction type customers. In addition to these RA amounts are (\$30,108.77) for Residential type customers and (\$37,168.00) for Non-Residential type customers and (\$8,189.02) for Voltage Reduction type customers which represents an updated adjustment to the 2<sup>nd</sup> quarter 2008 RA amount filed in the 4<sup>th</sup> quarter 2008 filing and is supported by the attached calculations on Page 5G thru L of 5 of Schedule 1. The total proposed RA is supported by the attached calculations on Page 3 of 5 of Schedule 1.

### SYSTEM LOSS ADJUSTMENT (SLA)

The proposed SLA Component is based on the estimated system loss fuel cost to be incurred during the three month period ending March 2009. The total SLA calculated portion of the FPP Component is 0.1690 cents per kilowatt-hour for Residential and Non-Residential type customers, and 0.0774 cents per kilowatt-hour for Voltage Reduction type customers. From the number for Residential and Non-Residential type customers, the Company has subtracted a baseline rate of 0.1051 cents per kilowatt-hour that is already included in rates. From the number for Voltage Reduction type customers, the Company has subtracted a baseline rate of 0.0481 cents per kilowatt-hour that is already included in rates. Both rates are increased by 0.0071 cents per kilowatt-hour which represents a Synchronization Adjustment. Based upon this information, the proposed SLA should be established at 0.0710 cents per kilowatt-hour for Residential and Non-Residential type customers and at 0.0364 cents per kilowatt-hour for Voltage Reduction type customers. The proposed SLA is supported by the attached calculations on Page 4 of 5 of Schedule 1.

### FUEL, ECONOMY, PURCHASED POWER AND EMISSION ALLOWANCE COMPONENT

Based on the aforementioned projected includable fuel and economy purchased power cost data (FC) summarized on Page 1 of Schedule 1, the Emission Allowance Component (EA) on Page 2 of Schedule 1, and the System Loss Adjustment (SLA) on Page 4 of Schedule 1, the Company proposes that a FPP Component of 2.6680 cents per kilowatt-hour be established for Residential type customers, 2.6680 cents per kilowatt-hour be established for Non-Residential type customers and 2.6334 cents per kilowatt-hour be established for Voltage Reduction type customers. These rates should be effective with bills rendered on and after January 2, 2009, to all consumers other than consumers taking generation service from Certified Retail Electric Suppliers. This will coincide with Cycle 1 billing for the January 2009 revenue month.

**Duke Energy Americas  
Non-Regulated Generation  
Duke Energy Ohio PTC-FPP  
Q1 2009 Workpapers**

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During  
January 2009 through March 2009

| Line   | Description                                       | (A)<br>Includable<br>Fuel Cost<br>\$ | (B)<br>Other Includable<br>MISO Costs<br>From Page 1A<br>\$ | (C)<br>Total<br>Includable<br>Costs<br>\$ | (D)<br>Includable<br>Energy<br>(kWh) | (E)<br>FPP Rate<br>Components<br>(Col. C + Col. D) |
|--|---|--------------------------------------|---|---|--------------------------------------|--|
| <b>Fuel &amp; Economy Purchased Power<br/>Cost Expense (FC) - by Month (Projected)</b> |   |                                      |   |   |                                      |  |
| 1  | January 2009                                      | \$ 47,215,405.35                     | \$ (630,204.00)   | \$ 46,585,201.35                          | 1,977,142,250                        |  |
| 2  | February 2009                                     | \$ 42,991,094.41                     | \$ (525,992.00)   | \$ 42,465,102.41                          | 1,742,947,727                        |  |
| 3  | March 2009  | \$ 48,133,880.11                     | \$ (162,852.00)   | \$ 45,971,228.11                          | 1,748,859,971                        |  |
| 4  | Total Fuel & Economy Purchased Power Cost Expense | \$ 136,340,379.87                    | \$ (1,318,848.00)   | \$ 135,021,531.87                         | 5,468,949,948                        | 2.4689 \$/kWh                                      |
| 5  | Less: Baseline EFC Rate <sup>(a)</sup>            |                                      |   |   |                                      | 0.0000 \$/kWh                                      |
| 6  | Total FC Portion to be Included in FPP            |                                      |   |   |                                      | 2.4689 \$/kWh                                      |
| 7  | Emission Allowances Adjustment (EA) From Page 2   |                                      |   |   |                                      | 0.1281 \$/kWh                                      |
| 8  | Total FPP Rate before RA and SLA                  |                                      |   |   |                                      | 2.5970 \$/kWh                                      |
| <b>FPP Rate</b>  |   |                                      |   |   |                                      |  |
|  |   | <u>Residential</u>                   | <u>Non-Residential</u>                                      | <u>Voltage Reduction <sup>(b)</sup></u>   |                                      |  |
| 9  | Total FPP Rate before RA and SLA (Line 8)         | 2.5970                               | 2.5970  | 2.5970                                    | \$/kWh                               |  |
| 10   | Reconciliation Adjustment (RA) From Page 3        | 0.0000                               | 0.0000  | 0.0000                                    | \$/kWh                               |  |
| 11   | System Loss Adjustment (SLA) From Page 4          | 0.0710                               | 0.0710  | 0.0364                                    | \$/kWh                               |  |
| 12   | Total FPP Rate                                    | <u>2.6680</u>                        | <u>2.6680</u>   | <u>2.6334</u>                             | \$/kWh                               |  |

Notes: <sup>(a)</sup> Per Stipulation in Case No. 08-920-EL-SSO, the baseline EFC and EA rate is transferred to Rider PTC-FPP.  
<sup>(b)</sup> Rate for Customers taking service at 69 kV or greater.

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During  
January 2009 through March 2009**

| Other Includable MISO Costs                | January 2009        | February 2009       | March 2009          | Total For Period      |
|--|---------------------|---------------------|---------------------|-----------------------|
| (a)  | (b)                 | (c)                 | (d)                 | (e)                   |
| FTR (Hourly, Monthly, Yearly, Transaction) | \$ (630,204)        | \$ (525,992)        | \$ (162,652)        | \$ (1,318,848)        |
| Financial                                  |                     |                     |                     |                       |
| Day-Ahead                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| Real-Time                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| Physical (DA, RT, Index)                   | \$ -                | \$ -                | \$ -                | \$ -                  |
| Congestion                                 |                     |                     |                     |                       |
| Day-Ahead                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| Real-Time                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| Losses                                     |                     |                     |                     |                       |
| Day-Ahead                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| Real-Time                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| Revenue Sufficiency Guarantee (MKWHL)      |                     |                     |                     |                       |
| Day-Ahead                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| Real-Time                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| <b>Total Other Includable MISO Costs</b>   | <b>\$ (630,204)</b> | <b>\$ (525,992)</b> | <b>\$ (162,652)</b> | <b>\$ (1,318,848)</b> |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Emission Allowances Component for Billing During  
January 2009 through March 2009**

| Line  | Description   | (1)<br>Includable<br>Emission Allowances<br>\$ | (2)<br>Includable<br>Energy<br>(kWh) | (3)<br>EA Rate<br>Components<br>(Col. 1 ÷ Col. 2) |
|---|---|--|--------------------------------------|---|
| <b><u>Emission Allowances (EA) - by Month (Projected)</u></b> |   |  |                                      |   |
| 1   | January 2009  | \$ 2,718,646.22                                | 1,830,855,524                        |   |
| 2   | February 2009   | \$ 2,340,848.39                                | 1,625,320,749                        |   |
| 3   | March 2009  | \$ 1,448,979.37                                | 1,625,670,920                        |   |
| 4   | EA Auction Proceeds Credits   | \$ -   |                                      |   |
| 5   | Total Emission Allowance Expense  | <u>\$ 8,508,473.98</u>                         | <u>5,081,847,193</u>                 | 0.1281 ¢/kWh                                      |
| 6   | Less: Baseline EA Rate <sup>(c)</sup>   |  |                                      | - ¢/kWh   |
| 7   | Quarterly Emission Allowance Rate (Rate will never be less than -0-) To Page 1 Line 7 |  |                                      | <u>0.1281 ¢/kWh</u>                               |

Notes: <sup>(c)</sup> Per Stipulation in Case No. 08-920-EL-SSO, the baseline EFC and EA rate is transferred to Rider PTC-FPP.

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing  
Reconciliation Adjustment  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary  
January 2009 through March 2009

| Line | Reconciliation Adjustment (RA)                           | Total            | Residential     | Non-Residential | Voltage Reduction   |
|------|--|------------------|-----------------|-----------------|---------------------|
| 1    | September 2008 (See Page 3C Line 32)                     | \$ 236,710.21    | \$ (17,139.27)  | \$ 113,476.54   | \$ 140,372.94       |
| 2    | August 2008 (See Page 3B Line 32)                        | \$ 10,518,018.28 | \$ 3,943,582.24 | \$ 4,904,986.46 | \$ 1,669,469.58     |
| 3    | July 2008 (See Page 3A Line 32)                          | \$ 7,121,129.34  | \$ 2,499,158.01 | \$ 3,447,279.91 | \$ 1,174,691.42     |
| 4    | June 2008 (See Page 5L Line 34)                          | \$ (120,189.74)  | \$ (43,364.98)  | \$ (60,525.70)  | \$ (16,299.06)      |
| 5    | May 2008 (See Page 5J Line 34)                           | \$ 39,802.56     | \$ 11,603.78    | \$ 20,968.11    | \$ 7,230.67         |
| 6    | April 2008 (See Page 5H Line 34)                         | \$ 4,921.39      | \$ 1,652.43     | \$ 2,389.59     | \$ 879.37           |
| 7    | March 2008 (See Page 5F Line 34)                         | \$ -             | \$ -            | \$ -            | \$ -                |
| 8    | February 2008 (See Page 5D Line 34)                      | \$ -             | \$ -            | \$ -            | \$ -                |
| 9    | January 2008 (See Page 5B Line 34)                       | \$ -             | \$ -            | \$ -            | \$ -                |
| 10   | Total 2007 and 2008 Adjustments (Line 1 through Line 21) | \$ 17,600,392.04 | \$ 6,395,492.21 | \$ 8,428,554.91 | \$ 2,976,344.92     |
| 11   | Projected Retail Energy (kWh)                            |                  |                 |                 |                     |
| 12   | Total RA Rate (Line 18 + Line 25) To Page 1 Line 10      |                  | <u>0.0000</u>   | <u>0.0000</u>   | <u>0.0000</u> ¢/kWh |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**January 2009 through March 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | JULY 2008         | Residential<br>JULY 2008 | Non-Residential<br>JULY 2008 | Voltage<br>Reduction<br>JULY 2008 |
|--|--|-------------------|--------------------------|------------------------------|-----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                          |                              |                                   |
| 1  | Net Includable Fuel  |                   | \$ 75,778,022.54         | \$ 75,778,022.54             | \$ 75,778,022.54                  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                 | 0.938933                     | 0.938933                          |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 71,150,486.04  | \$ 71,150,486.04         | \$ 71,150,486.04             | \$ 71,150,486.04                  |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (14,035,652.25)       | \$ (14,035,652.25)           | \$ (14,035,652.25)                |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (2,675,174.15)        | \$ (2,675,174.15)            | \$ (2,675,174.15)                 |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 54,439,659.64  | \$ 54,439,659.64         | \$ 54,439,659.64             | \$ 54,439,659.64                  |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 2,084,759,854            | 2,084,759,854                | 2,084,759,854                     |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 127,310,030       | 127,310,030              | 127,310,030                  | 127,310,030                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,957,449,824     | 1,957,449,824            | 1,957,449,824                | 1,957,449,824                     |
| 10   | kWh Subject to FPP   | 1,831,818,050     | 669,800,464              | 888,093,824                  | 273,923,762                       |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 93.58%            | 34.22%                   | 45.37%                       | 13.99%                            |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 22,580,821.10  | \$ 8,256,630.32          | \$ 10,947,532.57             | \$ 3,376,658.21                   |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,780,979.99  | \$ 8,329,357.47          | \$ 11,045,431.92             | \$ 3,406,190.60                   |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 45,361,801.09  | \$ 16,585,987.79         | \$ 21,992,964.49             | \$ 6,782,848.81                   |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 50,944,633.49  | \$ 18,629,251.53         | \$ 24,899,273.58             | \$ 7,616,108.38                   |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 5,582,832.40   | \$ 2,043,263.74          | \$ 2,706,309.09              | \$ 833,259.57                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                          |                              |                                   |
| 17   | kWh Subject to FPP (Line 11)   | 1,831,818,050     | 669,800,464              | 888,093,824                  | 273,923,762                       |
| 18   | EA Expense Allocated to FPP  |                   | \$ 240,198.70            | \$ 318,481.39                | \$ 98,232.44                      |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                     | \$ -                         | \$ -                              |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 656,912.53     | \$ 240,198.70            | \$ 318,481.39                | \$ 98,232.44                      |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 230,809.07     | \$ 84,394.86             | \$ 111,899.82                | \$ 34,514.39                      |
| 22   | EA Revenue in FPP (per books)  | \$ 188,488.67     | \$ 68,818.28             | \$ 91,469.15                 | \$ 28,201.24                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 237,614.79     | \$ 86,985.56             | \$ 115,112.42                | \$ 35,516.81                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                          |                              |                                   |
| 24   | RA Amount from 3rd Quarter Filing (spread evenly)                        | \$ (2,503,570.15) | \$ (1,123,420.73)        | \$ (1,087,402.33)            | \$ (292,747.09)                   |
| 25   | Actual RA recovery through FPP   | \$ (2,485,489.71) | \$ (1,056,516.94)        | \$ (1,135,919.24)            | \$ (293,033.53)                   |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (18,100.44)    | \$ (66,903.79)           | \$ 48,516.91                 | \$ 286.44                         |
| <b>System Loss Component (SLA)</b>                 |  |                   |                          |                              |                                   |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                   | 0.0999                       | 0.0882                            |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,797,937.15   | \$ 669,130.66            | \$ 887,205.73                | \$ 241,600.76                     |
| 29   | Actual SLA recovery through FPP  | \$ 1,213,728.92   | \$ 478,599.83            | \$ 634,966.09                | \$ 100,163.00                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,330,448.66   | \$ 1,583,542.99          | \$ 2,099,513.31              | \$ 647,392.36                     |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,318,782.59   | \$ 435,812.50            | \$ 577,341.49                | \$ 305,628.60                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 7,121,129.34   | \$ 2,499,158.01          | \$ 3,447,279.91              | \$ 1,174,691.42                   |



**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
January 2009 through March 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | AUGUST 2008        | Residential<br>AUGUST 2008 | Non-Residential<br>AUGUST 2008 | Voltage<br>Reduction<br>AUGUST 2008 |
|--|--|--------------------|----------------------------|--------------------------------|-------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                            |                                |                                     |
| 1  | Net Includable Fuel  | \$ 78,413,622.00   | \$ 78,413,622.00           | \$ 78,413,622.00               | \$ 78,413,622.00                    |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                   | 0.938933                       | 0.938933                            |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 73,625,137.35   | \$ 73,625,137.35           | \$ 73,625,137.35               | \$ 73,625,137.35                    |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (15,147,082.34) | \$ (15,147,082.34)         | \$ (15,147,082.34)             | \$ (15,147,082.34)                  |
| 5  | RSG Make Whole Payments & Secondary MISQ Costs                           | \$ (2,337,350.97)  | \$ (2,337,350.97)          | \$ (2,337,350.97)              | \$ (2,337,350.97)                   |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 56,140,704.04   | \$ 56,140,704.04           | \$ 56,140,704.04               | \$ 56,140,704.04                    |
| 7  | Total Generation and Purchase Power (per books)                          | 2,028,214.120      | 2,028,214.120              | 2,028,214.120                  | 2,028,214.120                       |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 123,856,952        | 123,856,952                | 123,856,952                    | 123,856,952                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,904,357.168      | 1,904,357.168              | 1,904,357.168                  | 1,904,357.168                       |
| 10   | kWh Subject to FPP   | 1,875,952.431      | 715,560.987                | 881,732.957                    | 278,658.487                         |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 98.51%             | 37.57%                     | 46.31%                         | 14.63%                              |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 23,124,865.62   | \$ 8,820,720.29            | \$ 10,889,122.16               | \$ 3,435,023.17                     |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 23,331,323.56   | \$ 8,901,172.93            | \$ 10,964,993.62               | \$ 3,465,157.01                     |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 46,456,189.18   | \$ 17,721,893.22           | \$ 21,854,115.78               | \$ 6,900,180.18                     |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 55,304,207.55   | \$ 21,092,062.51           | \$ 25,998,760.04               | \$ 8,213,385.00                     |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 8,848,018.37    | \$ 3,370,169.29            | \$ 4,164,644.26                | \$ 1,313,204.82                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                            |                                |                                     |
| 17   | kWh Subject to FPP (Line 11)   | 1,875,952.431      | 715,560.987                | 881,732.957                    | 278,658.487                         |
| 18   | EA Expense Allocated to FPP  | \$ 158,757.33      | \$ 158,757.33              | \$ 195,624.94                  | \$ 61,824.33                        |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                       | \$ -                           | \$ -                                |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 416,206.60      | \$ 158,757.33              | \$ 195,624.94                  | \$ 61,824.33                        |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 236,370.01      | \$ 90,160.68               | \$ 111,098.36                  | \$ 35,110.97                        |
| 22   | EA Revenue in FPP (per books)  | \$ 193,035.16      | \$ 73,542.69               | \$ 90,803.03                   | \$ 28,689.44                        |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (13,198.57)     | \$ (4,946.04)              | \$ (6,276.45)                  | \$ (1,976.08)                       |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                            |                                |                                     |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (2,503,670.15)  | \$ (1,123,420.73)          | \$ (1,087,402.33)              | \$ (292,747.09)                     |
| 25   | Actual RA recovery through FPP   | \$ (2,554,800.77)  | \$ (1,129,047.47)          | \$ (1,127,646.91)              | \$ (298,106.39)                     |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 51,230.62       | \$ 5,626.74                | \$ 40,244.58                   | \$ 5,359.30                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                            |                                |                                     |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                     | 0.0999                         | 0.0882                              |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,841,473.44    | \$ 714,845.43              | \$ 880,851.22                  | \$ 245,776.79                       |
| 29   | Actual SLA recovery through FPP  | \$ 1,243,694.93    | \$ 511,456.00              | \$ 830,341.95                  | \$ 101,896.98                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,717,136.23    | \$ 1,799,033.68            | \$ 2,217,547.24                | \$ 700,555.31                       |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,631,967.86    | \$ 572,732.25              | \$ 706,354.07                  | \$ 352,881.54                       |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 10,518,018.28   | \$ 3,943,582.24            | \$ 4,904,966.46                | \$ 1,669,469.58                     |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
January 2009 through March 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | SEPTEMBER 2008     | Residential<br>SEPTEMBER 2008 | Non-Residential<br>SEPTEMBER 2008 | Voltage<br>Reduction<br>SEPTEMBER 2008 |
|--|--|--------------------|-------------------------------|-----------------------------------|--|
| <b>Fuel Component (FC)</b>                         |  |                    |                               |                                   |  |
| 1  | Net Includable Fuel  |                    | \$ 59,026,761.14              | \$ 59,026,761.14                  | \$ 59,026,761.14                       |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                      | 0.938933                          | 0.938933                               |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 55,422,173.92   | \$ 55,422,173.92              | \$ 55,422,173.92                  | \$ 55,422,173.92                       |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (13,593,706.35) | \$ (13,593,706.35)            | \$ (13,593,706.35)                | \$ (13,593,706.35)                     |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (2,366,390.29)  | \$ (2,366,390.29)             | \$ (2,366,390.29)                 | \$ (2,366,390.29)                      |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 39,462,077.28   | \$ 39,462,077.28              | \$ 39,462,077.28                  | \$ 39,462,077.28                       |
| 7  | Total Generation and Purchase Power (per books)                          | 1,726,318,751      | 1,726,318,751                 | 1,726,318,751                     | 1,726,318,751                          |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 105,421,107        | 105,421,107                   | 105,421,107                       | 105,421,107                            |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,620,897,644      | 1,620,897,644                 | 1,620,897,644                     | 1,620,897,644                          |
| 10   | kWh Subject to FPP   | 1,786,532,023      | 856,802,179                   | 866,155,566                       | 263,574,278                            |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 110.22%            | 40.52%                        | 53.44%                            | 16.26%                                 |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 22,022,580.24   | \$ 8,096,400.46               | \$ 10,677,099.66                  | \$ 3,249,080.12                        |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,219,544.92   | \$ 8,168,675.96               | \$ 10,773,304.96                  | \$ 3,277,584.00                        |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 44,242,125.16   | \$ 16,265,076.42              | \$ 21,450,404.62                  | \$ 6,526,664.12                        |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 43,495,101.58   | \$ 15,990,035.71              | \$ 21,088,534.10                  | \$ 6,416,533.77                        |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (747,023.58)    | \$ (275,042.71)               | \$ (381,870.52)                   | \$ (110,110.35)                        |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                               |                                   |  |
| 17   | kWh Subject to FPP (Line 11)   | 1,786,532,023      | 856,802,179                   | 866,155,566                       | 263,574,278                            |
| 18   | EA Expense Allocated to FPP  | \$ 180,370.07      | \$ 180,370.07                 | \$ 211,487.47                     | \$ 64,356.41                           |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                          | \$ -                              | \$ -                                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 436,213.95      | \$ 180,370.07                 | \$ 211,487.47                     | \$ 64,356.41                           |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 225,103.03      | \$ 82,757.07                  | \$ 109,135.60                     | \$ 33,210.36                           |
| 22   | EA Revenue in FPP (per books)  | \$ 183,842.60      | \$ 87,490.70                  | \$ 89,215.62                      | \$ 27,136.28                           |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 27,268.32       | \$ 10,122.30                  | \$ 13,136.25                      | \$ 4,009.77                            |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                               |                                   |  |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (2,503,570.15)  | \$ (1,123,420.74)             | \$ (1,087,402.33)                 | \$ (292,747.08)                        |
| 25   | Actual RA recovery through FPP   | \$ (2,426,037.04)  | \$ (1,038,135.69)             | \$ (1,107,933.53)                 | \$ (281,967.82)                        |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (77,533.11)     | \$ (87,285.05)                | \$ 20,531.20                      | \$ (10,779.26)                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                               |                                   |  |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                        | 0.0999                            | 0.0882                                 |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,753,907.30    | \$ 656,145.38                 | \$ 865,289.41                     | \$ 232,472.51                          |
| 29   | Actual SLA recovery through FPP  | \$ 1,185,070.15    | \$ 469,367.17                 | \$ 619,322.39                     | \$ 96,380.59                           |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,972,976.03    | \$ 1,460,578.74               | \$ 1,926,291.41                   | \$ 586,105.66                          |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)            | \$ 1,033,998.58    | \$ 335,066.19                 | \$ 441,679.61                     | \$ 257,252.78                          |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 236,710.21      | \$ (17,139.27)                | \$ 113,476.54                     | \$ 140,372.94                          |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Voltage-Adjusted System Loss Adjustment  
January 2009 through March 2009**

| Line   | Description   | Distribution<br>(A) | Transmission<br>(B) | Total Losses                           |                                 |
|--|---|---------------------|---------------------|--|---------------------------------|
|  |   |                     |                     | Voltage Adjusted<br>Methodology<br>(C) | No Voltage<br>Adjustment<br>(D) |
| <u>Calculation of Base Rate Recovery of Losses</u>                   |   |                     |                     |  |                                 |
| 1  | FC Rate Basis for SLA (\$/kWh)                            | 1.5353              | 1.5353              | 1.5353                                 | 1.5353                          |
| 2  | Energy Loss Factors from 92-1464-EL-AIR                   | 6.847%              | 3.134%              | 5.743%                                 | 6.504%                          |
| 3  | Losses in MBSSO (\$/kWh) (Line 1 * Line 2)                | 0.1051              | 0.0481              | 0.0882                                 | 0.0999                          |
| 4  | Current FC Rate (\$/kWh) (Per Filing)                     | 2.4689              | 2.4689              | 2.4689                                 | 2.4689                          |
| 5  | Projected Sales at Meter (kWh) <sup>(6)</sup>             | 4,342,602,000       | 766,095,000         | 5,108,697,000                          | 5,108,697,000                   |
| 6  | Energy Loss Factors from 92-1464-EL-AIR (Line 2)          | 6.847%              | 3.134%              | 5.743%                                 | 6.504%                          |
| 7  | Energy Sales at the Busbar (kWh) (Line 5 * (1 + Line 6))  | 4,639,929,471       | 790,100,723         | 5,402,086,787                          | 5,440,960,111                   |
| 8  | Energy Losses (kWh) (Line 7 - Line 5)                     | 297,327,471         | 24,005,723          | 293,389,787                            | 332,263,111                     |
| 9  | Value of Losses (Line 8 * Line 4)                         | 7,340,717.93        | 592,677.30          | 7,243,500.45                           | 8,203,243.95                    |
| 10   | Average Losses Rate (\$/kWh) (Line 9 + Line 5)            | 0.1690              | 0.0774              | 0.1418                                 | 0.1606                          |
| 11   | Losses in MBSSO (\$/kWh) (Line 3)                         | 0.1051              | 0.0481              | 0.0882                                 | 0.0999                          |
| 12   | System Loss Adjustment (\$/kWh) (Line 10 - Line 11)       | 0.0639              | 0.0293              | 0.0536                                 | 0.0607                          |
| 13   | Synchronization Adj. (\$/kWh) (L.12, Column D - Column C) | 0.0071              | 0.0071              | 0.0071                                 | -                               |
| 14   | Adjusted SLA (\$/kWh) (Line 12 + Line 13)                 | 0.0710              | 0.0364              | 0.0607                                 | 0.0607                          |
| <b>Total SLA Rate (Line 14, Columns A &amp; B) To Page 1 Line 11</b> |   |                     |                     |  |                                 |

Notes: <sup>(6)</sup> Projected Sales at Meter for 1st quarter 2009 were provided by the Load Forecasting Department.

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
January 2009 through March 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | January 2008      | Residential<br>January 2008 | Non-Residential<br>January 2008 | Voltage<br>Reduction<br>January 2008 |
|--|--|-------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                             |                                 |                                      |
| 1  | Net Includable Fuel  | \$ 46,761,105.14  | \$ 46,761,105.14            | \$ 46,761,105.14                | \$ 46,761,105.14                     |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                    | 0.938933                        | 0.938933                             |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 43,905,544.73  | \$ 43,905,544.73            | \$ 43,905,544.73                | \$ 43,905,544.73                     |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (188,980.59)   | \$ (188,980.59)             | \$ (188,980.59)                 | \$ (188,980.59)                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (3,085,355.38) | \$ (3,085,355.38)           | \$ (3,085,355.38)               | \$ (3,085,355.38)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,631,208.76  | \$ 40,631,208.76            | \$ 40,631,208.76                | \$ 40,631,208.76                     |
| 7  | Total Generation and Purchase Power (per books)                          | 2,003,380,500     | 2,003,380,500               | 2,003,380,500                   | 2,003,380,500                        |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 122,340,437       | 122,340,437                 | 122,340,437                     | 122,340,437                          |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,881,040,063     | 1,881,040,063               | 1,881,040,063                   | 1,881,040,063                        |
| 10   | kWh Subject to FPP   | 1,865,383,075     | 758,879,077                 | 822,985,542                     | 283,518,456                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 99.17%            | 40.35%                      | 43.75%                          | 15.07%                               |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 22,994,577.17  | \$ 9,354,702.39             | \$ 10,144,942.78                | \$ 3,494,932.01                      |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,289,056.90  | \$ 9,058,325.11             | \$ 9,808,950.76                 | \$ 3,421,781.03                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 45,283,634.07  | \$ 18,413,027.49            | \$ 19,953,893.54                | \$ 6,916,713.04                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 40,293,969.73  | \$ 16,394,892.74            | \$ 17,776,153.83                | \$ 6,123,123.16                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (4,989,664.34) | \$ (2,018,334.75)           | \$ (2,177,739.71)               | \$ (793,589.89)                      |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,865,383,075     | 758,879,077                 | 822,985,542                     | 283,518,456                          |
| 18   | EA Expense Allocated to FPP  | \$ 499,700.45     | \$ 203,289.19               | \$ 220,462.09                   | \$ 75,949.17                         |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 499,700.45     | \$ 203,289.19               | \$ 220,462.09                   | \$ 75,949.17                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 235,038.27     | \$ 95,818.76                | \$ 103,696.18                   | \$ 35,723.33                         |
| 22   | EA Revenue in FPP (per books)  | \$ 181,007.93     | \$ 73,580.25                | \$ 79,674.24                    | \$ 27,753.44                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 83,654.25      | \$ 34,090.18                | \$ 37,091.67                    | \$ 12,472.40                         |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                             |                                 |                                      |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ (5,787,658.96) | \$ (2,765,119.38)           | \$ (2,641,279.85)               | \$ (381,259.73)                      |
| 25   | Actual RA recovery through FPP   | \$ (8,375,840.25) | \$ (3,016,790.16)           | \$ (2,928,404.00)               | \$ (430,646.09)                      |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 588,181.29     | \$ 251,670.78               | \$ 287,124.15                   | \$ 49,386.36                         |
| <b>System Loss Component (SLA)</b>                 |  |                   |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,830,346.04   | \$ 758,120.20               | \$ 822,162.56                   | \$ 250,063.28                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,169,428.14   | \$ 513,735.96               | \$ 556,216.37                   | \$ 99,475.81                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,831,859.26   | \$ 1,152,218.63             | \$ 1,249,307.68                 | \$ 430,332.95                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (167,914.92)   | \$ (119,637.53)             | \$ (129,071.25)                 | \$ 80,793.86                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (4,489,743.72) | \$ (1,852,211.32)           | \$ (1,982,595.14)               | \$ (650,937.26)                      |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
January 2009 through March 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | January 2008      | Residential<br>January 2008 | Non-Residential<br>January 2008 | Voltage<br>Reduction<br>January 2008 |
|--|--|-------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                             |                                 |                                      |
| 1  | Net Includable Fuel  |                   | \$ 46,761,105.14            | \$ 46,761,105.14                | \$ 46,761,105.14                     |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                    | 0.938933                        | 0.938933                             |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 43,905,544.73  | \$ 43,905,544.73            | \$ 43,905,544.73                | \$ 43,905,544.73                     |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (188,980.59)             | \$ (188,980.59)                 | \$ (188,980.59)                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (3,085,355.38)           | \$ (3,085,355.38)               | \$ (3,085,355.38)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,631,208.76  | \$ 40,631,208.76            | \$ 40,631,208.76                | \$ 40,631,208.76                     |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 2,003,380,500               | 2,003,380,500                   | 2,003,380,500                        |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 122,340,437       | 122,340,437                 | 122,340,437                     | 122,340,437                          |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,881,040,063     | 1,881,040,063               | 1,881,040,063                   | 1,881,040,063                        |
| 10   | kWh Subject to FPP   | 1,865,383,075     | 758,879,077                 | 822,985,542                     | 283,518,456                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 99.17%            | 40.35%                      | 43.75%                          | 15.07%                               |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 22,994,577.17  | \$ 9,354,702.38             | \$ 10,144,942.78                | \$ 3,494,932.01                      |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,289,056.90  | \$ 9,058,325.11             | \$ 9,808,950.76                 | \$ 3,421,781.03                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 45,283,634.07  | \$ 18,413,027.49            | \$ 19,953,893.54                | \$ 6,916,713.04                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 40,293,969.73  | \$ 16,394,692.74            | \$ 17,776,153.83                | \$ 6,123,123.16                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (4,989,664.34) | \$ (2,018,334.75)           | \$ (2,177,739.71)               | \$ (793,589.88)                      |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,865,383,075     | 758,879,077                 | 822,985,542                     | 283,518,456                          |
| 18   | EA Expense Allocated to FPP  |                   | \$ 203,289.19               | \$ 220,482.09                   | \$ 75,949.17                         |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 499,700.45     | \$ 203,289.19               | \$ 220,482.09                   | \$ 75,949.17                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 235,038.27     | \$ 95,618.76                | \$ 103,696.18                   | \$ 35,723.33                         |
| 22   | EA Revenue in FPP (per books)  | \$ 181,007.93     | \$ 73,580.25                | \$ 79,674.24                    | \$ 27,753.44                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 83,654.25      | \$ 34,090.18                | \$ 37,091.67                    | \$ 12,472.40                         |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                             |                                 |                                      |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ (5,787,858.96) | \$ (2,765,119.38)           | \$ (2,641,279.85)               | \$ (381,259.73)                      |
| 25   | Actual RA recovery through FPP   | \$ (6,375,840.25) | \$ (3,016,790.16)           | \$ (2,928,404.00)               | \$ (430,646.09)                      |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 588,181.29     | \$ 251,670.78               | \$ 287,124.15                   | \$ 49,386.36                         |
| <b>System Loss Component (SLA)</b>                 |  |                   |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,830,346.04   | \$ 758,120.20               | \$ 822,162.58                   | \$ 250,063.28                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,169,428.14   | \$ 513,735.96               | \$ 556,216.37                   | \$ 99,475.81                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,831,859.26   | \$ 1,152,218.63             | \$ 1,249,307.68                 | \$ 430,332.95                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (167,914.92)   | \$ (119,637.53)             | \$ (129,071.25)                 | \$ 80,783.86                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (4,485,743.72) | \$ (1,852,211.32)           | \$ (1,982,595.14)               | \$ (650,937.26)                      |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5BC, Line 32)               | \$ (4,485,743.72) | \$ (1,852,211.32)           | \$ (1,982,595.14)               | \$ (650,937.26)                      |
| 34   | Net Adjustment for January 2008 (Line 32 - Line 33) To Page 3 Line 4     | \$ -              | \$ -                        | \$ -                            | \$ -                                 |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
January 2009 through March 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | February 2008     | Residential<br>February 2008 | Non-Residential<br>February 2008 | Voltage<br>Reduction<br>February 2008 |
|--|--|-------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 48,071,792.08  | \$ 48,071,792.08             | \$ 48,071,792.08                 | \$ 48,071,792.08                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 45,136,191.95  | \$ 45,136,191.95             | \$ 45,136,191.95                 | \$ 45,136,191.95                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (2,253,265.70) | \$ (2,253,265.70)            | \$ (2,253,265.70)                | \$ (2,253,265.70)                     |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,913,505.39) | \$ (1,913,505.39)            | \$ (1,913,505.39)                | \$ (1,913,505.39)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,969,420.86  | \$ 40,969,420.86             | \$ 40,969,420.86                 | \$ 40,969,420.86                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,846,502,163     | 1,846,502,163                | 1,846,502,163                    | 1,846,502,163                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 112,760,348       | 112,760,348                  | 112,760,348                      | 112,760,348                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,733,741,815     | 1,733,741,815                | 1,733,741,815                    | 1,733,741,815                         |
| 10   | kWh Subject to FPP   | 1,754,838,409     | 694,018,506                  | 782,799,721                      | 278,020,182                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.22%           | 40.03%                       | 45.15%                           | 16.04%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,631,893.06  | \$ 8,555,166.12              | \$ 9,649,572.15                  | \$ 3,427,154.78                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,923,083.24  | \$ 8,283,419.97              | \$ 9,319,274.24                  | \$ 3,320,389.03                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 42,554,976.30  | \$ 16,838,586.09             | \$ 18,968,846.40                 | \$ 6,747,543.81                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,469,247.79  | \$ 16,400,059.17             | \$ 18,497,693.52                 | \$ 6,571,495.10                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,085,728.51) | \$ (438,526.92)              | \$ (471,152.88)                  | \$ (176,048.71)                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,754,838,409     | 694,018,506                  | 782,799,721                      | 278,020,182                           |
| 18   | EA Expense Allocated to FPP  | \$ 402,135.00     | \$ 159,039.79                | \$ 179,384.70                    | \$ 63,710.51                          |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 402,135.00     | \$ 159,039.79                | \$ 179,384.70                    | \$ 63,710.51                          |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 221,109.64     | \$ 87,446.33                 | \$ 98,632.77                     | \$ 35,090.54                          |
| 22   | EA Revenue in FPP (per books)  | \$ 169,913.60     | \$ 67,285.74                 | \$ 75,696.79                     | \$ 26,931.07                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 11,111.76      | \$ 4,307.72                  | \$ 5,055.14                      | \$ 1,748.90                           |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                              |                                  |                                       |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,658.98) | \$ (2,765,119.38)            | \$ (2,641,279.85)                | \$ (381,259.73)                       |
| 25   | Actual RA recovery through FPP   | \$ (5,958,814.73) | \$ (2,758,715.28)            | \$ (2,782,213.98)                | \$ (417,885.47)                       |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 171,155.77     | \$ (6,404.10)                | \$ 140,934.13                    | \$ 36,625.74                          |
| <b>System Loss Component (SLA)</b>                 |  |                   |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,720,555.21   | \$ 693,324.49                | \$ 782,016.92                    | \$ 245,213.80                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,094,765.29   | \$ 469,787.81                | \$ 528,449.27                    | \$ 96,528.21                          |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,971,414.45   | \$ 1,175,120.73              | \$ 1,325,423.46                  | \$ 470,870.26                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 156,093.95     | \$ 12,008.43                 | \$ 14,957.27                     | \$ 129,128.25                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (747,367.03)   | \$ (428,614.87)              | \$ (310,206.34)                  | \$ (8,545.82)                         |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
January 2009 through March 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | February 2008     | Residential<br>February 2008 | Non-Residential<br>February 2008 | Voltage<br>Reduction<br>February 2008 |
|--|--|-------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 48,071,792.08  | \$ 48,071,792.08             | \$ 48,071,792.08                 | \$ 48,071,792.08                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 45,136,191.95  | \$ 45,136,191.95             | \$ 45,136,191.95                 | \$ 45,136,191.95                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (2,253,265.70) | \$ (2,253,265.70)            | \$ (2,253,265.70)                | \$ (2,253,265.70)                     |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,913,505.39) | \$ (1,913,505.39)            | \$ (1,913,505.39)                | \$ (1,913,505.39)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,969,420.86  | \$ 40,969,420.86             | \$ 40,969,420.86                 | \$ 40,969,420.86                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,846,502,183     | 1,846,502,183                | 1,846,502,183                    | 1,846,502,183                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 112,760,348       | 112,760,348                  | 112,760,348                      | 112,760,348                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,733,741,815     | 1,733,741,815                | 1,733,741,815                    | 1,733,741,815                         |
| 10   | kWh Subject to FPP   | 1,754,838,409     | 694,018,506                  | 782,799,721                      | 278,020,182                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.22%           | 40.03%                       | 45.15%                           | 16.04%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,631,893.06  | \$ 8,555,166.12              | \$ 9,649,572.16                  | \$ 3,427,154.78                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,923,083.24  | \$ 8,263,419.97              | \$ 9,319,274.24                  | \$ 3,320,389.03                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 42,554,976.30  | \$ 16,838,586.09             | \$ 18,968,846.40                 | \$ 6,747,543.81                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,469,247.79  | \$ 16,400,059.17             | \$ 18,497,693.52                 | \$ 6,571,495.10                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,085,728.51) | \$ (436,526.92)              | \$ (471,152.88)                  | \$ (176,048.71)                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,754,838,409     | 694,018,506                  | 782,799,721                      | 278,020,182                           |
| 18   | EA Expense Allocated to FPP  | \$ 402,135.00     | \$ 159,039.79                | \$ 179,384.70                    | \$ 63,710.51                          |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 402,135.00     | \$ 159,039.79                | \$ 179,384.70                    | \$ 63,710.51                          |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 221,109.64     | \$ 87,446.33                 | \$ 98,632.77                     | \$ 35,030.54                          |
| 22   | EA Revenue in FPP (per books)  | \$ 169,913.60     | \$ 67,265.74                 | \$ 75,896.79                     | \$ 26,931.07                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 11,111.76      | \$ 4,307.72                  | \$ 5,055.14                      | \$ 1,748.90                           |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                              |                                  |                                       |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,658.96) | \$ (2,765,119.38)            | \$ (2,641,279.85)                | \$ (381,259.73)                       |
| 25   | Actual RA recovery through FPP   | \$ (5,958,814.73) | \$ (2,758,715.28)            | \$ (2,782,213.98)                | \$ (417,885.47)                       |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 171,155.77     | \$ (6,404.10)                | \$ 140,934.13                    | \$ 36,825.74                          |
| <b>System Loss Component (SLA)</b>                 |  |                   |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,720,555.21   | \$ 693,324.49                | \$ 782,016.92                    | \$ 245,213.80                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,094,765.29   | \$ 469,787.81                | \$ 528,449.27                    | \$ 98,528.21                          |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,971,414.45   | \$ 1,175,120.73              | \$ 1,325,423.46                  | \$ 470,870.26                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)            | \$ 156,093.95     | \$ 12,008.43                 | \$ 14,957.27                     | \$ 129,128.25                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (747,367.03)   | \$ (428,614.87)              | \$ (310,206.34)                  | \$ (8,545.82)                         |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5BC, Line 32)               | \$ (747,367.03)   | \$ (428,614.87)              | \$ (310,206.34)                  | \$ (8,545.82)                         |
| 34   | Net Adjustment for February 2008 (Line 32 - Line 33) To Page 3 Line 4    | \$ -              | \$ -                         | \$ -                             | \$ -                                  |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
January 2009 through March 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | March 2008        | Residential<br>March 2008 | Non-Residential<br>March 2008 | Voltage<br>Reduction<br>March 2008 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  | \$ 45,045,834.20  | \$ 45,045,834.20          | \$ 45,045,834.20              | \$ 45,045,834.20                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 42,295,020.24  | \$ 42,295,020.24          | \$ 42,295,020.24              | \$ 42,295,020.24                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ 222,851.44     | \$ 222,851.44             | \$ 222,851.44                 | \$ 222,851.44                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,425,000.88) | \$ (1,425,000.88)         | \$ (1,425,000.88)             | \$ (1,425,000.88)                  |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 41,092,871.00  | \$ 41,092,871.00          | \$ 41,092,871.00              | \$ 41,092,871.00                   |
| 7  | Total Generation and Purchase Power (per books)                          | 1,795,978.466     | 1,795,978.466             | 1,795,978.466                 | 1,795,978.466                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 109,675.017       | 109,675.017               | 109,675.017                   | 109,675.017                        |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,686,303.449     | 1,686,303.449             | 1,686,303.449                 | 1,686,303.449                      |
| 10   | kWh Subject to FPP   | 1,704,312.220     | 662,517.481               | 774,725.676                   | 267,069.063                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.07%           | 39.29%                    | 45.94%                        | 15.84%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 21,009,056.74  | \$ 8,166,852.99           | \$ 9,550,043.41               | \$ 3,292,180.34                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,330,074.77  | \$ 7,911,063.35           | \$ 9,229,402.08               | \$ 3,189,609.34                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 41,339,131.51  | \$ 16,077,916.34          | \$ 18,779,445.49              | \$ 6,481,789.68                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,532,564.72  | \$ 16,145,389.01          | \$ 18,878,064.94              | \$ 6,509,110.77                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 193,433.21     | \$ 67,472.67              | \$ 98,619.45                  | \$ 27,341.09                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,704,312.220     | 662,517.481               | 774,725.676                   | 267,069.063                        |
| 18   | EA Expense Allocated to FPP  | \$ 337,443.63     | \$ 131,174.50             | \$ 153,391.05                 | \$ 52,878.08                       |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 337,443.63     | \$ 131,174.50             | \$ 153,391.05                 | \$ 52,878.08                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 214,743.34     | \$ 83,477.20              | \$ 97,615.44                  | \$ 33,650.70                       |
| 22   | EA Revenue in FPP (per books)  | \$ 185,098.24     | \$ 64,281.11              | \$ 74,966.79                  | \$ 25,870.34                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (42,397.95)    | \$ (16,563.81)            | \$ (19,191.18)                | \$ (6,642.96)                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,658.92) | \$ (2,765,119.37)         | \$ (2,641,279.84)             | \$ (381,259.71)                    |
| 25   | Actual RA recovery through FPP   | \$ (5,791,514.85) | \$ (2,634,705.40)         | \$ (2,755,383.18)             | \$ (401,426.27)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 3,855.93       | \$ (130,413.97)           | \$ 114,103.34                 | \$ 20,166.56                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,671,360.82   | \$ 661,854.96             | \$ 773,950.95                 | \$ 235,554.91                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,084,749.23   | \$ 448,669.69             | \$ 523,353.07                 | \$ 92,726.27                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))               | \$ 2,780,247.66   | \$ 1,080,794.80           | \$ 1,283,723.93               | \$ 435,728.93                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 44,137.61      | \$ (29,730.05)            | \$ (33,580.09)                | \$ 107,447.75                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 199,028.80     | \$ (100,235.16)           | \$ 159,951.52                 | \$ 148,312.44                      |



**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
January 2009 through March 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | March 2008        | Residential<br>March 2008 | Non-Residential<br>March 2008 | Voltage<br>Reduction<br>March 2008 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  | \$ 45,045,834.20  | \$ 45,045,834.20          | \$ 45,045,834.20              | \$ 45,045,834.20                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 42,295,020.24  | \$ 42,295,020.24          | \$ 42,295,020.24              | \$ 42,295,020.24                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ 222,851.44     | \$ 222,851.44             | \$ 222,851.44                 | \$ 222,851.44                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,425,000.68) | \$ (1,425,000.68)         | \$ (1,425,000.68)             | \$ (1,425,000.68)                  |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 41,092,871.00  | \$ 41,092,871.00          | \$ 41,092,871.00              | \$ 41,092,871.00                   |
| 7  | Total Generation and Purchase Power (per books)                          | 1,795,978.466     | 1,795,978.466             | 1,795,978.466                 | 1,795,978.466                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 109,675.017       | 109,675.017               | 109,675.017                   | 109,675.017                        |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,686,303.449     | 1,686,303.449             | 1,686,303.449                 | 1,686,303.449                      |
| 10   | kWh Subject to FPP   | 1,704,312.220     | 662,517.481               | 774,725.676                   | 267,069.063                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.07%           | 39.29%                    | 45.94%                        | 15.84%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,009,056.74  | \$ 8,166,852.99           | \$ 9,550,043.41               | \$ 3,292,160.34                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,330,074.77  | \$ 7,911,063.35           | \$ 9,229,402.08               | \$ 3,189,609.34                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 41,339,131.51  | \$ 16,077,916.34          | \$ 18,779,445.49              | \$ 6,481,769.68                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,532,564.72  | \$ 18,145,389.01          | \$ 18,878,064.94              | \$ 6,509,110.77                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 193,433.21     | \$ 87,472.67              | \$ 98,619.45                  | \$ 27,341.09                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,704,312.220     | 662,517.481               | 774,725.676                   | 267,069.063                        |
| 18   | EA Expense Allocated to FPP  | \$ 131,174.50     | \$ 131,174.50             | \$ 153,391.05                 | \$ 52,878.08                       |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 131,174.50     | \$ 131,174.50             | \$ 153,391.05                 | \$ 52,878.08                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 214,743.34     | \$ 83,477.20              | \$ 97,615.44                  | \$ 33,650.70                       |
| 22   | EA Revenue in FPP (per books)  | \$ 165,098.24     | \$ 64,261.11              | \$ 74,966.79                  | \$ 25,670.34                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (42,397.95)    | \$ (15,563.81)            | \$ (19,191.18)                | \$ (6,642.96)                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,658.92) | \$ (2,765,119.37)         | \$ (2,641,279.84)             | \$ (381,259.71)                    |
| 25   | Actual RA recovery through FPP   | \$ (5,791,514.85) | \$ (2,834,705.40)         | \$ (2,755,363.18)             | \$ (401,426.27)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 3,855.93       | \$ (130,413.97)           | \$ 114,103.34                 | \$ 20,166.56                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0099 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,671,360.82   | \$ 661,854.96             | \$ 773,950.95                 | \$ 235,554.91                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,064,749.23   | \$ 448,669.89             | \$ 523,353.07                 | \$ 92,726.27                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))               | \$ 2,780,247.66   | \$ 1,080,794.80           | \$ 1,263,723.93               | \$ 435,728.93                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 44,137.61      | \$ (29,730.05)            | \$ (33,580.09)                | \$ 107,447.75                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 199,028.80     | \$ (109,235.16)           | \$ 159,951.52                 | \$ 148,312.44                      |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page SAC, Line 32)               | \$ 199,028.80     | \$ (109,235.16)           | \$ 159,951.52                 | \$ 148,312.44                      |
| 34   | Net Adjustment for March 2008 (Line 32 - Line 33) To Page 3 Line 4       | \$ -              | \$ -                      | \$ -                          | \$ -                               |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
January 2009 through March 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | APRIL 2008        | Residential<br>APRIL 2008 | Non-Residential<br>APRIL 2008 | Voltage<br>Reduction<br>APRIL 2008 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  | \$ 39,480,130.59  | \$ 39,480,130.59          | \$ 39,480,130.59              | \$ 39,480,130.59                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 37,069,197.46  | \$ 37,069,197.46          | \$ 37,069,197.46              | \$ 37,069,197.46                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (971,734.24)   | \$ (971,734.24)           | \$ (971,734.24)               | \$ (971,734.24)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,220,089.60) | \$ (1,220,089.60)         | \$ (1,220,089.60)             | \$ (1,220,089.60)                  |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 34,877,373.62  | \$ 34,877,373.62          | \$ 34,877,373.62              | \$ 34,877,373.62                   |
| 7  | Total Generation and Purchase Power (per books)                          | 1,569,304,567     | 1,569,304,567             | 1,569,304,567                 | 1,569,304,567                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 95,832,722        | 95,832,722                | 95,832,722                    | 95,832,722                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,473,471,845     | 1,473,471,845             | 1,473,471,845                 | 1,473,471,845                      |
| 10   | kWh Subject to FPP   | 1,555,289,363     | 522,140,598               | 755,195,478                   | 277,953,287                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 105.55%           | 35.44%                    | 51.25%                        | 18.86%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 19,172,051.98  | \$ 6,436,427.15           | \$ 9,309,294.66               | \$ 3,426,330.17                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 19,257,332.53  | \$ 6,475,603.85           | \$ 9,367,272.37               | \$ 3,424,456.31                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 38,429,384.51  | \$ 12,912,031.00          | \$ 18,666,567.03              | \$ 6,850,786.48                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 38,813,067.88  | \$ 12,380,541.21          | \$ 17,874,653.98              | \$ 6,577,872.67                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,616,316.65) | \$ (551,469.79)           | \$ (791,913.06)               | \$ (272,913.81)                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,555,289,363     | 522,140,598               | 755,195,478                   | 277,953,287                        |
| 18   | EA Expense Allocated to FPP  | \$ 339,012.14     | \$ 113,812.91             | \$ 164,612.73                 | \$ 60,586.50                       |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 339,012.14     | \$ 113,812.91             | \$ 164,612.73                 | \$ 60,586.50                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 195,966.46     | \$ 65,789.72              | \$ 95,154.63                  | \$ 35,022.11                       |
| 22   | EA Revenue in FPP (per books)  | \$ 99,360.57      | \$ 33,139.59              | \$ 48,469.32                  | \$ 17,751.66                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 43,685.11      | \$ 14,883.60              | \$ 20,988.78                  | \$ 7,812.73                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (1,739,754.16) | \$ (492,928.91)           | \$ (951,558.78)               | \$ (295,266.47)                    |
| 25   | Actual RA recovery through FPP   | \$ (1,790,853.33) | \$ (507,927.99)           | \$ (967,591.33)               | \$ (315,334.01)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 51,099.17      | \$ 14,999.08              | \$ 16,032.56                  | \$ 20,067.54                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,521,213.54   | \$ 521,618.46             | \$ 754,440.28                 | \$ 245,154.80                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,010,533.90   | \$ 372,183.12             | \$ 537,650.47                 | \$ 100,700.31                      |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,544,739.92   | \$ 854,434.70             | \$ 1,235,603.23               | \$ 454,701.99                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 12,992.48      | \$ (39,366.88)            | \$ (56,487.52)                | \$ 108,846.88                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (1,508,539.89) | \$ (560,973.99)           | \$ (811,379.24)               | \$ (136,186.66)                    |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
January 2009 through March 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | April 2008        | Residential<br>April 2008 | Non-Residential<br>April 2008 | Voltage<br>Reduction<br>April 2008 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  |                   | \$ 39,480,130.59          | \$ 39,480,130.59              | \$ 39,480,130.59                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 37,069,197.46  | \$ 37,069,197.46          | \$ 37,069,197.46              | \$ 37,069,197.46                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (971,734.24)           | \$ (971,734.24)               | \$ (971,734.24)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (1,215,426.98)         | \$ (1,215,426.98)             | \$ (1,215,426.98)                  |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 34,882,036.24  | \$ 34,882,036.24          | \$ 34,882,036.24              | \$ 34,882,036.24                   |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,569,304,567             | 1,569,304,567                 | 1,569,304,567                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 95,832,722        | 95,832,722                | 95,832,722                    | 95,832,722                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,473,471,845     | 1,473,471,845             | 1,473,471,845                 | 1,473,471,845                      |
| 10   | kWh Subject to FPP   | 1,555,289,363     | 522,140,598               | 755,195,478                   | 277,953,287                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 105.55%           | 35.44%                    | 51.25%                        | 18.86%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 19,172,051.98  | \$ 8,438,427.15           | \$ 9,309,294.66               | \$ 3,426,330.17                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 19,257,332.53  | \$ 6,475,603.85           | \$ 9,357,272.37               | \$ 3,424,456.31                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 38,429,384.51  | \$ 12,912,031.00          | \$ 18,666,567.03              | \$ 6,850,786.48                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 36,817,889.25  | \$ 12,362,193.84          | \$ 17,877,043.57              | \$ 6,578,752.04                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,611,395.26) | \$ (549,937.36)           | \$ (789,523.46)               | \$ (272,034.44)                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,555,289,363     | 522,140,598               | 755,195,478                   | 277,953,287                        |
| 18   | EA Expense Allocated to FPP  |                   | \$ 113,812.91             | \$ 164,612.73                 | \$ 60,586.50                       |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                      | \$ -                          | \$ -                               |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 339,012.14     | \$ 113,812.91             | \$ 164,612.73                 | \$ 60,586.50                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 195,966.46     | \$ 65,789.72              | \$ 95,154.63                  | \$ 35,022.11                       |
| 22   | EA Revenue in FPP (per books)  | \$ 99,360.57      | \$ 33,139.59              | \$ 48,469.32                  | \$ 17,751.66                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 43,685.11      | \$ 14,883.60              | \$ 20,988.78                  | \$ 7,812.73                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (1,739,754.16) | \$ (492,928.91)           | \$ (951,558.78)               | \$ (295,266.47)                    |
| 25   | Actual RA recovery through FPP   | \$ (1,790,853.33) | \$ (507,927.99)           | \$ (967,591.33)               | \$ (315,334.01)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 51,099.17      | \$ 14,999.08              | \$ 16,032.65                  | \$ 20,067.54                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,521,213.54   | \$ 521,618.48             | \$ 754,440.28                 | \$ 245,154.80                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,010,533.90   | \$ 372,183.12             | \$ 537,650.47                 | \$ 100,700.31                      |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,544,739.92   | \$ 854,434.70             | \$ 1,235,603.23               | \$ 454,701.99                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 12,992.48      | \$ (39,366.88)            | \$ (56,487.52)                | \$ 108,846.88                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (1,503,618.50) | \$ (559,321.56)           | \$ (808,969.65)               | \$ (135,307.29)                    |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5AE, Line 32)               | \$ (1,508,539.89) | \$ (560,973.99)           | \$ (811,379.24)               | \$ (136,186.66)                    |
| 34   | Net Adjustment for March 2008 (Line 32 - Line 33) To Page 3 Line 4       | \$ 4,921.39       | \$ 1,652.43               | \$ 2,389.59                   | \$ 879.37                          |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
January 2009 through March 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | MAY 2008          | Residential<br>MAY 2008 | Non-Residential<br>MAY 2008 | Voltage<br>Reduction<br>MAY 2008 |
|--|--|-------------------|-------------------------|-----------------------------|----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                         |                             |                                  |
| 1  | Net Includable Fuel  | \$ 36,984,124.70  | \$ 36,984,124.70        | \$ 36,984,124.70            | \$ 36,984,124.70                 |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                | 0.938933                    | 0.938933                         |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 34,725,615.16  | \$ 34,725,615.16        | \$ 34,725,615.16            | \$ 34,725,615.16                 |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (2,038,308.65) | \$ (2,038,308.65)       | \$ (2,038,308.65)           | \$ (2,038,308.65)                |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,399,477.03) | \$ (1,399,477.03)       | \$ (1,399,477.03)           | \$ (1,399,477.03)                |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 31,287,829.48  | \$ 31,287,829.48        | \$ 31,287,829.48            | \$ 31,287,829.48                 |
| 7  | Total Generation and Purchase Power (per books)                          | 1,606,548,923     | 1,606,548,923           | 1,606,548,923               | 1,606,548,923                    |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,107,123        | 98,107,123              | 98,107,123                  | 98,107,123                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,508,441,800     | 1,508,441,800           | 1,508,441,800               | 1,508,441,800                    |
| 10   | kWh Subject to FPP   | 1,418,189,845     | 413,514,641             | 747,046,536                 | 257,628,668                      |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 94.02%            | 27.41%                  | 49.53%                      | 17.08%                           |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 17,482,026.22  | \$ 5,097,394.98         | \$ 9,208,842.85             | \$ 3,175,788.59                  |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 17,576,739.89  | \$ 5,126,848.43         | \$ 9,257,987.02             | \$ 3,191,904.44                  |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 35,058,766.11  | \$ 10,224,243.41        | \$ 18,466,829.87            | \$ 6,367,693.03                  |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 29,416,817.28  | \$ 8,575,994.08         | \$ 15,496,861.94            | \$ 5,343,961.28                  |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (5,641,948.83) | \$ (1,648,249.35)       | \$ (2,969,967.73)           | \$ (1,023,731.75)                |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                         |                             |                                  |
| 17   | kWh Subject to FPP (Line 11)   | 1,418,189,845     | 413,514,641             | 747,046,536                 | 257,628,668                      |
| 18   | EA Expense Allocated to FPP  | \$ 544,694.46     | \$ 158,821.57           | \$ 286,923.58               | \$ 98,949.31                     |
| 19   | EA Sales Margin Allocated to FPP   | \$ (395,671.52)   | \$ (115,369.58)         | \$ (208,424.17)             | \$ (71,877.77)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 149,022.94     | \$ 43,451.99            | \$ 78,499.41                | \$ 27,071.54                     |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 178,691.92     | \$ 52,102.84            | \$ 94,127.87                | \$ 32,461.21                     |
| 22   | EA Revenue in FPP (per books)  | \$ 90,738.39      | \$ 26,237.19            | \$ 47,955.04                | \$ 16,546.16                     |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (120,407.37)   | \$ (34,898.04)          | \$ (63,583.50)              | \$ (21,935.83)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                         |                             |                                  |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (1,739,754.16) | \$ (492,928.91)         | \$ (951,568.78)             | \$ (295,266.47)                  |
| 25   | Actual RA recovery through FPP   | \$ (1,653,380.08) | \$ (402,135.44)         | \$ (957,324.70)             | \$ (293,919.95)                  |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (86,374.07)    | \$ (90,793.47)          | \$ 5,765.92                 | \$ (1,346.52)                    |
| <b>System Loss Component (SLA)</b>                 |  |                   |                         |                             |                                  |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                  | 0.0999                      | 0.0882                           |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,386,629.11   | \$ 413,101.13           | \$ 746,299.49               | \$ 227,228.49                    |
| 29   | Actual SLA recovery through FPP  | \$ 920,471.44     | \$ 294,663.86           | \$ 531,945.73               | \$ 93,861.85                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,123,450.67   | \$ 619,057.46           | \$ 1,118,639.78             | \$ 385,753.43                    |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (183,649.88)   | \$ (88,707.53)          | \$ (159,605.44)             | \$ 64,663.09                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (6,032,380.15) | \$ (1,862,638.39)       | \$ (3,187,390.75)           | \$ (982,351.01)                  |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
January 2008 through March 2008  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | May 2008          | Residential<br>May 2008 | Non-Residential<br>May 2008 | Voltage<br>Reduction<br>May 2008 |
|--|--|-------------------|-------------------------|-----------------------------|----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                         |                             |                                  |
| 1  | Net Includable Fuel  |                   | \$ 36,984,124.70        | \$ 36,984,124.70            | \$ 36,984,124.70                 |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                | 0.938933                    | 0.938933                         |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 34,725,815.16  | \$ 34,725,815.16        | \$ 34,725,815.16            | \$ 34,725,815.16                 |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (2,038,308.65)       | \$ (2,038,308.65)           | \$ (2,038,308.65)                |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (1,357,032.41)       | \$ (1,357,032.41)           | \$ (1,357,032.41)                |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 31,330,274.10  | \$ 31,330,274.10        | \$ 31,330,274.10            | \$ 31,330,274.10                 |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,608,548,923           | 1,608,548,923               | 1,608,548,923                    |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,107,123        | 98,107,123              | 98,107,123                  | 98,107,123                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,508,441,800     | 1,508,441,800           | 1,508,441,800               | 1,508,441,800                    |
| 10   | kWh Subject to FPP   | 1,418,189,845     | 413,514,641             | 747,046,536                 | 257,628,668                      |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 94.02%            | 27.41%                  | 49.53%                      | 17.08%                           |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 17,482,026.22  | \$ 5,087,394.98         | \$ 9,208,842.65             | \$ 3,175,788.59                  |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 17,576,739.69  | \$ 5,126,848.43         | \$ 9,257,987.02             | \$ 3,191,904.44                  |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 35,058,766.11  | \$ 10,224,243.41        | \$ 18,466,829.67            | \$ 6,367,693.03                  |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 29,456,723.71  | \$ 8,587,628.13         | \$ 15,517,894.78            | \$ 5,351,210.82                  |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (5,602,042.40) | \$ (1,636,615.28)       | \$ (2,948,944.91)           | \$ (1,018,482.21)                |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                         |                             |                                  |
| 17   | kWh Subject to FPP (Line 11)   | 1,418,189,845     | 413,514,641             | 747,046,536                 | 257,628,668                      |
| 18   | EA Expense Allocated to FPP  |                   | \$ 158,791.28           | \$ 286,868.87               | \$ 98,930.44                     |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ (115,369.58)         | \$ (208,424.17)             | \$ (71,877.77)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 148,919.07     | \$ 43,421.70            | \$ 78,444.70                | \$ 27,052.67                     |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 178,691.92     | \$ 52,102.84            | \$ 94,127.87                | \$ 32,461.21                     |
| 22   | EA Revenue in FPP (per books)  | \$ 90,738.39      | \$ 26,237.19            | \$ 47,965.04                | \$ 16,548.16                     |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (120,511.24)   | \$ (34,918.33)          | \$ (63,838.21)              | \$ (21,954.70)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                         |                             |                                  |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (1,739,754.16) | \$ (492,928.91)         | \$ (951,558.78)             | \$ (295,266.47)                  |
| 25   | Actual RA recovery through FPP   | \$ (1,653,380.09) | \$ (402,135.44)         | \$ (957,324.70)             | \$ (293,919.95)                  |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (86,374.07)    | \$ (90,793.47)          | \$ 5,765.92                 | \$ (1,346.52)                    |
| <b>System Loss Component (SLA)</b>                 |  |                   |                         |                             |                                  |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                  | 0.0999                      | 0.0882                           |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,386,623.11   | \$ 413,101.13           | \$ 746,299.49               | \$ 227,228.49                    |
| 29   | Actual SLA recovery through FPP  | \$ 920,471.44     | \$ 294,693.86           | \$ 531,945.73               | \$ 93,861.85                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,123,450.87   | \$ 619,057.46           | \$ 1,118,639.78             | \$ 385,753.43                    |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (183,649.88)   | \$ (88,707.53)          | \$ (159,605.44)             | \$ 64,663.09                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (5,992,577.59) | \$ (1,851,034.61)       | \$ (3,166,422.64)           | \$ (975,120.34)                  |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5AG, Line 32)               | \$ (6,032,380.15) | \$ (1,862,636.39)       | \$ (3,187,390.75)           | \$ (982,351.01)                  |
| 34   | Net Adjustment for March 2008 (Line 32 - Line 33) To Page 3 Line 4       | \$ 39,802.56      | \$ 11,603.78            | \$ 20,968.11                | \$ 7,230.67                      |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
January 2009 through March 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | JUNE 2008         | Residential<br>JUNE 2008 | Non-Residential<br>JUNE 2008 | Voltage<br>Reduction<br>JUNE 2008 |
|--|--|-------------------|--------------------------|------------------------------|-----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                          |                              |                                   |
| 1  | Net Includable Fuel  | \$ 74,977,379.51  | \$ 74,977,379.51         | \$ 74,977,379.51             | \$ 74,977,379.51                  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                 | 0.938933                     | 0.938933                          |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 70,398,735.88  | \$ 70,398,735.88         | \$ 70,398,735.88             | \$ 70,398,735.88                  |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (8,169,211.89) | \$ (8,169,211.89)        | \$ (8,169,211.89)            | \$ (8,169,211.89)                 |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (3,838,065.38) | \$ (3,838,065.38)        | \$ (3,838,065.38)            | \$ (3,838,065.38)                 |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 58,391,458.61  | \$ 58,391,458.61         | \$ 58,391,458.61             | \$ 58,391,458.61                  |
| 7  | Total Generation and Purchase Power (per books)                          | 1,917,056,022     | 1,917,056,022            | 1,917,056,022                | 1,917,056,022                     |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 117,068,860       | 117,068,860              | 117,068,860                  | 117,068,860                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,799,987,162     | 1,799,987,162            | 1,799,987,162                | 1,799,987,162                     |
| 10   | kWh Subject to FPP   | 1,647,853,337     | 533,812,398              | 831,388,582                  | 282,652,357                       |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 91.55%            | 29.66%                   | 46.19%                       | 15.70%                            |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 20,313,088.08  | \$ 6,580,305.43          | \$ 10,248,527.05             | \$ 3,484,255.60                   |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,419,424.13  | \$ 6,616,591.11          | \$ 10,300,069.66             | \$ 3,502,763.36                   |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 40,732,512.21  | \$ 13,196,896.54         | \$ 20,548,596.71             | \$ 6,987,018.96                   |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 53,457,380.36  | \$ 17,318,906.63         | \$ 26,971,014.73             | \$ 9,167,450.00                   |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 12,724,868.15  | \$ 4,122,010.09          | \$ 6,422,418.02              | \$ 2,180,440.04                   |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                          |                              |                                   |
| 17   | kWh Subject to FPP (Line 11)   | 1,647,853,337     | 533,812,398              | 831,388,582                  | 282,652,357                       |
| 18   | EA Expense Allocated to FPP  | \$ 512,707.41     | \$ 166,088.55            | \$ 258,675.38                | \$ 87,943.48                      |
| 19   | EA Sales Margin Allocated to FPP   | \$ (1,637,100.82) | \$ (530,329.19)          | \$ (825,963.63)              | \$ (280,808.00)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ (1,124,393.41) | \$ (364,240.64)          | \$ (567,288.25)              | \$ (192,864.52)                   |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 207,629.52     | \$ 67,260.35             | \$ 104,754.96                | \$ 36,614.20                      |
| 22   | EA Revenue in FPP (per books)  | \$ 105,371.58     | \$ 33,861.11             | \$ 53,352.88                 | \$ 18,157.59                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (1,437,394.51) | \$ (465,362.11)          | \$ (725,386.09)              | \$ (246,636.31)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                          |                              |                                   |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (1,739,754.15) | \$ (492,928.90)          | \$ (951,558.78)              | \$ (295,266.47)                   |
| 25   | Actual RA recovery through FPP   | \$ (1,906,812.92) | \$ (518,986.63)          | \$ (1,065,081.54)            | \$ (322,544.75)                   |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 166,858.77     | \$ 26,057.73             | \$ 113,522.76                | \$ 27,278.28                      |
| <b>System Loss Component (SLA)</b>                 |  |                   |                          |                              |                                   |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                   | 0.0999                       | 0.0882                            |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,613,135.16   | \$ 533,278.59            | \$ 830,557.19                | \$ 249,299.38                     |
| 29   | Actual SLA recovery through FPP  | \$ 1,075,111.09   | \$ 380,288.31            | \$ 591,821.75                | \$ 103,003.03                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,191,748.24   | \$ 1,358,025.70          | \$ 2,114,875.49              | \$ 718,847.05                     |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,503,501.99   | \$ 444,460.80            | \$ 692,496.55                | \$ 366,544.64                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 12,957,834.40  | \$ 4,127,168.51          | \$ 6,503,041.24              | \$ 2,327,626.65                   |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
January 2009 through March 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | June 2008         | Residential<br>June 2008 | Non-Residential<br>June 2008 | Voltage<br>Reduction<br>June 2008 |
|--|--|-------------------|--------------------------|------------------------------|-----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                          |                              |                                   |
| 1  | Net Includable Fuel  |                   | \$ 75,017,373.51         | \$ 75,017,373.51             | \$ 75,017,373.51                  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                 | 0.938933                     | 0.938933                          |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 70,436,287.56  | \$ 70,436,287.56         | \$ 70,436,287.56             | \$ 70,436,287.56                  |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (8,169,211.89)        | \$ (8,169,211.89)            | \$ (8,169,211.89)                 |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (3,981,875.03)        | \$ (3,981,875.03)            | \$ (3,981,875.03)                 |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 58,285,200.64  | \$ 58,285,200.64         | \$ 58,285,200.64             | \$ 58,285,200.64                  |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,917,814,862            | 1,917,814,862                | 1,917,814,862                     |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 117,115,200       | 117,115,200              | 117,115,200                  | 117,115,200                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,800,699,662     | 1,800,699,662            | 1,800,699,662                | 1,800,699,662                     |
| 10   | kWh Subject to FPP   | 1,647,853,337     | 533,812,396              | 831,388,582                  | 282,652,357                       |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 91.51%            | 29.64%                   | 46.17%                       | 15.70%                            |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 20,313,088.08  | \$ 6,580,305.43          | \$ 10,248,527.05             | \$ 3,484,255.80                   |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,419,424.13  | \$ 6,616,591.11          | \$ 10,300,069.66             | \$ 3,502,763.36                   |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 40,732,512.21  | \$ 13,196,896.54         | \$ 20,548,596.71             | \$ 6,987,019.96                   |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 53,336,787.11  | \$ 17,275,733.47         | \$ 26,910,277.14             | \$ 9,150,776.50                   |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 12,604,274.90  | \$ 4,078,836.93          | \$ 8,361,680.43              | \$ 2,163,757.54                   |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                          |                              |                                   |
| 17   | kWh Subject to FPP (Line 11)   | 1,647,853,337     | 533,812,396              | 831,388,582                  | 282,652,357                       |
| 18   | EA Expense Allocated to FPP  |                   | \$ 166,088.55            | \$ 258,875.38                | \$ 87,943.48                      |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ (530,329.19)          | \$ (825,963.63)              | \$ (280,808.00)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ (1,124,393.41) | \$ (364,240.64)          | \$ (567,088.25)              | \$ (192,864.52)                   |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 207,829.52     | \$ 67,260.36             | \$ 104,754.86                | \$ 35,614.20                      |
| 22   | EA Revenue in FPP (per books)  | \$ 105,371.58     | \$ 33,881.11             | \$ 53,352.88                 | \$ 18,157.59                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (1,437,394.51) | \$ (465,362.11)          | \$ (725,396.09)              | \$ (246,836.31)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                          |                              |                                   |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (1,739,754.15) | \$ (492,928.90)          | \$ (951,558.78)              | \$ (295,266.47)                   |
| 25   | Actual RA recovery through FPP   | \$ (1,906,612.92) | \$ (518,986.63)          | \$ (1,065,081.54)            | \$ (322,544.75)                   |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 166,858.77     | \$ 26,057.73             | \$ 113,522.76                | \$ 27,278.28                      |
| <b>System Loss Component (SLA)</b>                 |  |                   |                          |                              |                                   |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                   | 0.0999                       | 0.0882                            |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,613,135.16   | \$ 533,278.59            | \$ 830,557.18                | \$ 249,299.38                     |
| 29   | Actual SLA recovery through FPP  | \$ 1,075,111.09   | \$ 380,286.31            | \$ 591,821.75                | \$ 103,003.03                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,192,151.75   | \$ 1,357,833.88          | \$ 2,115,087.38              | \$ 719,230.49                     |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,603,905.50   | \$ 444,268.98            | \$ 692,708.44                | \$ 366,828.08                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 12,837,844.66  | \$ 4,083,801.53          | \$ 6,442,515.54              | \$ 2,311,327.59                   |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5A, Line 32)                | \$ 12,957,834.40  | \$ 4,127,166.51          | \$ 6,503,041.24              | \$ 2,327,626.65                   |
| 34   | Net Adjustment for March 2008 (Line 32 - Line 33) To Page 3 Line 4       | \$ (120,189.74)   | \$ (43,364.98)           | \$ (60,525.70)               | \$ (16,299.06)                    |

## ATTACHMENT I

### STATEMENT OF FUEL PROCUREMENT PRACTICES AND POLICIES

Duke Energy's ("Company") Commercial Asset Management Service (CAM) group is responsible for managing the power, fuel and emission allowance positions for the Company's operating units, including the Company's Ohio generation portfolio to provide a reliable, low cost, market-based supply of electricity for the Ohio customers.

CAMS is responsible for establishing and implementing the multi-commodity risk management strategy for power, fuel and emission allowances. CAM monitors and adjusts the optimal contract mix all the way through physical delivery. These adjustments result in the purchases or sales of Fuel, Emission Allowances, and Power for the approved term if the forward market allows them to transact. Fuel purchases are made through a combination of long-term and spot market purchases.

CAMS fuel procurement and Logistic groups include evaluating proposals for fuel and transportation contracts, selecting and qualifying suppliers and shippers, contract negotiation, administration and enforcement, and ongoing transportation maintenance and operations support. CAMS is responsible for complying with fuel procurement regulations.

CAMS evaluates its fuel and transportation services practices on a continuing basis and updates them as needed. This continuous self-evaluation ensures that CAMS follows the best available practices as they relate to the changing business environment of the Company and the industry, the effect of state and/or federal legislation, the orders or rules of any state commission, or any other event that may impact the Company's procurement and use of fuel.

A balancing of short-term and long-term contracts is an effective way to achieve critical portfolio goals such as:

- Effective management of market price risk
- Assurance of adequate and appropriate supply from reliable suppliers
- Competitive pricing
- Market intelligence
- Continuing evaluation of suppliers
- Flexibility in responding to changing market or economic conditions
- Efficient delivery of shipments and contract administration
- Coal basin balance and diversity

CAMS makes every effort to purchase fuels compatible for all Ohio generation portfolios. This decision making process also heavily involves Inputs from all station managers. Further, the cost of complying with environmental regulations regarding emissions is factored into purchasing decisions.

Coal quality specifications may include moisture, ash, calorific value, sulfur, volatility, grindability, chlorine, mineral ash analysis, fusion temperature. These parameters assure that the coal will be compatible with equipment operation and environmental regulations. Quality price adjustments will be made for deliveries not within contract specifications.



## **ATTACHMENT I**

### **STATEMENT OF FUEL PROCUREMENT PRACTICES AND POLICIES**

For longer term commitments, suppliers are generally evaluated on the basis of delivered cost (adjusted for MMBtu, SO<sub>2</sub>, and freight), credit strength, proximity to transportation, and willingness to extend commercial terms. Additional evaluation is done, as needed, concerning by-product handling, disposal, and various environmental limits at the station sites. For short-term purchases, the evaluation focuses primarily on evaluated cost relative to the market.

## ATTACHMENT II

### DUKE ENERGY OHIO (DUKE)

#### NARRATIVE STATEMENT SUPPORTING ITS PROPOSED FPP COMPONENT

Duke Energy Ohio has calculated a proposed Quarterly Fuel, Economy Purchased Power and Emission Allowance Component (FPP Component) of its standard service offer for the three-month projected period of April through June 2009.

The proposed FPP Rates are segregated into three types of customers, Residential, Non-Residential and Voltage Reduction customers. Depending on the type of customer, the appropriate rate will be applied to all bills, excluding consumers taking generation service from Certified Retail Electric Service providers, rendered on and after April 1, 2009, and will coincide with the billing of Cycle 1 of the April 2009 revenue month and remain in effect through June 2009.

The methodology for calculating the proposed FPP Component of 1.9763 cents per kilowatt-hour for Residential, 1.9169 cents per kilowatt-hour for Non-Residential and 2.1167 cents per kilowatt-hour for Voltage Reduction type customers is consistent with the Commission's Entry on Rehearing and is composed of the following components:

#### FUEL COMPONENT (FC)

The base period of April through June 2009 was utilized to calculate the proposed fuel and economy purchased power component (FC). The proposed FC is composed of three months projected includable fuel cost and economy purchased power data. The total FC calculated portion of the FPP Component is 2.4188 cents per kilowatt-hour for all types of customers. This proposed FC is supported by the attached calculations on Page 1 of 5 of Schedule 1.

#### EMISSION ALLOWANCES (EA)

The base period of April through June 2009 was utilized to calculate the emission allowance component (EA) for all types of customers. The proposed EA is composed of three months projected includable emission allowance data. The total EA calculated portion of the FPP Component is 0.0882 cents per kilowatt-hour for all types of customers. This proposed EA is supported by the attached calculations on Page 2 of 5 of Schedule 1.

## ATTACHMENT II

### RECONCILIATION ADJUSTMENT (RA)

The RA amount includes the netting of the amount deferred from the 1<sup>st</sup> quarter 2009 filing and any current and prior period reconciliations. The proposed RA component is based on the reconciliation of actual fuel, economy purchased power, emission allowance costs, and system loss adjustment to the FPP Component revenues for the six month period ending December 2008. The RA amount for the six period ending December 2008 included in this filing is (\$9,182,044.78) for Residential type customers and (\$14,737,152.98) for Non-Residential type customers and (\$3,326,678.21) for Voltage Reduction type customers. In addition to these RA amounts are (\$30,108.77) for Residential type customers and (\$37,168.00) for Non-Residential type customers and (\$8,189.02) for Voltage Reduction type customers which represents an updated adjustment to the 2<sup>nd</sup> quarter 2008 RA amount filed in the 4<sup>th</sup> quarter 2008 filing and is supported by the attached calculations on Page 5G thru L of 5 of Schedule 1. The total proposed RA is supported by the attached calculations on Page 3 of 5 of Schedule 1.

### SYSTEM LOSS ADJUSTMENT (SLA)

The proposed SLA Component is based on the estimated system loss fuel cost to be incurred during the three month period ending June 2009. The total SLA calculated portion of the FPP Component is 0.1656 cents per kilowatt-hour for Residential and Non-Residential type customers, and 0.0758 cents per kilowatt-hour for Voltage Reduction type customers. From the number for Residential and Non-Residential type customers, the Company has subtracted a baseline rate of 0.1051 cents per kilowatt-hour that is already included in rates. From the number for Voltage Reduction type customers, the Company has subtracted a baseline rate of 0.0481 cents per kilowatt-hour that is already included in rates. Both rates are increased by 0.0067 cents per kilowatt-hour which represents a Synchronization Adjustment. Based upon this information, the proposed SLA should be established at 0.0672 cents per kilowatt-hour for Residential and Non-Residential type customers and at 0.0344 cents per kilowatt-hour for Voltage Reduction type customers. The proposed SLA is supported by the attached calculations on Page 4 of 5 of Schedule 1.

### FUEL, ECONOMY PURCHASED POWER AND EMISSION ALLOWANCE COMPONENT

Based on the aforementioned projected includable fuel and economy purchased power cost data (FC) summarized on Page 1 of Schedule 1, the Emission Allowance Component (EA) on Page 2 of Schedule 1, and the System Loss Adjustment (SLA) on Page 4 of Schedule 1, the Company proposes that a FPP Component of 1.9763 cents per kilowatt-hour be established for Residential type customers, 1.9169 cents per kilowatt-hour be established for Non-Residential type customers and 2.1167 cents per kilowatt-hour be established for Voltage Reduction type customers. These rates should be effective with bills rendered on and after April 1, 2009, to all consumers other than consumers taking generation service from Certified Retail Electric Suppliers. This will coincide with Cycle 1 billing for the April 2009 revenue month.

**Duke Energy Americas  
Non-Regulated Generation  
Duke Energy Ohio PTC-FPP  
Q2 2009 Workpapers**

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During**  
**April 2009 through June 2009**

| Line | Description  | (A)<br>Includable<br>Fuel Cost<br>\$ | (B)<br>Other Includable<br>MISO Costs<br>From Page 1A<br>\$ | (C)<br>Total<br>Includable<br>Costs<br>\$ | (D)<br>Includable<br>Energy<br>(kWh) | (E)<br>FPP Rate<br>Components<br>(Col. C + Col. D) |
|------|--|--------------------------------------|---|---|--------------------------------------|--|
|      | <b>Fuel &amp; Economy Purchased Power<br/>Cost Expense (FC) - by Month (Projected)</b> |                                      |   |   |                                      |  |
| 1    | April 2009   | \$ 41,575,659.42                     | \$ (439,616.00)   | \$ 41,136,043.42                          | 1,592,839,732                        |  |
| 2    | May 2009   | \$ 37,222,462.14                     | \$ (439,616.00)   | \$ 36,782,846.14                          | 1,615,686,760                        |  |
| 3    | June 2009  | \$ 45,106,626.74                     | \$ (439,616.00)   | \$ 44,666,010.74                          | 1,858,554,948                        |  |
| 4    | <b>Total Fuel &amp; Economy Purchased Power Cost Expense</b>                           | <b>\$ 123,903,748.30</b>             | <b>\$ (1,318,848.00)</b>                                    | <b>\$ 122,584,900.30</b>                  | <b>5,068,081,440</b>                 | 2.4188 ¢/kWh                                       |
| 5    | Less: Baseline EFC Rate <sup>(a)</sup>   |                                      |   |   |                                      | - ¢/kWh  |
| 6    | <b>Total FC Portion to be Included in FPP</b>  |                                      |   |   |                                      | 2.4188 ¢/kWh                                       |
| 7    | Emission Allowances Adjustment (EA) From Page 2  |                                      |   |   |                                      | 0.0682 ¢/kWh                                       |
| 8    | <b>Total FPP Rate before RA and SLA</b>  |                                      |   |   |                                      | <b>2.5070 ¢/kWh</b>                                |
|      |  | <b>FPP Rate</b>                      |   |   |                                      |  |
|      |  | <u>Residential</u>                   | <u>Non-Residential</u>                                      | <u>Voltage Reduction <sup>(b)</sup></u>   |                                      |  |
| 9    | Total FPP Rate before RA and SLA (Line 8)  | 2.5070                               | 2.5070  | 2.5070                                    | ¢/kWh                                |  |
| 10   | Reconciliation Adjustment (RA) From Page 3   | (0.5979)                             | (0.6573)  | (0.4247)                                  | ¢/kWh                                |  |
| 11   | System Loss Adjustment (SLA) From Page 4   | 0.0672                               | 0.0672  | 0.0344                                    | ¢/kWh                                |  |
| 12   | <b>Total FPP Rate</b>  | <b>1.9783</b>                        | <b>1.9169</b>   | <b>2.1167</b>                             | <b>¢/kWh</b>                         |  |

Notes: <sup>(a)</sup> Per Stipulation in Case No. 08-920-EL-SSO, the baseline EFC and EA rate is transferred to Rider PTC-FPP.

<sup>(b)</sup> Rate for Customers taking service at 69 kV or greater.

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During  
April 2009 through June 2009**

| Other Includable MISO Costs                | April 2009          | May 2009            | June 2009           | Total For<br>Period   |
|--|---------------------|---------------------|---------------------|-----------------------|
| (a)  | (b)                 | (c)                 | (d)                 | (e)                   |
| FTR (Hourly, Monthly, Yearly, Transaction) | \$ (439,616)        | \$ (439,616)        | \$ (439,616)        | \$ (1,318,848)        |
| Financial                                  |                     |                     |                     |                       |
| Day-Ahead                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| Real-Time                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| Physical (DA, RT, Index)                   | \$ -                | \$ -                | \$ -                | \$ -                  |
| Congestion                                 |                     |                     |                     |                       |
| Day-Ahead                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| Real-Time                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| Losses                                     |                     |                     |                     |                       |
| Day-Ahead                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| Real-Time                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| Revenue Sufficiency Guarantee (MKWHL)      |                     |                     |                     |                       |
| Day-Ahead                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| Real-Time                                  | \$ -                | \$ -                | \$ -                | \$ -                  |
| <b>Total Other Includable MISO Costs</b>   | <b>\$ (439,616)</b> | <b>\$ (439,616)</b> | <b>\$ (439,616)</b> | <b>\$ (1,318,848)</b> |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Emission Allowances Component for Billing During  
April 2009 through June 2009**

| Line  | Description   | (1)<br>Includable<br>Emission Allowances<br>\$ | (2)<br>Includable<br>Energy<br>(kWh) | (3)<br>EA Rate<br>Components<br>(Col. 1 ÷ Col. 2) |
|---|---|--|--------------------------------------|---|
| <b><u>Emission Allowances (EA) - by Month (Projected)</u></b> |   |  |                                      |   |
| 1   | April 2009  | \$ 1,160,402.45                                | 1,459,165,555                        |   |
| 2   | May 2009  | \$ 1,286,345.32                                | 1,564,124,313                        |   |
| 3   | June 2009   | \$ 1,790,848.13                                | 1,783,085,868                        |   |
| 4   | EA Auction Proceeds Credits   | \$ -   |                                      |   |
| 5   | Total Emission Allowance Expense  | <u>\$ 4,237,595.90</u>                         | <u>4,806,375,736</u>                 | 0.0882 ¢/kWh                                      |
| 6   | Less: Baseline EA Rate <sup>(c)</sup>   |  |                                      | <u>- ¢/kWh</u>                                    |
| 7   | Quarterly Emission Allowance Rate (Rate will never be less than -0-) To Page 1 Line 7 |  |                                      | <u>0.0882 ¢/kWh</u>                               |

Notes: <sup>(c)</sup> Per Stipulation in Case No. 08-920-EL-SSO, the baseline EFC and EA rate is transferred to Rider PTC-FPP.

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing  
Reconciliation Adjustment  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary  
April 2009 through June 2009

| Line | Reconciliation Adjustment (RA)                      | Total              | Residential       | Non-Residential    | Voltage Reduction      |
|------|---|--------------------|-------------------|--------------------|------------------------|
| 1    | December 2008 (See Page 3F Line 32)                 | \$ (12,189,882.00) | \$ (5,057,677.73) | \$ (5,729,878.42)  | \$ (1,402,325.85)      |
| 2    | November 2008 (See Page 3E Line 32)                 | \$ (18,597,036.77) | \$ (8,130,979.70) | \$ (9,806,648.77)  | \$ (2,659,406.30)      |
| 3    | October 2008 (See Page 3D Line 32)                  | \$ (14,308,054.65) | \$ (4,407,813.48) | \$ (7,851,812.06)  | \$ (2,248,429.11)      |
| 4    | September 2008 (See Page 3C Line 32)                | \$ 206,242.78      | \$ (29,667.31)    | \$ 97,140.68       | \$ 138,769.41          |
| 5    | August 2008 (See Page 3B Line 32)                   | \$ 10,517,855.40   | \$ 3,943,520.39   | \$ 4,904,869.48    | \$ 1,669,445.53        |
| 6    | July 2008 (See Page 3A Line 32)                     | \$ 7,124,999.27    | \$ 2,500,573.05   | \$ 3,449,156.11    | \$ 1,175,270.11        |
| 7    | June 2008 (See Page 5L Line 34)                     | \$ (120,189.74)    | \$ (43,364.98)    | \$ (60,525.70)     | \$ (16,299.06)         |
| 8    | May 2008 (See Page 5J Line 34)                      | \$ 39,802.56       | \$ 11,603.78      | \$ 20,958.11       | \$ 7,230.67            |
| 9    | April 2008 (See Page 5H Line 34)                    | \$ 4,921.39        | \$ 1,652.43       | \$ 2,389.69        | \$ 879.37              |
| 10   | March 2008 (See Page 5F Line 34)                    | \$ -               | \$ -              | \$ -               | \$ -                   |
| 11   | February 2008 (See Page 5D Line 34)                 | \$ -               | \$ -              | \$ -               | \$ -                   |
| 12   | January 2008 (See Page 5B Line 34)                  | \$ -               | \$ -              | \$ -               | \$ -                   |
| 13   | Total 2008 Adjustments (Line 1 through Line 12)     | \$ (27,321,341.76) | \$ (9,212,153.55) | \$ (14,774,320.98) | \$ (3,334,867.23)      |
| 14   | Projected Retail Energy (kWh)                       | 4,573,724,000      | 1,540,700,000     | 2,247,735,000      | 785,289,000            |
| 15   | Total RA Rate (Line 13 / Line 14) To Page 1 Line 10 |                    | <u>(0.5979)</u>   | <u>(0.6573)</u>    | <u>(0.4247)</u> \$/kWh |



**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
April 2009 through June 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | July 2008         | Residential<br>July 2008 | Non-Residential<br>July 2008 | Voltage<br>Reduction<br>July 2008 |
|--|--|-------------------|--------------------------|------------------------------|-----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                          |                              |                                   |
| 1  | Net Includable Fuel  |                   | \$ 75,778,022.54         | \$ 75,778,022.54             | \$ 75,778,022.54                  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                 | 0.938933                     | 0.938933                          |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 71,150,486.03  | \$ 71,150,486.03         | \$ 71,150,486.03             | \$ 71,150,486.03                  |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (14,035,652.25)       | \$ (14,035,652.25)           | \$ (14,035,652.25)                |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (2,675,034.57)        | \$ (2,675,034.57)            | \$ (2,675,034.57)                 |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 54,439,799.21  | \$ 54,439,799.21         | \$ 54,439,799.21             | \$ 54,439,799.21                  |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 2,084,759,854            | 2,084,759,854                | 2,084,759,854                     |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 127,310,030       | 127,310,030              | 127,310,030                  | 127,310,030                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,957,449,824     | 1,957,449,824            | 1,957,449,824                | 1,957,449,824                     |
| 10   | kWh Subject to FPP   | 1,831,818,050     | 889,800,464              | 888,093,824                  | 273,923,762                       |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 93.58%            | 34.22%                   | 45.37%                       | 13.99%                            |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 22,580,821.10  | \$ 8,256,630.32          | \$ 10,947,532.57             | \$ 3,376,658.21                   |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,780,979.99  | \$ 8,329,357.47          | \$ 11,045,431.92             | \$ 3,408,190.60                   |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 45,361,801.09  | \$ 16,585,987.79         | \$ 21,992,964.49             | \$ 6,782,848.81                   |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 50,944,764.10  | \$ 18,629,299.29         | \$ 24,699,336.90             | \$ 7,616,127.91                   |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 5,582,963.01   | \$ 2,043,311.50          | \$ 2,706,372.41              | \$ 833,279.10                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                          |                              |                                   |
| 17   | kWh Subject to FPP (Line 11)   | 1,831,818,050     | 889,800,464              | 888,093,824                  | 273,923,762                       |
| 18   | EA Expense Allocated to FPP  |                   | \$ 241,565.98            | \$ 320,294.27                | \$ 98,791.60                      |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                     | \$ -                         | \$ -                              |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 880,651.85     | \$ 241,565.98            | \$ 320,294.27                | \$ 98,791.60                      |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 230,809.07     | \$ 84,394.86             | \$ 111,899.82                | \$ 34,514.39                      |
| 22   | EA Revenue in FPP (per books)  | \$ 188,488.67     | \$ 68,818.28             | \$ 91,469.15                 | \$ 28,201.24                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 241,354.11     | \$ 88,352.84             | \$ 116,925.30                | \$ 36,075.97                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                          |                              |                                   |
| 24   | RA Amount from 3rd Quarter Filing (spread evenly)                        | \$ (2,503,570.15) | \$ (1,123,420.73)        | \$ (1,087,402.33)            | \$ (292,747.09)                   |
| 25   | Actual RA recovery through FPP   | \$ (2,485,469.71) | \$ (1,056,516.94)        | \$ (1,135,919.24)            | \$ (293,033.53)                   |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (18,100.44)    | \$ (66,903.79)           | \$ 48,516.91                 | \$ 286.44                         |
| <b>System Loss Component (SLA)</b>                 |  |                   |                          |                              |                                   |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                   | 0.0999                       | 0.0882                            |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,797,937.15   | \$ 669,130.66            | \$ 887,205.73                | \$ 241,500.76                     |
| 29   | Actual SLA recovery through FPP  | \$ 1,213,728.92   | \$ 478,599.83            | \$ 634,986.09                | \$ 100,163.00                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,330,448.66   | \$ 1,583,542.99          | \$ 2,099,513.31              | \$ 647,392.36                     |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,318,782.59   | \$ 435,812.50            | \$ 577,341.49                | \$ 305,628.60                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 7,124,999.27   | \$ 2,500,573.05          | \$ 3,449,156.11              | \$ 1,175,270.11                   |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
April 2009 through June 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | August 2008       | Residential<br>August 2008 | Non-Residential<br>August 2008 | Voltage<br>Reduction<br>August 2008 |
|--|--|-------------------|----------------------------|--------------------------------|-------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                            |                                |                                     |
| 1  | Net Includeable Fuel   |                   | \$ 78,413,622.00           | \$ 78,413,622.00               | \$ 78,413,622.00                    |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                   | 0.938933                       | 0.938933                            |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 73,625,137.34  | \$ 73,625,137.34           | \$ 73,625,137.34               | \$ 73,625,137.34                    |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (15,147,082.34)         | \$ (15,147,082.34)             | \$ (15,147,082.34)                  |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (2,342,472.04)          | \$ (2,342,472.04)              | \$ (2,342,472.04)                   |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 56,135,582.96  | \$ 56,135,582.96           | \$ 56,135,582.96               | \$ 56,135,582.96                    |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 2,028,214,120              | 2,028,214,120                  | 2,028,214,120                       |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 123,856,952       | 123,856,952                | 123,856,952                    | 123,856,952                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,904,357,168     | 1,904,357,168              | 1,904,357,168                  | 1,904,357,168                       |
| 10   | kWh Subject to FPP   | 1,875,952,431     | 715,560,987                | 881,732,957                    | 278,658,487                         |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 96.51%            | 37.57%                     | 46.31%                         | 14.63%                              |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 23,124,865.62  | \$ 8,820,720.29            | \$ 10,869,122.16               | \$ 3,435,023.17                     |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 23,331,323.56  | \$ 8,901,172.93            | \$ 10,964,993.62               | \$ 3,485,157.01                     |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 46,456,189.18  | \$ 17,721,893.22           | \$ 21,834,115.78               | \$ 6,900,180.18                     |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 55,299,162.77  | \$ 21,090,138.51           | \$ 25,996,398.47               | \$ 8,212,635.79                     |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 8,842,973.59   | \$ 3,368,245.29            | \$ 4,162,272.69                | \$ 1,312,455.61                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                            |                                |                                     |
| 17   | kWh Subject to FPP (Line 11)   | 1,875,952,431     | 715,560,987                | 881,732,957                    | 278,658,487                         |
| 18   | EA Expense Allocated to FPP  |                   | \$ 160,619.47              | \$ 197,919.52                  | \$ 62,549.50                        |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                       | \$ -                           | \$ -                                |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 421,088.49     | \$ 160,619.47              | \$ 197,919.52                  | \$ 62,549.50                        |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 236,370.01     | \$ 90,160.68               | \$ 111,098.36                  | \$ 35,110.97                        |
| 22   | EA Revenue in FPP (per books)  | \$ 193,035.16     | \$ 73,542.69               | \$ 90,803.03                   | \$ 28,689.44                        |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (8,316.68)     | \$ (3,083.90)              | \$ (3,981.87)                  | \$ (1,250.91)                       |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                            |                                |                                     |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (2,503,570.15) | \$ (1,123,420.73)          | \$ (1,087,402.33)              | \$ (292,747.08)                     |
| 25   | Actual RA recovery through FPP   | \$ (2,554,800.77) | \$ (1,129,047.47)          | \$ (1,127,646.91)              | \$ (298,106.39)                     |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 51,230.62      | \$ 5,626.74                | \$ 40,244.58                   | \$ 5,359.30                         |
| <b>System Loss Component (SLA)</b>                 |  |                   |                            |                                |                                     |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                     | 0.0999                         | 0.0882                              |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,841,473.44   | \$ 714,845.43              | \$ 880,851.22                  | \$ 245,776.79                       |
| 29   | Actual SLA recovery through FPP  | \$ 1,243,694.93   | \$ 511,456.00              | \$ 630,341.95                  | \$ 101,896.98                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,717,136.24   | \$ 1,799,033.69            | \$ 2,217,547.25                | \$ 700,555.30                       |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,631,967.87   | \$ 572,732.26              | \$ 706,354.08                  | \$ 352,881.53                       |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 10,517,855.40  | \$ 3,943,520.39            | \$ 4,904,889.48                | \$ 1,669,445.53                     |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
April 2009 through June 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | September 2008    | Residential<br>September 2008 | Non-Residential<br>September 2008 | Voltage<br>Reduction<br>September 2008 |
|--|--|-------------------|-------------------------------|-----------------------------------|--|
| <b>Fuel Component (FC)</b>                         |  |                   |                               |                                   |  |
| 1  | Net Includable Fuel  |                   | \$ 58,965,357.81              | \$ 58,965,357.81                  | \$ 58,965,357.81                       |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                      | 0.938933                          | 0.938933                               |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 55,364,520.31  | \$ 55,364,520.31              | \$ 55,364,520.31                  | \$ 55,364,520.31                       |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (13,593,706.35)            | \$ (13,593,706.35)                | \$ (13,593,706.35)                     |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (2,367,320.00)             | \$ (2,367,320.00)                 | \$ (2,367,320.00)                      |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 39,403,493.96  | \$ 39,403,493.96              | \$ 39,403,493.96                  | \$ 39,403,493.96                       |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,724,921,897                 | 1,724,921,897                     | 1,724,921,897                          |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 105,335,805       | 105,335,805                   | 105,335,805                       | 105,335,805                            |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,619,586,092     | 1,619,586,092                 | 1,619,586,092                     | 1,619,586,092                          |
| 10   | kWh Subject to FPP   | 1,788,532,023     | 656,802,179                   | 866,155,566                       | 263,574,278                            |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 110.31%           | 40.55%                        | 53.48%                            | 18.28%                                 |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 22,022,580.25  | \$ 8,096,400.46               | \$ 10,677,099.56                  | \$ 3,249,080.13                        |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,219,544.92  | \$ 8,168,875.96               | \$ 10,773,304.98                  | \$ 3,277,564.00                        |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 44,242,125.17  | \$ 16,265,276.42              | \$ 21,450,404.52                  | \$ 6,526,644.13                        |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 43,485,994.19  | \$ 15,978,116.80              | \$ 21,072,998.57                  | \$ 6,414,888.82                        |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (776,130.98)   | \$ (286,959.62)               | \$ (377,416.05)                   | \$ (111,755.31)                        |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                               |                                   |  |
| 17   | kWh Subject to FPP (Line 11)   | 1,788,532,023     | 656,802,179                   | 866,155,566                       | 263,574,278                            |
| 18   | EA Expense Allocated to FPP  |                   | \$ 160,198.07                 | \$ 211,260.85                     | \$ 64,287.38                           |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                          | \$ -                              | \$ -                                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 435,746.10     | \$ 160,198.07                 | \$ 211,260.85                     | \$ 64,287.38                           |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 225,103.03     | \$ 82,757.07                  | \$ 109,135.80                     | \$ 33,210.36                           |
| 22   | EA Revenue in FPP (per books)  | \$ 183,842.60     | \$ 67,490.70                  | \$ 89,215.82                      | \$ 27,136.28                           |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 26,800.47      | \$ 9,950.30                   | \$ 12,909.43                      | \$ 3,940.74                            |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                               |                                   |  |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (2,503,570.15) | \$ (1,123,420.74)             | \$ (1,087,402.33)                 | \$ (292,747.08)                        |
| 25   | Actual RA recovery through FPP   | \$ (2,426,037.04) | \$ (1,036,135.69)             | \$ (1,107,933.53)                 | \$ (281,967.82)                        |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (77,533.11)    | \$ (87,286.05)                | \$ 20,531.20                      | \$ (10,779.26)                         |
| <b>System Loss Component (SLA)</b>                 |  |                   |                               |                                   |  |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                        | 0.0999                            | 0.0882                                 |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,753,907.30   | \$ 656,146.38                 | \$ 865,289.41                     | \$ 232,472.51                          |
| 29   | Actual SLA recovery through FPP  | \$ 1,185,070.15   | \$ 469,367.17                 | \$ 619,322.39                     | \$ 96,380.59                           |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,972,083.85   | \$ 1,460,139.61               | \$ 1,925,727.90                   | \$ 586,216.34                          |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,033,106.40   | \$ 334,627.06                 | \$ 441,116.10                     | \$ 257,363.24                          |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 206,242.78     | \$ (29,667.31)                | \$ 97,140.68                      | \$ 138,769.41                          |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
April 2009 through June 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | October 2008       | Residential<br>October 2008 | Non-Residential<br>October 2008 | Voltage<br>Reduction<br>October 2008 |
|--|--|--------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                             |                                 |                                      |
| 1  | Net Includable Fuel  |                    |                             |                                 |                                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                    | 0.938933                        | 0.938933                             |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 46,706,813.78   | \$ 46,706,813.78            | \$ 46,706,813.78                | \$ 46,706,813.78                     |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (12,573,554.99) | \$ (12,573,554.99)          | \$ (12,573,554.99)              | \$ (12,573,554.99)                   |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,266,786.37)  | \$ (1,266,786.37)           | \$ (1,266,786.37)               | \$ (1,266,786.37)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 32,866,472.42   | \$ 32,866,472.42            | \$ 32,866,472.42                | \$ 32,866,472.42                     |
| 7  | Total Generation and Purchase Power (per books)                          | 1,589,850,277      | 1,589,850,277               | 1,589,850,277                   | 1,589,850,277                        |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 97,087,387         | 97,087,387                  | 97,087,387                      | 97,087,387                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,492,762,890      | 1,492,762,890               | 1,492,762,890                   | 1,492,762,890                        |
| 10   | kWh Subject to FPP   | 1,472,294,413      | 453,578,196                 | 770,364,893                     | 248,351,324                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 98.63%             | 30.38%                      | 51.61%                          | 16.64%                               |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 18,148,973.23   | \$ 5,591,258.42             | \$ 9,496,288.04                 | \$ 3,061,426.77                      |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 28,315,282.31   | \$ 8,736,225.59             | \$ 14,813,370.92                | \$ 4,765,685.80                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 46,464,255.54   | \$ 14,327,484.01            | \$ 24,309,658.96                | \$ 7,827,112.57                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 32,416,201.75   | \$ 9,984,834.32             | \$ 16,962,386.42                | \$ 5,468,981.01                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (14,048,053.79) | \$ (4,342,649.69)           | \$ (7,347,272.54)               | \$ (2,358,131.58)                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,472,294,413      | 453,578,196                 | 770,364,893                     | 248,351,324                          |
| 18   | EA Expense Allocated to FPP  | \$ 136,896.07      | \$ 136,896.07               | \$ 232,506.60                   | \$ 74,955.80                         |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 444,358.47      | \$ 136,896.07               | \$ 232,506.60                   | \$ 74,955.80                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 185,509.10      | \$ 57,150.85                | \$ 97,085.98                    | \$ 31,292.27                         |
| 22   | EA Revenue in FPP (per books)  | \$ 490,128.29      | \$ 151,460.91               | \$ 256,333.38                   | \$ 82,334.00                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (231,278.92)    | \$ (71,715.69)              | \$ (120,892.76)                 | \$ (38,670.47)                       |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                             |                                 |                                      |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ 1,756,249.39    | \$ 548,526.93               | \$ 812,497.93                   | \$ 395,224.53                        |
| 25   | Actual RA recovery through FPP   | \$ 1,873,982.66    | \$ 452,402.84               | \$ 844,888.30                   | \$ 378,691.52                        |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 82,266.73       | \$ 96,124.09                | \$ (32,390.37)                  | \$ 18,533.01                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,441,765.02    | \$ 453,124.62               | \$ 769,594.53                   | \$ 218,045.87                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,665,357.81    | \$ 559,316.43               | \$ 949,445.34                   | \$ 156,596.04                        |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,696,134.18    | \$ 922,868.86               | \$ 1,567,783.48                 | \$ 505,481.82                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)            | \$ (110,988.67)    | \$ (89,572.19)              | \$ (151,258.39)                 | \$ 129,839.91                        |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (14,308,054.65) | \$ (4,407,813.48)           | \$ (7,651,812.06)               | \$ (2,248,429.11)                    |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
April 2009 through June 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | November 2008      | Residential<br>November 2008 | Non-Residential<br>November 2008 | Voltage<br>Reduction<br>November 2008 |
|--|--|--------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                              |                                  |                                       |
| 1  | Net Includable Fuel  |                    | \$ 47,557,467.03             | \$ 47,557,467.03                 | \$ 47,557,467.03                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 44,653,275.19   | \$ 44,653,275.19             | \$ 44,653,275.19                 | \$ 44,653,275.19                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                    | \$ (15,156,583.88)           | \$ (15,156,583.88)               | \$ (15,156,583.88)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                    | \$ (1,114,381.19)            | \$ (1,114,381.19)                | \$ (1,114,381.19)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 28,382,310.12   | \$ 28,382,310.12             | \$ 28,382,310.12                 | \$ 28,382,310.12                      |
| 7  | Total Generation and Purchase Power (per books)                          |                    | 1,617,787.708                | 1,617,787.708                    | 1,617,787.708                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,793,442         | 98,793,442                   | 98,793,442                       | 98,793,442                            |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,518,994,266      | 1,518,994,266                | 1,518,994,266                    | 1,518,994,266                         |
| 10   | kWh Subject to FPP   | 1,423,138,356      | 467,402,770                  | 738,065,743                      | 217,669,843                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 93.69%             | 30.77%                       | 48.59%                           | 14.33%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 17,543,026.51   | \$ 5,761,673.95              | \$ 9,098,136.41                  | \$ 2,683,216.15                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 27,317,431.37   | \$ 8,976,711.27              | \$ 14,172,522.80                 | \$ 4,168,197.30                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 44,860,457.88   | \$ 14,738,385.22             | \$ 23,270,659.21                 | \$ 6,851,413.45                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 26,591,386.35   | \$ 8,733,236.82              | \$ 13,780,984.49                 | \$ 4,067,186.04                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (18,269,071.53) | \$ (6,005,148.40)            | \$ (9,479,694.72)                | \$ (2,784,226.41)                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,423,138,356      | 467,402,770                  | 738,065,743                      | 217,669,843                           |
| 18   | EA Expense Allocated to FPP  |                    | \$ 153,049.58                | \$ 241,677.33                    | \$ 71,275.31                          |
| 19   | EA Sales Margin Allocated to FPP   |                    | \$ -                         | \$ -                             | \$ -                                  |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 466,002.22      | \$ 153,049.58                | \$ 241,677.33                    | \$ 71,275.31                          |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 179,315.43      | \$ 58,892.75                 | \$ 92,996.28                     | \$ 27,426.40                          |
| 22   | EA Revenue in FPP (per books)  | \$ 472,885.80      | \$ 155,630.24                | \$ 245,244.02                    | \$ 72,011.54                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (186,169.01)    | \$ (61,473.41)               | \$ (96,562.97)                   | \$ (28,162.63)                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                              |                                  |                                       |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ 1,756,249.39    | \$ 548,526.93                | \$ 812,497.93                    | \$ 395,224.63                         |
| 25   | Actual RA recovery through FPP   | \$ 1,602,656.06    | \$ 464,856.32                | \$ 809,337.20                    | \$ 329,464.56                         |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 153,593.33      | \$ 83,670.61                 | \$ 4,160.73                      | \$ 65,759.97                          |
| <b>System Loss Component (SLA)</b>                 |  |                    |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,396,247.85    | \$ 466,935.37                | \$ 737,327.68                    | \$ 191,984.60                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,620,047.02    | \$ 574,712.96                | \$ 908,370.94                    | \$ 136,963.12                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,720,937.33    | \$ 893,619.83                | \$ 1,411,146.81                  | \$ 416,170.69                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (295,357.54)    | \$ (149,028.50)              | \$ (234,551.81)                  | \$ 87,222.77                          |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (18,597,036.77) | \$ (6,130,979.70)            | \$ (9,806,648.77)                | \$ (2,659,408.30)                     |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**April 2009 through June 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | December 2008      | Residential<br>December 2008 | Non-Residential<br>December 2008 | Voltage<br>Reduction<br>December 2008 |
|--|--|--------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 64,550,302.15   | \$ 64,550,302.15             | \$ 64,550,302.15                 | \$ 64,550,302.15                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 60,608,408.85   | \$ 60,608,408.85             | \$ 60,608,408.85                 | \$ 60,608,408.85                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (14,074,913.00) | \$ (14,074,913.00)           | \$ (14,074,913.00)               | \$ (14,074,913.00)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (3,381,233.65)  | \$ (3,381,233.65)            | \$ (3,381,233.65)                | \$ (3,381,233.65)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 43,152,262.20   | \$ 43,152,262.20             | \$ 43,152,262.20                 | \$ 43,152,262.20                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,864,048.265      | 1,864,048.265                | 1,864,048.265                    | 1,864,048.265                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 113,831.835        | 113,831.835                  | 113,831.835                      | 113,831.835                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,750,216.430      | 1,750,216.430                | 1,750,216.430                    | 1,750,216.430                         |
| 10   | kWh Subject to FPP   | 1,774,808.309      | 715,142.715                  | 824,160.981                      | 235,504.613                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.41%            | 40.86%                       | 47.09%                           | 13.46%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,878,062.03   | \$ 8,815,564.25              | \$ 10,159,432.41                 | \$ 2,903,065.37                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 34,059,968.00   | \$ 13,725,096.75             | \$ 15,816,025.34                 | \$ 4,518,845.91                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 55,938,030.03   | \$ 22,540,661.00             | \$ 25,975,457.75                 | \$ 7,421,911.28                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 43,760,709.10   | \$ 17,832,014.33             | \$ 20,320,400.27                 | \$ 5,808,294.50                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (12,177,320.93) | \$ (4,908,846.67)            | \$ (5,655,067.48)                | \$ (1,813,816.73)                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,774,808.309      | 715,142.715                  | 824,160.981                      | 235,504.613                           |
| 18   | EA Expense Allocated to FPP  | \$ 347,741.94      | \$ 347,741.94                | \$ 400,752.65                    | \$ 114,515.37                         |
| 19   | EA Sales Margin Allocated to FPP   | \$ (24,001.17)     | \$ (24,001.17)               | \$ (27,658.87)                   | \$ (7,903.86)                         |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 803,444.96      | \$ 323,740.77                | \$ 373,092.68                    | \$ 106,611.51                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 223,625.85      | \$ 90,107.98                 | \$ 103,844.28                    | \$ 29,673.69                          |
| 22   | EA Revenue in FPP (per books)  | \$ 589,706.51      | \$ 237,953.52                | \$ 273,883.50                    | \$ 78,069.49                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (9,887.40)      | \$ (4,320.73)                | \$ (4,435.10)                    | \$ (1,131.57)                         |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                              |                                  |                                       |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ 1,756,249.37    | \$ 548,526.93                | \$ 812,497.92                    | \$ 395,224.52                         |
| 25   | Actual RA recovery through FPP   | \$ 1,970,005.95    | \$ 710,750.05                | \$ 902,075.22                    | \$ 357,180.68                         |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (213,756.58)    | \$ (162,223.12)              | \$ (89,577.30)                   | \$ 38,043.84                          |
| <b>System Loss Component (SLA)</b>                 |  |                    |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,745,479.46    | \$ 714,427.57                | \$ 823,336.82                    | \$ 207,715.07                         |
| 29   | Actual SLA recovery through FPP  | \$ 2,040,911.63    | \$ 878,717.24                | \$ 1,013,709.28                  | \$ 148,485.11                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,997,474.00    | \$ 1,610,657.60              | \$ 1,856,237.56                  | \$ 530,578.84                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 211,082.91      | \$ 17,512.79                 | \$ 19,191.46                     | \$ 174,378.66                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (12,189,882.00) | \$ (5,057,877.73)            | \$ (5,729,878.42)                | \$ (1,402,325.85)                     |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Voltage-Adjusted System Loss Adjustment**  
**April 2009 through June 2009**

| Line  | Description  | Distribution<br>(A) | Transmission<br>(B) | Total Losses                           |                                 |
|---|--|---------------------|---------------------|--|---------------------------------|
|   |  |                     |                     | Voltage Adjusted<br>Methodology<br>(C) | No Voltage<br>Adjustment<br>(D) |
| <u>Calculation of Base Rate Recovery of Losses</u>        |  |                     |                     |  |                                 |
| 1   | FC Rate Basis for SLA (\$/kWh)                             | 1.5353              | 1.5353              | 1.5353                                 | 1.5353                          |
| 2   | Energy Loss Factors from 92-1464-EL-AIR                    | 6.847%              | 3.134%              | 5.743%                                 | 6.504%                          |
| 3   | Losses in MBSSO (\$/kWh) (Line 1 * Line 2)                 | 0.1051              | 0.0481              | 0.0882                                 | 0.0999                          |
| 4   | Current FC Rate (\$/kWh) (Per Filing)                      | 2.4188              | 2.4188              | 2.4188                                 | 2.4188                          |
| 5   | Projected Sales at Meter (kWh) <sup>(e)</sup>              | 3,788,435,000       | 785,289,000         | 4,573,724,000                          | 4,573,724,000                   |
| 6   | Energy Loss Factors from 92-1464-EL-AIR (Line 2)           | 6.847%              | 3.134%              | 5.743%                                 | 6.504%                          |
| 7   | Energy Sales at the Busbar (kWh) (Line 5 * (1 + Line 6))   | 4,047,819,995       | 809,896,171         | 4,836,390,568                          | 4,871,193,152                   |
| 8   | Energy Losses (kWh) (Line 7 - Line 5)                      | 259,384,995         | 24,607,171          | 262,666,568                            | 297,469,152                     |
| 9   | Value of Losses (Line 8 * Line 4)                          | 6,274,004.26        | 595,198.25          | 6,353,378.95                           | 7,195,183.85                    |
| 10  | Average Losses Rate (\$/kWh) (Line 9 + Line 5)             | 0.1656              | 0.0758              | 0.1389                                 | 0.1573                          |
| 11  | Losses in MBSSO (\$/kWh) (Line 3)                          | 0.1051              | 0.0481              | 0.0882                                 | 0.0999                          |
| 12  | System Loss Adjustment (\$/kWh) (Line 10 - Line 11)        | 0.0605              | 0.0277              | 0.0507                                 | 0.0574                          |
| 13  | Synchronization Adj. (\$/kWh) (L. 12, Column D - Column C) | 0.0067              | 0.0067              | 0.0067                                 | -                               |
| 14  | Adjusted SLA (\$/kWh) (Line 12 + Line 13)                  | 0.0672              | 0.0344              | 0.0574                                 | 0.0574                          |
| Total SLA Rate (Line 14, Columns A & B) To Page 1 Line 11 |  |                     |                     |  |                                 |

Notes: <sup>(e)</sup> Projected Sales at Meter for 1st quarter 2009 were provided by the Load Forecasting Department.

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
April 2009 through June 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | January 2008      | Residential<br>January 2008 | Non-Residential<br>January 2008 | Voltage<br>Reduction<br>January 2008 |
|--|--|-------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                             |                                 |                                      |
| 1  | Net Includable Fuel  | \$ 46,761,105.14  | \$ 46,761,105.14            | \$ 46,761,105.14                | \$ 46,761,105.14                     |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                    | 0.938933                        | 0.938933                             |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 43,905,544.73  | \$ 43,905,544.73            | \$ 43,905,544.73                | \$ 43,905,544.73                     |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (188,980.59)   | \$ (188,980.59)             | \$ (188,980.59)                 | \$ (188,980.59)                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (3,085,355.38) | \$ (3,085,355.38)           | \$ (3,085,355.38)               | \$ (3,085,355.38)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,631,208.76  | \$ 40,631,208.76            | \$ 40,631,208.76                | \$ 40,631,208.76                     |
| 7  | Total Generation and Purchase Power (per books)                          | 2,003,380,500     | 2,003,380,500               | 2,003,380,500                   | 2,003,380,500                        |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 122,340,437       | 122,340,437                 | 122,340,437                     | 122,340,437                          |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,881,040,063     | 1,881,040,063               | 1,881,040,063                   | 1,881,040,063                        |
| 10   | kWh Subject to FPP   | 1,865,383,075     | 758,879,077                 | 822,985,542                     | 283,518,456                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 99.17%            | 40.35%                      | 43.75%                          | 15.07%                               |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 22,994,577.17  | \$ 9,354,702.38             | \$ 10,144,942.78                | \$ 3,494,932.01                      |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,289,056.90  | \$ 9,058,325.11             | \$ 9,808,950.76                 | \$ 3,421,781.03                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 45,283,634.07  | \$ 18,413,027.49            | \$ 19,953,893.54                | \$ 6,916,713.04                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 40,293,969.73  | \$ 16,394,692.74            | \$ 17,776,153.83                | \$ 6,123,123.16                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (4,989,664.34) | \$ (2,018,334.75)           | \$ (2,177,739.71)               | \$ (793,589.88)                      |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,865,383,075     | 758,879,077                 | 822,985,542                     | 283,518,456                          |
| 18   | EA Expense Allocated to FPP  | \$ 499,700.45     | \$ 203,289.19               | \$ 220,462.09                   | \$ 75,949.17                         |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 499,700.45     | \$ 203,289.19               | \$ 220,462.09                   | \$ 75,949.17                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 235,038.27     | \$ 95,618.76                | \$ 103,696.18                   | \$ 36,723.33                         |
| 22   | EA Revenue in FPP (per books)  | \$ 181,007.93     | \$ 73,580.25                | \$ 79,674.24                    | \$ 27,753.44                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 83,654.25      | \$ 34,090.18                | \$ 37,081.67                    | \$ 12,472.40                         |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                             |                                 |                                      |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ (5,787,858.96) | \$ (2,765,119.38)           | \$ (2,841,279.85)               | \$ (381,259.73)                      |
| 25   | Actual RA recovery through FPP   | \$ (6,375,840.25) | \$ (3,016,790.16)           | \$ (2,928,404.00)               | \$ (430,646.09)                      |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 588,181.29     | \$ 251,670.78               | \$ 287,124.15                   | \$ 49,386.36                         |
| <b>System Loss Component (SLA)</b>                 |  |                   |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,830,346.04   | \$ 758,120.20               | \$ 822,162.56                   | \$ 250,063.28                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,169,428.14   | \$ 513,735.96               | \$ 556,216.37                   | \$ 99,475.81                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,831,859.26   | \$ 1,152,218.63             | \$ 1,249,307.68                 | \$ 430,332.95                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)            | \$ (167,914.92)   | \$ (119,637.53)             | \$ (129,071.25)                 | \$ 80,793.86                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (4,485,743.72) | \$ (1,852,211.32)           | \$ (1,982,595.14)               | \$ (850,937.26)                      |



**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
April 2009 through June 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | January 2008      | Residential<br>January 2008 | Non-Residential<br>January 2008 | Voltage<br>Reduction<br>January 2008 |
|--|--|-------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                             |                                 |                                      |
| 1  | Net Includable Fuel  |                   | \$ 46,761,105.14            | \$ 46,761,105.14                | \$ 46,761,105.14                     |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                    | 0.938933                        | 0.938933                             |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 43,905,544.73  | \$ 43,905,544.73            | \$ 43,905,544.73                | \$ 43,905,544.73                     |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (188,980.59)             | \$ (188,980.59)                 | \$ (188,980.59)                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (3,085,355.38)           | \$ (3,085,355.38)               | \$ (3,085,355.38)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,631,208.76  | \$ 40,631,208.76            | \$ 40,631,208.76                | \$ 40,631,208.76                     |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 2,003,380.500               | 2,003,380.500                   | 2,003,380.500                        |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 122,340.437       | 122,340.437                 | 122,340.437                     | 122,340.437                          |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,881,040.063     | 1,881,040.063               | 1,881,040.063                   | 1,881,040.063                        |
| 10   | kWh Subject to FPP   | 1,885,383.075     | 758,879.077                 | 822,985.542                     | 283,518.456                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 99.17%            | 40.35%                      | 43.75%                          | 15.07%                               |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 22,994,577.17  | \$ 9,354,702.38             | \$ 10,144,942.78                | \$ 3,494,932.01                      |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,289,056.90  | \$ 9,058,325.11             | \$ 9,808,950.76                 | \$ 3,421,781.03                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 45,283,634.07  | \$ 18,413,027.49            | \$ 19,953,893.54                | \$ 6,916,713.04                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 40,293,969.73  | \$ 16,394,662.74            | \$ 17,776,153.83                | \$ 6,123,123.16                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (4,989,664.34) | \$ (2,018,334.75)           | \$ (2,177,739.71)               | \$ (793,589.88)                      |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,885,383.075     | 758,879.077                 | 822,985.542                     | 283,518.456                          |
| 18   | EA Expense Allocated to FPP  |                   | \$ 203,289.19               | \$ 220,462.09                   | \$ 75,949.17                         |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 499,700.45     | \$ 203,289.19               | \$ 220,462.09                   | \$ 75,949.17                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 235,038.27     | \$ 95,618.76                | \$ 103,696.18                   | \$ 35,723.33                         |
| 22   | EA Revenue in FPP (per books)  | \$ 181,007.93     | \$ 73,680.25                | \$ 79,674.24                    | \$ 27,753.44                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 83,654.25      | \$ 34,090.18                | \$ 37,081.67                    | \$ 12,472.40                         |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                             |                                 |                                      |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ (5,787,658.96) | \$ (2,765,119.38)           | \$ (2,641,279.85)               | \$ (381,259.73)                      |
| 25   | Actual RA recovery through FPP   | \$ (6,375,840.25) | \$ (3,016,790.16)           | \$ (2,928,404.00)               | \$ (430,646.09)                      |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 588,181.29     | \$ 251,670.78               | \$ 287,124.15                   | \$ 49,386.36                         |
| <b>System Loss Component (SLA)</b>                 |  |                   |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,830,346.04   | \$ 758,120.20               | \$ 822,162.56                   | \$ 250,063.28                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,169,428.14   | \$ 513,735.96               | \$ 556,216.37                   | \$ 99,475.81                         |
| 30   | Actual Losses on FPP Sales (Line 1 - Line 3) x (line 11)                 | \$ 2,331,859.26   | \$ 1,152,218.63             | \$ 1,249,307.68                 | \$ 430,332.95                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (167,914.92)   | \$ (119,637.53)             | \$ (129,071.25)                 | \$ 80,793.86                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (4,485,743.72) | \$ (1,852,211.32)           | \$ (1,982,595.14)               | \$ (650,937.26)                      |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5BC, Line 32)               | \$ (4,485,743.72) | \$ (1,852,211.32)           | \$ (1,982,595.14)               | \$ (650,937.26)                      |
| 34   | Net Adjustment for January 2008 (Line 32 - Line 33) To Page 3 Line 4     | \$ -              | \$ -                        | \$ -                            | \$ -                                 |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
April 2009 through June 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | February 2008     | Residential<br>February 2008 | Non-Residential<br>February 2008 | Voltage<br>Reduction<br>February 2008 |
|--|--|-------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 48,071,792.08  | \$ 48,071,792.08             | \$ 48,071,792.08                 | \$ 48,071,792.08                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 45,136,191.95  | \$ 45,136,191.95             | \$ 45,136,191.95                 | \$ 45,136,191.95                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (2,253,265.70) | \$ (2,253,265.70)            | \$ (2,253,265.70)                | \$ (2,253,265.70)                     |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,913,505.39) | \$ (1,913,505.39)            | \$ (1,913,505.39)                | \$ (1,913,505.39)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,969,420.86  | \$ 40,969,420.86             | \$ 40,969,420.86                 | \$ 40,969,420.86                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,846,502,163     | 1,846,502,163                | 1,846,502,163                    | 1,846,502,163                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 112,760,348       | 112,760,348                  | 112,760,348                      | 112,760,348                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,733,741,815     | 1,733,741,815                | 1,733,741,815                    | 1,733,741,815                         |
| 10   | kWh Subject to FPP   | 1,754,838,409     | 694,018,506                  | 782,799,721                      | 278,020,182                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.22%           | 40.03%                       | 45.15%                           | 16.04%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 21,631,893.06  | \$ 8,555,166.12              | \$ 9,649,572.16                  | \$ 3,427,154.78                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,923,083.24  | \$ 8,283,419.97              | \$ 9,319,274.24                  | \$ 3,320,389.03                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 42,554,976.30  | \$ 16,838,586.09             | \$ 18,968,846.40                 | \$ 6,747,543.81                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,469,247.79  | \$ 16,400,059.17             | \$ 18,497,693.52                 | \$ 6,571,495.10                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,085,278.51) | \$ (438,526.92)              | \$ (471,152.88)                  | \$ (176,048.71)                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,754,838,409     | 694,018,506                  | 782,799,721                      | 278,020,182                           |
| 18   | EA Expense Allocated to FPP  | \$ 402,135.00     | \$ 159,039.79                | \$ 179,384.70                    | \$ 63,710.51                          |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 402,135.00     | \$ 159,039.79                | \$ 179,384.70                    | \$ 63,710.51                          |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 221,109.64     | \$ 87,446.33                 | \$ 98,632.77                     | \$ 35,030.54                          |
| 22   | EA Revenue in FPP (per books)  | \$ 169,913.60     | \$ 67,285.74                 | \$ 75,696.79                     | \$ 26,931.07                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 11,111.76      | \$ 4,307.72                  | \$ 5,055.14                      | \$ 1,748.90                           |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                              |                                  |                                       |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,658.96) | \$ (2,765,119.38)            | \$ (2,641,279.85)                | \$ (381,259.73)                       |
| 25   | Actual RA recovery through FPP   | \$ (5,958,814.73) | \$ (2,758,715.28)            | \$ (2,782,213.98)                | \$ (417,885.47)                       |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 171,155.77     | \$ (6,404.10)                | \$ 140,934.13                    | \$ 36,625.74                          |
| <b>System Loss Component (SLA)</b>                 |  |                   |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0898                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,720,555.21   | \$ 693,324.49                | \$ 782,016.92                    | \$ 245,213.80                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,094,765.29   | \$ 469,787.81                | \$ 528,449.27                    | \$ 96,528.21                          |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,871,414.45   | \$ 1,175,120.73              | \$ 1,325,423.46                  | \$ 470,870.26                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 156,093.95     | \$ 12,008.43                 | \$ 14,957.27                     | \$ 129,128.25                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (747,367.03)   | \$ (428,614.87)              | \$ (310,206.34)                  | \$ (8,545.82)                         |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
April 2009 through June 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | February 2008     | Residential<br>February 2008 | Non-Residential<br>February 2008 | Voltage<br>Reduction<br>February 2008 |
|--|--|-------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 48,071,792.08  | \$ 48,071,792.08             | \$ 48,071,792.08                 | \$ 48,071,792.08                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 45,136,191.95  | \$ 45,136,191.95             | \$ 45,136,191.95                 | \$ 45,136,191.95                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (2,253,265.70) | \$ (2,253,265.70)            | \$ (2,253,265.70)                | \$ (2,253,265.70)                     |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,913,505.39) | \$ (1,913,505.39)            | \$ (1,913,505.39)                | \$ (1,913,505.39)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,969,420.86  | \$ 40,969,420.86             | \$ 40,969,420.86                 | \$ 40,969,420.86                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,846,502,163     | 1,846,502,163                | 1,846,502,163                    | 1,846,502,163                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 112,760,348       | 112,760,348                  | 112,760,348                      | 112,760,348                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,733,741,815     | 1,733,741,815                | 1,733,741,815                    | 1,733,741,815                         |
| 10   | kWh Subject to FPP   | 1,754,838,409     | 694,018,506                  | 782,799,721                      | 278,020,182                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.22%           | 40.03%                       | 45.15%                           | 16.04%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,631,893.06  | \$ 8,555,166.12              | \$ 9,649,572.16                  | \$ 3,427,154.78                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,923,083.24  | \$ 8,263,419.97              | \$ 9,319,274.24                  | \$ 3,320,389.03                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 42,554,976.30  | \$ 16,838,586.09             | \$ 18,968,846.40                 | \$ 6,747,543.81                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,469,247.79  | \$ 16,400,059.17             | \$ 18,497,593.52                 | \$ 6,571,495.10                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,085,728.51) | \$ (438,526.92)              | \$ (471,152.88)                  | \$ (176,048.71)                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,754,838,409     | 694,018,506                  | 782,799,721                      | 278,020,182                           |
| 18   | EA Expense Allocated to FPP  | \$ 159,039.79     | \$ 179,384.70                | \$ 63,710.51                     | \$ -                                  |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 159,039.79     | \$ 179,384.70                | \$ 63,710.51                     | \$ -                                  |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 221,109.64     | \$ 87,446.33                 | \$ 98,632.77                     | \$ 35,030.54                          |
| 22   | EA Revenue in FPP (per books)  | \$ 189,913.60     | \$ 87,285.74                 | \$ 75,696.79                     | \$ 26,931.07                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21)                    | \$ 11,111.76      | \$ 4,307.72                  | \$ 5,055.14                      | \$ 1,748.90                           |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                              |                                  |                                       |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,658.96) | \$ (2,765,119.38)            | \$ (2,641,279.85)                | \$ (381,259.73)                       |
| 25   | Actual RA recovery through FPP   | \$ (5,958,814.73) | \$ (2,758,715.28)            | \$ (2,782,213.98)                | \$ (417,885.47)                       |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 171,155.77     | \$ (6,404.10)                | \$ 140,934.13                    | \$ 36,625.74                          |
| <b>System Loss Component (SLA)</b>                 |  |                   |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,720,555.21   | \$ 693,324.49                | \$ 782,018.92                    | \$ 245,213.80                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,094,765.29   | \$ 469,787.81                | \$ 528,449.27                    | \$ 96,528.21                          |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,971,414.45   | \$ 1,175,120.73              | \$ 1,325,423.46                  | \$ 470,870.26                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 156,093.95     | \$ 12,008.43                 | \$ 14,957.27                     | \$ 129,128.25                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (747,367.03)   | \$ (428,614.87)              | \$ (310,206.34)                  | \$ (8,545.82)                         |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5BC, Line 32)               | \$ (747,367.03)   | \$ (428,614.87)              | \$ (310,206.34)                  | \$ (8,545.82)                         |
| 34   | Net Adjustment for February 2008 (Line 32 - Line 33) To Page 3 Line 4    | \$ -              | \$ -                         | \$ -                             | \$ -                                  |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
April 2009 through June 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | March 2008        | Residential<br>March 2008 | Non-Residential<br>March 2008 | Voltage<br>Reduction<br>March 2008 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  | \$ 45,045,834.20  | \$ 45,045,834.20          | \$ 45,045,834.20              | \$ 45,045,834.20                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 42,295,020.24  | \$ 42,295,020.24          | \$ 42,295,020.24              | \$ 42,295,020.24                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ 222,851.44     | \$ 222,851.44             | \$ 222,851.44                 | \$ 222,851.44                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,425,000.68) | \$ (1,425,000.68)         | \$ (1,425,000.68)             | \$ (1,425,000.68)                  |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 41,092,871.00  | \$ 41,092,871.00          | \$ 41,092,871.00              | \$ 41,092,871.00                   |
| 7  | Total Generation and Purchase Power (per books)                          | 1,795,978,466     | 1,795,978,466             | 1,795,978,466                 | 1,795,978,466                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 109,675,017       | 109,675,017               | 109,675,017                   | 109,675,017                        |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,686,303,449     | 1,686,303,449             | 1,686,303,449                 | 1,686,303,449                      |
| 10   | kWh Subject to FPP   | 1,704,312,220     | 662,517,481               | 774,725,676                   | 267,069,063                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.07%           | 39.29%                    | 45.94%                        | 15.84%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,009,056.74  | \$ 8,166,852.99           | \$ 9,550,043.41               | \$ 3,292,160.34                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,330,074.77  | \$ 7,911,063.35           | \$ 9,228,402.08               | \$ 3,189,609.34                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 41,339,131.51  | \$ 16,077,916.34          | \$ 18,778,445.49              | \$ 6,481,769.68                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,532,594.72  | \$ 16,145,389.01          | \$ 18,878,064.94              | \$ 6,509,110.77                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 193,433.21     | \$ 67,472.67              | \$ 98,619.45                  | \$ 27,341.09                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,704,312,220     | 662,517,481               | 774,725,676                   | 267,069,063                        |
| 18   | EA Expense Allocated to FPP  | \$ 337,443.63     | \$ 131,174.50             | \$ 153,391.05                 | \$ 52,878.08                       |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 337,443.63     | \$ 131,174.50             | \$ 153,391.05                 | \$ 52,878.08                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 214,743.34     | \$ 83,477.20              | \$ 97,615.44                  | \$ 33,650.70                       |
| 22   | EA Revenue in FPP (per books)  | \$ 165,098.24     | \$ 64,261.11              | \$ 74,966.79                  | \$ 25,870.34                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (42,397.95)    | \$ (16,563.81)            | \$ (19,191.18)                | \$ (6,642.99)                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,658.92) | \$ (2,765,119.37)         | \$ (2,641,279.84)             | \$ (381,259.71)                    |
| 25   | Actual RA recovery through FPP   | \$ (5,791,514.85) | \$ (2,634,705.40)         | \$ (2,755,383.18)             | \$ (401,426.27)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 3,855.93       | \$ (130,413.97)           | \$ 114,103.34                 | \$ 20,166.56                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,671,360.82   | \$ 661,854.96             | \$ 773,960.95                 | \$ 235,554.91                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,064,749.23   | \$ 448,669.89             | \$ 523,353.07                 | \$ 92,726.27                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,780,247.66   | \$ 1,060,794.80           | \$ 1,263,723.93               | \$ 435,728.93                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)            | \$ 44,137.61      | \$ (29,730.05)            | \$ (33,580.09)                | \$ 107,447.75                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 199,028.80     | \$ (109,235.16)           | \$ 159,951.52                 | \$ 148,312.44                      |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**April 2009 through June 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | March 2008        | Residential<br>March 2008 | Non-Residential<br>March 2008 | Voltage<br>Reduction<br>March 2008 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  |                   |                           |                               |                                    |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 42,295,020.24  | \$ 42,295,020.24          | \$ 42,295,020.24              | \$ 42,295,020.24                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | 222,851.44                | 222,851.44                    | 222,851.44                         |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | (1,425,000.68)            | (1,425,000.68)                | (1,425,000.68)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 41,092,871.00  | \$ 41,092,871.00          | \$ 41,092,871.00              | \$ 41,092,871.00                   |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,795,978,466             | 1,795,978,466                 | 1,795,978,466                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 109,675,017       | 109,675,017               | 109,675,017                   | 109,675,017                        |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,686,303,449     | 1,686,303,449             | 1,686,303,449                 | 1,686,303,449                      |
| 10   | kWh Subject to FPP   | 1,704,312,220     | 662,517,481               | 774,725,676                   | 267,069,063                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.07%           | 39.29%                    | 45.94%                        | 15.84%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,009,066.74  | \$ 8,166,852.99           | \$ 9,550,043.41               | \$ 3,282,160.34                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,330,074.77  | \$ 7,911,063.35           | \$ 9,229,402.06               | \$ 3,189,609.34                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 41,339,131.51  | \$ 16,077,916.34          | \$ 18,779,445.49              | \$ 6,481,769.68                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,532,564.72  | \$ 16,145,389.01          | \$ 18,878,064.94              | \$ 6,509,110.77                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 193,433.21     | \$ 67,472.67              | \$ 98,819.45                  | \$ 27,341.09                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,704,312,220     | 662,517,481               | 774,725,676                   | 267,069,063                        |
| 18   | EA Expense Allocated to FPP  |                   | 131,174.50                | 153,391.05                    | 52,878.08                          |
| 19   | EA Sales Margin Allocated to FPP   |                   | -                         | -                             | -                                  |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 337,443.63     | \$ 131,174.50             | \$ 153,391.05                 | \$ 52,878.08                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 214,743.34     | \$ 83,477.20              | \$ 97,615.44                  | \$ 33,650.70                       |
| 22   | EA Revenue in FPP (per books)  | \$ 165,098.24     | \$ 64,261.11              | \$ 74,866.79                  | \$ 25,870.34                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (42,397.95)    | \$ (16,563.81)            | \$ (19,191.18)                | \$ (6,642.96)                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,658.92) | \$ (2,765,119.37)         | \$ (2,641,279.84)             | \$ (381,260.71)                    |
| 25   | Actual RA recovery through FPP   | \$ (5,791,514.85) | \$ (2,634,705.40)         | \$ (2,755,383.18)             | \$ (401,426.27)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 3,855.93       | \$ (130,413.97)           | \$ 114,103.34                 | \$ 20,166.56                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0899 / 0.0882   | 0.0899                    | 0.0899                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,671,360.82   | \$ 661,854.96             | \$ 773,950.95                 | \$ 235,554.91                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,064,749.23   | \$ 448,669.88             | \$ 523,353.07                 | \$ 92,726.27                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,780,247.66   | \$ 1,080,794.80           | \$ 1,263,723.93               | \$ 435,728.93                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 44,137.61      | \$ (29,730.05)            | \$ (33,580.09)                | \$ 107,447.75                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 199,028.80     | \$ (109,235.16)           | \$ 159,951.52                 | \$ 148,312.44                      |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5AC, Line 32)               | \$ 199,028.80     | \$ (109,235.16)           | \$ 159,951.52                 | \$ 148,312.44                      |
| 34   | Net Adjustment for March 2008 (Line 32 - Line 33) To Page 3 Line 4       | \$ -              | \$ -                      | \$ -                          | \$ -                               |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
April 2009 through June 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | APRIL 2008        | Residential<br>APRIL 2008 | Non-Residential<br>APRIL 2008 | Voltage<br>Reduction<br>APRIL 2008 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  | \$ 39,480,130.59  | \$ 39,480,130.59          | \$ 39,480,130.59              | \$ 39,480,130.59                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 37,069,197.46  | \$ 37,069,197.46          | \$ 37,069,197.46              | \$ 37,069,197.46                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (971,734.24)   | \$ (971,734.24)           | \$ (971,734.24)               | \$ (971,734.24)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,220,089.60) | \$ (1,220,089.60)         | \$ (1,220,089.60)             | \$ (1,220,089.60)                  |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 34,877,373.62  | \$ 34,877,373.62          | \$ 34,877,373.62              | \$ 34,877,373.62                   |
| 7  | Total Generation and Purchase Power (per books)                          | 1,569,304,567     | 1,569,304,567             | 1,569,304,567                 | 1,569,304,567                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 95,832,722        | 95,832,722                | 95,832,722                    | 95,832,722                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,473,471,845     | 1,473,471,845             | 1,473,471,845                 | 1,473,471,845                      |
| 10   | kWh Subject to FPP   | 1,555,289,363     | 522,140,598               | 755,195,478                   | 277,953,287                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 105.55%           | 35.44%                    | 51.25%                        | 18.86%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 19,172,051.98  | \$ 8,436,427.15           | \$ 9,309,294.66               | \$ 3,426,330.17                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 19,257,332.53  | \$ 8,475,603.85           | \$ 9,357,272.37               | \$ 3,424,456.31                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 38,429,384.51  | \$ 12,912,031.00          | \$ 18,666,567.03              | \$ 6,850,786.48                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 36,813,087.88  | \$ 12,360,541.21          | \$ 17,874,853.98              | \$ 6,577,872.67                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,616,316.65) | \$ (551,489.79)           | \$ (791,913.05)               | \$ (272,913.81)                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,555,289,363     | 522,140,598               | 755,195,478                   | 277,953,287                        |
| 18   | EA Expense Allocated to FPP  | \$ 339,012.14     | \$ 113,812.91             | \$ 164,612.73                 | \$ 60,586.50                       |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 339,012.14     | \$ 113,812.91             | \$ 164,612.73                 | \$ 60,586.50                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 195,966.46     | \$ 65,789.72              | \$ 95,154.63                  | \$ 35,022.11                       |
| 22   | EA Revenue in FPP (per books)  | \$ 99,360.57      | \$ 33,139.59              | \$ 48,469.32                  | \$ 17,751.66                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 43,685.11      | \$ 14,883.60              | \$ 20,988.78                  | \$ 7,812.73                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (1,739,754.16) | \$ (492,928.91)           | \$ (951,558.78)               | \$ (295,266.47)                    |
| 25   | Actual RA recovery through FPP   | \$ (1,790,853.33) | \$ (507,927.99)           | \$ (967,591.33)               | \$ (315,334.01)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 51,099.17      | \$ 14,999.08              | \$ 16,032.55                  | \$ 20,067.54                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,521,213.54   | \$ 521,618.46             | \$ 754,440.28                 | \$ 245,154.80                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,010,533.90   | \$ 372,183.12             | \$ 537,650.47                 | \$ 100,700.31                      |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,544,739.92   | \$ 854,434.70             | \$ 1,235,603.23               | \$ 454,701.99                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 12,992.48      | \$ (39,366.88)            | \$ (56,487.52)                | \$ 108,846.88                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (1,508,539.89) | \$ (560,973.99)           | \$ (811,379.24)               | \$ (136,186.66)                    |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
April 2008 through June 2008  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | April 2008        | Residential<br>April 2008 | Non-Residential<br>April 2008 | Voltage<br>Reduction<br>April 2008 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  |                   | \$ 39,480,130.59          | \$ 39,480,130.59              | \$ 39,480,130.59                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 37,069,197.46  | \$ 37,069,197.46          | \$ 37,069,197.46              | \$ 37,069,197.46                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (971,734.24)           | \$ (971,734.24)               | \$ (971,734.24)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (1,215,426.98)         | \$ (1,215,426.98)             | \$ (1,215,426.98)                  |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 34,882,036.24  | \$ 34,882,036.24          | \$ 34,882,036.24              | \$ 34,882,036.24                   |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,569,304.567             | 1,569,304.567                 | 1,569,304.567                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 95,832.722        | 95,832.722                | 95,832.722                    | 95,832.722                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,473,471.845     | 1,473,471.845             | 1,473,471.845                 | 1,473,471.845                      |
| 10   | kWh Subject to FPP   | 1,555,289.363     | 522,140.598               | 755,195.478                   | 277,953.287                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 105.55%           | 35.44%                    | 51.25%                        | 18.86%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 19,172,051.98  | \$ 6,436,427.15           | \$ 9,309,294.66               | \$ 3,426,330.17                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 19,267,332.53  | \$ 6,475,603.85           | \$ 9,357,272.37               | \$ 3,424,466.31                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 38,439,384.51  | \$ 12,912,031.00          | \$ 18,666,567.03              | \$ 6,850,786.48                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 36,817,989.25  | \$ 12,362,193.84          | \$ 17,877,043.57              | \$ 6,578,752.04                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,611,395.26) | \$ (549,837.36)           | \$ (789,523.46)               | \$ (272,034.44)                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,555,289.363     | 522,140.598               | 755,195.478                   | 277,953.287                        |
| 18   | EA Expense Allocated to FPP  |                   | \$ 113,812.91             | \$ 164,612.73                 | \$ 60,588.50                       |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                      | \$ -                          | \$ -                               |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 339,012.14     | \$ 113,812.91             | \$ 164,612.73                 | \$ 60,588.50                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 195,986.46     | \$ 65,789.72              | \$ 95,154.63                  | \$ 35,022.11                       |
| 22   | EA Revenue in FPP (per books)  | \$ 99,360.57      | \$ 33,139.59              | \$ 48,469.32                  | \$ 17,751.66                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 43,665.11      | \$ 14,883.60              | \$ 20,988.78                  | \$ 7,812.73                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (1,739,754.16) | \$ (492,928.91)           | \$ (951,558.78)               | \$ (295,266.47)                    |
| 25   | Actual RA recovery through FPP   | \$ (1,790,853.33) | \$ (507,927.99)           | \$ (967,591.33)               | \$ (315,334.01)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 51,099.17      | \$ 14,999.08              | \$ 16,032.55                  | \$ 20,067.54                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0982   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,521,213.54   | \$ 521,618.46             | \$ 754,440.28                 | \$ 245,154.80                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,010,533.90   | \$ 372,183.12             | \$ 537,650.47                 | \$ 100,700.31                      |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,544,739.02   | \$ 854,434.70             | \$ 1,235,603.23               | \$ 454,701.99                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)            | \$ 12,992.48      | \$ (39,366.88)            | \$ (56,487.52)                | \$ 108,846.88                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (1,503,618.50) | \$ (559,321.56)           | \$ (808,989.65)               | \$ (135,307.29)                    |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5AE, Line 32)               | \$ (1,508,539.89) | \$ (560,973.99)           | \$ (811,379.24)               | \$ (136,186.66)                    |
| 34   | Net Adjustment for March 2008 (Line 32 - Line 33) To Page 3 Line 4       | \$ 4,921.39       | \$ 1,652.43               | \$ 2,389.69                   | \$ 879.37                          |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
April 2009 through June 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | MAY 2008          | Residential<br>MAY 2008 | Non-Residential<br>MAY 2008 | Voltage<br>Reduction<br>MAY 2008 |
|--|--|-------------------|-------------------------|-----------------------------|----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                         |                             |                                  |
| 1  | Net Includable Fuel  | \$ 36,984,124.70  | \$ 36,984,124.70        | \$ 36,984,124.70            | \$ 36,984,124.70                 |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                | 0.938933                    | 0.938933                         |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 34,725,615.16  | \$ 34,725,615.16        | \$ 34,725,615.16            | \$ 34,725,615.16                 |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (2,038,308.65) | \$ (2,038,308.65)       | \$ (2,038,308.65)           | \$ (2,038,308.65)                |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,399,477.03) | \$ (1,399,477.03)       | \$ (1,399,477.03)           | \$ (1,399,477.03)                |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 31,287,829.48  | \$ 31,287,829.48        | \$ 31,287,829.48            | \$ 31,287,829.48                 |
| 7  | Total Generation and Purchase Power (per books)                          | 1,606,548,923     | 1,606,548,923           | 1,606,548,923               | 1,606,548,923                    |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,107,123        | 98,107,123              | 98,107,123                  | 98,107,123                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,508,441,800     | 1,508,441,800           | 1,508,441,800               | 1,508,441,800                    |
| 10   | kWh Subject to FPP   | 1,418,189,845     | 413,514,641             | 747,046,536                 | 257,628,668                      |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 94.02%            | 27.41%                  | 49.53%                      | 17.08%                           |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 17,482,026.22  | \$ 5,097,394.98         | \$ 9,208,842.05             | \$ 3,175,788.59                  |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 17,576,739.89  | \$ 5,126,848.43         | \$ 9,257,987.02             | \$ 3,191,904.44                  |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 35,058,766.11  | \$ 10,224,243.41        | \$ 18,466,829.07            | \$ 6,367,693.03                  |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 29,416,817.28  | \$ 8,575,994.06         | \$ 15,496,861.94            | \$ 5,343,961.29                  |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (5,641,948.83) | \$ (1,648,249.35)       | \$ (2,969,967.73)           | \$ (1,023,731.75)                |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                         |                             |                                  |
| 17   | kWh Subject to FPP (Line 11)   | 1,418,189,845     | 413,514,641             | 747,046,536                 | 257,628,668                      |
| 18   | EA Expense Allocated to FPP  | \$ 544,694.46     | \$ 158,821.57           | \$ 286,923.58               | \$ 98,949.31                     |
| 19   | EA Sales Margin Allocated to FPP   | \$ (395,671.52)   | \$ (115,369.58)         | \$ (208,424.17)             | \$ (71,877.77)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 149,022.94     | \$ 43,451.99            | \$ 78,499.41                | \$ 27,071.54                     |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0128 ¢/kWh)              | \$ 178,691.92     | \$ 52,102.84            | \$ 94,127.87                | \$ 32,461.21                     |
| 22   | EA Revenue in FPP (per books)  | \$ 90,738.39      | \$ 26,237.19            | \$ 47,955.04                | \$ 16,546.16                     |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (120,407.37)   | \$ (34,888.04)          | \$ (63,583.50)              | \$ (21,935.83)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                         |                             |                                  |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (1,739,754.16) | \$ (492,928.91)         | \$ (951,558.78)             | \$ (295,266.47)                  |
| 25   | Actual RA recovery through FPP   | \$ (1,653,380.09) | \$ (402,135.44)         | \$ (957,324.70)             | \$ (293,919.95)                  |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (86,374.07)    | \$ (90,793.47)          | \$ 5,765.92                 | \$ (1,346.52)                    |
| <b>System Loss Component (SLA)</b>                 |  |                   |                         |                             |                                  |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                  | 0.0999                      | 0.0882                           |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,386,629.11   | \$ 413,101.13           | \$ 746,299.49               | \$ 227,228.49                    |
| 29   | Actual SLA recovery through FPP  | \$ 920,471.44     | \$ 294,663.86           | \$ 531,945.73               | \$ 93,861.85                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,123,450.67   | \$ 618,057.46           | \$ 1,118,639.78             | \$ 385,753.43                    |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (183,649.88)   | \$ (88,707.53)          | \$ (159,605.44)             | \$ 64,663.09                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (6,032,380.15) | \$ (1,862,638.39)       | \$ (3,187,390.75)           | \$ (982,351.01)                  |



**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**April 2009 through June 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | May 2008          | Residential<br>May 2008 | Non-Residential<br>May 2008 | Voltage<br>Reduction<br>May 2008 |
|--|--|-------------------|-------------------------|-----------------------------|----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                         |                             |                                  |
| 1  | Net Includable Fuel  | \$ 36,984,124.70  | \$ 36,984,124.70        | \$ 36,984,124.70            | \$ 36,984,124.70                 |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                | 0.938933                    | 0.938933                         |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 34,725,615.16  | \$ 34,725,615.16        | \$ 34,725,615.16            | \$ 34,725,615.16                 |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (2,038,308.65) | \$ (2,038,308.65)       | \$ (2,038,308.65)           | \$ (2,038,308.65)                |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,357,032.41) | \$ (1,357,032.41)       | \$ (1,357,032.41)           | \$ (1,357,032.41)                |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 31,330,274.10  | \$ 31,330,274.10        | \$ 31,330,274.10            | \$ 31,330,274.10                 |
| 7  | Total Generation and Purchase Power (per books)                          | 1,606,548,923     | 1,606,548,923           | 1,606,548,923               | 1,606,548,923                    |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,107,123        | 98,107,123              | 98,107,123                  | 98,107,123                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,508,441,800     | 1,508,441,800           | 1,508,441,800               | 1,508,441,800                    |
| 10   | kWh Subject to FPP   | 1,418,189,845     | 413,514,641             | 747,046,536                 | 257,628,668                      |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 94.02%            | 27.41%                  | 49.53%                      | 17.08%                           |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 17,482,026.22  | \$ 5,097,394.98         | \$ 9,208,842.65             | \$ 3,175,788.59                  |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 17,576,739.69  | \$ 5,126,848.43         | \$ 9,257,987.02             | \$ 3,191,904.44                  |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 35,058,766.11  | \$ 10,224,243.41        | \$ 18,466,829.67            | \$ 6,367,693.03                  |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 29,456,723.71  | \$ 8,587,628.13         | \$ 15,517,884.76            | \$ 5,351,210.82                  |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (5,602,042.40) | \$ (1,636,615.28)       | \$ (2,948,944.91)           | \$ (1,018,482.21)                |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                         |                             |                                  |
| 17   | kWh Subject to FPP (Line 11)   | 1,418,189,845     | 413,514,641             | 747,046,536                 | 257,628,668                      |
| 18   | EA Expense Allocated to FPP  | \$ 158,791.28     | \$ 158,791.28           | \$ 286,868.87               | \$ 98,930.44                     |
| 19   | EA Sales Margin Allocated to FPP   | \$ (115,369.58)   | \$ (115,369.58)         | \$ (208,424.17)             | \$ (71,877.77)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 43,421.70      | \$ 43,421.70            | \$ 78,444.70                | \$ 27,052.67                     |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 178,691.92     | \$ 52,102.84            | \$ 94,127.87                | \$ 32,461.21                     |
| 22   | EA Revenue in FPP (per books)  | \$ 80,738.39      | \$ 26,237.19            | \$ 47,955.04                | \$ 16,546.16                     |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (120,511.24)   | \$ (34,918.33)          | \$ (63,636.21)              | \$ (21,954.70)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                         |                             |                                  |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (1,739,754.16) | \$ (492,928.91)         | \$ (951,556.78)             | \$ (295,266.47)                  |
| 25   | Actual RA recovery through FPP   | \$ (1,653,360.09) | \$ (402,135.44)         | \$ (957,324.70)             | \$ (293,919.95)                  |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (86,374.07)    | \$ (90,793.47)          | \$ 6,766.92                 | \$ (1,346.52)                    |
| <b>System Loss Component (SLA)</b>                 |  |                   |                         |                             |                                  |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                  | 0.0999                      | 0.0882                           |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,386,629.11   | \$ 413,101.13           | \$ 746,299.49               | \$ 227,228.49                    |
| 29   | Actual SLA recovery through FPP  | \$ 920,471.44     | \$ 294,663.86           | \$ 531,945.73               | \$ 93,861.85                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,123,450.67   | \$ 619,057.46           | \$ 1,118,639.78             | \$ 385,753.43                    |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (183,649.88)   | \$ (88,707.53)          | \$ (159,605.44)             | \$ 64,663.09                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (5,992,577.59) | \$ (1,851,034.61)       | \$ (3,166,422.64)           | \$ (975,120.34)                  |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5AG, Line 32)               | \$ (6,032,380.15) | \$ (1,862,638.39)       | \$ (3,187,380.75)           | \$ (982,351.01)                  |
| 34   | Net Adjustment for March 2008 (Line 32 - Line 33) To Page 3 Line 4       | \$ 39,802.56      | \$ 11,603.78            | \$ 20,968.11                | \$ 7,230.67                      |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
April 2009 through June 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | JUNE 2008         | Residential<br>JUNE 2008 | Non-Residential<br>JUNE 2008 | Voltage<br>Reduction<br>JUNE 2008 |
|--|--|-------------------|--------------------------|------------------------------|-----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                          |                              |                                   |
| 1  | Net Includable Fuel  | \$ 74,977,379.51  | \$ 74,977,379.51         | \$ 74,977,379.51             | \$ 74,977,379.51                  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                 | 0.938933                     | 0.938933                          |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 70,398,735.88  | \$ 70,398,735.88         | \$ 70,398,735.88             | \$ 70,398,735.88                  |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (8,169,211.89) | \$ (8,169,211.89)        | \$ (8,169,211.89)            | \$ (8,169,211.89)                 |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (3,838,065.38) | \$ (3,838,065.38)        | \$ (3,838,065.38)            | \$ (3,838,065.38)                 |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 58,391,458.61  | \$ 58,391,458.61         | \$ 58,391,458.61             | \$ 58,391,458.61                  |
| 7  | Total Generation and Purchase Power (per books)                          | 1,917,056,022     | 1,917,056,022            | 1,917,056,022                | 1,917,056,022                     |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 117,068,860       | 117,068,860              | 117,068,860                  | 117,068,860                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,799,987,162     | 1,799,987,162            | 1,799,987,162                | 1,799,987,162                     |
| 10   | kWh Subject to FPP   | 1,647,853,337     | 533,812,398              | 831,388,582                  | 282,652,357                       |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 91.55%            | 29.66%                   | 46.19%                       | 15.70%                            |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 20,313,088.08  | \$ 6,580,305.43          | \$ 10,248,527.05             | \$ 3,484,255.60                   |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,419,424.13  | \$ 6,616,591.11          | \$ 10,300,069.66             | \$ 3,502,763.36                   |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 40,732,512.21  | \$ 13,196,896.54         | \$ 20,548,596.71             | \$ 6,987,018.96                   |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 53,457,380.36  | \$ 17,318,906.63         | \$ 26,971,014.73             | \$ 9,167,459.00                   |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 12,724,868.15  | \$ 4,122,010.09          | \$ 6,422,418.02              | \$ 2,180,440.04                   |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                          |                              |                                   |
| 17   | kWh Subject to FPP (Line 11)   | 1,647,853,337     | 533,812,398              | 831,388,582                  | 282,652,357                       |
| 18   | EA Expense Allocated to FPP  | \$ 512,707.41     | \$ 166,088.55            | \$ 258,675.38                | \$ 87,943.48                      |
| 19   | EA Sales Margin Allocated to FPP   | \$ (1,637,100.82) | \$ (530,329.19)          | \$ (825,963.63)              | \$ (280,808.00)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ (1,124,393.41) | \$ (364,240.64)          | \$ (567,288.25)              | \$ (192,864.52)                   |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 207,629.52     | \$ 67,260.36             | \$ 104,754.96                | \$ 35,514.20                      |
| 22   | EA Revenue in FPP (per books)  | \$ 105,371.58     | \$ 33,861.11             | \$ 53,352.88                 | \$ 18,157.59                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (1,437,394.51) | \$ (466,362.11)          | \$ (725,396.09)              | \$ (246,636.31)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                          |                              |                                   |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (1,739,754.15) | \$ (492,928.90)          | \$ (951,558.78)              | \$ (295,266.47)                   |
| 25   | Actual RA recovery through FPP   | \$ (1,906,812.92) | \$ (518,986.63)          | \$ (1,065,081.54)            | \$ (322,544.75)                   |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 166,858.77     | \$ 28,057.73             | \$ 113,522.76                | \$ 27,278.28                      |
| <b>System Loss Component (SLA)</b>                 |  |                   |                          |                              |                                   |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0099 / 0.0882   | 0.0099                   | 0.0099                       | 0.0882                            |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,613,135.16   | \$ 533,278.59            | \$ 830,557.19                | \$ 249,299.38                     |
| 29   | Actual SLA recovery through FPP  | \$ 1,075,111.09   | \$ 380,286.31            | \$ 591,821.75                | \$ 103,003.03                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))               | \$ 4,191,748.24   | \$ 1,358,025.70          | \$ 2,114,875.49              | \$ 718,847.05                     |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,503,501.99   | \$ 444,460.80            | \$ 692,496.55                | \$ 366,544.64                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 12,957,834.40  | \$ 4,127,166.51          | \$ 6,503,041.24              | \$ 2,327,626.65                   |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
April 2009 through June 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | June 2008         | Residential<br>June 2008 | Non-Residential<br>June 2008 | Voltage<br>Reduction<br>June 2008 |
|--|--|-------------------|--------------------------|------------------------------|-----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                          |                              |                                   |
| 1  | Net Includable Fuel  | \$ 75,017,373.51  | \$ 75,017,373.51         | \$ 75,017,373.51             | \$ 75,017,373.51                  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                 | 0.938933                     | 0.938933                          |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 70,436,287.56  | \$ 70,436,287.56         | \$ 70,436,287.56             | \$ 70,436,287.56                  |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (8,169,211.89) | \$ (8,169,211.89)        | \$ (8,169,211.89)            | \$ (8,169,211.89)                 |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (3,981,875.03) | \$ (3,981,875.03)        | \$ (3,981,875.03)            | \$ (3,981,875.03)                 |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 58,285,200.64  | \$ 58,285,200.64         | \$ 58,285,200.64             | \$ 58,285,200.64                  |
| 7  | Total Generation and Purchase Power (per books)                          | 1,917,814,862     | 1,917,814,862            | 1,917,814,862                | 1,917,814,862                     |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 117,115,200       | 117,115,200              | 117,115,200                  | 117,115,200                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,800,699,662     | 1,800,699,662            | 1,800,699,662                | 1,800,699,662                     |
| 10   | kWh Subject to FPP   | 1,647,853,337     | 533,812,398              | 831,366,582                  | 282,652,357                       |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 91.51%            | 29.64%                   | 46.17%                       | 15.70%                            |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 20,313,088.08  | \$ 6,580,305.43          | \$ 10,248,527.05             | \$ 3,484,255.60                   |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,419,424.13  | \$ 6,616,591.11          | \$ 10,300,099.66             | \$ 3,502,763.36                   |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 40,732,512.21  | \$ 13,196,896.54         | \$ 20,548,596.71             | \$ 6,987,018.96                   |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 53,336,787.11  | \$ 17,275,733.47         | \$ 26,910,277.14             | \$ 9,150,776.50                   |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 12,604,274.90  | \$ 4,078,836.93          | \$ 6,361,680.43              | \$ 2,163,757.54                   |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                          |                              |                                   |
| 17   | kWh Subject to FPP (Line 11)   | 1,647,853,337     | 533,812,398              | 831,366,582                  | 282,652,357                       |
| 18   | EA Expense Allocated to FPP  | \$ 166,088.55     | \$ 258,675.38            | \$ 87,943.48                 | \$ 87,943.48                      |
| 19   | EA Sales Margin Allocated to FPP   | \$ (530,329.19)   | \$ (825,963.63)          | \$ (280,808.00)              | \$ (280,808.00)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ (1,124,393.41) | \$ (384,240.64)          | \$ (567,288.26)              | \$ (192,864.52)                   |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 207,629.52     | \$ 67,260.36             | \$ 104,754.96                | \$ 35,614.20                      |
| 22   | EA Revenue in FPP (per books)  | \$ 105,371.58     | \$ 33,851.11             | \$ 53,352.88                 | \$ 18,157.59                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (1,437,394.51) | \$ (485,362.11)          | \$ (725,396.09)              | \$ (246,636.31)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                          |                              |                                   |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (1,739,754.15) | \$ (492,928.90)          | \$ (951,558.78)              | \$ (295,266.47)                   |
| 25   | Actual RA recovery through FPP   | \$ (1,906,612.92) | \$ (518,986.63)          | \$ (1,065,081.54)            | \$ (322,544.75)                   |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 166,858.77     | \$ 26,057.73             | \$ 113,522.76                | \$ 27,278.28                      |
| <b>System Loss Component (SLA)</b>                 |  |                   |                          |                              |                                   |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                   | 0.0999                       | 0.0882                            |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,613,135.16   | \$ 533,278.59            | \$ 830,557.19                | \$ 249,299.38                     |
| 29   | Actual SLA recovery through FPP  | \$ 1,075,111.09   | \$ 380,286.31            | \$ 591,821.75                | \$ 103,003.03                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))               | \$ 4,192,151.75   | \$ 1,357,833.88          | \$ 2,115,067.38              | \$ 719,230.49                     |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,503,905.50   | \$ 444,268.98            | \$ 692,708.44                | \$ 366,928.08                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 12,837,644.66  | \$ 4,083,801.53          | \$ 6,442,515.54              | \$ 2,311,327.59                   |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5AI, Line 32)               | \$ 12,957,834.40  | \$ 4,127,166.51          | \$ 6,503,041.24              | \$ 2,327,626.65                   |
| 34   | Net Adjustment for March 2008 (Line 32 - Line 33) To Page 3 Line 4       | \$ (120,189.74)   | \$ (43,364.98)           | \$ (60,525.70)               | \$ (16,299.06)                    |

## ATTACHMENT I

### STATEMENT OF FUEL PROCUREMENT PRACTICES AND POLICIES

Duke Energy's ("Company") Commercial Asset Management Service (CAM) group is responsible for managing the power, fuel and emission allowance positions for the Company's operating units, including the Company's Ohio generation portfolio to provide a reliable, low cost, market-based supply of electricity for the Ohio customers.

CAMS is responsible for establishing and implementing the multi-commodity risk management strategy for power, fuel and emission allowances. CAM monitors and adjusts the optimal contract mix all the way through physical delivery. These adjustments result in the purchases or sales of Fuel, Emission Allowances, and Power for the approved term if the forward market allows them to transact. Fuel purchases are made through a combination of long-term and spot market purchases.

CAMS fuel procurement and Logistic groups include evaluating proposals for fuel and transportation contracts, selecting and qualifying suppliers and shippers, contract negotiation, administration and enforcement, and ongoing transportation maintenance and operations support. CAMS is responsible for complying with fuel procurement regulations.

CAMS evaluates its fuel and transportation services practices on a continuing basis and updates them as needed. This continuous self-evaluation ensures that CAMS follows the best available practices as they relate to the changing business environment of the Company and the industry, the effect of state and/or federal legislation, the orders or rules of any state commission, or any other event that may impact the Company's procurement and use of fuel.

A balancing of short-term and long-term contracts is an effective way to achieve critical portfolio goals such as:

- Effective management of market price risk
- Assurance of adequate and appropriate supply from reliable suppliers
- Competitive pricing
- Market intelligence
- Continuing evaluation of suppliers
- Flexibility in responding to changing market or economic conditions
- Efficient delivery of shipments and contract administration
- Coal basin balance and diversity

CAMS makes every effort to purchase fuels compatible for all Ohio generation portfolios. This decision making process also heavily involves inputs from all station managers. Further, the cost of complying with environmental regulations regarding emissions is factored into purchasing decisions.

Coal quality specifications may include moisture, ash, calorific value, sulfur, volatility, grindability, chlorine, mineral ash analysis, fusion temperature. These parameters assure that the coal will be compatible with equipment operation and environmental regulations. Quality price adjustments will be made for deliveries not within contract specifications.

## **ATTACHMENT I**

### **STATEMENT OF FUEL PROCUREMENT PRACTICES AND POLICIES**

For longer term commitments, suppliers are generally evaluated on the basis of delivered cost (adjusted for MMBtu, SO<sub>2</sub>, and freight), credit strength, proximity to transportation, and willingness to extend commercial terms. Additional evaluation is done, as needed, concerning by-product handling, disposal, and various environmental limits at the station sites. For short-term purchases, the evaluation focuses primarily on evaluated cost relative to the market.

## **ATTACHMENT II**

### **DUKE ENERGY OHIO (DUKE)**

#### **NARRATIVE STATEMENT SUPPORTING ITS PROPOSED FPP COMPONENT**

Duke Energy Ohio has calculated a proposed Quarterly Fuel, Economy Purchased Power and Emission Allowance Component (FPP Component) of its standard service offer for the three-month projected period of July through September 2009.

The proposed FPP Rates are segregated into three types of customers, Residential, Non-Residential and Voltage Reduction customers. Depending on the type of customer, the appropriate rate will be applied to all bills, excluding consumers taking generation service from Certified Retail Electric Service providers, rendered on and after July 1, 2009, and will coincide with the billing of Cycle 1 of the July 2009 revenue month and remain in effect through September 2009.

The methodology for calculating the proposed FPP Component of 3.3785 cents per kilowatt-hour for Residential, 3.3709 cents per kilowatt-hour for Non-Residential and 3.3120 cents per kilowatt-hour for Voltage Reduction type customers is consistent with the Commission's Entry on Rehearing and is composed of the following components:

#### **FUEL COMPONENT (FC)**

The base period of July through September 2009 was utilized to calculate the proposed fuel and economy purchased power component (FC). The proposed FC is composed of three months projected includable fuel cost and economy purchased power data. The total FC calculated portion of the FPP Component is 3.0195 cents per kilowatt-hour for all types of customers. This proposed FC is supported by the attached calculations on Page 1 of 5 of Schedule 1.

#### **EMISSION ALLOWANCES (EA)**

The base period of July through September 2009 was utilized to calculate the emission allowance component (EA) for all types of customers. The proposed EA is composed of three months projected includable emission allowance data. The total EA calculated portion of the FPP Component is 0.1802 cents per kilowatt-hour for all types of customers. This proposed EA is supported by the attached calculations on Page 2 of 5 of Schedule 1.

## ATTACHMENT II

### RECONCILIATION ADJUSTMENT (RA)

The proposed 3<sup>rd</sup> quarter RA component is 10% of the total RA amount. The remaining 90% of the RA amount will be recovered October 2009 through December 2011. The proposed RA component is based on the reconciliation of actual fuel, economy purchased power, emission allowance costs, and system loss adjustment to the FPP Component revenues for the three month period ending March 2009. The RA amount for the three month period ending March 2009 included in this filing is \$13,866,430.72 for Residential customers and \$15,830,060.17 for Non-Residential customers and \$4,029,913.68 for Voltage Reduction customers. In addition to these RA amounts are (\$1,786.24) for Residential customers and \$9,458.59 for Non-Residential customers and \$3,327.10 for Voltage Reduction customers which represents an updated adjustment to the 4<sup>th</sup> quarter 2008 RA amount filed in the 2<sup>nd</sup> quarter 2009 filing and is supported by the attached calculations on Page 5S thru 5X of 5 of Schedule 1. In addition to these RA amounts are \$8,162.26 for Residential customers and \$13,937.91 for Non-Residential customers and \$4,904.69 for Voltage Reduction customers which represents an updated adjustment to the 2<sup>nd</sup> quarter 2008 RA amount filed in the 4<sup>th</sup> quarter 2008 filing and is supported by the attached calculations on Page 5G thru 5L of 5 of Schedule 1. In addition to these RA amounts are \$6,935.11 for Residential customers and \$7,573.55 for Non-Residential customers and \$2,629.26 for Voltage Reduction customers which represents an updated adjustment to the 1<sup>st</sup> quarter 2008 RA amount filed in the 3<sup>rd</sup> quarter 2008 filing and is supported by the attached calculations on Page 5A thru 5F of 5 of Schedule 1. In addition to these RA amounts are (\$67,589.90) for Residential customers and (\$101,439.48) for Non-Residential customers and (\$33,914.16) for Voltage Reduction customers which represents an updated adjustment to periods prior to 2008. The total proposed RA is supported by the attached calculations on Page 3 of 5 of Schedule 1.

### SYSTEM LOSS ADJUSTMENT (SLA)

The proposed SLA Component is based on the estimated system loss fuel cost to be incurred during the three month period ending September 2009. The total SLA calculated portion of the FPP Component is 0.2067 cents per kilowatt-hour for Residential and Non-Residential type customers, and 0.0946 cents per kilowatt-hour for Voltage Reduction type customers. From the number for Residential and Non-Residential type customers, the Company has subtracted a baseline rate of 0.1051 cents per kilowatt-hour that is already included in rates. From the number for Voltage Reduction type customers, the Company has subtracted a baseline rate of 0.0481 cents per kilowatt-hour that is already included in rates. Both rates are increased by 0.0113 cents per kilowatt-hour which represents a Synchronization Adjustment. Based upon this information, the proposed SLA should be established at 0.1129 cents per kilowatt-hour for Residential and Non-Residential type customers and at 0.0578 cents per kilowatt-hour for Voltage Reduction type customers. The proposed SLA is supported by the attached calculations on Page 4 of 5 of Schedule 1.

## ATTACHMENT II

### FUEL ECONOMY PURCHASED POWER AND EMISSION ALLOWANCE COMPONENT

Based on the aforementioned projected includable fuel and economy purchased power cost data (FC) summarized on Page 1 of Schedule 1, the Emission Allowance Component (EA) on Page 2 of Schedule 1, and the System Loss Adjustment (SLA) on Page 4 of Schedule 1, the Company proposes that a FPP Component of 3.3785 cents per kilowatt-hour be established for Residential type customers, 3.3709 cents per kilowatt-hour be established for Non-Residential type customers and 3.3120 cents per kilowatt-hour be established for Voltage Reduction type customers. These rates should be effective with bills rendered on and after July 1, 2009, to all consumers other than consumers taking generation service from Certified Retail Electric Suppliers. This will coincide with Cycle 1 billing for the July 2009 revenue month.



**Duke Energy Americas  
Non-Regulated Generation  
Duke Energy Ohio PTC-FPP  
Q3 2009 Workpapers**

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During  
July 2009 through September 2009

| Line   | Description                                       | (A)<br>Includable<br>Fuel Cost<br>\$ | (B)<br>Other Includable<br>MISO Costs<br>From Page 1A<br>\$ | (C)<br>Total<br>Includable<br>Costs<br>\$ | (D)<br>Includable<br>Energy<br>(kWh) | (E)<br>FPP Rate<br>Components<br>(Col. C + Col. D) |  |             |                 |                                  |   |        |        |              |   |        |        |              |   |               |               |                     |                   |               |               |                     |
|--|---|--------------------------------------|---|---|--------------------------------------|--|--|-------------|-----------------|----------------------------------|---|--------|--------|--------------|---|--------|--------|--------------|---|---------------|---------------|---------------------|-------------------|---------------|---------------|---------------------|
| <u>Fuel &amp; Economy Purchased Power<br/>Cost Expense (FC) - by Month (Projected)</u>   |   |                                      |   |   |                                      |  |  |             |                 |                                  |   |        |        |              |   |        |        |              |   |               |               |                     |                   |               |               |                     |
| 1  | July 2009   | \$ 62,940,315.84                     | \$ (322,294.00)   | \$ 62,618,021.84                          | 2,034,234,583                        |  |  |             |                 |                                  |   |        |        |              |   |        |        |              |   |               |               |                     |                   |               |               |                     |
| 2  | August 2009                                       | \$ 61,204,181.79                     | \$ (322,294.00)   | \$ 60,881,887.79                          | 2,025,749,643                        |  |  |             |                 |                                  |   |        |        |              |   |        |        |              |   |               |               |                     |                   |               |               |                     |
| 3  | September 2009                                    | \$ 51,485,036.52                     | \$ (322,294.00)   | \$ 51,162,742.52                          | 1,724,514,735                        |  |  |             |                 |                                  |   |        |        |              |   |        |        |              |   |               |               |                     |                   |               |               |                     |
| 4  | Total Fuel & Economy Purchased Power Cost Expense | <u>\$ 175,629,534.15</u>             | <u>\$ (966,882.00)</u>                                      | <u>\$ 174,662,652.15</u>                  | <u>5,784,498,961</u>                 | 3.0195 ¢/kWh                                       |  |             |                 |                                  |   |        |        |              |   |        |        |              |   |               |               |                     |                   |               |               |                     |
| 5  | Less: Baseline EFC Rate <sup>(a)</sup>            |                                      |   |   |                                      | - ¢/kWh  |  |             |                 |                                  |   |        |        |              |   |        |        |              |   |               |               |                     |                   |               |               |                     |
| 6  | Total FC Portion to be Included in FPP            |                                      |   |   |                                      | 3.0195 ¢/kWh                                       |  |             |                 |                                  |   |        |        |              |   |        |        |              |   |               |               |                     |                   |               |               |                     |
| 7  | Emission Allowances Adjustment (EA) From Page 2   |                                      |   |   |                                      | <u>0.1802 ¢/kWh</u>                                |  |             |                 |                                  |   |        |        |              |   |        |        |              |   |               |               |                     |                   |               |               |                     |
| 8  | Total FPP Rate before RA and SLA                  |                                      |   |   |                                      | <u>3.1997 ¢/kWh</u>                                |  |             |                 |                                  |   |        |        |              |   |        |        |              |   |               |               |                     |                   |               |               |                     |
| <div><div>FPP Rate</div><table><tr><th></th><th>Residential</th><th>Non-Residential</th><th>Voltage Reduction <sup>(b)</sup></th></tr><tr><td>9 Total FPP Rate before RA and SLA (Line 8)</td><td>3.1997</td><td>3.1997</td><td>3.1997 ¢/kWh</td></tr><tr><td>10 Reconciliation Adjustment (RA) From Page 3</td><td>0.0659</td><td>0.0683</td><td>0.0545 ¢/kWh</td></tr><tr><td>11 System Loss Adjustment (SLA) From Page 4</td><td><u>0.1129</u></td><td><u>0.1129</u></td><td><u>0.0578 ¢/kWh</u></td></tr><tr><td>12 Total FPP Rate</td><td><u>3.3785</u></td><td><u>3.3709</u></td><td><u>3.3120 ¢/kWh</u></td></tr></table></div> |   |                                      |   |   |                                      |  |  | Residential | Non-Residential | Voltage Reduction <sup>(b)</sup> | 9 Total FPP Rate before RA and SLA (Line 8) | 3.1997 | 3.1997 | 3.1997 ¢/kWh | 10 Reconciliation Adjustment (RA) From Page 3 | 0.0659 | 0.0683 | 0.0545 ¢/kWh | 11 System Loss Adjustment (SLA) From Page 4 | <u>0.1129</u> | <u>0.1129</u> | <u>0.0578 ¢/kWh</u> | 12 Total FPP Rate | <u>3.3785</u> | <u>3.3709</u> | <u>3.3120 ¢/kWh</u> |
|  | Residential                                       | Non-Residential                      | Voltage Reduction <sup>(b)</sup>                            |   |                                      |  |  |             |                 |                                  |   |        |        |              |   |        |        |              |   |               |               |                     |                   |               |               |                     |
| 9 Total FPP Rate before RA and SLA (Line 8)  | 3.1997  | 3.1997                               | 3.1997 ¢/kWh  |   |                                      |  |  |             |                 |                                  |   |        |        |              |   |        |        |              |   |               |               |                     |                   |               |               |                     |
| 10 Reconciliation Adjustment (RA) From Page 3  | 0.0659  | 0.0683                               | 0.0545 ¢/kWh  |   |                                      |  |  |             |                 |                                  |   |        |        |              |   |        |        |              |   |               |               |                     |                   |               |               |                     |
| 11 System Loss Adjustment (SLA) From Page 4  | <u>0.1129</u>                                     | <u>0.1129</u>                        | <u>0.0578 ¢/kWh</u>   |   |                                      |  |  |             |                 |                                  |   |        |        |              |   |        |        |              |   |               |               |                     |                   |               |               |                     |
| 12 Total FPP Rate  | <u>3.3785</u>                                     | <u>3.3709</u>                        | <u>3.3120 ¢/kWh</u>   |   |                                      |  |  |             |                 |                                  |   |        |        |              |   |        |        |              |   |               |               |                     |                   |               |               |                     |

Notes: <sup>(a)</sup> Per Stipulation in Case No. 06-920-EL-SSO, the baseline EFC and EA rate is transferred to Rider PTC-FPP.

<sup>(b)</sup> Rate for Customers taking service at 69 kV or greater.

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During  
July 2009 through September 2009**

| Other Includable MISO Costs                | April 2009          | May 2009            | June 2009           | Total For<br>Period |
|--|---------------------|---------------------|---------------------|---------------------|
| (a)  | (b)                 | (c)                 | (d)                 | (e)                 |
| FTR (Hourly, Monthly, Yearly, Transaction) | \$ (322,294)        | \$ (322,294)        | \$ (322,294)        | \$ (966,882)        |
| Financial                                  |                     |                     |                     |                     |
| Day-Ahead                                  | \$ -                | \$ -                | \$ -                | \$ -                |
| Real-Time                                  | \$ -                | \$ -                | \$ -                | \$ -                |
| Physical (DA, RT, Index)                   | \$ -                | \$ -                | \$ -                | \$ -                |
| Congestion                                 |                     |                     |                     |                     |
| Day-Ahead                                  | \$ -                | \$ -                | \$ -                | \$ -                |
| Real-Time                                  | \$ -                | \$ -                | \$ -                | \$ -                |
| Losses                                     |                     |                     |                     |                     |
| Day-Ahead                                  | \$ -                | \$ -                | \$ -                | \$ -                |
| Real-Time                                  | \$ -                | \$ -                | \$ -                | \$ -                |
| Revenue Sufficiency Guarantee (MKWHL)      |                     |                     |                     |                     |
| Day-Ahead                                  | \$ -                | \$ -                | \$ -                | \$ -                |
| Real-Time                                  | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Total Other Includable MISO Costs</b>   | <b>\$ (322,294)</b> | <b>\$ (322,294)</b> | <b>\$ (322,294)</b> | <b>\$ (966,882)</b> |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Emission Allowances Component for Billing During  
July 2009 through September 2009**

| Line  | Description   | (1)<br>Includable<br>Emission Allowances<br>\$ | (2)<br>Includable<br>Energy<br>(kWh) | (3)<br>EA Rate<br>Components<br>(Col. 1 + Col. 2) |
|---|---|--|--------------------------------------|---|
| <b><u>Emission Allowances (EA) - by Month (Projected)</u></b> |   |  |                                      |   |
| 1   | July 2009   | \$ 3,457,775.58                                | 1,866,731,246                        |   |
| 2   | August 2009   | \$ 3,481,193.01                                | 1,862,215,220                        |   |
| 3   | September 2009  | \$ 2,504,455.28                                | 1,500,780,770                        |   |
| 4   | EA Auction Proceeds Credits   | \$ -   |                                      |   |
| 5   | Total Emission Allowance Expense  | <u>\$ 9,423,423.87</u>                         | <u>5,229,727,236</u>                 | 0.1802 ¢/kWh                                      |
| 6   | Less: Baseline EA Rate <sup>(c)</sup>   |  |                                      | <u>-</u> ¢/kWh                                    |
| 7   | Quarterly Emission Allowance Rate (Rate will never be less than -0-) To Page 1 Line 7 |  |                                      | <u>0.1802</u> ¢/kWh                               |

Notes: <sup>(c)</sup> Per Stipulation in Case No. 08-920-EL-SSO, the baseline EFC and EA rate is transferred to Rider PTC-FPP.

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing  
Reconciliation Adjustment  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary  
July 2009 through September 2009

| Line | Reconciliation Adjustment (RA)  | Total            | Residential      | Non-Residential  | Voltage Reduction |
|------|---|------------------|------------------|------------------|-------------------|
| 1    | March 2009 (See Page 3C Line 32)  | \$ 12,705,073.93 | \$ 4,747,983.36  | \$ 6,087,475.88  | \$ 1,869,614.69   |
| 2    | February 2009 (See Page 3B Line 32)   | \$ 9,834,544.68  | \$ 4,189,126.30  | \$ 4,449,089.10  | \$ 1,196,329.28   |
| 3    | January 2009 (See Page 3A Line 32)  | \$ 11,186,785.96 | \$ 4,929,321.06  | \$ 5,293,495.19  | \$ 963,969.71     |
| 4    | December 2008 (See Page 5X Line 34)   | \$ (65,853.65)   | \$ (27,047.87)   | \$ (29,121.17)   | \$ (9,684.61)     |
| 5    | November 2008 (See Page 5V Line 34)   | \$ 27,379.91     | \$ 10,020.13     | \$ 12,693.37     | \$ 4,666.41       |
| 6    | October 2008 (See Page 5T Line 34)  | \$ 49,473.19     | \$ 15,241.50     | \$ 25,886.39     | \$ 8,345.30       |
| 7    | September 2008 (See Page 5R Line 34)  | \$ -             | \$ -             | \$ -             | \$ -              |
| 8    | August 2008 (See Page 5P Line 34)   | \$ -             | \$ -             | \$ -             | \$ -              |
| 9    | July 2008 (See Page 5N Line 34)   | \$ -             | \$ -             | \$ -             | \$ -              |
| 10   | June 2008 (See Page 5L Line 34)   | \$ (2,285.41)    | \$ (740.34)      | \$ (1,153.05)    | \$ (392.02)       |
| 11   | May 2008 (See Page 5J Line 34)  | \$ 21,085.41     | \$ 6,148.07      | \$ 11,108.96     | \$ 3,830.38       |
| 12   | April 2008 (See Page 5H Line 34)  | \$ 8,204.86      | \$ 2,754.53      | \$ 3,984.00      | \$ 1,466.33       |
| 13   | March 2008 (See Page 5F Line 34)  | \$ (623.63)      | \$ (242.42)      | \$ (283.48)      | \$ (97.73)        |
| 14   | February 2008 (See Page 5D Line 34)   | \$ 4,259.00      | \$ 1,684.39      | \$ 1,899.86      | \$ 674.75         |
| 15   | January 2008 (See Page 5B Line 34)  | \$ 13,502.55     | \$ 5,493.14      | \$ 5,957.17      | \$ 2,052.24       |
| 16   | Miscellaneous Prior Period Adjustments                                      | \$ (202,943.55)  | \$ (67,589.90)   | \$ (101,439.48)  | \$ (33,914.17)    |
| 17   | Total Reconciliation Adjustment (Line 1 through Line 16)                    | \$ 33,578,603.25 | \$ 13,812,151.95 | \$ 15,759,590.73 | \$ 4,006,860.57   |
| 18   | Amount of Reconciliation to be collected October 2009 through December 2011 | \$ 30,220,744.00 | \$ 12,430,937.00 | \$ 14,183,632.00 | \$ 3,606,175.00   |
| 19   | Reconciliation Adjustment to recover in 3rd quarter 2009                    | \$ 3,357,859.25  | \$ 1,381,214.95  | \$ 1,575,958.73  | \$ 400,685.57     |
| 20   | Projected Retail Energy (kWh)   | 5,533,748,000    | 2,096,486,000    | 2,701,908,000    | 735,353,000       |
| 21   | Total RA Rate (Line 13 / Line 14) To Page 1 Line 10                         |                  | 0.0659           | 0.0583           | 0.0545 \$/kWh     |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | January 2009     | Residential<br>January 2009 | Non-Residential<br>January 2009 | Voltage<br>Reduction<br>January 2009 |
|--|--|------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                  |                             |                                 |                                      |
| 1  | Net Includable Fuel  |                  | \$ 56,797,217.89            | \$ 56,797,217.89                | \$ 56,797,217.89                     |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933         | 0.938933                    | 0.938933                        | 0.938933                             |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 53,328,782.19 | \$ 53,328,782.19            | \$ 53,328,782.19                | \$ 53,328,782.19                     |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                  | \$ (476,197.98)             | \$ (476,197.98)                 | \$ (476,197.98)                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                  | \$ (1,512,437.95)           | \$ (1,512,437.95)               | \$ (1,512,437.95)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 51,340,146.26 | \$ 51,340,146.26            | \$ 51,340,146.26                | \$ 51,340,146.26                     |
| 7  | Total Generation and Purchase Power (per books)                          |                  | 1,965,742.381               | 1,965,742.381                   | 1,965,742.381                        |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 120,041,990      | 120,041,990                 | 120,041,990                     | 120,041,990                          |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,845,700.391    | 1,845,700.391               | 1,845,700.391                   | 1,845,700.391                        |
| 10   | kWh Subject to FPP   | 1,803,967.408    | 778,527.219                 | 813,759.335                     | 211,680.854                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 97.74%           | 42.16%                      | 44.09%                          | 11.47%                               |
| 12   | Amount Recovered in Base Rates   | \$ -             | \$ -                        | \$ -                            | \$ -                                 |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 40,153,016.46 | \$ 17,195,748.93            | \$ 17,843,950.95                | \$ 5,113,316.58                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 40,153,016.46 | \$ 17,195,748.93            | \$ 17,843,950.95                | \$ 5,113,316.58                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 50,179,858.95 | \$ 21,655,273.69            | \$ 22,635,870.48                | \$ 5,888,714.78                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 10,026,842.49 | \$ 4,459,524.76             | \$ 4,791,919.53                 | \$ 775,398.20                        |
| <b>Emissions Allowance Component (EA)</b>          |  |                  |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,803,967.408    | 778,527.219                 | 813,759.335                     | 211,680.854                          |
| 18   | EA Expense Allocated to FPP  |                  | \$ 1,170,773.28             | \$ 1,223,756.43                 | \$ 318,332.21                        |
| 19   | EA Sales Margin Allocated to FPP   |                  | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 2,712,861.92  | \$ 1,170,773.28             | \$ 1,223,756.43                 | \$ 318,332.21                        |
| 21   | EA Expense Recovered in Base Rates                                       | \$ -             | \$ -                        | \$ -                            | \$ -                                 |
| 22   | EA Revenue in FPP (per books)  | \$ 2,083,110.12  | \$ 891,934.24               | \$ 925,556.13                   | \$ 265,619.75                        |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 629,751.80    | \$ 278,839.04               | \$ 298,200.30                   | \$ 52,712.46                         |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                  |                             |                                 |                                      |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ -             | \$ -                        | \$ -                            | \$ -                                 |
| 25   | Actual RA recovery through FPP   | \$ -             | \$ -                        | \$ -                            | \$ -                                 |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ -             | \$ -                        | \$ -                            | \$ -                                 |
| <b>System Loss Component (SLA)</b>                 |  |                  |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882  | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,777,396.78  | \$ 777,748.69               | \$ 812,945.58                   | \$ 186,702.51                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,082,460.61  | \$ 494,280.23               | \$ 512,912.36                   | \$ 75,268.02                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,390,049.06  | \$ 1,462,988.18             | \$ 1,529,233.30                 | \$ 387,829.58                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 530,191.67    | \$ 190,957.26               | \$ 203,375.36                   | \$ 135,859.05                        |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 11,186,785.96 | \$ 4,929,321.06             | \$ 5,293,495.19                 | \$ 963,969.71                        |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | February 2009     | Residential<br>February 2009 | Non-Residential<br>February 2009 | Voltage<br>Reduction<br>February 2009 |
|--|--|-------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 50,012,727.07  | \$ 50,012,727.07             | \$ 50,012,727.07                 | \$ 50,012,727.07                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 46,958,599.86  | \$ 46,958,599.86             | \$ 46,958,599.86                 | \$ 46,958,599.86                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (73,280.90)    | \$ (73,280.90)               | \$ (73,280.90)                   | \$ (73,280.90)                        |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,099,415.04) | \$ (1,099,415.04)            | \$ (1,099,415.04)                | \$ (1,099,415.04)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 45,785,903.92  | \$ 45,785,903.92             | \$ 45,785,903.92                 | \$ 45,785,903.92                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,615,841,372     | 1,615,841,372                | 1,615,841,372                    | 1,615,841,372                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,674,585        | 98,674,585                   | 98,674,585                       | 98,674,585                            |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,517,166,787     | 1,517,166,787                | 1,517,166,787                    | 1,517,166,787                         |
| 10   | kWh Subject to FPP   | 1,728,097,050     | 743,318,683                  | 788,396,644                      | 196,381,723                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 113.90%           | 48.99%                       | 51.97%                           | 12.94%                                |
| 12   | Amount Recovered in Base Rates   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 42,648,651.27  | \$ 18,345,545.64             | \$ 19,456,707.44                 | \$ 4,846,398.19                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 42,648,651.27  | \$ 18,345,545.64             | \$ 19,456,707.44                 | \$ 4,846,398.19                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 52,150,144.56  | \$ 22,430,514.32             | \$ 23,794,934.27                 | \$ 5,924,695.97                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 9,501,493.29   | \$ 4,084,968.68              | \$ 4,338,226.83                  | \$ 1,078,297.78                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,728,097,050     | 743,318,683                  | 788,396,644                      | 196,381,723                           |
| 18   | EA Expense Allocated to FPP  | \$ 829,420.00     | \$ 829,420.00                | \$ 879,719.51                    | \$ 219,129.33                         |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 1,928,268.84   | \$ 829,420.00                | \$ 879,719.51                    | \$ 219,129.33                         |
| 21   | EA Expense Recovered in Base Rates                                       | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 22   | EA Revenue in FPP (per books)  | \$ 2,212,636.75   | \$ 951,573.58                | \$ 1,009,208.94                  | \$ 251,754.23                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (284,267.91)   | \$ (122,153.58)              | \$ (129,489.43)                  | \$ (32,624.90)                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                              |                                  |                                       |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 25   | Actual RA recovery through FPP   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| <b>System Loss Component (SLA)</b>                 |  |                   |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,703,392.29   | \$ 742,575.36                | \$ 787,608.25                    | \$ 173,208.68                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,157,939.30   | \$ 527,330.36                | \$ 559,269.96                    | \$ 71,338.98                          |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,478,650.89   | \$ 1,496,216.92              | \$ 1,587,229.91                  | \$ 395,204.08                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)            | \$ 617,319.30     | \$ 226,311.20                | \$ 240,351.70                    | \$ 150,656.40                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 9,834,544.68   | \$ 4,189,126.30              | \$ 4,449,089.10                  | \$ 1,196,329.28                       |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | March 2009       | Residential<br>March 2009 | Non-Residential<br>March 2009 | Voltage<br>Reduction<br>March 2009 |
|--|--|------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                  |                           |                               |                                    |
| 1  | Net Includable Fuel  |                  | \$ 51,834,517.07          | \$ 51,834,517.07              | \$ 51,834,517.07                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933         | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 48,669,138.61 | \$ 48,669,138.61          | \$ 48,669,138.61              | \$ 48,669,138.61                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                  | \$ (640,302.09)           | \$ (640,302.09)               | \$ (640,302.09)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                  | \$ (618,586.63)           | \$ (618,586.63)               | \$ (618,586.63)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 47,410,249.89 | \$ 47,410,249.89          | \$ 47,410,249.89              | \$ 47,410,249.89                   |
| 7  | Total Generation and Purchase Power (per books)                          |                  | 1,596,411,454             | 1,596,411,454                 | 1,596,411,454                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 97,488,058       | 97,488,058                | 97,488,058                    | 97,488,058                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,498,923,396    | 1,498,923,396             | 1,498,923,396                 | 1,498,923,396                      |
| 10   | kWh Subject to FPP   | 1,529,669,358    | 575,292,037               | 740,528,431                   | 213,848,890                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 102.05%          | 38.38%                    | 49.40%                        | 14.27%                             |
| 12   | Amount Recovered in Base Rates   | \$ -             | \$ -                      | \$ -                          | \$ -                               |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 37,777,660.02 | \$ 14,201,503.14          | \$ 18,301,236.42              | \$ 5,274,920.46                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 37,777,660.02 | \$ 14,201,503.14          | \$ 18,301,236.42              | \$ 5,274,920.46                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 48,382,160.01 | \$ 18,196,053.91          | \$ 23,420,663.44              | \$ 6,765,442.66                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 10,604,499.99 | \$ 3,994,550.77           | \$ 5,119,427.02               | \$ 1,490,522.20                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                  |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,529,669,358    | 575,292,037               | 740,528,431                   | 213,848,890                        |
| 18   | EA Expense Allocated to FPP  |                  | \$ 1,710,210.44           | \$ 2,201,420.10               | \$ 635,723.39                      |
| 19   | EA Sales Margin Allocated to FPP   |                  | \$ (452,096.36)           | \$ (581,948.30)               | \$ (168,054.32)                    |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 3,345,254.93  | \$ 1,258,114.06           | \$ 1,619,471.80               | \$ 467,669.07                      |
| 21   | EA Expense Recovered in Base Rates                                       | \$ -             | \$ -                      | \$ -                          | \$ -                               |
| 22   | EA Revenue in FPP (per books)  | \$ 1,959,914.14  | \$ 736,624.33             | \$ 949,275.28                 | \$ 274,014.53                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 1,385,340.79  | \$ 521,489.73             | \$ 670,196.52                 | \$ 193,654.54                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                  |                           |                               |                                    |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ -             | \$ -                      | \$ -                          | \$ -                               |
| 25   | Actual RA recovery through FPP   | \$ -             | \$ -                      | \$ -                          | \$ -                               |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ -             | \$ -                      | \$ -                          | \$ -                               |
| <b>System Loss Component (SLA)</b>                 |  |                  |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882  | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,503,119.36  | \$ 574,716.74             | \$ 739,787.90                 | \$ 188,614.72                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,011,916.20  | \$ 408,212.65             | \$ 526,056.72                 | \$ 77,646.83                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,230,268.71  | \$ 1,214,872.25           | \$ 1,563,606.96               | \$ 451,699.50                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)            | \$ 715,233.15    | \$ 231,942.86             | \$ 297,852.34                 | \$ 185,437.95                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 12,705,073.93 | \$ 4,747,983.36           | \$ 6,087,475.88               | \$ 1,869,614.69                    |



**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Voltage-Adjusted System Loss Adjustment**  
**July 2009 through September 2009**

| Line   | Description   | Distribution<br>(A) | Transmission<br>(B) | Total Losses                           |                                 |
|--|---|---------------------|---------------------|--|---------------------------------|
|  |   |                     |                     | Voltage Adjusted<br>Methodology<br>(C) | No Voltage<br>Adjustment<br>(D) |
| <u>Calculation of Base Rate Recovery of Losses</u>                   |   |                     |                     |  |                                 |
| 1  | FC Rate Basis for SLA (\$/kWh)                            | 1.5353              | 1.5353              | 1.5353                                 | 1.5353                          |
| 2  | Energy Loss Factors from 92-1464-EL-AIR                   | 6.847%              | 3.134%              | 5.743%                                 | 6.504%                          |
| 3  | Losses in MBSSO (\$/kWh) (Line 1 * Line 2)                | 0.1051              | 0.0481              | 0.0882                                 | 0.0999                          |
| 4  | Current FC Rate (\$/kWh) (Per Filing)                     | 3.0195              | 3.0195              | 3.0195                                 | 3.0195                          |
| 5  | Projected Sales at Meter (kWh) <sup>(6)</sup>             | 4,798,395,000       | 735,353,000         | 5,533,748,000                          | 5,533,748,000                   |
| 6  | Energy Loss Factors from 92-1464-EL-AIR (Line 2)          | 6.847%              | 3.134%              | 5.743%                                 | 6.504%                          |
| 7  | Energy Sales at the Busbar (kWh) (Line 5 * (1 + Line 6))  | 5,126,929,517       | 758,395,417         | 5,851,548,243                          | 5,893,655,884                   |
| 8  | Energy Losses (kWh) (Line 7 - Line 5)                     | 328,534,517         | 23,042,417          | 317,800,243                            | 359,907,884                     |
| 9  | Value of Losses (Line 8 * Line 4)                         | 9,920,099.74        | 695,765.78          | 9,595,978.34                           | 10,867,418.56                   |
| 10   | Average Losses Rate (\$/kWh) (Line 9 + Line 5)            | 0.2067              | 0.0946              | 0.1734                                 | 0.1964                          |
| 11   | Losses in MBSSO (\$/kWh) (Line 3)                         | 0.1051              | 0.0481              | 0.0882                                 | 0.0999                          |
| 12   | System Loss Adjustment (\$/kWh) (Line 10 - Line 11)       | 0.1016              | 0.0465              | 0.0852                                 | 0.0965                          |
| 13   | Synchronization Adj. (\$/kWh) (L.12, Column D - Column C) | 0.0113              | 0.0113              | 0.0113                                 | -                               |
| 14   | Adjusted SLA (\$/kWh) (Line 12 + Line 13)                 | 0.1129              | 0.0578              | 0.0965                                 | 0.0965                          |
| <b>Total SLA Rate (Line 14, Columns A &amp; B) To Page 1 Line 11</b> |   |                     |                     |  |                                 |

Notes: <sup>(6)</sup> Projected Sales at Meter for 1st quarter 2009 were provided by the Load Forecasting Department.

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2009 through September 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | January 2008      | Residential<br>January 2008 | Non-Residential<br>January 2008 | Voltage<br>Reduction<br>January 2008 |
|--|--|-------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                             |                                 |                                      |
| 1  | Net Includable Fuel  | \$ 46,761,105.14  | \$ 46,761,105.14            | \$ 46,761,105.14                | \$ 46,761,105.14                     |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                    | 0.938933                        | 0.938933                             |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 43,905,544.73  | \$ 43,905,544.73            | \$ 43,905,544.73                | \$ 43,905,544.73                     |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (188,980.59)   | \$ (188,980.59)             | \$ (188,980.59)                 | \$ (188,980.59)                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (3,085,355.38) | \$ (3,085,355.38)           | \$ (3,085,355.38)               | \$ (3,085,355.38)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,631,208.76  | \$ 40,631,208.76            | \$ 40,631,208.76                | \$ 40,631,208.76                     |
| 7  | Total Generation and Purchase Power (per books)                          | 2,003,380,500     | 2,003,380,500               | 2,003,380,500                   | 2,003,380,500                        |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 122,340,437       | 122,340,437                 | 122,340,437                     | 122,340,437                          |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,881,040,063     | 1,881,040,063               | 1,881,040,063                   | 1,881,040,063                        |
| 10   | kWh Subject to FPP   | 1,885,383,075     | 758,879,077                 | 822,985,542                     | 283,518,456                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 99.17%            | 40.35%                      | 43.75%                          | 15.07%                               |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 22,994,577.17  | \$ 9,364,702.38             | \$ 10,144,942.78                | \$ 3,494,932.01                      |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,289,056.90  | \$ 9,058,325.11             | \$ 9,808,950.76                 | \$ 3,421,781.03                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 45,283,634.07  | \$ 18,413,027.49            | \$ 19,953,893.54                | \$ 6,916,713.04                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 40,293,969.73  | \$ 16,394,692.74            | \$ 17,776,153.83                | \$ 6,123,123.76                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (4,989,664.34) | \$ (2,018,334.75)           | \$ (2,177,739.71)               | \$ (793,589.88)                      |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,885,383,075     | 758,879,077                 | 822,985,542                     | 283,518,456                          |
| 18   | EA Expense Allocated to FPP  | \$ 499,700.45     | \$ 203,289.19               | \$ 220,462.09                   | \$ 75,949.17                         |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 499,700.45     | \$ 203,289.19               | \$ 220,462.09                   | \$ 75,949.17                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 235,038.27     | \$ 95,618.76                | \$ 103,666.18                   | \$ 35,723.33                         |
| 22   | EA Revenue in FPP (per books)  | \$ 181,007.93     | \$ 73,580.25                | \$ 79,674.24                    | \$ 27,753.44                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 83,654.25      | \$ 34,090.18                | \$ 37,091.67                    | \$ 12,472.40                         |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                             |                                 |                                      |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ (5,787,658.96) | \$ (2,765,119.38)           | \$ (2,641,279.85)               | \$ (381,259.73)                      |
| 25   | Actual RA recovery through FPP   | \$ (6,375,840.25) | \$ (3,016,790.16)           | \$ (2,928,404.00)               | \$ (430,646.09)                      |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 588,181.29     | \$ 251,670.78               | \$ 287,124.15                   | \$ 49,386.36                         |
| <b>System Loss Component (SLA)</b>                 |  |                   |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AJR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,830,346.04   | \$ 758,120.20               | \$ 822,162.56                   | \$ 250,063.28                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,169,428.14   | \$ 513,735.96               | \$ 556,216.37                   | \$ 99,475.81                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,831,859.26   | \$ 1,152,218.63             | \$ 1,249,307.68                 | \$ 430,332.95                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (167,914.92)   | \$ (119,637.53)             | \$ (129,071.25)                 | \$ 80,793.86                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (4,485,743.72) | \$ (1,852,211.32)           | \$ (1,982,595.14)               | \$ (650,937.26)                      |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | January 2008      | Residential<br>January 2008 | Non-Residential<br>January 2008 | Voltage<br>Reduction<br>January 2008 |
|--|--|-------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                             |                                 |                                      |
| 1  | Net Includable Fuel  |                   | \$ 46,761,106.14            | \$ 46,761,106.14                | \$ 46,761,106.14                     |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                    | 0.938933                        | 0.938933                             |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 43,905,544.73  | \$ 43,905,544.73            | \$ 43,905,544.73                | \$ 43,905,544.73                     |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (188,980.59)             | \$ (188,980.59)                 | \$ (188,980.59)                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (3,085,355.38)           | \$ (3,085,355.38)               | \$ (3,085,355.38)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,631,208.76  | \$ 40,631,208.76            | \$ 40,631,208.76                | \$ 40,631,208.76                     |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 2,003,380,500               | 2,003,380,500                   | 2,003,380,500                        |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 122,340,437       | 122,340,437                 | 122,340,437                     | 122,340,437                          |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,881,040,063     | 1,881,040,063               | 1,881,040,063                   | 1,881,040,063                        |
| 10   | kWh Subject to FPP   | 1,865,383,075     | 758,879,077                 | 822,985,542                     | 283,518,456                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 99.17%            | 40.35%                      | 43.75%                          | 15.07%                               |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 22,994,577.17  | \$ 9,354,702.38             | \$ 10,144,942.78                | \$ 3,494,932.01                      |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,289,058.90  | \$ 9,058,325.11             | \$ 9,808,950.76                 | \$ 3,421,781.03                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 45,283,636.07  | \$ 18,413,027.49            | \$ 19,953,893.54                | \$ 6,916,713.04                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 40,293,969.73  | \$ 16,394,692.74            | \$ 17,776,163.83                | \$ 6,123,123.16                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (4,989,664.34) | \$ (2,018,334.75)           | \$ (2,177,739.71)               | \$ (793,589.88)                      |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,865,383,075     | 758,879,077                 | 822,985,542                     | 283,518,456                          |
| 18   | EA Expense Allocated to FPP  |                   | \$ 208,782.33               | \$ 226,419.26                   | \$ 78,001.42                         |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 513,203.00     | \$ 208,782.33               | \$ 226,419.26                   | \$ 78,001.42                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 235,038.27     | \$ 96,618.76                | \$ 103,696.18                   | \$ 35,723.33                         |
| 22   | EA Revenue in FPP (per books)  | \$ 181,007.93     | \$ 73,580.25                | \$ 79,674.24                    | \$ 27,753.44                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 97,156.80      | \$ 39,583.32                | \$ 43,048.84                    | \$ 14,524.65                         |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                             |                                 |                                      |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ (5,787,658.96) | \$ (2,765,119.38)           | \$ (2,641,279.85)               | \$ (381,259.73)                      |
| 25   | Actual RA recovery through FPP   | \$ (6,375,840.25) | \$ (3,016,790.16)           | \$ (2,928,404.00)               | \$ (430,846.09)                      |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 588,181.29     | \$ 251,670.78               | \$ 287,124.15                   | \$ 49,886.36                         |
| <b>System Loss Component (SLA)</b>                 |  |                   |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,830,346.04   | \$ 758,120.20               | \$ 822,162.56                   | \$ 250,063.28                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,169,428.14   | \$ 513,735.96               | \$ 558,218.37                   | \$ 99,475.81                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,831,859.26   | \$ 1,152,218.63             | \$ 1,249,307.68                 | \$ 430,332.95                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (167,914.92)   | \$ (119,637.53)             | \$ (129,071.25)                 | \$ 80,793.86                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (4,472,241.17) | \$ (1,846,718.18)           | \$ (1,976,637.97)               | \$ (648,885.01)                      |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5A, Line 32)                | \$ (4,485,743.72) | \$ (1,852,211.32)           | \$ (1,982,595.14)               | \$ (650,937.26)                      |
| 34   | Net Adjustment for January 2008 (Line 32 - Line 33) To Page 3 Line 15    | \$ 13,502.55      | \$ 5,493.14                 | \$ 5,957.17                     | \$ 2,052.24                          |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | February 2008     | Residential<br>February 2008 | Non-Residential<br>February 2008 | Voltage<br>Reduction<br>February 2008 |
|--|--|-------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 48,071,792.08  | \$ 48,071,792.08             | \$ 48,071,792.08                 | \$ 48,071,792.08                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 45,136,191.95  | \$ 45,136,191.95             | \$ 45,136,191.95                 | \$ 45,136,191.95                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (2,253,265.70) | \$ (2,253,265.70)            | \$ (2,253,265.70)                | \$ (2,253,265.70)                     |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,913,505.39) | \$ (1,913,505.39)            | \$ (1,913,505.39)                | \$ (1,913,505.39)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,969,420.86  | \$ 40,969,420.86             | \$ 40,969,420.86                 | \$ 40,969,420.86                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,846,502,163     | 1,846,502,163                | 1,846,502,163                    | 1,846,502,163                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 112,760,348       | 112,760,348                  | 112,760,348                      | 112,760,348                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,733,741,815     | 1,733,741,815                | 1,733,741,815                    | 1,733,741,815                         |
| 10   | kWh Subject to FPP   | 1,754,838,409     | 694,018,506                  | 782,799,721                      | 278,020,182                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.22%           | 40.03%                       | 45.15%                           | 16.04%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,831,893.06  | \$ 8,555,166.12              | \$ 9,649,572.16                  | \$ 3,427,154.78                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,923,083.24  | \$ 8,283,419.97              | \$ 9,319,274.24                  | \$ 3,320,389.03                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 42,554,976.30  | \$ 16,838,586.09             | \$ 18,968,846.40                 | \$ 6,747,543.81                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,469,247.79  | \$ 16,400,059.17             | \$ 18,497,693.52                 | \$ 6,571,495.10                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,085,728.51) | \$ (438,526.92)              | \$ (471,152.88)                  | \$ (178,048.71)                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,754,838,409     | 694,018,506                  | 782,799,721                      | 278,020,182                           |
| 18   | EA Expense Allocated to FPP  | \$ 402,135.00     | \$ 159,039.79                | \$ 179,384.70                    | \$ 63,710.51                          |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 402,135.00     | \$ 159,039.79                | \$ 179,384.70                    | \$ 63,710.51                          |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 221,109.64     | \$ 87,446.33                 | \$ 98,632.77                     | \$ 35,030.54                          |
| 22   | EA Revenue in FPP (per books)  | \$ 169,913.60     | \$ 67,285.74                 | \$ 75,696.79                     | \$ 26,931.07                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 11,111.76      | \$ 4,307.72                  | \$ 5,055.14                      | \$ 1,748.90                           |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                              |                                  |                                       |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,858.96) | \$ (2,785,119.38)            | \$ (2,641,279.85)                | \$ (381,259.73)                       |
| 25   | Actual RA recovery through FPP   | \$ (5,958,814.73) | \$ (2,758,715.28)            | \$ (2,782,213.98)                | \$ (417,885.47)                       |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 171,155.77     | \$ (6,404.10)                | \$ 140,934.13                    | \$ 36,625.74                          |
| <b>System Loss Component (SLA)</b>                 |  |                   |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,720,555.21   | \$ 693,324.49                | \$ 782,016.92                    | \$ 245,213.60                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,094,786.29   | \$ 469,787.81                | \$ 528,449.27                    | \$ 96,526.21                          |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,971,414.45   | \$ 1,175,120.73              | \$ 1,325,423.46                  | \$ 470,870.26                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 156,093.95     | \$ 12,008.43                 | \$ 14,957.27                     | \$ 129,128.25                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (747,367.03)   | \$ (428,614.87)              | \$ (310,206.34)                  | \$ (8,545.82)                         |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | February 2008     | Residential<br>February 2008 | Non-Residential<br>February 2008 | Voltage<br>Reduction<br>February 2008 |
|--|--|-------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 48,071,792.08  | \$ 48,071,792.08             | \$ 48,071,792.08                 | \$ 48,071,792.08                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 45,136,191.95  | \$ 45,136,191.95             | \$ 45,136,191.95                 | \$ 45,136,191.95                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (2,253,265.70) | \$ (2,253,265.70)            | \$ (2,253,265.70)                | \$ (2,253,265.70)                     |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,913,505.39) | \$ (1,913,505.39)            | \$ (1,913,505.39)                | \$ (1,913,505.39)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,969,420.86  | \$ 40,969,420.86             | \$ 40,969,420.86                 | \$ 40,969,420.86                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,846,502,163     | 1,846,502,163                | 1,846,502,163                    | 1,846,502,163                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 112,760,348       | 112,760,348                  | 112,760,348                      | 112,760,348                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,733,741,815     | 1,733,741,815                | 1,733,741,815                    | 1,733,741,815                         |
| 10   | kWh Subject to FPP   | 1,754,838,409     | 694,018,506                  | 782,799,721                      | 278,020,182                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.22%           | 40.03%                       | 45.15%                           | 16.04%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,631,893.06  | \$ 8,555,166.12              | \$ 9,649,572.16                  | \$ 3,427,154.78                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,923,083.24  | \$ 8,283,419.97              | \$ 9,319,274.24                  | \$ 3,320,389.03                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 42,554,976.30  | \$ 16,838,586.09             | \$ 18,968,846.40                 | \$ 6,747,543.81                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,469,247.79  | \$ 16,400,059.17             | \$ 18,497,693.52                 | \$ 6,571,495.10                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,085,728.51) | \$ (438,626.92)              | \$ (471,152.88)                  | \$ (176,048.71)                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,754,838,409     | 694,018,506                  | 782,799,721                      | 278,020,182                           |
| 18   | EA Expense Allocated to FPP  | \$ 160,724.18     | \$ 181,284.56                | \$ 64,385.26                     | \$                                    |
| 19   | EA Sales Margin Allocated to FPP   | \$                | \$                           | \$                               | \$                                    |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 406,394.00     | \$ 160,724.18                | \$ 181,284.56                    | \$ 64,385.26                          |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 221,109.64     | \$ 87,446.33                 | \$ 98,632.77                     | \$ 35,030.54                          |
| 22   | EA Revenue in FPP (per books)  | \$ 169,913.60     | \$ 67,285.74                 | \$ 75,696.79                     | \$ 26,931.07                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 15,370.76      | \$ 5,992.11                  | \$ 6,955.00                      | \$ 2,423.65                           |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                              |                                  |                                       |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,658.96) | \$ (2,765,119.38)            | \$ (2,641,279.85)                | \$ (381,259.73)                       |
| 25   | Actual RA recovery through FPP   | \$ (5,958,814.73) | \$ (2,758,715.28)            | \$ (2,782,213.98)                | \$ (417,885.47)                       |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 171,155.77     | \$ (6,404.10)                | \$ 140,934.13                    | \$ 36,625.74                          |
| <b>System Loss Component (SLA)</b>                 |  |                   |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 82-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,720,555.21   | \$ 693,324.49                | \$ 782,016.92                    | \$ 245,213.80                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,094,765.29   | \$ 469,787.81                | \$ 528,449.27                    | \$ 96,528.21                          |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,971,414.45   | \$ 1,175,120.73              | \$ 1,325,423.46                  | \$ 470,870.26                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 156,093.95     | \$ 12,008.43                 | \$ 14,957.27                     | \$ 129,128.25                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (743,106.03)   | \$ (426,930.48)              | \$ (308,306.48)                  | \$ (7,871.07)                         |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5C, Line 32)                | \$ (747,367.03)   | \$ (428,614.87)              | \$ (310,206.34)                  | \$ (8,545.82)                         |
| 34   | Net Adjustment for February 2008 (Line 32 - Line 33) To Page 3 Line 14   | \$ 4,259.00       | \$ 1,684.39                  | \$ 1,899.86                      | \$ 674.75                             |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2009 through September 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | March 2009        | Residential<br>March 2009 | Non-Residential<br>March 2009 | Voltage<br>Reduction<br>March 2009 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  | \$ 45,045,834.20  | \$ 45,045,834.20          | \$ 45,045,834.20              | \$ 45,045,834.20                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 42,295,020.24  | \$ 42,295,020.24          | \$ 42,295,020.24              | \$ 42,295,020.24                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ 222,851.44     | \$ 222,851.44             | \$ 222,851.44                 | \$ 222,851.44                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,425,000.68) | \$ (1,425,000.68)         | \$ (1,425,000.68)             | \$ (1,425,000.68)                  |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 41,092,871.00  | \$ 41,092,871.00          | \$ 41,092,871.00              | \$ 41,092,871.00                   |
| 7  | Total Generation and Purchase Power (per books)                          | 1,795,978,466     | 1,795,978,466             | 1,795,978,466                 | 1,795,978,466                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 109,675,017       | 109,675,017               | 109,675,017                   | 109,675,017                        |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,686,303,449     | 1,686,303,449             | 1,686,303,449                 | 1,686,303,449                      |
| 10   | kWh Subject to FPP   | 1,704,312,220     | 882,517,481               | 774,725,876                   | 267,069,063                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.07%           | 39.29%                    | 45.94%                        | 15.84%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,009,056.74  | \$ 8,166,852.99           | \$ 9,550,043.41               | \$ 3,292,160.34                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,330,074.77  | \$ 7,911,083.35           | \$ 9,229,402.08               | \$ 3,189,609.34                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 41,339,131.51  | \$ 16,077,936.34          | \$ 18,779,445.49              | \$ 6,481,769.68                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,532,564.72  | \$ 16,145,389.01          | \$ 18,878,064.94              | \$ 6,509,110.77                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 193,433.21     | \$ 67,472.67              | \$ 98,619.45                  | \$ 27,341.09                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,704,312,220     | 882,517,481               | 774,725,876                   | 267,069,063                        |
| 18   | EA Expense Allocated to FPP  | \$ 337,443.63     | \$ 131,174.50             | \$ 153,391.05                 | \$ 52,878.08                       |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 337,443.63     | \$ 131,174.50             | \$ 153,391.05                 | \$ 52,878.08                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 214,743.34     | \$ 83,477.20              | \$ 97,615.44                  | \$ 33,650.70                       |
| 22   | EA Revenue in FPP (per books)  | \$ 185,088.24     | \$ 84,261.11              | \$ 74,966.79                  | \$ 25,870.34                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (42,397.95)    | \$ (18,563.81)            | \$ (19,191.18)                | \$ (6,642.96)                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,658.92) | \$ (2,785,119.37)         | \$ (2,641,279.84)             | \$ (381,259.71)                    |
| 25   | Actual RA recovery through FPP   | \$ (5,791,514.85) | \$ (2,834,705.40)         | \$ (2,755,383.18)             | \$ (401,426.27)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 3,855.93       | \$ (130,413.97)           | \$ 114,103.34                 | \$ 20,166.56                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,671,360.82   | \$ 661,654.96             | \$ 773,950.95                 | \$ 235,554.91                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,064,749.23   | \$ 448,669.89             | \$ 523,353.07                 | \$ 92,726.27                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,780,247.66   | \$ 1,080,794.80           | \$ 1,263,723.93               | \$ 435,728.93                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 44,137.61      | \$ (29,730.05)            | \$ (33,580.09)                | \$ 107,447.75                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 198,028.80     | \$ (109,235.16)           | \$ 159,951.52                 | \$ 148,312.44                      |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | March 2008        | Residential<br>March 2008 | Non-Residential<br>March 2008 | Voltage<br>Reduction<br>March 2008 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  |                   | \$ 45,045,834.20          | \$ 45,045,834.20              | \$ 45,045,834.20                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 42,295,020.24  | \$ 42,295,020.24          | \$ 42,295,020.24              | \$ 42,295,020.24                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ 222,851.44             | \$ 222,851.44                 | \$ 222,851.44                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (1,425,000.68)         | \$ (1,425,000.68)             | \$ (1,425,000.68)                  |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 41,092,871.00  | \$ 41,092,871.00          | \$ 41,092,871.00              | \$ 41,092,871.00                   |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,795,978,488             | 1,795,978,488                 | 1,795,978,488                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 109,675,017       | 109,675,017               | 109,675,017                   | 109,675,017                        |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,686,303,449     | 1,686,303,449             | 1,686,303,449                 | 1,686,303,449                      |
| 10   | kWh Subject to FPP   | 1,704,312,220     | 662,517,481               | 774,725,676                   | 267,069,063                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.07%           | 39.20%                    | 45.94%                        | 15.84%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,009,056.74  | \$ 8,166,852.99           | \$ 9,550,043.41               | \$ 3,292,160.34                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,330,074.77  | \$ 7,911,063.35           | \$ 9,229,402.08               | \$ 3,189,609.34                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 41,339,131.51  | \$ 16,077,916.34          | \$ 18,779,445.49              | \$ 6,481,769.68                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,532,564.72  | \$ 16,145,389.01          | \$ 18,878,064.94              | \$ 6,509,110.77                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 193,433.21     | \$ 67,472.67              | \$ 98,619.45                  | \$ 27,341.09                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,704,312,220     | 662,517,481               | 774,725,676                   | 267,069,063                        |
| 18   | EA Expense Allocated to FPP  |                   | \$ 130,932.08             | \$ 153,107.57                 | \$ 52,780.35                       |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                      | \$ -                          | \$ -                               |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 336,820.00     | \$ 130,932.08             | \$ 153,107.57                 | \$ 52,780.35                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 214,743.34     | \$ 83,477.20              | \$ 97,615.44                  | \$ 33,650.70                       |
| 22   | EA Revenue in FPP (per books)  | \$ 165,098.24     | \$ 84,261.11              | \$ 74,968.79                  | \$ 25,870.34                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (43,021.56)    | \$ (16,806.23)            | \$ (19,474.66)                | \$ (6,740.69)                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,658.92) | \$ (2,765,119.37)         | \$ (2,641,279.84)             | \$ (361,259.71)                    |
| 25   | Actual RA recovery through FPP   | \$ (5,791,514.85) | \$ (2,834,705.40)         | \$ (2,755,383.18)             | \$ (401,426.27)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 3,855.93       | \$ (130,413.97)           | \$ 114,103.34                 | \$ 20,166.56                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,671,360.82   | \$ 661,654.96             | \$ 773,950.95                 | \$ 235,554.91                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,064,749.23   | \$ 448,669.89             | \$ 523,353.07                 | \$ 92,726.27                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,780,247.66   | \$ 1,080,794.80           | \$ 1,263,723.93               | \$ 435,728.93                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 44,137.61      | \$ (29,730.05)            | \$ (33,580.09)                | \$ 107,447.75                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 196,405.17     | \$ (109,477.58)           | \$ 159,668.04                 | \$ 148,214.71                      |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5E, Line 32)                | \$ 199,028.80     | \$ (109,235.16)           | \$ 159,951.52                 | \$ 148,312.44                      |
| 34   | Net Adjustment for March 2008 (Line 32 - Line 33) To Page 3 Line 13      | \$ (23.63)        | \$ (242.42)               | \$ (283.48)                   | \$ (97.73)                         |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2009 through September 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | APRIL 2008        | Residential<br>APRIL 2008 | Non-Residential<br>APRIL 2008 | Voltage<br>Reduction<br>APRIL 2008 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  | \$ 39,480,130.59  | \$ 39,480,130.59          | \$ 39,480,130.59              | \$ 39,480,130.59                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 37,069,197.46  | \$ 37,069,197.46          | \$ 37,069,197.46              | \$ 37,069,197.46                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (971,734.24)   | \$ (971,734.24)           | \$ (971,734.24)               | \$ (971,734.24)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,215,426.98) | \$ (1,215,426.98)         | \$ (1,215,426.98)             | \$ (1,215,426.98)                  |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 34,882,036.24  | \$ 34,882,036.24          | \$ 34,882,036.24              | \$ 34,882,036.24                   |
| 7  | Total Generation and Purchase Power (per books)                          | 1,569,304,567     | 1,569,304,567             | 1,569,304,567                 | 1,569,304,567                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 95,832,722        | 95,832,722                | 95,832,722                    | 95,832,722                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,473,471,845     | 1,473,471,845             | 1,473,471,845                 | 1,473,471,845                      |
| 10   | kWh Subject to FPP   | 1,555,289,363     | 522,140,598               | 755,195,478                   | 277,953,287                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 105.55%           | 35.44%                    | 51.25%                        | 18.86%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 19,172,051.98  | \$ 6,436,427.15           | \$ 9,309,294.66               | \$ 3,426,330.17                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 19,257,332.53  | \$ 6,475,603.85           | \$ 9,357,272.37               | \$ 3,424,458.31                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 38,429,384.51  | \$ 12,912,031.00          | \$ 18,666,567.03              | \$ 6,850,788.48                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 36,817,989.25  | \$ 12,362,193.64          | \$ 17,877,043.57              | \$ 6,578,782.04                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,611,395.26) | \$ (549,837.36)           | \$ (789,523.46)               | \$ (272,034.44)                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,555,289,363     | 522,140,598               | 755,195,478                   | 277,953,287                        |
| 18   | EA Expense Allocated to FPP  | \$ 339,012.14     | \$ 113,812.91             | \$ 164,612.73                 | \$ 60,586.50                       |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 339,012.14     | \$ 113,812.91             | \$ 164,612.73                 | \$ 60,586.50                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 195,966.46     | \$ 65,789.72              | \$ 95,154.63                  | \$ 35,022.11                       |
| 22   | EA Revenue in FPP (per books)  | \$ 99,360.57      | \$ 33,139.59              | \$ 48,469.32                  | \$ 17,751.66                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 43,685.11      | \$ 14,883.60              | \$ 20,988.78                  | \$ 7,812.73                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (1,739,754.16) | \$ (492,926.91)           | \$ (951,556.78)               | \$ (295,266.47)                    |
| 25   | Actual RA recovery through FPP   | \$ (1,790,853.33) | \$ (507,927.99)           | \$ (967,591.33)               | \$ (315,334.01)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 51,099.17      | \$ 14,999.08              | \$ 16,032.55                  | \$ 20,067.54                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,521,213.54   | \$ 521,518.46             | \$ 754,440.28                 | \$ 245,154.80                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,010,533.90   | \$ 372,183.12             | \$ 537,650.47                 | \$ 100,700.31                      |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,544,739.92   | \$ 854,434.70             | \$ 1,235,603.23               | \$ 454,701.99                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 12,992.48      | \$ (39,366.88)            | \$ (56,487.52)                | \$ 108,846.88                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (1,503,618.50) | \$ (559,321.56)           | \$ (808,989.65)               | \$ (135,307.29)                    |



**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | April 2008        | Residential<br>April 2008 | Non-Residential<br>April 2008 | Voltage<br>Reduction<br>April 2008 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  |                   | \$ 39,480,130.59          | \$ 39,480,130.69              | \$ 39,480,130.59                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 37,069,197.46  | \$ 37,069,197.46          | \$ 37,069,197.46              | \$ 37,069,197.46                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (971,734.24)           | \$ (971,734.24)               | \$ (971,734.24)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (1,216,426.98)         | \$ (1,216,426.98)             | \$ (1,216,426.98)                  |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 34,882,036.24  | \$ 34,882,036.24          | \$ 34,882,036.24              | \$ 34,882,036.24                   |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,569,304,567             | 1,569,304,567                 | 1,569,304,567                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 95,832,722        | 95,832,722                | 95,832,722                    | 95,832,722                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,473,471,845     | 1,473,471,845             | 1,473,471,845                 | 1,473,471,845                      |
| 10   | kWh Subject to FPP   | 1,555,289,363     | 522,140,598               | 755,195,478                   | 277,953,287                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 105.55%           | 35.44%                    | 51.25%                        | 18.80%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 19,172,051.98  | \$ 6,436,427.15           | \$ 9,309,284.66               | \$ 3,426,330.17                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 19,257,332.53  | \$ 6,475,603.85           | \$ 9,357,272.37               | \$ 3,424,456.31                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 38,429,384.51  | \$ 12,912,031.00          | \$ 18,666,557.03              | \$ 6,850,786.48                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 36,817,989.25  | \$ 12,362,193.64          | \$ 17,877,043.57              | \$ 6,578,752.04                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,611,395.26) | \$ (549,837.36)           | \$ (789,523.46)               | \$ (272,034.44)                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,555,289,363     | 522,140,598               | 755,195,478                   | 277,953,287                        |
| 18   | EA Expense Allocated to FPP  |                   | \$ 116,567.44             | \$ 168,596.73                 | \$ 62,052.83                       |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                      | \$ -                          | \$ -                               |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 347,217.00     | \$ 116,567.44             | \$ 168,596.73                 | \$ 62,052.83                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 195,966.46     | \$ 65,789.72              | \$ 95,154.63                  | \$ 35,022.11                       |
| 22   | EA Revenue in FPP (per books)  | \$ 99,360.57      | \$ 33,139.59              | \$ 48,409.32                  | \$ 17,751.66                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 51,889.97      | \$ 17,638.13              | \$ 24,972.78                  | \$ 9,279.06                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (1,739,754.16) | \$ (492,928.91)           | \$ (951,558.78)               | \$ (295,266.47)                    |
| 25   | Actual RA recovery through FPP   | \$ (1,790,853.33) | \$ (507,927.99)           | \$ (967,591.33)               | \$ (315,334.01)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 51,099.17      | \$ 14,999.08              | \$ 16,032.55                  | \$ 20,067.54                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,521,213.54   | \$ 521,618.46             | \$ 754,440.28                 | \$ 245,154.80                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,010,533.90   | \$ 372,183.12             | \$ 537,660.47                 | \$ 100,700.31                      |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,544,739.92   | \$ 854,434.70             | \$ 1,235,603.23               | \$ 454,701.99                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 12,992.48      | \$ (39,366.86)            | \$ (58,487.52)                | \$ 108,846.88                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (1,495,413.64) | \$ (556,567.03)           | \$ (805,005.65)               | \$ (133,840.96)                    |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5G, Line 32)                | \$ (1,503,618.50) | \$ (569,321.56)           | \$ (806,969.65)               | \$ (135,307.29)                    |
| 34   | Net Adjustment for April 2008 (Line 32 - Line 33) To Page 3 Line 12      | \$ 8,204.86       | \$ 2,754.53               | \$ 3,964.00                   | \$ 1,466.33                        |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | MAY 2008          | Residential<br>MAY 2008 | Non-Residential<br>MAY 2008 | Voltage<br>Reduction<br>MAY 2008 |
|--|--|-------------------|-------------------------|-----------------------------|----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                         |                             |                                  |
| 1  | Net Includable Fuel  | \$ 36,984,124.70  | \$ 36,984,124.70        | \$ 36,984,124.70            | \$ 36,984,124.70                 |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                | 0.938933                    | 0.938933                         |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 34,725,615.16  | \$ 34,725,615.16        | \$ 34,725,615.16            | \$ 34,725,615.16                 |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (2,038,308.65) | \$ (2,038,308.65)       | \$ (2,038,308.65)           | \$ (2,038,308.65)                |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,357,032.41) | \$ (1,357,032.41)       | \$ (1,357,032.41)           | \$ (1,357,032.41)                |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 31,330,274.10  | \$ 31,330,274.10        | \$ 31,330,274.10            | \$ 31,330,274.10                 |
| 7  | Total Generation and Purchase Power (per books)                          | 1,606,548,923     | 1,606,548,923           | 1,606,548,923               | 1,606,548,923                    |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,107,123        | 98,107,123              | 98,107,123                  | 98,107,123                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,508,441,800     | 1,508,441,800           | 1,508,441,800               | 1,508,441,800                    |
| 10   | kWh Subject to FPP   | 1,418,189,845     | 413,514,641             | 747,046,536                 | 257,628,668                      |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 94.02%            | 27.41%                  | 49.53%                      | 17.08%                           |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 17,482,026.22  | \$ 5,097,394.98         | \$ 9,208,842.65             | \$ 3,175,788.59                  |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 17,576,739.89  | \$ 5,126,848.43         | \$ 9,257,987.02             | \$ 3,191,904.44                  |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 35,058,766.11  | \$ 10,224,243.41        | \$ 18,466,829.67            | \$ 6,367,693.03                  |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 29,458,723.71  | \$ 8,587,628.13         | \$ 15,517,894.76            | \$ 5,351,210.82                  |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (5,602,042.40) | \$ (1,636,615.28)       | \$ (2,948,944.91)           | \$ (1,016,482.21)                |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                         |                             |                                  |
| 17   | kWh Subject to FPP (Line 11)   | 1,418,189,845     | 413,514,641             | 747,046,536                 | 257,628,668                      |
| 18   | EA Expense Allocated to FPP  | \$ 544,590.59     | \$ 158,791.28           | \$ 286,868.87               | \$ 98,930.44                     |
| 19   | EA Sales Margin Allocated to FPP   | \$ (395,671.52)   | \$ (115,389.58)         | \$ (208,424.17)             | \$ (71,877.77)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 148,919.07     | \$ 43,421.70            | \$ 78,444.70                | \$ 27,052.67                     |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 178,681.92     | \$ 52,102.84            | \$ 94,127.87                | \$ 32,461.21                     |
| 22   | EA Revenue in FPP (per books)  | \$ 90,738.39      | \$ 26,237.19            | \$ 47,955.04                | \$ 16,546.16                     |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (120,511.24)   | \$ (34,918.33)          | \$ (63,638.21)              | \$ (21,954.70)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                         |                             |                                  |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (1,738,754.16) | \$ (492,928.91)         | \$ (951,558.78)             | \$ (295,266.47)                  |
| 25   | Actual RA recovery through FPP   | \$ (1,653,380.09) | \$ (402,135.44)         | \$ (957,324.70)             | \$ (293,919.95)                  |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (86,374.07)    | \$ (90,793.47)          | \$ 5,765.92                 | \$ (1,346.52)                    |
| <b>System Loss Component (SLA)</b>                 |  |                   |                         |                             |                                  |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0899 / 0.0882   | 0.0999                  | 0.0999                      | 0.0882                           |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,386,629.11   | \$ 413,101.13           | \$ 746,299.49               | \$ 227,228.49                    |
| 29   | Actual SLA recovery through FPP  | \$ 920,471.44     | \$ 294,663.86           | \$ 531,945.73               | \$ 93,861.85                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,123,450.67   | \$ 619,057.46           | \$ 1,118,639.78             | \$ 385,753.43                    |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (183,649.88)   | \$ (88,707.53)          | \$ (159,605.44)             | \$ 64,663.09                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (5,992,577.59) | \$ (1,851,034.61)       | \$ (3,166,422.64)           | \$ (975,120.34)                  |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | May 2008          | Residential<br>May 2008 | Non-Residential<br>May 2008 | Voltage<br>Reduction<br>May 2008 |
|--|--|-------------------|-------------------------|-----------------------------|----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                         |                             |                                  |
| 1  | Net Includable Fuel  |                   |                         |                             |                                  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                | 0.938933                    | 0.938933                         |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 34,725,615.16  | \$ 34,725,615.16        | \$ 34,725,615.16            | \$ 34,725,615.16                 |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (2,038,308.65)       | \$ (2,038,308.65)           | \$ (2,038,308.65)                |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (1,357,032.41)       | \$ (1,357,032.41)           | \$ (1,357,032.41)                |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 31,330,274.10  | \$ 31,330,274.10        | \$ 31,330,274.10            | \$ 31,330,274.10                 |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,606,548,923           | 1,606,548,923               | 1,606,548,923                    |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,107,123        | 98,107,123              | 98,107,123                  | 98,107,123                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,508,441,800     | 1,508,441,800           | 1,508,441,800               | 1,508,441,800                    |
| 10   | kWh Subject to FPP   | 1,418,189,845     | 413,514,641             | 747,046,536                 | 257,628,668                      |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 94.02%            | 27.41%                  | 49.53%                      | 17.08%                           |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 17,482,026.22  | \$ 5,097,394.98         | \$ 9,208,842.65             | \$ 3,175,788.59                  |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 17,576,739.89  | \$ 5,128,848.43         | \$ 9,257,987.02             | \$ 3,181,804.44                  |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 35,058,766.11  | \$ 10,224,243.41        | \$ 18,466,829.67            | \$ 6,367,693.03                  |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 29,456,723.71  | \$ 8,587,628.13         | \$ 15,517,884.76            | \$ 5,351,210.82                  |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (5,602,042.40) | \$ (1,636,615.28)       | \$ (2,948,944.91)           | \$ (1,016,482.21)                |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                         |                             |                                  |
| 17   | kWh Subject to FPP (Line 11)   | 1,418,189,845     | 413,514,641             | 747,046,536                 | 257,628,668                      |
| 18   | EA Expense Allocated to FPP  |                   | \$ 164,939.35           | \$ 297,975.83               | \$ 102,760.82                    |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ (115,369.58)         | \$ (208,424.17)             | \$ (71,877.77)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 170,004.48     | \$ 49,569.77            | \$ 89,551.66                | \$ 30,883.05                     |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 178,661.92     | \$ 52,102.84            | \$ 94,127.87                | \$ 32,461.21                     |
| 22   | EA Revenue in FPP (per books)  | \$ 90,738.39      | \$ 28,237.19            | \$ 47,955.04                | \$ 16,546.16                     |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (99,425.83)    | \$ (28,770.28)          | \$ (52,531.25)              | \$ (18,124.32)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                         |                             |                                  |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (1,739,754.16) | \$ (492,928.91)         | \$ (951,558.78)             | \$ (295,266.47)                  |
| 25   | Actual RA recovery through FPP   | \$ (1,653,380.09) | \$ (402,135.44)         | \$ (957,324.70)             | \$ (263,919.95)                  |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (86,374.07)    | \$ (90,793.47)          | \$ 5,765.92                 | \$ (1,346.52)                    |
| <b>System Loss Component (SLA)</b>                 |  |                   |                         |                             |                                  |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                  | 0.0999                      | 0.0882                           |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,386,629.11   | \$ 413,101.13           | \$ 746,299.49               | \$ 227,228.49                    |
| 29   | Actual SLA recovery through FPP  | \$ 920,471.44     | \$ 294,663.86           | \$ 531,945.73               | \$ 93,861.85                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,123,450.67   | \$ 619,057.46           | \$ 1,118,639.78             | \$ 385,753.43                    |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (183,649.86)   | \$ (88,707.53)          | \$ (169,605.44)             | \$ 64,663.09                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (5,971,492.18) | \$ (1,844,886.54)       | \$ (3,155,315.68)           | \$ (971,289.98)                  |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 51, Line 32)                | \$ (5,992,577.59) | \$ (1,851,034.61)       | \$ (3,166,422.64)           | \$ (975,120.34)                  |
| 34   | Net Adjustment for May 2008 (Line 32 - Line 33) To Page 3 Line 11        | \$ 21,085.41      | \$ 6,148.07             | \$ 11,106.96                | \$ 3,830.38                      |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2008 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | JUNE 2008         | Residential<br>JUNE 2008 | Non-Residential<br>JUNE 2008 | Voltage<br>Reduction<br>JUNE 2008 |
|--|--|-------------------|--------------------------|------------------------------|-----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                          |                              |                                   |
| 1  | Net Includable Fuel  | \$ 75,017,373.51  | \$ 75,017,373.51         | \$ 75,017,373.51             | \$ 75,017,373.51                  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                 | 0.938933                     | 0.938933                          |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 70,436,287.56  | \$ 70,436,287.56         | \$ 70,436,287.56             | \$ 70,436,287.56                  |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (8,169,211.89) | \$ (8,169,211.89)        | \$ (8,169,211.89)            | \$ (8,169,211.89)                 |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (3,981,875.03) | \$ (3,981,875.03)        | \$ (3,981,875.03)            | \$ (3,981,875.03)                 |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 58,285,200.64  | \$ 58,285,200.64         | \$ 58,285,200.64             | \$ 58,285,200.64                  |
| 7  | Total Generation and Purchase Power (per books)                          | 1,917,814,862     | 1,917,814,862            | 1,917,814,862                | 1,917,814,862                     |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 117,115,200       | 117,115,200              | 117,115,200                  | 117,115,200                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,800,699,662     | 1,800,699,662            | 1,800,699,662                | 1,800,699,662                     |
| 10   | kWh Subject to FPP   | 1,647,853,337     | 533,812,398              | 831,388,582                  | 282,652,357                       |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 91.51%            | 29.64%                   | 46.17%                       | 15.70%                            |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 20,313,088.08  | \$ 6,580,305.43          | \$ 10,248,527.05             | \$ 3,484,255.80                   |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,419,424.13  | \$ 6,616,591.11          | \$ 10,300,069.66             | \$ 3,502,783.36                   |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 40,732,512.21  | \$ 13,196,896.54         | \$ 20,548,596.71             | \$ 6,987,018.96                   |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 53,336,787.11  | \$ 17,275,733.47         | \$ 28,910,277.14             | \$ 9,150,776.50                   |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 12,604,274.90  | \$ 4,078,836.93          | \$ 8,361,680.43              | \$ 2,163,757.54                   |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                          |                              |                                   |
| 17   | kWh Subject to FPP (Line 11)   | 1,647,853,337     | 533,812,398              | 831,388,582                  | 282,652,357                       |
| 18   | EA Expense Allocated to FPP  | \$ 512,707.41     | \$ 166,088.55            | \$ 258,875.38                | \$ 87,943.48                      |
| 19   | EA Sales Margin Allocated to FPP   | \$ (1,637,100.82) | \$ (530,329.19)          | \$ (825,963.63)              | \$ (280,808.00)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ (1,124,393.41) | \$ (364,240.64)          | \$ (567,088.25)              | \$ (192,864.52)                   |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0128 ¢/kWh)              | \$ 207,829.52     | \$ 67,260.36             | \$ 104,754.96                | \$ 35,614.20                      |
| 22   | EA Revenue in FPP (per books)  | \$ 105,371.58     | \$ 33,861.11             | \$ 53,352.88                 | \$ 18,157.59                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (1,437,394.51) | \$ (465,362.11)          | \$ (726,396.09)              | \$ (246,636.31)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                          |                              |                                   |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (1,739,754.15) | \$ (492,928.90)          | \$ (951,558.78)              | \$ (295,266.47)                   |
| 25   | Actual RA recovery through FPP   | \$ (1,906,612.92) | \$ (518,986.63)          | \$ (1,065,081.54)            | \$ (322,544.75)                   |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 166,858.77     | \$ 26,057.73             | \$ 113,522.76                | \$ 27,278.28                      |
| <b>System Loss Component (SLA)</b>                 |  |                   |                          |                              |                                   |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0099 / 0.0882   | 0.0999                   | 0.0999                       | 0.0882                            |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,613,135.16   | \$ 533,278.59            | \$ 830,557.19                | \$ 249,299.38                     |
| 29   | Actual SLA recovery through FPP  | \$ 1,075,111.09   | \$ 380,286.31            | \$ 591,821.75                | \$ 103,003.03                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,192,151.75   | \$ 1,357,833.88          | \$ 2,115,087.38              | \$ 719,230.49                     |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,503,905.50   | \$ 444,268.98            | \$ 692,708.44                | \$ 366,928.08                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 12,837,644.66  | \$ 4,083,801.53          | \$ 6,442,515.54              | \$ 2,311,327.59                   |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | June 2008         | Residential<br>June 2008 | Non-Residential<br>June 2008 | Voltage<br>Reduction<br>June 2008 |
|--|--|-------------------|--------------------------|------------------------------|-----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                          |                              |                                   |
| 1  | Net Includable Fuel  |                   | \$ 75,017,373.51         | \$ 75,017,373.51             | \$ 75,017,373.51                  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                 | 0.938933                     | 0.938933                          |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 70,436,287.56  | \$ 70,436,287.56         | \$ 70,436,287.56             | \$ 70,436,287.56                  |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (8,169,211.89)        | \$ (8,169,211.89)            | \$ (8,169,211.89)                 |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (3,981,875.03)        | \$ (3,981,875.03)            | \$ (3,981,875.03)                 |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 58,285,200.64  | \$ 58,285,200.64         | \$ 58,285,200.64             | \$ 58,285,200.64                  |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,917,814,862            | 1,917,814,862                | 1,917,814,862                     |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 117,115,200       | 117,115,200              | 117,115,200                  | 117,115,200                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,800,699,662     | 1,800,699,662            | 1,800,699,662                | 1,800,699,662                     |
| 10   | kWh Subject to FPP   | 1,647,853,337     | 533,812,398              | 831,388,582                  | 282,852,357                       |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 91.51%            | 29.84%                   | 46.17%                       | 15.70%                            |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 20,313,088.08  | \$ 6,580,306.43          | \$ 10,248,527.05             | \$ 3,484,255.60                   |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,419,424.13  | \$ 6,616,591.11          | \$ 10,300,069.66             | \$ 3,502,763.36                   |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 40,732,512.21  | \$ 13,196,896.54         | \$ 20,548,596.71             | \$ 6,987,018.96                   |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 53,336,787.11  | \$ 17,275,733.47         | \$ 28,810,277.14             | \$ 9,130,776.50                   |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 12,604,274.90  | \$ 4,078,836.93          | \$ 6,381,680.43              | \$ 2,183,757.54                   |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                          |                              |                                   |
| 17   | kWh Subject to FPP (Line 11)   | 1,647,853,337     | 533,812,398              | 831,388,582                  | 282,852,357                       |
| 18   | EA Expense Allocated to FPP  |                   | \$ 165,348.21            | \$ 257,522.33                | \$ 87,561.46                      |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ (530,329.19)          | \$ (825,963.63)              | \$ (280,808.00)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ (1,128,678.82) | \$ (364,980.98)          | \$ (568,441.30)              | \$ (193,256.54)                   |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 207,629.52     | \$ 67,260.36             | \$ 104,754.86                | \$ 35,614.20                      |
| 22   | EA Revenue in FPP (per books)  | \$ 105,371.58     | \$ 33,861.11             | \$ 53,352.88                 | \$ 18,157.59                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (1,439,679.92) | \$ (466,102.45)          | \$ (726,549.14)              | \$ (247,028.33)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                          |                              |                                   |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (1,739,764.15) | \$ (492,928.90)          | \$ (951,568.78)              | \$ (295,266.47)                   |
| 25   | Actual RA recovery through FPP   | \$ (1,906,612.92) | \$ (518,986.63)          | \$ (1,065,081.54)            | \$ (322,544.75)                   |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 166,858.77     | \$ 28,057.73             | \$ 113,522.76                | \$ 27,278.28                      |
| <b>System Loss Component (SLA)</b>                 |  |                   |                          |                              |                                   |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                   | 0.0999                       | 0.0882                            |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,613,135.16   | \$ 533,278.59            | \$ 830,557.19                | \$ 249,298.38                     |
| 29   | Actual SLA recovery through FPP  | \$ 1,075,111.09   | \$ 380,286.31            | \$ 591,821.75                | \$ 103,003.03                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,192,161.75   | \$ 1,357,833.88          | \$ 2,115,087.38              | \$ 719,230.49                     |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,503,905.50   | \$ 444,268.98            | \$ 692,708.44                | \$ 366,928.08                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 12,835,350.25  | \$ 4,083,061.19          | \$ 6,441,362.49              | \$ 2,310,935.57                   |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5K, Line 32)                | \$ 12,837,644.66  | \$ 4,083,801.53          | \$ 6,442,515.54              | \$ 2,311,327.59                   |
| 34   | Net Adjustment for June 2008 (Line 32 - Line 33) To Page 3 Line 10       | \$ (2,285.41)     | \$ (740.34)              | \$ (1,153.05)                | \$ (392.02)                       |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2009 through September 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | July 2008          | Residential<br>July 2008 | Non-Residential<br>July 2008 | Voltage<br>Reduction<br>July 2008 |
|--|--|--------------------|--------------------------|------------------------------|-----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                          |                              |                                   |
| 1  | Net Includable Fuel  | \$ 75,778,022.54   | \$ 75,778,022.54         | \$ 75,778,022.54             | \$ 75,778,022.54                  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                 | 0.938933                     | 0.938933                          |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 71,150,486.03   | \$ 71,150,486.03         | \$ 71,150,486.03             | \$ 71,150,486.03                  |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (14,035,652.25) | \$ (14,035,652.25)       | \$ (14,035,652.25)           | \$ (14,035,652.25)                |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (2,675,034.57)  | \$ (2,675,034.57)        | \$ (2,675,034.57)            | \$ (2,675,034.57)                 |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 54,439,799.21   | \$ 54,439,799.21         | \$ 54,439,799.21             | \$ 54,439,799.21                  |
| 7  | Total Generation and Purchase Power (per books)                          | 2,084,759,854      | 2,084,759,854            | 2,084,759,854                | 2,084,759,854                     |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 127,310,030        | 127,310,030              | 127,310,030                  | 127,310,030                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,957,449,824      | 1,957,449,824            | 1,957,449,824                | 1,957,449,824                     |
| 10   | kWh Subject to FPP   | 1,831,818,050      | 869,800,464              | 888,093,824                  | 273,923,762                       |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 93.58%             | 34.22%                   | 45.37%                       | 13.99%                            |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 22,580,821.10   | \$ 8,256,830.32          | \$ 10,947,532.57             | \$ 3,376,658.21                   |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,780,979.99   | \$ 8,329,357.47          | \$ 11,045,431.92             | \$ 3,406,190.60                   |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 45,361,801.09   | \$ 16,586,187.79         | \$ 21,992,964.49             | \$ 6,782,848.81                   |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 50,944,764.10   | \$ 18,629,299.29         | \$ 24,699,336.90             | \$ 7,616,127.91                   |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 5,582,963.01    | \$ 2,043,311.50          | \$ 2,706,372.41              | \$ 833,279.10                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                          |                              |                                   |
| 17   | kWh Subject to FPP (Line 11)   | 1,831,818,050      | 869,800,464              | 888,093,824                  | 273,923,762                       |
| 18   | EA Expense Allocated to FPP  | \$ 660,651.85      | \$ 241,565.98            | \$ 320,294.27                | \$ 98,791.60                      |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                     | \$ -                         | \$ -                              |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 660,651.85      | \$ 241,565.98            | \$ 320,294.27                | \$ 98,791.60                      |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 230,809.07      | \$ 84,394.66             | \$ 111,899.82                | \$ 34,514.39                      |
| 22   | EA Revenue in FPP (per books)  | \$ 188,488.67      | \$ 68,816.28             | \$ 91,469.15                 | \$ 28,201.24                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 241,354.11      | \$ 88,352.84             | \$ 116,925.30                | \$ 36,075.97                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                          |                              |                                   |
| 24   | RA Amount from 3rd Quarter Filing (spread evenly)                        | \$ (2,503,570.15)  | \$ (1,123,420.73)        | \$ (1,087,402.33)            | \$ (292,747.09)                   |
| 25   | Actual RA recovery through FPP   | \$ (2,485,469.71)  | \$ (1,066,516.94)        | \$ (1,135,919.24)            | \$ (293,033.53)                   |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (18,100.44)     | \$ (66,903.79)           | \$ 48,516.91                 | \$ 286.44                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                          |                              |                                   |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AJR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                   | 0.0999                       | 0.0882                            |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,797,937.15    | \$ 669,130.66            | \$ 887,205.73                | \$ 241,600.76                     |
| 29   | Actual SLA recovery through FPP  | \$ 1,213,728.82    | \$ 478,599.83            | \$ 634,966.09                | \$ 100,163.00                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,330,448.66    | \$ 1,583,542.99          | \$ 2,099,513.31              | \$ 647,392.36                     |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,318,782.59    | \$ 435,812.50            | \$ 577,341.49                | \$ 305,628.60                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 7,124,999.27    | \$ 2,500,573.05          | \$ 3,449,156.11              | \$ 1,175,270.11                   |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | July 2008         | Residential<br>July 2008 | Non-Residential<br>July 2008 | Voltage<br>Reduction<br>July 2008 |
|--|--|-------------------|--------------------------|------------------------------|-----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                          |                              |                                   |
| 1  | Net Includable Fuel  |                   | \$ 75,778,022.54         | \$ 75,778,022.54             | \$ 75,778,022.54                  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                 | 0.938933                     | 0.938933                          |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 71,150,486.03  | \$ 71,150,486.03         | \$ 71,150,486.03             | \$ 71,150,486.03                  |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (14,035,652.25)       | \$ (14,035,652.25)           | \$ (14,035,652.25)                |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (2,675,034.57)        | \$ (2,675,034.57)            | \$ (2,675,034.57)                 |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 54,439,799.21  | \$ 54,439,799.21         | \$ 54,439,799.21             | \$ 54,439,799.21                  |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 2,084,759,854            | 2,084,759,854                | 2,084,759,854                     |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 127,310,030       | 127,310,030              | 127,310,030                  | 127,310,030                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,957,449,824     | 1,957,449,824            | 1,957,449,824                | 1,957,449,824                     |
| 10   | kWh Subject to FPP   | 1,831,818,050     | 669,800,464              | 888,093,824                  | 273,923,762                       |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 93.58%            | 34.22%                   | 45.37%                       | 13.99%                            |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 22,580,821.10  | \$ 8,256,630.32          | \$ 10,947,532.57             | \$ 3,376,658.21                   |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,780,979.99  | \$ 8,329,357.47          | \$ 11,045,431.92             | \$ 3,406,190.60                   |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 45,361,801.09  | \$ 16,585,987.79         | \$ 21,992,964.49             | \$ 6,782,848.81                   |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 50,944,764.10  | \$ 18,629,299.29         | \$ 24,699,336.90             | \$ 7,616,127.91                   |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 5,582,963.01   | \$ 2,043,311.50          | \$ 2,706,372.41              | \$ 833,279.10                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                          |                              |                                   |
| 17   | kWh Subject to FPP (Line 11)   | 1,831,818,050     | 669,800,464              | 888,093,824                  | 273,923,762                       |
| 18   | EA Expense Allocated to FPP  |                   | \$ 241,565.98            | \$ 320,294.27                | \$ 98,791.60                      |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                     | \$ -                         | \$ -                              |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 660,651.85     | \$ 241,565.98            | \$ 320,294.27                | \$ 98,791.60                      |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 230,809.07     | \$ 84,394.86             | \$ 111,899.82                | \$ 34,514.39                      |
| 22   | EA Revenue in FPP (per books)  | \$ 188,488.67     | \$ 68,018.28             | \$ 91,469.15                 | \$ 28,201.24                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 241,354.11     | \$ 88,352.84             | \$ 116,925.30                | \$ 36,075.97                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                          |                              |                                   |
| 24   | RA Amount from 3rd Quarter Filing (spread evenly)                        | \$ (2,503,570.15) | \$ (1,123,420.73)        | \$ (1,087,402.33)            | \$ (292,747.09)                   |
| 25   | Actual RA recovery through FPP   | \$ (2,485,469.71) | \$ (1,056,516.94)        | \$ (1,135,819.24)            | \$ (293,033.53)                   |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (18,100.44)    | \$ (66,903.79)           | \$ 48,516.91                 | \$ 286.44                         |
| <b>System Loss Component (SLA)</b>                 |  |                   |                          |                              |                                   |
| 27   | Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                   | 0.0999                       | 0.0882                            |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,797,937.15   | \$ 669,130.68            | \$ 887,205.73                | \$ 241,800.76                     |
| 29   | Actual SLA recovery through FPP  | \$ 1,213,728.92   | \$ 478,599.83            | \$ 634,966.09                | \$ 100,163.00                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,330,448.66   | \$ 1,583,542.99          | \$ 2,099,513.31              | \$ 647,392.36                     |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,318,782.59   | \$ 435,812.50            | \$ 577,341.49                | \$ 305,628.60                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 7,124,999.27   | \$ 2,500,573.05          | \$ 3,449,156.11              | \$ 1,175,270.11                   |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5M, Line 32)                | \$ 7,124,999.27   | \$ 2,500,573.05          | \$ 3,449,156.11              | \$ 1,175,270.11                   |
| 34   | Net Adjustment for July 2008 (Line 32 - Line 33) To Page 3 Line 9        | \$ -              | \$ -                     | \$ -                         | \$ -                              |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2009 through September 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | August 2008        | Residential<br>August 2008 | Non-Residential<br>August 2008 | Voltage<br>Reduction<br>August 2008 |
|--|--|--------------------|----------------------------|--------------------------------|-------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                            |                                |                                     |
| 1  | Net Includable Fuel  | \$ 78,413,622.00   | \$ 78,413,622.00           | \$ 78,413,622.00               | \$ 78,413,622.00                    |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                   | 0.938933                       | 0.938933                            |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 73,625,137.34   | \$ 73,625,137.34           | \$ 73,625,137.34               | \$ 73,625,137.34                    |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (15,147,082.34) | \$ (15,147,082.34)         | \$ (15,147,082.34)             | \$ (15,147,082.34)                  |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (2,342,472.04)  | \$ (2,342,472.04)          | \$ (2,342,472.04)              | \$ (2,342,472.04)                   |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 56,135,582.96   | \$ 56,135,582.96           | \$ 56,135,582.96               | \$ 56,135,582.96                    |
| 7  | Total Generation and Purchase Power (per books)                          | 2,028,214,120      | 2,028,214,120              | 2,028,214,120                  | 2,028,214,120                       |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 123,856,952        | 123,856,952                | 123,856,952                    | 123,856,952                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,904,357,168      | 1,904,357,168              | 1,904,357,168                  | 1,904,357,168                       |
| 10   | kWh Subject to FPP   | 1,875,952,431      | 715,560,987                | 881,732,957                    | 278,658,487                         |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 98.51%             | 37.57%                     | 46.31%                         | 14.63%                              |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 23,124,865.62   | \$ 8,820,720.29            | \$ 10,869,122.16               | \$ 3,435,023.17                     |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 23,331,323.56   | \$ 8,901,172.93            | \$ 10,964,993.62               | \$ 3,465,157.01                     |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 46,456,189.18   | \$ 17,721,893.22           | \$ 21,834,115.78               | \$ 6,900,180.18                     |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 55,299,162.77   | \$ 21,090,138.51           | \$ 25,996,388.47               | \$ 8,212,635.79                     |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 8,842,973.59    | \$ 3,368,245.29            | \$ 4,162,272.69                | \$ 1,312,455.61                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                            |                                |                                     |
| 17   | kWh Subject to FPP (Line 11)   | 1,875,952,431      | 715,560,987                | 881,732,957                    | 278,658,487                         |
| 18   | EA Expense Allocated to FPP  | \$ 421,088.49      | \$ 160,619.47              | \$ 197,919.52                  | \$ 62,549.50                        |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                       | \$ -                           | \$ -                                |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 421,088.49      | \$ 160,619.47              | \$ 197,919.52                  | \$ 62,549.50                        |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 236,370.01      | \$ 90,160.68               | \$ 111,098.36                  | \$ 35,110.97                        |
| 22   | EA Revenue in FPP (per books)  | \$ 183,035.16      | \$ 73,542.69               | \$ 90,803.03                   | \$ 28,689.44                        |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (8,316.68)      | \$ (3,083.90)              | \$ (3,981.87)                  | \$ (1,250.91)                       |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                            |                                |                                     |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (2,503,570.15)  | \$ (1,123,420.73)          | \$ (1,087,402.33)              | \$ (292,747.09)                     |
| 25   | Actual RA recovery through FPP   | \$ (2,564,800.77)  | \$ (1,129,047.47)          | \$ (1,127,646.91)              | \$ (298,106.39)                     |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 51,230.62       | \$ 5,626.74                | \$ 40,244.58                   | \$ 5,359.30                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                            |                                |                                     |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0862    | 0.0999                     | 0.0999                         | 0.0862                              |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,841,473.44    | \$ 714,845.43              | \$ 880,851.22                  | \$ 245,776.79                       |
| 29   | Actual SLA recovery through FPP  | \$ 1,243,694.93    | \$ 511,456.00              | \$ 630,341.95                  | \$ 101,896.98                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,717,136.24    | \$ 1,799,033.69            | \$ 2,217,547.25                | \$ 700,555.30                       |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,631,967.87    | \$ 572,732.26              | \$ 706,354.08                  | \$ 352,881.53                       |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 10,517,855.40   | \$ 3,943,520.39            | \$ 4,904,889.48                | \$ 1,669,445.53                     |



**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2009 through September 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | August 2008        | Residential<br>August 2008 | Non-Residential<br>August 2008 | Voltage<br>Reduction<br>August 2008 |
|--|--|--------------------|----------------------------|--------------------------------|-------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                            |                                |                                     |
| 1  | Net Includable Fuel  | \$ 78,413,622.00   | \$ 78,413,622.00           | \$ 78,413,622.00               | \$ 78,413,622.00                    |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                   | 0.938933                       | 0.938933                            |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 73,625,137.34   | \$ 73,625,137.34           | \$ 73,625,137.34               | \$ 73,625,137.34                    |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (15,147,082.34) | \$ (15,147,082.34)         | \$ (15,147,082.34)             | \$ (15,147,082.34)                  |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (2,342,472.04)  | \$ (2,342,472.04)          | \$ (2,342,472.04)              | \$ (2,342,472.04)                   |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 56,135,582.96   | \$ 56,135,582.96           | \$ 56,135,582.96               | \$ 56,135,582.96                    |
| 7  | Total Generation and Purchase Power (per books)                          | 2,028,214,120      | 2,028,214,120              | 2,028,214,120                  | 2,028,214,120                       |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 123,856,952        | 123,856,952                | 123,856,952                    | 123,856,952                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,904,357,168      | 1,904,357,168              | 1,904,357,168                  | 1,904,357,168                       |
| 10   | kWh Subject to FPP   | 1,875,952,431      | 715,560,987                | 881,732,957                    | 278,658,487                         |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 98.51%             | 37.57%                     | 46.31%                         | 14.83%                              |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 23,124,865.62   | \$ 8,820,720.29            | \$ 10,869,122.16               | \$ 3,435,023.17                     |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 23,331,323.56   | \$ 8,901,172.93            | \$ 10,964,993.62               | \$ 3,485,157.01                     |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 46,456,189.18   | \$ 17,721,893.22           | \$ 21,834,115.78               | \$ 6,900,180.18                     |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 55,299,162.77   | \$ 21,090,138.51           | \$ 25,996,388.47               | \$ 8,212,635.79                     |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 8,842,973.59    | \$ 3,368,245.29            | \$ 4,162,272.69                | \$ 1,312,455.61                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                            |                                |                                     |
| 17   | kWh Subject to FPP (Line 11)   | 1,875,952,431      | 715,560,987                | 881,732,957                    | 278,658,487                         |
| 18   | EA Expense Allocated to FPP  | \$ 160,619.47      | \$ 197,919.52              | \$ 62,549.50                   | \$ -                                |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                       | \$ -                           | \$ -                                |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 160,619.47      | \$ 197,919.52              | \$ 62,549.50                   | \$ -                                |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 236,370.01      | \$ 90,160.68               | \$ 111,098.36                  | \$ 35,110.97                        |
| 22   | EA Revenue in FPP (per books)  | \$ 193,035.16      | \$ 73,542.69               | \$ 90,803.03                   | \$ 28,688.44                        |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (6,316.68)      | \$ (3,083.90)              | \$ (3,981.87)                  | \$ (1,250.91)                       |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                            |                                |                                     |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (2,503,570.15)  | \$ (1,123,420.73)          | \$ (1,087,402.33)              | \$ (292,747.09)                     |
| 25   | Actual RA recovery through FPP   | \$ (2,664,800.77)  | \$ (1,129,047.47)          | \$ (1,127,646.91)              | \$ (298,106.39)                     |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 51,230.62       | \$ 5,626.74                | \$ 40,244.58                   | \$ 5,359.30                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                            |                                |                                     |
| 27   | Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                     | 0.0999                         | 0.0882                              |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,841,473.44    | \$ 714,845.43              | \$ 880,851.22                  | \$ 245,778.79                       |
| 29   | Actual SLA recovery through FPP  | \$ 1,243,694.93    | \$ 511,456.00              | \$ 630,341.95                  | \$ 101,896.98                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,717,136.24    | \$ 1,799,033.69            | \$ 2,217,547.25                | \$ 700,555.30                       |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,631,967.87    | \$ 572,732.26              | \$ 706,354.08                  | \$ 352,881.53                       |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 10,517,855.40   | \$ 3,943,520.39            | \$ 4,904,889.48                | \$ 1,669,445.53                     |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 50, Line 32)                | \$ 10,517,855.40   | \$ 3,943,520.39            | \$ 4,904,889.48                | \$ 1,669,445.53                     |
| 34   | Net Adjustment for August 2008 (Line 32 - Line 33) To Page 3 Line 8      | \$ -               | \$ -                       | \$ -                           | \$ -                                |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | September 2008     | Residential<br>September 2008 | Non-Residential<br>September 2008 | Voltage<br>Reduction<br>September 2008 |
|--|--|--------------------|-------------------------------|-----------------------------------|--|
| <b>Fuel Component (FC)</b>                         |  |                    |                               |                                   |  |
| 1  | Net Includable Fuel  | \$ 58,985,357.81   | \$ 58,985,357.81              | \$ 58,985,357.81                  | \$ 58,985,357.81                       |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                      | 0.938933                          | 0.938933                               |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 55,384,520.31   | \$ 55,384,520.31              | \$ 55,384,520.31                  | \$ 55,384,520.31                       |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (13,593,706.35) | \$ (13,593,706.35)            | \$ (13,593,706.35)                | \$ (13,593,706.35)                     |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (2,367,320.00)  | \$ (2,367,320.00)             | \$ (2,367,320.00)                 | \$ (2,367,320.00)                      |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 39,403,493.96   | \$ 39,403,493.96              | \$ 39,403,493.96                  | \$ 39,403,493.96                       |
| 7  | Total Generation and Purchase Power (per books)                          | 1,724,921,897      | 1,724,921,897                 | 1,724,921,897                     | 1,724,921,897                          |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 105,335,805        | 105,335,805                   | 105,335,805                       | 105,335,805                            |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,619,586,092      | 1,619,586,092                 | 1,619,586,092                     | 1,619,586,092                          |
| 10   | kWh Subject to FPP   | 1,786,532,023      | 856,802,179                   | 866,155,566                       | 263,574,278                            |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 110.31%            | 40.55%                        | 53.48%                            | 16.28%                                 |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 22,022,580.25   | \$ 8,096,400.46               | \$ 10,677,099.66                  | \$ 3,240,080.13                        |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,219,544.92   | \$ 8,169,675.96               | \$ 10,773,304.96                  | \$ 3,277,564.00                        |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 44,242,125.17   | \$ 16,266,076.42              | \$ 21,450,404.62                  | \$ 6,526,644.13                        |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 43,465,994.19   | \$ 15,978,116.80              | \$ 21,072,988.57                  | \$ 6,414,888.82                        |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (778,130.96)    | \$ (286,959.62)               | \$ (377,416.05)                   | \$ (111,755.31)                        |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                               |                                   |  |
| 17   | kWh Subject to FPP (Line 11)   | 1,786,532,023      | 856,802,179                   | 866,155,566                       | 263,574,278                            |
| 18   | EA Expense Allocated to FPP  | \$ 435,748.10      | \$ 160,198.07                 | \$ 211,260.65                     | \$ 64,287.38                           |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                          | \$ -                              | \$ -                                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 435,748.10      | \$ 160,198.07                 | \$ 211,260.65                     | \$ 64,287.38                           |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 225,103.03      | \$ 82,757.07                  | \$ 109,135.80                     | \$ 33,210.38                           |
| 22   | EA Revenue in FPP (per books)  | \$ 183,842.80      | \$ 67,490.70                  | \$ 89,215.62                      | \$ 27,136.28                           |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 26,802.27       | \$ 9,950.30                   | \$ 12,909.43                      | \$ 3,940.74                            |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                               |                                   |  |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (2,503,570.15)  | \$ (1,123,420.74)             | \$ (1,087,402.33)                 | \$ (292,747.08)                        |
| 25   | Actual RA recovery through FPP   | \$ (2,426,037.04)  | \$ (1,036,135.69)             | \$ (1,107,933.53)                 | \$ (281,967.82)                        |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (77,533.11)     | \$ (87,285.05)                | \$ 20,531.20                      | \$ (10,779.26)                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                               |                                   |  |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                        | 0.0999                            | 0.0882                                 |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,753,907.30    | \$ 656,145.38                 | \$ 865,289.41                     | \$ 232,472.51                          |
| 29   | Actual SLA recovery through FPP  | \$ 1,185,070.15    | \$ 489,367.17                 | \$ 619,322.39                     | \$ 96,380.59                           |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,972,083.85    | \$ 1,460,139.61               | \$ 1,925,727.90                   | \$ 586,218.34                          |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,033,106.40    | \$ 334,627.06                 | \$ 441,116.10                     | \$ 257,563.24                          |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 206,242.78      | \$ (29,667.31)                | \$ 97,140.68                      | \$ 138,769.41                          |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2008 through September 2008**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | September 2008     | Residential<br>September 2008 | Non-Residential<br>September 2008 | Voltage<br>Reduction<br>September 2008 |
|--|--|--------------------|-------------------------------|-----------------------------------|--|
| <b>Fuel Component (FC)</b>                         |  |                    |                               |                                   |  |
| 1  | Net Includable Fuel  |                    |                               |                                   |  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                      | 0.938933                          | 0.938933                               |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 55,364,520.31   | \$ 55,364,520.31              | \$ 55,364,520.31                  | \$ 55,364,520.31                       |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (13,593,706.35) | \$ (13,593,706.35)            | \$ (13,593,706.35)                | \$ (13,593,706.35)                     |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (2,367,320.00)  | \$ (2,367,320.00)             | \$ (2,367,320.00)                 | \$ (2,367,320.00)                      |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 39,403,493.96   | \$ 39,403,493.96              | \$ 39,403,493.96                  | \$ 39,403,493.96                       |
| 7  | Total Generation and Purchase Power (per books)                          | 1,724,921,897      | 1,724,921,897                 | 1,724,921,897                     | 1,724,921,897                          |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 105,335,805        | 105,335,805                   | 105,335,805                       | 105,335,805                            |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,619,586,092      | 1,619,586,092                 | 1,619,586,092                     | 1,619,586,092                          |
| 10   | kWh Subject to FPP   | 1,788,532,023      | 666,802,179                   | 866,166,666                       | 263,574,278                            |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 110.31%            | 40.55%                        | 53.48%                            | 16.26%                                 |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 22,022,580.25   | \$ 8,098,400.48               | \$ 10,677,099.66                  | \$ 3,249,080.13                        |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,219,544.92   | \$ 8,168,675.96               | \$ 10,773,304.96                  | \$ 3,277,564.00                        |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 44,242,125.17   | \$ 16,267,076.42              | \$ 21,450,404.62                  | \$ 6,526,644.13                        |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 43,485,994.19   | \$ 15,978,119.80              | \$ 21,072,988.57                  | \$ 6,414,888.62                        |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (776,130.98)    | \$ (286,959.62)               | \$ (377,416.05)                   | \$ (111,755.31)                        |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                               |                                   |  |
| 17   | kWh Subject to FPP (Line 11)   | 1,788,532,023      | 666,802,179                   | 866,166,666                       | 263,574,278                            |
| 18   | EA Expense Allocated to FPP  | \$ 160,198.07      | \$ 160,198.07                 | \$ 211,260.65                     | \$ 64,287.38                           |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                          | \$ -                              | \$ -                                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 435,746.10      | \$ 160,198.07                 | \$ 211,260.65                     | \$ 64,287.38                           |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 225,103.03      | \$ 82,757.07                  | \$ 109,135.60                     | \$ 33,210.36                           |
| 22   | EA Revenue in FPP (per books)  | \$ 183,842.60      | \$ 67,490.70                  | \$ 89,215.82                      | \$ 27,138.28                           |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 28,800.47       | \$ 9,950.30                   | \$ 12,909.43                      | \$ 3,940.74                            |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                               |                                   |  |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (2,503,570.15)  | \$ (1,123,420.74)             | \$ (1,087,402.33)                 | \$ (292,747.08)                        |
| 25   | Actual RA recovery through FPP   | \$ (2,428,037.04)  | \$ (1,036,135.69)             | \$ (1,107,933.53)                 | \$ (281,967.82)                        |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (77,533.11)     | \$ (87,285.05)                | \$ 20,531.20                      | \$ (10,779.26)                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                               |                                   |  |
| 27   | Losses in Base Rates (from Case No. 02-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                        | 0.0999                            | 0.0882                                 |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,753,907.30    | \$ 656,145.38                 | \$ 865,289.41                     | \$ 232,472.51                          |
| 29   | Actual SLA recovery through FPP  | \$ 1,185,070.15    | \$ 469,367.17                 | \$ 619,322.39                     | \$ 96,380.59                           |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,972,083.85    | \$ 1,460,139.61               | \$ 1,925,727.90                   | \$ 586,216.34                          |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,033,106.40    | \$ 334,627.06                 | \$ 441,116.10                     | \$ 257,363.24                          |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 206,242.78      | \$ (29,667.31)                | \$ 97,140.68                      | \$ 138,769.41                          |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5Q, Line 32)                | \$ 206,242.78      | \$ (29,667.31)                | \$ 97,140.68                      | \$ 138,769.41                          |
| 34   | Net Adjustment for September 2008 (Line 32 - Line 33) To Page 3 Line 7   | \$ -               | \$ -                          | \$ -                              | \$ -                                   |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | October 2008       | Residential<br>October 2008 | Non-Residential<br>October 2008 | Voltage<br>Reduction<br>October 2008 |
|--|--|--------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                             |                                 |                                      |
| 1  | Net Includable Fuel  | \$ 49,744,585.14   | \$ 49,744,585.14            | \$ 49,744,585.14                | \$ 49,744,585.14                     |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                    | 0.938933                        | 0.938933                             |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 46,706,813.78   | \$ 46,706,813.78            | \$ 46,706,813.78                | \$ 46,706,813.78                     |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (12,573,554.99) | \$ (12,573,554.99)          | \$ (12,573,554.99)              | \$ (12,573,554.99)                   |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,266,786.37)  | \$ (1,266,786.37)           | \$ (1,266,786.37)               | \$ (1,266,786.37)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 32,866,472.42   | \$ 32,866,472.42            | \$ 32,866,472.42                | \$ 32,866,472.42                     |
| 7  | Total Generation and Purchase Power (per books)                          | 1,589,850,277      | 1,589,850,277               | 1,589,850,277                   | 1,589,850,277                        |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 97,087,387         | 97,087,387                  | 97,087,387                      | 97,087,387                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,492,762,890      | 1,492,762,890               | 1,492,762,890                   | 1,492,762,890                        |
| 10   | kWh Subject to FPP   | 1,472,294,413      | 453,578,196                 | 770,364,893                     | 248,351,324                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 98.63%             | 30.38%                      | 51.91%                          | 16.84%                               |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 18,148,973.23   | \$ 5,591,258.42             | \$ 9,496,288.04                 | \$ 3,061,426.77                      |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 28,315,282.31   | \$ 8,736,225.59             | \$ 14,813,370.92                | \$ 4,765,685.80                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 46,464,255.54   | \$ 14,327,484.01            | \$ 24,309,658.96                | \$ 7,827,112.57                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 32,416,201.75   | \$ 9,984,834.32             | \$ 16,962,386.42                | \$ 5,468,991.01                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (14,048,053.79) | \$ (4,342,649.69)           | \$ (7,347,272.54)               | \$ (2,358,131.56)                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,472,294,413      | 453,578,196                 | 770,364,893                     | 248,351,324                          |
| 18   | EA Expense Allocated to FPP  | \$ 444,358.47      | \$ 136,896.07               | \$ 232,506.60                   | \$ 74,955.80                         |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 444,358.47      | \$ 136,896.07               | \$ 232,506.60                   | \$ 74,955.80                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 185,508.10      | \$ 57,150.85                | \$ 97,065.98                    | \$ 31,292.27                         |
| 22   | EA Revenue in FPP (per books)  | \$ 490,128.20      | \$ 151,460.91               | \$ 256,333.38                   | \$ 82,334.00                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (231,278.92)    | \$ (71,715.69)              | \$ (120,892.76)                 | \$ (38,670.47)                       |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                             |                                 |                                      |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ 1,756,249.39    | \$ 548,526.93               | \$ 812,497.93                   | \$ 385,224.53                        |
| 25   | Actual RA recovery through FPP   | \$ 1,673,982.66    | \$ 452,402.84               | \$ 844,888.30                   | \$ 376,691.52                        |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 82,266.73       | \$ 96,124.09                | \$ (32,390.37)                  | \$ 18,533.01                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,441,765.02    | \$ 453,124.62               | \$ 769,594.53                   | \$ 219,045.87                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,665,357.81    | \$ 559,316.43               | \$ 949,445.34                   | \$ 156,596.04                        |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))               | \$ 2,996,134.16    | \$ 922,668.86               | \$ 1,567,783.48                 | \$ 505,481.82                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (110,888.67)    | \$ (89,572.10)              | \$ (151,256.39)                 | \$ 129,639.91                        |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (14,308,054.65) | \$ (4,407,813.48)           | \$ (7,651,812.06)               | \$ (2,248,429.11)                    |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | October 2008       | Residential<br>October 2008 | Non-Residential<br>October 2008 | Voltage<br>Reduction<br>October 2008 |
|--|--|--------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                             |                                 |                                      |
| 1  | Net Includable Fuel  | \$ 48,744,565.14   | \$ 48,744,565.14            | \$ 48,744,565.14                | \$ 48,744,565.14                     |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                    | 0.938933                        | 0.938933                             |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 46,706,813.78   | \$ 46,706,813.78            | \$ 46,706,813.78                | \$ 46,706,813.78                     |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (12,573,554.99) | \$ (12,573,554.99)          | \$ (12,573,554.99)              | \$ (12,573,554.99)                   |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,266,958.77)  | \$ (1,266,958.77)           | \$ (1,266,958.77)               | \$ (1,266,958.77)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 32,866,300.02   | \$ 32,866,300.02            | \$ 32,866,300.02                | \$ 32,866,300.02                     |
| 7  | Total Generation and Purchase Power (per books)                          | 1,589,850,277      | 1,589,850,277               | 1,589,850,277                   | 1,589,850,277                        |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 97,087,387         | 97,087,387                  | 97,087,387                      | 97,087,387                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,492,762,890      | 1,492,762,890               | 1,492,762,890                   | 1,492,762,890                        |
| 10   | kWh Subject to FPP   | 1,472,294,413      | 453,578,196                 | 770,364,893                     | 248,351,324                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 98.63%             | 30.38%                      | 51.61%                          | 16.64%                               |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 18,148,973.23   | \$ 5,591,258.42             | \$ 9,496,288.04                 | \$ 3,061,426.77                      |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 28,315,282.31   | \$ 8,736,225.59             | \$ 14,813,370.82                | \$ 4,766,686.80                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 46,464,255.54   | \$ 14,327,484.01            | \$ 24,309,658.86                | \$ 7,827,112.57                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 32,415,031.71   | \$ 9,984,781.95             | \$ 16,962,297.44                | \$ 5,468,952.32                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (14,048,223.83) | \$ (4,342,702.06)           | \$ (7,347,361.52)               | \$ (2,358,160.25)                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,472,294,413      | 453,578,196                 | 770,364,893                     | 248,351,324                          |
| 18   | EA Expense Allocated to FPP  | \$ 494,001.70      | \$ 152,189.94               | \$ 258,481.97                   | \$ 83,329.79                         |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 494,001.70      | \$ 152,189.94               | \$ 258,481.97                   | \$ 83,329.79                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 185,509.10      | \$ 57,150.85                | \$ 97,065.98                    | \$ 31,292.27                         |
| 22   | EA Revenue in FPP (per books)  | \$ 490,128.29      | \$ 151,460.91               | \$ 256,333.38                   | \$ 82,334.00                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (181,835.69)    | \$ (56,421.82)              | \$ (94,917.39)                  | \$ (30,266.48)                       |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                             |                                 |                                      |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ 1,756,249.39    | \$ 548,528.93               | \$ 812,497.93                   | \$ 395,224.53                        |
| 25   | Actual RA recovery through FPP   | \$ 1,673,882.66    | \$ 452,402.84               | \$ 844,888.30                   | \$ 376,691.52                        |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 82,266.73       | \$ 96,124.09                | \$ (32,390.37)                  | \$ 18,533.01                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,441,765.02    | \$ 453,124.62               | \$ 769,594.53                   | \$ 219,045.97                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,665,357.81    | \$ 559,316.43               | \$ 949,445.34                   | \$ 156,596.04                        |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,996,134.16    | \$ 922,868.86               | \$ 1,567,783.48                 | \$ 505,481.82                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (110,988.67)    | \$ (89,572.19)              | \$ (151,256.39)                 | \$ 129,839.91                        |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (14,258,581.46) | \$ (4,392,571.96)           | \$ (7,625,925.67)               | \$ (2,240,063.81)                    |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5S, Line 32)                | \$ (14,308,054.65) | \$ (4,407,813.48)           | \$ (7,651,812.06)               | \$ (2,248,429.11)                    |
| 34   | Net Adjustment for October 2008 (Line 32 - Line 33) To Page 3 Line 6     | \$ 49,473.19       | \$ 15,241.50                | \$ 25,886.39                    | \$ 8,345.30                          |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | November 2008      | Residential<br>November 2008 | Non-Residential<br>November 2008 | Voltage<br>Reduction<br>November 2008 |
|--|--|--------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 47,557,467.03   | \$ 47,557,467.03             | \$ 47,557,467.03                 | \$ 47,557,467.03                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 44,653,275.19   | \$ 44,653,275.19             | \$ 44,653,275.19                 | \$ 44,653,275.19                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (15,156,583.88) | \$ (15,156,583.88)           | \$ (15,156,583.88)               | \$ (15,156,583.88)                    |
| 5  | RSG Make Whole Payments & Secondary MISD Costs                           | \$ (1,114,381.19)  | \$ (1,114,381.19)            | \$ (1,114,381.19)                | \$ (1,114,381.19)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 28,382,310.12   | \$ 28,382,310.12             | \$ 28,382,310.12                 | \$ 28,382,310.12                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,617,787,708      | 1,617,787,708                | 1,617,787,708                    | 1,617,787,708                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,793,442         | 98,793,442                   | 98,793,442                       | 98,793,442                            |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,518,994,266      | 1,518,994,266                | 1,518,994,266                    | 1,518,994,266                         |
| 10   | kWh Subject to FPP   | 1,423,138,356      | 467,402,770                  | 738,065,743                      | 217,669,843                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 93.69%             | 30.77%                       | 48.59%                           | 14.33%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 17,543,026.51   | \$ 5,761,673.95              | \$ 9,098,136.41                  | \$ 2,683,216.15                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 27,317,431.37   | \$ 8,976,711.27              | \$ 14,172,522.80                 | \$ 4,168,197.30                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 44,860,457.88   | \$ 14,738,385.22             | \$ 23,270,659.21                 | \$ 6,851,413.45                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 26,591,366.35   | \$ 8,733,236.82              | \$ 13,790,964.49                 | \$ 4,067,185.04                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (18,269,071.53) | \$ (6,005,148.40)            | \$ (9,479,684.72)                | \$ (2,784,228.41)                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,423,138,356      | 467,402,770                  | 738,065,743                      | 217,669,843                           |
| 18   | EA Expense Allocated to FPP  | \$ 466,002.22      | \$ 153,049.58                | \$ 241,677.33                    | \$ 71,275.31                          |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                         | \$ -                             | \$ -                                  |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 466,002.22      | \$ 153,049.58                | \$ 241,677.33                    | \$ 71,275.31                          |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 179,315.43      | \$ 58,892.75                 | \$ 92,966.28                     | \$ 27,426.40                          |
| 22   | EA Revenue in FPP (per books)  | \$ 472,685.00      | \$ 155,630.24                | \$ 245,244.02                    | \$ 72,011.54                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (186,199.01)    | \$ (61,473.41)               | \$ (96,562.97)                   | \$ (28,162.83)                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                              |                                  |                                       |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ 1,756,249.39    | \$ 548,526.93                | \$ 812,497.93                    | \$ 395,224.53                         |
| 25   | Actual RA recovery through FPP   | \$ 1,602,658.08    | \$ 484,856.32                | \$ 808,337.20                    | \$ 329,464.56                         |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 153,591.31      | \$ 83,670.61                 | \$ 4,160.73                      | \$ 65,759.97                          |
| <b>System Loss Component (SLA)</b>                 |  |                    |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AJR) (cents per kWh)      | 0.0699 / 0.0882    | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,396,247.85    | \$ 486,935.37                | \$ 737,327.88                    | \$ 191,984.80                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,620,047.02    | \$ 574,712.98                | \$ 908,370.94                    | \$ 136,963.12                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,720,937.33    | \$ 893,619.83                | \$ 1,411,146.81                  | \$ 416,170.69                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (295,357.54)    | \$ (148,028.50)              | \$ (234,551.81)                  | \$ 87,222.77                          |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (18,597,036.77) | \$ (6,130,979.70)            | \$ (9,806,648.77)                | \$ (2,859,408.30)                     |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2009 through September 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | November 2008      | Residential<br>November 2008 | Non-Residential<br>November 2008 | Voltage<br>Reduction<br>November 2008 |
|--|--|--------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                              |                                  |                                       |
| 1  | Net Includable Fuel  |                    |                              |                                  |                                       |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 44,663,761.74   | \$ 44,663,761.74             | \$ 44,663,761.74                 | \$ 44,663,761.74                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                    | \$ (15,156,583.88)           | \$ (15,156,583.88)               | \$ (15,156,583.88)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                    | \$ (1,119,106.10)            | \$ (1,119,106.10)                | \$ (1,119,106.10)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 28,388,071.76   | \$ 28,388,071.76             | \$ 28,388,071.76                 | \$ 28,388,071.76                      |
| 7  | Total Generation and Purchase Power (per books)                          |                    | 1,617,880,088                | 1,617,880,088                    | 1,617,880,088                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,799,083         | 98,799,083                   | 98,799,083                       | 98,799,083                            |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,519,081,005      | 1,519,081,005                | 1,519,081,005                    | 1,519,081,005                         |
| 10   | kWh Subject to FPP   | 1,423,138,356      | 467,402,770                  | 738,065,743                      | 217,669,843                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 93.68%             | 30.77%                       | 48.58%                           | 14.33%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 17,543,026.51   | \$ 5,761,673.95              | \$ 9,068,136.41                  | \$ 2,683,216.15                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 27,317,431.37   | \$ 8,976,711.27              | \$ 14,172,522.80                 | \$ 4,169,197.30                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 44,860,457.88   | \$ 14,738,385.22             | \$ 23,270,659.21                 | \$ 6,851,413.45                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 26,593,945.62   | \$ 8,735,009.68              | \$ 13,790,925.26                 | \$ 4,068,010.68                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (18,266,512.26) | \$ (6,003,375.54)            | \$ (9,479,733.95)                | \$ (2,783,402.77)                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,423,138,356      | 467,402,770                  | 738,065,743                      | 217,669,843                           |
| 18   | EA Expense Allocated to FPP  |                    | \$ 161,086.99                | \$ 254,369.02                    | \$ 75,018.34                          |
| 19   | EA Sales Margin Allocated to FPP   |                    |                              |                                  |                                       |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 480,474.35      | \$ 161,086.99                | \$ 254,369.02                    | \$ 75,018.34                          |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 179,315.43      | \$ 58,892.75                 | \$ 92,996.28                     | \$ 27,426.40                          |
| 22   | EA Revenue in FPP (per books)  | \$ 472,885.80      | \$ 155,630.24                | \$ 245,244.02                    | \$ 72,011.54                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (161,726.88)    | \$ (53,436.00)               | \$ (83,871.28)                   | \$ (24,419.60)                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                              |                                  |                                       |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ 1,756,249.39    | \$ 548,526.93                | \$ 812,497.93                    | \$ 395,224.53                         |
| 25   | Actual RA recovery through FPP   | \$ 1,602,658.08    | \$ 464,856.32                | \$ 808,337.20                    | \$ 329,464.56                         |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 153,591.31      | \$ 83,670.61                 | \$ 4,160.73                      | \$ 65,759.97                          |
| <b>System Loss Component (SLA)</b>                 |  |                    |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,386,247.85    | \$ 466,935.37                | \$ 737,327.68                    | \$ 191,984.80                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,620,047.02    | \$ 574,712.96                | \$ 908,370.94                    | \$ 136,963.12                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,721,265.84    | \$ 893,829.69                | \$ 1,411,187.72                  | \$ 416,268.43                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (295,009.03)    | \$ (147,818.84)              | \$ (234,510.90)                  | \$ 87,320.51                          |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (18,569,656.86) | \$ (6,120,959.57)            | \$ (9,793,955.40)                | \$ (2,654,741.89)                     |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5U, Line 32)                | \$ (18,597,036.77) | \$ (6,130,979.70)            | \$ (9,806,648.77)                | \$ (2,659,408.30)                     |
| 34   | Net Adjustment for November 2008 (Line 32 - Line 33) To Page 3 Line 5    | \$ 27,379.91       | \$ 10,020.13                 | \$ 12,693.37                     | \$ 4,666.41                           |

**Duke Energy Ohio  
Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2009 through September 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | December 2008      | Residential<br>December 2008 | Non-Residential<br>December 2008 | Voltage<br>Reduction<br>December 2008 |
|--|--|--------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 64,550,302.15   | \$ 64,550,302.15             | \$ 64,550,302.15                 | \$ 64,550,302.15                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 60,608,408.85   | \$ 60,608,408.85             | \$ 60,608,408.85                 | \$ 60,608,408.85                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (14,074,913.00) | \$ (14,074,913.00)           | \$ (14,074,913.00)               | \$ (14,074,913.00)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (3,381,233.65)  | \$ (3,381,233.65)            | \$ (3,381,233.65)                | \$ (3,381,233.65)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 43,152,262.20   | \$ 43,152,262.20             | \$ 43,152,262.20                 | \$ 43,152,262.20                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,864,048,285      | 1,864,048,285                | 1,864,048,285                    | 1,864,048,285                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 113,831,835        | 113,831,835                  | 113,831,835                      | 113,831,835                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,750,216,430      | 1,750,216,430                | 1,750,216,430                    | 1,750,216,430                         |
| 10   | kWh Subject to FPP   | 1,774,808,309      | 715,142,715                  | 824,160,981                      | 235,504,613                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.41%            | 40.86%                       | 47.09%                           | 13.46%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,878,062.03   | \$ 8,815,584.25              | \$ 10,159,432.41                 | \$ 2,903,085.37                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 34,059,968.00   | \$ 13,725,066.75             | \$ 15,816,025.34                 | \$ 4,518,845.91                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 55,938,030.03   | \$ 22,540,651.00             | \$ 25,975,457.75                 | \$ 7,421,931.28                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 43,760,709.10   | \$ 17,632,014.33             | \$ 20,320,400.27                 | \$ 5,808,294.50                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (12,177,320.93) | \$ (4,908,646.57)            | \$ (5,655,057.48)                | \$ (1,613,616.78)                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,774,808,309      | 715,142,715                  | 824,160,981                      | 235,504,613                           |
| 18   | EA Expense Allocated to FPP  | \$ 863,009.96      | \$ 347,741.94                | \$ 400,752.65                    | \$ 114,515.37                         |
| 19   | EA Sales Margin Allocated to FPP   | \$ (59,585.00)     | \$ (24,001.17)               | \$ (27,859.97)                   | \$ (7,903.88)                         |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 803,444.96      | \$ 323,740.77                | \$ 373,092.68                    | \$ 106,611.51                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 223,625.85      | \$ 90,107.98                 | \$ 103,844.28                    | \$ 29,673.59                          |
| 22   | EA Revenue in FPP (per books)  | \$ 589,768.51      | \$ 237,953.52                | \$ 273,683.50                    | \$ 78,089.49                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (9,887.40)      | \$ (4,320.73)                | \$ (4,435.10)                    | \$ (1,131.57)                         |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                              |                                  |                                       |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ 1,756,249.37    | \$ 548,526.93                | \$ 812,497.92                    | \$ 385,224.52                         |
| 25   | Actual RA recovery through FPP   | \$ 1,970,005.95    | \$ 710,750.05                | \$ 902,075.22                    | \$ 357,180.68                         |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (213,756.58)    | \$ (162,223.12)              | \$ (89,577.30)                   | \$ 38,043.84                          |
| <b>System Loss Component (SLA)</b>                 |  |                    |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,745,479.48    | \$ 714,427.57                | \$ 823,336.82                    | \$ 207,715.07                         |
| 29   | Actual SLA recovery through FPP  | \$ 2,040,911.63    | \$ 878,717.24                | \$ 1,013,709.28                  | \$ 148,485.11                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,997,474.00    | \$ 1,610,657.60              | \$ 1,856,237.56                  | \$ 530,578.84                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 211,082.91      | \$ 17,512.79                 | \$ 19,191.46                     | \$ 174,378.66                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (12,189,882.00) | \$ (5,057,677.73)            | \$ (5,729,878.42)                | \$ (1,402,325.85)                     |



**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2009 through September 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | December 2008      | Residential<br>December 2008 | Non-Residential<br>December 2008 | Voltage<br>Reduction<br>December 2008 |
|--|--|--------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                              |                                  |                                       |
| 1  | Net Includable Fuel  |                    | \$ 63,778,829.80             | \$ 63,778,829.80                 | \$ 63,778,829.80                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 59,884,048.00   | \$ 59,884,048.00             | \$ 59,884,048.00                 | \$ 59,884,048.00                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                    | \$ (14,074,913.00)           | \$ (14,074,913.00)               | \$ (14,074,913.00)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                    | \$ (3,417,433.88)            | \$ (3,417,433.88)                | \$ (3,417,433.88)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 42,391,701.32   | \$ 42,391,701.32             | \$ 42,391,701.32                 | \$ 42,391,701.32                      |
| 7  | Total Generation and Purchase Power (per books)                          |                    | 1,844,464,910                | 1,844,464,910                    | 1,844,464,910                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 112,635,939        | 112,635,939                  | 112,635,939                      | 112,635,939                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,731,828,971      | 1,731,828,971                | 1,731,828,971                    | 1,731,828,971                         |
| 10   | kWh Subject to FPP   | 1,774,808,309      | 715,142,715                  | 824,160,981                      | 235,504,613                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 102.48%            | 41.29%                       | 47.59%                           | 13.60%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,878,062.03   | \$ 8,815,564.25              | \$ 10,159,432.41                 | \$ 2,903,065.37                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 34,059,998.00   | \$ 13,725,096.75             | \$ 15,816,025.34                 | \$ 4,518,845.91                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 55,938,060.03   | \$ 22,540,661.00             | \$ 25,975,457.75                 | \$ 7,421,911.28                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 43,443,015.61   | \$ 17,503,533.48             | \$ 20,174,210.66                 | \$ 5,765,271.37                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (12,495,014.52) | \$ (5,037,127.52)            | \$ (5,801,247.09)                | \$ (1,656,839.91)                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,774,808,309      | 715,142,715                  | 824,160,981                      | 235,504,613                           |
| 18   | EA Expense Allocated to FPP  |                    | \$ 451,677.12                | \$ 520,531.99                    | \$ 148,742.41                         |
| 19   | EA Sales Margin Allocated to FPP   |                    | \$ (24,001.17)               | \$ (27,659.97)                   | \$ (7,903.86)                         |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 1,061,386.52    | \$ 427,875.95                | \$ 492,872.02                    | \$ 140,838.55                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 223,625.85      | \$ 90,107.98                 | \$ 103,844.28                    | \$ 29,673.59                          |
| 22   | EA Revenue in FPP (per books)  | \$ 589,708.51      | \$ 237,953.52                | \$ 273,683.50                    | \$ 78,069.49                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 248,054.16      | \$ 99,814.45                 | \$ 115,344.24                    | \$ 33,095.47                          |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                              |                                  |                                       |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ 1,756,249.37    | \$ 548,528.93                | \$ 812,497.92                    | \$ 395,224.52                         |
| 25   | Actual RA recovery through FPP   | \$ 1,970,005.95    | \$ 710,750.05                | \$ 902,075.22                    | \$ 357,180.68                         |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (213,756.58)    | \$ (162,223.12)              | \$ (89,577.30)                   | \$ 38,043.84                          |
| <b>System Loss Component (SLA)</b>                 |  |                    |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,745,479.46    | \$ 714,427.57                | \$ 823,336.82                    | \$ 207,715.07                         |
| 29   | Actual SLA recovery through FPP  | \$ 2,040,911.63    | \$ 878,717.24                | \$ 1,013,709.28                  | \$ 148,485.11                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,991,372.38    | \$ 1,608,155.40              | \$ 1,853,526.66                  | \$ 529,690.32                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 204,931.29      | \$ 15,010.59                 | \$ 16,480.56                     | \$ 173,490.14                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (12,255,735.65) | \$ (5,064,725.80)            | \$ (5,758,999.59)                | \$ (1,412,010.46)                     |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5W, Line 32)                | \$ (12,189,882.00) | \$ (5,057,977.73)            | \$ (5,729,878.42)                | \$ (1,402,325.85)                     |
| 34   | Net Adjustment for December 2008 (Line 32 - Line 33) To Page 3 Line 4    | \$ (65,853.65)     | \$ (27,047.87)               | \$ (29,121.17)                   | \$ (9,684.61)                         |

## **ATTACHMENT I**

### **STATEMENT OF FUEL PROCUREMENT PRACTICES AND POLICIES**

Duke Energy's ("Company") Commercial Asset Management Service (CAM) group is responsible for managing the power, fuel and emission allowance positions for the Company's operating units, including the Company's Ohio generation portfolio to provide a reliable, low cost, market-based supply of electricity for the Ohio customers.

CAMS is responsible for establishing and implementing the multi-commodity risk management strategy for power, fuel and emission allowances. CAM monitors and adjusts the optimal contract mix all the way through physical delivery. These adjustments result in the purchases or sales of Fuel, Emission Allowances, and Power for the approved term if the forward market allows them to transact. Fuel purchases are made through a combination of long-term and spot market purchases.

CAMS fuel procurement and Logistic groups include evaluating proposals for fuel and transportation contracts, selecting and qualifying suppliers and shippers, contract negotiation, administration and enforcement, and ongoing transportation maintenance and operations support. CAMS is responsible for complying with fuel procurement regulations.

CAMS evaluates its fuel and transportation services practices on a continuing basis and updates them as needed. This continuous self-evaluation ensures that CAMS follows the best available practices as they relate to the changing business environment of the Company and the industry, the effect of state and/or federal legislation, the orders or rules of any state commission, or any other event that may impact the Company's procurement and use of fuel.

A balancing of short-term and long-term contracts is an effective way to achieve critical portfolio goals such as:

- Effective management of market price risk
- Assurance of adequate and appropriate supply from reliable suppliers
- Competitive pricing
- Market intelligence
- Continuing evaluation of suppliers
- Flexibility in responding to changing market or economic conditions
- Efficient delivery of shipments and contract administration
- Coal basin balance and diversity

CAMS makes every effort to purchase fuels compatible for all Ohio generation portfolios. This decision making process also heavily involves Inputs from all station managers. Further, the cost of complying with environmental regulations regarding emissions is factored into purchasing decisions.

Coal quality specifications may include moisture, ash, calorific value, sulfur, volatility, grindability, chlorine, mineral ash analysis, fusion temperature. These parameters assure that the coal will be compatible with equipment operation and environmental regulations. Quality price adjustments will be made for deliveries not within contract specifications.

## **ATTACHMENT I**

### **STATEMENT OF FUEL PROCUREMENT PRACTICES AND POLICIES**

For longer term commitments, suppliers are generally evaluated on the basis of delivered cost (adjusted for MMBtu, SO<sub>2</sub>, and freight), credit strength, proximity to transportation, and willingness to extend commercial terms. Additional evaluation is done, as needed, concerning by-product handling, disposal, and various environmental limits at the station sites. For short-term purchases, the evaluation focuses primarily on evaluated cost relative to the market.

## **ATTACHMENT II**

### **DUKE ENERGY OHIO (DUKE)**

#### **NARRATIVE STATEMENT SUPPORTING ITS PROPOSED FPP COMPONENT**

Duke Energy Ohio has calculated a proposed Quarterly Fuel, Economy Purchased Power and Emission Allowance Component (FPP Component) of its standard service offer for the three-month projected period of October through December 2009.

The proposed FPP Rates are segregated into three types of customers, Residential, Non-Residential and Voltage Reduction customers. Depending on the type of customer, the appropriate rate will be applied to all bills, excluding consumers taking generation service from Certified Retail Electric Service providers, rendered on and after September 30, 2009, and will coincide with the billing of Cycle 1 of the October 2009 revenue month and remain in effect through December 2009.

The methodology for calculating the proposed FPP Component of 3.9055 cents per kilowatt-hour for Residential, 3.9827 cents per kilowatt-hour for Non-Residential and 3.9155 cents per kilowatt-hour for Voltage Reduction type customers is consistent with the Commission's Entry on Rehearing and is composed of the following components:

#### **FUEL COMPONENT (FC)**

The base period of October through December 2009 was utilized to calculate the proposed fuel and economy purchased power component (FC). The proposed FC is composed of three months projected includable fuel cost and economy purchased power data. The total FC calculated portion of the FPP Component is 3.3453 cents per kilowatt-hour for all types of customers. This proposed FC is supported by the attached calculations on Page 1 of 5 of Schedule 1.

#### **EMISSION ALLOWANCES (EA)**

The base period of October through December 2009 was utilized to calculate the emission allowance component (EA) for all types of customers. The proposed EA is composed of three months projected includable emission allowance data. The total EA calculated portion of the FPP Component is 0.0746 cents per kilowatt-hour for all types of customers. This proposed EA is supported by the attached calculations on Page 2 of 5 of Schedule 1.

## ATTACHMENT II

### Alternative Energy Portfolio Standard

Ohio Revised Code 4928.64 requires an electric distribution utility to supply a portion of its load with alternative utility resources. The costs incurred are avoidable by any consumer that has exercised choice of electricity supplier. The proposed alternative energy portfolio standard is composed of a 2009 annual projected includable alternative energy resource data. The total alternative energy portfolio standard calculated portion of the FPP Component is 0.1378 cents per kilowatt-hour for all types of customers. This proposed alternative energy portfolio standard is supported by the attached calculations on Page 2 of 5 of Schedule 1.

### RECONCILIATION ADJUSTMENT (RA)

The proposed 4<sup>th</sup> quarter RA component is \$8,065,813.53, 20% of the total 4<sup>th</sup> quarter RA amount. The remaining \$32,263,254.14, 80% of the RA amount, will be recovered in future periods under the ESP. The proposed RA amount includes \$3,357,860.00 which is 10% of the 3<sup>rd</sup> quarter RA which was deferred through December 2011. The proposed RA component is based on the reconciliation of actual fuel, economy purchased power, emission allowance costs, and system loss adjustment to the FPP Component revenues for the three month period ending June 2009. The RA amount for the three month period ending June 2009 included in this filing is \$13,248,828.45 for Residential customers and \$23,977,787.02 for Non-Residential customers and \$4,271,828.37 for Voltage Reduction customers. In addition to these RA amounts are (\$535,465.54) for Residential customers and (\$572,421.13) for Non-Residential customers and (150,567.23) for Voltage Reduction customers which represents an updated adjustment to the 1<sup>st</sup> quarter 2009 RA amount filed in the 3<sup>rd</sup> quarter 2009 filing and is supported by the attached calculations on Page 5Y thru 5AD of 5 of Schedule 1. In addition to these RA amounts are \$31,433.65 for Residential customers and \$39,832.41 for Non-Residential customers and \$11,626.57 for Voltage Reduction customers which represents an updated adjustment to the 4<sup>th</sup> quarter 2008 RA amount filed in the 2<sup>nd</sup> quarter 2009 filing and is supported by the attached calculations on Page 5S thru 5X. In addition to these RA amounts are \$1,736.57 for Residential customers and \$2,293.83 for Non-Residential customers and \$700.92 for Voltage Reduction customers which represents an updated adjustment to the 3<sup>rd</sup> quarter 2008 RA amount filed in the 2<sup>nd</sup> quarter 2009 filing and is supported by the attached calculations on Page 5M thru 5R of 5 of Schedule 1. In addition to these RA amounts are \$470.88 for Residential customers and \$733.48 for Non-Residential customers and \$249.42 for Voltage Reduction customers which represents an updated adjustment to the 2<sup>nd</sup> quarter 2008 RA amount filed in the 4<sup>th</sup> quarter 2008 filing and is supported by the attached calculations on Page 5G thru 5L of 5 of Schedule 1. The total proposed RA is supported by the attached calculations on Page 3 of 5 of Schedule 1.

## ATTACHMENT II

### SYSTEM LOSS ADJUSTMENT (SLA)

The proposed SLA Component is based on the estimated system loss fuel cost to be incurred during the three month period ending December 2009. The total SLA calculated portion of the FPP Component is 0.2290 cents per kilowatt-hour for Residential and Non-Residential type customers, and 0.1048 cents per kilowatt-hour for Voltage Reduction type customers. From the number for Residential and Non-Residential type customers, the Company has subtracted a baseline rate of 0.1051 cents per kilowatt-hour that is already included in rates. From the number for Voltage Reduction type customers, the Company has subtracted a baseline rate of 0.0481 cents per kilowatt-hour that is already included in rates. Both rates are increased by 0.0138 cents per kilowatt-hour which represents a Synchronization Adjustment. Based upon this information, the proposed SLA should be established at 0.1377 cents per kilowatt-hour for Residential and Non-Residential type customers and at 0.0705 cents per kilowatt-hour for Voltage Reduction type customers. The proposed SLA is supported by the attached calculations on Page 4 of 5 of Schedule 1.

### FUEL, ECONOMY PURCHASED POWER AND EMISSION ALLOWANCE COMPONENT

Based on the aforementioned projected includable fuel and economy purchased power cost data (FC) summarized on Page 1 of Schedule 1, the Emission Allowance Component (EA) on Page 2 of Schedule 1, the Alternative Energy Portfolio Standard on Page 2 of Schedule 1, the Reconciliation Adjustment (RA) on Page 3 of Schedule 1, and the System Loss Adjustment (SLA) on Page 4 of Schedule 1, the Company proposes that a FPP Component of 3.9055 cents per kilowatt-hour be established for Residential type customers, 3.9827 cents per kilowatt-hour be established for Non-Residential type customers and 3.9155 cents per kilowatt-hour be established for Voltage Reduction type customers. These rates should be effective with bills rendered on and after September 30, 2009, to all consumers other than consumers taking generation service from Certified Retail Electric Suppliers. This will coincide with Cycle 1 billing for the October 2009 revenue month.

**Duke Energy Americas  
Non-Regulated Generation  
Duke Energy Ohio PTC-FPP  
Q4 2009 Workpapers**

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During  
October 2009 through December 2009

| Line   | Description   | (A)<br>Includable<br>Fuel Cost<br>\$ | (B)<br>Other Includable<br>MISO Costs<br>From Page 1A<br>\$ | (C)<br>Total<br>Includable<br>Costs<br>\$ | (D)<br>Includable<br>Energy<br>(kWh) | (E)<br>FPP Rate<br>Components<br>(Col. C + Col. D) |
|--|---|--------------------------------------|---|---|--------------------------------------|--|
| <b>Fuel &amp; Economy Purchased Power<br/>Cost Expense (FC) - by Month (Projected)</b> |   |                                      |   |   |                                      |  |
| 1  | October 2009  | \$ 45,954,647.56                     | \$ (500,581.20)   | \$ 45,454,066.36                          | 1,337,128,140                        |  |
| 2  | November 2009   | \$ 45,504,723.39                     | \$ (500,581.20)   | \$ 45,004,142.19                          | 1,318,190,102                        |  |
| 3  | December 2009   | \$ 52,022,122.42                     | \$ (629,754.20)   | \$ 51,392,368.22                          | 1,585,015,534                        |  |
| 4  | Total Fuel & Economy Purchased Power Cost Expense   | \$ 143,481,493.37                    | \$ (1,630,916.60)   | \$ 141,850,576.77                         | 4,240,333,776                        | 3.3453 ¢/kWh                                       |
| 5  | Less: Baseline EFC Rate <sup>(a)</sup>  |                                      |   |   |                                      | - ¢/kWh  |
| 6  | Total FC Portion to be Included in FPP  |                                      |   |   |                                      | 3.3453 ¢/kWh                                       |
| 7  | Emission Allowances Adjustment (EA) and Alternative Energy Portfolio Standard From Page 2 |                                      |   |   |                                      | 0.1378 ¢/kWh                                       |
| 8  | Total FPP Rate before RA and SLA  |                                      |   |   |                                      | 3.4831 ¢/kWh                                       |
| <b>FPP Rate</b>  |   |                                      |   |   |                                      |  |
|  |   | <b>Residential</b>                   | <b>Non-Residential</b>                                      | <b>Voltage Reduction <sup>(b)</sup></b>   |                                      |  |
| 9  | Total FPP Rate before RA and SLA (Line 8)   | 3.4831                               | 3.4831  | 3.4831                                    | ¢/kWh                                |  |
| 10   | Reconciliation Adjustment (RA) From Page 3  | 0.2847                               | 0.3619  | 0.3619                                    | ¢/kWh                                |  |
| 11   | System Loss Adjustment (SLA) From Page 4  | 0.1377                               | 0.1377  | 0.0705                                    | ¢/kWh                                |  |
| 12   | Total FPP Rate  | 3.9055                               | 3.9827  | 3.9155                                    | ¢/kWh                                |  |

Notes: <sup>(a)</sup> Per Stipulation in Case No. 08-920-EL-SSO, the baseline EFC and EA rate is transferred to Rider PTC-FPP.

<sup>(b)</sup> Rate for Customers taking service at 69 kV or greater.



**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During  
October 2009 through December 2009**

| <b>Other Includable MISO Costs</b>         | <b>October 2009</b> | <b>November 2009</b> | <b>December 2009</b> | <b>Total For Period</b> |
|--|---------------------|----------------------|----------------------|-------------------------|
| (a)  | (b)                 | (c)                  | (d)                  | (e)                     |
| FTR (Hourly, Monthly, Yearly, Transaction) | \$ (500,581)        | \$ (500,581)         | \$ (629,754)         | \$ (1,630,917)          |
| Financial                                  |                     |                      |                      |                         |
| Day-Ahead                                  | \$ -                | \$ -                 | \$ -                 | \$ -                    |
| Real-Time                                  | \$ -                | \$ -                 | \$ -                 | \$ -                    |
| Physical (DA, RT, Index)                   | \$ -                | \$ -                 | \$ -                 | \$ -                    |
| Congestion                                 |                     |                      |                      |                         |
| Day-Ahead                                  | \$ -                | \$ -                 | \$ -                 | \$ -                    |
| Real-Time                                  | \$ -                | \$ -                 | \$ -                 | \$ -                    |
| Losses                                     |                     |                      |                      |                         |
| Day-Ahead                                  | \$ -                | \$ -                 | \$ -                 | \$ -                    |
| Real-Time                                  | \$ -                | \$ -                 | \$ -                 | \$ -                    |
| Revenue Sufficiency Guarantee (MKWHL)      |                     |                      |                      |                         |
| Day-Ahead                                  | \$ -                | \$ -                 | \$ -                 | \$ -                    |
| Real-Time                                  | \$ -                | \$ -                 | \$ -                 | \$ -                    |
| <b>Total Other Includable MISO Costs</b>   | <b>\$ (500,581)</b> | <b>\$ (500,581)</b>  | <b>\$ (629,754)</b>  | <b>\$ (1,630,917)</b>   |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Emission Allowances Component and Alternative Energy Portfolio Standard for Billing During  
October 2009 through December 2009**

| Line  | Description  | (1)<br>Includable<br>Emission Allowances<br>\$ | (2)<br>Includable<br>Energy<br>(kWh) | (3)<br>EA Rate<br>Components<br>(Col. 1 + Col. 2) |
|---|--|--|--------------------------------------|---|
| <b><u>Emission Allowances (EA) - by Month (Projected)</u></b> |  |  |                                      |   |
| 1   | October 2009   | \$ 910,934.67                                  | 1,297,014,296                        |   |
| 2   | November 2009  | \$ 939,826.90                                  | 1,278,644,399                        |   |
| 3   | December 2009  | \$ 1,219,029.12                                | 1,537,465,068                        |   |
| 4   | EA Auction Proceeds Credits  | \$ -   |                                      |   |
| 5   | Total Emission Allowance Expense                                     | <u>\$ 3,069,790.69</u>                         | <u>4,113,123,763</u>                 | 0.0746 ¢/kWh                                      |
| 6   | Less: Baseline EA Rate <sup>(c)</sup>                                |  |                                      | <u>-</u> ¢/kWh                                    |
| 7   | Quarterly Emission Allowance Rate (Rate will never be less than -0-) |  |                                      | 0.0746 ¢/kWh                                      |

Notes: <sup>(c)</sup> Per Stipulation in Case No. 08-920-EL-SSO, the baseline EFC and EA rate is transferred to Rider PTC-FPP.

| Line   | Description  | (1)<br>Includable<br>Alternative Energy<br>Portfolio Standard<br>\$ | (2)<br>Includable<br>Energy<br>(kWh) | (3)<br>Alternative<br>Energy Portfolio<br>Standard<br>Components<br>(Col. 1 + Col. 2) |
|--|--|---|--------------------------------------|---|
| <b><u>Alternative Energy Portfolio Standard - by Month (Projected)</u></b> |  |   |                                      |   |
| 8  | October 2009   | \$ 867,000.00   | 1,297,014,296                        |   |
| 9  | November 2009  | \$ 867,000.00   | 1,278,644,399                        |   |
| 10   | December 2009  | <u>\$ 867,000.00</u>  | <u>1,537,465,068</u>                 |   |
| 11   | Total Alternative Energy Portfolio Standard Expense  | <u>\$ 2,601,000.00</u>  | <u>4,113,123,763</u>                 | 0.0632 ¢/kWh  |
| 12   | Quarterly Emission Allowance and Alternative Energy Portfolio Standard Rate To Page 1 Line 7 |   |                                      | <u>0.1378</u> ¢/kWh   |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing  
Reconciliation Adjustment  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary  
October 2009 through December 2009**

| Line | Reconciliation Adjustment (RA)                            | Total             | Residential      | Total Non-Residential |       |
|------|---|-------------------|------------------|-----------------------|-------|
| 1    | June 2009 (See Page 3C Line 32)                           | \$ 13,800,950.84  | \$ 4,591,758.91  | \$ 9,209,191.93       |       |
| 2    | May 2009 (See Page 3B Line 32)                            | \$ 14,615,356.03  | \$ 4,412,134.15  | \$ 10,203,221.88      |       |
| 3    | April 2009 (See Page 3A Line 32)                          | \$ 13,082,136.97  | \$ 4,244,935.39  | \$ 8,837,201.58       |       |
| 4    | March 2009 (See Page 5AD Line 34)                         | \$ (136,475.00)   | \$ (51,326.83)   | \$ (85,148.17)        |       |
| 5    | February 2009 (See Page 5AB Line 34)                      | \$ (45,488.45)    | \$ (19,565.19)   | \$ (25,923.26)        |       |
| 6    | January 2009 (See Page 5Z Line 34)                        | \$ (1,076,490.45) | \$ (464,573.52)  | \$ (611,916.93)       |       |
| 7    | December 2008 (See Page 5X Line 34)                       | \$ 58,971.28      | \$ 23,759.99     | \$ 35,211.29          |       |
| 8    | November 2008 (See Page 5V Line 34)                       | \$ 14,943.17      | \$ 4,908.21      | \$ 10,034.96          |       |
| 9    | October 2008 (See Page 5T Line 34)                        | \$ 8,978.18       | \$ 2,765.45      | \$ 6,212.73           |       |
| 10   | September 2008 (See Page 5R Line 34)                      | \$ 3,343.13       | \$ 1,228.94      | \$ 2,114.19           |       |
| 11   | August 2008 (See Page 5P Line 34)                         | \$ -              | \$ -             | \$ -                  |       |
| 12   | July 2008 (See Page 5N Line 34)                           | \$ 1,388.19       | \$ 507.63        | \$ 880.56             |       |
| 13   | June 2008 (See Page 5L Line 34)                           | \$ 1,453.78       | \$ 470.88        | \$ 982.90             |       |
| 14   | May 2008 (See Page 5J Line 34)                            | \$ -              | \$ -             | \$ -                  |       |
| 15   | April 2008 (See Page 5H Line 34)                          | \$ -              | \$ -             | \$ -                  |       |
| 16   | March 2008 (See Page 5F Line 34)                          | \$ -              | \$ -             | \$ -                  |       |
| 17   | February 2008 (See Page 5D Line 34)                       | \$ -              | \$ -             | \$ -                  |       |
| 18   | January 2008 (See Page 5B Line 34)                        | \$ -              | \$ -             | \$ -                  |       |
| 19   | Miscellaneous Prior Period Adjustments                    | \$ -              | \$ -             | \$ -                  |       |
| 20   | Total Reconciliation Adjustment (Line 1 through Line 19)  | \$ 40,329,067.67  | \$ 12,747,004.01 | \$ 27,582,063.66      |       |
| 21   | Amount of Reconciliation to be deferred to future periods | \$ 32,263,254.14  | \$ 10,197,603.21 | \$ 22,065,650.93      |       |
| 22   | Portion of Reconciliation deferred from 3rd quarter 2009  | \$ 3,357,860.00   | \$ 1,381,215.00  | \$ 1,976,645.00       |       |
| 23   | Reconciliation Adjustment to recover in 4th quarter 2009  | \$ 11,423,673.53  | \$ 3,930,615.80  | \$ 7,493,057.73       |       |
| 24   | Projected Retail Energy (kWh)                             | 3,451,511,000     | 1,380,795,000    | 2,070,716,000         |       |
| 25   | Total RA Rate (Line 23 / Line 24) To Page 1 Line 10       |                   | <u>0.2847</u>    | <u>0.3619</u>         | ¢/kWh |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | April 2009        | Residential<br>April 2009 | Non-Residential<br>April 2009 | Voltage<br>Reduction<br>April 2009 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  |                   | \$ 47,916,537.03          | \$ 47,916,537.03              | \$ 47,916,537.03                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 44,990,417.87  | \$ 44,990,417.87          | \$ 44,990,417.87              | \$ 44,990,417.87                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (860,846.91)           | \$ (860,846.91)               | \$ (860,846.91)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (635,231.57)           | \$ (635,231.57)               | \$ (635,231.57)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 43,494,339.39  | \$ 43,494,339.39          | \$ 43,494,339.39              | \$ 43,494,339.39                   |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,464,124.235             | 1,464,124.235                 | 1,464,124.235                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 89,409,675        | 89,409,675                | 89,409,675                    | 89,409,675                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,374,714,560     | 1,374,714,560             | 1,374,714,560                 | 1,374,714,560                      |
| 10   | kWh Subject to FPP   | 1,376,416,233     | 455,696,059               | 729,371,004                   | 191,349,170                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 100.12%           | 33.15%                    | 53.05%                        | 13.92%                             |
| 12   | Amount Recovered in Base Rates   | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 33,332,430.26  | \$ 11,000,535.93          | \$ 17,639,379.90              | \$ 4,692,514.43                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 33,332,430.26  | \$ 11,000,535.93          | \$ 17,639,379.90              | \$ 4,692,514.43                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 43,546,532.60  | \$ 14,418,373.51          | \$ 23,073,747.05              | \$ 6,054,412.04                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 10,214,102.34  | \$ 3,417,837.58           | \$ 5,434,367.15               | \$ 1,361,897.61                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,376,416,233     | 455,696,059               | 729,371,004                   | 191,349,170                        |
| 18   | EA Expense Allocated to FPP  |                   | \$ 1,369,110.44           | \$ 2,191,349.77               | \$ 574,896.67                      |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ 1,501.43               | \$ 2,403.13                   | \$ 630.45                          |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 4,139,891.89   | \$ 1,370,611.87           | \$ 2,193,752.90               | \$ 575,527.12                      |
| 21   | EA Expense Recovered in Base Rates                                       | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| 22   | EA Revenue in FPP (per books)  | \$ 1,215,169.65   | \$ 400,869.27             | \$ 643,058.71                 | \$ 171,241.67                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 2,924,722.24   | \$ 969,742.60             | \$ 1,550,694.19               | \$ 404,285.45                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ (9,107,113.92) | \$ (3,070,717.85)         | \$ (4,924,773.66)             | \$ (1,111,622.41)                  |
| 25   | Actual RA recovery through FPP   | \$ (8,336,250.46) | \$ (2,718,900.33)         | \$ (4,793,583.27)             | \$ (823,766.86)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (770,863.46)   | \$ (351,817.52)           | \$ (131,190.39)               | \$ (287,855.55)                    |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,352,651.96   | \$ 455,240.36             | \$ 728,641.63                 | \$ 168,789.97                      |
| 29   | Actual SLA recovery through FPP  | \$ 862,802.70     | \$ 305,595.41             | \$ 490,681.75                 | \$ 88,525.54                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,929,630.51   | \$ 970,008.50             | \$ 1,552,306.22               | \$ 407,315.79                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 714,175.85     | \$ 209,172.73             | \$ 332,982.84                 | \$ 172,020.28                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 13,082,136.97  | \$ 4,244,935.39           | \$ 7,186,853.79               | \$ 1,650,347.79                    |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**October 2009 through December 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | May 2009          | Residential<br>May 2009 | Non-Residential<br>May 2009 | Voltage<br>Reduction<br>May 2009 |
|--|--|-------------------|-------------------------|-----------------------------|----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                         |                             |                                  |
| 1  | Net Includable Fuel  |                   | \$ 53,528,427.70        | \$ 53,528,427.70            | \$ 53,528,427.70                 |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                | 0.938933                    | 0.938933                         |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 50,259,607.21  | \$ 50,259,607.21        | \$ 50,259,607.21            | \$ 50,259,607.21                 |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ 369,363.97           | \$ 369,363.97               | \$ 369,363.97                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (1,208,921.71)       | \$ (1,208,921.71)           | \$ (1,208,921.71)                |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 49,420,049.47  | \$ 49,420,049.47        | \$ 49,420,049.47            | \$ 49,420,049.47                 |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,534,599,304           | 1,534,599,304               | 1,534,599,304                    |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 93,713,376        | 93,713,376              | 93,713,376                  | 93,713,376                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,440,885,928     | 1,440,885,928           | 1,440,885,928               | 1,440,885,928                    |
| 10   | kWh Subject to FPP   | 1,303,259,693     | 417,001,545             | 757,117,022                 | 129,141,126                      |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 90.45%            | 28.94%                  | 52.55%                      | 8.96%                            |
| 12   | Amount Recovered in Base Rates   | \$ -              | \$ -                    | \$ -                        | \$ -                             |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 31,463,406.10  | \$ 10,082,743.73        | \$ 18,309,816.33            | \$ 3,060,847.04                  |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 31,463,406.10  | \$ 10,082,743.73        | \$ 18,309,816.33            | \$ 3,060,847.04                  |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 44,700,434.75  | \$ 14,302,162.32        | \$ 25,970,236.00            | \$ 4,428,036.43                  |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 13,247,028.65  | \$ 4,219,418.59         | \$ 7,660,420.67             | \$ 1,367,189.39                  |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                         |                             |                                  |
| 17   | kWh Subject to FPP (Line 11)   | 1,303,259,693     | 417,001,545             | 757,117,022                 | 129,141,126                      |
| 18   | EA Expense Allocated to FPP  |                   | \$ 1,001,736.85         | \$ 1,818,775.09             | \$ 310,227.69                    |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ (112,250.50)         | \$ (203,804.43)             | \$ (34,762.83)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 2,779,921.87   | \$ 889,486.35           | \$ 1,614,970.66             | \$ 275,464.86                    |
| 21   | EA Expense Recovered in Base Rates                                       | \$ -              | \$ -                    | \$ -                        | \$ -                             |
| 22   | EA Revenue in FPP (per books)  | \$ 1,146,622.12   | \$ 367,424.11           | \$ 667,500.00               | \$ 111,698.01                    |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 1,633,299.75   | \$ 522,062.24           | \$ 947,470.66               | \$ 163,766.85                    |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                         |                             |                                  |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ (9,107,113.92) | \$ (3,070,717.85)       | \$ (4,924,773.66)           | \$ (1,111,622.41)                |
| 25   | Actual RA recovery through FPP   | \$ (8,005,164.42) | \$ (2,492,058.18)       | \$ (4,975,777.20)           | \$ (537,329.06)                  |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (1,101,949.50) | \$ (578,659.69)         | \$ 51,003.54                | \$ (574,293.35)                  |
| <b>System Loss Component (SLA)</b>                 |  |                   |                         |                             |                                  |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                  | 0.0999                      | 0.0882                           |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,286,848.91   | \$ 416,584.54           | \$ 756,359.90               | \$ 113,902.47                    |
| 29   | Actual SLA recovery through FPP  | \$ 832,824.09     | \$ 280,099.10           | \$ 509,331.52               | \$ 43,393.47                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,956,648.13   | \$ 945,996.65           | \$ 1,717,765.17             | \$ 292,886.31                    |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 836,977.13     | \$ 249,313.01           | \$ 452,073.75               | \$ 135,590.37                    |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 14,815,356.03  | \$ 4,412,134.15         | \$ 9,110,968.62             | \$ 1,092,253.26                  |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**October 2009 through December 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | June 2009         | Residential<br>June 2009 | Non-Residential<br>June 2009 | Voltage<br>Reduction<br>June 2009 |
|--|--|-------------------|--------------------------|------------------------------|-----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                          |                              |                                   |
| 1  | Net Includable Fuel  |                   |                          |                              |                                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                 | 0.938933                     | 0.938933                          |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 50,918,619.34  | \$ 50,918,619.34         | \$ 50,918,619.34             | \$ 50,918,619.34                  |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (178,932.10)          | \$ (178,932.10)              | \$ (178,932.10)                   |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (809,613.19)          | \$ (809,613.19)              | \$ (809,613.19)                   |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 49,930,074.05  | \$ 49,930,074.05         | \$ 49,930,074.05             | \$ 49,930,074.05                  |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,732,644,245            | 1,732,644,245                | 1,732,644,245                     |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 105,807,386       | 105,807,386              | 105,807,386                  | 105,807,386                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,626,836,859     | 1,626,836,859            | 1,626,836,859                | 1,626,836,859                     |
| 10   | kWh Subject to FPP   | 1,555,938,266     | 526,105,050              | 831,003,151                  | 198,630,065                       |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 95.64%            | 32.34%                   | 51.08%                       | 12.22%                            |
| 12   | Amount Recovered in Base Rates   | \$ -              | \$ -                     | \$ -                         | \$ -                              |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 37,639,591.57  | \$ 12,731,782.31         | \$ 20,098,690.38             | \$ 4,809,118.88                   |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 37,639,591.57  | \$ 12,731,782.31         | \$ 20,098,690.38             | \$ 4,809,118.88                   |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 47,753,122.82  | \$ 16,147,385.95         | \$ 25,504,281.82             | \$ 6,101,455.05                   |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 10,113,531.25  | \$ 3,415,603.64          | \$ 5,405,591.44              | \$ 1,292,336.17                   |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                          |                              |                                   |
| 17   | kWh Subject to FPP (Line 11)   | 1,555,938,266     | 526,105,050              | 831,003,151                  | 198,630,065                       |
| 18   | EA Expense Allocated to FPP  |                   | \$ 1,158,052.75          | \$ 1,829,188.83              | \$ 437,661.08                     |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ 214,251.93            | \$ 339,419.16                | \$ 80,971.90                      |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 4,058,545.65   | \$ 1,372,304.68          | \$ 2,167,607.99              | \$ 518,632.98                     |
| 21   | EA Expense Recovered in Base Rates                                       | \$ -              | \$ -                     | \$ -                         | \$ -                              |
| 22   | EA Revenue in FPP (per books)  | \$ 1,372,169.26   | \$ 463,957.42            | \$ 732,714.98                | \$ 175,496.86                     |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 2,686,376.39   | \$ 908,347.26            | \$ 1,434,893.01              | \$ 343,136.12                     |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                          |                              |                                   |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ (9,107,113.92) | \$ (3,070,717.85)        | \$ (4,924,773.66)            | \$ (1,111,622.41)                 |
| 25   | Actual RA recovery through FPP   | \$ (9,452,945.39) | \$ (3,146,796.43)        | \$ (6,461,912.29)            | \$ (844,236.67)                   |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 345,831.47     | \$ 76,078.58             | \$ 537,138.63                | \$ (267,386.74)                   |
| <b>System Loss Component (SLA)</b>                 |  |                   |                          |                              |                                   |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                   | 0.0999                       | 0.0882                            |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,531,119.21   | \$ 525,578.94            | \$ 830,172.15                | \$ 175,368.12                     |
| 29   | Actual SLA recovery through FPP  | \$ 980,961.53     | \$ 353,889.52            | \$ 559,093.38                | \$ 68,178.63                      |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,167,292.47   | \$ 1,070,997.69          | \$ 1,691,607.06              | \$ 404,687.52                     |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 655,211.73     | \$ 191,729.43            | \$ 302,341.53                | \$ 161,140.77                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 13,800,950.84  | \$ 4,591,758.91          | \$ 7,679,964.81              | \$ 1,529,227.32                   |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Voltage-Adjusted System Loss Adjustment  
October 2009 through December 2009**

| Line   | Description   | Distribution<br>(A) | Transmission<br>(B) | Total Losses                           |                                 |
|--|---|---------------------|---------------------|--|---------------------------------|
|  |   |                     |                     | Voltage Adjusted<br>Methodology<br>(C) | No Voltage<br>Adjustment<br>(D) |
| <b>Calculation of Base Rate Recovery of Losses</b>                   |   |                     |                     |  |                                 |
| 1  | FC Rate Basis for SLA (\$/kWh)                            | 1.5353              | 1.5353              | 1.5353                                 | 1.5353                          |
| 2  | Energy Loss Factors from 92-1464-EL-AIR                   | 6.847%              | 3.134%              | 5.743%                                 | 6.504%                          |
| 3  | Losses in MBSSO (\$/kWh) (Line 1 * Line 2)                | 0.1051              | 0.0481              | 0.0882                                 | 0.0999                          |
| 4  | Current FC Rate (\$/kWh) (Per Filing)                     | 3.3453              | 3.3453              | 3.3453                                 | 3.3453                          |
| 5  | Projected Sales at Meter (kWh) <sup>(a)</sup>             | 3,310,352,000       | 141,159,000         | 3,451,511,000                          | 3,451,511,000                   |
| 6  | Energy Loss Factors from 92-1464-EL-AIR (Line 2)          | 6.847%              | 3.134%              | 5.743%                                 | 6.504%                          |
| 7  | Energy Sales at the Busbar (kWh) (Line 5 * (1 + Line 6))  | 3,537,003,807       | 145,582,242         | 3,649,729,465                          | 3,675,992,856                   |
| 8  | Energy Losses (kWh) (Line 7 - Line 5)                     | 226,651,807         | 4,423,242           | 198,218,465                            | 224,481,856                     |
| 9  | Value of Losses (Line 8 * Line 4)                         | 7,582,182.90        | 147,970.71          | 6,631,002.31                           | 7,509,591.53                    |
| 10   | Average Losses Rate (\$/kWh) (Line 9 + Line 5)            | 0.2290              | 0.1048              | 0.1921                                 | 0.2176                          |
| 11   | Losses in MBSSO (\$/kWh) (Line 3)                         | 0.1051              | 0.0481              | 0.0882                                 | 0.0999                          |
| 12   | System Loss Adjustment (\$/kWh) (Line 10 - Line 11)       | 0.1239              | 0.0567              | 0.1039                                 | 0.1177                          |
| 13   | Synchronization Adj. (\$/kWh) (L.12, Column D - Column C) | 0.0138              | 0.0138              | 0.0138                                 | -                               |
| 14   | Adjusted SLA (\$/kWh) (Line 12 + Line 13)                 | 0.1377              | 0.0705              | 0.1177                                 | 0.1177                          |
| <b>Total SLA Rate (Line 14, Columns A &amp; B) To Page 1 Line 11</b> |   |                     |                     |  |                                 |

Notes: <sup>(a)</sup> Projected Sales at Meter for 4th quarter 2009 were provided by the Load Forecasting Department.

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line | Reconciliation Adjustment (RA)   | January 2008      | Residential<br>January 2008 | Non-Residential<br>January 2008 | Voltage<br>Reduction<br>January 2008 |
|------|--|-------------------|-----------------------------|---------------------------------|--------------------------------------|
|      | <b>Fuel Component (FC)</b>   |                   |                             |                                 |                                      |
| 1    | Net Includable Fuel  | \$ 46,761,105.14  | \$ 46,761,105.14            | \$ 46,761,105.14                | \$ 46,761,105.14                     |
| 2    | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                    | 0.938933                        | 0.938933                             |
| 3    | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 43,905,544.73  | \$ 43,905,544.73            | \$ 43,905,544.73                | \$ 43,905,544.73                     |
| 4    | Coal Sales Margin Credits (per books current year contracts only)        | \$ (188,980.59)   | \$ (188,980.59)             | \$ (188,980.59)                 | \$ (188,980.59)                      |
| 5    | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (3,085,355.38) | \$ (3,085,355.38)           | \$ (3,085,355.38)               | \$ (3,085,355.38)                    |
| 6    | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,631,208.76  | \$ 40,631,208.76            | \$ 40,631,208.76                | \$ 40,631,208.76                     |
| 7    | Total Generation and Purchase Power (per books)                          | 2,003,380,500     | 2,003,380,500               | 2,003,380,500                   | 2,003,380,500                        |
| 8    | Losses (kWh) (1-Line 2)*(Line 7)   | 122,340,437       | 122,340,437                 | 122,340,437                     | 122,340,437                          |
| 9    | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,881,040,063     | 1,881,040,063               | 1,881,040,063                   | 1,881,040,063                        |
| 10   | kWh Subject to FPP   | 1,865,383,075     | 758,879,077                 | 822,985,542                     | 283,518,456                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 99.17%            | 40.35%                      | 43.75%                          | 15.07%                               |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 22,994,577.17  | \$ 9,364,702.38             | \$ 10,144,942.78                | \$ 3,494,932.01                      |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,289,056.90  | \$ 9,068,325.11             | \$ 9,808,950.76                 | \$ 3,421,781.03                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 45,283,634.07  | \$ 18,413,027.49            | \$ 19,953,893.54                | \$ 6,916,713.04                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 40,293,969.73  | \$ 16,394,692.74            | \$ 17,776,153.83                | \$ 6,123,123.16                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (4,989,664.34) | \$ (2,018,334.75)           | \$ (2,177,739.71)               | \$ (793,589.88)                      |
|      | <b>Emissions Allowance Component (EA)</b>                                |                   |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,865,383,075     | 758,879,077                 | 822,985,542                     | 283,518,456                          |
| 18   | EA Expense Allocated to FPP  | \$ 513,203.00     | \$ 208,782.33               | \$ 226,419.26                   | \$ 78,001.42                         |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 513,203.00     | \$ 208,782.33               | \$ 226,419.26                   | \$ 78,001.42                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 235,038.27     | \$ 95,618.76                | \$ 103,696.18                   | \$ 35,723.33                         |
| 22   | EA Revenue in FPP (per books)  | \$ 181,007.93     | \$ 73,580.25                | \$ 79,674.24                    | \$ 27,753.44                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 97,156.80      | \$ 39,583.32                | \$ 43,048.84                    | \$ 14,524.65                         |
|      | <b>Reconciliation Adjustment Amortization (RA)</b>                       |                   |                             |                                 |                                      |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ (5,787,658.96) | \$ (2,785,119.38)           | \$ (2,641,279.85)               | \$ (381,259.73)                      |
| 25   | Actual RA recovery through FPP   | \$ (6,375,840.25) | \$ (3,016,790.16)           | \$ (2,928,404.00)               | \$ (430,646.09)                      |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 588,181.29     | \$ 251,670.78               | \$ 287,124.15                   | \$ 49,386.36                         |
|      | <b>System Loss Component (SLA)</b>                                       |                   |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,830,346.04   | \$ 758,120.20               | \$ 822,162.56                   | \$ 250,063.28                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,169,428.14   | \$ 513,735.96               | \$ 558,218.37                   | \$ 99,475.81                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,831,859.26   | \$ 1,152,218.63             | \$ 1,249,307.68                 | \$ 430,332.95                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (167,914.92)   | \$ (119,637.53)             | \$ (129,071.25)                 | \$ 80,793.86                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (4,472,241.17) | \$ (1,846,718.18)           | \$ (1,976,637.97)               | \$ (648,885.01)                      |



**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**October 2009 through December 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | January 2008      | Residential<br>January 2008 | Non-Residential<br>January 2008 | Voltage<br>Reduction<br>January 2008 |
|--|--|-------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                             |                                 |                                      |
| 1  | Net Includable Fuel  |                   | \$ 46,761,105.14            | \$ 46,761,105.14                | \$ 46,761,105.14                     |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                    | 0.938933                        | 0.938933                             |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 43,905,544.73  | \$ 43,905,544.73            | \$ 43,905,544.73                | \$ 43,905,544.73                     |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (188,980.59)             | \$ (188,980.59)                 | \$ (188,980.59)                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (3,085,355.38)           | \$ (3,085,355.38)               | \$ (3,085,355.38)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,631,208.76  | \$ 40,631,208.76            | \$ 40,631,208.76                | \$ 40,631,208.76                     |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 2,003,380,500               | 2,003,380,500                   | 2,003,380,500                        |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 122,340,437       | 122,340,437                 | 122,340,437                     | 122,340,437                          |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,881,040,063     | 1,881,040,063               | 1,881,040,063                   | 1,881,040,063                        |
| 10   | kWh Subject to FPP   | 1,885,383,075     | 758,879,077                 | 822,985,542                     | 283,518,456                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 99.17%            | 40.35%                      | 43.75%                          | 15.07%                               |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 22,994,577.17  | \$ 9,354,702.38             | \$ 10,144,942.78                | \$ 3,494,932.01                      |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,289,058.90  | \$ 9,058,325.11             | \$ 9,808,950.76                 | \$ 3,421,781.03                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 45,283,636.07  | \$ 18,413,027.49            | \$ 19,953,893.54                | \$ 6,916,713.04                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 40,293,969.73  | \$ 16,394,692.74            | \$ 17,776,153.83                | \$ 6,123,123.16                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (4,989,664.34) | \$ (2,018,334.75)           | \$ (2,177,739.71)               | \$ (793,589.88)                      |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,885,383,075     | 758,879,077                 | 822,985,542                     | 283,518,456                          |
| 18   | EA Expense Allocated to FPP  |                   | \$ 208,782.33               | \$ 226,419.26                   | \$ 78,001.42                         |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 513,203.00     | \$ 208,782.33               | \$ 226,419.26                   | \$ 78,001.42                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 235,038.27     | \$ 95,618.76                | \$ 103,696.18                   | \$ 35,723.33                         |
| 22   | EA Revenue in FPP (per books)  | \$ 181,007.93     | \$ 73,580.25                | \$ 79,674.24                    | \$ 27,753.44                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 97,156.80      | \$ 39,583.32                | \$ 43,048.84                    | \$ 14,524.65                         |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                             |                                 |                                      |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ (5,787,658.96) | \$ (2,765,119.38)           | \$ (2,641,279.85)               | \$ (381,259.73)                      |
| 25   | Actual RA recovery through FPP   | \$ (6,375,840.25) | \$ (3,016,790.16)           | \$ (2,928,404.00)               | \$ (430,646.09)                      |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 588,181.29     | \$ 251,670.78               | \$ 287,124.15                   | \$ 49,386.36                         |
| <b>System Loss Component (SLA)</b>                 |  |                   |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AJR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,830,346.04   | \$ 758,120.20               | \$ 822,162.56                   | \$ 250,063.28                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,169,428.14   | \$ 513,735.96               | \$ 556,216.37                   | \$ 99,475.81                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,831,859.28   | \$ 1,152,218.63             | \$ 1,249,307.68                 | \$ 430,332.95                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (167,914.92)   | \$ (119,637.53)             | \$ (129,071.25)                 | \$ 80,793.86                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (4,472,241.17) | \$ (1,846,718.18)           | \$ (1,976,637.97)               | \$ (648,885.01)                      |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5A, Line 32)                | \$ (4,472,241.17) | \$ (1,846,718.18)           | \$ (1,976,637.97)               | \$ (648,885.01)                      |
| 34   | Net Adjustment for January 2008 (Line 32 - Line 33) To Page 3 Line 18    | \$ -              | \$ -                        | \$ -                            | \$ -                                 |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | February 2008     | Residential<br>February 2008 | Non-Residential<br>February 2008 | Voltage<br>Reduction<br>February 2008 |
|--|--|-------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 48,071,792.08  | \$ 48,071,792.08             | \$ 48,071,792.08                 | \$ 48,071,792.08                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 45,136,191.95  | \$ 45,136,191.95             | \$ 45,136,191.95                 | \$ 45,136,191.95                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (2,253,265.70) | \$ (2,253,265.70)            | \$ (2,253,265.70)                | \$ (2,253,265.70)                     |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,913,505.39) | \$ (1,913,505.39)            | \$ (1,913,505.39)                | \$ (1,913,505.39)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,969,420.86  | \$ 40,969,420.86             | \$ 40,969,420.86                 | \$ 40,969,420.86                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,846,502.163     | 1,846,502.163                | 1,846,502.163                    | 1,846,502.163                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 112,760.348       | 112,760.348                  | 112,760.348                      | 112,760.348                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,733,741.815     | 1,733,741.815                | 1,733,741.815                    | 1,733,741.815                         |
| 10   | kWh Subject to FPP   | 1,754,838.409     | 694,018.506                  | 782,799.721                      | 278,020.182                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.22%           | 40.03%                       | 45.15%                           | 16.04%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 21,631,893.06  | \$ 8,555,166.12              | \$ 9,849,572.16                  | \$ 3,427,154.78                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,923,083.24  | \$ 8,283,419.97              | \$ 9,319,274.24                  | \$ 3,320,389.03                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 42,554,976.30  | \$ 16,838,586.09             | \$ 18,968,846.40                 | \$ 6,747,543.81                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,469,247.79  | \$ 16,400,059.17             | \$ 18,497,693.52                 | \$ 6,571,495.10                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,085,728.51) | \$ (438,526.92)              | \$ (471,152.88)                  | \$ (176,048.71)                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,754,838.409     | 694,018.506                  | 782,799.721                      | 278,020.182                           |
| 18   | EA Expense Allocated to FPP  | \$ 406,394.00     | \$ 160,724.18                | \$ 181,284.56                    | \$ 64,385.26                          |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 406,394.00     | \$ 160,724.18                | \$ 181,284.56                    | \$ 64,385.26                          |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 221,109.64     | \$ 87,446.33                 | \$ 98,632.77                     | \$ 35,030.54                          |
| 22   | EA Revenue in FPP (per books)  | \$ 169,913.60     | \$ 67,285.74                 | \$ 75,696.79                     | \$ 26,931.07                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 15,370.76      | \$ 5,992.11                  | \$ 6,955.00                      | \$ 2,423.65                           |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                              |                                  |                                       |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,658.96) | \$ (2,765,119.38)            | \$ (2,641,279.85)                | \$ (381,258.73)                       |
| 25   | Actual RA recovery through FPP   | \$ (5,958,814.73) | \$ (2,759,715.28)            | \$ (2,782,213.98)                | \$ (417,885.47)                       |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 171,155.77     | \$ (6,404.10)                | \$ 140,934.13                    | \$ 36,626.74                          |
| <b>System Loss Component (SLA)</b>                 |  |                   |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,720,555.21   | \$ 693,324.49                | \$ 782,016.92                    | \$ 245,213.80                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,084,765.29   | \$ 489,787.81                | \$ 528,449.27                    | \$ 96,528.21                          |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,971,414.45   | \$ 1,175,120.73              | \$ 1,325,423.46                  | \$ 470,870.26                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 156,093.95     | \$ 12,008.43                 | \$ 14,957.27                     | \$ 129,128.25                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (743,108.03)   | \$ (426,930.48)              | \$ (308,306.48)                  | \$ (7,871.07)                         |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2008  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | February 2008     | Residential<br>February 2008 | Non-Residential<br>February 2008 | Voltage<br>Reduction<br>February 2008 |
|--|--|-------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 48,071,792.08  | \$ 48,071,792.08             | \$ 48,071,792.08                 | \$ 48,071,792.08                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 45,136,191.95  | \$ 45,136,191.95             | \$ 45,136,191.95                 | \$ 45,136,191.95                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (2,253,265.70) | \$ (2,253,265.70)            | \$ (2,253,265.70)                | \$ (2,253,265.70)                     |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,913,505.39) | \$ (1,913,505.39)            | \$ (1,913,505.39)                | \$ (1,913,505.39)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 40,969,420.86  | \$ 40,969,420.86             | \$ 40,969,420.86                 | \$ 40,969,420.86                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,846,502,163     | 1,846,502,163                | 1,846,502,163                    | 1,846,502,163                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 112,760,348       | 112,760,348                  | 112,760,348                      | 112,760,348                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,733,741,815     | 1,733,741,815                | 1,733,741,815                    | 1,733,741,815                         |
| 10   | kWh Subject to FPP   | 1,754,838,409     | 694,018,506                  | 782,799,721                      | 278,020,182                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.22%           | 40.03%                       | 45.15%                           | 16.04%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,631,893.06  | \$ 8,555,166.12              | \$ 9,649,572.16                  | \$ 3,427,154.78                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,923,083.24  | \$ 8,283,419.97              | \$ 9,319,274.24                  | \$ 3,320,389.03                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 42,554,976.30  | \$ 16,838,586.09             | \$ 18,968,846.40                 | \$ 6,747,543.81                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,469,247.79  | \$ 16,400,059.17             | \$ 18,497,693.52                 | \$ 6,571,495.10                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,085,728.51) | \$ (438,526.92)              | \$ (471,152.88)                  | \$ (176,048.71)                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,754,838,409     | 694,018,506                  | 782,799,721                      | 278,020,182                           |
| 18   | EA Expense Allocated to FPP  | \$ 160,724.18     | \$ 160,724.18                | \$ 181,284.56                    | \$ 64,385.26                          |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 160,724.18     | \$ 160,724.18                | \$ 181,284.56                    | \$ 64,385.26                          |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0128 ¢/kWh)              | \$ 221,109.64     | \$ 87,446.33                 | \$ 98,632.77                     | \$ 35,030.54                          |
| 22   | EA Revenue in FPP (per books)  | \$ 169,913.60     | \$ 67,295.74                 | \$ 75,696.79                     | \$ 26,931.07                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 15,370.76      | \$ 5,992.11                  | \$ 6,955.00                      | \$ 2,423.65                           |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                              |                                  |                                       |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,658.96) | \$ (2,765,119.38)            | \$ (2,641,279.86)                | \$ (381,259.73)                       |
| 25   | Actual RA recovery through FPP   | \$ (5,958,814.73) | \$ (2,758,715.28)            | \$ (2,782,213.96)                | \$ (417,885.47)                       |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 171,155.77     | \$ (6,404.10)                | \$ 140,934.13                    | \$ 36,625.74                          |
| <b>System Loss Component (SLA)</b>                 |  |                   |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,720,555.21   | \$ 693,324.49                | \$ 782,016.92                    | \$ 245,213.80                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,094,765.29   | \$ 469,787.81                | \$ 528,449.27                    | \$ 96,528.21                          |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,971,414.45   | \$ 1,175,120.73              | \$ 1,325,423.46                  | \$ 470,870.26                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 156,093.95     | \$ 12,008.43                 | \$ 14,957.27                     | \$ 129,128.25                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (743,108.03)   | \$ (426,930.48)              | \$ (308,306.48)                  | \$ (7,871.07)                         |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5C, Line 32)                | \$ (743,108.03)   | \$ (426,930.48)              | \$ (308,306.48)                  | \$ (7,871.07)                         |
| 34   | Net Adjustment for February 2008 (Line 32 - Line 33) To Page 3 Line 17   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | March 2008        | Residential<br>March 2008 | Non-Residential<br>March 2008 | Voltage<br>Reduction<br>March 2008 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  | \$ 45,045,834.20  | \$ 45,045,834.20          | \$ 45,045,834.20              | \$ 45,045,834.20                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 42,295,020.24  | \$ 42,295,020.24          | \$ 42,295,020.24              | \$ 42,295,020.24                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ 222,851.44     | \$ 222,851.44             | \$ 222,851.44                 | \$ 222,851.44                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,425,000.68) | \$ (1,425,000.68)         | \$ (1,425,000.68)             | \$ (1,425,000.68)                  |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 41,092,871.00  | \$ 41,092,871.00          | \$ 41,092,871.00              | \$ 41,092,871.00                   |
| 7  | Total Generation and Purchase Power (per books)                          | 1,795,978,466     | 1,795,978,466             | 1,795,978,466                 | 1,795,978,466                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 109,675,017       | 109,675,017               | 109,675,017                   | 109,675,017                        |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,686,303,449     | 1,686,303,449             | 1,686,303,449                 | 1,686,303,449                      |
| 10   | kWh Subject to FPP   | 1,704,312,220     | 662,517,481               | 774,725,676                   | 267,069,063                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.07%           | 39.29%                    | 45.94%                        | 15.84%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 21,009,056.74  | \$ 8,166,852.99           | \$ 9,550,043.41               | \$ 3,292,160.34                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,330,074.77  | \$ 7,911,063.35           | \$ 9,229,402.08               | \$ 3,189,609.34                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 41,339,131.51  | \$ 16,077,916.34          | \$ 18,779,445.49              | \$ 6,481,769.68                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,532,564.72  | \$ 16,145,389.01          | \$ 18,878,064.94              | \$ 6,509,110.77                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 193,433.21     | \$ 67,472.67              | \$ 98,619.45                  | \$ 27,341.09                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,704,312,220     | 662,517,481               | 774,725,676                   | 267,069,063                        |
| 18   | EA Expense Allocated to FPP  | \$ 336,820.00     | \$ 130,932.08             | \$ 153,107.57                 | \$ 52,780.35                       |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 336,820.00     | \$ 130,932.08             | \$ 153,107.57                 | \$ 52,780.35                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 214,743.34     | \$ 83,477.20              | \$ 97,615.44                  | \$ 33,650.70                       |
| 22   | EA Revenue in FPP (per books)  | \$ 165,098.24     | \$ 64,261.11              | \$ 74,966.79                  | \$ 25,870.34                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (43,021.58)    | \$ (18,806.23)            | \$ (19,474.66)                | \$ (6,740.69)                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,658.92) | \$ (2,765,118.37)         | \$ (2,841,279.84)             | \$ (381,259.71)                    |
| 25   | Actual RA recovery through FPP   | \$ (5,791,514.85) | \$ (2,634,705.40)         | \$ (2,755,383.18)             | \$ (401,426.27)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 3,856.93       | \$ (130,413.97)           | \$ 114,103.34                 | \$ 20,186.56                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,671,360.82   | \$ 661,854.96             | \$ 773,950.95                 | \$ 235,554.91                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,064,749.23   | \$ 448,669.89             | \$ 523,353.07                 | \$ 92,726.27                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,780,247.66   | \$ 1,080,794.80           | \$ 1,263,723.93               | \$ 435,728.93                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 44,137.61      | \$ (29,730.05)            | \$ (33,580.09)                | \$ 107,447.75                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 196,405.17     | \$ (109,477.58)           | \$ 159,668.04                 | \$ 148,214.71                      |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | March 2008        | Residential<br>March 2008 | Non-Residential<br>March 2008 | Voltage<br>Reduction<br>March 2008 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  |                   | \$ 45,045,834.20          | \$ 45,045,834.20              | \$ 45,045,834.20                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 42,295,020.24  | \$ 42,295,020.24          | \$ 42,295,020.24              | \$ 42,295,020.24                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ 222,851.44             | \$ 222,851.44                 | \$ 222,851.44                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (1,425,000.68)         | \$ (1,425,000.68)             | \$ (1,425,000.68)                  |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 41,092,871.00  | \$ 41,092,871.00          | \$ 41,092,871.00              | \$ 41,092,871.00                   |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,795,978,466             | 1,795,978,466                 | 1,795,978,466                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 109,675,017       | 109,675,017               | 109,675,017                   | 109,675,017                        |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,686,303,449     | 1,686,303,449             | 1,686,303,449                 | 1,686,303,449                      |
| 10   | kWh Subject to FPP   | 1,704,312,220     | 662,517,481               | 774,725,676                   | 267,069,063                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 101.07%           | 39.29%                    | 45.94%                        | 15.84%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,009,056.74  | \$ 8,166,852.99           | \$ 3,550,043.41               | \$ 3,292,160.34                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,330,074.77  | \$ 7,911,063.35           | \$ 9,229,402.08               | \$ 3,189,609.34                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 41,339,131.51  | \$ 16,077,916.34          | \$ 12,779,445.49              | \$ 6,481,769.68                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 41,532,564.72  | \$ 16,145,389.01          | \$ 18,878,064.94              | \$ 6,509,110.77                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 193,433.21     | \$ 67,472.67              | \$ 98,619.45                  | \$ 27,341.09                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,704,312,220     | 662,517,481               | 774,725,676                   | 267,069,063                        |
| 18   | EA Expense Allocated to FPP  |                   | \$ 130,932.08             | \$ 153,107.57                 | \$ 52,780.35                       |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                      | \$ -                          | \$ -                               |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 336,820.00     | \$ 130,932.08             | \$ 153,107.57                 | \$ 52,780.35                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 214,743.34     | \$ 83,477.20              | \$ 97,615.44                  | \$ 33,650.70                       |
| 22   | EA Revenue in FPP (per books)  | \$ 165,098.24     | \$ 64,261.11              | \$ 74,986.79                  | \$ 25,870.34                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (43,021.58)    | \$ (16,806.23)            | \$ (10,474.66)                | \$ (8,740.89)                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (5,787,658.92) | \$ (2,766,119.37)         | \$ (2,641,279.84)             | \$ (381,259.71)                    |
| 25   | Actual RA recovery through FPP   | \$ (5,791,514.85) | \$ (2,634,705.40)         | \$ (2,755,383.19)             | \$ (401,428.27)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 3,856.93       | \$ (130,413.67)           | \$ 114,103.34                 | \$ 20,188.56                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0099 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,671,360.82   | \$ 661,854.96             | \$ 773,950.95                 | \$ 235,554.91                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,064,749.23   | \$ 448,669.89             | \$ 523,353.07                 | \$ 92,726.27                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))               | \$ 2,780,247.66   | \$ 1,080,794.80           | \$ 1,263,723.93               | \$ 435,728.93                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 44,137.61      | \$ (29,730.05)            | \$ (33,580.09)                | \$ 107,447.75                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 198,405.17     | \$ (109,477.58)           | \$ 159,668.04                 | \$ 148,214.71                      |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5E, Line 32)                | \$ 198,405.17     | \$ (109,477.58)           | \$ 159,668.04                 | \$ 148,214.71                      |
| 34   | Net Adjustment for March 2008 (Line 32 - Line 33) To Page 3 Line 16      | \$ -              | \$ -                      | \$ -                          | \$ -                               |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | April 2008        | Residential<br>April 2008 | Non-Residential<br>April 2008 | Voltage<br>Reduction<br>April 2008 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  | \$ 39,480,130.59  | \$ 39,480,130.59          | \$ 39,480,130.59              | \$ 39,480,130.59                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 37,069,197.46  | \$ 37,069,197.46          | \$ 37,069,197.46              | \$ 37,069,197.46                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (971,734.24)   | \$ (971,734.24)           | \$ (971,734.24)               | \$ (971,734.24)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,215,426.98) | \$ (1,215,426.98)         | \$ (1,215,426.98)             | \$ (1,215,426.98)                  |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 34,882,036.24  | \$ 34,882,036.24          | \$ 34,882,036.24              | \$ 34,882,036.24                   |
| 7  | Total Generation and Purchase Power (per books)                          | 1,569,304,567     | 1,569,304,567             | 1,569,304,567                 | 1,569,304,567                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 95,832,722        | 95,832,722                | 95,832,722                    | 95,832,722                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,473,471,845     | 1,473,471,845             | 1,473,471,845                 | 1,473,471,845                      |
| 10   | kWh Subject to FPP   | 1,555,289,363     | 522,140,598               | 755,195,478                   | 277,953,287                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 105.55%           | 35.44%                    | 51.25%                        | 18.86%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 19,172,051.98  | \$ 6,438,427.15           | \$ 9,309,294.66               | \$ 3,428,330.17                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 18,257,332.53  | \$ 8,475,603.85           | \$ 9,357,272.37               | \$ 3,424,456.31                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 38,429,384.51  | \$ 12,912,031.00          | \$ 18,666,567.03              | \$ 6,850,786.48                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 36,817,989.25  | \$ 12,382,193.64          | \$ 17,877,043.57              | \$ 6,578,752.04                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,611,395.26) | \$ (549,837.36)           | \$ (789,523.46)               | \$ (272,034.44)                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,555,289,363     | 522,140,598               | 755,195,478                   | 277,953,287                        |
| 18   | EA Expense Allocated to FPP  | \$ 347,217.00     | \$ 116,567.44             | \$ 168,596.73                 | \$ 62,052.83                       |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 347,217.00     | \$ 116,567.44             | \$ 168,596.73                 | \$ 62,052.83                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 195,966.46     | \$ 65,789.72              | \$ 95,154.63                  | \$ 35,022.11                       |
| 22   | EA Revenue in FPP (per books)  | \$ 99,380.57      | \$ 33,139.59              | \$ 48,469.32                  | \$ 17,751.66                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 51,989.97      | \$ 17,638.13              | \$ 24,972.78                  | \$ 9,279.06                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (1,739,754.16) | \$ (492,928.91)           | \$ (951,558.78)               | \$ (295,266.47)                    |
| 25   | Actual RA recovery through FPP   | \$ (1,790,853.33) | \$ (507,927.99)           | \$ (967,591.33)               | \$ (315,334.01)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 51,099.17      | \$ 14,999.08              | \$ 16,032.55                  | \$ 20,067.54                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,521,213.54   | \$ 521,618.46             | \$ 754,440.28                 | \$ 245,154.80                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,010,533.90   | \$ 372,183.12             | \$ 537,650.47                 | \$ 100,700.31                      |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,544,739.92   | \$ 854,434.70             | \$ 1,235,603.23               | \$ 454,701.99                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 12,992.48      | \$ (39,366.88)            | \$ (56,487.52)                | \$ 108,848.88                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (1,495,413.64) | \$ (556,567.03)           | \$ (805,005.65)               | \$ (133,840.96)                    |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | April 2008        | Residential<br>April 2008 | Non-Residential<br>April 2008 | Voltage<br>Reduction<br>April 2008 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  |                   | \$ 39,480,130.59          | \$ 39,480,130.59              | \$ 39,480,130.59                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 37,069,197.46  | \$ 37,069,197.46          | \$ 37,069,197.46              | \$ 37,069,197.46                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (971,734.24)           | \$ (971,734.24)               | \$ (971,734.24)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (1,215,426.98)         | \$ (1,215,426.98)             | \$ (1,215,426.98)                  |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 34,882,036.24  | \$ 34,882,036.24          | \$ 34,882,036.24              | \$ 34,882,036.24                   |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,569,304,567             | 1,569,304,567                 | 1,569,304,567                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 95,832,722        | 95,832,722                | 95,832,722                    | 95,832,722                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,473,471,845     | 1,473,471,845             | 1,473,471,845                 | 1,473,471,845                      |
| 10   | kWh Subject to FPP   | 1,555,289,363     | 522,140,598               | 755,195,478                   | 277,953,287                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 105.55%           | 35.44%                    | 51.26%                        | 18.86%                             |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 19,172,051.98  | \$ 8,438,427.15           | \$ 9,309,284.66               | \$ 3,426,330.17                    |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 19,257,332.53  | \$ 8,475,603.85           | \$ 9,357,272.37               | \$ 3,424,456.31                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 38,429,384.51  | \$ 12,912,031.00          | \$ 18,666,557.03              | \$ 6,850,786.48                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 36,817,989.25  | \$ 12,362,193.64          | \$ 17,877,043.57              | \$ 6,578,762.04                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (1,611,395.26) | \$ (549,837.36)           | \$ (789,523.46)               | \$ (272,034.44)                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,555,289,363     | 522,140,598               | 755,195,478                   | 277,953,287                        |
| 18   | EA Expense Allocated to FPP  |                   | \$ 118,567.44             | \$ 168,596.73                 | \$ 62,052.83                       |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                      | \$ -                          | \$ -                               |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 347,217.00     | \$ 118,567.44             | \$ 168,596.73                 | \$ 62,052.83                       |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 195,966.46     | \$ 65,789.72              | \$ 95,154.63                  | \$ 35,022.11                       |
| 22   | EA Revenue in FPP (per books)  | \$ 99,360.57      | \$ 33,139.59              | \$ 48,469.32                  | \$ 17,751.66                       |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 51,889.97      | \$ 17,638.13              | \$ 24,972.78                  | \$ 9,279.06                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (1,739,754.16) | \$ (492,928.91)           | \$ (951,558.78)               | \$ (295,266.47)                    |
| 25   | Actual RA recovery through FPP   | \$ (1,790,853.33) | \$ (507,927.99)           | \$ (967,591.33)               | \$ (315,334.01)                    |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 51,099.17      | \$ 14,999.08              | \$ 16,032.55                  | \$ 20,067.54                       |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,521,213.54   | \$ 521,618.46             | \$ 754,440.28                 | \$ 245,154.80                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,010,533.90   | \$ 372,183.12             | \$ 537,850.47                 | \$ 100,700.31                      |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))               | \$ 2,544,739.92   | \$ 854,434.70             | \$ 1,235,603.23               | \$ 454,701.99                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 12,992.48      | \$ (39,366.88)            | \$ (56,487.52)                | \$ 108,846.88                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (1,495,413.84) | \$ (556,567.03)           | \$ (805,005.65)               | \$ (133,840.98)                    |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5G, Line 32)                | \$ (1,495,413.84) | \$ (556,567.03)           | \$ (805,005.65)               | \$ (133,840.98)                    |
| 34   | Net Adjustment for April 2008 (Line 32 - Line 33) To Page 3 Line 15      | \$ -              | \$ -                      | \$ -                          | \$ -                               |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**October 2009 through December 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | May 2008          | Residential<br>May 2008 | Non-Residential<br>May 2008 | Voltage<br>Reduction<br>May 2008 |
|--|--|-------------------|-------------------------|-----------------------------|----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                         |                             |                                  |
| 1  | Net Includable Fuel  | \$ 36,984,124.70  | \$ 36,984,124.70        | \$ 36,984,124.70            | \$ 36,984,124.70                 |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                | 0.938933                    | 0.938933                         |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 34,725,615.16  | \$ 34,725,615.16        | \$ 34,725,615.16            | \$ 34,725,615.16                 |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (2,038,308.65) | \$ (2,038,308.65)       | \$ (2,038,308.65)           | \$ (2,038,308.65)                |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,357,032.41) | \$ (1,357,032.41)       | \$ (1,357,032.41)           | \$ (1,357,032.41)                |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 31,330,274.10  | \$ 31,330,274.10        | \$ 31,330,274.10            | \$ 31,330,274.10                 |
| 7  | Total Generation and Purchase Power (per books)                          | 1,606,548,923     | 1,606,548,923           | 1,606,548,923               | 1,606,548,923                    |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,107,123        | 98,107,123              | 98,107,123                  | 98,107,123                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,508,441,800     | 1,508,441,800           | 1,508,441,800               | 1,508,441,800                    |
| 10   | kWh Subject to FPP   | 1,418,189,845     | 413,514,641             | 747,046,536                 | 257,628,668                      |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 94.02%            | 27.41%                  | 49.53%                      | 17.08%                           |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 17,482,026.22  | \$ 5,097,394.98         | \$ 9,208,842.65             | \$ 3,175,788.59                  |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 17,576,739.89  | \$ 5,126,848.43         | \$ 9,257,987.02             | \$ 3,191,904.44                  |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 35,058,766.11  | \$ 10,224,243.41        | \$ 18,466,829.67            | \$ 6,367,693.03                  |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 29,456,723.71  | \$ 8,587,628.13         | \$ 15,517,884.76            | \$ 5,351,210.82                  |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (5,602,042.40) | \$ (1,636,615.28)       | \$ (2,948,944.91)           | \$ (1,016,482.21)                |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                         |                             |                                  |
| 17   | kWh Subject to FPP (Line 11)   | 1,418,189,845     | 413,514,641             | 747,046,536                 | 257,628,668                      |
| 18   | EA Expense Allocated to FPP  | \$ 565,676.00     | \$ 164,939.35           | \$ 297,975.83               | \$ 102,760.82                    |
| 19   | EA Sales Margin Allocated to FPP   | \$ (395,671.52)   | \$ (115,389.58)         | \$ (208,424.17)             | \$ (71,877.77)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 170,004.48     | \$ 49,569.77            | \$ 89,551.66                | \$ 30,883.05                     |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 178,691.92     | \$ 52,102.84            | \$ 94,127.87                | \$ 32,461.21                     |
| 22   | EA Revenue in FPP (per books)  | \$ 90,738.39      | \$ 26,237.19            | \$ 47,955.04                | \$ 16,546.16                     |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (89,425.83)    | \$ (26,770.26)          | \$ (52,531.25)              | \$ (18,124.32)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                         |                             |                                  |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (1,739,754.16) | \$ (492,928.91)         | \$ (951,559.78)             | \$ (295,266.47)                  |
| 25   | Actual RA recovery through FPP   | \$ (1,653,380.09) | \$ (402,135.44)         | \$ (957,324.70)             | \$ (293,919.95)                  |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (86,374.07)    | \$ (90,793.47)          | \$ 5,765.92                 | \$ (1,346.52)                    |
| <b>System Loss Component (SLA)</b>                 |  |                   |                         |                             |                                  |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0892   | 0.0999                  | 0.0999                      | 0.0892                           |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,386,629.11   | \$ 413,101.13           | \$ 746,299.49               | \$ 227,228.49                    |
| 29   | Actual SLA recovery through FPP  | \$ 920,471.44     | \$ 294,663.86           | \$ 531,945.73               | \$ 93,861.85                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,123,450.67   | \$ 619,057.46           | \$ 1,118,639.78             | \$ 385,753.43                    |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (183,649.88)   | \$ (88,707.53)          | \$ (159,605.44)             | \$ 64,663.09                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (5,971,492.18) | \$ (1,844,886.54)       | \$ (3,155,315.68)           | \$ (971,289.96)                  |



Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2008 through December 2008  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | May 2008          | Residential<br>May 2008 | Non-Residential<br>May 2008 | Voltage<br>Reduction<br>May 2008 |
|--|--|-------------------|-------------------------|-----------------------------|----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                         |                             |                                  |
| 1  | Net Includable Fuel  |                   | \$ 36,984,124.70        | \$ 36,984,124.70            | \$ 36,984,124.70                 |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                | 0.938933                    | 0.938933                         |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 34,725,615.16  | \$ 34,725,615.16        | \$ 34,725,615.16            | \$ 34,725,615.16                 |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (2,038,308.65)       | \$ (2,038,308.65)           | \$ (2,038,308.65)                |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (1,357,032.41)       | \$ (1,357,032.41)           | \$ (1,357,032.41)                |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 31,330,274.10  | \$ 31,330,274.10        | \$ 31,330,274.10            | \$ 31,330,274.10                 |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,606,548,923           | 1,606,548,923               | 1,606,548,923                    |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,107,123        | 98,107,123              | 98,107,123                  | 98,107,123                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,508,441,800     | 1,508,441,800           | 1,508,441,800               | 1,508,441,800                    |
| 10   | kWh Subject to FPP   | 1,418,189,845     | 413,514,841             | 747,046,536                 | 257,628,668                      |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 94.02%            | 27.41%                  | 49.53%                      | 17.08%                           |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 17,482,028.22  | \$ 5,097,394.98         | \$ 9,208,842.85             | \$ 3,175,788.59                  |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 17,576,739.89  | \$ 5,126,848.43         | \$ 9,257,987.02             | \$ 3,191,904.44                  |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 35,058,768.11  | \$ 10,224,243.41        | \$ 18,466,829.87            | \$ 6,367,693.03                  |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 29,456,723.71  | \$ 8,587,628.13         | \$ 15,517,884.76            | \$ 5,351,210.82                  |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (5,602,042.40) | \$ (1,636,615.28)       | \$ (2,948,944.91)           | \$ (1,016,482.21)                |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                         |                             |                                  |
| 17   | kWh Subject to FPP (Line 11)   | 1,418,189,845     | 413,514,841             | 747,046,536                 | 257,628,668                      |
| 18   | EA Expense Allocated to FPP  |                   | \$ 164,939.35           | \$ 297,975.83               | \$ 102,780.82                    |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ (115,369.58)         | \$ (208,424.17)             | \$ (71,877.77)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 170,004.48     | \$ 49,569.77            | \$ 89,551.66                | \$ 30,883.05                     |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 178,691.92     | \$ 52,102.84            | \$ 94,127.87                | \$ 32,461.21                     |
| 22   | EA Revenue in FPP (per books)  | \$ 90,738.39      | \$ 26,237.19            | \$ 47,955.04                | \$ 16,548.16                     |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (99,425.83)    | \$ (28,770.26)          | \$ (52,531.25)              | \$ (18,124.32)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                         |                             |                                  |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (1,739,754.16) | \$ (492,928.91)         | \$ (951,558.78)             | \$ (295,266.47)                  |
| 25   | Actual RA recovery through FPP   | \$ (1,653,380.09) | \$ (402,135.44)         | \$ (957,324.70)             | \$ (293,919.95)                  |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (86,374.07)    | \$ (90,793.47)          | \$ 5,765.92                 | \$ (1,346.52)                    |
| <b>System Loss Component (SLA)</b>                 |  |                   |                         |                             |                                  |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                  | 0.0999                      | 0.0882                           |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,386,629.11   | \$ 413,101.13           | \$ 746,299.49               | \$ 227,228.49                    |
| 29   | Actual SLA recovery through FPP  | \$ 920,471.44     | \$ 294,663.86           | \$ 531,945.73               | \$ 93,861.85                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,123,450.67   | \$ 619,057.46           | \$ 1,118,639.78             | \$ 385,753.43                    |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (183,649.88)   | \$ (88,707.53)          | \$ (159,605.44)             | \$ 64,663.09                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (5,971,492.18) | \$ (1,844,886.54)       | \$ (3,155,315.68)           | \$ (971,289.98)                  |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5J, Line 32)                | \$ (5,971,492.18) | \$ (1,844,886.54)       | \$ (3,155,315.68)           | \$ (971,289.98)                  |
| 34   | Net Adjustment for May 2008 {Line 32 - Line 33} To Page 3 Line 14        | \$ -              | \$ -                    | \$ -                        | \$ -                             |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**October 2009 through December 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | June 2008         | Residential<br>June 2008 | Non-Residential<br>June 2008 | Voltage<br>Reduction<br>June 2008 |
|--|--|-------------------|--------------------------|------------------------------|-----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                          |                              |                                   |
| 1  | Net Includable Fuel  | \$ 75,017,373.51  | \$ 75,017,373.51         | \$ 75,017,373.51             | \$ 75,017,373.51                  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                 | 0.938933                     | 0.938933                          |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 70,436,287.56  | \$ 70,436,287.56         | \$ 70,436,287.56             | \$ 70,436,287.56                  |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (8,169,211.89) | \$ (8,169,211.89)        | \$ (8,169,211.89)            | \$ (8,169,211.89)                 |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (3,981,875.03) | \$ (3,981,875.03)        | \$ (3,981,875.03)            | \$ (3,981,875.03)                 |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 58,285,200.64  | \$ 58,285,200.64         | \$ 58,285,200.64             | \$ 58,285,200.64                  |
| 7  | Total Generation and Purchase Power (per books)                          | 1,917,814,882     | 1,917,814,882            | 1,917,814,882                | 1,917,814,882                     |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 117,115,200       | 117,115,200              | 117,115,200                  | 117,115,200                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,800,699,682     | 1,800,699,682            | 1,800,699,682                | 1,800,699,682                     |
| 10   | kWh Subject to FPP   | 1,647,853,337     | 533,812,398              | 831,388,582                  | 282,652,357                       |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 91.51%            | 29.84%                   | 46.17%                       | 15.70%                            |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 20,313,088.08  | \$ 6,580,305.43          | \$ 10,248,527.05             | \$ 3,484,255.60                   |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,419,424.13  | \$ 6,616,591.11          | \$ 10,300,069.66             | \$ 3,502,763.36                   |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 40,732,512.21  | \$ 13,196,896.54         | \$ 20,548,596.71             | \$ 6,987,018.96                   |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 53,336,787.11  | \$ 17,275,733.47         | \$ 26,910,277.14             | \$ 9,150,776.50                   |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 12,604,274.90  | \$ 4,078,836.93          | \$ 6,361,680.43              | \$ 2,163,757.54                   |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                          |                              |                                   |
| 17   | kWh Subject to FPP (Line 11)   | 1,647,853,337     | 533,812,398              | 831,388,582                  | 282,652,357                       |
| 18   | EA Expense Allocated to FPP  | \$ 510,422.00     | \$ 165,348.21            | \$ 257,522.33                | \$ 87,551.46                      |
| 19   | EA Sales Margin Allocated to FPP   | \$ (1,637,100.82) | \$ (530,329.19)          | \$ (825,963.63)              | \$ (280,808.00)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ (1,126,678.82) | \$ (364,980.98)          | \$ (568,441.30)              | \$ (193,256.54)                   |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 207,629.52     | \$ 67,260.36             | \$ 104,754.96                | \$ 35,614.20                      |
| 22   | EA Revenue in FPP (per books)  | \$ 105,371.58     | \$ 33,861.11             | \$ 53,352.88                 | \$ 18,157.59                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (1,439,679.92) | \$ (466,102.45)          | \$ (726,549.14)              | \$ (247,028.33)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                          |                              |                                   |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (1,739,754.15) | \$ (492,928.90)          | \$ (951,558.78)              | \$ (295,266.47)                   |
| 25   | Actual RA recovery through FPP   | \$ (1,906,612.92) | \$ (518,986.63)          | \$ (1,085,061.54)            | \$ (322,544.75)                   |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 166,858.77     | \$ 26,057.73             | \$ 113,522.76                | \$ 27,278.28                      |
| <b>System Loss Component (SLA)</b>                 |  |                   |                          |                              |                                   |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                   | 0.0999                       | 0.0882                            |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,613,135.16   | \$ 533,278.59            | \$ 830,557.19                | \$ 249,299.38                     |
| 29   | Actual SLA recovery through FPP  | \$ 1,075,111.09   | \$ 380,286.31            | \$ 591,821.75                | \$ 103,003.03                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,192,151.75   | \$ 1,357,833.88          | \$ 2,115,087.38              | \$ 719,230.49                     |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,503,905.50   | \$ 444,268.98            | \$ 692,708.44                | \$ 366,928.08                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 12,835,359.25  | \$ 4,083,061.19          | \$ 6,441,362.49              | \$ 2,310,935.57                   |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | June 2008         | Residential<br>June 2008 | Non-Residential<br>June 2008 | Voltage<br>Reduction<br>June 2008 |
|--|--|-------------------|--------------------------|------------------------------|-----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                          |                              |                                   |
| 1  | Net Includable Fuel  |                   | \$ 75,017,373.51         | \$ 75,017,373.51             | \$ 75,017,373.51                  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                 | 0.938933                     | 0.938933                          |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 70,436,287.58  | \$ 70,436,287.56         | \$ 70,436,287.56             | \$ 70,436,287.56                  |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (8,169,211.89)        | \$ (8,169,211.89)            | \$ (8,169,211.89)                 |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (3,980,286.37)        | \$ (3,980,286.37)            | \$ (3,980,286.37)                 |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 58,286,789.30  | \$ 58,286,789.30         | \$ 58,286,789.30             | \$ 58,286,789.30                  |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,917,814,862            | 1,917,814,862                | 1,917,814,862                     |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 117,115,200       | 117,115,200              | 117,115,200                  | 117,115,200                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,800,699,662     | 1,800,699,662            | 1,800,699,662                | 1,800,699,662                     |
| 10   | kWh Subject to FPP   | 1,647,853,337     | 533,812,398              | 831,388,582                  | 282,652,357                       |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 91.51%            | 29.64%                   | 46.17%                       | 15.70%                            |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 20,313,088.08  | \$ 6,580,305.43          | \$ 10,248,527.05             | \$ 3,484,255.60                   |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 20,419,424.13  | \$ 6,616,591.11          | \$ 10,300,069.66             | \$ 3,502,763.36                   |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 40,732,512.21  | \$ 13,196,896.54         | \$ 20,548,596.71             | \$ 6,987,019.96                   |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 53,338,240.89  | \$ 17,276,204.35         | \$ 26,911,010.62             | \$ 9,151,025.92                   |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 12,605,728.68  | \$ 4,079,307.81          | \$ 6,362,413.91              | \$ 2,164,006.96                   |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                          |                              |                                   |
| 17   | kWh Subject to FPP (Line 11)   | 1,647,853,337     | 533,812,398              | 831,388,582                  | 282,652,357                       |
| 18   | EA Expense Allocated to FPP  |                   | \$ 165,348.21            | \$ 257,522.33                | \$ 87,551.46                      |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ (530,329.19)          | \$ (825,963.63)              | \$ (280,808.00)                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ (1,126,678.82) | \$ (364,980.98)          | \$ (568,441.30)              | \$ (193,256.54)                   |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 207,629.52     | \$ 67,260.36             | \$ 104,754.96                | \$ 35,614.20                      |
| 22   | EA Revenue in FPP (per books)  | \$ 105,371.58     | \$ 33,861.11             | \$ 53,352.88                 | \$ 18,157.59                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (1,439,679.92) | \$ (466,102.45)          | \$ (726,549.14)              | \$ (247,028.33)                   |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                          |                              |                                   |
| 24   | RA Amount from 4th Quarter Filing (spread evenly)                        | \$ (1,739,754.15) | \$ (492,928.90)          | \$ (951,558.78)              | \$ (295,268.47)                   |
| 25   | Actual RA recovery through FPP   | \$ (1,906,612.92) | \$ (518,986.63)          | \$ (1,065,081.54)            | \$ (322,544.75)                   |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 166,858.77     | \$ 26,057.73             | \$ 113,522.76                | \$ 27,278.28                      |
| <b>System Loss Component (SLA)</b>                 |  |                   |                          |                              |                                   |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                   | 0.0999                       | 0.0882                            |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,613,135.16   | \$ 533,278.59            | \$ 830,557.19                | \$ 249,299.38                     |
| 29   | Actual SLA recovery through FPP  | \$ 1,075,111.09   | \$ 380,286.31            | \$ 591,821.75                | \$ 103,003.03                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))               | \$ 4,192,151.75   | \$ 1,357,833.88          | \$ 2,115,087.38              | \$ 719,230.49                     |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,503,905.50   | \$ 444,268.98            | \$ 692,708.44                | \$ 366,928.08                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 12,836,813.03  | \$ 4,083,532.07          | \$ 6,442,095.97              | \$ 2,311,184.99                   |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5K, Line 32)                | \$ 12,835,359.25  | \$ 4,083,061.19          | \$ 6,441,362.49              | \$ 2,310,935.57                   |
| 34   | Net Adjustment for June 2008 (Line 32 - Line 33) To Page 3 Line 13       | \$ 1,453.78       | \$ 470.88                | \$ 733.48                    | \$ 249.42                         |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | July 2008          | Residential<br>July 2008 | Non-Residential<br>July 2008 | Voltage<br>Reduction<br>July 2008 |
|--|--|--------------------|--------------------------|------------------------------|-----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                          |                              |                                   |
| 1  | Net Includable Fuel  | \$ 75,778,022.54   | \$ 75,778,022.54         | \$ 75,778,022.64             | \$ 75,778,022.54                  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                 | 0.938933                     | 0.938933                          |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 71,150,486.03   | \$ 71,150,486.03         | \$ 71,150,486.03             | \$ 71,150,486.03                  |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (14,035,652.25) | \$ (14,035,652.25)       | \$ (14,035,652.25)           | \$ (14,035,652.25)                |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (2,675,034.57)  | \$ (2,675,034.57)        | \$ (2,675,034.57)            | \$ (2,675,034.57)                 |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 54,439,799.21   | \$ 54,439,799.21         | \$ 54,439,799.21             | \$ 54,439,799.21                  |
| 7  | Total Generation and Purchase Power (per books)                          | 2,084,759,854      | 2,084,759,854            | 2,084,759,854                | 2,084,759,854                     |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 127,310,030        | 127,310,030              | 127,310,030                  | 127,310,030                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,957,449,824      | 1,957,449,824            | 1,957,449,824                | 1,957,449,824                     |
| 10   | kWh Subject to FPP   | 1,831,818,050      | 669,800,464              | 888,093,824                  | 273,923,762                       |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 93.58%             | 34.22%                   | 45.37%                       | 13.99%                            |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 22,580,821.10   | \$ 8,258,630.32          | \$ 10,947,532.57             | \$ 3,376,658.21                   |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,780,979.99   | \$ 8,329,357.47          | \$ 11,045,431.92             | \$ 3,406,190.60                   |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 45,361,801.09   | \$ 16,588,987.79         | \$ 21,992,964.49             | \$ 6,782,848.81                   |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 50,944,764.10   | \$ 18,629,299.29         | \$ 24,699,336.90             | \$ 7,616,127.91                   |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 5,582,963.01    | \$ 2,043,311.50          | \$ 2,706,372.41              | \$ 833,279.10                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                          |                              |                                   |
| 17   | kWh Subject to FPP (Line 11)   | 1,831,818,050      | 669,800,464              | 888,093,824                  | 273,923,762                       |
| 18   | EA Expense Allocated to FPP  | \$ 660,651.85      | \$ 241,665.98            | \$ 320,294.27                | \$ 98,791.60                      |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                     | \$ -                         | \$ -                              |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 660,651.85      | \$ 241,665.98            | \$ 320,294.27                | \$ 98,791.60                      |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 230,809.07      | \$ 84,394.88             | \$ 111,899.82                | \$ 34,514.39                      |
| 22   | EA Revenue in FPP (per books)  | \$ 188,488.67      | \$ 68,818.28             | \$ 91,469.15                 | \$ 28,201.24                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 241,354.11      | \$ 88,352.84             | \$ 116,925.30                | \$ 36,075.97                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                          |                              |                                   |
| 24   | RA Amount from 3rd Quarter Filing (spread evenly)                        | \$ (2,503,570.15)  | \$ (1,123,420.73)        | \$ (1,087,402.33)            | \$ (292,747.09)                   |
| 25   | Actual RA recovery through FPP   | \$ (2,485,469.71)  | \$ (1,058,516.94)        | \$ (1,135,919.24)            | \$ (293,033.53)                   |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (18,100.44)     | \$ (66,903.79)           | \$ 48,516.91                 | \$ 286.44                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                          |                              |                                   |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AJR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                   | 0.0999                       | 0.0882                            |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,797,937.15    | \$ 889,130.66            | \$ 887,205.73                | \$ 241,600.76                     |
| 29   | Actual SLA recovery through FPP  | \$ 1,213,728.92    | \$ 478,599.83            | \$ 634,966.09                | \$ 100,163.00                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,330,448.66    | \$ 1,583,542.99          | \$ 2,099,513.31              | \$ 647,392.36                     |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,318,782.59    | \$ 435,812.50            | \$ 577,341.49                | \$ 305,628.60                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 7,124,999.27    | \$ 2,500,573.05          | \$ 3,449,156.11              | \$ 1,175,270.11                   |

**Duke Energy Ohio  
Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**October 2009 through December 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | July 2008         | Residential<br>July 2008 | Non-Residential<br>July 2008 | Voltage<br>Reduction<br>July 2008 |
|--|--|-------------------|--------------------------|------------------------------|-----------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                          |                              |                                   |
| 1  | Net Includable Fuel  |                   | \$ 75,778,022.54         | \$ 75,778,022.54             | \$ 75,778,022.54                  |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                 | 0.938933                     | 0.938933                          |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 71,150,486.03  | \$ 71,150,486.03         | \$ 71,150,486.03             | \$ 71,150,486.03                  |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (14,035,652.25)       | \$ (14,035,652.25)           | \$ (14,035,652.25)                |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (2,673,551.14)        | \$ (2,673,551.14)            | \$ (2,673,551.14)                 |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 54,441,282.64  | \$ 54,441,282.64         | \$ 54,441,282.64             | \$ 54,441,282.64                  |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 2,084,759,854            | 2,084,759,854                | 2,084,759,854                     |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 127,310,030       | 127,310,030              | 127,310,030                  | 127,310,030                       |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,957,449,824     | 1,957,449,824            | 1,957,449,824                | 1,957,449,824                     |
| 10   | kWh Subject to FPP   | 1,831,818,050     | 669,800,464              | 888,093,824                  | 273,923,762                       |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 93.58%            | 34.22%                   | 45.37%                       | 13.99%                            |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))               | \$ 22,580,821.10  | \$ 8,256,630.32          | \$ 10,947,532.57             | \$ 3,376,658.21                   |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,780,979.99  | \$ 8,329,357.47          | \$ 11,045,431.92             | \$ 3,406,180.60                   |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 45,361,801.09  | \$ 16,585,987.79         | \$ 21,992,964.49             | \$ 6,782,848.81                   |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 50,946,152.29  | \$ 18,629,806.92         | \$ 24,700,009.93             | \$ 7,616,335.44                   |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 5,584,351.20   | \$ 2,043,819.13          | \$ 2,707,045.44              | \$ 833,486.63                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                          |                              |                                   |
| 17   | kWh Subject to FPP (Line 11)   | 1,831,818,050     | 669,800,464              | 888,093,824                  | 273,923,762                       |
| 18   | EA Expense Allocated to FPP  |                   | \$ 241,565.98            | \$ 320,294.27                | \$ 98,791.60                      |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                     | \$ -                         | \$ -                              |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 660,651.86     | \$ 241,565.98            | \$ 320,294.27                | \$ 98,791.60                      |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 230,809.07     | \$ 84,394.86             | \$ 111,899.82                | \$ 34,514.39                      |
| 22   | EA Revenue in FPP (per books)  | \$ 188,488.67     | \$ 68,818.28             | \$ 91,469.15                 | \$ 28,201.24                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 241,354.11     | \$ 88,352.84             | \$ 116,925.30                | \$ 36,075.97                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                          |                              |                                   |
| 24   | RA Amount from 3rd Quarter Filing (spread evenly)                        | \$ (2,503,570.15) | \$ (1,123,420.73)        | \$ (1,087,402.33)            | \$ (292,747.09)                   |
| 25   | Actual RA recovery through FPP   | \$ (2,485,489.71) | \$ (1,058,516.94)        | \$ (1,135,919.24)            | \$ (293,033.53)                   |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (18,100.44)    | \$ (68,903.79)           | \$ 48,516.91                 | \$ 286.44                         |
| <b>System Loss Component (SLA)</b>                 |  |                   |                          |                              |                                   |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0899 / 0.0882   | 0.0999                   | 0.0999                       | 0.0882                            |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,797,937.15   | \$ 669,130.66            | \$ 887,205.73                | \$ 241,600.76                     |
| 29   | Actual SLA recovery through FPP  | \$ 1,213,728.92   | \$ 478,599.83            | \$ 634,966.09                | \$ 100,163.00                     |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,330,446.86   | \$ 1,583,542.99          | \$ 2,089,513.31              | \$ 647,392.36                     |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,318,782.59   | \$ 435,812.50            | \$ 577,341.49                | \$ 305,628.60                     |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 7,126,387.45   | \$ 2,501,080.68          | \$ 3,449,829.14              | \$ 1,175,477.64                   |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5M, Line 32)                | \$ 7,124,999.27   | \$ 2,500,573.05          | \$ 3,449,156.11              | \$ 1,175,270.11                   |
| 34   | Net Adjustment for July 2008 (Line 32 - Line 33) To Page 3 Line 12       | \$ 1,388.19       | \$ 507.63                | \$ 673.03                    | \$ 207.53                         |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | August 2008        | Residential<br>August 2008 | Non-Residential<br>August 2008 | Voltage<br>Reduction<br>August 2008 |
|--|--|--------------------|----------------------------|--------------------------------|-------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                            |                                |                                     |
| 1  | Net Includable Fuel  | \$ 78,413,622.00   | \$ 78,413,622.00           | \$ 78,413,622.00               | \$ 78,413,622.00                    |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                   | 0.938933                       | 0.938933                            |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 73,625,137.34   | \$ 73,625,137.34           | \$ 73,625,137.34               | \$ 73,625,137.34                    |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (15,147,082.34) | \$ (15,147,082.34)         | \$ (15,147,082.34)             | \$ (15,147,082.34)                  |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (2,342,472.04)  | \$ (2,342,472.04)          | \$ (2,342,472.04)              | \$ (2,342,472.04)                   |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 56,135,582.96   | \$ 56,135,582.96           | \$ 56,135,582.96               | \$ 56,135,582.96                    |
| 7  | Total Generation and Purchase Power (per books)                          | 2,028,214,120      | 2,028,214,120              | 2,028,214,120                  | 2,028,214,120                       |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 123,856,952        | 123,856,952                | 123,856,952                    | 123,856,952                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,904,357,168      | 1,904,357,168              | 1,904,357,168                  | 1,904,357,168                       |
| 10   | kWh Subject to FPP   | 1,875,952,431      | 715,560,987                | 881,732,957                    | 278,658,487                         |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 98.51%             | 37.57%                     | 46.31%                         | 14.63%                              |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 23,124,895.62   | \$ 8,820,720.29            | \$ 10,889,122.16               | \$ 3,435,023.17                     |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 23,331,323.66   | \$ 8,901,172.93            | \$ 10,964,993.62               | \$ 3,465,167.01                     |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 46,456,189.18   | \$ 17,721,893.22           | \$ 21,834,115.78               | \$ 6,900,180.18                     |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 55,299,162.77   | \$ 21,090,138.51           | \$ 25,996,388.47               | \$ 8,212,635.79                     |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 8,842,973.59    | \$ 3,368,245.29            | \$ 4,162,272.69                | \$ 1,312,455.61                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                            |                                |                                     |
| 17   | kWh Subject to FPP (Line 11)   | 1,875,952,431      | 715,560,987                | 881,732,957                    | 278,658,487                         |
| 18   | EA Expense Allocated to FPP  | \$ 421,088.49      | \$ 160,619.47              | \$ 197,919.52                  | \$ 62,549.60                        |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                       | \$ -                           | \$ -                                |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 421,088.49      | \$ 160,619.47              | \$ 197,919.52                  | \$ 62,549.60                        |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 236,370.01      | \$ 90,160.68               | \$ 111,098.38                  | \$ 35,110.97                        |
| 22   | EA Revenue in FPP (per books)  | \$ 193,035.16      | \$ 73,542.69               | \$ 90,803.03                   | \$ 28,689.44                        |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (8,316.68)      | \$ (3,083.90)              | \$ (3,981.87)                  | \$ (1,250.91)                       |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                            |                                |                                     |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (2,503,570.15)  | \$ (1,123,420.73)          | \$ (1,087,402.33)              | \$ (292,747.09)                     |
| 25   | Actual RA recovery through FPP   | \$ (2,554,800.77)  | \$ (1,129,047.47)          | \$ (1,127,646.91)              | \$ (298,106.39)                     |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 51,230.62       | \$ 6,626.74                | \$ 40,244.58                   | \$ 5,368.30                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                            |                                |                                     |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                     | 0.0999                         | 0.0882                              |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,841,473.44    | \$ 714,845.43              | \$ 880,851.22                  | \$ 245,778.79                       |
| 29   | Actual SLA recovery through FPP  | \$ 1,243,694.93    | \$ 511,456.00              | \$ 630,341.95                  | \$ 101,896.98                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,717,136.24    | \$ 1,799,033.69            | \$ 2,217,547.25                | \$ 700,565.30                       |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,631,967.87    | \$ 572,732.26              | \$ 706,354.08                  | \$ 352,681.53                       |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 10,517,855.40   | \$ 3,943,520.39            | \$ 4,904,889.48                | \$ 1,669,445.53                     |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | August 2008        | Residential<br>August 2008 | Non-Residential<br>August 2008 | Voltage<br>Reduction<br>August 2008 |
|--|--|--------------------|----------------------------|--------------------------------|-------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                            |                                |                                     |
| 1  | Net Includable Fuel  | \$ 78,413,622.00   | \$ 78,413,622.00           | \$ 78,413,622.00               | \$ 78,413,622.00                    |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                   | 0.938933                       | 0.938933                            |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 73,625,137.34   | \$ 73,625,137.34           | \$ 73,625,137.34               | \$ 73,625,137.34                    |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (15,147,082.34) | \$ (15,147,082.34)         | \$ (15,147,082.34)             | \$ (15,147,082.34)                  |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (2,342,472.04)  | \$ (2,342,472.04)          | \$ (2,342,472.04)              | \$ (2,342,472.04)                   |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 56,135,582.96   | \$ 56,135,582.96           | \$ 56,135,582.96               | \$ 56,135,582.96                    |
| 7  | Total Generation and Purchase Power (per books)                          | 2,028,214,120      | 2,028,214,120              | 2,028,214,120                  | 2,028,214,120                       |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 123,856,952        | 123,856,952                | 123,856,952                    | 123,856,952                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,904,357,168      | 1,904,357,168              | 1,904,357,168                  | 1,904,357,168                       |
| 10   | kWh Subject to FPP   | 1,875,952,431      | 715,560,987                | 881,732,957                    | 278,658,487                         |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 98.51%             | 37.57%                     | 46.31%                         | 14.63%                              |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 23,124,865.62   | \$ 8,820,720.29            | \$ 10,869,122.16               | \$ 3,435,023.17                     |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 23,331,323.56   | \$ 8,901,172.93            | \$ 10,964,993.62               | \$ 3,465,157.01                     |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 46,456,189.18   | \$ 17,721,893.22           | \$ 21,834,115.78               | \$ 6,900,180.18                     |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 55,299,162.77   | \$ 21,090,138.51           | \$ 25,996,388.47               | \$ 8,212,835.79                     |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 8,842,973.59    | \$ 3,368,245.29            | \$ 4,162,272.69                | \$ 1,312,455.61                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                            |                                |                                     |
| 17   | kWh Subject to FPP (Line 11)   | 1,875,952,431      | 715,560,987                | 881,732,957                    | 278,658,487                         |
| 18   | EA Expense Allocated to FPP  | \$ 62,549.50       | \$ 160,619.47              | \$ 197,919.52                  | \$ 62,549.50                        |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                       | \$ -                           | \$ -                                |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 62,549.50       | \$ 160,619.47              | \$ 197,919.52                  | \$ 62,549.50                        |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 236,370.01      | \$ 90,160.68               | \$ 111,098.36                  | \$ 35,110.97                        |
| 22   | EA Revenue in FPP (per books)  | \$ 193,035.16      | \$ 73,542.69               | \$ 90,803.03                   | \$ 28,689.44                        |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (8,316.68)      | \$ (3,083.90)              | \$ (3,981.87)                  | \$ (1,250.91)                       |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                            |                                |                                     |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (2,503,570.15)  | \$ (1,123,420.73)          | \$ (1,087,402.33)              | \$ (292,747.09)                     |
| 25   | Actual RA recovery through FPP   | \$ (2,554,800.77)  | \$ (1,129,047.47)          | \$ (1,127,646.91)              | \$ (298,106.39)                     |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 51,230.62       | \$ 5,626.74                | \$ 40,244.58                   | \$ 5,359.30                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                            |                                |                                     |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                     | 0.0999                         | 0.0882                              |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,841,473.44    | \$ 714,845.43              | \$ 890,851.22                  | \$ 245,778.79                       |
| 29   | Actual SLA recovery through FPP  | \$ 1,243,694.93    | \$ 511,456.00              | \$ 630,341.95                  | \$ 101,896.98                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 4,717,136.24    | \$ 1,798,033.69            | \$ 2,217,547.25                | \$ 700,555.30                       |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,631,967.87    | \$ 572,732.26              | \$ 706,354.08                  | \$ 352,881.53                       |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 10,517,855.40   | \$ 3,943,520.39            | \$ 4,904,889.48                | \$ 1,669,445.53                     |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 50, Line 32)                | \$ 10,517,855.40   | \$ 3,943,520.39            | \$ 4,904,889.48                | \$ 1,669,445.53                     |
| 34   | Net Adjustment for August 2008 (Line 32 - Line 33) To Page 3 Line 11     | \$ -               | \$ -                       | \$ -                           | \$ -                                |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | September 2008     | Residential<br>September 2008 | Non-Residential<br>September 2008 | Voltage<br>Reduction<br>September 2008 |
|--|--|--------------------|-------------------------------|-----------------------------------|--|
| <b>Fuel Component (FC)</b>                         |  |                    |                               |                                   |  |
| 1  | Net Includable Fuel  | \$ 58,965,357.81   | \$ 58,965,357.81              | \$ 58,965,357.81                  | \$ 58,965,357.81                       |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                      | 0.938933                          | 0.938933                               |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 55,364,520.31   | \$ 55,364,520.31              | \$ 55,364,520.31                  | \$ 55,364,520.31                       |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (13,593,706.35) | \$ (13,593,706.35)            | \$ (13,593,706.35)                | \$ (13,593,706.35)                     |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (2,367,320.00)  | \$ (2,367,320.00)             | \$ (2,367,320.00)                 | \$ (2,367,320.00)                      |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 39,403,493.96   | \$ 39,403,493.96              | \$ 39,403,493.96                  | \$ 39,403,493.96                       |
| 7  | Total Generation and Purchase Power (per books)                          | 1,724,921,897      | 1,724,921,897                 | 1,724,921,897                     | 1,724,921,897                          |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 105,335,805        | 105,335,805                   | 105,335,805                       | 105,335,805                            |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,619,586,092      | 1,619,586,092                 | 1,619,586,092                     | 1,619,586,092                          |
| 10   | kWh Subject to FPP   | 1,766,532,023      | 656,802,179                   | 866,155,566                       | 263,574,278                            |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 110.31%            | 40.55%                        | 53.48%                            | 16.28%                                 |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 22,022,580.25   | \$ 8,096,400.46               | \$ 10,677,098.66                  | \$ 3,249,080.13                        |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,219,544.92   | \$ 8,168,675.96               | \$ 10,773,304.98                  | \$ 3,277,584.00                        |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 44,242,125.17   | \$ 16,265,076.42              | \$ 21,450,403.64                  | \$ 6,526,664.13                        |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 43,465,994.19   | \$ 15,978,116.80              | \$ 21,072,988.57                  | \$ 6,414,898.82                        |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (778,130.98)    | \$ (288,959.62)               | \$ (377,416.05)                   | \$ (111,755.31)                        |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                               |                                   |  |
| 17   | kWh Subject to FPP (Line 11)   | 1,766,532,023      | 656,802,179                   | 866,155,566                       | 263,574,278                            |
| 18   | EA Expense Allocated to FPP  | \$ 435,746.10      | \$ 160,198.07                 | \$ 211,260.65                     | \$ 64,287.38                           |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                          | \$ -                              | \$ -                                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 435,746.10      | \$ 160,198.07                 | \$ 211,260.65                     | \$ 64,287.38                           |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 225,103.03      | \$ 82,757.07                  | \$ 109,135.80                     | \$ 33,210.36                           |
| 22   | EA Revenue in FPP (per books)  | \$ 183,842.60      | \$ 67,490.70                  | \$ 89,215.62                      | \$ 27,136.28                           |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 26,800.47       | \$ 9,950.30                   | \$ 12,909.43                      | \$ 3,940.74                            |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                               |                                   |  |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (2,503,570.15)  | \$ (1,123,420.74)             | \$ (1,087,402.33)                 | \$ (292,747.08)                        |
| 25   | Actual RA recovery through FPP   | \$ (2,426,037.04)  | \$ (1,036,135.89)             | \$ (1,107,933.53)                 | \$ (281,967.62)                        |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (77,533.11)     | \$ (87,285.05)                | \$ 20,531.20                      | \$ (10,779.26)                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                               |                                   |  |
| 27   | Losses in Base Rates (from Case No. 92-1454-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                        | 0.0999                            | 0.0882                                 |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,753,907.30    | \$ 656,145.38                 | \$ 865,289.41                     | \$ 232,472.51                          |
| 29   | Actual SLA recovery through FPP  | \$ 1,185,070.15    | \$ 469,367.17                 | \$ 619,322.39                     | \$ 90,380.59                           |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))               | \$ 3,972,063.85    | \$ 1,460,139.61               | \$ 1,925,727.90                   | \$ 586,216.34                          |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,033,106.40    | \$ 334,627.06                 | \$ 441,116.10                     | \$ 257,363.24                          |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 206,242.78      | \$ (29,667.31)                | \$ 97,140.68                      | \$ 136,769.41                          |



**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**October 2009 through December 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | September 2008    | Residential<br>September 2008 | Non-Residential<br>September 2008 | Voltage<br>Reduction<br>September 2008 |
|--|--|-------------------|-------------------------------|-----------------------------------|--|
| <b>Fuel Component (FC)</b>                         |  |                   |                               |                                   |  |
| 1  | Net Includable Fuel  |                   | \$ 58,965,357.81              | \$ 58,965,357.81                  | \$ 58,965,357.81                       |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                      | 0.938933                          | 0.938933                               |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 55,364,520.31  | \$ 55,364,520.31              | \$ 55,364,520.31                  | \$ 55,364,520.31                       |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (13,593,706.35)            | \$ (13,593,706.35)                | \$ (13,593,706.35)                     |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (2,364,289.33)             | \$ (2,364,289.33)                 | \$ (2,364,289.33)                      |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 39,406,524.63  | \$ 39,406,524.63              | \$ 39,406,524.63                  | \$ 39,406,524.63                       |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,724,921,897                 | 1,724,921,897                     | 1,724,921,897                          |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 105,335,805       | 105,335,805                   | 105,335,805                       | 105,335,805                            |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,619,586,092     | 1,619,586,092                 | 1,619,586,092                     | 1,619,586,092                          |
| 10   | kWh Subject to FPP   | 1,786,532,023     | 656,802,179                   | 866,155,566                       | 263,574,278                            |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 110.31%           | 40.55%                        | 53.48%                            | 16.28%                                 |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 22,022,580.25  | \$ 8,096,400.48               | \$ 10,677,099.66                  | \$ 3,249,080.13                        |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 22,219,544.92  | \$ 8,168,675.96               | \$ 10,773,304.96                  | \$ 3,277,564.00                        |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 44,242,125.17  | \$ 16,265,076.42              | \$ 21,450,404.62                  | \$ 6,526,644.13                        |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 43,469,337.32  | \$ 15,979,345.74              | \$ 21,074,609.37                  | \$ 6,415,382.21                        |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (772,787.85)   | \$ (285,730.68)               | \$ (375,795.25)                   | \$ (111,261.92)                        |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                               |                                   |  |
| 17   | kWh Subject to FPP (Line 11)   | 1,786,532,023     | 656,802,179                   | 866,155,566                       | 263,574,278                            |
| 18   | EA Expense Allocated to FPP  |                   | \$ 160,198.07                 | \$ 211,260.65                     | \$ 64,287.38                           |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                          | \$ -                              | \$ -                                   |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 435,746.10     | \$ 160,198.07                 | \$ 211,260.65                     | \$ 64,287.38                           |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 225,103.03     | \$ 82,757.07                  | \$ 109,135.60                     | \$ 33,210.36                           |
| 22   | EA Revenue in FPP (per books)  | \$ 183,842.60     | \$ 67,490.70                  | \$ 89,215.62                      | \$ 27,136.28                           |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 26,800.47      | \$ 9,950.30                   | \$ 12,909.43                      | \$ 3,940.74                            |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                               |                                   |  |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ (2,503,570.15) | \$ (1,123,420.74)             | \$ (1,087,402.33)                 | \$ (292,747.08)                        |
| 25   | Actual RA recovery through FPP   | \$ (2,426,037.04) | \$ (1,036,135.69)             | \$ (1,107,933.53)                 | \$ (281,967.82)                        |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (77,533.11)    | \$ (87,285.05)                | \$ 20,531.20                      | \$ (10,779.26)                         |
| <b>System Loss Component (SLA)</b>                 |  |                   |                               |                                   |  |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                        | 0.0999                            | 0.0882                                 |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,753,907.30   | \$ 656,145.38                 | \$ 865,288.41                     | \$ 232,472.51                          |
| 29   | Actual SLA recovery through FPP  | \$ 1,185,070.15   | \$ 469,367.17                 | \$ 619,322.39                     | \$ 96,380.59                           |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))               | \$ 3,972,083.85   | \$ 1,460,139.61               | \$ 1,925,727.90                   | \$ 586,216.34                          |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 1,033,106.40   | \$ 334,627.06                 | \$ 441,116.10                     | \$ 257,363.24                          |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 209,585.91     | \$ (28,438.37)                | \$ 98,761.48                      | \$ 139,262.80                          |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5Q, Line 32)                | \$ 206,242.78     | \$ (29,667.31)                | \$ 97,140.68                      | \$ 138,769.41                          |
| 34   | Net Adjustment for September 2008 (Line 32 - Line 33) To Page 3 Line 10  | \$ 3,343.13       | \$ 1,228.94                   | \$ 1,620.80                       | \$ 493.39                              |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | October 2008       | Residential<br>October 2008 | Non-Residential<br>October 2008 | Voltage<br>Reduction<br>October 2008 |
|--|--|--------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                             |                                 |                                      |
| 1  | Net Includable Fuel  | \$ 49,744,565.14   | \$ 49,744,565.14            | \$ 49,744,565.14                | \$ 49,744,565.14                     |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                    | 0.938933                        | 0.938933                             |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 46,706,813.78   | \$ 46,706,813.78            | \$ 46,706,813.78                | \$ 46,706,813.78                     |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (12,573,554.99) | \$ (12,573,554.99)          | \$ (12,573,554.99)              | \$ (12,573,554.99)                   |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,266,958.77)  | \$ (1,266,958.77)           | \$ (1,266,958.77)               | \$ (1,266,958.77)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 32,866,300.02   | \$ 32,866,300.02            | \$ 32,866,300.02                | \$ 32,866,300.02                     |
| 7  | Total Generation and Purchase Power (per books)                          | 1,589,850,277      | 1,589,850,277               | 1,589,850,277                   | 1,589,850,277                        |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 97,087,387         | 97,087,387                  | 97,087,387                      | 97,087,387                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,492,762,890      | 1,492,762,890               | 1,492,762,890                   | 1,492,762,890                        |
| 10   | kWh Subject to FPP   | 1,472,294,413      | 453,578,196                 | 770,364,893                     | 248,351,324                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 98.63%             | 30.38%                      | 51.61%                          | 16.64%                               |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 18,148,973.23   | \$ 5,591,258.42             | \$ 9,406,288.04                 | \$ 3,061,426.77                      |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 28,315,282.31   | \$ 8,736,225.59             | \$ 14,813,370.92                | \$ 4,765,685.60                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 46,464,255.54   | \$ 14,327,484.01            | \$ 24,309,658.96                | \$ 7,827,112.57                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 32,416,031.71   | \$ 9,984,781.95             | \$ 16,962,297.44                | \$ 5,468,952.32                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (14,048,223.83) | \$ (4,342,702.06)           | \$ (7,347,361.52)               | \$ (2,358,160.25)                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,472,294,413      | 453,578,196                 | 770,364,893                     | 248,351,324                          |
| 18   | EA Expense Allocated to FPP  | \$ 494,001.70      | \$ 152,189.94               | \$ 258,481.97                   | \$ 83,329.79                         |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 494,001.70      | \$ 152,189.94               | \$ 258,481.97                   | \$ 83,329.79                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 185,509.10      | \$ 57,150.85                | \$ 97,065.98                    | \$ 31,292.27                         |
| 22   | EA Revenue in FPP (per books)  | \$ 490,128.29      | \$ 161,460.91               | \$ 266,333.38                   | \$ 82,334.00                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (181,635.69)    | \$ (56,421.82)              | \$ (94,917.39)                  | \$ (30,296.46)                       |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                             |                                 |                                      |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ 1,756,249.39    | \$ 548,526.93               | \$ 812,497.93                   | \$ 395,224.53                        |
| 25   | Actual RA recovery through FPP   | \$ 1,673,982.66    | \$ 452,402.84               | \$ 844,888.30                   | \$ 376,691.52                        |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 82,266.73       | \$ 96,124.09                | \$ (32,390.37)                  | \$ 18,533.01                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,441,785.02    | \$ 453,124.62               | \$ 769,594.53                   | \$ 219,045.87                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,665,357.81    | \$ 559,316.43               | \$ 949,445.34                   | \$ 156,596.04                        |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,996,134.16    | \$ 922,868.86               | \$ 1,567,783.48                 | \$ 505,481.82                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (110,986.67)    | \$ (69,572.19)              | \$ (151,256.39)                 | \$ 129,839.91                        |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (14,258,581.46) | \$ (4,392,571.98)           | \$ (7,625,925.67)               | \$ (2,240,083.81)                    |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**October 2009 through December 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | October 2008       | Residential<br>October 2008 | Non-Residential<br>October 2008 | Voltage<br>Reduction<br>October 2008 |
|--|--|--------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                             |                                 |                                      |
| 1  | Net Includable Fuel  |                    | \$ 49,744,585.14            | \$ 49,744,585.14                | \$ 49,744,585.14                     |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                    | 0.938933                        | 0.938933                             |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 46,706,813.78   | \$ 46,706,813.78            | \$ 46,706,813.78                | \$ 46,706,813.78                     |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (12,573,554.99) | \$ (12,573,554.99)          | \$ (12,573,554.99)              | \$ (12,573,554.99)                   |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,257,855.88)  | \$ (1,257,855.88)           | \$ (1,257,855.88)               | \$ (1,257,855.88)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 32,875,402.91   | \$ 32,875,402.91            | \$ 32,875,402.91                | \$ 32,875,402.91                     |
| 7  | Total Generation and Purchase Power (per books)                          | 1,589,850,277      | 1,589,850,277               | 1,589,850,277                   | 1,589,850,277                        |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 97,087,387         | 97,087,387                  | 97,087,387                      | 97,087,387                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,492,762,890      | 1,492,762,890               | 1,492,762,890                   | 1,492,762,890                        |
| 10   | kWh Subject to FPP   | 1,472,294,413      | 453,578,196                 | 770,364,893                     | 248,351,324                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 98.63%             | 30.38%                      | 51.61%                          | 16.64%                               |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 18,148,973.23   | \$ 5,591,258.42             | \$ 9,496,288.04                 | \$ 3,061,426.77                      |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 28,315,282.31   | \$ 8,738,225.59             | \$ 14,813,370.92                | \$ 4,765,885.80                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 46,464,255.54   | \$ 14,329,484.01            | \$ 24,309,658.96                | \$ 7,827,312.57                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 32,425,009.89   | \$ 9,987,547.40             | \$ 16,966,995.44                | \$ 5,470,487.05                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (14,039,245.65) | \$ (4,339,936.61)           | \$ (7,342,663.52)               | \$ (2,356,845.52)                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,472,294,413      | 453,578,196                 | 770,364,893                     | 248,351,324                          |
| 18   | EA Expense Allocated to FPP  | \$ 152,189.94      | \$ 258,481.97               | \$ 83,329.79                    | \$ -                                 |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 494,001.70      | \$ 152,189.94               | \$ 258,481.97                   | \$ 83,329.79                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 185,509.10      | \$ 57,150.85                | \$ 97,065.98                    | \$ 31,292.27                         |
| 22   | EA Revenue in FPP (per books)  | \$ 490,128.29      | \$ 151,460.91               | \$ 256,333.38                   | \$ 82,334.00                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (181,635.69)    | \$ (56,421.82)              | \$ (94,917.39)                  | \$ (30,296.48)                       |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                             |                                 |                                      |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ 1,758,249.39    | \$ 548,526.93               | \$ 812,497.93                   | \$ 395,224.53                        |
| 25   | Actual RA recovery through FPP   | \$ 1,873,982.68    | \$ 452,402.84               | \$ 844,888.30                   | \$ 376,691.52                        |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 82,266.73       | \$ 96,124.09                | \$ (32,390.37)                  | \$ 18,533.01                         |
| <b>System Loss Component (SLA)</b>                 |  |                    |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,441,785.02    | \$ 453,124.62               | \$ 769,594.53                   | \$ 219,045.87                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,665,357.81    | \$ 559,316.43               | \$ 949,445.34                   | \$ 158,596.04                        |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,996,134.16    | \$ 922,866.86               | \$ 1,587,783.48                 | \$ 505,481.82                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (110,988.67)    | \$ (89,572.19)              | \$ (151,256.39)                 | \$ 129,839.91                        |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (14,249,603.28) | \$ (4,389,806.53)           | \$ (7,821,227.67)               | \$ (2,238,589.08)                    |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5S, Line 32)                | \$ (14,258,581.46) | \$ (4,392,571.98)           | \$ (7,825,925.67)               | \$ (2,240,083.81)                    |
| 34   | Net Adjustment for October 2008 (Line 32 - Line 33) To Page 3 Line 9     | \$ 8,978.18        | \$ 2,765.45                 | \$ 4,698.00                     | \$ 1,514.73                          |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | November 2008      | Residential<br>November 2008 | Non-Residential<br>November 2008 | Voltage<br>Reduction<br>November 2008 |
|--|--|--------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 47,568,635.61   | \$ 47,568,635.61             | \$ 47,568,635.61                 | \$ 47,568,635.61                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 44,663,761.74   | \$ 44,663,761.74             | \$ 44,663,761.74                 | \$ 44,663,761.74                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (15,156,583.88) | \$ (15,156,583.88)           | \$ (15,156,583.88)               | \$ (15,156,583.88)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,119,106.10)  | \$ (1,119,106.10)            | \$ (1,119,106.10)                | \$ (1,119,106.10)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 28,388,071.76   | \$ 28,388,071.76             | \$ 28,388,071.76                 | \$ 28,388,071.76                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,617,880,088      | 1,617,880,088                | 1,617,880,088                    | 1,617,880,088                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,799,083         | 98,799,083                   | 98,799,083                       | 98,799,083                            |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,519,081,005      | 1,519,081,005                | 1,519,081,005                    | 1,519,081,005                         |
| 10   | kWh Subject to FPP   | 1,423,138,356      | 467,402,770                  | 738,065,743                      | 217,669,843                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 93.68%             | 30.77%                       | 48.58%                           | 14.33%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 17,543,026.51   | \$ 5,761,673.95              | \$ 9,098,136.41                  | \$ 2,683,216.16                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 27,317,431.37   | \$ 8,976,711.27              | \$ 14,172,522.80                 | \$ 4,168,197.30                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 44,860,457.88   | \$ 14,738,385.22             | \$ 23,270,659.21                 | \$ 6,851,413.46                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 26,593,945.62   | \$ 8,735,009.68              | \$ 13,790,925.26                 | \$ 4,068,010.68                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (18,266,512.26) | \$ (6,003,375.54)            | \$ (9,479,733.95)                | \$ (2,783,402.77)                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,423,138,356      | 467,402,770                  | 738,065,743                      | 217,669,843                           |
| 18   | EA Expense Allocated to FPP  | \$ 490,474.35      | \$ 161,086.99                | \$ 254,369.02                    | \$ 75,018.34                          |
| 19   | EA Sales Margin Allocated to FPP   | \$ -               | \$ -                         | \$ -                             | \$ -                                  |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 490,474.35      | \$ 161,086.99                | \$ 254,369.02                    | \$ 75,018.34                          |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 179,315.43      | \$ 58,892.75                 | \$ 92,896.28                     | \$ 27,426.40                          |
| 22   | EA Revenue in FPP (per books)  | \$ 472,885.60      | \$ 155,630.24                | \$ 245,244.02                    | \$ 72,011.54                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (161,726.86)    | \$ (53,436.00)               | \$ (83,871.29)                   | \$ (24,419.80)                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                              |                                  |                                       |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ 1,756,249.39    | \$ 548,526.93                | \$ 812,497.93                    | \$ 395,224.53                         |
| 25   | Actual RA recovery through FPP   | \$ 1,602,658.06    | \$ 484,858.32                | \$ 808,337.20                    | \$ 329,464.56                         |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 153,591.31      | \$ 83,670.61                 | \$ 4,160.73                      | \$ 65,759.97                          |
| <b>System Loss Component (SLA)</b>                 |  |                    |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,396,247.85    | \$ 466,935.37                | \$ 737,327.88                    | \$ 191,884.80                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,620,047.02    | \$ 574,712.96                | \$ 908,370.94                    | \$ 136,963.12                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 2,721,285.84    | \$ 893,629.69                | \$ 1,411,187.72                  | \$ 416,268.43                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (295,009.03)    | \$ (147,818.64)              | \$ (234,510.90)                  | \$ 87,320.51                          |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (18,569,656.86) | \$ (6,120,959.57)            | \$ (9,793,955.40)                | \$ (2,654,741.89)                     |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**October 2009 through December 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | November 2008      | Residential<br>November 2008 | Non-Residential<br>November 2008 | Voltage<br>Reduction<br>November 2008 |
|--|--|--------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                              |                                  |                                       |
| 1  | Net Includable Fuel  |                    | \$ 47,588,835.61             | \$ 47,588,835.61                 | \$ 47,588,835.61                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 44,663,761.74   | \$ 44,663,761.74             | \$ 44,663,761.74                 | \$ 44,663,761.74                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                    | \$ (15,156,583.88)           | \$ (15,156,583.88)               | \$ (15,156,583.88)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                    | \$ (1,103,154.81)            | \$ (1,103,154.81)                | \$ (1,103,154.81)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 28,404,023.05   | \$ 28,404,023.05             | \$ 28,404,023.05                 | \$ 28,404,023.05                      |
| 7  | Total Generation and Purchase Power (per books)                          |                    | 1,617,880,088                | 1,617,880,088                    | 1,617,880,088                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,799,083         | 98,799,083                   | 98,799,083                       | 98,799,083                            |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,519,081,005      | 1,519,081,005                | 1,519,081,005                    | 1,519,081,005                         |
| 10   | kWh Subject to FPP   | 1,423,138,356      | 467,402,770                  | 738,065,743                      | 217,669,843                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 93.68%             | 30.77%                       | 48.58%                           | 14.33%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 17,543,026.51   | \$ 5,761,673.95              | \$ 9,098,136.41                  | \$ 2,883,216.15                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 27,317,431.37   | \$ 8,978,711.27              | \$ 14,172,522.80                 | \$ 4,188,197.30                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 44,860,457.88   | \$ 14,738,385.22             | \$ 23,270,659.21                 | \$ 8,851,413.46                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 26,608,868.79   | \$ 8,739,917.89              | \$ 13,798,674.40                 | \$ 4,070,296.50                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (18,251,589.09) | \$ (5,998,467.33)            | \$ (9,471,984.81)                | \$ (2,781,119.95)                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,423,138,356      | 467,402,770                  | 738,065,743                      | 217,669,843                           |
| 18   | EA Expense Allocated to FPP  |                    | \$ 161,086.99                | \$ 254,369.02                    | \$ 75,018.34                          |
| 19   | EA Sales Margin Allocated to FPP   |                    | \$ -                         | \$ -                             | \$ -                                  |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 490,474.35      | \$ 161,086.99                | \$ 254,369.02                    | \$ 75,018.34                          |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 179,315.43      | \$ 58,892.75                 | \$ 92,966.28                     | \$ 27,426.40                          |
| 22   | EA Revenue in FPP (per books)  | \$ 472,885.80      | \$ 155,630.24                | \$ 245,244.02                    | \$ 72,011.54                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (161,726.88)    | \$ (53,436.00)               | \$ (83,871.28)                   | \$ (24,419.60)                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                              |                                  |                                       |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ 1,756,249.39    | \$ 548,526.93                | \$ 812,497.93                    | \$ 395,224.53                         |
| 25   | Actual RA recovery through FPP   | \$ 1,602,658.08    | \$ 464,856.32                | \$ 808,337.20                    | \$ 329,464.56                         |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ 153,591.31      | \$ 83,670.61                 | \$ 4,160.73                      | \$ 65,759.97                          |
| <b>System Loss Component (SLA)</b>                 |  |                    |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0682    | 0.0999                       | 0.0999                           | 0.0682                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,396,247.85    | \$ 466,935.37                | \$ 737,327.68                    | \$ 191,984.80                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,620,047.02    | \$ 574,712.96                | \$ 908,370.94                    | \$ 196,963.12                         |
| 30   | Actual Losses on FPP Sales (Line 1 - Line 3) x (line 11)                 | \$ 2,721,285.84    | \$ 893,829.69                | \$ 1,411,187.72                  | \$ 416,268.43                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ (295,009.03)    | \$ (147,818.64)              | \$ (234,510.90)                  | \$ 87,320.51                          |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (18,554,713.69) | \$ (6,116,051.39)            | \$ (9,786,206.26)                | \$ (2,652,456.07)                     |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5U, Line 32)                | \$ (18,569,656.86) | \$ (6,120,959.57)            | \$ (9,793,955.40)                | \$ (2,654,741.89)                     |
| 34   | Net Adjustment for November 2008 (Line 32 - Line 33) To Page 3 Line 8    | \$ 14,943.17       | \$ 4,908.21                  | \$ 7,749.14                      | \$ 2,285.92                           |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | December 2008      | Residential<br>December 2008 | Non-Residential<br>December 2008 | Voltage<br>Reduction<br>December 2008 |
|--|--|--------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 63,778,829.80   | \$ 63,778,829.80             | \$ 63,778,829.80                 | \$ 63,778,829.80                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 59,884,048.00   | \$ 59,884,048.00             | \$ 59,884,048.00                 | \$ 59,884,048.00                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (14,074,913.00) | \$ (14,074,913.00)           | \$ (14,074,913.00)               | \$ (14,074,913.00)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (3,417,433.68)  | \$ (3,417,433.68)            | \$ (3,417,433.68)                | \$ (3,417,433.68)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 42,391,701.32   | \$ 42,391,701.32             | \$ 42,391,701.32                 | \$ 42,391,701.32                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,844,464,910      | 1,844,464,910                | 1,844,464,910                    | 1,844,464,910                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 112,635,939        | 112,635,939                  | 112,635,939                      | 112,635,939                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,731,828,971      | 1,731,828,971                | 1,731,828,971                    | 1,731,828,971                         |
| 10   | kWh Subject to FPP   | 1,774,808,309      | 715,142,715                  | 824,180,981                      | 235,504,613                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 102.48%            | 41.29%                       | 47.59%                           | 13.60%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,878,062.03   | \$ 8,815,564.25              | \$ 10,159,432.41                 | \$ 2,903,065.37                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 34,059,968.00   | \$ 13,725,096.75             | \$ 15,816,025.34                 | \$ 4,518,845.91                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 55,938,030.03   | \$ 22,540,661.00             | \$ 25,975,457.75                 | \$ 7,421,911.28                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 43,443,015.51   | \$ 17,503,533.48             | \$ 20,174,210.66                 | \$ 5,765,271.37                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (12,496,014.52) | \$ (5,037,127.52)            | \$ (5,801,247.09)                | \$ (1,656,639.91)                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,774,808,309      | 715,142,715                  | 824,180,981                      | 235,504,613                           |
| 18   | EA Expense Allocated to FPP  | \$ 1,120,951.52    | \$ 451,677.12                | \$ 520,531.99                    | \$ 148,742.41                         |
| 19   | EA Sales Margin Allocated to FPP   | \$ (59,565.00)     | \$ (24,001.17)               | \$ (27,659.97)                   | \$ (7,903.86)                         |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 1,061,386.52    | \$ 427,675.95                | \$ 492,872.02                    | \$ 140,838.55                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 223,625.85      | \$ 90,107.98                 | \$ 103,844.28                    | \$ 29,673.59                          |
| 22   | EA Revenue in FPP (per books)  | \$ 589,706.51      | \$ 237,563.52                | \$ 273,683.50                    | \$ 78,069.49                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 248,054.16      | \$ 99,614.45                 | \$ 115,344.24                    | \$ 33,065.47                          |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                              |                                  |                                       |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ 1,756,249.37    | \$ 548,526.93                | \$ 812,497.92                    | \$ 395,224.52                         |
| 25   | Actual RA recovery through FPP   | \$ 1,970,005.95    | \$ 710,750.05                | \$ 902,075.22                    | \$ 357,180.68                         |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (213,756.58)    | \$ (162,223.12)              | \$ (89,577.30)                   | \$ 38,043.84                          |
| <b>System Loss Component (SLA)</b>                 |  |                    |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,745,479.46    | \$ 714,427.57                | \$ 823,336.82                    | \$ 207,715.07                         |
| 29   | Actual SLA recovery through FPP  | \$ 2,040,911.63    | \$ 878,717.24                | \$ 1,013,709.28                  | \$ 149,485.11                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,991,372.38    | \$ 1,608,155.40              | \$ 1,853,526.66                  | \$ 529,690.32                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 204,981.29      | \$ 15,010.59                 | \$ 16,480.56                     | \$ 173,490.14                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (12,255,735.65) | \$ (5,084,725.60)            | \$ (5,758,999.59)                | \$ (1,412,010.48)                     |

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**October 2009 through December 2009**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | December 2008      | Residential<br>December 2008 | Non-Residential<br>December 2008 | Voltage<br>Reduction<br>December 2008 |
|--|--|--------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                    |                              |                                  |                                       |
| 1  | Net Includable Fuel  |                    |                              |                                  |                                       |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933           | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 59,884,048.00   | \$ 59,884,048.00             | \$ 59,884,048.00                 | \$ 59,884,048.00                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                    | \$ (14,074,913.00)           | \$ (14,074,913.00)               | \$ (14,074,913.00)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                    | \$ (3,359,889.50)            | \$ (3,359,889.50)                | \$ (3,359,889.50)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 42,449,245.50   | \$ 42,449,245.50             | \$ 42,449,245.50                 | \$ 42,449,245.50                      |
| 7  | Total Generation and Purchase Power (per books)                          |                    | 1,844,464,910                | 1,844,464,910                    | 1,844,464,910                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 112,635,939        | 112,635,939                  | 112,635,939                      | 112,635,939                           |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,731,828,971      | 1,731,828,971                | 1,731,828,971                    | 1,731,828,971                         |
| 10   | kWh Subject to FPP   | 1,774,808,309      | 715,142,715                  | 824,160,981                      | 235,504,613                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 102.48%            | 41.29%                       | 47.59%                           | 13.60%                                |
| 12   | Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)                | \$ 21,878,062.03   | \$ 8,815,564.25              | \$ 10,159,432.41                 | \$ 2,903,065.37                       |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 34,059,968.00   | \$ 13,725,096.75             | \$ 15,816,026.34                 | \$ 4,618,845.91                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 55,938,030.03   | \$ 22,540,661.00             | \$ 25,975,457.75                 | \$ 7,421,911.28                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 43,501,986.79   | \$ 17,527,283.47             | \$ 20,201,595.93                 | \$ 5,773,097.39                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ (12,436,043.24) | \$ (5,013,367.53)            | \$ (5,773,861.82)                | \$ (1,648,813.89)                     |
| <b>Emissions Allowance Component (EA)</b>          |  |                    |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,774,808,309      | 715,142,715                  | 824,160,981                      | 235,504,613                           |
| 18   | EA Expense Allocated to FPP  |                    | \$ 451,677.12                | \$ 520,531.99                    | \$ 148,742.41                         |
| 19   | EA Sales Margin Allocated to FPP   |                    | \$ (24,001.17)               | \$ (27,859.97)                   | \$ (7,903.86)                         |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 1,061,386.52    | \$ 427,675.95                | \$ 492,672.02                    | \$ 140,838.55                         |
| 21   | EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)              | \$ 223,625.05      | \$ 90,107.98                 | \$ 103,844.28                    | \$ 29,673.59                          |
| 22   | EA Revenue in FPP (per books)  | \$ 589,706.51      | \$ 237,953.52                | \$ 273,683.50                    | \$ 78,069.49                          |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 248,054.16      | \$ 89,614.45                 | \$ 115,344.24                    | \$ 33,095.47                          |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                    |                              |                                  |                                       |
| 24   | RA Amount from 2nd Quarter Filing (spread evenly)                        | \$ 1,756,249.37    | \$ 546,526.93                | \$ 812,497.92                    | \$ 395,224.52                         |
| 25   | Actual RA recovery through FPP   | \$ 1,970,005.95    | \$ 710,750.05                | \$ 902,075.22                    | \$ 357,180.68                         |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ (213,756.58)    | \$ (162,223.12)              | \$ (89,577.30)                   | \$ 38,043.84                          |
| <b>System Loss Component (SLA)</b>                 |  |                    |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882    | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,745,479.46    | \$ 714,427.57                | \$ 823,336.82                    | \$ 207,715.07                         |
| 29   | Actual SLA recovery through FPP  | \$ 2,040,911.63    | \$ 878,717.24                | \$ 1,013,709.28                  | \$ 148,485.11                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,991,372.39    | \$ 1,608,155.40              | \$ 1,853,526.66                  | \$ 529,690.32                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 204,981.29      | \$ 15,010.59                 | \$ 16,480.56                     | \$ 173,490.14                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ (12,196,764.37) | \$ (5,060,965.61)            | \$ (5,731,614.32)                | \$ (1,404,184.44)                     |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5W, Line 32)                | \$ (12,255,735.85) | \$ (5,084,725.60)            | \$ (5,758,999.59)                | \$ (1,412,010.48)                     |
| 34   | Net Adjustment for December 2008 (Line 32 - Line 33) To Page 3 Line 7    | \$ 58,971.28       | \$ 23,759.99                 | \$ 27,385.27                     | \$ 7,826.02                           |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | January 2009      | Residential<br>January 2009 | Non-Residential<br>January 2009 | Voltage<br>Reduction<br>January 2009 |
|--|--|-------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                             |                                 |                                      |
| 1  | Net Includeable Fuel   | \$ 56,797,217.89  | \$ 56,797,217.89            | \$ 56,797,217.89                | \$ 56,797,217.89                     |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                    | 0.938933                        | 0.938933                             |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 53,328,782.19  | \$ 53,328,782.19            | \$ 53,328,782.19                | \$ 53,328,782.19                     |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (476,197.98)   | \$ (476,197.98)             | \$ (476,197.98)                 | \$ (476,197.98)                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,512,437.95) | \$ (1,512,437.95)           | \$ (1,512,437.95)               | \$ (1,512,437.95)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 51,340,146.26  | \$ 51,340,146.26            | \$ 51,340,146.26                | \$ 51,340,146.26                     |
| 7  | Total Generation and Purchase Power (per books)                          | 1,965,742.381     | 1,965,742.381               | 1,965,742.381                   | 1,965,742.381                        |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 120,041,990       | 120,041,990                 | 120,041,990                     | 120,041,990                          |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,845,700.391     | 1,845,700.391               | 1,845,700.391                   | 1,845,700.391                        |
| 10   | kWh Subject to FPP   | 1,803,967,408     | 778,527,219                 | 813,759,335                     | 211,680,854                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 97.74%            | 42.18%                      | 44.09%                          | 11.47%                               |
| 12   | Amount Recovered in Base Rates   | \$ -              | \$ -                        | \$ -                            | \$ -                                 |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 40,153,016.46  | \$ 17,195,748.93            | \$ 17,843,950.95                | \$ 5,113,316.58                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 40,153,016.46  | \$ 17,195,748.93            | \$ 17,843,950.95                | \$ 5,113,316.58                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 50,179,858.95  | \$ 21,655,273.69            | \$ 22,635,870.48                | \$ 5,888,714.78                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 10,026,842.49  | \$ 4,459,524.76             | \$ 4,791,919.53                 | \$ 775,398.20                        |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,803,967,408     | 778,527,219                 | 813,759,335                     | 211,680,854                          |
| 18   | EA Expense Allocated to FPP  | \$ 2,712,861.92   | \$ 1,170,773.28             | \$ 1,223,766.43                 | \$ 318,332.21                        |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 2,712,861.92   | \$ 1,170,773.28             | \$ 1,223,766.43                 | \$ 318,332.21                        |
| 21   | EA Expense Recovered in Base Rates                                       | \$ -              | \$ -                        | \$ -                            | \$ -                                 |
| 22   | EA Revenue in FPP (per books)  | \$ 2,083,110.12   | \$ 891,934.24               | \$ 925,556.13                   | \$ 265,619.75                        |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 629,751.80     | \$ 278,839.04               | \$ 298,200.30                   | \$ 52,712.46                         |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                             |                                 |                                      |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ -              | \$ -                        | \$ -                            | \$ -                                 |
| 25   | Actual RA recovery through FPP   | \$ -              | \$ -                        | \$ -                            | \$ -                                 |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ -              | \$ -                        | \$ -                            | \$ -                                 |
| <b>System Loss Component (SLA)</b>                 |  |                   |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,777,396.78   | \$ 777,748.69               | \$ 812,945.58                   | \$ 186,702.51                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,082,460.61   | \$ 494,280.23               | \$ 512,912.36                   | \$ 75,268.02                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,390,049.06   | \$ 1,482,988.18             | \$ 1,529,233.30                 | \$ 397,829.58                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 530,191.67     | \$ 190,957.26               | \$ 203,375.36                   | \$ 135,859.05                        |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 11,186,785.96  | \$ 4,929,321.06             | \$ 5,293,495.19                 | \$ 963,969.71                        |



**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | January 2009      | Residential<br>January 2009 | Non-Residential<br>January 2009 | Voltage<br>Reduction<br>January 2009 |
|--|--|-------------------|-----------------------------|---------------------------------|--------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                             |                                 |                                      |
| 1  | Net Includable Fuel  |                   | \$ 56,797,217.89            | \$ 56,797,217.89                | \$ 56,797,217.89                     |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                    | 0.938933                        | 0.938933                             |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 53,328,782.19  | \$ 53,328,782.19            | \$ 53,328,782.19                | \$ 53,328,782.19                     |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        |                   | \$ (476,197.98)             | \$ (476,197.98)                 | \$ (476,197.98)                      |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           |                   | \$ (1,597,457.80)           | \$ (1,597,457.80)               | \$ (1,597,457.80)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 51,255,126.41  | \$ 51,255,126.41            | \$ 51,255,126.41                | \$ 51,255,126.41                     |
| 7  | Total Generation and Purchase Power (per books)                          |                   | 1,965,742.381               | 1,965,742.381                   | 1,965,742.381                        |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 120,041,990       | 120,041,990                 | 120,041,990                     | 120,041,990                          |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,845,700.391     | 1,845,700.391               | 1,845,700.391                   | 1,845,700.391                        |
| 10   | kWh Subject to FPP   | 1,803,967.408     | 778,527.219                 | 813,759.335                     | 211,680.854                          |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 97.74%            | 42.18%                      | 44.09%                          | 11.47%                               |
| 12   | Amount Recovered in Base Rates   | \$ -              | \$ -                        | \$ -                            | \$ -                                 |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 40,153,016.46  | \$ 17,195,748.93            | \$ 17,843,950.95                | \$ 5,113,316.58                      |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 40,153,016.46  | \$ 17,195,748.93            | \$ 17,843,950.95                | \$ 5,113,316.58                      |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 50,096,760.55  | \$ 21,819,412.32            | \$ 22,598,385.23                | \$ 5,878,963.00                      |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 9,943,744.09   | \$ 4,423,663.39             | \$ 4,754,434.28                 | \$ 765,646.42                        |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                             |                                 |                                      |
| 17   | kWh Subject to FPP (Line 11)   | 1,803,967.408     | 778,527.219                 | 813,759.335                     | 211,680.854                          |
| 18   | EA Expense Allocated to FPP  |                   | \$ 742,061.13               | \$ 775,842.98                   | \$ 201,765.76                        |
| 19   | EA Sales Margin Allocated to FPP   |                   | \$ -                        | \$ -                            | \$ -                                 |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 1,719,469.87   | \$ 742,061.13               | \$ 775,842.98                   | \$ 201,765.76                        |
| 21   | EA Expense Recovered in Base Rates                                       | \$ -              | \$ -                        | \$ -                            | \$ -                                 |
| 22   | EA Revenue in FPP (per books)  | \$ 2,083,110.12   | \$ 891,934.24               | \$ 925,556.13                   | \$ 265,619.75                        |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (363,640.25)   | \$ (149,873.11)             | \$ (149,913.15)                 | \$ (63,853.99)                       |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                             |                                 |                                      |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ -              | \$ -                        | \$ -                            | \$ -                                 |
| 25   | Actual RA recovery through FPP   | \$ -              | \$ -                        | \$ -                            | \$ -                                 |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ -              | \$ -                        | \$ -                            | \$ -                                 |
| <b>System Loss Component (SLA)</b>                 |  |                   |                             |                                 |                                      |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                      | 0.0999                          | 0.0882                               |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,777,396.78   | \$ 777,748.69               | \$ 812,945.58                   | \$ 186,702.51                        |
| 29   | Actual SLA recovery through FPP  | \$ 1,082,460.61   | \$ 494,280.23               | \$ 512,912.36                   | \$ 75,268.02                         |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,390,049.06   | \$ 1,462,986.18             | \$ 1,528,233.30                 | \$ 397,829.58                        |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 530,191.67     | \$ 190,957.26               | \$ 203,375.36                   | \$ 135,859.05                        |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 10,110,295.51  | \$ 4,464,747.54             | \$ 4,807,896.49                 | \$ 837,651.48                        |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5W, Line 32)                | \$ 11,186,785.96  | \$ 4,929,321.06             | \$ 5,293,495.19                 | \$ 963,969.71                        |
| 34   | Net Adjustment for January 2009 (Line 32 - Line 33) To Page 3 Line 6     | \$ (1,076,490.45) | \$ (464,573.52)             | \$ (485,598.70)                 | \$ (126,318.23)                      |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | February 2009     | Residential<br>February 2009 | Non-Residential<br>February 2009 | Voltage<br>Reduction<br>February 2009 |
|--|--|-------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 50,012,727.07  | \$ 50,012,727.07             | \$ 50,012,727.07                 | \$ 50,012,727.07                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 46,958,599.86  | \$ 46,958,599.86             | \$ 46,958,599.86                 | \$ 46,958,599.86                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (73,280.90)    | \$ (73,280.90)               | \$ (73,280.90)                   | \$ (73,280.90)                        |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,099,415.04) | \$ (1,099,415.04)            | \$ (1,099,415.04)                | \$ (1,099,415.04)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 45,785,903.92  | \$ 45,785,903.92             | \$ 45,785,903.92                 | \$ 45,785,903.92                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,615,841,372     | 1,615,841,372                | 1,615,841,372                    | 1,615,841,372                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,674,585        | 98,674,585                   | 98,674,585                       | 98,674,585                            |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,517,166,787     | 1,517,166,787                | 1,517,166,787                    | 1,517,166,787                         |
| 10   | kWh Subject to FPP   | 1,728,097,050     | 743,318,683                  | 788,396,644                      | 196,381,723                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 113.90%           | 48.99%                       | 51.97%                           | 12.94%                                |
| 12   | Amount Recovered in Base Rates   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 42,648,651.27  | \$ 18,345,545.64             | \$ 19,456,707.44                 | \$ 4,846,398.19                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 42,648,651.27  | \$ 18,345,545.64             | \$ 19,456,707.44                 | \$ 4,846,398.19                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 52,150,144.56  | \$ 22,430,514.32             | \$ 23,794,934.27                 | \$ 5,924,695.97                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 9,501,493.29   | \$ 4,084,968.68              | \$ 4,338,226.83                  | \$ 1,078,297.78                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,728,097,050     | 743,318,683                  | 788,396,644                      | 196,381,723                           |
| 18   | EA Expense Allocated to FPP  | \$ 1,928,268.84   | \$ 829,420.00                | \$ 879,719.51                    | \$ 219,129.33                         |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 1,928,268.84   | \$ 829,420.00                | \$ 879,719.51                    | \$ 219,129.33                         |
| 21   | EA Expense Recovered in Base Rates                                       | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 22   | EA Revenue in FPP (per books)  | \$ 2,212,536.76   | \$ 951,573.58                | \$ 1,009,208.94                  | \$ 251,754.23                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (284,267.91)   | \$ (122,153.58)              | \$ (129,489.43)                  | \$ (32,624.90)                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                              |                                  |                                       |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 25   | Actual RA recovery through FPP   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| <b>System Loss Component (SLA)</b>                 |  |                   |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                       | 0.0999                           | 0.0882                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,703,392.29   | \$ 742,575.36                | \$ 787,608.25                    | \$ 173,206.68                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,157,939.30   | \$ 527,330.36                | \$ 559,269.96                    | \$ 71,338.98                          |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,478,650.89   | \$ 1,496,216.92              | \$ 1,587,229.91                  | \$ 395,204.06                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 617,319.30     | \$ 226,311.20                | \$ 240,351.70                    | \$ 150,656.40                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 9,834,544.68   | \$ 4,189,126.30              | \$ 4,449,089.10                  | \$ 1,196,329.26                       |

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

| Line   | Reconciliation Adjustment (RA)   | February 2009     | Residential<br>February 2009 | Non-Residential<br>February 2009 | Voltage<br>Reduction<br>February 2009 |
|--|--|-------------------|------------------------------|----------------------------------|---------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                              |                                  |                                       |
| 1  | Net Includable Fuel  | \$ 50,012,727.07  | \$ 50,012,727.07             | \$ 50,012,727.07                 | \$ 50,012,727.07                      |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                     | 0.938933                         | 0.938933                              |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 46,958,599.86  | \$ 46,958,599.86             | \$ 46,958,599.86                 | \$ 46,958,599.86                      |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (73,280.90)    | \$ (73,280.90)               | \$ (73,280.90)                   | \$ (73,280.90)                        |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (1,140,472.96) | \$ (1,140,472.96)            | \$ (1,140,472.96)                | \$ (1,140,472.96)                     |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 45,744,846.00  | \$ 45,744,846.00             | \$ 45,744,846.00                 | \$ 45,744,846.00                      |
| 7  | Total Generation and Purchase Power (per books)                          | 1,615,841,372     | 1,615,841,372                | 1,615,841,372                    | 1,615,841,372                         |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 98,674,585        | 98,674,585                   | 98,674,585                       | 98,674,585                            |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,517,166,787     | 1,517,166,787                | 1,517,166,787                    | 1,517,166,787                         |
| 10   | kWh Subject to FPP   | 1,728,097,050     | 743,318,683                  | 788,396,644                      | 196,381,723                           |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 113.90%           | 48.99%                       | 51.97%                           | 12.94%                                |
| 12   | Amount Recovered in Base Rates   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 42,648,651.27  | \$ 18,345,545.64             | \$ 19,456,707.44                 | \$ 4,846,398.19                       |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 42,648,651.27  | \$ 18,345,545.64             | \$ 19,456,707.44                 | \$ 4,846,398.19                       |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 52,103,379.59  | \$ 22,410,400.05             | \$ 23,773,596.47                 | \$ 5,919,383.07                       |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 9,454,728.32   | \$ 4,064,854.41              | \$ 4,316,889.03                  | \$ 1,072,984.88                       |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                              |                                  |                                       |
| 17   | kWh Subject to FPP (Line 11)   | 1,728,097,050     | 743,318,683                  | 788,396,644                      | 196,381,723                           |
| 18   | EA Expense Allocated to FPP  | \$ 1,929,545.36   | \$ 829,969.08                | \$ 880,301.88                    | \$ 219,274.40                         |
| 19   | EA Sales Margin Allocated to FPP   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 1,929,545.36   | \$ 829,969.08                | \$ 880,301.88                    | \$ 219,274.40                         |
| 21   | EA Expense Recovered in Base Rates                                       | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 22   | EA Revenue in FPP (per books)  | \$ 2,212,536.75   | \$ 951,573.58                | \$ 1,009,208.94                  | \$ 251,754.23                         |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ (282,991.39)   | \$ (121,604.50)              | \$ (128,907.06)                  | \$ (32,479.83)                        |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                              |                                  |                                       |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 25   | Actual RA recovery through FPP   | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ -              | \$ -                         | \$ -                             | \$ -                                  |
| <b>System Loss Component (SLA)</b>                 |  |                   |                              |                                  |                                       |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0862   | 0.0999                       | 0.0999                           | 0.0862                                |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,703,392.29   | \$ 742,575.36                | \$ 787,608.25                    | \$ 173,208.68                         |
| 29   | Actual SLA recovery through FPP  | \$ 1,167,939.30   | \$ 527,330.36                | \$ 558,269.96                    | \$ 71,338.98                          |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,478,650.89   | \$ 1,496,216.92              | \$ 1,587,229.91                  | \$ 395,204.06                         |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 617,319.30     | \$ 226,311.20                | \$ 240,351.70                    | \$ 160,656.40                         |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 9,789,056.23   | \$ 4,169,561.11              | \$ 4,428,333.67                  | \$ 1,191,161.45                       |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5W, Line 32)                | \$ 9,834,544.68   | \$ 4,189,126.30              | \$ 4,449,089.10                  | \$ 1,186,329.28                       |
| 34   | Net Adjustment for February 2009 (Line 32 - Line 33) To Page 3 Line 5    | \$ (45,488.45)    | \$ (19,565.19)               | \$ (20,755.43)                   | \$ (5,167.83)                         |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | March 2009        | Residential<br>March 2009 | Non-Residential<br>March 2009 | Voltage<br>Reduction<br>March 2009 |
|--|--|-------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                   |                           |                               |                                    |
| 1  | Net Includable Fuel  | \$ 51,834,517.07  | \$ 51,834,517.07          | \$ 51,834,517.07              | \$ 51,834,517.07                   |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933          | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @ Meter Sales Level (Line 1 x Line 2)                          | \$ 48,669,138.61  | \$ 48,669,138.61          | \$ 48,669,138.61              | \$ 48,669,138.61                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (640,302.09)   | \$ (640,302.09)           | \$ (640,302.09)               | \$ (640,302.09)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (618,586.63)   | \$ (618,586.63)           | \$ (618,586.63)               | \$ (618,586.63)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 47,410,249.89  | \$ 47,410,249.89          | \$ 47,410,249.89              | \$ 47,410,249.89                   |
| 7  | Total Generation and Purchase Power (per books)                          | 1,596,411,454     | 1,596,411,454             | 1,596,411,454                 | 1,596,411,454                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 97,488,058        | 97,488,058                | 97,488,058                    | 97,488,058                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,498,923,396     | 1,498,923,396             | 1,498,923,396                 | 1,498,923,396                      |
| 10   | kWh Subject to FPP   | 1,529,669,358     | 575,292,037               | 740,528,431                   | 213,848,890                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 102.05%           | 38.38%                    | 49.40%                        | 14.27%                             |
| 12   | Amount Recovered in Base Rates   | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 37,777,660.02  | \$ 14,201,503.14          | \$ 18,301,236.42              | \$ 5,274,920.46                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 37,777,660.02  | \$ 14,201,503.14          | \$ 18,301,236.42              | \$ 5,274,920.46                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 48,382,160.01  | \$ 18,196,053.91          | \$ 23,420,663.44              | \$ 6,765,442.66                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 10,604,499.99  | \$ 3,994,550.77           | \$ 5,119,427.02               | \$ 1,490,522.20                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                   |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,529,669,358     | 575,292,037               | 740,528,431                   | 213,848,890                        |
| 18   | EA Expense Allocated to FPP  | \$ 4,547,353.83   | \$ 1,710,210.44           | \$ 2,201,420.10               | \$ 635,723.39                      |
| 19   | EA Sales Margin Allocated to FPP   | \$ (1,202,099.00) | \$ (452,066.38)           | \$ (581,948.30)               | \$ (168,054.32)                    |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 3,345,254.83   | \$ 1,258,144.06           | \$ 1,619,471.80               | \$ 467,669.07                      |
| 21   | EA Expense Recovered in Base Rates                                       | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| 22   | EA Revenue in FPP (per books)  | \$ 1,959,914.14   | \$ 736,624.33             | \$ 949,275.28                 | \$ 274,014.53                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 1,385,340.79   | \$ 521,469.73             | \$ 670,196.52                 | \$ 193,654.54                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                   |                           |                               |                                    |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| 25   | Actual RA recovery through FPP   | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ -              | \$ -                      | \$ -                          | \$ -                               |
| <b>System Loss Component (SLA)</b>                 |  |                   |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0882   | 0.0999                    | 0.0999                        | 0.0882                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,503,119.36   | \$ 574,716.74             | \$ 739,787.90                 | \$ 188,614.72                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,011,916.20   | \$ 408,212.65             | \$ 526,056.72                 | \$ 77,646.83                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,230,268.71   | \$ 1,214,872.25           | \$ 1,563,696.96               | \$ 451,699.60                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 715,233.15     | \$ 231,942.86             | \$ 297,852.34                 | \$ 185,437.85                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 12,705,073.93  | \$ 4,747,983.36           | \$ 6,087,475.88               | \$ 1,869,614.69                    |

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
October 2009 through December 2009  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

| Line   | Reconciliation Adjustment (RA)   | March 2009       | Residential<br>March 2009 | Non-Residential<br>March 2009 | Voltage<br>Reduction<br>March 2009 |
|--|--|------------------|---------------------------|-------------------------------|------------------------------------|
| <b>Fuel Component (FC)</b>                         |  |                  |                           |                               |                                    |
| 1  | Net Includable Fuel  |                  |                           |                               |                                    |
| 2  | Ratio Metered Sales/Generation Sales                                     | 0.938933         | 0.938933                  | 0.938933                      | 0.938933                           |
| 3  | Fuel Cost @Meter Sales Level (Line 1 x Line 2)                           | \$ 48,675,273.55 | \$ 48,675,273.55          | \$ 48,675,273.55              | \$ 48,675,273.55                   |
| 4  | Coal Sales Margin Credits (per books current year contracts only)        | \$ (640,302.09)  | \$ (640,302.09)           | \$ (640,302.09)               | \$ (640,302.09)                    |
| 5  | RSG Make Whole Payments & Secondary MISO Costs                           | \$ (681,274.10)  | \$ (681,274.10)           | \$ (681,274.10)               | \$ (681,274.10)                    |
| 6  | Net Fuel Cost (Line 3 + Line 4 + Line 5)                                 | \$ 47,353,697.36 | \$ 47,353,697.36          | \$ 47,353,697.36              | \$ 47,353,697.36                   |
| 7  | Total Generation and Purchase Power (per books)                          | 1,596,424.003    | 1,596,424.003             | 1,596,424.003                 | 1,596,424.003                      |
| 8  | Losses (kWh) (1-Line 2)*(Line 7)   | 97,488,825       | 97,488,825                | 97,488,825                    | 97,488,825                         |
| 9  | Total Generation After Losses (kWh) (Line 7-Line 8)                      | 1,498,935.178    | 1,498,935.178             | 1,498,935.178                 | 1,498,935.178                      |
| 10   | kWh Subject to FPP   | 1,529,869.358    | 575,292.037               | 740,528.431                   | 213,848.890                        |
| 11   | Ratio of FPP Sales to Total Generation (Line 10/Line 9)                  | 102.05%          | 38.38%                    | 49.40%                        | 14.27%                             |
| 12   | Amount Recovered in Base Rates   | \$ -             | \$ -                      | \$ -                          | \$ -                               |
| 13   | Amount Recovered via FPP (per books)                                     | \$ 37,777,860.02 | \$ 14,201,503.14          | \$ 18,301,236.42              | \$ 5,274,920.46                    |
| 14   | Total Fuel Costs Recovered (Line 12 + Line 13)                           | \$ 37,777,860.02 | \$ 14,201,503.14          | \$ 18,301,236.42              | \$ 5,274,920.46                    |
| 15   | Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)     | \$ 48,324,448.16 | \$ 18,174,349.05          | \$ 23,392,726.50              | \$ 8,757,372.61                    |
| 16   | Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)                  | \$ 10,546,788.14 | \$ 3,972,845.91           | \$ 5,091,490.08               | \$ 1,482,452.15                    |
| <b>Emissions Allowance Component (EA)</b>          |  |                  |                           |                               |                                    |
| 17   | kWh Subject to FPP (Line 11)   | 1,529,869.358    | 575,292.037               | 740,528.431                   | 213,848.890                        |
| 18   | EA Expense Allocated to FPP  | \$ 1,680,435.33  | \$ 1,680,435.33           | \$ 2,163,092.94               | \$ 624,655.32                      |
| 19   | EA Sales Margin Allocated to FPP   | \$ (452,098.38)  | \$ (452,098.38)           | \$ (581,948.30)               | \$ (168,054.32)                    |
| 20   | Net EA Cost (Line 18 + Line 19)  | \$ 1,228,336.95  | \$ 1,228,336.95           | \$ 1,581,144.64               | \$ 456,601.00                      |
| 21   | EA Expense Recovered in Base Rates                                       | \$ -             | \$ -                      | \$ -                          | \$ -                               |
| 22   | EA Revenue in FPP (per books)  | \$ 1,959,914.14  | \$ 736,624.33             | \$ 949,275.28                 | \$ 274,014.53                      |
| 23   | Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)          | \$ 1,306,170.45  | \$ 491,714.62             | \$ 631,869.36                 | \$ 182,586.47                      |
| <b>Reconciliation Adjustment Amortization (RA)</b> |  |                  |                           |                               |                                    |
| 24   | RA Amount from 1st Quarter Filing (spread evenly)                        | \$ -             | \$ -                      | \$ -                          | \$ -                               |
| 25   | Actual RA recovery through FPP   | \$ -             | \$ -                      | \$ -                          | \$ -                               |
| 26   | Under/(Over) Recovery of RA (Line 24 - Line 25)                          | \$ -             | \$ -                      | \$ -                          | \$ -                               |
| <b>System Loss Component (SLA)</b>                 |  |                  |                           |                               |                                    |
| 27   | Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)      | 0.0999 / 0.0992  | 0.0999                    | 0.0999                        | 0.0862                             |
| 28   | Total Losses Recovered in Base Rates (Line 10 x Line 27)                 | \$ 1,503,119.36  | \$ 574,716.74             | \$ 739,787.90                 | \$ 188,614.72                      |
| 29   | Actual SLA recovery through FPP  | \$ 1,011,916.20  | \$ 408,212.65             | \$ 526,056.72                 | \$ 77,546.83                       |
| 30   | Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))               | \$ 3,230,875.90  | \$ 1,215,025.39           | \$ 1,563,894.06               | \$ 451,756.45                      |
| 31   | Under/(Over) Recovery of Losses (Line 30 - Line 29 - Line 28)            | \$ 715,840.34    | \$ 232,086.00             | \$ 298,049.44                 | \$ 185,484.90                      |
| 32   | Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31) | \$ 12,568,598.93 | \$ 4,696,656.53           | \$ 6,021,408.88               | \$ 1,850,533.52                    |
| 33   | Net Under/(Over) Recovery of FPP Costs (Page 5W, Line 32)                | \$ 12,705,073.93 | \$ 4,747,983.36           | \$ 6,067,475.88               | \$ 1,869,614.69                    |
| 34   | Net Adjustment for March 2009 (Line 32 - Line 33) To Page 3 Line 4       | \$ (136,475.00)  | \$ (51,326.83)            | \$ (66,067.00)                | \$ (19,081.17)                     |

Duke Energy Ohio  
139 East Fourth Street  
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19  
Sheet No. 58.11  
Cancels and Supersedes  
Sheet No. 58.10  
Page 1 of 2

**RIDER SRA-SRT**  
**SYSTEM RELIABILITY TRACKER**

**APPLICABILITY**

Applicable to all jurisdictional retail customers in the Company's electric service area.

**CHARGE**

Rider SRA-SRT applies to all customers, except those customers that are eligible to avoid it as described below in the "Avoidance of System Reliability Tracker Charge" section.

For all customers, these rates are effective beginning with the first billing cycle of January, 2009:

| <u>Tariff Sheet</u>  | <u>SRA-SRT Charge</u><br>(\$/kWh;\$/kW) |
|--|---|
| Rate RS, Residential Service                                       |   |
| All kWh  | \$0.001692                              |
| Rate ORH, Optional Residential Service With Electric Space Heating |   |
| All kWh  | \$0.001692                              |
| Rate TD, Optional Time-of-Day Rate                                 |   |
| All kWh  | \$0.001692                              |
| Rate CUR, Common Use Residential Service                           |   |
| All kWh  | \$0.001692                              |
| Rate DS, Service at Secondary Distribution Voltage                 |   |
| First 1,000 kW   | \$0.254000                              |
| Additional kW  | \$0.200900                              |
| Billing Demand Times 300   | \$0.000649                              |
| Additional kWh   | \$0.000539                              |
| Rate GS-FL, Optional Unmetered For Small Fixed Loads               |   |
| All kWh  | \$0.001326                              |
| Rate EH, Optional Rate For Electric Space Heating                  |   |
| All kWh  | \$0.001465                              |
| Rate DM, Secondary Distribution Service, Small                     |   |
| All kWh  | \$0.001567                              |
| Rate DP, Service at Primary Distribution Voltage                   |   |
| First 1000 kW  | \$0.235100                              |
| Additional kW  | \$0.185500                              |
| Billing Demand Times 300   | \$0.000750                              |
| Additional kWh   | \$0.000601                              |
| Rate TS, Service at Transmission Voltage                           |   |
| First 50,000 kVA   | \$0.310700                              |
| Additional kVA   | \$0.224000                              |
| Billing Demand Times 300   | \$0.000534                              |
| Additional kWh   | \$0.000607                              |

Filed pursuant to an Order dated December 17, 2008 in Case No. 08-920-EL-SSO before the Public Utilities Commission of Ohio.

Issued: December 18, 2008

Issued by Julie Janson, President

Effective: January 2, 2009

Duke Energy Ohio  
139 East Fourth Street  
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19  
Sheet No. 56.11  
Cancels and Supersedes  
Sheet No. 56.10  
Page 2 of 2

Tariff Sheet

SRA-SRT Charge  
(\$/kWh; \$/kW)

|  |            |
|--|------------|
| Rate SL, Street Lighting Service<br>All kWh                          | \$0.000985 |
| Rate TL, Traffic Lighting Service<br>All kWh                         | \$0.000985 |
| Rate OL, Outdoor Lighting Service<br>All kWh                         | \$0.000985 |
| Rate NSU, Street Lighting Service for Non-Standard Units<br>All kWh  | \$0.000985 |
| Rate NSP, Private Outdoor Lighting for Non-Standard Units<br>All kWh | \$0.000985 |
| Rate SC, Street Lighting Service - Customer Owned<br>All kWh         | \$0.000985 |
| Rate SE, Street Lighting Service - Overhead Equivalent<br>All kWh    | \$0.000985 |
| Rate UOLS, Unmetered Outdoor Lighting Electric Service<br>All kWh    | \$0.000985 |

**AVOIDANCE OF SYSTEM RELIABILITY TRACKER CHARGE**

Residential customers receiving generation service through a governmental aggregator will avoid (waive) Rider SRA-SRT if the governmental aggregator notifies the Company at least sixty (60) days prior to the start of the governmental aggregation of its intent to place all Residential End-Use Customers served by the governmental aggregation on the Rider SRA-SRT waiver program and to maintain the governmental aggregation through December 31, 2011. If the aggregated Residential End-Use Customer returns to the ESP-SSO prior to December 31, 2011, such Residential End-Use Customer will be billed a monthly early return premium based on 15% of the applicable generation charges and Riders in addition to the normal charges calculated per the ESP-SSO.

**AVOIDANCE OF SYSTEM RELIABILITY TRACKER CHARGE AND RECEIPT OF SHOPPING CREDIT**

Non-residential customers who have signed or will sign a contract with DE-Ohio, or provide a CRES contract to DE-Ohio, or provide a release in the form approved by the Commission in Case No. 03-93-EL-ATA indicating that the customer will remain off of ESP-SSO service through December 31, 2011, may avoid Rider SRA-SRT charges and receive a shopping credit. More specifically, to avoid Rider SRA-SRT charges, the customer must be willing to return to DE-Ohio's ESP-SSO service at 115% of DE-Ohio's ESP-SSO price, including all riders except for distribution riders.

Filed pursuant to an Order dated December 17, 2008 in Case No. 08-920-EL-SSO before the Public Utilities Commission of Ohio.

Issued: December 18, 2008

Issued by Julie Janson, President

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Duke Energy Ohio  
139 East Fourth Street  
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19  
Sheet No. 56.12  
Cancels and Supersedes  
Sheet No. 56.11  
Page 1 of 2

**RIDER SRA-SRT**  
**SYSTEM RELIABILITY TRACKER**

**APPLICABILITY**

Applicable to all jurisdictional retail customers in the Company's electric service area.

**CHARGE**

Rider SRA-SRT applies to all customers, except those customers that are eligible to avoid it as described below in the "Avoidance of System Reliability Tracker Charge" section.

For all customers, these rates are effective beginning with the first billing cycle of April, 2009:

| <u>Tariff Sheet</u>  | <u>SRA-SRT Charge</u><br>(\$/kWh;\$/kW) |
|--|---|
| Rate RS, Residential Service                                       |   |
| All kWh  | \$0.001401                              |
| Rate ORH, Optional Residential Service With Electric Space Heating |   |
| All kWh  | \$0.001401                              |
| Rate TD, Optional Time-of-Day Rate                                 |   |
| All kWh  | \$0.001401                              |
| Rate CUR, Common Use Residential Service                           |   |
| All kWh  | \$0.001401                              |
| Rate DS, Service at Secondary Distribution Voltage                 |   |
| First 1,000 kWh  | \$0.300500                              |
| Additional kWh   | \$0.232000                              |
| Billing Demand Times 300   | \$0.000310                              |
| Additional kWh   | \$0.000165                              |
| Rate GS-FL, Optional Unmetered For Small Fixed Loads               |   |
| All kWh  | \$0.001116                              |
| Rate EH, Optional Rate For Electric Space Heating                  |   |
| All kWh  | \$0.000715                              |
| Rate DM, Secondary Distribution Service, Small                     |   |
| All kWh  | \$0.001320                              |
| Rate DP, Service at Primary Distribution Voltage                   |   |
| First 1000 kWh   | \$0.318600                              |
| Additional kWh   | \$0.243100                              |
| Billing Demand Times 300   | \$0.000465                              |
| Additional kWh   | \$0.000254                              |
| Rate TS, Service at Transmission Voltage                           |   |
| First 50,000 kVA   | \$0.458500                              |
| Additional kVA   | \$0.335000                              |
| Billing Demand Times 300   | \$0.000146                              |
| Additional kWh   | \$0.000252                              |

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Duke Energy Ohio  
139 East Fourth Street  
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19  
Sheet No. 56.12  
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Tariff Sheet

SRA-SRT Charge  
(\$/kWh; \$/kW)

|  |            |
|--|------------|
| Rate SL, Street Lighting Service<br>All kWh                          | \$0.000845 |
| Rate TL, Traffic Lighting Service<br>All kWh                         | \$0.000845 |
| Rate OL, Outdoor Lighting Service<br>All kWh                         | \$0.000845 |
| Rate NSU, Street Lighting Service for Non-Standard Units<br>All kWh  | \$0.000845 |
| Rate NSP, Private Outdoor Lighting for Non-Standard Units<br>All kWh | \$0.000845 |
| Rate SC, Street Lighting Service - Customer Owned<br>All kWh         | \$0.000845 |
| Rate SE, Street Lighting Service - Overhead Equivalent<br>All kWh    | \$0.000845 |
| Rate UOLS, Unmetered Outdoor Lighting Electric Service<br>All kWh    | \$0.000845 |

**AVOIDANCE OF SYSTEM RELIABILITY TRACKER CHARGE**

Residential customers receiving generation service through a governmental aggregator will avoid (waive) Rider SRA-SRT if the governmental aggregator notifies the Company at least sixty (60) days prior to the start of the governmental aggregation of its intent to place all Residential End-Use Customers served by the governmental aggregation on the Rider SRA-SRT waiver program and to maintain the governmental aggregation through December 31, 2011. If the aggregated Residential End-Use Customer returns to the ESP-SSO prior to December 31, 2011, such Residential End-Use Customer will be billed a monthly early return premium based on 15% of the applicable generation charges and Riders in addition to the normal charges calculated per the ESP-SSO.

**AVOIDANCE OF SYSTEM RELIABILITY TRACKER CHARGE AND RECEIPT OF SHOPPING CREDIT**

Non-residential customers who have signed or will sign a contract with DE-Ohio, or provide a CRES contract to DE-Ohio, or provide a release in the form approved by the Commission in Case No. 03-93-EL-ATA indicating that the customer will remain off of ESP-SSO service through December 31, 2011, may avoid Rider SRA-SRT charges and receive a shopping credit. More specifically, to avoid Rider SRA-SRT charges, the customer must be willing to return to DE-Ohio's ESP-SSO service at 115% of DE-Ohio's ESP-SSO price, including all riders except for distribution riders.

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Duke Energy Ohio  
139 East Fourth Street  
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19  
Sheet No. 56.13  
Cancels and Supersedes  
Sheet No. 56.12  
Page 1 of 2

**RIDER SRA-SRT**

**SYSTEM RELIABILITY TRACKER**

**APPLICABILITY**

Applicable to all jurisdictional retail customers in the Company's electric service area.

**CHARGE**

Rider SRA-SRT applies to all customers, except those customers that are eligible to avoid it as described below in the "Avoidance of System Reliability Tracker Charge" section.

For all customers, these rates are effective beginning with the first billing cycle of July, 2009:

| <u>Tariff Sheet</u>  | <u>SRA-SRT Charge</u><br>(\$/kWh;\$/kW) |
|--|---|
| Rate RS, Residential Service                                       |   |
| All kWh  | \$0.000543                              |
| Rate ORH, Optional Residential Service With Electric Space Heating |   |
| All kWh  | \$0.000543                              |
| Rate TD, Optional Time-of-Day Rate                                 |   |
| All kWh  | \$0.000543                              |
| Rate CUR, Common Use Residential Service                           |   |
| All kWh  | \$0.000543                              |
| Rate DS, Service at Secondary Distribution Voltage                 |   |
| First 1,000 kW   | \$0.109000                              |
| Additional kW  | \$0.083000                              |
| Billing Demand Times 300   | \$0.000112                              |
| Additional kWh   | \$0.000056                              |
| Rate GS-FL, Optional Unmetered For Small Fixed Loads               |   |
| All kWh  | \$0.000359                              |
| Rate EH, Optional Rate For Electric Space Heating                  |   |
| All kWh  | (\$0.000180)                            |
| Rate DM, Secondary Distribution Service, Small                     |   |
| All kWh  | \$0.000499                              |
| Rate DP, Service at Primary Distribution Voltage                   |   |
| First 1000 kW  | \$0.112300                              |
| Additional kW  | \$0.086700                              |
| Billing Demand Times 300   | \$0.000164                              |
| Additional kWh   | \$0.000086                              |
| Rate TS, Service at Transmission Voltage                           |   |
| First 50,000 kVA   | \$0.204800                              |
| Additional kVA   | \$0.147900                              |
| Billing Demand Times 300   | \$0.000085                              |
| Additional kWh   | \$0.000113                              |

Filed pursuant to an Order dated December 17, 2008 in Case No. 08-920-EL-SSO, et al., before the Public Utilities Commission of Ohio.

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Duke Energy Ohio  
139 East Fourth Street  
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 18  
Sheet No. 56.13  
Cancels and Supersedes  
Sheet No. 56.12  
Page 2 of 2

| <u>Tariff Sheet</u>  | <u>SRA-SRT Charge</u><br>(\$/kWh; \$/kW) |
|--|--|
| Rate SL, Street Lighting Service<br>All kWh                          | \$0.000301                               |
| Rate TL, Traffic Lighting Service<br>All kWh                         | \$0.000301                               |
| Rate OL, Outdoor Lighting Service<br>All kWh                         | \$0.000301                               |
| Rate NSU, Street Lighting Service for Non-Standard Units<br>All kWh  | \$0.000301                               |
| Rate NSP, Private Outdoor Lighting for Non-Standard Units<br>All kWh | \$0.000301                               |
| Rate SC, Street Lighting Service - Customer Owned<br>All kWh         | \$0.000301                               |
| Rate SE, Street Lighting Service - Overhead Equivalent<br>All kWh    | \$0.000301                               |
| Rate UOLS, Unmetered Outdoor Lighting Electric Service<br>All kWh    | \$0.000301                               |

#### **AVOIDANCE OF SYSTEM RELIABILITY TRACKER CHARGE**

Residential customers receiving generation service through a governmental aggregator will avoid (waive) Rider SRA-SRT if the governmental aggregator notifies the Company at least sixty (60) days prior to the start of the governmental aggregation of its intent to place all Residential End-Use Customers served by the governmental aggregation on the Rider SRA-SRT waiver program and to maintain the governmental aggregation through December 31, 2011. If the aggregated Residential End-Use Customer returns to the ESP-SSO prior to December 31, 2011, such Residential End-Use Customer will be billed a monthly early return premium based on 15% of the applicable generation charges and Riders in addition to the normal charges calculated per the ESP-SSO.

#### **AVOIDANCE OF SYSTEM RELIABILITY TRACKER CHARGE AND RECEIPT OF SHOPPING CREDIT**

Non-residential customers who have signed or will sign a contract with DE-Ohio, or provide a CRES contract to DE-Ohio, or provide a release in the form approved by the Commission in Case No. 03-93-EL-ATA indicating that the customer will remain off of ESP-SSO service through December 31, 2011, may avoid Rider SRA-SRT charges and receive a shopping credit. More specifically, to avoid Rider SRA-SRT charges, the customer must be willing to return to DE-Ohio's ESP-SSO service at 115% of DE-Ohio's ESP-SSO price, including all riders except for distribution riders.

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Effective: July 1, 2009

Duke Energy Ohio  
139 East Fourth Street  
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19  
Sheet No. 56.14  
Cancels and Supersedes  
Sheet No. 56.13  
Page 1 of 2

**RIDER SRA-SRT**  
**SYSTEM RELIABILITY TRACKER**

**APPLICABILITY**

Applicable to all jurisdictional retail customers in the Company's electric service area.

**CHARGE**

Rider SRA-SRT applies to all customers, except those customers that are eligible to avoid it as described below in the "Avoidance of System Reliability Tracker Charge" section.

For all customers, these rates are effective beginning with the first billing cycle of October, 2009:

| <u>Tariff Sheet</u>  | <u>SRA-SRT Charge</u><br>(\$/kWh;\$/kW) |
|--|---|
| Rate RS, Residential Service                                       |   |
| All kWh  | \$0.000801                              |
| Rate ORH, Optional Residential Service With Electric Space Heating |   |
| All kWh  | \$0.000801                              |
| Rate TD, Optional Time-of-Day Rate                                 |   |
| All kWh  | \$0.000801                              |
| Rate CUR, Common Use Residential Service                           |   |
| All kWh  | \$0.000801                              |
| Rate DS, Service at Secondary Distribution Voltage                 |   |
| First 1,000 kW   | \$0.163300                              |
| Additional kW  | \$0.128400                              |
| Billing Demand Times 300   | \$0.000172                              |
| Additional kWh   | \$0.000095                              |
| Rate GS-FL, Optional Unmetered For Small Fixed Loads               |   |
| All kWh  | \$0.000543                              |
| Rate EH, Optional Rate For Electric Space Heating                  |   |
| All kWh  | \$(0.000005)                            |
| Rate DM, Secondary Distribution Service, Small                     |   |
| All kWh  | \$0.000752                              |
| Rate DP, Service at Primary Distribution Voltage                   |   |
| First 1000 kW  | \$0.163100                              |
| Additional kW  | \$0.136100                              |
| Billing Demand Times 300   | \$0.000251                              |
| Additional kWh   | \$0.000135                              |
| Rate TS, Service at Transmission Voltage                           |   |
| First 50,000 kVA   | \$0.342900                              |
| Additional kVA   | \$0.242300                              |
| Billing Demand Times 300   | \$0.000107                              |
| Additional kWh   | \$0.000205                              |

Filed pursuant to an Order dated December 17, 2008 in Case No. 08-920-EL-SSO before the Public Utilities Commission of Ohio.

Issued: September 25, 2009

Effective: September 30, 2009

Issued by Julie Janson, President

Duke Energy Ohio  
139 East Fourth Street  
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19  
Sheet No. 56.14  
Cancels and Supersedes  
Sheet No. 56.13  
Page 2 of 2

| <u>Tariff Sheet</u>  | <u>SRA-SRT Charge</u><br>(\$/kWh; \$/kW) |
|--|--|
| Rate SL, Street Lighting Service<br>All kWh                          | \$0.000468                               |
| Rate TL, Traffic Lighting Service<br>All kWh                         | \$0.000468                               |
| Rate OL, Outdoor Lighting Service<br>All kWh                         | \$0.000468                               |
| Rate NSU, Street Lighting Service for Non-Standard Units<br>All kWh  | \$0.000468                               |
| Rate NSP, Private Outdoor Lighting for Non-Standard Units<br>All kWh | \$0.000468                               |
| Rate SC, Street Lighting Service - Customer Owned<br>All kWh         | \$0.000468                               |
| Rate SE, Street Lighting Service - Overhead Equivalent<br>All kWh    | \$0.000468                               |
| Rate UOLS, Unmetered Outdoor Lighting Electric Service<br>All kWh    | \$0.000468                               |

#### **AVOIDANCE OF SYSTEM RELIABILITY TRACKER CHARGE**

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Issued: September 25, 2009

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Effective: September 30, 2009

**DUKE ENERGY OHIO**

DETERMINATION OF SYSTEM RELIABILITY TRACKER - RIDER SRT - BY RETAIL RATE GROUP  
REFLECTING RECOVERY OF PRIOR PERIOD RECONSTRUCTION CAPACITY AND PURCHASED POWER COSTS (EXCLUDING ENERGY COSTS)  
THROUGH DECEMBER 2003 TO BE APPLIED TO CUSTOMER BILLS OVER A TWELVE-MONTH PERIOD

| Line No. | Description                      | Allocated Percentage Share of System Peak Demand for the Company's Retail Electric Customers 1/ | 2003 Capacity and Purchased Power Through System Reliability Tracker - Rider SRT | 2004 Actual Billing for January thru December 2004 | Prior Period Under Collection to be Collected from Customers | Net Power Costs by Rider Rate Group Collected Through System Reliability Tracker - Rider SRT | Line No. |
|----------|----------------------------------|---|--|--|--|--|----------|
| 1        | Retail Rate Group                |   |  |  |  |  | 1        |
| 2        | Rate RE, ORH, MEC, TD, CLR       |   |  |  |  |  | 2        |
| 3        | Non-Residential (Detailed Below) |   |  |  |  |  | 3        |
| 4        | DS, DS, DS                       |   |  |  |  |  | 4        |
| 5        | First 1,000 kW                   |   |  |  |  |  | 5        |
| 6        | Additional kW                    |   |  |  |  |  | 6        |
| 7        | First 300 MW/KVA                 |   |  |  |  |  | 7        |
| 8        | Additional kW                    |   |  |  |  |  | 8        |
| 9        | Total Rate DS                    |   |  |  |  |  | 9        |
| 10       | Rate GS-FL                       |   |  |  |  |  | 10       |
| 11       | Rate EH                          |   |  |  |  |  | 11       |
| 12       | Total Rate DS, GS-FL, EH         |   |  |  |  |  | 12       |
| 13       | Rate DM                          |   |  |  |  |  | 13       |
| 14       | Rate DP                          |   |  |  |  |  | 14       |
| 15       | First 1,000 kW                   |   |  |  |  |  | 15       |
| 16       | Additional kW                    |   |  |  |  |  | 16       |
| 17       | First 300 MW/KVA                 |   |  |  |  |  | 17       |
| 18       | Additional kW                    |   |  |  |  |  | 18       |
| 19       | Total Rate DP                    |   |  |  |  |  | 19       |
| 20       | Rate TS                          |   |  |  |  |  | 20       |
| 21       | First 80,000 KVA                 |   |  |  |  |  | 21       |
| 22       | Additional KVA                   |   |  |  |  |  | 22       |
| 23       | First 300 MW/KVA                 |   |  |  |  |  | 23       |
| 24       | Additional kW                    |   |  |  |  |  | 24       |
| 25       | Total Rate TS                    |   |  |  |  |  | 25       |
| 26       | Lifetime Rate Group              |   |  |  |  |  | 26       |
| 27       | Rate SL, TL, OL, NSU, NSP        |   |  |  |  |  | 27       |
| 28       | SC, SE, LOLS                     |   |  |  |  |  | 28       |
| 29       | Total Retail                     |   |  |  |  |  | 29       |

1/ Rate Group RS based on applicable peak demands from the Company's cost of service study in Case No. 92-1484-EL-MR. Nonresidential based on Case No. 05-0059-EL-MR.

DUKE ENERGY OHIO

DETERMINATION OF SYSTEM RELIABILITY TRACKER - RIDER SRT - BY RETAIL RATE GROUP  
RESPECTING THE PERIOD JANUARY THROUGH DECEMBER 2009 TO BE APPLIED TO SUBMITTER BILL OVER A TWELVE MONTH PERIOD

| Line No. | Description                          | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) | (P) | (Q) | (R) | (S) | (T) | (U) | (V) | (W) | (X) | (Y) | (Z) | Line No. |
|----------|--------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|----------|
| 1        | Retail Rate Group                    |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 1        |
| 2        | Rate RS, OR-H, REC, TD, CUR          |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 2        |
| 3        | Non-Residential (Detailed Below)     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 3        |
| 4        | DS Rate Group                        |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 4        |
| 5        | Rate DS                              |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 5        |
| 6        | First 1,000 kWh                      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 6        |
| 7        | Additional kWh                       |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 7        |
| 8        | First 300 kWh/kVA                    |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 8        |
| 9        | Additional kWh                       |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 9        |
| 10       | Total Rate DS                        |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 10       |
| 11       | Rate GS-F                            |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 11       |
| 12       | Rate EH                              |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 12       |
| 13       | Total Rates DS, GS-F, EH             |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 13       |
| 14       | Rate DM                              |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 14       |
| 15       | Rate DP                              |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 15       |
| 16       | First 1,000 kWh                      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 16       |
| 17       | Additional kWh                       |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 17       |
| 18       | First 300 kWh/kVA                    |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 18       |
| 19       | Additional kWh                       |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 19       |
| 20       | Total Rate DP                        |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 20       |
| 21       | Rate TS                              |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 21       |
| 22       | First 50,000 kVA                     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 22       |
| 23       | Additional kVA                       |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 23       |
| 24       | First 300 kWh/kVA                    |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 24       |
| 25       | Additional kWh                       |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 25       |
| 26       | Total Rate TS                        |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 26       |
| 27       | Rate SRT                             |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 27       |
| 28       | Rate SRT, OL, NSU, NSP, SC, REL, LUG |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 28       |
| 29       | Rate SRT, OL, NSU, NSP, SC, REL, LUG |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 29       |
| 30       | Total Retail                         |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 30       |

1) Rate Group RS based on applicable peak demands from the Company's cost of service study in Case No. 05-484-EL-AIR. Non-residential based on Case No. 05-484-EL-AIR.  
2) Based on actual loads to SRT customers for the 12 months ended December 31, 2007.

DUKE ENERGY OHIO

DETERMINATION OF SYSTEM RELIABILITY TRACKER, UNDER SRT, BY RETAIL RATE GROUP  
REFLECTING RECOVERY OF ESTIMATED 2008 CAPACITY AND PURCHASED POWER COSTS (EXCLUDING ENERGY COSTS)  
FOR THE PERIOD JANUARY THROUGH DECEMBER 2008 TO BE APPLIED TO CUSTOMER BILLS OVER A NINE-MONTH PERIOD

| Line No. | Description                          | Allocated Percentage Share of System Peak Demand, Based on Company's Retail Billing Demand (A) | Estimate of 2008 Capacity and Purchased Power Costs by Retail Rate Group to be Collected Through System Reliability Tracker (B) | Estimated Rider SRT Billings for January and March (C) | Prior Period Rider SRT Over/Under-Collections to be Collected from Customers (D) | Estimate of 2008 Net Power Costs by Retail Rate Group to be Collected Through System Reliability Tracker (E) | Allocated Capacity and Purchased Power Costs (F) | Estimated Rider SRT Billings for December 2008 (G) | Estimated Rider SRT Billings for December 2009 (H) | SRT Adjustment Factor by Rate Group (I) (J) (K) (L) | Line No. |
|----------|--------------------------------------|--|---|--|--|--|--|--|--|---|----------|
| 1        | Retail Rate Group DS Rate Group      |  |   |  |  |  |  |  |  |   | 1        |
| 2        | Rate DS, ORA, HEC, TD, OUR           |  |   |  |  |  |  |  |  |   | 2        |
| 3        | Non-Residential (Detailed Below)     |  |   |  |  |  |  |  |  |   | 3        |
| 4        | DS Rate Group                        |  |   |  |  |  |  |  |  |   | 4        |
| 5        | Rate DS                              |  |   |  |  |  |  |  |  |   | 5        |
| 6        | First 1,000 kW                       |  |   |  |  |  |  |  |  |   | 6        |
| 7        | Additional kW                        |  |   |  |  |  |  |  |  |   | 7        |
| 8        | First 300 kWh/kW                     |  |   |  |  |  |  |  |  |   | 8        |
| 9        | Additional kWh                       |  |   |  |  |  |  |  |  |   | 9        |
| 10       | Total Rate DS                        |  |   |  |  |  |  |  |  |   | 10       |
| 11       | Rate DS-F                            |  |   |  |  |  |  |  |  |   | 11       |
| 12       | Rate EH                              |  |   |  |  |  |  |  |  |   | 12       |
| 13       | Total Rate DS, DS-F, EH              |  |   |  |  |  |  |  |  |   | 13       |
| 14       | Rate DM                              |  |   |  |  |  |  |  |  |   | 14       |
| 15       | Rate DP                              |  |   |  |  |  |  |  |  |   | 15       |
| 16       | First 1,000 kW                       |  |   |  |  |  |  |  |  |   | 16       |
| 17       | Additional kW                        |  |   |  |  |  |  |  |  |   | 17       |
| 18       | First 300 kWh/kW                     |  |   |  |  |  |  |  |  |   | 18       |
| 19       | Additional kWh                       |  |   |  |  |  |  |  |  |   | 19       |
| 20       | Total Rate DP                        |  |   |  |  |  |  |  |  |   | 20       |
| 21       | Rate TS                              |  |   |  |  |  |  |  |  |   | 21       |
| 22       | First 50,000 kVA                     |  |   |  |  |  |  |  |  |   | 22       |
| 23       | Additional kVA                       |  |   |  |  |  |  |  |  |   | 23       |
| 24       | First 300 kWh/kVA                    |  |   |  |  |  |  |  |  |   | 24       |
| 25       | Additional kWh                       |  |   |  |  |  |  |  |  |   | 25       |
| 26       | Total Rate TS                        |  |   |  |  |  |  |  |  |   | 26       |
| 27       | LEADS Rate Group                     |  |   |  |  |  |  |  |  |   | 27       |
| 28       | Rate SCL, OL, NSU, MSP, SC, SE, LDCS |  |   |  |  |  |  |  |  |   | 28       |
| 29       | Total Retail                         |  |   |  |  |  |  |  |  |   | 29       |

1/ Rate Group RS based on applicable peak demands from the Company's cost of service study in Case No. 02-165-EL-AIR. Non-residential based on Case No. 02-059-EL-AIR.  
2/ Based on actual sales to SRT customers for the 9 months ended December 31, 2008.



## DUKE ENERGY OHIO

DETERMINATION OF SYSTEM RELIABILITY TRACKER - MID-EST - BY RETAIL RATE GROUP  
REFLECTING RECOVERY OF ESTIMATED 2009 CAPACITY AND PURCHASED POWER COSTS (EXCLUDING ENERGY COSTS)  
FOR THE PERIOD JANUARY THROUGH DECEMBER 2009 TO BE APPLIED TO CUSTOMER BILLS OVER A SIX-MONTH PERIOD

| Line No. | Description                         | Allocated Percentage Share of System Peak Demand for the Company's Retail Electric Customers 1/ | Estimate of 2009 Capacity and Purchased Power Costs By Retail Rate Group to be Collected Through System Reliability Tractor - Retail SRT | Estimated Retail SRT Billing for January thru June 2009 | Prior Period Retail SRT Over Under-Collections to be Collected from Customers 2/ | Estimate of 2009 Net Power Costs By Retail Rate Group to be Collected Through System Reliability Tractor - Retail SRT | Allocated Capacity and Purchased Power Costs | Estimated Retail Rate Group Sales For The 31x Month Ended December 31, 2009 2/ | Estimated Billing MW Demand | SRT Adjustment Factor By Rate Group (B/A)(C)/(D)(E) | Line No. |
|----------|-------------------------------------|---|--|---|--|---|--|--|-----------------------------|---|----------|
| (A)      | (B)                                 | (C)   | (D)  | (E)   | (F)  | (G)   | (H)  | (I)  | (J)                         | (K)   | (L)      |
| 1        | Retail Rate Group DS, DS-FL, DP, DP |   |  |   |  |   |  |  |                             |   | 1        |
| 2        | Non-Residential (Dishless Sales)    |   |  |   |  |   |  |  |                             |   | 2        |
| 3        | DS, DS-FL, DP                       |   |  |   |  |   |  |  |                             |   | 3        |
| 4        | Rate DS                             |   |  |   |  |   |  |  |                             |   | 4        |
| 5        | First 1,000 kW Additional kW        |   |  |   |  |   |  |  |                             |   | 5        |
| 6        | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 6        |
| 7        | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 7        |
| 8        | Total Rate DS                       |   |  |   |  |   |  |  |                             |   | 8        |
| 10       | Rate DS-FL                          |   |  |   |  |   |  |  |                             |   | 10       |
| 11       | Rate EH                             |   |  |   |  |   |  |  |                             |   | 11       |
| 12       | Total Rate DS, DS-FL, EH            |   |  |   |  |   |  |  |                             |   | 12       |
| 13       | Rate DM                             |   |  |   |  |   |  |  |                             |   | 13       |
| 14       | Rate DP                             |   |  |   |  |   |  |  |                             |   | 14       |
| 15       | First 1,000 kW Additional kW        |   |  |   |  |   |  |  |                             |   | 15       |
| 16       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 16       |
| 17       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 17       |
| 18       | Total Rate DP                       |   |  |   |  |   |  |  |                             |   | 18       |
| 19       | Rate TS                             |   |  |   |  |   |  |  |                             |   | 19       |
| 20       | First 50,000 kVA Additional kVA     |   |  |   |  |   |  |  |                             |   | 20       |
| 21       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 21       |
| 22       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 22       |
| 23       | Total Rate TS                       |   |  |   |  |   |  |  |                             |   | 23       |
| 24       | Rate TS                             |   |  |   |  |   |  |  |                             |   | 24       |
| 25       | First 50,000 kVA Additional kVA     |   |  |   |  |   |  |  |                             |   | 25       |
| 26       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 26       |
| 27       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 27       |
| 28       | Total Rate TS                       |   |  |   |  |   |  |  |                             |   | 28       |
| 29       | Rate TS                             |   |  |   |  |   |  |  |                             |   | 29       |
| 30       | First 50,000 kVA Additional kVA     |   |  |   |  |   |  |  |                             |   | 30       |
| 31       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 31       |
| 32       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 32       |
| 33       | Total Rate TS                       |   |  |   |  |   |  |  |                             |   | 33       |
| 34       | Rate TS                             |   |  |   |  |   |  |  |                             |   | 34       |
| 35       | First 50,000 kVA Additional kVA     |   |  |   |  |   |  |  |                             |   | 35       |
| 36       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 36       |
| 37       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 37       |
| 38       | Total Rate TS                       |   |  |   |  |   |  |  |                             |   | 38       |
| 39       | Rate TS                             |   |  |   |  |   |  |  |                             |   | 39       |
| 40       | First 50,000 kVA Additional kVA     |   |  |   |  |   |  |  |                             |   | 40       |
| 41       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 41       |
| 42       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 42       |
| 43       | Total Rate TS                       |   |  |   |  |   |  |  |                             |   | 43       |
| 44       | Rate TS                             |   |  |   |  |   |  |  |                             |   | 44       |
| 45       | First 50,000 kVA Additional kVA     |   |  |   |  |   |  |  |                             |   | 45       |
| 46       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 46       |
| 47       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 47       |
| 48       | Total Rate TS                       |   |  |   |  |   |  |  |                             |   | 48       |
| 49       | Rate TS                             |   |  |   |  |   |  |  |                             |   | 49       |
| 50       | First 50,000 kVA Additional kVA     |   |  |   |  |   |  |  |                             |   | 50       |
| 51       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 51       |
| 52       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 52       |
| 53       | Total Rate TS                       |   |  |   |  |   |  |  |                             |   | 53       |
| 54       | Rate TS                             |   |  |   |  |   |  |  |                             |   | 54       |
| 55       | First 50,000 kVA Additional kVA     |   |  |   |  |   |  |  |                             |   | 55       |
| 56       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   | 56       |
| 57       | First 300 kW/kVA Additional kWh     |   |  |   |  |   |  |  |                             |   |          |

3/ Rate Group RS based on applicable peak demands from the Company's test of service study in Case No. 05-005B-EL-AIR. Non-essential based on Case No. 05-005B-EL-AIR.  
2/ based on actual usage to S-T customers for the 6 months ended December 31, 2006.

**DUKE ENERGY OHIO**

DETERMINATION OF SYSTEM RELIABILITY TRACKER - RIDER SRT - BY RETAIL RATE GROUP  
REFLECTING RECOVERY OF ESTIMATED 2009 CAPACITY AND PURCHASED POWER COSTS (EXCLUDING ENERGY COSTS)  
FOR THE PERIOD JANUARY THROUGH DECEMBER 2008 TO BE APPLIED TO CUSTOMER BILLS OVER A THREE-MONTH PERIOD

| Line No. | Description                      | (A)<br>Allocated Percentage Share of<br>System Reliability Costs<br>for the Company's Retail<br>Electric Customers 1/ | (B)<br>Capacity and Purchased<br>Power Costs by Retail<br>Rate Group Through System Reliability<br>Tracker - Rider SRT | (C)<br>Estimated<br>Rider SRT<br>Amount for<br>January 2009 | (D)<br>Price Paid<br>Rider SRT Over/<br>Under the<br>Company's<br>Customers | (E)<br>Estimated of 2009<br>Net Power Costs by Retail<br>Rate Group Through System Reliability<br>Tracker - Rider SRT | (F)<br>Allocated<br>Capacity and<br>Purchased Power<br>Costs | (G)<br>Estimated<br>Kilowatt-hour<br>Sales for the<br>Three Months<br>Ending<br>December 31, 2008 2/ | (H)<br>Estimated<br>Rider SRT<br>Amount<br>per kWh<br>Demand | (I)<br>SRT Adjustment<br>Factor By<br>Retail Rate<br>Group (kW/kWh) | Line No. |
|----------|----------------------------------|---|--|---|---|---|--|--|--|---|----------|
| 1        | Retail Rate Group<br>BS-BL-CO    |   |  |   |   |   |  |  |  |   | 1        |
| 2        | Rate RE, DRH, NEC, TO, GUR       |   |  |   |   |   |  |  |  |   | 2        |
| 3        | Non-Residential (Detailed Below) |   |  |   |   |   |  |  |  |   | 3        |
| 4        | DS-Base SRT                      |   |  |   |   |   |  |  |  |   | 4        |
| 5        | Rate DS                          |   |  |   |   |   |  |  |  |   | 5        |
| 6        | First 1,000 kWh                  |   |  |   |   |   |  |  |  |   | 6        |
| 7        | Additional kWh                   |   |  |   |   |   |  |  |  |   | 7        |
| 8        | First 300 kWh                    |   |  |   |   |   |  |  |  |   | 8        |
| 9        | Additional kWh                   |   |  |   |   |   |  |  |  |   | 9        |
| 10       | Total Rate DS                    |   |  |   |   |   |  |  |  |   | 10       |
| 11       | Rate GE-FL                       |   |  |   |   |   |  |  |  |   | 11       |
| 12       | Rate EH                          |   |  |   |   |   |  |  |  |   | 12       |
| 13       | Total Rates DS, GE-FL, EH        |   |  |   |   |   |  |  |  |   | 13       |
| 14       | Rate DM                          |   |  |   |   |   |  |  |  |   | 14       |
| 15       | Rate DP                          |   |  |   |   |   |  |  |  |   | 15       |
| 16       | First 1,000 kWh                  |   |  |   |   |   |  |  |  |   | 16       |
| 17       | Additional kWh                   |   |  |   |   |   |  |  |  |   | 17       |
| 18       | First 300 kWh                    |   |  |   |   |   |  |  |  |   | 18       |
| 19       | Additional kWh                   |   |  |   |   |   |  |  |  |   | 19       |
| 20       | Total Rate DP                    |   |  |   |   |   |  |  |  |   | 20       |
| 21       | Rate TS                          |   |  |   |   |   |  |  |  |   | 21       |
| 22       | First 30,000 kWh                 |   |  |   |   |   |  |  |  |   | 22       |
| 23       | Additional kWh                   |   |  |   |   |   |  |  |  |   | 23       |
| 24       | First 300 kWh                    |   |  |   |   |   |  |  |  |   | 24       |
| 25       | Additional kWh                   |   |  |   |   |   |  |  |  |   | 25       |
| 26       | Total Rate TS                    |   |  |   |   |   |  |  |  |   | 26       |
| 27       | Lighting Rate Group              |   |  |   |   |   |  |  |  |   | 27       |
| 28       | Rate ST, CL, RSU, NSP            |   |  |   |   |   |  |  |  |   | 28       |
| 29       | S.C. SE, UCLs                    |   |  |   |   |   |  |  |  |   | 29       |
| 30       | Total Retail                     |   |  |   |   |   |  |  |  |   | 30       |

1/ Rate Group KES based on applicable peak demands from the Company's out of service study in Case No. 02-1464-EL-AIR. Non-residential based on Case No. 05-056-EL-AIR.  
2/ Based on actual sales to SRT customers for the 3 months ended December 31, 2008.