

FILE

191



RECEIVED-DOCKETING DIV

2012 MAR -1 AM 10: 21

PUCO

DUKE ENERGY CORPORATION

139 East Fourth Street
1202 Main
Cincinnati, OH 45201-0960
Telephone: (513) 287-4337
Facsimile: (513) 287-4385

Dianne Kuhnell
Senior Paralegal
E-mail: dianne.kuhnell@duke-energy.com

VIA OVERNIGHT DELIVERY

February 29, 2012

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

Re: Case No. 11-974-EL-FAC
11-975-EL-RDR

Dear Docketing Division:

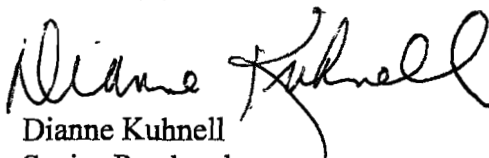
Enclosed please find for filing an original and twelve copies of the *Application to Approve the Fuel Economy Purchased Power Component and the System Reliability Tracker Component; Duke Energy Ohio, Inc.'s Motion for Protective Order; Direct Testimony of Gregory H. Cecil and Direct Testimony of William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

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

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

Should you have any questions, please contact me at (513) 287-4337.

Very truly yours,


Dianne Kuhnell
Senior Paralegal

Enclosures

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.
Technician ADV Date Processed 3/1/12

439233

RECEIVED-DOCKETING DIV

2012 MAR -1 AM 10: 22

PUCO

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. 11-974-EL-FAC
Economy Purchased Power Component of its)
Market-Based Standard Service Office for)
2011.)

In the Matter of the Application of Duke)
Energy Ohio, Inc. to Establish its System)
Reliability Tracker of its Market-Based) Case No. 11-975-EL-RDR
Standard Service Offer for 2011.)

DIRECT TESTIMONY OF

WILLIAM DON WATHEN JR.

ON BEHALF OF

DUKE ENERGY OHIO, INC.

March 1, 2012

TABLE OF CONTENTS

<u>DESCRIPTION OF TESTIMONY</u>	<u>PAGES</u>
I. INTRODUCTION.....	1
II. OVERVIEW OF RIDER PTC-FPP CALCULATION.....	3
III. OVERVIEW OF SRA-SRT CALCULATION	7
IV. DISCUSSION OF ISSUES FROM PRIOR AUDIT.....	9
V. IMPACT OF NEW ELECTRIC SECURITY PLAN.....	13
VI. CONCLUSION	15

ATTACHMENTS:

WDW-1 Rider FPP Quarterly Filings for the Period January 2011 through December 2011

CONFIDENTIAL WDW-2 RIDER SRT Quarterly Filings for the Period January 2011 through December 2011

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 preparing
20 financial and accounting data used in the wholesale and retail rate filings for Duke
21 Energy Ohio, Inc. (Duke Energy Ohio or the Company) and Duke Energy
22 Kentucky, Inc., and for changes in fuel and gas cost adjustment clauses. In

1 December 2009, I was named to my current position, Vice President Rates Ohio
2 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) and will support the filings
13 made relating to Rider PTC-FPP charges for the period of January 1, 2011,
14 through December 31, 2011.

15 Next, I will describe the mechanism for calculating Duke Energy Ohio's
16 system resource adjustment - system reliability tracker (Rider SRA-SRT), support
17 the filings made relating to Rider SRA-SRT charges for the period of January 1,
18 2011, through December 31, 2011.

19 I also discuss the Company's compliance and satisfaction of five of the
20 commitments arising out of the Stipulation and Recommendation reached in Case
21 No. 10-974-EL-FAC, *et al.*, resolving the audit of the Company's PTC-FPP and
22 SRA-SRT for calendar year 2010.

1 Finally, I will discuss the impact on both riders as a result of the
2 Company's new electric security plan (ESP) approved on November 22, 2011, in
3 Case No. 11-3549-EL-SSO, *et al.*

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

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

5 A. Rider PTC-FPP was a component of the Company's standard service offer (SSO)
6 approved in its Electric Security Plan (ESP) in Case No. 08-920-EL-SSO. Rider
7 PTC-FPP provided the Company with recovery of the cost for fuel and economy
8 purchased power, the cost of purchasing emission allowances (EAs) such as SO₂
9 and NO_x, the cost for environmental reagents (ERs) and the cost of renewable
10 energy certificates (RECs) required to meet Ohio's renewable portfolio standard.
11 Full recovery was limited to eligible costs that were allocated to its standard
12 service offer (*i.e.*, non-switched native load) customers.

13 **Q. PLEASE DESCRIBE THE METHODOLOGY THAT WAS USED FOR** 14 **COMPUTING RIDER PTC-FPP.**

15 A. Similar to past Rider PTC-FPP calculations, the cost of fuel, purchased power,
16 EAs, RECs, and costs for ER expenses were projected for an upcoming quarter
17 and and these cost projections along with projections of non-switched load were
18 used to compute certain components of Rider PTC-FPP. The rider also included
19 components to reconcile prior period differences in costs and revenue (*i.e.*, the
20 Reconciliation Adjustment or RA), and provided for recovery of losses incurred
21 from the generator to the meter (*i.e.*, the System Loss Adjustment or SLA).

1 **Q. WERE THERE OTHER ADJUSTMENTS TO COSTS INCLUDED IN THE**
2 **FPP?**

3 A. Periodically, the Company sells certain coal, EAs, and RECs. To the extent that
4 gains/losses were realized on the sale of these commodities that had been assigned
5 to Rider PTC-FPP, the value of these transactions were included in the calculation
6 of the Rider PTC-FPP market price. Rider PTC-FPP, therefore, reflected only the
7 net cost of fuel, purchased power, EAs, and RECs.

8 **Q. DID ALL CUSTOMERS PAY THE SAME RIDER PTC-FPP MARKET**
9 **PRICE?**

10 A. No. There were three different Rider PTC-FPP market prices applicable at any
11 given time. Although the fuel and purchased power component (FC), the EA
12 component, the ER component, and the REC component were the same for all
13 customers, the SLA and RA components could differ among the three different
14 customer classifications used in the calculation. The differences in the SLA and
15 the RA resulted in different overall Rider PTC-FPP market prices for residential
16 and non-residential customers taking service at distribution level voltage, and for
17 non-residential customers taking service at transmission level voltage (*i.e.*,
18 voltage reduction customers).

19 **Q. WHAT CAUSED THESE DIFFERENCES?**

20 A. The difference between the RA component of the Rider PTC-FPP market price
21 for residential customers and non-residential customers was due, in part, to the
22 timing of when Rider PTC-FPP started for each class of customers. Because Rider
23 PTC-FPP (Rider FPP at that time) became effective one year later for residential

1 customers, the RA was calculated separately for residential and non-residential
2 customers. Additionally, as I will discuss later, differences in switching among
3 the customer classes now is the major factor for the differences in the RA
4 component of the Rider PTC-FPP price.

5 There was also a difference in the SLA component of the Rider PTC-FPP
6 market price for customers taking service at different voltage levels. Simply put, a
7 generator must produce more energy to provide power to customers at distribution
8 level voltage than at the higher transmission level voltage. The Rider PTC-FPP
9 calculation addressed this difference in the SLA component. This adjustment was
10 for as long as the Rider PTC-FPP (and its predecessor, Rider FPP) was applicable.

11 **Q. HOW DOES CUSTOMER SWITCHING IMPACT THE RIDER PTC-FPP**
12 **PRICE TO CUSTOMERS?**

13 A. Duke Energy Ohio experienced significant levels of customer switching among its
14 retail customers, particularly among commercial and industrial customers. The
15 table below shows the approximate levels of switching as a percent of load, an
16 annualized basis, for each customer class, at the end of 2008, 2009, 2010, and as
17 of September 2011.

Switching by Customer Class				
	At 12/31/08	At 12/31/09	At 12/31/10	At 9/30/11
Residential	1.56%	8.83%	25.64%	34.37%
Commercial	6.36%	42.19%	75.79%	80.15%
Industrial	0.33%	75.97%	87.45%	95.25%
Total Retail	2.55%	41.54%	59.92%	68.23%

18 Switching directly affected the RA component of Rider PTC-FPP when
19 there was an over- or under-recovery of prior period costs. If the Company

1 collected more or less revenue in a prior period for Rider PTC-FPP than its
2 eligible costs for that period, the over or under-recovery flowed through the next
3 period's Rider PTC-FPP's RA component. As a result, every kilowatt-hour that
4 switched from Duke Energy Ohio's SSO meant there was one less kilowatt-hour
5 to spread prior period over- or under-collections for future recovery. This had the
6 potential to exacerbate switching when the Rider PTC-FPP increased because
7 costs were under-collected in a prior period or to create a subsidy to non-
8 switchers if costs were over-collected in a prior period to be refunded in a future
9 period.

10 **Q. WERE THERE ANY SIGNIFICANT CHANGES TO THE**
11 **METHODOLOGY FOR COMPUTING THE RIDER PTC-FPP MARKET**
12 **PRICE SINCE THE LAST ANNUAL FILING?**

13 A. No. The Rider PTC-FPP was calculated in 2011 in the same manner as the year
14 before.

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

17 A. For the quarterly filings from Q1 2011 through Q4 2011, the Rider PTC-FPP
18 market price is shown below for residential, non-residential, and voltage-
19 reduction customers.

Summary of Rider PTC-FPP Market Prices							
	FC	EA	ER	REC	SLA	RA	FPP
Residential (¢/kWh)							
Q1 2011	2.8460	0.0228	0.1412	0.0358	0.0998	(0.1057)	3.0399
Q2 2011	3.0324	0.0192	0.1670	0.0339	0.1139	(0.8709)	2.4955
Q3 2011	2.9260	0.0173	0.1946	0.0350	0.1058	(0.0745)	3.2042
Q4 2011	2.8154	0.0166	0.1359	0.0341	0.0974	0.2143	3.3137
Non-Residential (¢/kWh)							
Q1 2011	2.8460	0.0228	0.1412	0.0358	0.0998	0.5017	3.6473
Q2 2011	3.0324	0.0192	0.1670	0.0339	0.1139	0.0204	3.3868
Q3 2011	2.9260	0.0173	0.1946	0.0350	0.1058	0.0956	3.3743
Q4 2011	2.8154	0.0166	0.1359	0.0341	0.0974	0.1408	3.2402
Voltage-Reduction (¢/kWh)							
Q1 2011	2.8460	0.0228	0.1412	0.0358	0.0511	0.5017	3.5986
Q2 2011	3.0324	0.0192	0.1670	0.0339	0.0583	0.0204	3.3312
Q3 2011	2.9260	0.0173	0.1946	0.0350	0.0542	0.0956	3.3227
Q4 2011	2.8154	0.0166	0.1359	0.0341	0.0498	0.1408	3.1926

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

3 **A. Rider PTC-FPP is calculated using projected costs for the applicable quarter and**
4 **actual data for prior periods being trued-up through the reconciliation process.**
5 **The projected data is provided by the Company's Commercial Asset**
6 **Management group and the historical data is provided by various internal**
7 **accounting organizations.**

III. OVERVIEW OF SRA-SRT CALCULATION

8 **Q. HAS RIDER SRA-SRT BEEN IN EFFECT FOR ALL OF THE PERIOD**
9 **JANUARY 1, 2011, THROUGH DECEMBER 31, 2011?**

10 **A. Yes.**

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

1 A. The methodology underlying the Rider SRA-SRT calculation for 2011 was the
2 same as it has been in prior years. The Rider SRA-SRT market price for the first
3 quarter of 2011 was established based on a filing we made around December 1,
4 2010. The Company projected its anticipated reserve margin requirements for the
5 2011 and estimated the costs of purchasing a portfolio of capacity products to
6 meet its minimum reserve requirement established by the Midwest Independent
7 Transmission System Operator, Inc. (MISO).

8 After the total cost of the expected purchased capacity was determined, the
9 estimated cost was then allocated among the rate classes using appropriate and
10 previously agreed to allocators. Any over- or under-recovery of prior period
11 Rider SRA-SRT revenue was added to the allocated estimated cost. Finally, the
12 allocated costs and billing determinant data were used to develop the Rider SRA-
13 SRT market prices for each rate class.

14 For any given year, each quarterly filing after the filing for the first quarter
15 was essentially an update of the prior quarter's filing for that year. Consequently,
16 the estimated data in the prior quarter was replaced with either better estimates or
17 with actual results. This method mitigated some of the volatility inherent in
18 projecting data and minimizes the potential for large over- or under-recovery of
19 costs. The mechanism is straightforward and is illustrated in Attachment WDW-2.

20 **Q. OTHER THAN THE CHANGES IN THE RIDERS YOU DESCRIBED**
21 **ABOVE, WERE THERE ANY SUBSTANTIVE CHANGES TO RIDER**
22 **SRA-SRT IN CALENDAR YEAR 2011?**

23 A. No.

IV. DISCUSSION OF ISSUES FROM PRIOR AUDIT

1 **Q. PLEASE LIST THE COMMITMENTS FROM THE STIPULATION IN**
2 **CASE NO. 10-974-EL-UNC THAT YOU ARE ADDRESSING IN YOUR**
3 **TESTIMONY.**

4 A. I am addressing commitments the Company made in Paragraphs 4 through 8.

5 **Q. PLEASE DESCRIBE THE COMMITMENT CONTAINED IN**
6 **STIPULATION PARAGRAPH 4.**

7 A. Duke Energy Ohio agreed to meet with the signatories to the Stipulation to
8 discuss its plans for compliance with Ohio's alternative energy requirements
9 beyond 2011.

10 **Q. WHAT IS THE STATUS OF MEETING THIS COMMITMENT?**

11 A. As part of the settlement of Case No. 11-3549-EL-SSO, *et al.*, which established
12 the Company's new SSO in the form of an ESP with a price determined by a
13 competitive auction, Duke Energy Ohio and more than thirty intervening parties
14 agreed to an ongoing compliance process through the implementation of Rider
15 AER-R to recover costs of complying with the alternative energy requirements of
16 R.C. 4928.64. The Rider AER-R mechanism will continue beyond 2015, the term
17 of the new ESP. This mechanism gives Duke Energy Ohio some certainty
18 regarding the ability to recover costs of continuing to comply with R.C. 4928.64.
19 The rider will be adjusted quarterly with annual audits performed by either the
20 Commisison staff or an independent auditor. It is my understanding the the
21 Company anticipates initiating discussion with the Parties to the prior audit

1 proceeding regarding future alternative energy compliance plans in accordance
2 with the paragraph 4 commitment.

3 The Company also agreed to initiate collaborative discussions to revise
4 certain elements Company's residential Solar REC purchase program. It is my
5 understanding that those collaborative discussion have recently started.

6 **Q. PLEASE DESCRIBE THE COMMITMENT CONTAINED IN**
7 **STIPULATION PARAGRAPH 5.**

8 A. Paragraph 5 states that Duke Energy Ohio will credit \$612,970 in the Rider PTC-
9 FPP filing for the fourth quarter of 2011.

10 **Q. WHAT IS THE STATUS OF THIS CREDIT?**

11 A. The Company included \$612,970 as a credit against total recoverable costs in the
12 Rider PTC-FPP for that quarter.

13 **Q. PLEASE DESCRIBE THE COMMITMENT CONTAINED IN**
14 **STIPULATION PARAGRAPH 6.**

15 A. Paragraph 6 states that Duke Energy Ohio will complete work to develop an
16 accounting and procedures manual governing the processes involved in filing the
17 for fuel and fuel-related charges and that this document shall be developed in time
18 for review by the auditor for the 2011 Audit Report..

19 **Q. WHAT IS THE STATUS OF THIS MANUAL?**

20 A. The Company has developed a procedures manual governing the process involved
21 in *filing* the Rider PTC-FPP. .

22 **Q. IN LIGHT OF THE FACT THAT RIDERS PTC-FPP AND SRA-SRT**
23 **BOTH EXPIRED ON DECEMBER 31, 2011, DOES THIS ACCOUNTING**

1 **MANUAL HAVE ANY SIGNIFICANCE IN THE CURRENT**
2 **REGULATORY MODEL?**

3 A. No. The key provision in the commitment is that the manuals involved relate to
4 the Company's "filing" for recovery of its fuel and fuel-related charges. The
5 Company's current electric security plan explicitly prohibits using its own
6 generation for providing SSO service; consequently, there will be no new
7 "filings" for recovery of fuel and fuel-related costs. Although the Company has
8 worked to develop the documentation provided for in the Stipulation, there is no
9 value whatsoever to be obtained from these documents as the cost of fuel and
10 fuel-related charges to Duke Energy Ohio is moot in terms of how it impacts retail
11 rates.

12 **Q. PLEASE DESCRIBE THE COMMITMENT CONTAINED IN**
13 **STIPULATION PARAGRAPH 7.**

14 A. Paragraph 7 states that Duke Energy Ohio will establish a procedure for verifying
15 customer bill information when supplying its billing system data to the auditors
16 during testing procedures.

17 **Q. WHAT IS THE STATUS OF THIS COMMITMENT?**

18 A. The Company has developed a procedure for verifying customer bill information
19 when supplying it from the billing system to outside auditors during testing
20 procedures.

21 **Q. PLEASE DESCRIBE THE COMMITMENT CONTAINED IN**
22 **STIPULATION PARAGRAPH 8.**

1 A. Paragraph 8 states that Duke Energy Ohio will “complete work to develop an
2 accounting and procedures manual governing the processes involved in
3 [supporting documentation for the existing SRT rider]” and that this document
4 shall be developed in time for review by the auditor for the 2011 Audit Report.

5 **Q. WHAT IS THE STATUS OF THIS COMMITMENT?**

6 A. The Company has developed a procedures manual governing the process involved
7 in *filing* the Rider SRA-SRT.

8 **Q. IN LIGHT OF THE FACT THAT RIDERS PTC-FPP AND SRA-SRT**
9 **BOTH EXPIRED ON DECEMBER 31, 2011, DOES THIS ACCOUNTING**
10 **MANUAL HAVE ANY SIGNIFICANCE IN THE CURRENT**
11 **REGULATORY MODEL?**

12 A. No. The key provision in the commitment is that the manuals involved relate to
13 the Company’s “filing” for recovery of costs associated with Rider SRA-SRT.
14 The Company’s current electric security plan explicitly prohibits using its own
15 generation for providing SSO service. Although the Company has worked to
16 develop the documentation provided for in the Stipulation, there is no value to be
17 obtained from these documents as there will be no future Rider SRA-SRT filings
18 because procurement of all capacity needs for SSO load is now part of the
19 competitive bidding process (CBP). Therefore, the cost of purchasing capacity is
20 exclusively subject to competitive auction charges and is procured through an
21 entirely different process.

V. IMPACT OF NEW ELECTRIC SECURITY PLAN

1 **Q. HOW DOES THE COMPANY'S NEW ELECTRIC SECURITY PLAN**
2 **IMPACT THE RIDER PTC-FPP AND RIDER SRA-SRT?**

3 A. On November 22, 2011, the Commission approved a stipulation that was reached
4 among the parties settling Duke Energy Ohio's new ESP (Case No. 11-3549-EL-
5 SSO, *et al.*). The new ESP radically alters the manner in which Duke Energy
6 Ohio procures energy and capacity to deliver to its SSO customers. Insofar as the
7 Rider PTC-FPP and Rider SRA-SRT are concerned, these riders expired after
8 December 31, 2011, as the Company no longer uses its own generating resources
9 to serve its SSO customers. As of January 1, 2012, all of the energy and capacity
10 required to meet Duke Energy Ohio's SSO load obligation is procured through a
11 CBP. Consequently, as of January 1, 2012, the Company no longer recovers from
12 its SSO customers the cost of fuel, purchased economy energy, cost of emission
13 allowances, purchased capacity, or environmental reagent costs via either Rider
14 PTC-FPP or Rider SRA-SRT. As I will discuss in more detail below, the
15 Company will continue to recover the costs for RECs in the new ESP but via a
16 different rider (Rider AER-R, or "alternative energy recovery rider")

17 Because all of the capacity and energy required to meet the Company's
18 SSO obligation is being procured via a CBP, two new riders were implemented to
19 recover the cost of capacity and energy procured in the CBP, Rider RC (Retail
20 Capacity) and Rider RE (Retail Energy). These two riders are only intended to
21 recover the cost of the megawatt-hours delivered by the winning bidders in the
22 CBP to SSO load (no more and no less).

1 **Q. IN LIGHT OF THE NEW ESP, DOES THAT CONCLUDE THE NEED**
2 **FOR FURTHER REVIEW OF RIDER PTC-FPP AND RIDER SRA-SRT?**

3 A. Almost. Although these riders expired after December 31, 2011, the Company
4 ended the year with a difference between what was collected from customers via
5 these riders and what actual costs were. Another provision of the approved new
6 ESP is that the Company will implement a new rider for a short period of time to
7 true-up the difference in the costs and revenues for these two riders as of
8 December 31, 2011. Rider RECON (RECON = reconciliation) is the mechanism
9 approved by the Commission to accomplish this objective.

10 **Q. HOW WILL RIDER RECON WORK?**

11 A. Per the Commission's December 14, 2011, entry in Case No. 11-3549-EL-SSO *et*
12 *al.*, Duke Energy Ohio is making a separate rider application to establish the
13 initial rate for Rider RECON. Details regarding the calculations and assumptions
14 are contained in that filing; however, generally, Rider RECON will take the
15 ending balance of over- or under-recovery for Rider PTC-FPP and Rider SRA-
16 SRT and divide the balance by projected kWh sales to SSO customers for the six-
17 month ending September 30, 2012. A significant provision of the Stipulation
18 related to Rider RECON is that any adjustment to the Rider PTC-FPP and/or
19 Rider SRA-SRT approved by the Commission as a result of the audit, being
20 conducted by Schumaker and Associates, will be incorporated into Rider
21 RECON. The Company does not anticipate any adjustments but there have been
22 occasions in the past where an adjustment to such costs was agreed to by the
23 Parties as part of a settlement. The ability to incorporate such a change in Rider

1 RECON ensures that we have a mechanism to effectuate any additional needed
2 true-up that is identified in the Audit for the 2011 rider filings.

3 **Q. WILL YOU PROVIDE SOME ADDITIONAL DETAILS ABOUT THE**
4 **RECOVERY OF RENEWABLE ENERGY CREDITS?**

5 A. As I mentioned above, the Company's energy and capacity requirements to serve
6 SSO customers is being procured exclusively via a competitive bid process. The
7 Company continues to be responsible for meeting its renewable energy
8 obligations as defined in R.C. 4928.64. Because this is an ongoing obligation and
9 comes with a cost, the new ESP includes the new rider, Rider AER-R, through
10 which all allowable costs of complying with R.C. 4928.64 and 4928.65 will be
11 recovered. The new rider is being introduced because the recovery method prior
12 to January 1, 2012, was via a rider which is now expired, namely, Rider PTC-
13 FPP. The types of costs, basis for recovery (*i.e.*, it's a bypassable rider), and
14 virtually all other characteristics of recovering REC costs are unchanged from the
15 prior method of recovery – the difference is only that the costs are being
16 recovered in a separate rider as of January 1, 2012.

VI. CONCLUSION

17 **Q. ARE THERE ADDITIONAL CHANGES TO RIDERS PTC-FPP AND SRA-**
18 **SRT IN ANTICIPATED FOR 2011?**

19 A. No.

20 **Q. WERE ATTACHMENTS WDW-1 AND WDW-2 PREPARED BY YOU OR**
21 **UNDER YOUR SUPERVISION?**

22 A. Yes.

1 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

2 **A. Yes.**



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

November 24, 2010

The Public Utilities Commission of Ohio
Attention: Docketing Division
180 East Broad Street
13th Floor
Columbus, OH 43215-3793

RE: In the Matter of The Application of Duke Energy)
Ohio to Modify its Fuel, Economy Purchased) Case No. 10-974-EL-FAC
Power Component of Its Market-Based Standard)
Service Offer for 2011)

Docketing Division:

Enclosed for filing are fifteen (15) copies of the following attachments containing the Facts, Data, and Other Information pertinent to Duke Energy Ohio, Inc. fuel, economy purchased power, and emission allowance of its proposed market-based standard service offer (PTC-FPP):

- (a) Attachment I – Statement of Fuel Procurement Policies and Practices and
- (b) Attachment II – Narrative statement and applicable quarterly FPP forms supporting the proposed calculation of the fuel, economy purchased power, emission allowance, environmental reagent, and alternative energy portfolio standard component of its market-based standard service offer for the base period of January through March 2011. The FPP component will be applied to bills rendered during the quarter ending March 2011.

Please time-stamp the enclosed extra copy and return for our file. Thank you for your timely assistance in this regard.

Very truly yours,

Lisa D. Steinkuhl

Lisa D. Steinkuhl

Enclosures
Tariff memos/PUCO FPP filing/doc

RECEIVED-DOCKETING DIV
2010 NOV 26 PM 1:09
PUCO

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
Technician SM3 Date Processed 11/26/10

**Duke Energy Americas
Non-Regulated Generation
Duke Energy Ohio PTC-FPP
Q1 2011 Workpapers**

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, SO₂, 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 Rider (PTC-FPP) of its standard service offer for the three-month projected period of January through March 2011.

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 4, 2011, and will coincide with the billing of Cycle 1 of the January 2011 revenue month and remain in effect through March 2011.

The methodology for calculating the proposed FPP Component of 3.0399 cents per kilowatt-hour for Residential, 3.6473 cents per kilowatt-hour for Non-Residential and 3.5986 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 2011 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 2.8460 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 2011 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 0.0228 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

Environmental Reagents (ER)

Per Stipulation in Case No. 09-770-EL-UNC filed with the Commission on 11/19/09, environmental reagents will be recovered in the PTC-FPP rather than the PTC-AAC effective with the January 2010 revenue month. The base period of January through March 2011 was utilized to calculate the environmental reagents component (ER) for all types of customers. The proposed ER is composed of three months projected includable environmental reagent data. The total ER calculated portion of the FPP Component is 0.1412 cents per kilowatt-hour for all types of customers. This proposed ER is supported by the attached calculations on Page 2 of 5 of Schedule 1.

Alternative Energy Portfolio Standard (AEPS)

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 base period of January through March 2011 was utilized to calculate the alternative energy portfolio standard for all types of customers. The total alternative energy portfolio standard calculated portion of the FPP Component is 0.0358 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 RA component is based on the reconciliation of actual fuel, economy purchased power, emission allowance costs, environmental reagent costs, alternative energy portfolio standard and system loss adjustment to the FPP Component revenues for the three month period ending September 2010. The RA amount for the three month period ending September 2010 included in this filing is (\$1,545,199.96) for Residential customers and \$2,781,783.86 for Non-Residential customers and \$436,146.60 for Voltage Reduction customers. In addition to these RA amounts are (\$33,901.76) for Residential customers and (\$810.96) for Non-Residential customers and \$2,327.49 for Voltage Reduction customers which represents an updated adjustment to the 2nd quarter 2010 RA amount filed in the 4th quarter 2010 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 \$50,184.84 for Residential customers and \$33,389.17 for Non-Residential customers and \$2,853.14 for Voltage Reduction customers which represents an updated adjustment to the 1st quarter 2010 RA amount filed in the 3rd quarter 2010 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 \$23,593.94 for Residential customers and \$19,650.61 for Non-Residential customers and \$999.84 for Voltage Reduction customers which represents an updated adjustment to the 4th quarter 2009 RA amount filed in the 2nd quarter 2010 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 March 2011. The total SLA calculated portion of the FPP Component is 0.1949 cents per kilowatt-hour for Residential and Non-Residential type customers, and 0.0892 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 0.0100 cents per kilowatt-hour which represents a Synchronization Adjustment. Based upon this information, the proposed SLA should be established at 0.0998 cents per kilowatt-hour for Residential and Non-Residential type customers and at 0.0511 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 Environmental Reagent Component (ER) on Page 2 of Schedule 1, the Alternative Energy Portfolio Standard (AEPS) 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 3.0399 cents per kilowatt-hour be established for Residential type customers, 3.6473 cents per kilowatt-hour be established for Non-Residential type customers and 3.5986 cents per kilowatt-hour be established for Voltage Reduction type customers. These rates should be effective with bills rendered on and after January 4, 2011, to all consumers other than consumers taking generation service from Certified Retail Electric Suppliers. This will coincide with Cycle 1 billing for the January 2011 revenue month.

Schedule 1
Page 1 of 6

Duke Energy Ohio
Electric Department
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During
January 2011 through March 2011

Line	Description	(A) Includable Fuel Cost \$	(B) Other Includable MISC Costs From Page 1A \$	(C) Total Includable Costs \$	(D) Includable Energy (kWh)	(E) FPP Rate Components (Col. C + Col. D)
	Fuel & Economy Purchased Power Cost Expense (FC) - by Month (Projected)					
1	January 2011	\$ 20,968,861.00	\$ (77,358.00)	\$ 20,891,503.00	751,351,516	
2	February 2011	\$ 17,577,119.00	\$ (77,358.00)	\$ 17,499,763.00	613,760,568	
3	March 2011	\$ 17,083,183.00	\$ (77,358.00)	\$ 17,005,827.00	551,392,523	
4	Total Fuel & Economy Purchased Power Cost Expense	\$ 55,629,163.00	\$ (232,068.00)	\$ 55,397,095.00	1,916,504,607	2.8460 \$/kWh
5	Less: Baseline EFC Rate ^(a)					- \$/kWh
6	Total FC Portion to be Included in FPP					2.8460 \$/kWh
7	Emission Allowances Adjustment (EA) From Page 2					0.0228 \$/kWh
8	Environmental Reagents (ER) From Page 2					0.1412 \$/kWh
9	Alternative Energy Portfolio Standard From Page 2					0.0358 \$/kWh
10	Total FPP Rate before RA and SLA					3.0458 \$/kWh
		FPP Rate				
		Residential	Non-Residential	Voltage Reduction ^(b)		
11	Total FPP Rate before RA and SLA (Line 10)	3.0458	3.0458	3.0458	\$/kWh	
12	Reconciliation Adjustment (RA) From Page 3	(0.1057)	0.5017	0.5017	\$/kWh	
13	System Loss Adjustment (SLA) From Page 4	0.0998	0.0998	0.0511	\$/kWh	
14	Total FPP Rate	3.0399	3.6473	3.5986	\$/kWh	

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

Schedule 1

Page 1A of 5

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During
January 2011 through March 2011**

Other Includable MISO Costs	January 2011	February 2011	March 2011	Total For Period
(a)	(b)	(c)	(d)	(e)
FTR (Hourly, Monthly, Yearly, Transaction)	\$ (77,356)	\$ (77,356)	\$ (77,356)	\$ (232,068)
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	\$ -	\$ -	\$ -	\$ -
Total Other Includable MISO Costs	\$ (77,356)	\$ (77,356)	\$ (77,356)	\$ (232,068)

**Duke Energy Ohio
Electric Department**
**Calculation of Quarterly Emission Allowances Component and Alternative Energy Portfolio Standard for Billing During
January 2011 through March 2011**

Line	Description	(1) Includable Emission Allowances \$	(2) Includable Energy (kWh)	(3) EA Rate Components (Col. 1 + Col. 2)
Emission Allowances (EA) - by Month (Projected)				
1	January 2011	\$ 207,810.00	728,810,971	
2	February 2011	\$ 111,084.00	595,347,751	
3	March 2011	\$ 110,835.00	563,950,747	
4	EA Auction Proceeds Credits	\$ -		
5	Total Emission Allowance Expense	\$ 429,729.00	1,888,109,469	0.0228 ¢/kWh
6	Less: Baseline EA Rate ^(c)			- ¢/kWh
7	Quarterly Emission Allowance Rate (Rate will never be less than -0-)			0.0228 ¢/kWh

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

Line	Description	(1) Includable Environmental Reagents \$	(2) Includable Energy (kWh)	(3) ER Rate Components (Col. 1 + Col. 2)
Environmental Reagents (ER) - by Month (Projected)				
8	January 2011	\$ 942,904.00	728,810,971	
9	February 2011	\$ 859,935.00	595,347,751	
10	March 2011	\$ 863,076.00	563,950,747	
11	Total Emission Allowance Expense	\$ 2,665,915.00	1,888,109,469	0.1412 ¢/kWh

Line	Description	(1) Includable Alternative Energy Portfolio Standard \$	(2) Includable Energy (kWh)	(3) Alternative Energy Portfolio Standard Components (Col. 1 + Col. 2)
Alternative Energy Portfolio Standard - by Month (Projected)				
12	January 2011	\$ 253,961.00	728,810,971	
13	February 2011	\$ 223,670.00	595,347,751	
14	March 2011	\$ 198,545.00	563,950,747	
15	Total Alternative Energy Portfolio Standard Expense	\$ 676,176.00	1,888,109,469	0.0358 ¢/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
January 2011 through March 2011**

Line	Reconciliation Adjustment (RA)	Total	Residential	Total Non-Residential
1	September 2010 (See Page 3C Line 45)	\$ 1,796,322.82	\$ 199,309.09	\$ 1,599,013.73
2	August 2010 (See Page 3B Line 44)	\$ (217,839.44)	\$ (1,032,059.10)	\$ 814,219.66
3	July 2010 (See Page 3A Line 44)	\$ 92,247.12	\$ (712,449.95)	\$ 804,697.07
4	June 2010 (See Page 5X Line 47)	\$ (170,557.22)	\$ (109,839.28)	\$ (60,717.94)
5	May 2010 (See Page 5V Line 47)	\$ 79,941.51	\$ 43,376.76	\$ 36,564.73
6	April 2010 (See Page 5T Line 46)	\$ 58,230.48	\$ 32,560.74	\$ 25,669.74
7	March 2010 (See Page 5R Line 45)	\$ 51,638.29	\$ 29,261.80	\$ 22,386.49
8	February 2010 (See Page 5P Line 45)	\$ -	\$ -	\$ -
9	January 2010 (See Page 5N Line 45)	\$ 34,788.86	\$ 20,933.04	\$ 13,855.82
10	December 2009 (See Page 5L Line 39)	\$ 44,244.39	\$ 23,593.94	\$ 20,650.45
11	November 2009 (See Page 5J Line 39)	\$ -	\$ -	\$ -
12	October 2009 (See Page 5H Line 39)	\$ -	\$ -	\$ -
13	September 2009 (See Page 5F Line 35)	\$ -	\$ -	\$ -
14	August 2009 (See Page 5D Line 35)	\$ -	\$ -	\$ -
15	July 2009 (See Page 5B Line 35)	\$ -	\$ -	\$ -
16	Miscellaneous Prior Period Adjustments	\$ -	\$ -	\$ -
17	Total Reconciliation Adjustment (Line 1 through Line 19)	\$ 1,771,016.81	\$ (1,505,322.94)	\$ 3,276,339.75
18	Portion of Reconciliation deferred from 3rd and 4th quarter 2009	\$ -	\$ -	\$ -
19	Reconciliation Adjustment to recover in 4th quarter 2010	\$ 1,771,016.81	\$ (1,505,322.94)	\$ 3,276,339.75
20	Projected Retail Energy (kWh)	2,076,827,000	1,423,723,000	653,104,000
21	Total RA Rate (Line 22 / Line 23) To Page 1 Line 12		<u>(0.1057)</u>	<u>0.5017</u> \$/kWh

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

Line	Reconciliation Adjustment (RA)	July 2010	Residential July 2010	Non-Residential July 2010	Voltage Reduction July 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 38,029,305.23	\$ 38,029,305.23	\$ 38,029,305.23	\$ 38,029,305.23
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)	\$ 35,708,969.65	\$ 35,708,969.65	\$ 35,708,969.65	\$ 35,708,969.65
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,575,008.32)	\$ (1,575,008.32)	\$ (1,575,008.32)	\$ (1,575,008.32)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 36,012,178.15	\$ 36,012,178.15	\$ 36,012,178.15	\$ 36,012,178.15
7	Total Generation and Purchase Power (per books)	1,123,693,725	1,123,693,725	1,123,693,725	1,123,693,725
8	Losses (kWh) (1-Line 2)*(Line 7)	68,620,605	68,620,605	68,620,605	68,620,605
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,055,073,120	1,055,073,120	1,055,073,120	1,055,073,120
10	kWh Subject to FPP	1,008,730,934	697,349,985	283,182,658	28,198,291
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	95.42%	66.09%	26.84%	2.49%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 11,437.03	\$ 7,922.29	\$ 3,217.11	\$ 297.63
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 82,219.56	\$ 56,962.47	\$ 23,127.48	\$ 2,139.61
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 34,362,820.39	\$ 23,800,448.64	\$ 9,685,668.62	\$ 896,703.23
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 18 + Line 15 - Line 14)	\$ 35,449.98	\$ 21,782.75	\$ 10,230.66	\$ 3,436.37
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	1,008,730,934	697,349,985	283,182,658	28,198,291
20	EA Expense Allocated to FPP	\$ 890,318.59	\$ 478,175.09	\$ 194,179.25	\$ 17,984.25
21	EA Sales Margin Allocated to FPP	\$ (504,166.04)	\$ (349,229.54)	\$ (141,816.52)	\$ (13,119.98)
22	Net EA Cost (Line 19 + Line 20)	\$ 186,152.55	\$ 128,945.55	\$ 52,362.73	\$ 4,844.27
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 650,900.55	\$ 460,898.98	\$ 183,018.17	\$ 16,985.40
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (484,748.00)	\$ (321,951.43)	\$ (130,655.44)	\$ (12,141.13)
Environmental Remedies Component (ER)					
26	kWh Subject to FPP (Line 10)	1,008,730,934	697,349,985	283,182,658	28,198,291
27	ER Expense Allocated to FPP	\$ 1,677,167.48	\$ 1,181,753.01	\$ 471,789.30	\$ 43,645.15
28	ER Revenue in FPP (per books)	\$ 1,738,077.33	\$ 1,204,191.95	\$ 489,664.51	\$ 45,220.87
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (61,909.87)	\$ (42,438.94)	\$ (17,886.21)	\$ (1,676.72)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	1,008,730,934	697,349,985	283,182,658	28,198,291
31	AEPS Expense	\$ 59,415.84	\$ 41,156.61	\$ 16,713.04	\$ 1,548.19
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 59,415.84	\$ 41,156.61	\$ 16,713.04	\$ 1,548.19
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 285,693.87	\$ 183,598.77	\$ 75,148.53	\$ 6,948.57
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (206,278.03)	\$ (142,442.16)	\$ (58,433.48)	\$ (5,402.38)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,898.72	\$ 252,012.08	\$ 2,244,803.08	\$ 226,291.56
37	Actual RA recovery through FPP	\$ 1,719,559.00	\$ 315,897.89	\$ 1,284,763.31	\$ 118,697.80
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,003,339.72	\$ (63,665.63)	\$ 959,639.77	\$ 107,593.76
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 1,002,659.00	\$ 696,652.63	\$ 282,899.48	\$ 23,106.89
41	Actual SLA recovery through FPP	\$ 1,426,918.29	\$ 1,001,693.30	\$ 406,033.69	\$ 19,191.30
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,215,972.61	\$ 1,534,831.59	\$ 623,314.87	\$ 57,626.15
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (213,604.68)	\$ (163,514.34)	\$ (65,618.30)	\$ 15,527.96
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 92,247.12	\$ (712,449.95)	\$ 897,468.19	\$ 107,228.88

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

Line	Reconciliation Adjustment (RA)	August 2010	Residential August 2010	Non-Residential August 2010	Voltage Reduction August 2010
Fuel Component (FC)					
1	Net Includeable Fuel	\$ 32,637,496.30	\$ 32,637,496.30	\$ 32,637,496.30	\$ 32,637,496.30
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)	\$ 30,644,422.31	\$ 30,644,422.31	\$ 30,644,422.31	\$ 30,644,422.31
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,054,771.84)	\$ (1,054,771.84)	\$ (1,054,771.84)	\$ (1,054,771.84)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 31,442,538.33	\$ 31,442,538.33	\$ 31,442,538.33	\$ 31,442,538.33
7	Total Generation and Purchase Power (per books)	984,182,166	984,182,166	984,182,166	984,182,166
8	Losses (kWh) (1-Line 2)*(Line 7)	60,101,052	60,101,052	60,101,052	60,101,052
9	Total Generation After Losses (kWh) (Line 7-Line 8)	924,081,114	924,081,114	924,081,114	924,081,114
10	kWh Subject to FPP	921,361,651	845,382,231	263,871,640	22,107,780
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.71%	69.84%	27.46%	2.39%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 31,502,945.60	\$ 22,086,943.97	\$ 8,680,149.68	\$ 755,851.95
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 31,502,945.60	\$ 22,086,943.97	\$ 8,680,149.68	\$ 755,851.95
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 119,149.84	\$ 83,460.38	\$ 32,830.50	\$ 2,659.99
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,361,354.87	\$ 21,959,468.77	\$ 8,540,609.53	\$ 751,478.67
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (32,440.79)	\$ (24,014.82)	\$ (6,909.86)	\$ (1,616.32)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	921,361,651	845,382,231	263,871,640	22,107,780
20	EA Expense Allocated to FPP	\$ 587,477.08	\$ 411,507.63	\$ 161,873.21	\$ 14,096.32
21	EA Sales Margin Allocated to FPP	\$ (88,898.08)	\$ (88,274.70)	\$ (27,260.33)	\$ (2,373.03)
22	Net EA Cost (Line 19 + Line 20)	\$ 488,579.00	\$ 342,232.93	\$ 134,622.88	\$ 11,723.29
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 595,717.89	\$ 417,300.38	\$ 164,063.95	\$ 14,333.36
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (107,138.69)	\$ (76,087.55)	\$ (29,461.07)	\$ (2,610.07)
Environmental Residuals Component (ER)					
26	kWh Subject to FPP (Line 10)	921,361,651	845,382,231	263,871,640	22,107,780
27	ER Expense Allocated to FPP	\$ 739,728.75	\$ 518,153.22	\$ 203,824.03	\$ 17,749.50
28	ER Revenue in FPP (per books)	\$ 1,591,633.19	\$ 1,114,466.98	\$ 439,008.07	\$ 38,160.24
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (851,906.44)	\$ (566,313.55)	\$ (235,182.04)	\$ (20,410.74)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	921,361,651	845,382,231	263,871,640	22,107,780
31	AEPS Expense	\$ 78,283.89	\$ 53,434.25	\$ 21,019.23	\$ 1,830.41
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 78,283.89	\$ 53,434.25	\$ 21,019.23	\$ 1,830.41
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 243,154.59	\$ 168,919.72	\$ 67,372.22	\$ 5,863.65
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (166,870.70)	\$ (116,464.47)	\$ (48,352.98)	\$ (4,033.24)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,544,541.28	\$ 282,380.15	\$ 1,151,847.60	\$ 100,333.51
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,178,355.48	\$ (40,348.09)	\$ 1,092,755.48	\$ 125,948.07
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0982	0.0999	0.0999	0.0982
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 917,853.68	\$ 644,736.86	\$ 263,617.77	\$ 19,499.06
41	Actual SLA recovery through FPP	\$ 1,307,278.67	\$ 927,058.53	\$ 384,027.31	\$ 16,194.83
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,887,294.07	\$ 1,391,982.87	\$ 547,696.73	\$ 47,634.47
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (237,838.28)	\$ (178,833.61)	\$ (80,948.36)	\$ 11,940.58
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (217,839.44)	\$ (1,032,039.10)	\$ 704,901.36	\$ 109,318.29

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

Line	Reconciliation Adjustment (RA)	September 2010	Residential September 2010	Non-Residential September 2010	Voltage Reduction September 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 22,941,044.06	\$ 22,941,044.06	\$ 22,941,044.06	\$ 22,941,044.06
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 21,540,103.31	\$ 21,540,103.31	\$ 21,540,103.31	\$ 21,540,103.31
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,145,974.87	\$ 1,145,974.87	\$ 1,145,974.87	\$ 1,145,974.87
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (516,561.55)	\$ (516,561.55)	\$ (516,561.55)	\$ (516,561.55)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 22,169,516.43	\$ 22,169,516.43	\$ 22,169,516.43	\$ 22,169,516.43
7	Total Generation and Purchased Power (per books)	672,671,993	672,671,993	672,671,993	672,671,993
8	Losses (kWh) (1-Line 2)*(Line 7)	41,078,061	41,078,061	41,078,061	41,078,061
9	Total Generation After Losses (kWh) (Line 7-Line 8)	631,593,932	631,593,932	631,593,932	631,593,932
10	kWh Subject to FPP	708,268,416	500,880,187	205,917,716	1,670,513
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	112.14%	79.27%	32.61%	0.26%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.56	\$ 57,113.86
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.56	\$ 57,113.86
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 14,294.82	\$ 10,105.12	\$ 4,155.99	\$ 33.72
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 128,471.17	\$ 80,817.22	\$ 37,360.94	\$ 303.01
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 24,860,895.72	\$ 17,573,775.67	\$ 7,229,479.31	\$ 57,640.74
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 781,720.56	\$ 554,274.28	\$ 225,582.68	\$ 963.61
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	708,268,416	500,880,187	205,917,716	1,670,513
21	EA Expense Allocated to FPP	\$ 495,448.11	\$ 350,234.52	\$ 144,043.03	\$ 1,168.56
22	EA Sales Margin Allocated to FPP	\$ (25,698.16)	\$ (18,165.22)	\$ (7,471.33)	\$ (60.61)
23	Net EA Cost (Line 21 + Line 22)	\$ 469,747.95	\$ 332,068.30	\$ 136,571.70	\$ 1,107.95
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 458,004.36	\$ 323,758.44	\$ 133,162.86	\$ 1,083.08
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 11,743.59	\$ 8,309.86	\$ 3,408.84	\$ 24.89
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	708,268,416	500,880,187	205,917,716	1,670,513
28	ER Expense Allocated to FPP	\$ 953,906.55	\$ 674,323.60	\$ 277,333.08	\$ 2,249.87
29	ER Revenue in FPP (per books)	\$ 1,223,808.54	\$ 864,648.28	\$ 358,278.79	\$ 2,863.47
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (269,901.99)	\$ (180,324.68)	\$ (78,943.71)	\$ (633.60)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	708,268,416	500,880,187	205,917,716	1,670,513
32	AEPS Expense	\$ 60,253.58	\$ 42,593.70	\$ 17,517.78	\$ 142.11
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 60,253.58	\$ 42,593.70	\$ 17,517.78	\$ 142.11
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 188,948.89	\$ 131,829.78	\$ 54,878.14	\$ 443.07
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (128,695.31)	\$ (89,236.08)	\$ (37,158.38)	\$ (300.96)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,898.72	\$ 252,012.08	\$ 2,244,603.08	\$ 228,281.68
38	Actual RA recovery through FPP	\$ 1,169,191.84	\$ 226,824.77	\$ 634,785.66	\$ 7,581.42
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,553,706.88	\$ 25,187.29	\$ 1,309,817.45	\$ 218,700.16
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 707,384.70	\$ 500,179.51	\$ 205,711.80	\$ 1,473.39
42	Actual SLA recovery through FPP	\$ 1,015,899.05	\$ 719,247.79	\$ 286,427.54	\$ 1,223.72
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,571,014.84	\$ 1,110,525.72	\$ 486,846.77	\$ 3,842.45
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (152,248.81)	\$ (108,901.58)	\$ (44,292.57)	\$ 945.34
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 1,798,322.82	\$ 199,309.09	\$ 1,378,414.20	\$ 219,599.44

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Voltage-Adjusted System Loss Adjustment
January 2011 through March 2011**

Line	Description	Distribution (A)	Transmission (B)	Total Losses	
				Voltage Adjusted Methodology (C)	No Voltage Adjustment (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	0.0989
4	Current FC Rate (\$/kWh) (Per Filing)	2.8480	2.8480	2.8480	2.8480
5	Projected Sales at Meter (kWh) ^(a)	1,953,005,000	123,822,000	2,076,827,000	2,076,827,000
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))	2,086,722,536	127,701,984	2,196,098,084	2,211,901,169
8	Energy Losses (kWh) (Line 7 - Line 5)	133,717,536	3,879,984	119,271,084	135,074,169
9	Value of Losses (Line 8 * Line 4)	3,805,801.07	110,424.34	3,394,455.05	3,844,210.85
10	Average Losses Rate (\$/kWh) (Line 9 + Line 5)	0.1949	0.0892	0.1834	0.1851
11	Losses in MBSSO (\$/kWh) (Line 3)	0.1051	0.0481	0.0882	0.0989
12	System Loss Adjustment (\$/kWh) (Line 10 - Line 11)	0.0898	0.0411	0.0752	0.0852
13	Synchronization Adj. (\$/kWh) (L. 12, Column D - Column C)	0.0100	0.0100	0.0100	-
14	Adjusted SLA (\$/kWh) (Line 12 + Line 13)	0.0998	0.0511	0.0852	0.0852
<u>Total SLA Rate (Line 14, Columns A & B) To Page 1 Line 13</u>					

Notes: ^(a) Projected Sales at Meter for 4th quarter 2010 were provided by the Load Forecasting Department.

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

Line	Reconciliation Adjustment (RA)	July 2009	Residential July 2009	Non-Residential July 2009	Voltage Reduction July 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 52,232,400.87	\$ 52,232,400.87	\$ 52,232,400.87	\$ 52,232,400.87
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)	\$ 49,042,724.85	\$ 49,042,724.85	\$ 49,042,724.85	\$ 49,042,724.85
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,169,930.10	\$ 2,169,930.10	\$ 2,169,930.10	\$ 2,169,930.10
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (888,921.82)	\$ (888,921.82)	\$ (888,921.82)	\$ (888,921.82)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 50,325,733.33	\$ 50,325,733.33	\$ 50,325,733.33	\$ 50,325,733.33
7	Total Generation and Purchase Power (per books)	1,676,912,764	1,676,912,764	1,676,912,764	1,676,912,764
8	Losses (kWh) (1-Line 2)*(Line 7)	102,404,032	102,404,032	102,404,032	102,404,032
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,574,508,732	1,574,508,732	1,574,508,732	1,574,508,732
10	kWh Subject to FPP	1,610,660,783	821,182,471	850,359,779	139,118,633
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.30%	39.45%	54.01%	8.84%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 48,655,784.05	\$ 18,772,657.14	\$ 25,882,391.32	\$ 4,200,735.59
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 48,655,784.05	\$ 18,772,657.14	\$ 25,882,391.32	\$ 4,200,735.59
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 125,342.54	\$ 171,586.05	\$ 28,071.41
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 51,463,225.20	\$ 19,853,501.80	\$ 27,180,929.57	\$ 4,448,794.83
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ 3,152,441.15	\$ 1,206,187.20	\$ 1,870,123.30	\$ 276,130.65
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,610,660,783	821,182,471	850,359,779	139,118,633
19	EA Expense Allocated to FPP	\$ 2,676,204.29	\$ 1,032,129.92	\$ 1,412,921.03	\$ 231,153.34
20	EA Sales Margin Allocated to FPP	\$ (143,710.26)	\$ (55,426.95)	\$ (75,876.01)	\$ (12,413.20)
21	Net EA Cost (Line 19 + Line 20)	\$ 2,532,488.04	\$ 976,702.97	\$ 1,337,045.02	\$ 218,740.05
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 2,904,127.65	\$ 1,119,470.38	\$ 1,534,004.62	\$ 250,652.65
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (371,639.61)	\$ (142,767.41)	\$ (196,859.60)	\$ (31,912.60)
Reconciliation Adjustment Amortization (RA)					
25	RA Amount from 1st Quarter Filing (spread evenly)	\$ 1,119,286.42	\$ 460,404.98	\$ 525,319.58	\$ 133,561.86
26	Actual RA recovery through FPP	\$ 981,630.10	\$ 409,562.33	\$ 498,042.91	\$ 76,025.16
27	Under/(Over) Recovery of RA (Line 25 - Line 26)	\$ 137,656.32	\$ 50,842.65	\$ 28,276.97	\$ 57,536.70
System Loss Component (SLA)					
28	Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
29	Total Losses Recovered in Base Rates (Line 10 x Line 28)	\$ 1,592,773.28	\$ 620,661.29	\$ 848,509.42	\$ 122,702.55
30	Actual SLA recovery through FPP	\$ 1,742,223.71	\$ 701,508.77	\$ 960,644.95	\$ 80,171.99
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 3,263,036.57	\$ 1,258,327.19	\$ 1,722,744.02	\$ 281,987.36
32	Under/(Over) Recovery of Losses (Line 31 - Line 30 - Line 29)	\$ (71,958.40)	\$ (63,740.87)	\$ (87,310.35)	\$ 78,092.82
33	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 27+Line 32)	\$ 2,846,499.46	\$ 1,050,621.67	\$ 1,415,130.32	\$ 380,847.57

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

Line	Reconciliation Adjustment (RA)	July 2009	Residential July 2009	Non-Residential July 2009	Voltage Reduction July 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 52,232,400.87	\$ 52,232,400.87	\$ 52,232,400.87	\$ 52,232,400.87
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)	\$ 49,042,724.85	\$ 49,042,724.85	\$ 49,042,724.85	\$ 49,042,724.85
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,189,930.10	\$ 2,189,930.10	\$ 2,189,930.10	\$ 2,189,930.10
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (886,921.62)	\$ (886,921.62)	\$ (886,921.62)	\$ (886,921.62)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 50,325,733.33	\$ 50,325,733.33	\$ 50,325,733.33	\$ 50,325,733.33
7	Total Generation and Purchase Power (per books)	1,676,912,764	1,676,912,764	1,676,912,764	1,676,912,764
8	Losses (kWh) (1-Line 2)*(Line 7)	102,404,032	102,404,032	102,404,032	102,404,032
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,574,508,732	1,574,508,732	1,574,508,732	1,574,508,732
10	kWh Subject to FPP	1,510,660,783	621,182,471	850,368,779	139,118,533
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.30%	39.45%	54.01%	8.84%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 48,655,784.05	\$ 18,772,857.14	\$ 25,682,391.32	\$ 4,200,735.59
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 48,655,784.05	\$ 18,772,857.14	\$ 25,682,391.32	\$ 4,200,735.59
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 125,342.64	\$ 171,588.05	\$ 28,071.41
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 51,483,225.20	\$ 19,653,501.80	\$ 27,180,828.67	\$ 4,448,794.83
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ 3,152,441.15	\$ 1,206,187.20	\$ 1,670,123.30	\$ 278,130.65
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,510,660,783	621,182,471	850,368,779	139,118,533
19	EA Expense Allocated to FPP	\$ 2,676,204.29	\$ 1,032,129.82	\$ 1,412,821.03	\$ 231,153.34
20	EA Sales Margin Allocated to FPP	\$ (143,718.25)	\$ (55,428.95)	\$ (75,876.01)	\$ (12,413.29)
21	Net EA Cost (Line 19 + Line 20)	\$ 2,532,486.04	\$ 976,702.97	\$ 1,337,045.02	\$ 218,740.05
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 2,904,127.65	\$ 1,119,470.38	\$ 1,634,004.62	\$ 250,652.65
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (371,639.81)	\$ (142,787.41)	\$ (198,958.60)	\$ (31,812.60)
Reconciliation Adjustment Amortization (RA)					
25	RA Amount from 1st Quarter Filing (spread evenly)	\$ 1,119,288.42	\$ 460,404.98	\$ 625,318.58	\$ 133,561.86
26	Actual RA recovery through FPP	\$ 981,630.10	\$ 409,682.33	\$ 496,042.61	\$ 75,025.16
27	Under/(Over) Recovery of RA (Line 25 - Line 26)	\$ 137,658.32	\$ 50,722.65	\$ 129,275.97	\$ 58,536.70
System Loss Component (SLA)					
28	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
29	Total Losses Recovered in Base Rates (Line 10 x Line 28)	\$ 1,592,779.28	\$ 620,561.29	\$ 849,509.42	\$ 122,702.55
30	Actual SLA recovery through FPP	\$ 1,742,223.71	\$ 701,508.77	\$ 980,544.95	\$ 80,171.99
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 3,263,038.57	\$ 1,258,327.19	\$ 1,722,744.02	\$ 281,987.38
32	Under/(Over) Recovery of Losses (Line 31 - Line 30 - Line 29)	\$ (71,858.40)	\$ (63,740.87)	\$ (87,310.35)	\$ 79,092.82
33	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 27+Line 32)	\$ 2,846,499.46	\$ 1,060,521.57	\$ 1,415,130.32	\$ 380,847.57
34	Net Under/(Over) Recovery of FPP Costs (Page 5A, Line 33)	\$ 2,846,499.46	\$ 1,060,521.57	\$ 1,415,130.32	\$ 380,847.57
35	Net Adjustment for July 2009 (Line 33 - Line 34) To Page 3 Line 16	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	August 2009	Residential August 2009	Non-Residential August 2009	Voltage Reduction August 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 55,925,844.18	\$ 55,925,844.18	\$ 55,925,844.18	\$ 55,925,844.18
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)	\$ 52,510,820.66	\$ 52,510,820.66	\$ 52,510,820.66	\$ 52,510,820.66
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,589,430.80	\$ 1,589,430.80	\$ 1,589,430.80	\$ 1,589,430.80
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,143,007.27)	\$ (1,143,007.27)	\$ (1,143,007.27)	\$ (1,143,007.27)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 52,937,043.99	\$ 52,937,043.99	\$ 52,937,043.99	\$ 52,937,043.99
7	Total Generation and Purchase Power (per books)	1,785,537,183	1,785,537,183	1,785,537,183	1,785,537,183
8	Losses (kWh) (1-Line 2)*(Line 7)	109,037,398	109,037,398	109,037,398	109,037,398
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,676,499,785	1,676,499,785	1,676,499,785	1,676,499,785
10	kWh Subject to FPP	1,556,885,050	590,489,487	830,013,023	136,402,540
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	92.87%	35.22%	49.51%	8.14%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 47,022,621.38	\$ 17,837,042.47	\$ 25,066,887.82	\$ 4,118,881.29
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 47,022,621.38	\$ 17,837,042.47	\$ 25,066,887.82	\$ 4,118,881.29
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 123,260.60	\$ 173,265.35	\$ 26,474.06
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 49,162,832.75	\$ 18,644,426.89	\$ 26,209,130.48	\$ 4,309,075.38
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ 2,465,011.37	\$ 930,645.02	\$ 1,315,508.21	\$ 218,856.14
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,556,885,050	590,489,487	830,013,023	136,402,540
19	EA Expense Allocated to FPP	\$ 1,513,534.92	\$ 574,028.37	\$ 806,902.02	\$ 132,804.53
20	EA Sales Margin Allocated to FPP	\$ (520,853.96)	\$ (197,540.83)	\$ (277,679.83)	\$ (45,633.30)
21	Net EA Cost (Line 19 + Line 20)	\$ 992,680.96	\$ 376,487.54	\$ 529,222.19	\$ 88,971.23
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 2,808,674.68	\$ 1,063,676.84	\$ 1,497,240.69	\$ 245,757.18
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (1,813,693.73)	\$ (687,189.30)	\$ (668,018.50)	\$ (158,785.99)
Reconciliation Adjustment Amortization (RA)					
25	RA Amount from 1st Quarter Filing (spread evenly)	\$ 1,119,286.42	\$ 480,404.98	\$ 525,919.58	\$ 133,581.86
26	Actual RA recovery through FPP	\$ 947,844.85	\$ 389,150.08	\$ 484,154.47	\$ 74,540.32
27	Under/(Over) Recovery of RA (Line 25 - Line 26)	\$ 171,441.57	\$ 71,254.92	\$ 41,188.11	\$ 59,021.54
System Loss Component (SLA)					
28	Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
29	Total Losses Recovered in Base Rates (Line 10 x Line 28)	\$ 1,539,359.07	\$ 589,879.02	\$ 829,183.01	\$ 120,307.04
30	Actual SLA recovery through FPP	\$ 1,882,674.91	\$ 666,544.21	\$ 937,624.55	\$ 78,808.16
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 3,171,718.09	\$ 1,202,841.73	\$ 1,890,877.17	\$ 277,999.19
32	Under/(Over) Recovery of Losses (Line 31 - Line 30 - Line 29)	\$ (50,325.89)	\$ (53,581.50)	\$ (75,830.39)	\$ 79,088.00
33	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 27+Line 32)	\$ 772,133.32	\$ 281,129.14	\$ 312,824.43	\$ 198,179.75

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

Line	Reconciliation Adjustment (RA)	August 2009	Residential August 2009	Non-Residential August 2009	Voltage Reduction August 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 55,925,844.18	\$ 55,925,844.18	\$ 55,925,844.18	\$ 55,925,844.18
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)	\$ 52,510,620.66	\$ 52,510,620.66	\$ 52,510,620.66	\$ 52,510,620.66
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,569,430.60	\$ 1,569,430.60	\$ 1,569,430.60	\$ 1,569,430.60
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,143,007.27)	\$ (1,143,007.27)	\$ (1,143,007.27)	\$ (1,143,007.27)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 52,937,043.99	\$ 52,937,043.99	\$ 52,937,043.99	\$ 52,937,043.99
7	Total Generation and Purchase Power (per books)	1,785,537,163	1,785,537,163	1,785,537,163	1,785,537,163
8	Losses (kWh) (1-Line 2)*(Line 7)	109,037,398	109,037,398	109,037,398	109,037,398
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,676,499,765	1,676,499,765	1,676,499,765	1,676,499,765
10	kWh Subject to FPP	1,558,885,050	590,469,487	830,013,023	136,402,540
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	92.87%	35.22%	49.51%	8.14%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 47,022,621.38	\$ 17,837,042.47	\$ 25,066,887.62	\$ 4,118,661.29
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 47,022,621.38	\$ 17,837,042.47	\$ 25,066,887.62	\$ 4,118,661.29
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 123,290.80	\$ 173,265.35	\$ 28,474.05
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 49,162,632.75	\$ 18,644,426.88	\$ 26,209,130.48	\$ 4,309,075.38
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ 2,465,011.37	\$ 930,645.02	\$ 1,315,508.21	\$ 216,866.14
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,558,885,050	590,469,487	830,013,023	136,402,540
19	EA Expense Allocated to FPP	\$ 1,513,534.92	\$ 674,028.37	\$ 806,902.02	\$ 132,604.53
20	EA Sales Margin Allocated to FPP	\$ (520,853.96)	\$ (197,540.83)	\$ (277,679.83)	\$ (45,833.30)
21	Net EA Cost (Line 19 + Line 20)	\$ 992,680.96	\$ 376,487.54	\$ 529,222.19	\$ 86,771.23
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 2,806,674.68	\$ 1,063,676.84	\$ 1,497,240.69	\$ 245,757.16
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (1,813,993.73)	\$ (687,189.30)	\$ (688,018.50)	\$ (158,785.93)
Reconciliation Adjustment Amortization (RA)					
25	RA Amount from 1st Quarter Filing (spread evenly)	\$ 1,119,288.42	\$ 460,404.98	\$ 525,319.58	\$ 133,561.86
26	Actual RA recovery through FPP	\$ 947,844.85	\$ 389,150.06	\$ 484,154.47	\$ 74,540.32
27	Under/(Over) Recovery of RA (Line 25 - Line 26)	\$ 171,443.57	\$ 71,254.92	\$ 41,165.11	\$ 59,021.54
System Loss Component (SLA)					
28	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
29	Total Losses Recovered in Base Rates (Line 10 x Line 28)	\$ 1,599,369.07	\$ 588,879.02	\$ 829,183.01	\$ 120,307.04
30	Actual SLA recovery through FPP	\$ 1,682,674.91	\$ 666,544.21	\$ 937,524.55	\$ 78,806.16
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 3,171,718.09	\$ 1,202,841.73	\$ 1,690,677.17	\$ 277,999.19
32	Under/(Over) Recovery of Losses (Line 31 - Line 30 - Line 29)	\$ (60,326.89)	\$ (63,581.50)	\$ (75,830.39)	\$ 79,086.00
33	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 27+Line 32)	\$ 772,133.32	\$ 261,129.14	\$ 312,824.43	\$ 198,179.75
34	Net Under/(Over) Recovery of FPP Costs (Page 5C, Line 33)	\$ 772,133.32	\$ 261,129.14	\$ 312,824.43	\$ 198,179.75
35	Net Adjustment for August 2009 (Line 33 - Line 34) To Page 3 Line 14	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	September 2009	Residential September 2009	Non-Residential September 2009	Voltage Reduction September 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 39,600,866.31	\$ 39,600,866.31	\$ 39,600,866.31	\$ 39,600,866.31
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)	\$ 37,182,590.21	\$ 37,182,590.21	\$ 37,182,590.21	\$ 37,182,590.21
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,641,618.29	\$ 1,641,618.29	\$ 1,641,618.29	\$ 1,641,618.29
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (744,737.59)	\$ (744,737.59)	\$ (744,737.59)	\$ (744,737.59)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 38,079,440.91	\$ 38,079,440.91	\$ 38,079,440.91	\$ 38,079,440.91
7	Total Generation and Purchase Power (per books)	1,355,781,199	1,355,781,199	1,355,781,199	1,355,781,199
8	Losses (kWh) (1-Line 2)*(Line 7)	82,793,490	82,793,490	82,793,490	82,793,490
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,272,987,709	1,272,987,709	1,272,987,709	1,272,987,709
10	kWh Subject to FPP	1,450,457,042	566,162,609	807,490,938	76,803,495
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	113.94%	44.48%	63.43%	6.03%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 43,806,824.20	\$ 17,096,984.40	\$ 24,390,764.42	\$ 2,319,076.38
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 43,806,824.20	\$ 17,096,984.40	\$ 24,390,764.42	\$ 2,319,076.38
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 8/30/08)	\$ 325,000.00	\$ 126,866.53	\$ 180,932.32	\$ 17,209.16
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 43,387,714.97	\$ 16,937,735.31	\$ 24,153,789.37	\$ 2,286,190.29
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (54,109.23)	\$ (32,360.66)	\$ (56,042.73)	\$ (5,678.94)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,450,457,042	566,162,609	807,490,938	76,803,495
19	EA Expense Allocated to FPP	\$ 1,087,540.02	\$ 424,603.79	\$ 606,449.66	\$ 67,686.69
20	EA Sales Margin Allocated to FPP	\$ (535,099.88)	\$ (208,887.56)	\$ (297,887.91)	\$ (29,334.19)
21	Net EA Cost (Line 19 + Line 20)	\$ 552,440.14	\$ 215,636.22	\$ 307,551.74	\$ 28,252.40
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 2,614,777.24	\$ 1,019,544.94	\$ 1,458,855.87	\$ 136,376.33
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (2,062,338.88)	\$ (803,008.72)	\$ (1,149,304.23)	\$ (106,123.93)
Reconciliation Adjustment Amortization (RA)					
25	RA Amount from 1st Quarter Filing (spread evenly)	\$ 1,119,286.41	\$ 460,404.99	\$ 625,319.57	\$ 133,561.85
26	Actual RA recovery through FPP	\$ 888,070.49	\$ 373,004.26	\$ 471,095.48	\$ 41,970.76
27	Under/(Over) Recovery of RA (Line 25 - Line 26)	\$ 233,215.92	\$ 87,400.74	\$ 54,224.09	\$ 91,591.09
System Loss Component (SLA)					
28	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0989 / 0.0882	0.0999	0.0999	0.0882
29	Total Losses Recovered in Base Rates (Line 10 x Line 28)	\$ 1,440,020.58	\$ 565,596.45	\$ 806,683.45	\$ 67,740.66
30	Actual SLA recovery through FPP	\$ 1,595,386.33	\$ 638,889.33	\$ 912,236.92	\$ 44,260.06
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 2,735,417.97	\$ 1,075,662.65	\$ 1,533,931.86	\$ 145,823.86
32	Under/(Over) Recovery of Losses (Line 31 - Line 30 - Line 29)	\$ (279,988.94)	\$ (128,823.23)	\$ (184,988.81)	\$ 33,823.10
33	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 27+Line 32)	\$ (2,293,219.13)	\$ (877,721.77)	\$ (1,336,111.68)	\$ 10,614.32

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

Line	Reconciliation Adjustment (RA)	September 2009	Residential September 2009	Non-Residential September 2009	Voltage Reduction September 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 39,600,866.31	\$ 39,600,866.31	\$ 39,600,866.31	\$ 39,600,866.31
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)	\$ 37,182,580.21	\$ 37,182,580.21	\$ 37,182,580.21	\$ 37,182,580.21
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,841,618.29	\$ 1,841,618.29	\$ 1,841,618.29	\$ 1,841,618.29
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (744,737.59)	\$ (744,737.59)	\$ (744,737.59)	\$ (744,737.59)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 38,079,440.91	\$ 38,079,440.91	\$ 38,079,440.91	\$ 38,079,440.91
7	Total Generation and Purchase Power (per books)	1,355,781,199	1,355,781,199	1,355,781,199	1,355,781,199
8	Losses (kWh) (1-Line 2)*(Line 7)	82,793,490	82,793,490	82,793,490	82,793,490
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,272,987,709	1,272,987,709	1,272,987,709	1,272,987,709
10	kWh Subject to FPP	1,450,457,042	566,162,808	807,460,938	76,803,495
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	113.94%	44.46%	63.43%	6.03%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 43,806,824.20	\$ 17,096,984.40	\$ 24,390,764.42	\$ 2,319,075.38
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 43,806,824.20	\$ 17,096,984.40	\$ 24,390,764.42	\$ 2,319,075.38
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 8/30/09)	\$ 325,000.00	\$ 128,858.63	\$ 180,932.32	\$ 17,208.15
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 43,387,714.97	\$ 16,937,735.31	\$ 24,153,789.37	\$ 2,299,180.29
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (94,109.23)	\$ (32,360.55)	\$ (56,042.73)	\$ (5,675.94)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,450,457,042	566,162,808	807,460,938	76,803,495
19	EA Expense Allocated to FPP	\$ 1,087,540.02	\$ 424,503.78	\$ 606,449.85	\$ 57,586.59
20	EA Sales Margin Allocated to FPP	\$ (535,099.66)	\$ (208,867.56)	\$ (297,887.91)	\$ (28,334.19)
21	Net EA Cost (Line 19 + Line 20)	\$ 552,440.36	\$ 215,636.22	\$ 307,561.74	\$ 29,252.40
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 2,614,777.24	\$ 1,019,544.94	\$ 1,456,855.97	\$ 138,376.33
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (2,062,336.88)	\$ (803,908.72)	\$ (1,149,304.23)	\$ (109,123.99)
Reconciliation Adjustment Amortization (RA)					
25	RA Amount from 1st Quarter Filing (spread evenly)	\$ 1,119,286.41	\$ 480,404.99	\$ 525,319.57	\$ 133,561.85
26	Actual RA recovery through FPP	\$ 886,070.49	\$ 373,004.25	\$ 471,095.48	\$ 41,970.76
27	Under/(Over) Recovery of RA (Line 25 - Line 26)	\$ 233,215.92	\$ 107,400.74	\$ 54,224.09	\$ 91,591.09
System Loss Component (SLA)					
28	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
29	Total Losses Recovered in Base Rates (Line 10 x Line 28)	\$ 1,440,020.58	\$ 566,696.46	\$ 806,683.46	\$ 67,740.68
30	Actual SLA recovery through FPP	\$ 1,595,385.33	\$ 638,889.33	\$ 912,236.92	\$ 44,260.08
31	Actual Losses on FPP Sales (Line 1 - Line 3) x (line 11)	\$ 2,755,417.97	\$ 1,075,662.55	\$ 1,533,931.56	\$ 145,823.66
32	Under/(Over) Recovery of Losses (Line 31 - Line 30 - Line 29)	\$ (279,988.94)	\$ (128,823.23)	\$ (184,968.81)	\$ 33,823.10
33	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 27+Line 32)	\$ (2,203,219.13)	\$ (877,721.77)	\$ (1,339,111.68)	\$ 10,614.32
34	Net Under/(Over) Recovery of FPP Costs (Page 5E, Line 33)	\$ (2,203,219.13)	\$ (877,721.77)	\$ (1,339,111.68)	\$ 10,614.32
35	Net Adjustment for September 2008 (Line 33 - Line 34) To Page 3 Line 13	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	October 2009	Residential October 2009	Non-Residential October 2009	Voltage Reduction October 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 34,074,309.02	\$ 34,074,309.02	\$ 34,074,309.02	\$ 34,074,309.02
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)	\$ 31,993,493.19	\$ 31,993,493.19	\$ 31,993,493.19	\$ 31,993,493.19
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,746,228.82	\$ 1,746,228.82	\$ 1,746,228.82	\$ 1,746,228.82
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (884,954.14)	\$ (884,954.14)	\$ (884,954.14)	\$ (884,954.14)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,054,767.87	\$ 33,054,767.87	\$ 33,054,767.87	\$ 33,054,767.87
7	Total Generation and Purchase Power (per books)	1,133,437,543	1,133,437,543	1,133,437,543	1,133,437,543
8	Losses (kWh) (1-Line 2)*(Line 7)	89,215,830	89,215,830	89,215,830	89,215,830
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,064,221,913	1,064,221,913	1,064,221,913	1,064,221,913
10	kWh Subject to FPP	1,075,987,136	427,703,381	607,343,542	40,940,213
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	101.11%	40.19%	57.07%	3.85%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 36,003,212.88	\$ 14,323,290.47	\$ 20,316,463.11	\$ 1,363,459.30
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 36,003,212.88	\$ 14,323,290.47	\$ 20,316,463.11	\$ 1,363,459.30
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 129,187.04	\$ 183,447.04	\$ 12,365.92
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,421,675.79	\$ 13,284,711.21	\$ 18,864,356.02	\$ 1,272,608.56
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (2,256,537.06)	\$ (609,382.22)	\$ (1,266,660.05)	\$ (76,484.82)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,075,987,136	427,703,381	607,343,542	40,940,213
19	EA Expense Allocated to FPP	\$ 727,481.25	\$ 289,184.83	\$ 410,817.28	\$ 27,679.16
20	EA Sales Margin Allocated to FPP	\$ (243,581.16)	\$ (96,823.17)	\$ (137,489.98)	\$ (9,268.01)
21	Net EA Cost (Line 19 + Line 20)	\$ 483,880.09	\$ 192,341.66	\$ 273,327.28	\$ 18,411.15
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 802,189.90	\$ 319,372.93	\$ 452,337.02	\$ 30,479.95
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (318,309.81)	\$ (127,031.27)	\$ (179,209.74)	\$ (12,066.80)
Alternative Energy Portfolio Standard					
25	kWh Subject to FPP (Line 10)	1,075,987,136	427,703,381	607,343,542	40,940,213
26	Alternative Energy Portfolio Standard Requirement	\$ -	\$ -	\$ -	\$ -
27	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 681,181.69	\$ 270,881.75	\$ 384,607.41	\$ 25,692.53
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (681,181.69)	\$ (270,881.75)	\$ (384,607.41)	\$ (25,692.53)
Reconciliation Adjustment Amortization (RA)					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,807,891.18	\$ 1,310,205.27	\$ 2,327,058.86	\$ 170,627.06
30	Actual RA recovery through FPP	\$ 3,585,213.94	\$ 1,218,967.87	\$ 2,186,793.31	\$ 147,452.78
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 242,677.24	\$ 91,237.40	\$ 128,265.55	\$ 23,174.29
System Loss Component (SLA)					
32	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0099 / 0.0882	0.0099	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,070,121.15	\$ 427,275.68	\$ 606,736.20	\$ 36,109.27
34	Actual SLA recovery through FPP	\$ 1,454,251.55	\$ 588,582.56	\$ 836,944.43	\$ 28,724.56
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,103,912.88	\$ 836,279.89	\$ 1,187,621.59	\$ 80,111.41
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (420,459.82)	\$ (179,576.86)	\$ (256,189.04)	\$ 16,277.58
37	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 28+Line 31+Line 36)	\$ (3,433,811.17)	\$ (1,395,646.20)	\$ (1,960,370.89)	\$ (77,794.28)

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

Line	Reconciliation Adjustment (RA)	October 2009	Residential October 2009	Non-Residential October 2009	Voltage Reduction October 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 34,074,309.02	\$ 34,074,309.02	\$ 34,074,309.02	\$ 34,074,309.02
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)	\$ 31,993,493.19	\$ 31,993,493.19	\$ 31,993,493.19	\$ 31,993,493.19
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,746,228.82	\$ 1,746,228.82	\$ 1,746,228.82	\$ 1,746,228.82
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (884,954.14)	\$ (884,954.14)	\$ (884,954.14)	\$ (884,954.14)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,054,767.87	\$ 33,054,767.87	\$ 33,054,767.87	\$ 33,054,767.87
7	Total Generation and Purchase Power (per books)	1,133,437,543	1,133,437,543	1,133,437,543	1,133,437,543
8	Losses (kWh) (1-Line 2)*(Line 7)	69,215,630	69,215,630	69,215,630	69,215,630
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,064,221,913	1,064,221,913	1,064,221,913	1,064,221,913
10	kWh Subject to FPP	1,075,987,136	427,703,381	607,343,542	40,940,213
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	101.11%	40.19%	67.07%	3.85%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 36,003,212.88	\$ 14,323,290.47	\$ 20,316,463.11	\$ 1,363,459.30
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 36,003,212.88	\$ 14,323,290.47	\$ 20,316,463.11	\$ 1,363,459.30
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 326,000.00	\$ 129,187.04	\$ 183,447.04	\$ 12,365.92
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,421,675.79	\$ 13,284,711.21	\$ 18,854,358.02	\$ 1,272,808.58
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (2,256,537.09)	\$ (909,392.22)	\$ (1,268,680.05)	\$ (78,484.82)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,075,987,136	427,703,381	607,343,542	40,940,213
19	EA Expense Allocated to FPP	\$ 727,481.25	\$ 289,164.83	\$ 410,617.26	\$ 27,679.16
20	EA Sales Margin Allocated to FPP	\$ (243,581.16)	\$ (96,823.17)	\$ (137,486.98)	\$ (9,268.01)
21	Net EA Cost (Line 19 + Line 20)	\$ 483,880.09	\$ 192,341.66	\$ 273,127.28	\$ 18,411.16
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 802,189.90	\$ 319,372.93	\$ 452,337.02	\$ 30,479.95
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (318,309.81)	\$ (127,031.27)	\$ (179,209.74)	\$ (12,068.80)
Alternative Energy Portfolio Standard					
25	kWh Subject to FPP (Line 10)	1,075,987,136	427,703,381	607,343,542	40,940,213
26	Alternative Energy Portfolio Standard Requirement	\$ -	\$ -	\$ -	\$ -
27	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 681,161.69	\$ 270,881.75	\$ 384,607.41	\$ 26,692.53
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (681,161.69)	\$ (270,881.75)	\$ (384,607.41)	\$ (26,692.53)
Reconciliation Adjustment Amortization (RA)					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,807,891.18	\$ 1,310,205.27	\$ 2,327,058.86	\$ 170,627.06
30	Actual RA recovery through FPP	\$ 3,586,213.94	\$ 1,218,997.87	\$ 2,198,793.31	\$ 147,462.76
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 242,677.24	\$ 91,237.40	\$ 128,265.55	\$ 23,174.29
System Loss Component (SLA)					
32	Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,070,121.15	\$ 427,275.68	\$ 606,736.20	\$ 36,109.27
34	Actual SLA recovery through FPP	\$ 1,454,251.55	\$ 588,582.56	\$ 836,944.43	\$ 28,724.56
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,103,912.88	\$ 836,279.89	\$ 1,167,521.59	\$ 80,111.41
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (420,459.82)	\$ (179,578.36)	\$ (266,166.04)	\$ 16,277.58
37	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 26+Line 31+Line 36)	\$ (3,433,811.17)	\$ (1,395,646.20)	\$ (1,960,370.89)	\$ (77,794.28)
38	Net Under/(Over) Recovery of FPP Costs (Page 5G, Line 37)	\$ (3,433,811.17)	\$ (1,395,646.20)	\$ (1,960,370.89)	\$ (77,794.28)
39	Net Adjustment for October 2009 (Line 37 - Line 38) To Page 3 Line 12	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	November 2008	Residential November 2009	Non-Residential November 2009	Voltage Reduction November 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 31,481,128.96	\$ 31,481,128.96	\$ 31,481,128.96	\$ 31,481,128.96
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 29,558,868.88	\$ 29,558,868.88	\$ 29,558,868.88	\$ 29,558,868.88
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,091,465.44	\$ 2,091,465.44	\$ 2,091,465.44	\$ 2,091,465.44
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (859,395.43)	\$ (859,395.43)	\$ (859,395.43)	\$ (859,395.43)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 30,990,738.99	\$ 30,990,738.99	\$ 30,990,738.99	\$ 30,990,738.99
7	Total Generation and Purchase Power (per books)	1,041,129,876	1,041,129,876	1,041,129,876	1,041,129,876
8	Losses (kWh) (1-Line 2)*(Line 7)	63,578,678	63,578,678	63,578,678	63,578,678
9	Total Generation After Losses (kWh) (Line 7-Line 8)	977,551,198	977,551,198	977,551,198	977,551,198
10	kWh Subject to FPP	936,787,722	419,017,646	492,260,155	25,509,921
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	95.83%	42.86%	50.36%	2.61%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 31,339,506.71	\$ 14,022,472.64	\$ 16,471,123.81	\$ 845,910.26
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 31,339,506.71	\$ 14,022,472.64	\$ 16,471,123.81	\$ 845,910.26
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 145,389.80	\$ 170,779.94	\$ 8,850.16
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 29,698,425.17	\$ 13,262,630.72	\$ 15,606,936.16	\$ 808,858.29
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (1,316,081.64)	\$ (564,472.02)	\$ (663,407.71)	\$ (28,201.81)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	936,787,722	419,017,646	492,260,155	25,509,921
19	EA Expense Allocated to FPP	\$ 644,993.32	\$ 288,500.35	\$ 338,928.98	\$ 17,563.99
20	EA Sales Margin Allocated to FPP	\$ (1,331,335.96)	\$ (585,495.91)	\$ (699,566.08)	\$ (38,253.97)
21	Net EA Cost (Line 19 + Line 20)	\$ (686,342.64)	\$ (306,995.56)	\$ (360,637.10)	\$ (18,689.98)
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 698,297.91	\$ 312,665.45	\$ 366,722.25	\$ 18,910.21
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (1,384,640.55)	\$ (619,661.01)	\$ (727,379.35)	\$ (37,800.19)
Alternative Energy Portfolio Standard					
25	kWh Subject to FPP (Line 10)	936,787,722	419,017,646	492,260,155	25,509,921
26	Alternative Energy Portfolio Standard Requirement	\$ -	\$ -	\$ -	\$ -
27	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 592,944.67	\$ 265,192.89	\$ 311,811.98	\$ 15,940.02
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (592,944.67)	\$ (265,192.89)	\$ (311,811.98)	\$ (15,940.02)
Reconciliation Adjustment Amortization (RA)					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,807,891.18	\$ 1,310,205.27	\$ 2,327,058.86	\$ 170,627.05
30	Actual RA recovery through FPP	\$ 3,067,472.08	\$ 1,193,367.10	\$ 1,782,623.11	\$ 91,481.87
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 740,419.10	\$ 116,838.17	\$ 544,435.75	\$ 79,145.18
System Loss Component (SLA)					
32	Losses in Base Rates (from Case No. 92-1484-EL-AJR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 932,988.27	\$ 418,598.63	\$ 491,767.89	\$ 22,499.75
34	Actual SLA recovery through FPP	\$ 1,272,576.50	\$ 576,221.15	\$ 678,534.21	\$ 17,821.14
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,842,291.48	\$ 823,965.49	\$ 988,149.84	\$ 50,176.15
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (363,151.28)	\$ (170,854.28)	\$ (202,182.28)	\$ 9,855.26
37	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 28+Line 31+Line 36)	\$ (2,916,398.95)	\$ (1,533,341.84)	\$ (1,390,315.53)	\$ 7,258.42

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

Line	Reconciliation Adjustment (RA)	November 2009	Residential November 2009	Non-Residential November 2009	Voltage Reduction November 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 31,481,126.96	\$ 31,481,126.96	\$ 31,481,126.96	\$ 31,481,126.96
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 29,558,668.98	\$ 29,558,668.98	\$ 29,558,668.98	\$ 29,558,668.98
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,091,465.44	\$ 2,091,465.44	\$ 2,091,465.44	\$ 2,091,465.44
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (659,395.43)	\$ (659,395.43)	\$ (659,395.43)	\$ (659,395.43)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 30,990,738.99	\$ 30,990,738.99	\$ 30,990,738.99	\$ 30,990,738.99
7	Total Generation and Purchase Power (per books)	1,041,129,876	1,041,129,876	1,041,129,876	1,041,129,876
8	Losses (kWh) (1-Line 2) (Line 7)	63,578,678	63,578,678	63,578,678	63,578,678
9	Total Generation After Losses (kWh) (Line 7-Line 8)	977,551,198	977,551,198	977,551,198	977,551,198
10	kWh Subject to FPP	936,787,722	419,017,646	492,280,155	25,509,921
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	95.83%	42.86%	50.36%	2.61%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 31,339,506.71	\$ 14,022,472.64	\$ 16,471,123.81	\$ 845,910.26
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 31,339,506.71	\$ 14,022,472.64	\$ 16,471,123.81	\$ 845,910.26
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 145,369.90	\$ 170,779.94	\$ 8,850.16
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 29,698,425.17	\$ 13,282,630.72	\$ 15,606,938.16	\$ 808,858.29
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (1,316,081.64)	\$ (984,472.02)	\$ (893,407.71)	\$ (28,201.61)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	936,787,722	419,017,646	492,280,155	25,509,921
19	EA Expense Allocated to FPP	\$ 644,993.32	\$ 288,500.35	\$ 338,828.98	\$ 17,563.99
20	EA Sales Margin Allocated to FPP	\$ (1,331,335.96)	\$ (595,495.91)	\$ (699,568.08)	\$ (38,253.97)
21	Net EA Cost (Line 19 + Line 20)	\$ (686,342.64)	\$ (306,995.56)	\$ (360,739.10)	\$ (18,689.98)
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 698,297.91	\$ 312,685.45	\$ 368,722.25	\$ 18,910.21
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (1,384,640.55)	\$ (619,681.01)	\$ (727,376.35)	\$ (37,600.19)
Alternative Energy Portfolio Standard					
25	kWh Subject to FPP (Line 10)	936,787,722	419,017,646	492,280,155	25,509,921
26	Alternative Energy Portfolio Standard Requirement	\$ -	\$ -	\$ -	\$ -
27	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 592,944.67	\$ 265,192.69	\$ 311,811.96	\$ 15,940.02
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (592,944.67)	\$ (265,192.69)	\$ (311,811.96)	\$ (15,940.02)
Reconciliation Adjustment Amortization (RA)					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,807,891.18	\$ 1,310,205.27	\$ 2,327,038.86	\$ 179,627.05
30	Actual RA recovery through FPP	\$ 3,067,472.08	\$ 1,193,367.10	\$ 1,782,623.11	\$ 91,481.87
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 740,419.10	\$ 116,838.17	\$ 544,415.75	\$ 79,145.18
System Loss Component (SLA)					
32	Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)	0.0099 / 0.0882	0.0099	0.0099	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 932,666.27	\$ 418,598.63	\$ 491,767.89	\$ 22,499.75
34	Actual SLA recovery through FPP	\$ 1,272,576.50	\$ 576,221.15	\$ 678,534.21	\$ 17,821.14
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,842,291.48	\$ 823,965.49	\$ 988,149.64	\$ 50,176.15
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (363,151.28)	\$ (170,664.28)	\$ (202,182.28)	\$ 9,855.28
37	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 28+Line 31+Line 36)	\$ (2,916,398.95)	\$ (1,533,341.84)	\$ (1,390,315.53)	\$ 7,258.42
38	Net Under/(Over) Recovery of FPP Costs (Page 5J, Line 37)	\$ (2,916,398.95)	\$ (1,533,341.84)	\$ (1,390,315.53)	\$ 7,258.42
39	Net Adjustment for November 2009 (Line 37 - Line 38) To Page 3 Line 11	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	December 2009	Residential December 2009	Non-Residential December 2009	Voltage Reduction December 2009
Fuel Component (FCI)					
1	Net Includable Fuel	\$ 42,924,494.06	\$ 42,924,494.06	\$ 42,924,494.06	\$ 42,924,494.06
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)	\$ 40,303,223.98	\$ 40,303,223.98	\$ 40,303,223.98	\$ 40,303,223.98
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,788,094.07	\$ 2,788,094.07	\$ 2,788,094.07	\$ 2,788,094.07
5	RSG Make Whole Payments & Secondary MISD Costs	\$ (692,730.49)	\$ (692,730.49)	\$ (692,730.49)	\$ (692,730.49)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 42,398,587.56	\$ 42,398,587.56	\$ 42,398,587.56	\$ 42,398,587.56
7	Total Generation and Purchase Power (per books)	1,261,789,342	1,261,789,342	1,261,789,342	1,261,789,342
8	Losses (kWh) (1-Line 2)*(Line 7)	77,053,690	77,053,690	77,053,690	77,053,690
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,184,735,652	1,184,735,652	1,184,735,652	1,184,735,652
10	kWh Subject to FPP	1,103,184,654	588,288,987	489,965,873	24,929,794
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	93.12%	49.66%	41.36%	2.10%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 38,912,175.81	\$ 19,683,142.13	\$ 16,399,240.84	\$ 829,792.84
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 38,912,175.81	\$ 19,683,142.13	\$ 16,399,240.84	\$ 829,792.84
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 173,310.89	\$ 144,344.75	\$ 7,344.36
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 39,481,684.74	\$ 21,056,138.59	\$ 17,538,055.81	\$ 890,370.34
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ 2,894,388.93	\$ 1,645,307.35	\$ 1,261,169.72	\$ 87,921.86
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,103,184,654	588,288,987	489,965,873	24,929,794
19	EA Expense Allocated to FPP	\$ 1,014,976.14	\$ 541,250.53	\$ 450,789.16	\$ 22,936.48
20	EA Sales Margin Allocated to FPP	\$ (1,297,208.81)	\$ (691,755.04)	\$ (578,139.22)	\$ (29,314.35)
21	Net EA Cost (Line 19 + Line 20)	\$ (282,232.47)	\$ (150,504.51)	\$ (125,350.07)	\$ (8,377.89)
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 822,555.69	\$ 438,883.98	\$ 365,121.80	\$ 18,549.91
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (1,104,788.16)	\$ (689,385.49)	\$ (490,471.87)	\$ (24,927.80)
Alternative Energy Portfolio Standard					
25	kWh Subject to FPP (Line 10)	1,103,184,654	588,288,987	489,965,873	24,929,794
26	Alternative Energy Portfolio Standard Requirement	\$ 434,960.24	\$ 231,959.44	\$ 193,191.11	\$ 9,829.69
27	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 688,334.61	\$ 372,247.14	\$ 310,451.16	\$ 15,696.31
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (253,354.37)	\$ (140,287.70)	\$ (117,260.05)	\$ (5,866.82)
Reconciliation Adjustment Amortization (RA)					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,807,691.18	\$ 1,310,205.27	\$ 2,327,066.86	\$ 170,627.05
30	Actual RA recovery through FPP	\$ 3,539,894.38	\$ 1,675,112.14	\$ 1,774,843.42	\$ 89,736.83
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 268,196.79	\$ (364,906.87)	\$ 552,215.44	\$ 80,888.22
System Loss Component (SLA)					
32	Losses in Base Rates (from Case No. 92-1464-EL-AJR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,089,164.68	\$ 587,700.70	\$ 489,476.91	\$ 21,988.08
34	Actual SLA recovery through FPP	\$ 1,501,887.85	\$ 808,833.30	\$ 675,572.98	\$ 17,481.59
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,440,925.70	\$ 1,301,722.72	\$ 1,084,157.31	\$ 55,048.67
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (160,125.84)	\$ (94,811.28)	\$ (60,891.56)	\$ 15,577.00
37	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 28+Line 31+Line 36)	\$ 1,634,317.35	\$ 355,913.01	\$ 1,144,751.68	\$ 193,652.66

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

Line	Reconciliation Adjustment (RA)	December 2009	Residential December 2009	Non-Residential December 2009	Voltage Reduction December 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 42,924,494.06	\$ 42,924,494.06	\$ 42,924,494.06	\$ 42,924,494.06
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)	\$ 40,303,223.98	\$ 40,303,223.98	\$ 40,303,223.98	\$ 40,303,223.98
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,788,094.07	\$ 2,788,094.07	\$ 2,788,094.07	\$ 2,788,094.07
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (892,730.49)	\$ (892,730.49)	\$ (892,730.49)	\$ (892,730.49)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 42,398,587.56	\$ 42,398,587.56	\$ 42,398,587.56	\$ 42,398,587.56
7	Total Generation and Purchase Power (per books)	1,281,789,342	1,281,789,342	1,281,789,342	1,281,789,342
8	Losses (kWh) (1-Line 2)*(Line 7)	77,053,690	77,053,690	77,053,690	77,053,690
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,184,735,652	1,184,735,652	1,184,735,652	1,184,735,652
10	kWh Subject to FPP	1,103,184,654	588,288,987	489,965,873	24,929,794
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	93.12%	49.66%	41.36%	2.10%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 36,912,175.81	\$ 19,683,142.13	\$ 16,399,240.84	\$ 829,792.84
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 36,912,175.81	\$ 19,683,142.13	\$ 16,399,240.84	\$ 829,792.84
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 173,310.89	\$ 144,344.75	\$ 7,344.36
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 39,481,564.74	\$ 21,055,138.60	\$ 17,536,065.81	\$ 890,370.34
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ 2,894,388.93	\$ 1,545,307.35	\$ 1,261,159.72	\$ 67,921.86
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,103,184,654	588,288,987	489,965,873	24,929,794
19	EA Expense Allocated to FPP	\$ 1,014,978.14	\$ 541,250.53	\$ 460,789.15	\$ 22,938.46
20	EA Sales Margin Allocated to FPP	\$ (1,297,209.61)	\$ (691,755.04)	\$ (576,139.22)	\$ (29,314.35)
21	Net EA Cost (Line 19 + Line 20)	\$ (282,232.47)	\$ (150,504.51)	\$ (125,350.07)	\$ (6,377.89)
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 822,555.68	\$ 438,883.98	\$ 385,121.80	\$ 18,549.91
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (1,104,788.16)	\$ (589,388.49)	\$ (490,471.87)	\$ (24,927.80)
Alternative Energy Portfolio Standard					
25	kWh Subject to FPP (Line 10)	1,103,184,654	588,288,987	489,965,873	24,929,794
26	Alternative Energy Portfolio Standard Requirement	\$ 479,224.63	\$ 255,553.38	\$ 212,841.72	\$ 10,829.53
27	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 688,334.61	\$ 372,247.14	\$ 310,481.16	\$ 15,838.31
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (219,109.98)	\$ (116,693.76)	\$ (97,609.44)	\$ (4,806.78)
Reconciliation Adjustment Amortization (RA)					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,807,891.18	\$ 1,910,205.27	\$ 2,327,059.88	\$ 170,827.05
30	Actual RA recovery through FPP	\$ 3,539,694.39	\$ 1,675,112.14	\$ 1,774,843.42	\$ 89,738.53
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 268,196.79	\$ (364,906.87)	\$ 552,215.44	\$ 80,898.22
System Loss Component (SLA)					
32	Losses in Base Rates (from Case No. 92-1454-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,099,164.69	\$ 587,700.70	\$ 489,475.91	\$ 21,999.06
34	Actual SLA recovery through FPP	\$ 1,501,887.85	\$ 808,833.30	\$ 675,672.96	\$ 17,481.59
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 2,440,928.70	\$ 1,301,722.72	\$ 1,064,157.31	\$ 55,048.67
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (160,125.84)	\$ (94,811.28)	\$ (80,891.68)	\$ 15,577.00
37	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 28+Line 31+Line 36)	\$ 1,678,561.74	\$ 379,506.95	\$ 1,164,402.29	\$ 134,652.50
38	Net Under/(Over) Recovery of FPP Costs (Page 6K, Line 37)	\$ 1,634,317.35	\$ 355,913.01	\$ 1,144,761.68	\$ 133,652.66
39	Net Adjustment for December 2009 (Line 37 - Line 38) To Page 3 Line 10	\$ 44,244.39	\$ 23,593.94	\$ 19,650.61	\$ 999.84

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

Line	Reconciliation Adjustment (RA)	January 2010	Residential January 2010	Non-Residential January 2010	Voltage Reduction January 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78
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)	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89
7	Total Generation and Purchase Power (per books)	1,316,709,446	1,316,709,446	1,316,709,446	1,316,709,446
8	Losses (kWh) (1-Line 2)*(Line 7)	80,407,496	80,407,496	80,407,496	80,407,496
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,236,301,950	1,236,301,950	1,236,301,950	1,236,301,950
10	kWh Subject to FPP	1,269,923,992	764,134,697	481,905,942	23,883,353
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.72%	61.81%	38.98%	1.93%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 41,332,216.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,905.48
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 41,332,216.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,905.48
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 195,567.98	\$ 123,329.77	\$ 6,112.25
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 37,616,470.86	\$ 22,835,066.70	\$ 14,274,630.32	\$ 708,773.64
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (3,390,747.47)	\$ (2,006,318.31)	\$ (1,325,408.57)	\$ (59,020.59)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
19	EA Expense Allocated to FPP	\$ 754,190.45	\$ 453,809.12	\$ 286,197.33	\$ 14,184.00
20	EA Sales Margin Allocated to FPP	\$ (435,948.47)	\$ (282,317.55)	\$ (165,432.07)	\$ (8,198.86)
21	Net EA Cost (Line 19 + Line 20)	\$ 318,241.98	\$ 191,491.57	\$ 120,765.26	\$ 5,985.15
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 666,130.26	\$ 352,188.46	\$ 223,066.80	\$ 10,885.99
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (267,888.27)	\$ (160,696.89)	\$ (102,290.54)	\$ (4,900.84)
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
26	ER Expense Allocated to FPP	\$ 1,134,591.78	\$ 682,703.02	\$ 430,550.59	\$ 21,338.18
27	ER Revenue in FPP (per books)	\$ 2,042,781.40	\$ 1,228,065.86	\$ 776,564.84	\$ 38,150.90
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (908,189.62)	\$ (545,362.84)	\$ (344,014.06)	\$ (16,812.72)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
30	AEPS Expense	\$ 95,905.78	\$ 57,708.13	\$ 36,393.96	\$ 1,803.69
31	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
32	Net AEPS Cost (Line 31 + Line 32)	\$ 95,905.78	\$ 57,708.13	\$ 36,393.96	\$ 1,803.69
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 265,445.25	\$ 169,260.44	\$ 101,201.24	\$ 4,993.67
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (169,539.47)	\$ (101,542.31)	\$ (64,807.28)	\$ (3,189.88)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,148.83	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 8,409,517.27	\$ 3,063,320.88	\$ 3,199,198.48	\$ 158,997.83
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ (172,724.44)	\$ (823,052.03)	\$ 570,948.45	\$ 79,379.14
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0862	0.0999	0.0999	0.0862
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,265,859.72	\$ 783,370.56	\$ 481,424.04	\$ 21,065.12
40	Actual SLA recovery through FPP	\$ 1,641,021.01	\$ 995,315.22	\$ 629,928.10	\$ 15,779.69
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,368,141.10	\$ 1,424,988.34	\$ 898,657.90	\$ 44,494.86
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (638,799.63)	\$ (333,607.44)	\$ (212,692.24)	\$ 7,850.05
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (5,447,828.90)	\$ (3,970,669.82)	\$ (1,480,264.24)	\$ 3,105.16

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

Line	Reconciliation Adjustment (RA)	January 2010	Residential January 2010	Non-Residential January 2010	Voltage Reduction January 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78
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)	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (633,886.50)	\$ (633,886.50)	\$ (633,886.50)	\$ (633,886.50)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89
7	Total Generation and Purchase Power (per books)	1,316,709,446	1,316,709,446	1,316,709,446	1,316,709,446
8	Losses (kWh) (1-Line 2)*(Line 7)	80,407,496	80,407,496	80,407,496	80,407,496
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,236,301,950	1,236,301,950	1,236,301,950	1,236,301,950
10	kWh Subject to FPP	1,269,923,992	764,134,697	481,905,942	23,683,353
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.72%	61.81%	38.98%	1.93%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.86	\$ 771,906.48
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.86	\$ 771,906.48
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 8/30/09)	\$ 325,000.00	\$ 195,557.99	\$ 123,329.77	\$ 6,112.25
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 37,616,470.88	\$ 22,635,066.70	\$ 14,274,630.32	\$ 706,773.64
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (3,590,747.47)	\$ (2,008,318.31)	\$ (1,326,408.57)	\$ (66,020.56)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,683,353
19	EA Expense Allocated to FPP	\$ 754,190.45	\$ 453,809.12	\$ 286,197.33	\$ 14,184.00
20	EA Sales Margin Allocated to FPP	\$ (435,948.47)	\$ (262,317.55)	\$ (165,432.07)	\$ (8,195.85)
21	Net EA Cost (Line 19 + Line 20)	\$ 318,241.98	\$ 191,491.57	\$ 120,765.26	\$ 5,988.15
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 566,130.25	\$ 352,188.46	\$ 223,055.80	\$ 10,885.99
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (267,888.27)	\$ (160,896.89)	\$ (102,280.54)	\$ (4,900.84)
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,683,353
26	ER Expense Allocated to FPP	\$ 1,134,591.78	\$ 682,703.02	\$ 430,550.58	\$ 21,338.18
27	ER Revenue in FPP (per books)	\$ 2,042,781.40	\$ 1,228,066.86	\$ 776,564.64	\$ 38,180.90
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (908,189.62)	\$ (545,362.84)	\$ (346,014.06)	\$ (16,812.72)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,683,353
30	AEPS Expense	\$ 130,694.64	\$ 78,641.17	\$ 49,595.51	\$ 2,457.96
31	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
32	Net AEPS Cost (Line 31 + Line 32)	\$ 130,694.64	\$ 78,641.17	\$ 49,595.51	\$ 2,457.96
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 285,445.25	\$ 159,250.44	\$ 101,201.24	\$ 4,993.57
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (134,750.61)	\$ (80,809.27)	\$ (61,606.73)	\$ (2,535.61)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 6,408,517.27	\$ 3,053,320.86	\$ 3,199,188.48	\$ 156,997.83
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ (172,724.44)	\$ (823,052.03)	\$ 670,948.45	\$ 79,379.14
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,265,859.72	\$ 783,370.58	\$ 481,424.04	\$ 21,065.12
40	Actual SLA recovery through FPP	\$ 1,641,021.01	\$ 995,315.22	\$ 629,929.10	\$ 15,779.99
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,368,141.10	\$ 1,424,988.34	\$ 898,857.90	\$ 44,494.88
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (638,739.63)	\$ (333,697.44)	\$ (212,662.24)	\$ 7,650.06
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (5,413,040.04)	\$ (3,949,736.78)	\$ (1,487,082.69)	\$ 3,769.43
44	Net Under/(Over) Recovery of FPP Costs (Page 5M, Line 43)	\$ (5,447,828.90)	\$ (3,970,669.52)	\$ (1,480,264.24)	\$ 3,105.16
45	Net Adjustment for January 2010 (Line 43- Line 44) To Page 3 Line 9	\$ 34,788.86	\$ 20,933.04	\$ 13,201.55	\$ 654.27

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

Line	Reconciliation Adjustment (RA)	February 2010	Residential February 2010	Non-Residential February 2010	Voltage Reduction February 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08
2	Ratio Metered Sales/Generation Sales	0.938833	0.938833	0.938833	0.938833
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (556,162.17)	\$ (556,162.17)	\$ (556,162.17)	\$ (556,162.17)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68
7	Total Generation and Purchase Power (per books)	1,150,796,208	1,150,796,208	1,150,796,208	1,150,796,208
8	Losses (kWh) (1-Line 2)*(Line 7)	70,275,672	70,275,672	70,275,672	70,275,672
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,080,520,536	1,080,520,536	1,080,520,536	1,080,520,536
10	kWh Subject to FPP	1,077,202,765	654,386,178	405,085,785	17,730,801
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.69%	60.56%	37.49%	1.64%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,189,447.56	\$ 576,131.05
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,189,447.56	\$ 576,131.05
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 197,433.13	\$ 122,217.98	\$ 5,349.61
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,242,471.58	\$ 20,194,242.92	\$ 12,501,368.80	\$ 548,871.84
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (1,450,545.48)	\$ (880,782.36)	\$ (545,673.40)	\$ (23,909.70)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,178	405,085,785	17,730,801
19	EA Expense Allocated to FPP	\$ 681,752.32	\$ 414,155.36	\$ 258,375.29	\$ 11,221.67
20	EA Sales Margin Allocated to FPP	\$ (34,604.45)	\$ (21,021.74)	\$ (13,013.12)	\$ (589.59)
21	Net EA Cost (Line 19 + Line 20)	\$ 647,147.87	\$ 393,133.62	\$ 245,362.17	\$ 10,632.08
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 496,593.93	\$ 301,643.70	\$ 188,825.21	\$ 8,125.02
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 150,553.94	\$ 91,489.92	\$ 56,536.96	\$ 2,507.06
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,178	405,085,785	17,730,801
26	ER Expense Allocated to FPP	\$ 1,151,728.71	\$ 699,659.59	\$ 433,111.62	\$ 18,957.50
27	ER Revenue in FPP (per books)	\$ 1,730,721.82	\$ 1,051,816.47	\$ 650,428.61	\$ 28,474.84
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (578,993.11)	\$ (352,156.78)	\$ (217,316.99)	\$ (9,517.34)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,178	405,085,785	17,730,801
30	AEPS Expense	\$ 63,306.77	\$ 38,457.41	\$ 23,806.35	\$ 1,042.02
31	AEPS Sales Margin	\$ (162,700.00)	\$ (98,837.52)	\$ (61,186.91)	\$ (2,878.68)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (99,393.23)	\$ (60,380.11)	\$ (37,379.56)	\$ (1,836.66)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 224,885.77	\$ 136,395.41	\$ 84,763.29	\$ 3,727.07
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (324,280.00)	\$ (196,775.52)	\$ (122,142.85)	\$ (5,563.73)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,782.83	\$ 2,230,268.83	\$ 3,770,146.83	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 6,411,856.83	\$ 2,615,119.74	\$ 2,679,567.90	\$ 117,179.19
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ (175,073.99)	\$ (384,850.91)	\$ (1,090,589.03)	\$ (119,187.88)
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,074,061.06	\$ 653,731.79	\$ 404,890.70	\$ 16,638.57
40	Actual SLA recovery through FPP	\$ 1,391,857.12	\$ 862,471.33	\$ 527,608.24	\$ 11,777.56
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,025,473.33	\$ 1,230,441.01	\$ 781,711.26	\$ 33,321.06
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (440,434.85)	\$ (276,762.11)	\$ (170,577.68)	\$ 8,904.94
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,818,763.48)	\$ (1,998,819.76)	\$ 91,215.07	\$ 88,841.21

Duke Energy Ohio

Electric Department

Calculation of Quarterly Reconciliation Adjustment Component for Billing

January 2011 through March 2011

Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA)	February 2010	Residential February 2010	Non-Residential February 2010	Voltage Reduction February 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08
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)	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68
7	Total Generation and Purchase Power (per books)	1,150,798,208	1,150,798,208	1,150,798,208	1,150,798,208
8	Losses (kWh) (1-Line 2)*(Line 7)	70,275,872	70,275,872	70,275,872	70,275,872
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,080,522,336	1,080,522,336	1,080,522,336	1,080,522,336
10	kWh Subject to FPP	1,077,202,765	654,386,179	405,085,785	17,730,801
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.69%	60.66%	37.49%	1.64%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,168,447.56	\$ 578,131.05
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,168,447.56	\$ 578,131.05
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/08)	\$ 325,000.00	\$ 197,433.13	\$ 122,217.38	\$ 5,349.51
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,242,471.58	\$ 20,194,242.92	\$ 12,501,358.80	\$ 546,871.84
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (1,450,645.48)	\$ (880,782.36)	\$ (545,873.40)	\$ (23,909.70)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
19	EA Expense Allocated to FPP	\$ 681,752.32	\$ 414,156.36	\$ 256,376.29	\$ 11,221.67
20	EA Sales Margin Allocated to FPP	\$ (34,604.45)	\$ (21,021.74)	\$ (13,013.12)	\$ (589.59)
21	Net EA Cost (Line 19 + Line 20)	\$ 647,147.87	\$ 393,133.62	\$ 243,362.17	\$ 10,652.08
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 498,593.83	\$ 301,643.70	\$ 188,825.21	\$ 8,125.02
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 150,553.94	\$ 91,489.92	\$ 58,536.96	\$ 2,527.06
Environmental Response Component (ER)					
25	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
26	ER Expense Allocated to FPP	\$ 1,151,728.71	\$ 689,658.68	\$ 433,111.52	\$ 18,967.60
27	ER Revenue in FPP (per books)	\$ 1,730,721.82	\$ 1,061,818.47	\$ 650,426.51	\$ 28,474.84
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (578,993.11)	\$ (372,158.78)	\$ (217,314.99)	\$ (8,517.34)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
30	AEPS Expense	\$ 83,305.77	\$ 38,457.41	\$ 23,808.35	\$ 1,042.02
31	AEPS Sales Margin	\$ (162,700.00)	\$ (88,837.52)	\$ (61,185.91)	\$ (2,678.58)
32	Net AEPS Cost (Line 31 + Line 30)	\$ (79,394.23)	\$ (50,380.11)	\$ (37,377.56)	\$ (1,636.56)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 224,885.77	\$ 138,395.41	\$ 84,763.29	\$ 3,727.07
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (324,280.00)	\$ (188,775.52)	\$ (122,142.85)	\$ (5,363.63)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,148.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 6,411,858.83	\$ 2,615,119.74	\$ 2,679,557.90	\$ 117,178.19
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ (175,066.00)	\$ (384,850.91)	\$ (1,080,688.03)	\$ (119,197.88)
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,074,051.06	\$ 653,731.79	\$ 404,680.70	\$ 15,638.57
40	Actual SLA recovery through FPP	\$ 1,391,967.12	\$ 852,471.33	\$ 527,808.24	\$ 11,777.55
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 2,025,473.33	\$ 1,280,441.01	\$ 781,711.26	\$ 33,321.08
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (440,434.85)	\$ (275,762.11)	\$ (170,677.68)	\$ 5,904.94
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,818,783.48)	\$ (1,998,819.78)	\$ 91,215.07	\$ 88,841.21
Net Under/(Over) Recovery of FPP Costs (Page 50, Line 48)					
44		\$ (1,818,783.48)	\$ (1,998,819.78)	\$ 91,215.07	\$ 88,841.21
Net Adjustment for February 2010 (Line 43 - Line 44) To Page 3 Line 8					
45		\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	March 2010	Residential March 2010	Non-Residential March 2010	Voltage Reduction March 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54
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)	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 28,192,110.46	\$ 28,192,110.46	\$ 28,192,110.46	\$ 28,192,110.46
7	Total Generation and Purchase Power (per books)	980,924,756	980,924,756	980,924,756	980,924,756
8	Losses (kWh) (1-Line 2)*(Line 7)	59,902,132	59,902,132	59,902,132	59,902,132
9	Total Generation After Losses (kWh) (Line 7-Line 8)	921,022,624	921,022,624	921,022,624	921,022,624
10	kWh Subject to FPP	980,481,632	561,083,212	387,221,575	42,176,845
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	107.54%	60.92%	42.04%	4.58%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 8/30/09)	\$ 325,000.00	\$ 184,104.42	\$ 127,056.38	\$ 13,839.20
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 8 x Line 11)	\$ 31,393,195.58	\$ 17,763,833.69	\$ 12,272,363.24	\$ 1,336,998.66
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (467,773.11)	\$ (268,693.28)	\$ (188,557.76)	\$ (10,122.07)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	980,481,632	561,083,212	387,221,575	42,176,845
19	EA Expense Allocated to FPP	\$ 897,795.48	\$ 396,283.77	\$ 272,798.05	\$ 29,713.64
20	EA Sales Margin Allocated to FPP	\$ (166,005.95)	\$ (94,038.24)	\$ (64,898.82)	\$ (7,068.89)
21	Net EA Cost (Line 19 + Line 20)	\$ 531,789.51	\$ 301,245.53	\$ 207,899.23	\$ 22,644.75
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 466,371.13	\$ 268,601.66	\$ 178,676.32	\$ 18,193.25
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 75,418.38	\$ 42,643.87	\$ 29,222.91	\$ 3,451.50
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	980,481,632	561,083,212	387,221,575	42,176,845
26	ER Expense Allocated to FPP	\$ 938,297.38	\$ 531,522.13	\$ 368,820.52	\$ 39,954.73
27	ER Revenue in FPP (per books)	\$ 1,590,708.97	\$ 901,732.38	\$ 621,710.17	\$ 67,264.42
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (652,409.59)	\$ (370,210.26)	\$ (254,899.65)	\$ (27,309.69)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	980,481,632	561,083,212	387,221,575	42,176,845
30	AEPS Expense	\$ 19,577.48	\$ 11,090.18	\$ 7,853.87	\$ 833.85
31	AEPS Sales Margin	\$ (617,834.00)	\$ (463,282.62)	\$ (319,726.24)	\$ (34,825.14)
32	Net AEPS Cost (Line 31 + Line 30)	\$ (798,256.52)	\$ (452,192.44)	\$ (312,072.37)	\$ (33,991.49)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 208,757.89	\$ 116,932.88	\$ 81,020.74	\$ 8,504.24
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (1,005,014.38)	\$ (569,125.34)	\$ (393,093.11)	\$ (42,795.73)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.82	\$ 2,230,288.83	\$ 3,770,148.92	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,080,015.93	\$ 2,241,963.05	\$ 2,561,247.47	\$ 276,895.41
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 1,156,776.89	\$ (1,694.22)	\$ 1,208,899.45	\$ (40,428.34)
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 984,556.46	\$ 560,522.13	\$ 386,834.35	\$ 37,199.98
40	Actual SLA recovery through FPP	\$ 1,282,964.68	\$ 790,830.48	\$ 504,312.77	\$ 27,821.41
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,940,852.90	\$ 1,099,354.42	\$ 756,648.39	\$ 82,560.09
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (306,856.22)	\$ (191,998.19)	\$ (132,498.73)	\$ 17,628.70
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,199,870.03)	\$ (1,369,477.31)	\$ 269,182.91	\$ (99,575.63)

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

Line	Reconciliation Adjustment (RA)	March 2010	Residential March 2010	Non-Residential March 2010	Voltage Reduction March 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54
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)	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46
7	Total Generation and Purchase Power (per books)	980,924,756	980,924,756	980,924,756	980,924,756
8	Losses (kWh) (1-Line 2)*(Line 7)	59,902,132	59,902,132	59,902,132	59,902,132
9	Total Generation After Losses (kWh) (Line 7-Line 8)	921,022,624	921,022,624	921,022,624	921,022,624
10	kWh Subject to FPP	990,481,632	561,083,212	387,221,575	42,176,845
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	107.54%	60.92%	42.04%	4.56%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 32,185,958.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 32,185,958.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/06)	\$ 325,000.00	\$ 184,104.42	\$ 127,056.38	\$ 13,839.20
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,393,195.59	\$ 17,783,833.66	\$ 12,272,363.24	\$ 1,336,998.66
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (467,773.11)	\$ (269,083.28)	\$ (188,557.76)	\$ (10,122.07)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
19	EA Expense Allocated to FPP	\$ 697,795.46	\$ 385,283.77	\$ 272,798.05	\$ 29,713.64
20	EA Sales Margin Allocated to FPP	\$ (166,005.95)	\$ (94,038.24)	\$ (64,899.82)	\$ (7,088.89)
21	Net EA Cost (Line 19 + Line 20)	\$ 531,789.51	\$ 301,245.53	\$ 207,898.23	\$ 22,644.75
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 458,371.13	\$ 258,601.56	\$ 178,576.32	\$ 19,193.25
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 75,418.38	\$ 42,643.97	\$ 29,322.91	\$ 3,451.50
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
26	ER Expense Allocated to FPP	\$ 938,297.38	\$ 531,822.13	\$ 366,820.52	\$ 39,954.73
27	ER Revenue in FPP (per books)	\$ 1,590,708.97	\$ 901,732.36	\$ 621,710.17	\$ 67,264.42
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (652,409.59)	\$ (370,210.25)	\$ (264,889.66)	\$ (27,808.68)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
30	AEPS Expense	\$ 71,215.77	\$ 40,341.96	\$ 27,841.29	\$ 3,032.32
31	AEPS Sales Margin	\$ (817,834.00)	\$ (463,282.62)	\$ (319,726.24)	\$ (34,825.14)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (746,618.23)	\$ (422,940.66)	\$ (291,884.95)	\$ (31,792.82)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 206,757.86	\$ 116,932.66	\$ 81,020.74	\$ 8,904.24
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (953,376.09)	\$ (538,873.32)	\$ (372,905.69)	\$ (40,697.06)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.82	\$ 2,230,268.83	\$ 3,770,148.92	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 6,080,016.93	\$ 2,241,963.06	\$ 2,561,247.47	\$ 276,805.41
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 1,156,775.89	\$ (11,694.22)	\$ 1,208,899.45	\$ (40,428.34)
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 984,556.48	\$ 560,522.13	\$ 386,834.35	\$ 37,199.98
40	Actual SLA recovery through FPP	\$ 1,282,964.66	\$ 730,830.48	\$ 504,312.77	\$ 27,821.41
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,840,652.90	\$ 1,089,354.42	\$ 758,648.39	\$ 82,650.08
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (305,868.22)	\$ (181,866.19)	\$ (132,468.73)	\$ 17,628.70
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,148,231.74)	\$ (1,340,225.51)	\$ 289,370.53	\$ (97,576.76)
Net Under/(Over) Recovery of FPP Costs (Page 5Q, Line 43)					
44		\$ (1,199,870.03)	\$ (1,369,477.31)	\$ 289,182.91	\$ (89,575.63)
Net Adjustment for March 2010 (Line 43 - Line 44) To Page 3 Line 7					
45		\$ 51,638.29	\$ 29,251.80	\$ 20,187.62	\$ 2,189.87

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

Line	Reconciliation Adjustment (RA)	April 2010	Residential April 2010	Non-Residential April 2010	Voltage Reduction April 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,684,803.66	\$ 1,684,803.66	\$ 1,684,803.66	\$ 1,684,803.66
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (465,661.87)	\$ (465,661.87)	\$ (465,661.87)	\$ (465,661.87)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 23,484,296.62	\$ 23,484,296.62	\$ 23,484,296.62	\$ 23,484,296.62
7	Total Generation and Purchase Power (per books)	785,978,263	785,978,263	785,978,263	785,978,263
8	Losses (kWh) (1-Line 2)*(Line 7)	47,997,335	47,997,335	47,997,335	47,997,335
9	Total Generation After Losses (kWh) (Line 7-Line 8)	737,980,928	737,980,928	737,980,928	737,980,928
10	kWh Subject to FPP	734,641,382	410,793,626	297,920,110	25,927,646
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.55%	55.68%	40.37%	3.52%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,096,848.23	\$ 876,105.34
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,096,848.23	\$ 876,105.34
15	Per Stipulation (Case No. 07-874-EL-UNC Commission Order 9/30/08)	\$ 325,000.00	\$ 181,732.11	\$ 131,797.89	\$ 11,470.20
16	Per Stipulation (Case No. 08-874-EL-FAC Commission Order 8/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 23,378,617.29	\$ 13,071,358.50	\$ 9,480,810.55	\$ 826,647.24
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (1,482,171.27)	\$ (821,515.38)	\$ (630,967.99)	\$ (36,987.90)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
20	EA Expense Allocated to FPP	\$ 526,875.56	\$ 294,616.04	\$ 213,664.56	\$ 18,594.98
21	EA Sales Margin Allocated to FPP	\$ (242,545.34)	\$ (135,625.46)	\$ (98,359.74)	\$ (8,560.14)
22	Net EA Cost (Line 19 + Line 20)	\$ 284,330.24	\$ 158,990.68	\$ 115,304.82	\$ 10,034.84
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 404,837.08	\$ 228,483.17	\$ 164,147.32	\$ 14,206.60
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (120,506.85)	\$ (67,492.59)	\$ (48,842.50)	\$ (4,171.76)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
27	ER Expense Allocated to FPP	\$ 958,774.77	\$ 536,123.58	\$ 386,613.22	\$ 33,837.97
28	ER Revenue in FPP (per books)	\$ 1,226,653.74	\$ 696,110.77	\$ 497,492.65	\$ 43,050.32
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (267,878.97)	\$ (148,687.19)	\$ (108,679.43)	\$ (9,212.35)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
31	AEPS Expense	\$ 69,456.77	\$ 33,246.22	\$ 24,111.18	\$ 2,068.37
32	AEPS Sales Margin	\$ (447,942.00)	\$ (250,451.55)	\$ (181,651.62)	\$ (15,838.83)
33	Net AEPS Cost (Line 31 + Line 32)	\$ (388,485.23)	\$ (217,205.33)	\$ (157,540.44)	\$ (13,740.46)
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 202,418.64	\$ 113,241.68	\$ 82,073.68	\$ 7,103.30
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (590,904.77)	\$ (330,446.91)	\$ (239,614.10)	\$ (20,843.76)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.63	\$ 1,110,207.24	\$ 2,644,108.57	\$ 199,189.82
37	Actual RA recovery through FPP	\$ 2,598,286.52	\$ 1,117,427.97	\$ 1,383,685.43	\$ 118,173.12
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,355,219.11	\$ (7,220.73)	\$ 1,260,423.14	\$ 81,016.70
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 730,873.20	\$ 410,382.83	\$ 297,622.19	\$ 22,858.18
41	Actual SLA recovery through FPP	\$ 1,018,619.38	\$ 679,630.45	\$ 420,469.67	\$ 18,619.26
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,441,580.72	\$ 806,910.66	\$ 584,598.82	\$ 50,978.02
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (307,911.86)	\$ (183,902.40)	\$ (133,495.04)	\$ 9,465.58
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,422,154.61)	\$ (1,560,565.20)	\$ 119,124.08	\$ 19,286.51

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

Line	Reconciliation Adjustment (RA)	April 2010	Residential April 2010	Non-Residential April 2010	Voltage Reduction April 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (480,418.51)	\$ (480,418.51)	\$ (480,418.51)	\$ (480,418.51)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 23,469,539.98	\$ 23,469,539.98	\$ 23,469,539.98	\$ 23,469,539.98
7	Total Generation and Purchase Power (per books)	785,978,263	785,978,263	785,978,263	785,978,263
8	Losses (kWh) (1-Line 2)*(Line 7)	47,997,335	47,997,335	47,997,335	47,997,335
9	Total Generation After Losses (kWh) (Line 7-Line 8)	737,980,928	737,980,928	737,980,928	737,980,928
10	kWh Subject to FPP	734,641,382	410,793,626	297,920,110	25,927,646
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.55%	55.66%	40.37%	3.62%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 326,000.00	\$ 181,797.69	\$ 11,470.20	\$ -
16	Per Stipulation (Case No. 08-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 + Line 11)	\$ 23,383,837.05	\$ 13,074,277.95	\$ 8,482,727.29	\$ 826,831.81
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 18 + Line 15 - Line 14)	\$ (1,483,951.51)	\$ (818,568.93)	\$ (628,551.25)	\$ (38,803.33)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
20	EA Expense Allocated to FPP	\$ 524,209.19	\$ 283,125.06	\$ 212,583.26	\$ 16,500.88
21	EA Sales Margin Allocated to FPP	\$ (242,545.34)	\$ (135,825.48)	\$ (98,359.74)	\$ (8,560.14)
22	Net EA Cost (Line 19 + Line 20)	\$ 281,663.85	\$ 157,499.59	\$ 114,223.52	\$ 9,940.74
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 404,837.09	\$ 226,483.17	\$ 164,147.32	\$ 14,206.60
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (123,178.24)	\$ (68,983.58)	\$ (48,923.80)	\$ (4,286.86)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
27	ER Expense Allocated to FPP	\$ 968,774.77	\$ 538,123.57	\$ 388,813.23	\$ 33,837.97
28	ER Revenue in FPP (per books)	\$ 1,226,653.74	\$ 688,110.77	\$ 497,492.65	\$ 43,050.32
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (267,878.97)	\$ (149,987.20)	\$ (108,679.42)	\$ (9,212.35)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
31	AEPS Expense	\$ 115,132.88	\$ 64,379.51	\$ 46,689.99	\$ 4,063.36
32	AEPS Sales Margin	\$ (447,942.00)	\$ (250,451.55)	\$ (181,651.62)	\$ (15,838.89)
33	Net AEPS Cost (Line 31 + Line 32)	\$ (332,809.12)	\$ (186,072.04)	\$ (134,961.63)	\$ (11,775.45)
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 202,418.54	\$ 113,241.58	\$ 82,073.66	\$ 7,103.30
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (535,227.66)	\$ (299,313.62)	\$ (217,035.29)	\$ (18,878.75)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,663,505.63	\$ 1,110,207.24	\$ 2,644,108.67	\$ 199,189.82
37	Actual RA recovery through FPP	\$ 2,699,288.52	\$ 1,117,427.97	\$ 1,363,665.43	\$ 118,173.12
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,354,219.11	\$ (7,220.73)	\$ 1,280,423.14	\$ 81,016.70
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 82-1454-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 730,873.20	\$ 410,382.83	\$ 297,622.19	\$ 22,068.18
41	Actual SLA recovery through FPP	\$ 1,018,519.38	\$ 579,530.45	\$ 420,469.67	\$ 18,619.26
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,441,580.72	\$ 806,010.88	\$ 584,586.82	\$ 50,873.02
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (307,911.86)	\$ (183,902.40)	\$ (133,495.04)	\$ 9,486.58
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,363,924.13)	\$ (1,528,004.46)	\$ 142,738.34	\$ 21,341.99
Net Under/(Over) Recovery of FPP Costs (Page 5S, Line 44)					
45		\$ (1,422,154.81)	\$ (1,580,585.20)	\$ 119,124.08	\$ 19,286.51
Net Adjustment for April 2010 (Line 44 - Line 45) To Page 3 Line 6					
46		\$ 58,230.48	\$ 32,680.74	\$ 23,614.26	\$ 2,065.48

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

Line	Reconciliation Adjustment (RA)	May 2010	Residential May 2010	Non-Residential May 2010	Voltage Reduction May 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 27,990,846.34	\$ 27,990,846.34	\$ 27,990,846.34	\$ 27,990,846.34
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 26,281,341.54	\$ 26,281,341.54	\$ 26,281,341.54	\$ 26,281,341.54
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,891,030.96	\$ 1,891,030.96	\$ 1,891,030.96	\$ 1,891,030.96
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,173,785.61)	\$ (1,173,785.61)	\$ (1,173,785.61)	\$ (1,173,785.61)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 27,098,586.89	\$ 27,098,586.89	\$ 27,098,586.89	\$ 27,098,586.89
7	Total Generation and Purchase Power (per books)	885,204,052	885,204,052	885,204,052	885,204,052
8	Losses (kWh) (1-Line 2)*(Line 7)	54,056,756	54,056,756	54,056,756	54,056,756
9	Total Generation After Losses (kWh) (Line 7-Line 8)	831,147,296	831,147,296	831,147,296	831,147,296
10	kWh Subject to FPP	862,602,497	369,680,453	269,051,741	23,890,303
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	79.72%	44.48%	32.37%	2.87%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 22,477,469.94	\$ 12,532,306.86	\$ 9,130,865.54	\$ 814,197.54
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 22,477,469.94	\$ 12,532,306.86	\$ 9,130,865.54	\$ 814,197.54
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,314.81	\$ 131,987.23	\$ 11,717.96
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,228.00)	\$ (144,227.00)	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 21,602,993.47	\$ 12,053,451.45	\$ 8,771,812.58	\$ 777,728.44
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (637,831.47)	\$ (441,768.60)	\$ (371,412.73)	\$ (24,750.14)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	862,602,497	369,680,453	269,051,741	23,890,303
20	EA Expense Allocated to FPP	\$ 573,870.70	\$ 320,157.72	\$ 233,021.93	\$ 20,691.06
21	EA Sales Margin Allocated to FPP	\$ (900,089.48)	\$ (502,152.48)	\$ (365,484.05)	\$ (32,452.96)
22	Net EA Cost (Line 19 + Line 20)	\$ (326,218.78)	\$ (181,994.76)	\$ (132,462.12)	\$ (11,761.90)
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 365,386.10	\$ 203,752.99	\$ 148,415.29	\$ 13,217.82
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (691,604.88)	\$ (385,747.75)	\$ (280,877.41)	\$ (24,979.72)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	862,602,497	369,680,453	269,051,741	23,890,303
27	ER Expense Allocated to FPP	\$ 988,164.42	\$ 551,288.76	\$ 401,247.14	\$ 35,628.52
28	ER Revenue in FPP (per books)	\$ 1,107,118.20	\$ 617,251.70	\$ 449,812.51	\$ 40,053.99
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (118,953.78)	\$ (85,962.84)	\$ (48,565.37)	\$ (4,425.47)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	862,602,497	369,680,453	269,051,741	23,890,303
31	AEPS Expense	\$ 59,455.77	\$ 33,189.89	\$ 24,142.19	\$ 2,143.69
32	AEPS Sales Margin	\$ (938,193.36)	\$ (523,470.99)	\$ (380,952.25)	\$ (33,776.12)
33	Net AEPS Cost (Line 31 + Line 32)	\$ (878,743.59)	\$ (490,301.10)	\$ (356,810.06)	\$ (31,632.43)
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 182,693.05	\$ 101,676.48	\$ 74,207.85	\$ 6,608.91
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (1,061,436.64)	\$ (592,177.58)	\$ (431,017.71)	\$ (38,241.34)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.62	\$ 1,110,207.24	\$ 2,844,108.56	\$ 199,189.82
37	Actual RA recovery through FPP	\$ 2,348,218.08	\$ 1,005,281.28	\$ 1,232,988.59	\$ 109,948.21
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,605,287.54	\$ 104,925.96	\$ 1,411,119.97	\$ 89,241.61
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 659,144.73	\$ 369,290.79	\$ 269,782.69	\$ 21,071.25
41	Actual SLA recovery through FPP	\$ 918,882.77	\$ 521,387.94	\$ 380,171.48	\$ 17,323.35
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,362,857.79	\$ 760,298.77	\$ 553,301.97	\$ 49,057.05
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (215,349.71)	\$ (130,359.98)	\$ (95,652.20)	\$ 10,662.45
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,319,988.94)	\$ (1,511,090.68)	\$ 183,594.55	\$ 7,507.39

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

Line	Reconciliation Adjustment (RA)	May 2010	Residential May 2010	Non-Residential May 2010	Voltage Reduction May 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22
7	Total Generation and Purchase Power (per books)	874,935,996	874,935,996	874,935,996	874,935,996
8	Losses (kWh) (1-Line 2)*(Line 7)	53,429,716	53,429,716	53,429,716	53,429,716
9	Total Generation After Losses (kWh) (Line 7-Line 8)	821,506,280	821,506,280	821,506,280	821,506,280
10	kWh Subject to FPP	662,602,497	369,660,453	269,051,741	23,890,303
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	80.68%	45.00%	32.75%	2.91%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 22,477,489.94	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,167.54
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 22,477,489.94	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,167.54
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,314.81	\$ 131,667.23	\$ 11,717.96
16	PowerShare Program (Case No. 08-920-EL-SSQ)	\$ (12,583.33)	\$ (7,020.13)	\$ (5,109.50)	\$ (453.70)
17	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,227.00)	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 + Line 11)	\$ 21,860,120.39	\$ 12,084,123.70	\$ 8,794,666.89	\$ 781,440.00
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (793,387.88)	\$ (418,116.48)	\$ (353,778.12)	\$ (21,493.28)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
21	EA Expense Allocated to FPP	\$ 578,032.60	\$ 322,482.87	\$ 234,899.70	\$ 20,840.04
22	EA Sales Margin Allocated to FPP	\$ (900,089.48)	\$ (502,152.48)	\$ (365,484.05)	\$ (32,452.86)
23	Net EA Cost (Line 19 + Line 20)	\$ (322,056.88)	\$ (179,669.61)	\$ (130,784.35)	\$ (11,612.82)
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 365,386.10	\$ 203,752.99	\$ 148,415.29	\$ 13,217.82
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (587,472.98)	\$ (383,442.80)	\$ (279,199.64)	\$ (24,830.74)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
28	ER Expense Allocated to FPP	\$ 978,111.53	\$ 546,880.33	\$ 387,165.13	\$ 35,286.07
29	ER Revenue in FPP (per books)	\$ 1,107,118.20	\$ 617,251.70	\$ 449,812.51	\$ 40,053.99
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (129,006.67)	\$ (71,571.37)	\$ (52,847.36)	\$ (4,767.92)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
32	AEPS Expense	\$ 98,907.43	\$ 55,179.84	\$ 40,161.68	\$ 3,666.13
33	AEPS Sales Margin	\$ (938,199.36)	\$ (523,418.93)	\$ (380,932.97)	\$ (33,847.78)
34	Net AEPS Cost (Line 32 + Line 33)	\$ (839,291.93)	\$ (468,239.29)	\$ (340,771.31)	\$ (30,281.63)
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 182,693.05	\$ 101,878.49	\$ 74,207.65	\$ 6,608.91
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 33)	\$ (1,021,984.98)	\$ (570,115.78)	\$ (414,978.66)	\$ (36,890.54)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.82	\$ 1,110,207.24	\$ 2,844,108.56	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,348,218.08	\$ 1,006,281.28	\$ 1,232,988.59	\$ 109,948.21
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,605,287.54	\$ 104,925.96	\$ 1,411,119.97	\$ 89,241.61
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0899	0.0682
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 659,144.73	\$ 369,290.79	\$ 258,782.69	\$ 21,071.25
42	Actual SLA recovery through FPP	\$ 818,862.77	\$ 521,367.84	\$ 380,171.48	\$ 17,323.35
43	Actual Losses on FPP Sales (Line 1 - Line 3) x (Line 11)	\$ 1,364,525.04	\$ 781,284.90	\$ 554,031.68	\$ 49,228.46
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (213,482.46)	\$ (129,393.83)	\$ (94,922.49)	\$ 10,833.86
Net Under/(Over) Recovery of FPP Costs					
45	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,240,047.43)	\$ (1,467,714.10)	\$ 215,583.68	\$ 12,072.99
Net Under/(Over) Recovery of FPP Costs (Page 5U, Line 44)					
46		\$ (1,319,988.94)	\$ (1,511,090.88)	\$ 183,584.55	\$ 7,507.39
Net Adjustment for April 2010 (Line 45 - Line 46) To Page 3 Line 6					
47		\$ 79,941.51	\$ 43,376.78	\$ 31,999.13	\$ 4,555.60

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

Line	Reconciliation Adjustment (RA)	June 2010	Residential June 2010	Non-Residential June 2010	Voltage Reduction June 2010
Fuel Component (FC)					
1	Net Inducible Fuel	\$ 35,474,490.34	\$ 35,474,490.34	\$ 35,474,490.34	\$ 35,474,490.34
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)	\$ 33,308,169.63	\$ 33,308,169.63	\$ 33,308,169.63	\$ 33,308,169.63
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,146,492.82)	\$ (1,146,492.82)	\$ (1,146,492.82)	\$ (1,146,492.82)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,442,647.42	\$ 33,442,647.42	\$ 33,442,647.42	\$ 33,442,647.42
7	Total Generation and Purchase Power (per books)	1,076,026,298	1,076,026,298	1,076,026,298	1,076,026,298
8	Losses (kWh) (1-Line 2) (Line 7)	65,709,698	65,709,698	65,709,698	65,709,698
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,010,316,600	1,010,316,600	1,010,316,600	1,010,316,600
10	kWh Subject to FPP	880,040,304	570,092,435	283,349,570	26,598,299
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	87.11%	56.43%	28.05%	2.63%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 210,535.85	\$ 104,641.36	\$ 9,822.76
16	Per Stipulation (Case No. 08-974-EL-FAC Commission Order 9/22/10)	\$ (286,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ 129,000.00	\$ 83,566.54	\$ 41,534.57	\$ 3,898.86
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 29,131,880.17	\$ 18,871,685.94	\$ 9,380,682.80	\$ 879,541.63
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (647,015.69)	\$ (311,168.59)	\$ (227,154.78)	\$ (8,672.32)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
21	EA Expense Allocated to FPP	\$ 698,533.93	\$ 463,189.83	\$ 225,231.32	\$ 21,142.68
22	EA Sales Margin Allocated to FPP	\$ (148,440.24)	\$ (94,664.38)	\$ (47,149.89)	\$ (4,428.00)
23	Net EA Cost (Line 21 + Line 22)	\$ 553,093.69	\$ 358,295.55	\$ 178,081.46	\$ 16,718.68
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 485,155.98	\$ 314,316.08	\$ 156,187.74	\$ 14,842.17
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 67,937.70	\$ 43,979.47	\$ 21,893.72	\$ 2,074.51
Environmental Response Component (ER)					
27	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
28	ER Expense Allocated to FPP	\$ 1,062,924.85	\$ 688,565.53	\$ 342,233.53	\$ 32,125.79
29	ER Revenue in FPP (per books)	\$ 1,469,962.33	\$ 952,192.82	\$ 473,399.29	\$ 44,370.22
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (407,037.48)	\$ (263,627.29)	\$ (131,165.76)	\$ (12,244.43)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
32	AEPS Expense	\$ 59,415.84	\$ 38,488.74	\$ 19,130.32	\$ 1,795.78
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 59,415.84	\$ 38,488.74	\$ 19,130.32	\$ 1,795.78
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 242,578.00	\$ 157,158.04	\$ 78,088.87	\$ 7,321.09
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (183,162.16)	\$ (118,668.30)	\$ (58,968.55)	\$ (5,626.31)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.62	\$ 1,110,207.24	\$ 2,644,108.66	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,970,219.04	\$ 1,550,780.06	\$ 1,297,642.73	\$ 121,796.26
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 983,286.58	\$ (440,572.82)	\$ 1,346,465.93	\$ 77,393.57
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)	0.0899 / 0.0882	0.0899	0.0899	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 878,048.26	\$ 589,522.34	\$ 283,066.22	\$ 23,459.70
42	Actual SLA recovery through FPP	\$ 1,223,576.00	\$ 804,279.37	\$ 400,109.51	\$ 19,190.12
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,887,081.97	\$ 1,222,454.76	\$ 807,652.96	\$ 58,974.23
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (212,542.29)	\$ (151,346.83)	\$ (76,519.77)	\$ 14,324.41
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (298,533.34)	\$ (1,241,424.46)	\$ 875,540.89	\$ 67,350.43

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

Line	Reconciliation Adjustment (RA)	June 2010	Residential June 2010	Non-Residential June 2010	Voltage Reduction June 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86
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)	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06
7	Total Generation and Purchase Power (per books)	1,076,823,194	1,076,823,194	1,076,823,194	1,076,823,194
8	Losses (kWh) (1-Line 2)*(Line 7)	85,764,469	85,764,469	85,764,469	85,764,469
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,011,158,725	1,011,158,725	1,011,158,725	1,011,158,725
10	kWh Subject to FPP	880,040,304	570,092,435	283,349,570	26,598,299
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	97.03%	56.36%	28.02%	2.63%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 29,844,450.89	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 29,844,450.89	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 210,535.85	\$ 104,841.36	\$ 9,822.79
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ 129,000.00	\$ 83,566.54	\$ 41,534.67	\$ 3,898.89
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 29,037,790.18	\$ 18,811,336.44	\$ 9,348,947.27	\$ 877,508.47
19	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 17 + Line 18 + Line 15 - Line 14)	\$ (641,115.69)	\$ (371,538.09)	\$ (268,670.11)	\$ (10,707.48)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
21	EA Expense Allocated to FPP	\$ 524,477.00	\$ 404,537.85	\$ 201,054.98	\$ 18,874.17
22	EA Sales Margin Allocated to FPP	\$ (148,440.24)	\$ (84,864.38)	\$ (47,148.06)	\$ (4,428.00)
23	Net EA Cost (Line 21 + Line 22)	\$ 476,036.76	\$ 309,673.47	\$ 153,915.12	\$ 14,446.17
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 485,155.99	\$ 314,316.08	\$ 156,197.74	\$ 14,842.17
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (7,119.23)	\$ (4,642.61)	\$ (2,282.62)	\$ (194.00)
Environmental Remedies Component (ER)					
27	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
28	ER Expense Allocated to FPP	\$ 1,081,821.08	\$ 687,850.49	\$ 341,878.14	\$ 32,092.43
29	ER Revenue in FPP (per books)	\$ 1,469,982.33	\$ 952,182.82	\$ 473,399.29	\$ 44,370.22
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (408,141.27)	\$ (264,342.33)	\$ (131,521.15)	\$ (12,277.79)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
32	AEPS Expense	\$ 66,890.77	\$ 42,684.21	\$ 21,215.08	\$ 1,991.48
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 66,890.77	\$ 42,684.21	\$ 21,215.08	\$ 1,991.48
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 242,578.00	\$ 157,156.04	\$ 78,088.87	\$ 7,321.09
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (175,687.23)	\$ (114,478.83)	\$ (66,883.79)	\$ (5,328.61)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.82	\$ 1,110,207.24	\$ 2,644,108.58	\$ 198,189.82
38	Actual RA recovery through FPP	\$ 2,870,219.04	\$ 1,550,780.06	\$ 1,297,642.73	\$ 121,796.25
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 983,286.58	\$ (440,572.82)	\$ 1,346,465.85	\$ 77,393.57
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 82-1464-EL-AIR) (cents per kWh)	0.0989 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 876,048.26	\$ 569,522.34	\$ 283,066.22	\$ 23,459.70
42	Actual SLA recovery through FPP	\$ 1,223,676.00	\$ 804,279.37	\$ 400,106.51	\$ 19,190.12
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,880,310.53	\$ 1,218,107.65	\$ 605,380.91	\$ 58,821.97
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (219,313.73)	\$ (165,864.06)	\$ (77,781.82)	\$ 14,172.15
Net Under/(Over) Recovery of FPP Costs					
45	(Line 16+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (469,080.56)	\$ (1,351,283.74)	\$ 819,116.34	\$ 83,058.84
Net Under/(Over) Recovery of FPP Costs (Page 5W, Line 45)					
46		\$ (298,533.34)	\$ (1,241,424.48)	\$ 875,540.89	\$ 87,350.43
Net Adjustment for June 2010 (Line 45 - Line 46) To Page 3 Line 4					
47		\$ (170,557.22)	\$ (109,839.28)	\$ (56,424.35)	\$ (4,293.59)

FILE



45

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

February 28, 2011

The Public Utilities Commission of Ohio
Attention: Docketing Division
180 East Broad Street
13th Floor
Columbus, OH 43215-3793

RECEIVED - DOCKETING DIV
2011 MAR - 1 AM 10:48
PUCO

RE: In the Matter of The Application of Duke Energy)
Ohio to Modify its Fuel, Economy Purchased) Case No. 11-974-EL-FAC
Power Component of Its Market-Based Standard)
Service Offer for 2011)

Docketing Division:

Enclosed for filing are fifteen (15) copies of the following attachments containing the Facts, Data, and Other Information pertinent to Duke Energy Ohio, Inc. fuel, economy purchased power, and emission allowance of its proposed market-based standard service offer (PTC-FPP):

- (a) Attachment I – Statement of Fuel Procurement Policies and Practices and
- (b) Attachment II – Narrative statement and applicable quarterly FPP forms supporting the proposed calculation of the fuel, economy purchased power, emission allowance, environmental reagent, and alternative energy portfolio standard component of its market-based standard service offer for the base period of April through June 2011. The FPP component will be applied to bills rendered during the quarter ending June 2011.

Please time-stamp the enclosed extra copy and return for our file. Thank you for your timely assistance in this regard.

Very truly yours,

Lisa D. Steinkuhl

Enclosures

Tariff memos/PUCO FPP filing/doc

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.
Technician JD Date Processed 3-1-11

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, SO₂, 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 Rider (PTC-FPP) of its standard service offer for the three-month projected period of April through June 2011.

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, 2011, and will coincide with the billing of Cycle 1 of the April 2011 revenue month and remain in effect through June 2011.

The methodology for calculating the proposed FPP Component of 2.4955 cents per kilowatt-hour for Residential, 3.3868 cents per kilowatt-hour for Non-Residential and 3.3312 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 2011 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 3.0324 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 2011 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 0.0192 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.

Environmental Reagents (ER)

Per Stipulation in Case No. 09-770-EL-UNC filed with the Commission on 11/19/09, environmental reagents will be recovered in the PTC-FPP rather than the PTC-AAC effective with the January 2010 revenue month. The base period of April through June 2011 was utilized to calculate the environmental reagents component (ER) for all types of customers. The proposed ER is composed of three months projected includable environmental reagent data. The total ER calculated portion of the FPP Component is 0.1670 cents per kilowatt-hour for all types of customers. This proposed ER is supported by the attached calculations on Page 2 of 5 of Schedule 1.

ATTACHMENT II

Alternative Energy Portfolio Standard (AEPS)

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 base period of April through June 2011 was utilized to calculate the alternative energy portfolio standard for all types of customers. The total alternative energy portfolio standard calculated portion of the FPP Component is 0.0339 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 RA component is based on the reconciliation of actual fuel, economy purchased power, emission allowance costs, environmental reagent costs, alternative energy portfolio standard and system loss adjustment to the FPP Component revenues for the twelve month period ending December 2010. The RA amount for the three month period ending December 2010 included in this filing is (\$8,638,595.21) for Residential customers and (\$634,948.02) for Non-Residential customers and \$899,099.10 for Voltage Reduction customers. In addition to these RA amounts are (\$237,664.31) for Residential customers and (\$105,424.60) for Non-Residential customers and \$790.11 for Voltage Reduction customers which represents an updated adjustment to the 3rd quarter 2010 RA amount filed in the 1st quarter 2011 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 \$89,615.57 for Residential customers and \$65,320.95 for Non-Residential customers and \$5,865.96 for Voltage Reduction customers which represents an updated adjustment to the 2nd quarter 2010 RA amount filed in the 4th quarter 2010 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 (\$129,845.74) for Residential customers and (\$83,444.12) for Non-Residential customers and (\$5,377.46) for Voltage Reduction customers which represents an updated adjustment to the 1st quarter 2010 RA amount filed in the 3rd quarter 2010 filing and is supported by the attached calculations on Page 5M thru 5R 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 2011. The total SLA calculated portion of the FPP Component is 0.1025 cents per kilowatt-hour for Residential and Non-Residential type customers, and 0.0469 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 0.0114 cents per kilowatt-hour which represents a Synchronization Adjustment. Based upon this information, the proposed SLA should be established at 0.1139 cents per kilowatt-hour for Residential and Non-Residential type

ATTACHMENT II

customers and at 0.0583 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 Environmental Reagent Component (ER) on Page 2 of Schedule 1, the Alternative Energy Portfolio Standard (AEPS) 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 2.4955 cents per kilowatt-hour be established for Residential type customers, 3.3868 cents per kilowatt-hour be established for Non-Residential type customers and 3.3312 cents per kilowatt-hour be established for Voltage Reduction type customers. These rates should be effective with bills rendered on and after April 1, 2011, to all consumers other than consumers taking generation service from Certified Retail Electric Suppliers. This will coincide with Cycle 1 billing for the April 2011 revenue month.

**Duke Energy Americas
Non-Regulated Generation
Duke Energy Ohio PTC-FPP
Q2 2011 Workpapers**

Duke Energy Ohio
Electric Department
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During
April 2011 through June 2011

Line	Description	(A) Includable Fuel Cost \$	(B) Other Includable MISO Costs From Page 1A \$	(C) Total Includable Costs \$	(D) Includable Energy (kWh)	(E) FPP Rate Components (Col. C + Col. D)
	Fuel & Economy Purchased Power Cost Expense (FC) - by Month (Projected)					
1	April 2011	\$ 14,632,927.00	\$ (77,356.00)	\$ 14,555,571.00	481,720,113	
2	May 2011	\$ 14,755,222.00	\$ (77,356.00)	\$ 14,677,866.00	487,642,367	
3	June 2011	\$ 18,143,311.00	\$ (77,356.00)	\$ 18,065,955.00	590,431,873	
4	Total Fuel & Economy Purchased Power Cost Expense	\$ 47,531,460.00	\$ (232,068.00)	\$ 47,299,392.00	1,559,794,153	3.0324 ¢/kWh
5	Less: Baseline EFC Rate ^(a)					- ¢/kWh
6	Total FC Portion to be Included in FPP					3.0324 ¢/kWh
7	Emission Allowances Adjustment (EA) From Page 2					0.0192 ¢/kWh
8	Environmental Reagents (ER) From Page 2					0.1670 ¢/kWh
9	Alternative Energy Portfolio Standard From Page 2					0.0339 ¢/kWh
10	Total FPP Rate before RA and SLA					3.2525 ¢/kWh
		FPP Rate				
		Residential	Non-Residential	Voltage Reduction ^(b)		
11	Total FPP Rate before RA and SLA (Line 10)	3.2525	3.2525	3.2525	¢/kWh	
12	Reconciliation Adjustment (RA) From Page 3	(0.8709)	0.0204	0.0204	¢/kWh	
13	System Loss Adjustment (SLA) From Page 4	0.1139	0.1139	0.0583	¢/kWh	
14	Total FPP Rate	2.4955	3.3868	3.3312	¢/kWh	

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

^(b) 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 2011 through June 2011

Other Includable MISO Costs	April 2011	May 2011	June 2011	Total For Period
(a)	(b)	(c)	(d)	(e)
FTR (Hourly, Monthly, Yearly, Transaction)	\$ (77,356)	\$ (77,356)	\$ (77,356)	\$ (232,068)
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	\$ -	\$ -	\$ -	\$ -
Total Other Includable MISO Costs	<u>\$ (77,356)</u>	<u>\$ (77,356)</u>	<u>\$ (77,356)</u>	<u>\$ (232,068)</u>

**Duke Energy Ohio
Electric Department**
Calculation of Quarterly Emission Allowances Component and Alternative Energy Portfolio Standard for Billing During
April 2011 through June 2011

Line	Description	(1) Includable Emission Allowances \$	(2) Includable Energy (kWh)	(3) EA Rate Components (Col. 1 + Col. 2)
Emission Allowances (EA) - by Month (Projected)				
1	April 2011	\$ 89,097.00	467,268,510	
2	May 2011	\$ 103,280.00	473,013,096	
3	June 2011	\$ 97,901.00	572,718,723	
4	EA Auction Proceeds Credits	\$ -		
5	Total Emission Allowance Expense	<u>\$ 290,278.00</u>	<u>1,513,000,329</u>	0.0192 ¢/kWh
6	Less: Baseline EA Rate ^(c)			- ¢/kWh
7	Quarterly Emission Allowance Rate (Rate will never be less than -0-)			<u>0.0192 ¢/kWh</u>

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

Line	Description	(1) Includable Environmental Reagents \$	(2) Includable Energy (kWh)	(3) ER Rate Components (Col. 1 + Col. 2)
Environmental Reagents (ER) - by Month (Projected)				
8	April 2011	\$ 757,403.00	467,268,510	
9	May 2011	\$ 739,931.00	473,013,096	
10	June 2011	\$ 1,029,911.00	572,718,723	
11	Total Emission Allowance Expense	<u>\$ 2,527,245.00</u>	<u>1,513,000,329</u>	<u>0.1670 ¢/kWh</u>

Line	Description	(1) Includable Alternative Energy Portfolio Standard \$	(2) Includable Energy (kWh)	(3) Alternative Energy Portfolio Standard Components (Col. 1 + Col. 2)
Alternative Energy Portfolio Standard - by Month (Projected)				
12	April 2011	\$ 168,738.00	467,268,510	
13	May 2011	\$ 156,786.00	473,013,096	
14	June 2011	\$ 186,640.00	572,718,723	
15	Total Alternative Energy Portfolio Standard Expense	<u>\$ 512,162.00</u>	<u>1,513,000,329</u>	<u>0.0339 ¢/kWh</u>

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 2011 through June 2011

Line	Reconciliation Adjustment (RA)	Total	Residential	Total Non-Residential
1	December 2010 (See Page 3C Line 45)	\$ (3,580,111.87)	\$ (3,453,880.15)	\$ (126,231.72)
2	November 2010 (See Page 3B Line 44)	\$ (2,077,015.42)	\$ (2,437,615.77)	\$ 360,600.35
3	October 2010 (See Page 3A Line 44)	\$ (2,717,316.84)	\$ (2,747,099.29)	\$ 29,782.45
4	September 2010 (See Page 5AD Line 47)	\$ (555,031.98)	\$ (390,813.26)	\$ (164,218.72)
5	August 2010 (See Page 5AB Line 46)	\$ 284,207.09	\$ 199,879.18	\$ 84,327.91
6	July 2010 (See Page 5Z Line 46)	\$ (71,473.91)	\$ (46,730.23)	\$ (24,743.68)
7	June 2010 (See Page 5X Line 47)	\$ 250.07	\$ 162.00	\$ 88.07
8	May 2010 (See Page 5V Line 47)	\$ 251,898.43	\$ 140,530.93	\$ 111,365.50
9	April 2010 (See Page 5T Line 46)	\$ (91,344.02)	\$ (51,077.36)	\$ (40,266.66)
10	March 2010 (See Page 5R Line 45)	\$ (59,455.77)	\$ (33,680.21)	\$ (25,775.56)
11	February 2010 (See Page 5P Line 45)	\$ (63,305.77)	\$ (38,457.40)	\$ (24,848.37)
12	January 2010 (See Page 5N Line 45)	\$ (95,905.78)	\$ (57,708.13)	\$ (38,197.65)
13	December 2009 (See Page 5L Line 39)	\$ -	\$ -	\$ -
14	November 2009 (See Page 5J Line 39)	\$ -	\$ -	\$ -
15	October 2009 (See Page 5H Line 39)	\$ -	\$ -	\$ -
16	September 2009 (See Page 5F Line 35)	\$ -	\$ -	\$ -
17	August 2009 (See Page 5D Line 35)	\$ -	\$ -	\$ -
18	July 2009 (See Page 5B Line 35)	\$ -	\$ -	\$ -
19	Miscellaneous Prior Period Adjustments	\$ -	\$ -	\$ -
20	Total Reconciliation Adjustment (Line 1 through Line 19)	\$ (8,774,807.77)	\$ (8,916,489.69)	\$ 141,681.92
21	Portion of Reconciliation deferred	\$ -	\$ -	\$ -
22	Reconciliation Adjustment to recover in 2nd quarter 2011	\$ (8,774,807.77)	\$ (8,916,489.69)	\$ 141,681.92
23	Projected Retail Energy (kWh)	1,719,767,000	1,023,813,000	695,954,000
24	Total RA Rate (Line 22 / Line 23) To Page 1 Line 12		<u>(0.8709)</u>	<u>0.0204</u> ¢/kWh

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

Line	Reconciliation Adjustment (RA)	October 2010	Residential October 2010	Non-Residential October 2010	Voltage Reduction October 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 17,439,760.06	\$ 17,439,760.06	\$ 17,439,760.06	\$ 17,439,760.06
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 16,374,766.24	\$ 16,374,766.24	\$ 16,374,766.24	\$ 16,374,766.24
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,735,248.81	\$ 1,735,248.81	\$ 1,735,248.81	\$ 1,735,248.81
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (410,321.30)	\$ (410,321.30)	\$ (410,321.30)	\$ (410,321.30)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 17,699,693.55	\$ 17,699,693.55	\$ 17,699,693.55	\$ 17,699,693.55
7	Total Generation and Purchase Power (per books)	547,396.382	547,396.382	547,396.382	547,396.382
8	Losses (kWh) (1-Line 2)*(Line 7)	33,427.855	33,427.855	33,427.855	33,427.855
9	Total Generation After Losses (kWh) (Line 7-Line 8)	513,968.527	513,968.527	513,968.527	513,968.527
10	kWh Subject to FPP	502,998,290	334,028,999	168,080,614	888,677
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	97.87%	64.99%	32.70%	0.18%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 20,348,252.13	\$ 13,491,702.85	\$ 8,814,353.27	\$ 40,196.01
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 20,348,252.13	\$ 13,491,702.85	\$ 8,814,353.27	\$ 40,196.01
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ (168.32)	\$ (111.78)	\$ (56.24)	\$ (0.30)
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 108,175.35	\$ 71,836.63	\$ 36,147.60	\$ 191.12
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 17,322,690.08	\$ 11,503,030.84	\$ 5,787,799.79	\$ 31,859.45
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (2,915,555.02)	\$ (1,916,947.16)	\$ (990,482.12)	\$ (8,145.74)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
20	EA Expense Allocated to FPP	\$ 318,215.07	\$ 211,318.93	\$ 108,333.83	\$ 582.21
21	EA Sales Margin Allocated to FPP	\$ (29,794.50)	\$ (18,785.81)	\$ (9,956.05)	\$ (52.64)
22	Net EA Cost (Line 19 + Line 20)	\$ 288,420.57	\$ 191,533.12	\$ 98,377.88	\$ 569.57
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 355,924.43	\$ 236,129.40	\$ 119,094.48	\$ 700.55
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (67,503.86)	\$ (44,596.28)	\$ (22,716.60)	\$ (180.98)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
27	ER Expense Allocated to FPP	\$ 557,255.85	\$ 370,060.00	\$ 188,211.12	\$ 984.53
28	ER Revenue in FPP (per books)	\$ 795,490.17	\$ 527,074.55	\$ 268,843.27	\$ 1,572.35
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (238,234.52)	\$ (157,014.58)	\$ (80,632.15)	\$ (587.82)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
31	AEPS Expense	\$ 98,009.82	\$ 63,757.87	\$ 32,082.33	\$ 189.82
32	AEPS Sales Margin	\$ 4,150.58	\$ 2,758.16	\$ 1,386.77	\$ 7.63
33	Net AEPS Cost (Line 31 + Line 32)	\$ 100,160.18	\$ 66,513.63	\$ 33,469.10	\$ 177.25
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 211,713.87	\$ 140,553.21	\$ 70,740.33	\$ 420.33
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (111,553.69)	\$ (74,039.58)	\$ (37,271.23)	\$ (243.08)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.74	\$ 322,254.93
37	Actual RA recovery through FPP	\$ 394,568.89	\$ (975,439.29)	\$ 1,381,975.21	\$ 8,032.97
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,033,348.57	\$ (277,845.92)	\$ 998,772.53	\$ 314,221.96
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 502,391.31	\$ 333,694.97	\$ 167,912.53	\$ 783.81
41	Actual SLA recovery through FPP	\$ 957,736.46	\$ 635,300.52	\$ 321,465.55	\$ 970.39
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,042,309.45	\$ 692,139.49	\$ 348,252.98	\$ 1,916.96
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (417,818.32)	\$ (276,856.00)	\$ (141,125.10)	\$ 162.78
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (2,717,316.84)	\$ (2,747,099.28)	\$ (275,434.67)	\$ 305,217.12

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

Line	Reconciliation Adjustment (RA)	November 2010	Residential November 2010	Non-Residential November 2010	Voltage Reduction November 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 20,007,066.33	\$ 20,007,066.33	\$ 20,007,066.33	\$ 20,007,066.33
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)	\$ 18,785,294.81	\$ 18,785,294.81	\$ 18,785,294.81	\$ 18,785,294.81
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 951,636.06	\$ 951,636.06	\$ 951,636.06	\$ 951,636.06
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (437,688.37)	\$ (437,688.37)	\$ (437,688.37)	\$ (437,688.37)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 19,299,242.50	\$ 19,299,242.50	\$ 19,299,242.50	\$ 19,299,242.50
7	Total Generation and Purchase Power (per books)	598,583,981	598,583,981	598,583,981	598,583,981
8	Losses (kWh) (1-Line 2)*(Line 7)	36,553,728	36,553,728	36,553,728	36,553,728
9	Total Generation After Losses (kWh) (Line 7-Line 8)	562,030,253	562,030,253	562,030,253	562,030,253
10	kWh Subject to FPP	473,974,549	316,712,300	155,576,791	1,685,458
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	84.33%	56.36%	27.68%	0.30%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 19,138,982.91	\$ 12,786,121.58	\$ 6,284,831.42	\$ 68,029.91
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 19,138,982.91	\$ 12,786,121.58	\$ 6,284,831.42	\$ 68,029.91
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 16,275,051.20	\$ 10,875,123.15	\$ 5,342,030.32	\$ 57,897.73
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (2,863,931.71)	\$ (1,910,998.43)	\$ (942,801.10)	\$ (10,132.18)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
20	EA Expense Allocated to FPP	\$ 419,900.81	\$ 280,579.94	\$ 137,827.70	\$ 1,493.17
21	EA Sales Margin Allocated to FPP	\$ (35,195.69)	\$ (23,517.95)	\$ (11,552.59)	\$ (125.15)
22	Net EA Cost (Line 19 + Line 20)	\$ 384,705.12	\$ 257,061.99	\$ 126,275.11	\$ 1,368.02
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 334,806.11	\$ 223,780.44	\$ 109,840.02	\$ 1,195.85
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ 49,899.01	\$ 33,281.55	\$ 16,435.09	\$ 182.37
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
27	ER Expense Allocated to FPP	\$ 721,788.56	\$ 482,302.93	\$ 236,918.94	\$ 2,666.69
28	ER Revenue in FPP (per books)	\$ 748,278.75	\$ 499,509.91	\$ 246,107.72	\$ 2,661.12
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (26,490.19)	\$ (17,203.98)	\$ (9,188.78)	\$ (94.43)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
31	AEPS Expense	\$ 223,244.10	\$ 149,172.89	\$ 73,277.35	\$ 793.86
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 223,244.10	\$ 149,172.89	\$ 73,277.35	\$ 793.86
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 199,157.35	\$ 133,202.64	\$ 85,243.32	\$ 711.39
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ 24,086.75	\$ 15,970.25	\$ 8,034.03	\$ 82.47
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,817.46	\$ (1,253,085.21)	\$ 2,358,747.74	\$ 322,254.93
37	Actual RA recovery through FPP	\$ 345,309.53	\$ (924,426.33)	\$ 1,256,140.42	\$ 13,595.44
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,082,507.93	\$ (328,668.88)	\$ 1,102,607.32	\$ 308,659.49
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-A/R) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 473,303.37	\$ 316,385.99	\$ 155,421.21	\$ 1,486.57
41	Actual SLA recovery through FPP	\$ 900,203.76	\$ 602,075.94	\$ 298,485.48	\$ 1,642.34
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,030,319.92	\$ 688,468.25	\$ 338,186.36	\$ 3,666.31
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (343,187.21)	\$ (230,003.28)	\$ (113,720.33)	\$ 536.40
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (2,077,016.42)	\$ (2,437,815.77)	\$ 81,366.23	\$ 299,234.12

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

Line	Reconciliation Adjustment (RA)	December 2010	Residential December 2010	Non-Residential December 2010	Voltage Reduction December 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 26,476,035.45	\$ 26,476,035.45	\$ 26,476,035.45	\$ 26,476,035.45
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)	\$ 24,859,223.39	\$ 24,859,223.39	\$ 24,859,223.39	\$ 24,859,223.39
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,195,173.78	\$ 1,195,173.78	\$ 1,195,173.78	\$ 1,195,173.78
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (690,837.56)	\$ (690,837.56)	\$ (690,837.56)	\$ (690,837.56)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 25,363,759.61	\$ 25,363,759.61	\$ 25,363,759.61	\$ 25,363,759.61
7	Total Generation and Purchase Power (per books)	796,715,550	796,715,550	796,715,550	796,715,550
8	Losses (kWh) (1-Line 2)/(Line 7)	48,653,029	48,653,029	48,653,029	48,653,029
9	Total Generation After Losses (kWh) (Line 7-Line 8)	748,062,521	748,062,521	748,062,521	748,062,521
10	kWh Subject to FPP	675,707,818	493,858,216	180,019,813	1,829,789
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	90.33%	66.02%	24.07%	0.24%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 27,267,825.76	\$ 19,929,022.75	\$ 7,264,847.50	\$ 73,855.51
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 27,267,825.76	\$ 19,929,022.75	\$ 7,264,847.50	\$ 73,855.51
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 3,721.88	\$ 2,720.23	\$ 991.57	\$ 10.06
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ (434,886.31)	\$ (317,847.70)	\$ (115,880.95)	\$ (1,177.65)
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 22,911,084.06	\$ 16,745,154.09	\$ 6,105,056.94	\$ 60,873.02
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (4,787,906.13)	\$ (3,468,996.13)	\$ (1,274,759.94)	\$ (14,150.06)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
21	EA Expense Allocated to FPP	\$ 585,549.85	\$ 427,963.83	\$ 156,000.18	\$ 1,565.85
22	EA Sales Margin Allocated to FPP	\$ 414,238.10	\$ 302,756.43	\$ 110,359.93	\$ 1,121.74
23	Net EA Cost (Line 21 + Line 22)	\$ 999,787.75	\$ 730,720.28	\$ 266,360.11	\$ 2,707.39
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 477,050.93	\$ 348,794.23	\$ 128,969.52	\$ 1,287.18
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 522,736.82	\$ 381,926.03	\$ 139,390.59	\$ 1,420.21
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
28	ER Expense Allocated to FPP	\$ 710,913.45	\$ 519,589.15	\$ 189,399.18	\$ 1,925.12
29	ER Revenue in FPP (per books)	\$ 1,065,935.64	\$ 778,558.55	\$ 284,488.09	\$ 2,889.00
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (355,022.19)	\$ (258,969.40)	\$ (95,088.91)	\$ (663.88)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
32	AEPS Expense	\$ 414,598.06	\$ 308,019.52	\$ 110,455.83	\$ 1,122.71
33	AEPS Sales Margin	\$ 4,591.62	\$ 3,355.90	\$ 1,223.28	\$ 12.43
34	Net AEPS Cost (Line 32 + Line 33)	\$ 419,189.68	\$ 306,375.42	\$ 111,679.11	\$ 1,135.14
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 283,805.90	\$ 207,615.61	\$ 75,417.98	\$ 772.31
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 135,383.78	\$ 98,759.81	\$ 36,261.13	\$ 362.83
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.75	\$ 322,254.92
38	Actual RA recovery through FPP	\$ 25,942.14	\$ (1,440,852.38)	\$ 1,452,034.84	\$ 14,789.66
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,401,975.32	\$ 167,767.15	\$ 906,712.91	\$ 307,465.26
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 674,818.02	\$ 493,364.39	\$ 179,839.79	\$ 1,813.87
42	Actual SLA recovery through FPP	\$ 1,282,927.78	\$ 938,422.57	\$ 342,722.23	\$ 1,782.98
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,460,466.33	\$ 1,087,419.32	\$ 389,186.66	\$ 3,880.35
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (497,278.47)	\$ (364,367.61)	\$ (133,386.36)	\$ 483.50
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (3,580,111.87)	\$ (3,463,880.15)	\$ (420,879.58)	\$ 294,647.86

**Duke Energy Ohio
Electric Department
Calculation of Quarterly Voltage-Adjusted System Loss Adjustment
April 2011 through June 2011**

Line	Description	Distribution (A)	Transmission (B)	Total Losses	
				Voltage Adjusted Methodology (C)	No Voltage Adjustment (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)	3.0324	3.0324	3.0324	3.0324
5	Projected Sales at Meter (kWh) ^(e)	1,586,491,000	133,276,000	1,719,767,000	1,719,767,000
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))	1,695,114,207	137,452,227	1,818,532,316	1,831,618,443
8	Energy Losses (kWh) (Line 7 - Line 5)	108,623,207	4,176,227	98,765,316	111,851,443
9	Value of Losses (Line 8 * Line 4)	3,293,890.13	126,639.91	2,964,959.44	3,391,783.16
10	Average Losses Rate (\$/kWh) (Line 9 + Line 5)	0.2076	0.0950	0.1741	0.1972
11	Losses in MBSSO (\$/kWh) (Line 3)	0.1051	0.0481	0.0882	0.0999
12	System Loss Adjustment (\$/kWh) (Line 10 - Line 11)	0.1025	0.0469	0.0859	0.0973
13	Synchronization Adj. (\$/kWh) (Line 12, Column D - Column C)	0.0114	0.0114	0.0114	-
14	Adjusted SLA (\$/kWh) (Line 12 + Line 13)	0.1139	0.0583	0.0973	0.0973
Total SLA Rate (Line 14, Columns A & B) To Page 1 Line 13					

Notes: ^(e) Projected Sales at Meter for 2nd quarter 2011 were provided by the Load Forecasting Department.

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

Line	Reconciliation Adjustment (RA)	July 2009	Residential July 2009	Non-Residential July 2009	Voltage Reduction July 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 52,232,400.87	\$ 52,232,400.87	\$ 52,232,400.87	\$ 52,232,400.87
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)	\$ 49,042,724.85	\$ 49,042,724.85	\$ 49,042,724.85	\$ 49,042,724.85
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,169,930.10	\$ 2,169,930.10	\$ 2,169,930.10	\$ 2,169,930.10
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (886,921.62)	\$ (886,921.62)	\$ (886,921.62)	\$ (886,921.62)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 50,325,733.33	\$ 50,325,733.33	\$ 50,325,733.33	\$ 50,325,733.33
7	Total Generation and Purchase Power (per books)	1,676,912.764	1,676,912.764	1,676,912.764	1,676,912.764
8	Losses (kWh) (1-Line 2)*(Line 7)	102,404.032	102,404.032	102,404.032	102,404.032
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,574,508.732	1,574,508.732	1,574,508.732	1,574,508.732
10	kWh Subject to FPP	1,610,660.783	821,182.471	850,359.779	139,118.533
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.30%	39.45%	54.01%	8.84%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 48,655,784.05	\$ 18,772,657.14	\$ 25,682,391.32	\$ 4,200,735.59
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 48,655,784.05	\$ 18,772,657.14	\$ 25,682,391.32	\$ 4,200,735.59
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 125,342.54	\$ 171,586.06	\$ 28,071.41
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 51,483,225.20	\$ 19,853,501.80	\$ 27,180,928.57	\$ 4,448,794.83
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ 3,152,441.15	\$ 1,206,187.20	\$ 1,670,123.30	\$ 276,130.65
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,610,660.783	821,182.471	850,359.779	139,118.533
19	EA Expense Allocated to FPP	\$ 2,676,204.29	\$ 1,032,129.92	\$ 1,412,921.03	\$ 231,153.34
20	EA Sales Margin Allocated to FPP	\$ (143,716.25)	\$ (55,426.96)	\$ (75,876.01)	\$ (12,413.29)
21	Net EA Cost (Line 19 + Line 20)	\$ 2,632,488.04	\$ 976,702.97	\$ 1,337,045.02	\$ 218,740.05
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 2,904,127.65	\$ 1,119,470.38	\$ 1,534,004.62	\$ 250,652.65
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (371,639.61)	\$ (142,787.41)	\$ (196,959.60)	\$ (31,912.60)
Reconciliation Adjustment Amortization (RA)					
25	RA Amount from 1st Quarter Filing (spread evenly)	\$ 1,119,286.42	\$ 460,404.98	\$ 525,318.58	\$ 133,561.86
26	Actual RA recovery through FPP	\$ 981,630.10	\$ 409,562.33	\$ 496,042.81	\$ 76,026.18
27	Under/(Over) Recovery of RA (Line 25 - Line 26)	\$ 137,656.32	\$ 50,842.65	\$ 29,276.97	\$ 57,536.70
System Loss Component (SLA)					
28	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
29	Total Losses Recovered in Base Rates (Line 10 x Line 28)	\$ 1,592,773.26	\$ 620,661.29	\$ 849,609.42	\$ 122,702.65
30	Actual SLA recovery through FPP	\$ 1,742,223.71	\$ 701,506.77	\$ 960,544.95	\$ 80,171.99
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 3,263,038.57	\$ 1,258,327.19	\$ 1,722,744.02	\$ 281,967.36
32	Under/(Over) Recovery of Losses (Line 31 - Line 30 - Line 29)	\$ (71,958.40)	\$ (63,740.87)	\$ (87,310.35)	\$ 79,092.82
33	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 27+Line 32)	\$ 2,846,488.46	\$ 1,050,521.57	\$ 1,415,130.32	\$ 380,847.57

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

Line	Reconciliation Adjustment (RA)	July 2009	Residential July 2009	Non-Residential July 2009	Voltage Reduction July 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 52,232,400.87	\$ 52,232,400.87	\$ 52,232,400.87	\$ 52,232,400.87
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)	\$ 49,042,724.85	\$ 49,042,724.85	\$ 49,042,724.85	\$ 49,042,724.85
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,169,930.10	\$ 2,169,930.10	\$ 2,169,930.10	\$ 2,169,930.10
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (886,921.62)	\$ (886,921.62)	\$ (886,921.62)	\$ (886,921.62)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 50,325,733.33	\$ 50,325,733.33	\$ 50,325,733.33	\$ 50,325,733.33
7	Total Generation and Purchase Power (per books)	1,676,912,764	1,676,912,764	1,676,912,764	1,676,912,764
8	Losses (kWh) (1-Line 2)*(Line 7)	102,404,032	102,404,032	102,404,032	102,404,032
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,574,508,732	1,574,508,732	1,574,508,732	1,574,508,732
10	kWh Subject to FPP	1,610,660,783	621,182,471	860,359,779	139,118,533
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.30%	39.45%	54.01%	8.84%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 48,655,784.05	\$ 18,772,657.14	\$ 25,682,391.32	\$ 4,200,735.59
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 48,655,784.05	\$ 18,772,657.14	\$ 25,682,391.32	\$ 4,200,735.59
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 125,342.54	\$ 171,588.05	\$ 28,071.41
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 51,483,225.20	\$ 19,653,501.80	\$ 27,180,928.57	\$ 4,448,794.83
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ 3,152,441.15	\$ 1,206,187.20	\$ 1,670,123.30	\$ 276,130.65
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,610,660,783	621,182,471	860,359,779	139,118,533
19	EA Expense Allocated to FPP	\$ 2,676,204.29	\$ 1,032,129.92	\$ 1,412,921.08	\$ 231,153.34
20	EA Sales Margin Allocated to FPP	\$ (143,716.25)	\$ (55,426.85)	\$ (75,876.01)	\$ (12,413.29)
21	Net EA Cost (Line 19 + Line 20)	\$ 2,632,488.04	\$ 976,702.97	\$ 1,337,045.02	\$ 218,740.05
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 2,904,127.85	\$ 1,119,470.38	\$ 1,634,004.82	\$ 250,652.65
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (371,639.81)	\$ (142,787.41)	\$ (196,959.60)	\$ (31,912.60)
Reconciliation Adjustment Amortization (RA)					
25	RA Amount from 1st Quarter Filing (spread evenly)	\$ 1,119,286.42	\$ 460,404.98	\$ 625,319.58	\$ 133,561.86
26	Actual RA recovery through FPP	\$ 981,630.10	\$ 409,562.33	\$ 496,042.61	\$ 76,025.16
27	Under/(Over) Recovery of RA (Line 25 - Line 26)	\$ 137,656.32	\$ 50,842.65	\$ 29,276.97	\$ 57,536.70
System Loss Component (SLA)					
28	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
29	Total Losses Recovered in Base Rates (Line 10 x Line 28)	\$ 1,592,773.28	\$ 620,561.29	\$ 849,509.42	\$ 122,702.55
30	Actual SLA recovery through FPP	\$ 1,742,223.71	\$ 701,508.77	\$ 960,544.95	\$ 80,171.99
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 3,263,038.57	\$ 1,258,327.19	\$ 1,722,744.02	\$ 281,967.36
32	Under/(Over) Recovery of Losses (Line 31 - Line 30 - Line 29)	\$ (71,958.40)	\$ (63,740.87)	\$ (87,310.35)	\$ 79,092.82
33	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 27+Line 32)	\$ 2,846,499.46	\$ 1,050,521.57	\$ 1,415,130.32	\$ 380,847.57
34	Net Under/(Over) Recovery of FPP Costs (Page 5A, Line 33)	\$ 2,846,499.46	\$ 1,050,521.57	\$ 1,415,130.32	\$ 380,847.57
35	Net Adjustment for July 2009 (Line 33 - Line 34) To Page 3 Line 18	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	August 2009	Residential August 2009	Non-Residential August 2009	Voltage Reduction August 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 55,925,844.18	\$ 55,925,844.18	\$ 55,925,844.18	\$ 55,925,844.18
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)	\$ 52,510,620.66	\$ 52,510,620.66	\$ 52,510,620.66	\$ 52,510,620.66
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,569,430.80	\$ 1,569,430.80	\$ 1,569,430.80	\$ 1,569,430.80
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,143,007.27)	\$ (1,143,007.27)	\$ (1,143,007.27)	\$ (1,143,007.27)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 52,937,043.99	\$ 52,937,043.99	\$ 52,937,043.99	\$ 52,937,043.99
7	Total Generation and Purchase Power (per books)	1,785,537,163	1,785,537,163	1,785,537,163	1,785,537,163
8	Losses (kWh) (1-Line 2)*(Line 7)	109,037,398	109,037,398	109,037,398	109,037,398
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,676,499,765	1,676,499,765	1,676,499,765	1,676,499,765
10	kWh Subject to FPP	1,556,885,050	590,489,487	830,013,023	136,402,540
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	92.87%	35.22%	49.51%	8.14%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 47,022,621.38	\$ 17,837,042.47	\$ 25,066,887.62	\$ 4,118,691.29
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 47,022,621.38	\$ 17,837,042.47	\$ 25,066,887.62	\$ 4,118,691.29
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 123,260.60	\$ 173,265.35	\$ 28,474.06
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 49,162,632.75	\$ 18,644,426.89	\$ 26,209,130.48	\$ 4,309,075.38
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ 2,465,011.37	\$ 930,645.02	\$ 1,315,508.21	\$ 218,856.14
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,556,885,050	590,489,487	830,013,023	136,402,540
19	EA Expense Allocated to FPP	\$ 1,513,634.92	\$ 574,028.37	\$ 806,902.02	\$ 132,604.53
20	EA Sales Margin Allocated to FPP	\$ (520,853.96)	\$ (197,540.83)	\$ (277,879.83)	\$ (45,633.30)
21	Net EA Cost (Line 19 + Line 20)	\$ 992,680.96	\$ 376,487.54	\$ 529,022.19	\$ 86,971.23
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 2,806,674.69	\$ 1,063,676.84	\$ 1,497,240.69	\$ 245,757.16
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (1,813,993.73)	\$ (687,189.30)	\$ (968,018.50)	\$ (158,785.93)
Reconciliation Adjustment Amortization (RA)					
25	RA Amount from 1st Quarter Filing (spread evenly)	\$ 1,119,286.42	\$ 460,404.98	\$ 525,319.58	\$ 133,561.86
26	Actual RA recovery through FPP	\$ 947,844.85	\$ 388,150.06	\$ 484,154.47	\$ 74,540.32
27	Under/(Over) Recovery of RA (Line 25 - Line 26)	\$ 171,441.57	\$ 71,254.92	\$ 41,165.11	\$ 58,021.54
System Loss Component (SLA)					
28	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
29	Total Losses Recovered in Base Rates (Line 10 x Line 28)	\$ 1,539,369.07	\$ 589,879.02	\$ 829,183.01	\$ 120,307.04
30	Actual SLA recovery through FPP	\$ 1,682,674.91	\$ 666,544.21	\$ 837,524.55	\$ 78,806.16
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 3,171,718.09	\$ 1,202,841.73	\$ 1,690,877.17	\$ 277,999.19
32	Under/(Over) Recovery of Losses (Line 31 - Line 30 - Line 29)	\$ (50,325.89)	\$ (53,581.50)	\$ (75,830.39)	\$ 79,096.00
33	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 27+Line 32)	\$ 772,133.32	\$ 261,129.14	\$ 312,824.43	\$ 198,179.75

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

Line	Reconciliation Adjustment (RA)	August 2009	Residential August 2009	Non-Residential August 2009	Voltage Reduction August 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 55,925,844.18	\$ 55,925,844.18	\$ 55,925,844.18	\$ 55,925,844.18
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)	\$ 52,510,620.68	\$ 52,510,620.68	\$ 52,510,620.68	\$ 52,510,620.68
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,569,430.60	\$ 1,569,430.60	\$ 1,569,430.60	\$ 1,569,430.60
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,143,007.27)	\$ (1,143,007.27)	\$ (1,143,007.27)	\$ (1,143,007.27)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 52,937,043.99	\$ 52,937,043.99	\$ 52,937,043.99	\$ 52,937,043.99
7	Total Generation and Purchase Power (per books)	1,785,537.183	1,785,537.183	1,785,537.183	1,785,537.183
8	Losses (kWh) (1-Line 2)*(Line 7)	109,037.398	109,037.398	109,037.398	109,037.398
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,676,499.785	1,676,499.785	1,676,499.785	1,676,499.785
10	kWh Subject to FPP	1,558,885.050	590,469.487	830,013.023	136,402.540
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	92.87%	35.22%	49.51%	8.14%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 47,022,621.38	\$ 17,837,042.47	\$ 25,066,887.62	\$ 4,118,691.29
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 47,022,621.38	\$ 17,837,042.47	\$ 25,066,887.62	\$ 4,118,691.29
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 123,280.80	\$ 173,265.35	\$ 28,474.05
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 8 x Line 11)	\$ 49,162,632.75	\$ 18,644,426.89	\$ 26,209,130.48	\$ 4,308,075.38
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ 2,465,011.37	\$ 930,645.02	\$ 1,315,506.21	\$ 218,858.14
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,556,885.050	590,469.487	830,013.023	136,402.540
19	EA Expense Allocated to FPP	\$ 1,513,534.92	\$ 574,028.37	\$ 806,902.02	\$ 132,604.53
20	EA Sales Margin Allocated to FPP	\$ (520,853.96)	\$ (197,540.83)	\$ (277,679.33)	\$ (45,833.30)
21	Net EA Cost (Line 19 + Line 20)	\$ 992,680.96	\$ 376,487.54	\$ 529,222.19	\$ 86,971.23
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 2,806,674.69	\$ 1,063,676.64	\$ 1,497,240.69	\$ 245,757.16
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (1,813,993.73)	\$ (687,189.30)	\$ (688,018.50)	\$ (158,785.93)
Reconciliation Adjustment Amortization (RA)					
25	RA Amount from 1st Quarter Filing (spread evenly)	\$ 1,119,286.42	\$ 480,404.98	\$ 525,319.58	\$ 133,561.86
26	Actual RA recovery through FPP	\$ 947,844.85	\$ 389,150.08	\$ 484,154.47	\$ 74,540.32
27	Under/(Over) Recovery of RA (Line 25 - Line 26)	\$ 171,441.57	\$ 71,254.92	\$ 41,165.11	\$ 58,021.54
System Loss Component (SLA)					
28	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
29	Total Losses Recovered in Base Rates (Line 10 x Line 28)	\$ 1,539,369.07	\$ 589,879.02	\$ 829,183.01	\$ 120,307.04
30	Actual SLA recovery through FPP	\$ 1,882,674.91	\$ 688,544.21	\$ 937,524.55	\$ 78,606.15
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 3,171,718.09	\$ 1,202,841.73	\$ 1,690,877.17	\$ 277,999.19
32	Under/(Over) Recovery of Losses (Line 31 - Line 30 - Line 29)	\$ (50,325.89)	\$ (53,581.50)	\$ (75,830.38)	\$ 76,086.00
33	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 27+Line 32)	\$ 772,133.32	\$ 261,129.14	\$ 312,824.43	\$ 198,179.75
34	Net Under/(Over) Recovery of FPP Costs (Page 5C, Line 33)	\$ 772,133.32	\$ 261,129.14	\$ 312,824.43	\$ 198,179.75
35	Net Adjustment for August 2009 (Line 33 - Line 34) To Page 3 Line 17	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	September 2009	Residential September 2009	Non-Residential September 2009	Voltage Reduction September 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 39,600,866.31	\$ 39,600,866.31	\$ 39,600,866.31	\$ 39,600,866.31
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)	\$ 37,182,560.21	\$ 37,182,560.21	\$ 37,182,560.21	\$ 37,182,560.21
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,841,618.29	\$ 1,841,618.29	\$ 1,841,618.29	\$ 1,841,618.29
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (744,737.59)	\$ (744,737.59)	\$ (744,737.59)	\$ (744,737.59)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 38,079,440.91	\$ 38,079,440.91	\$ 38,079,440.91	\$ 38,079,440.91
7	Total Generation and Purchase Power (per books)	1,355,781,199	1,355,781,199	1,355,781,199	1,355,781,199
8	Losses (kWh) (1-Line 2)*(Line 7)	82,793,490	82,793,490	82,793,490	82,793,490
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,272,987,709	1,272,987,709	1,272,987,709	1,272,987,709
10	kWh Subject to FPP	1,450,457,042	566,162,609	607,490,938	76,803,495
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	113.94%	44.48%	63.43%	6.03%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 43,806,824.20	\$ 17,096,984.40	\$ 24,390,764.42	\$ 2,319,075.38
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 43,806,824.20	\$ 17,096,984.40	\$ 24,390,764.42	\$ 2,319,075.38
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 126,858.53	\$ 180,932.32	\$ 17,209.15
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 43,387,714.97	\$ 16,937,735.31	\$ 24,153,789.37	\$ 2,296,190.28
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (94,109.23)	\$ (32,390.58)	\$ (56,042.73)	\$ (5,675.94)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,450,457,042	566,162,609	607,490,938	76,803,495
19	EA Expense Allocated to FPP	\$ 1,087,540.02	\$ 424,503.78	\$ 605,449.85	\$ 57,586.58
20	EA Sales Margin Allocated to FPP	\$ (535,099.66)	\$ (208,867.56)	\$ (287,897.91)	\$ (28,334.19)
21	Net EA Cost (Line 19 + Line 20)	\$ 552,440.36	\$ 215,636.22	\$ 307,551.74	\$ 29,252.40
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 2,614,777.24	\$ 1,019,544.94	\$ 1,458,865.97	\$ 138,376.33
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (2,062,336.88)	\$ (803,908.72)	\$ (1,149,304.23)	\$ (109,123.93)
Reconciliation Adjustment Amortization (RA)					
25	RA Amount from 1st Quarter Filing (spread evenly)	\$ 1,119,296.41	\$ 480,404.99	\$ 525,319.57	\$ 133,561.85
26	Actual RA recovery through FPP	\$ 886,070.49	\$ 373,004.25	\$ 471,095.48	\$ 41,970.76
27	Under/(Over) Recovery of RA (Line 25 - Line 26)	\$ 233,215.92	\$ 87,400.74	\$ 54,224.09	\$ 91,591.09
System Loss Component (SLA)					
28	Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
29	Total Losses Recovered in Base Rates (Line 10 x Line 28)	\$ 1,440,020.58	\$ 565,598.45	\$ 608,683.48	\$ 67,740.88
30	Actual SLA recovery through FPP	\$ 1,596,386.33	\$ 638,889.33	\$ 912,296.92	\$ 44,260.08
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,755,417.97	\$ 1,075,662.55	\$ 1,533,931.56	\$ 145,823.88
32	Under/(Over) Recovery of Losses (Line 31 - Line 30 - Line 29)	\$ (279,989.94)	\$ (128,823.23)	\$ (184,988.81)	\$ 33,823.10
33	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 27+Line 32)	\$ (2,203,219.13)	\$ (877,721.77)	\$ (1,336,111.68)	\$ 10,614.32

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

Line	Reconciliation Adjustment (RA)	September 2009	Residential September 2009	Non-Residential September 2009	Voltage Reduction September 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 39,600,866.31	\$ 39,600,866.31	\$ 39,600,866.31	\$ 39,600,866.31
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)	\$ 37,182,560.21	\$ 37,182,560.21	\$ 37,182,560.21	\$ 37,182,560.21
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,641,618.29	\$ 1,641,618.29	\$ 1,641,618.29	\$ 1,641,618.29
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (744,737.59)	\$ (744,737.59)	\$ (744,737.59)	\$ (744,737.59)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 38,079,440.91	\$ 38,079,440.91	\$ 38,079,440.91	\$ 38,079,440.91
7	Total Generation and Purchase Power (per books)	1,355,781,199	1,355,781,199	1,355,781,199	1,355,781,199
8	Losses (kWh) (1-Line 2)*(Line 7)	82,793,480	82,793,480	82,793,480	82,793,480
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,272,987,709	1,272,987,709	1,272,987,709	1,272,987,709
10	kWh Subject to FPP	1,450,457,042	566,162,609	807,490,938	76,803,495
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	113.94%	44.48%	63.43%	6.03%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 43,806,824.20	\$ 17,096,984.40	\$ 24,390,764.42	\$ 2,319,075.38
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 43,806,824.20	\$ 17,096,984.40	\$ 24,390,764.42	\$ 2,319,075.38
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 126,858.53	\$ 180,932.32	\$ 17,208.15
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 43,387,714.87	\$ 16,937,735.31	\$ 24,153,789.37	\$ 2,296,190.29
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (94,109.23)	\$ (32,390.56)	\$ (58,042.73)	\$ (5,675.94)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,450,457,042	566,162,609	807,490,938	76,803,486
19	EA Expense Allocated to FPP	\$ 1,087,540.02	\$ 424,503.78	\$ 605,449.65	\$ 57,596.59
20	EA Sales Margin Allocated to FPP	\$ (535,099.66)	\$ (208,867.56)	\$ (297,897.91)	\$ (28,334.19)
21	Net EA Cost (Line 19 + Line 20)	\$ 552,440.36	\$ 215,636.22	\$ 307,551.74	\$ 29,252.40
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 2,614,777.24	\$ 1,019,544.94	\$ 1,456,855.97	\$ 139,378.33
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (2,062,336.88)	\$ (803,908.72)	\$ (1,149,304.23)	\$ (109,123.93)
Reconciliation Adjustment Amortization (RA)					
25	RA Amount from 1st Quarter Filing (spread evenly)	\$ 1,119,286.41	\$ 460,404.99	\$ 625,319.57	\$ 133,561.85
26	Actual RA recovery through FPP	\$ 886,070.49	\$ 373,004.25	\$ 471,095.48	\$ 41,970.76
27	Under/(Over) Recovery of RA (Line 25 - Line 26)	\$ 233,215.92	\$ 87,400.74	\$ 54,224.09	\$ 91,591.09
System Loss Component (SLA)					
28	Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
29	Total Losses Recovered in Base Rates (Line 10 x Line 28)	\$ 1,440,020.58	\$ 565,596.45	\$ 806,883.45	\$ 67,740.68
30	Actual SLA recovery through FPP	\$ 1,595,396.33	\$ 638,889.33	\$ 912,236.92	\$ 44,280.08
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 2,755,417.97	\$ 1,075,662.55	\$ 1,533,931.56	\$ 145,823.66
32	Under/(Over) Recovery of Losses (Line 31 - Line 30 - Line 29)	\$ (279,988.94)	\$ (128,823.23)	\$ (184,968.81)	\$ 33,823.10
33	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 27+Line 32)	\$ (2,203,219.13)	\$ (877,721.77)	\$ (1,336,111.68)	\$ 10,614.32
34	Net Under/(Over) Recovery of FPP Costs (Page 5E, Line 33)	\$ (2,203,219.13)	\$ (877,721.77)	\$ (1,336,111.68)	\$ 10,614.32
35	Net Adjustment for September 2009 (Line 33 - Line 34) To Page 3 Line 16	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	October 2009	Residential October 2009	Non-Residential October 2009	Voltage Reduction October 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 34,074,309.02	\$ 34,074,309.02	\$ 34,074,309.02	\$ 34,074,309.02
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)	\$ 31,993,493.19	\$ 31,993,493.19	\$ 31,993,493.19	\$ 31,993,493.19
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,748,228.82	\$ 1,748,228.82	\$ 1,748,228.82	\$ 1,748,228.82
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (684,954.14)	\$ (684,954.14)	\$ (684,954.14)	\$ (684,954.14)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,054,767.87	\$ 33,054,767.87	\$ 33,054,767.87	\$ 33,054,767.87
7	Total Generation and Purchase Power (per books)	1,133,437,543	1,133,437,543	1,133,437,543	1,133,437,543
8	Losses (kWh) (1-Line 2)*(Line 7)	69,215,830	69,215,830	69,215,830	69,215,830
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,064,221,913	1,064,221,913	1,064,221,913	1,064,221,913
10	kWh Subject to FPP	1,075,987,136	427,703,381	607,343,542	40,940,213
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	101.11%	40.19%	57.07%	3.85%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 36,003,212.88	\$ 14,323,290.47	\$ 20,316,463.11	\$ 1,363,459.30
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 36,003,212.88	\$ 14,323,290.47	\$ 20,316,463.11	\$ 1,363,459.30
15	Per Stipulation (Case No. 07-074-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 129,187.04	\$ 183,447.04	\$ 12,365.92
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,421,675.79	\$ 13,284,711.21	\$ 18,864,356.02	\$ 1,272,608.56
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (2,256,537.09)	\$ (909,392.22)	\$ (1,268,660.05)	\$ (76,484.82)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,075,987,136	427,703,381	607,343,542	40,940,213
19	EA Expense Allocated to FPP	\$ 727,461.25	\$ 289,164.83	\$ 410,617.26	\$ 27,679.16
20	EA Sales Margin Allocated to FPP	\$ (243,581.18)	\$ (86,823.17)	\$ (137,489.98)	\$ (9,266.01)
21	Net EA Cost (Line 19 + Line 20)	\$ 483,880.09	\$ 192,341.66	\$ 273,127.28	\$ 18,413.15
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 802,189.90	\$ 319,372.93	\$ 452,337.02	\$ 30,479.95
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (318,309.81)	\$ (127,031.27)	\$ (179,209.74)	\$ (12,068.80)
Alternative Energy Portfolio Standard					
25	kWh Subject to FPP (Line 10)	1,075,987,136	427,703,381	607,343,542	40,940,213
26	Alternative Energy Portfolio Standard Requirement	\$ -	\$ -	\$ -	\$ -
27	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 681,181.69	\$ 270,881.75	\$ 384,607.41	\$ 25,692.53
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (681,181.69)	\$ (270,881.75)	\$ (384,607.41)	\$ (25,692.53)
Reconciliation Adjustment Amortization (RA)					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,807,091.18	\$ 1,310,205.27	\$ 2,327,058.86	\$ 170,627.05
30	Actual RA recovery through FPP	\$ 3,565,213.94	\$ 1,218,967.87	\$ 2,199,793.31	\$ 147,452.76
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 242,677.24	\$ 91,237.40	\$ 128,265.55	\$ 23,174.29
System Loss Component (SLA)					
32	Losses in Base Rates (from Case No. 92-1454-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,070,121.15	\$ 427,275.88	\$ 606,736.20	\$ 36,109.27
34	Actual SLA recovery through FPP	\$ 1,454,251.55	\$ 588,582.56	\$ 836,944.43	\$ 28,724.56
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 2,103,912.88	\$ 836,279.88	\$ 1,187,521.59	\$ 80,111.41
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (420,459.82)	\$ (179,578.36)	\$ (256,159.04)	\$ 15,277.58
37	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 28+Line 31+Line 36)	\$ (3,433,811.17)	\$ (1,395,646.20)	\$ (1,960,370.89)	\$ (77,794.28)

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

Line	Reconciliation Adjustment (RA)	October 2009	Residential October 2009	Non-Residential October 2009	Voltage Reduction October 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 34,074,309.02	\$ 34,074,309.02	\$ 34,074,309.02	\$ 34,074,309.02
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)	\$ 31,993,493.19	\$ 31,993,493.19	\$ 31,993,493.19	\$ 31,993,493.19
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,746,228.82	\$ 1,746,228.82	\$ 1,746,228.82	\$ 1,746,228.82
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (684,954.14)	\$ (684,954.14)	\$ (684,954.14)	\$ (684,954.14)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,054,767.87	\$ 33,054,767.87	\$ 33,054,767.87	\$ 33,054,767.87
7	Total Generation and Purchase Power (per books)	1,133,437,543	1,133,437,543	1,133,437,543	1,133,437,543
8	Losses (kWh) (1-Line 2)*(Line 7)	69,215,630	69,215,630	69,215,630	69,215,630
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,064,221,913	1,064,221,913	1,064,221,913	1,064,221,913
10	kWh Subject to FPP	1,075,987,136	427,703,381	607,343,542	40,940,213
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	101.11%	40.19%	57.07%	3.85%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 36,003,212.88	\$ 14,323,290.47	\$ 20,316,463.11	\$ 1,363,459.30
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 36,003,212.88	\$ 14,323,290.47	\$ 20,316,463.11	\$ 1,363,459.30
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 129,187.04	\$ 183,447.04	\$ 12,365.92
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,421,675.79	\$ 13,294,711.21	\$ 18,864,356.02	\$ 1,272,608.56
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (2,256,537.09)	\$ (909,392.22)	\$ (1,268,660.05)	\$ (78,484.82)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,075,987,136	427,703,381	607,343,542	40,940,213
19	EA Expense Allocated to FPP	\$ 727,461.25	\$ 289,164.83	\$ 410,617.26	\$ 27,679.16
20	EA Sales Margin Allocated to FPP	\$ (243,581.16)	\$ (96,823.17)	\$ (137,489.98)	\$ (9,269.01)
21	Net EA Cost (Line 19 + Line 20)	\$ 483,880.09	\$ 192,341.66	\$ 273,127.28	\$ 18,411.15
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 802,189.90	\$ 319,372.93	\$ 452,337.02	\$ 30,479.95
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (318,309.81)	\$ (127,031.27)	\$ (179,209.74)	\$ (12,068.80)
Alternative Energy Portfolio Standard					
25	kWh Subject to FPP (Line 10)	1,075,987,136	427,703,381	607,343,542	40,940,213
26	Alternative Energy Portfolio Standard Requirement	\$ -	\$ -	\$ -	\$ -
27	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 681,181.69	\$ 270,881.75	\$ 384,607.41	\$ 25,682.53
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (681,181.69)	\$ (270,881.75)	\$ (384,607.41)	\$ (25,682.53)
Reconciliation Adjustment Amortization (RA)					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,807,891.18	\$ 1,310,205.27	\$ 2,327,058.86	\$ 170,627.05
30	Actual RA recovery through FPP	\$ 3,565,213.94	\$ 1,218,967.87	\$ 2,198,793.31	\$ 147,452.76
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 242,677.24	\$ 91,237.40	\$ 128,265.55	\$ 23,174.29
System Loss Component (SLA)					
32	Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,070,121.15	\$ 427,275.68	\$ 606,736.20	\$ 36,109.27
34	Actual SLA recovery through FPP	\$ 1,454,251.55	\$ 588,582.56	\$ 836,944.43	\$ 28,724.56
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,103,912.88	\$ 836,279.88	\$ 1,187,521.59	\$ 80,111.41
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (420,459.82)	\$ (179,578.36)	\$ (258,159.04)	\$ 18,277.68
37	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 28+Line 31+Line 36)	\$ (3,433,811.17)	\$ (1,395,648.20)	\$ (1,960,370.69)	\$ (77,794.28)
38	Net Under/(Over) Recovery of FPP Costs (Page 5G, Line 37)	\$ (3,433,811.17)	\$ (1,395,648.20)	\$ (1,960,370.69)	\$ (77,794.28)
39	Net Adjustment for October 2009 (Line 37 - Line 38) To Page 3 Line 15	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	November 2009	Residential November 2009	Non-Residential November 2009	Voltage Reduction November 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 31,481,126.96	\$ 31,481,126.96	\$ 31,481,126.96	\$ 31,481,126.96
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 29,558,668.98	\$ 29,558,668.98	\$ 29,558,668.98	\$ 29,558,668.98
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,091,465.44	\$ 2,091,465.44	\$ 2,091,465.44	\$ 2,091,465.44
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (859,395.43)	\$ (859,395.43)	\$ (859,395.43)	\$ (859,395.43)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 30,990,738.99	\$ 30,990,738.99	\$ 30,990,738.99	\$ 30,990,738.99
7	Total Generation and Purchase Power (per books)	1,041,129,876	1,041,129,876	1,041,129,876	1,041,129,876
8	Losses (kWh) (1-Line 2)*(Line 7)	63,578,678	63,578,678	63,578,678	63,578,678
9	Total Generation After Losses (kWh) (Line 7-Line 8)	977,551,198	977,551,198	977,551,198	977,551,198
10	kWh Subject to FPP	936,787,722	419,017,646	492,260,155	25,509,921
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	95.83%	42.86%	50.36%	2.61%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 31,339,506.71	\$ 14,022,472.64	\$ 16,471,123.81	\$ 845,910.26
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 31,339,506.71	\$ 14,022,472.64	\$ 16,471,123.81	\$ 845,910.26
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 145,369.90	\$ 170,779.94	\$ 8,850.16
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 29,698,425.17	\$ 13,282,630.72	\$ 15,606,936.16	\$ 808,858.29
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (1,316,081.54)	\$ (504,472.02)	\$ (693,407.71)	\$ (28,201.81)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	936,787,722	419,017,646	492,260,155	25,509,921
19	EA Expense Allocated to FPP	\$ 644,993.32	\$ 288,500.35	\$ 338,928.98	\$ 17,583.99
20	EA Sales Margin Allocated to FPP	\$ (1,331,335.98)	\$ (595,495.91)	\$ (699,586.08)	\$ (38,253.97)
21	Net EA Cost (Line 19 + Line 20)	\$ (686,342.66)	\$ (306,995.56)	\$ (360,657.10)	\$ (18,669.98)
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 698,297.91	\$ 312,885.45	\$ 388,722.25	\$ 18,910.21
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (1,384,640.55)	\$ (619,881.01)	\$ (727,379.35)	\$ (37,600.19)
Alternative Energy Portfolio Standard					
25	kWh Subject to FPP (Line 10)	936,787,722	419,017,646	492,260,155	25,509,921
26	Alternative Energy Portfolio Standard Requirement	\$ -	\$ -	\$ -	\$ -
27	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 592,944.67	\$ 265,192.69	\$ 311,811.96	\$ 15,940.02
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (592,944.67)	\$ (265,192.69)	\$ (311,811.96)	\$ (15,940.02)
Reconciliation Adjustment Amortization (RA)					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,807,891.18	\$ 1,310,205.27	\$ 2,327,058.86	\$ 170,627.05
30	Actual RA recovery through FPP	\$ 3,067,472.08	\$ 1,193,367.10	\$ 1,782,623.11	\$ 91,481.87
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 740,419.10	\$ 116,838.17	\$ 544,435.75	\$ 79,145.18
System Loss Component (SLA)					
32	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 932,868.27	\$ 418,598.83	\$ 491,767.89	\$ 22,499.75
34	Actual SLA recovery through FPP	\$ 1,272,576.50	\$ 576,221.15	\$ 678,534.21	\$ 17,821.14
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,842,291.48	\$ 823,965.49	\$ 988,149.84	\$ 50,176.15
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (363,151.29)	\$ (170,854.29)	\$ (202,152.26)	\$ 9,855.26
37	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 28+Line 31+Line 36)	\$ (2,916,398.95)	\$ (1,533,341.84)	\$ (1,390,315.53)	\$ 7,258.42

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

Line	Reconciliation Adjustment (RA)	November 2008	Residential November 2008	Non-Residential November 2008	Voltage Reduction November 2008
Fuel Component (FC)					
1	Net Includable Fuel	\$ 31,481,126.96	\$ 31,481,126.96	\$ 31,481,126.96	\$ 31,481,126.96
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 29,558,668.98	\$ 29,558,668.98	\$ 29,558,668.98	\$ 29,558,668.98
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,091,465.44	\$ 2,091,465.44	\$ 2,091,465.44	\$ 2,091,465.44
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (869,395.43)	\$ (869,395.43)	\$ (869,395.43)	\$ (869,395.43)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 30,990,738.99	\$ 30,990,738.99	\$ 30,990,738.99	\$ 30,990,738.99
7	Total Generation and Purchase Power (per books)	1,041,129.876	1,041,129.876	1,041,129.876	1,041,129.876
8	Losses (kWh) (1-Line 2)*(Line 7)	63,578.678	63,578.678	63,578.678	63,578.678
9	Total Generation After Losses (kWh) (Line 7-Line 8)	977,551.198	977,551.198	977,551.198	977,551.198
10	kWh Subject to FPP	936,787.722	419,017.646	492,260.155	25,509.921
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	95.83%	42.96%	50.36%	2.81%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 31,339,506.71	\$ 14,022,472.64	\$ 16,471,123.81	\$ 845,910.26
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 31,339,506.71	\$ 14,022,472.64	\$ 16,471,123.81	\$ 845,910.26
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 145,399.90	\$ 170,779.94	\$ 8,850.18
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 29,698,425.17	\$ 13,282,630.72	\$ 15,606,936.16	\$ 808,859.29
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (1,318,081.54)	\$ (594,472.02)	\$ (893,407.71)	\$ (28,201.81)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	936,787.722	419,017.646	492,260.155	25,509.921
19	EA Expense Allocated to FPP	\$ 644,993.32	\$ 288,500.35	\$ 338,928.98	\$ 17,563.99
20	EA Sales Margin Allocated to FPP	\$ (1,331,335.96)	\$ (595,495.91)	\$ (699,586.08)	\$ (36,253.97)
21	Net EA Cost (Line 19 + Line 20)	\$ (686,342.64)	\$ (306,995.56)	\$ (360,657.10)	\$ (18,689.98)
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 698,297.91	\$ 312,665.45	\$ 366,722.25	\$ 18,910.21
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (1,384,640.55)	\$ (619,661.01)	\$ (727,379.35)	\$ (37,600.19)
Alternative Energy Portfolio Standard					
25	kWh Subject to FPP (Line 10)	936,787.722	419,017.646	492,260.155	25,509.921
26	Alternative Energy Portfolio Standard Requirement	\$ -	\$ -	\$ -	\$ -
27	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 592,944.67	\$ 265,192.69	\$ 311,811.96	\$ 15,940.02
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (592,944.67)	\$ (265,192.69)	\$ (311,811.96)	\$ (15,940.02)
Reconciliation Adjustment Amortization (RA)					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,807,891.18	\$ 1,310,205.27	\$ 2,327,058.86	\$ 170,827.05
30	Actual RA recovery through FPP	\$ 3,067,472.08	\$ 1,193,367.10	\$ 1,782,623.11	\$ 91,481.87
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 740,419.10	\$ 116,838.17	\$ 544,435.75	\$ 79,145.18
System Loss Component (SLA)					
32	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0099 / 0.0882	0.0099	0.0099	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 932,886.27	\$ 418,598.63	\$ 481,787.89	\$ 22,499.75
34	Actual SLA recovery through FPP	\$ 1,272,576.50	\$ 576,221.15	\$ 678,634.21	\$ 17,821.14
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,842,291.48	\$ 823,965.49	\$ 968,149.84	\$ 50,178.15
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (363,151.29)	\$ (170,854.29)	\$ (202,152.26)	\$ 9,855.28
37	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 28+Line 31+Line 38)	\$ (2,916,398.95)	\$ (1,533,341.84)	\$ (1,390,315.53)	\$ 7,258.42
38	Net Under/(Over) Recovery of FPP Costs (Page 5I, Line 37)	\$ (2,916,398.95)	\$ (1,533,341.84)	\$ (1,390,315.53)	\$ 7,258.42
39	Net Adjustment for November 2009 (Line 37 - Line 38) To Page 3 Line 14	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	December 2009	Residential December 2009	Non-Residential December 2009	Voltage Reduction December 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 42,924,494.06	\$ 42,924,494.06	\$ 42,924,494.06	\$ 42,924,494.06
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)	\$ 40,303,223.98	\$ 40,303,223.98	\$ 40,303,223.98	\$ 40,303,223.98
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,788,094.07	\$ 2,788,094.07	\$ 2,788,094.07	\$ 2,788,094.07
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (692,730.49)	\$ (692,730.49)	\$ (692,730.49)	\$ (692,730.49)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 42,398,587.56	\$ 42,398,587.56	\$ 42,398,587.56	\$ 42,398,587.56
7	Total Generation and Purchase Power (per books)	1,261,789,342	1,261,789,342	1,261,789,342	1,261,789,342
8	Losses (kWh) (1-Line 2)*(Line 7)	77,053,690	77,053,690	77,053,690	77,053,690
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,184,735,652	1,184,735,652	1,184,735,652	1,184,735,652
10	kWh Subject to FPP	1,103,184,654	588,288,987	489,965,873	24,929,794
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	83.12%	49.68%	41.38%	2.10%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 36,912,175.81	\$ 19,683,142.13	\$ 16,399,240.84	\$ 829,792.84
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 36,912,175.81	\$ 19,683,142.13	\$ 16,399,240.84	\$ 829,792.84
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 173,310.89	\$ 144,344.75	\$ 7,344.36
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 39,481,584.74	\$ 21,055,138.59	\$ 17,538,055.81	\$ 890,370.34
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ 2,894,388.93	\$ 1,545,307.35	\$ 1,281,159.72	\$ 67,921.86
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,103,184,654	588,288,987	489,965,873	24,929,794
19	EA Expense Allocated to FPP	\$ 1,014,976.14	\$ 541,250.53	\$ 450,789.15	\$ 22,938.46
20	EA Sales Margin Allocated to FPP	\$ (1,297,208.61)	\$ (691,755.04)	\$ (576,139.22)	\$ (29,314.35)
21	Net EA Cost (Line 19 + Line 20)	\$ (282,232.47)	\$ (150,504.51)	\$ (125,350.07)	\$ (6,375.89)
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 822,555.69	\$ 438,893.98	\$ 365,121.90	\$ 18,549.91
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (1,104,788.16)	\$ (589,388.49)	\$ (490,471.87)	\$ (24,927.80)
Alternative Energy Portfolio Standard					
25	kWh Subject to FPP (Line 10)	1,103,184,654	588,288,987	489,965,873	24,929,794
26	Alternative Energy Portfolio Standard Requirement	\$ 479,224.63	\$ 255,553.38	\$ 212,841.72	\$ 10,829.53
27	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 698,334.61	\$ 372,247.14	\$ 310,451.16	\$ 15,636.31
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (219,109.98)	\$ (116,693.76)	\$ (97,609.44)	\$ (4,806.78)
Reconciliation Adjustment Amortization (RA)					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,807,891.18	\$ 1,310,205.27	\$ 2,327,058.86	\$ 170,627.05
30	Actual RA recovery through FPP	\$ 3,539,894.39	\$ 1,675,112.14	\$ 1,774,843.42	\$ 89,738.83
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 268,196.79	\$ (364,906.87)	\$ 552,215.44	\$ 80,888.22
System Loss Component (SLA)					
32	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,099,184.69	\$ 587,700.70	\$ 489,475.91	\$ 21,988.08
34	Actual SLA recovery through FPP	\$ 1,501,887.85	\$ 808,833.30	\$ 675,572.96	\$ 17,481.59
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,440,926.70	\$ 1,301,722.72	\$ 1,084,157.31	\$ 55,046.67
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (180,125.84)	\$ (94,811.28)	\$ (80,891.56)	\$ 15,577.00
37	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 28+Line 31+Line 36)	\$ 1,678,561.74	\$ 379,506.95	\$ 1,164,402.29	\$ 134,652.50

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

Line	Reconciliation Adjustment (RA)	December 2009	Residential December 2009	Non-Residential December 2009	Voltage Reduction December 2009
Fuel Component (FC)					
1	Net Includable Fuel	\$ 42,924,494.06	\$ 42,924,494.06	\$ 42,924,494.06	\$ 42,924,494.06
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)	\$ 40,303,223.98	\$ 40,303,223.98	\$ 40,303,223.98	\$ 40,303,223.98
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,788,094.07	\$ 2,788,094.07	\$ 2,788,094.07	\$ 2,788,094.07
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (692,730.49)	\$ (692,730.49)	\$ (692,730.49)	\$ (692,730.49)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 42,398,587.56	\$ 42,398,587.56	\$ 42,398,587.56	\$ 42,398,587.56
7	Total Generation and Purchase Power (per books)	1,261,789,342	1,261,789,342	1,261,789,342	1,261,789,342
8	Losses (kWh) (1-Line 2)*(Line 7)	77,053,690	77,053,690	77,053,690	77,053,690
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,184,735,652	1,184,735,652	1,184,735,652	1,184,735,652
10	kWh Subject to FPP	1,103,184,654	588,288,987	489,965,873	24,929,794
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	93.12%	49.66%	41.36%	2.10%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 36,912,175.81	\$ 19,683,142.13	\$ 16,399,240.84	\$ 829,792.84
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 36,912,175.81	\$ 19,683,142.13	\$ 16,399,240.84	\$ 829,792.84
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 173,310.89	\$ 144,344.75	\$ 7,344.36
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 39,481,564.74	\$ 21,055,138.59	\$ 17,536,055.81	\$ 890,370.34
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ 2,894,388.93	\$ 1,545,307.35	\$ 1,281,159.72	\$ 67,921.86
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,103,184,654	588,288,987	489,965,873	24,929,794
19	EA Expense Allocated to FPP	\$ 1,014,976.14	\$ 541,250.53	\$ 450,789.15	\$ 22,936.46
20	EA Sales Margin Allocated to FPP	\$ (1,297,208.61)	\$ (691,755.04)	\$ (576,139.22)	\$ (29,314.35)
21	Net EA Cost (Line 19 + Line 20)	\$ (282,232.47)	\$ (150,504.51)	\$ (125,350.07)	\$ (6,377.89)
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 822,555.69	\$ 438,883.98	\$ 365,121.80	\$ 18,549.91
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (1,104,788.16)	\$ (589,388.49)	\$ (490,471.87)	\$ (24,927.80)
Alternative Energy Portfolio Standard					
25	kWh Subject to FPP (Line 10)	1,103,184,654	588,288,987	489,965,873	24,929,794
26	Alternative Energy Portfolio Standard Requirement	\$ 479,224.63	\$ 255,553.38	\$ 212,841.72	\$ 10,829.53
27	Alternative Energy Portfolio Standard Revenue in FPP (per book)	\$ 698,334.61	\$ 372,247.14	\$ 310,451.16	\$ 15,636.31
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (219,109.98)	\$ (116,693.78)	\$ (97,608.44)	\$ (4,806.78)
Reconciliation Adjustment Amortization (RA)					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,807,891.18	\$ 1,310,205.27	\$ 2,327,058.86	\$ 170,627.05
30	Actual RA recovery through FPP	\$ 3,539,694.39	\$ 1,675,112.14	\$ 1,774,843.42	\$ 89,738.83
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 268,196.79	\$ (364,906.87)	\$ 552,215.44	\$ 80,888.22
System Loss Component (SLA)					
32	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,099,164.89	\$ 587,700.70	\$ 489,475.91	\$ 21,988.08
34	Actual SLA recovery through FPP	\$ 1,501,887.85	\$ 808,833.30	\$ 675,572.96	\$ 17,481.59
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,440,926.70	\$ 1,301,722.72	\$ 1,084,157.31	\$ 55,046.67
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (160,125.84)	\$ (94,811.28)	\$ (80,891.56)	\$ 15,577.00
37	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 28+Line 31+Line 36)	\$ 1,678,561.74	\$ 379,506.95	\$ 1,164,402.29	\$ 134,652.50
38	Net Under/(Over) Recovery of FPP Costs (Page 5K, Line 37)	\$ 1,678,561.74	\$ 379,506.95	\$ 1,164,402.29	\$ 134,652.50
39	Net Adjustment for December 2009 (Line 37 - Line 38) To Pay	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	January 2010	Residential January 2010	Non-Residential January 2010	Voltage Reduction January 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78
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)	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89
7	Total Generation and Purchase Power (per books)	1,316,709,446	1,316,709,446	1,316,709,446	1,316,709,446
8	Losses (kWh) (1-Line 2)*(Line 7)	80,407,496	80,407,496	80,407,496	80,407,496
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,236,301,950	1,236,301,950	1,236,301,950	1,236,301,950
10	kWh Subject to FPP	1,269,923,992	764,134,697	481,905,942	23,883,353
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.72%	61.81%	38.98%	1.93%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 196,557.98	\$ 123,329.77	\$ 6,112.25
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 37,616,470.66	\$ 22,635,066.70	\$ 14,274,630.32	\$ 706,773.64
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (3,390,747.47)	\$ (2,006,318.31)	\$ (1,325,408.57)	\$ (56,020.59)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
19	EA Expense Allocated to FPP	\$ 754,190.45	\$ 453,809.12	\$ 286,197.33	\$ 14,184.00
20	EA Sales Margin Allocated to FPP	\$ (435,948.47)	\$ (262,317.55)	\$ (165,432.07)	\$ (8,198.85)
21	Net EA Cost (Line 19 + Line 20)	\$ 318,241.98	\$ 191,491.57	\$ 120,765.26	\$ 5,985.15
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 586,130.25	\$ 362,188.46	\$ 223,065.80	\$ 10,885.99
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (267,888.27)	\$ (160,696.89)	\$ (102,290.54)	\$ (4,900.84)
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
26	ER Expense Allocated to FPP	\$ 1,134,591.78	\$ 682,703.02	\$ 430,550.58	\$ 21,338.18
27	ER Revenue in FPP (per books)	\$ 2,042,781.40	\$ 1,228,085.86	\$ 776,564.64	\$ 38,150.90
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (908,189.62)	\$ (545,362.84)	\$ (346,014.06)	\$ (16,812.72)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
30	AEPS Expense	\$ 130,894.84	\$ 78,641.17	\$ 49,595.51	\$ 2,457.96
31	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
32	Net AEPS Cost (Line 31 + Line 32)	\$ 130,894.84	\$ 78,641.17	\$ 49,595.51	\$ 2,457.96
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 265,445.25	\$ 159,250.44	\$ 101,201.24	\$ 4,993.57
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (134,750.61)	\$ (80,609.27)	\$ (51,805.73)	\$ (2,535.61)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,235,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 6,409,517.27	\$ 3,053,320.86	\$ 3,199,198.48	\$ 156,997.93
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ (172,724.44)	\$ (823,052.03)	\$ 570,948.45	\$ 79,379.14
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0899 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,265,859.72	\$ 763,370.56	\$ 481,424.04	\$ 21,065.12
40	Actual SLA recovery through FPP	\$ 1,641,021.01	\$ 986,315.22	\$ 629,926.10	\$ 15,779.69
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,368,141.10	\$ 1,424,988.34	\$ 898,857.90	\$ 44,494.86
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (538,739.63)	\$ (333,697.44)	\$ (212,692.24)	\$ 7,650.05
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (5,413,040.04)	\$ (3,949,736.78)	\$ (1,467,062.69)	\$ 3,769.43

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

Line	Reconciliation Adjustment (RA)	January 2010	Residential January 2010	Non-Residential January 2010	Voltage Reduction January 2010
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78
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)	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (833,886.50)	\$ (833,886.50)	\$ (833,886.50)	\$ (833,886.50)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 38,620,395.89	\$ 38,620,395.89	\$ 38,620,395.89	\$ 38,620,395.89
7	Total Generation and Purchase Power (per books)	1,316,709,446	1,316,709,446	1,316,709,446	1,316,709,446
8	Losses (kWh) (1-Line 2)*(Line 7)	80,407,498	80,407,498	80,407,498	80,407,498
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,236,301,950	1,236,301,950	1,236,301,950	1,236,301,950
10	kWh Subject to FPP	1,269,923,992	764,134,697	481,905,942	23,883,353
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.72%	61.81%	38.98%	1.93%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 195,557.98	\$ 123,329.77	\$ 6,112.25
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 37,616,470.66	\$ 22,635,086.70	\$ 14,274,630.32	\$ 706,773.64
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (3,390,747.47)	\$ (2,006,318.31)	\$ (1,325,406.57)	\$ (59,020.59)
<u>Emissions Allowance Component (EA)</u>					
18	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
19	EA Expense Allocated to FPP	\$ 754,190.45	\$ 453,809.12	\$ 286,197.33	\$ 14,184.00
20	EA Sales Margin Allocated to FPP	\$ (435,948.47)	\$ (262,317.55)	\$ (165,432.07)	\$ (8,198.85)
21	Net EA Cost (Line 19 + Line 20)	\$ 318,241.98	\$ 191,491.57	\$ 120,765.26	\$ 5,985.15
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 586,130.25	\$ 352,188.46	\$ 223,055.80	\$ 10,885.99
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (267,888.27)	\$ (160,696.89)	\$ (102,290.54)	\$ (4,900.84)
<u>Environmental Reagents Component (ER)</u>					
25	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
26	ER Expense Allocated to FPP	\$ 1,134,591.78	\$ 682,703.02	\$ 430,550.58	\$ 21,338.18
27	ER Revenue in FPP (per books)	\$ 2,042,781.40	\$ 1,228,085.86	\$ 776,564.64	\$ 38,150.90
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (908,189.62)	\$ (545,362.84)	\$ (348,014.06)	\$ (16,812.72)
<u>Alternative Energy Portfolio Standard</u>					
29	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
30	AEPS Expense	\$ 34,788.86	\$ 20,933.04	\$ 13,201.54	\$ 654.28
31	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
32	Net AEPS Cost (Line 31 + Line 32)	\$ 34,788.86	\$ 20,933.04	\$ 13,201.54	\$ 654.28
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 285,445.25	\$ 159,250.44	\$ 101,201.24	\$ 4,993.57
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (230,656.39)	\$ (138,317.40)	\$ (87,999.70)	\$ (4,339.28)
<u>Reconciliation Adjustment Amortization (RA)</u>					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 8,409,517.27	\$ 3,053,320.86	\$ 3,199,198.48	\$ 158,997.93
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ (172,724.44)	\$ (823,052.03)	\$ 570,948.45	\$ 79,379.14
<u>System Loss Component (SLA)</u>					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,265,859.72	\$ 763,370.56	\$ 481,424.04	\$ 21,065.12
40	Actual SLA recovery through FPP	\$ 1,641,021.01	\$ 995,315.22	\$ 629,928.10	\$ 15,779.89
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,368,141.10	\$ 1,424,888.34	\$ 898,657.90	\$ 44,494.86
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (538,736.63)	\$ (333,667.44)	\$ (212,692.24)	\$ 7,660.06
43	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (5,508,945.82)	\$ (4,007,444.91)	\$ (1,503,456.66)	\$ 1,955.75
44	Net Under/(Over) Recovery of FPP Costs (Page 5M, Line 43)	\$ (5,413,040.04)	\$ (3,949,738.78)	\$ (1,487,082.68)	\$ 3,759.43
45	Net Adjustment for January 2010 (Line 43- Line 44) To Page 3 Line 12	\$ (95,905.78)	\$ (57,708.13)	\$ (36,393.97)	\$ (1,803.68)

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

Line	Reconciliation Adjustment (RA)	February 2010	Residential February 2010	Non-Residential February 2010	Voltage Reduction February 2010
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08
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)	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68
7	Total Generation and Purchase Power (per books)	1,150,796,208	1,150,796,208	1,150,796,208	1,150,796,208
8	Losses (kWh) (1-Line 2)*(Line 7)	70,275,672	70,275,672	70,275,672	70,275,672
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,080,520,536	1,080,520,536	1,080,520,536	1,080,520,536
10	kWh Subject to FPP	1,077,202,765	854,386,179	405,085,785	17,730,801
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.68%	60.56%	37.48%	1.64%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 576,131.05
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 576,131.05
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 197,433.13	\$ 122,217.36	\$ 5,349.51
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,242,471.56	\$ 20,194,242.92	\$ 12,501,366.80	\$ 548,871.84
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (1,450,545.46)	\$ (880,762.36)	\$ (545,873.40)	\$ (23,909.70)
<u>Emissions Allowance Component (EA)</u>					
18	kWh Subject to FPP (Line 10)	1,077,202,765	854,386,179	405,085,785	17,730,801
19	EA Expense Allocated to FPP	\$ 681,752.32	\$ 414,155.36	\$ 258,375.28	\$ 11,221.67
20	EA Sales Margin Allocated to FPP	\$ (34,604.45)	\$ (21,021.74)	\$ (13,013.12)	\$ (569.59)
21	Net EA Cost (Line 19 + Line 20)	\$ 647,147.87	\$ 393,133.62	\$ 243,362.17	\$ 10,652.08
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 496,593.93	\$ 301,643.70	\$ 186,825.21	\$ 8,125.02
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 150,553.94	\$ 91,489.92	\$ 58,536.96	\$ 2,527.06
<u>Environmental Reagents Component (ER)</u>					
25	kWh Subject to FPP (Line 10)	1,077,202,765	854,386,179	405,085,785	17,730,801
26	ER Expense Allocated to FPP	\$ 1,151,728.71	\$ 689,659.69	\$ 433,111.52	\$ 18,957.50
27	ER Revenue in FPP (per books)	\$ 1,730,721.82	\$ 1,051,818.47	\$ 650,428.51	\$ 28,474.84
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (578,993.11)	\$ (352,158.78)	\$ (217,316.99)	\$ (9,517.34)
<u>Alternative Energy Portfolio Standard</u>					
29	kWh Subject to FPP (Line 10)	1,077,202,765	854,386,179	405,085,785	17,730,801
30	AEPS Expense	\$ 63,305.77	\$ 38,457.41	\$ 23,806.35	\$ 1,042.02
31	AEPS Sales Margin	\$ (182,700.00)	\$ (98,837.52)	\$ (81,185.91)	\$ (2,676.58)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (99,394.23)	\$ (60,380.11)	\$ (37,379.56)	\$ (1,634.56)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 224,685.77	\$ 136,396.41	\$ 84,763.29	\$ 3,727.07
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (324,280.00)	\$ (196,775.52)	\$ (122,142.85)	\$ (5,361.63)
<u>Reconciliation Adjustment Amortization (RA)</u>					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,411,868.83	\$ 2,615,119.74	\$ 2,679,557.90	\$ 117,179.19
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 824,924.00	\$ (384,850.91)	\$ 1,090,589.03	\$ 119,197.88
<u>System Loss Component (SLA)</u>					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cants per kWh)	0.0999 / 0.0882	0.0999	0.0899	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,074,051.08	\$ 853,731.79	\$ 404,880.70	\$ 15,638.57
40	Actual SLA recovery through FPP	\$ 1,391,857.12	\$ 852,471.33	\$ 527,608.24	\$ 11,777.55
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,025,473.33	\$ 1,230,441.01	\$ 761,711.26	\$ 33,321.06
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (440,434.85)	\$ (278,782.11)	\$ (170,677.68)	\$ 8,904.94
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,818,763.48)	\$ (1,998,619.76)	\$ 91,215.07	\$ 88,841.21

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

Line	Reconciliation Adjustment (RA)	February 2010	Residential February 2010	Non-Residential February 2010	Voltage Reduction February 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08
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)	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59
5	RSG Make Whole Payments & Secondary MISQ Costs	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68
7	Total Generation and Purchase Power (per books)	1,150,796,208	1,150,796,208	1,150,796,208	1,150,796,208
8	Losses (kWh) (1-Line 2)*(Line 7)	70,275,672	70,275,672	70,275,672	70,275,672
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,080,520,536	1,080,520,536	1,080,520,536	1,080,520,536
10	kWh Subject to FPP	1,077,202,765	654,386,179	405,085,785	17,730,801
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.69%	60.56%	37.49%	1.64%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 576,131.05
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 576,131.05
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 197,433.13	\$ 122,217.36	\$ 5,349.51
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,242,471.56	\$ 20,194,242.92	\$ 12,501,366.80	\$ 546,871.84
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (1,450,545.45)	\$ (880,762.36)	\$ (645,873.40)	\$ (23,909.70)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
19	EA Expense Allocated to FPP	\$ 681,762.32	\$ 414,155.36	\$ 256,375.29	\$ 11,221.67
20	EA Sales Margin Allocated to FPP	\$ (34,604.45)	\$ (21,021.74)	\$ (13,013.12)	\$ (566.59)
21	Net EA Cost (Line 19 + Line 20)	\$ 647,147.87	\$ 393,133.62	\$ 243,362.17	\$ 10,655.08
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 496,593.93	\$ 301,643.70	\$ 188,825.21	\$ 8,125.02
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 150,553.94	\$ 91,489.92	\$ 56,536.96	\$ 2,527.06
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
26	ER Expense Allocated to FPP	\$ 1,151,728.71	\$ 699,659.69	\$ 433,111.52	\$ 18,957.50
27	ER Revenue in FPP (per books)	\$ 1,730,721.82	\$ 1,051,818.47	\$ 650,428.51	\$ 28,474.84
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (578,993.11)	\$ (352,156.78)	\$ (217,316.99)	\$ (9,517.34)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
30	AEPS Expense	\$ -	\$ 0.01	\$ -	\$ -
31	AEPS Sales Margin	\$ (162,700.00)	\$ (98,837.52)	\$ (61,185.91)	\$ (2,676.58)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (162,700.00)	\$ (98,837.51)	\$ (61,185.91)	\$ (2,676.58)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 224,885.77	\$ 136,395.41	\$ 84,763.29	\$ 3,727.07
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (387,585.77)	\$ (235,232.82)	\$ (145,949.20)	\$ (6,403.65)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,411,856.83	\$ 2,615,119.74	\$ 2,679,567.90	\$ 117,179.19
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 824,936.00	\$ (384,850.91)	\$ 1,090,569.03	\$ 119,197.88
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,074,051.06	\$ 653,731.79	\$ 404,880.70	\$ 15,638.57
40	Actual SLA recovery through FPP	\$ 1,391,857.12	\$ 852,471.33	\$ 527,808.24	\$ 11,777.56
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 2,025,473.33	\$ 1,230,441.01	\$ 761,711.26	\$ 33,321.08
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (440,434.85)	\$ (275,762.11)	\$ (170,577.68)	\$ 5,904.94
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,892,069.25)	\$ (2,037,277.16)	\$ 67,408.72	\$ 87,799.19
44	Net Under/(Over) Recovery of FPP Costs (Page 50, Line 43)	\$ (1,818,763.48)	\$ (1,998,819.76)	\$ 91,215.07	\$ 88,841.21
45	Net Adjustment for February 2010 (Line 43 - Line 44) To Page 3 Line 11	\$ (63,305.77)	\$ (38,457.40)	\$ (23,806.35)	\$ (1,042.02)

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

Line	Reconciliation Adjustment (RA)	March 2010	Residential March 2010	Non-Residential March 2010	Voltage Reduction March 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54
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)	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46
7	Total Generation and Purchase Power (per books)	980,924,756	980,924,756	980,924,756	980,924,756
8	Losses (kWh) (1-Line 2)*(Line 7)	59,902,132	59,902,132	59,902,132	59,902,132
9	Total Generation After Losses (kWh) (Line 7-Line 8)	921,022,624	921,022,624	921,022,624	921,022,624
10	kWh Subject to FPP	990,481,632	561,083,212	387,221,575	42,176,845
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	107.54%	60.92%	42.04%	4.58%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 184,104.42	\$ 127,056.38	\$ 13,839.20
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,393,195.59	\$ 17,763,833.69	\$ 12,272,363.24	\$ 1,336,988.66
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (467,773.11)	\$ (269,093.28)	\$ (188,557.78)	\$ (10,122.07)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
19	EA Expense Allocated to FPP	\$ 697,795.46	\$ 395,283.77	\$ 272,798.05	\$ 29,713.64
20	EA Sales Margin Allocated to FPP	\$ (166,005.95)	\$ (94,038.24)	\$ (64,898.82)	\$ (7,068.89)
21	Net EA Cost (Line 19 + Line 20)	\$ 531,789.51	\$ 301,245.53	\$ 207,899.23	\$ 22,644.75
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 456,371.13	\$ 258,601.56	\$ 178,578.32	\$ 19,193.25
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 75,418.38	\$ 42,643.97	\$ 29,322.91	\$ 3,451.50
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
26	ER Expense Allocated to FPP	\$ 938,297.38	\$ 531,522.13	\$ 366,820.62	\$ 38,954.73
27	ER Revenue in FPP (per books)	\$ 1,590,706.97	\$ 901,732.38	\$ 621,710.17	\$ 67,264.42
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (652,409.59)	\$ (370,210.25)	\$ (254,888.65)	\$ (27,309.89)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
30	AEPS Expense	\$ 71,215.77	\$ 40,341.96	\$ 27,841.29	\$ 3,032.52
31	AEPS Sales Margin	\$ (817,834.00)	\$ (463,282.62)	\$ (319,726.24)	\$ (34,826.14)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (746,618.23)	\$ (422,940.66)	\$ (291,884.95)	\$ (31,792.62)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 206,757.86	\$ 116,932.88	\$ 81,020.74	\$ 8,804.24
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (953,376.09)	\$ (539,873.54)	\$ (372,905.69)	\$ (40,596.86)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.82	\$ 2,230,268.83	\$ 3,770,146.92	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,080,015.93	\$ 2,241,963.05	\$ 2,561,247.47	\$ 276,805.41
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 1,156,776.89	\$ (11,694.22)	\$ 1,208,899.45	\$ (40,428.34)
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 984,556.46	\$ 560,522.13	\$ 386,634.35	\$ 37,199.98
40	Actual SLA recovery through FPP	\$ 1,262,964.66	\$ 730,830.48	\$ 504,312.77	\$ 27,821.41
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,940,852.90	\$ 1,099,354.42	\$ 758,648.39	\$ 82,650.09
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (306,868.22)	\$ (191,958.19)	\$ (132,488.73)	\$ 17,626.70
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,148,231.74)	\$ (1,340,225.51)	\$ 289,370.53	\$ (97,376.76)

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

Line	Reconciliation Adjustment (RA)	March 2010	Residential March 2010	Non-Residential March 2010	Voltage Reduction March 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54
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)	\$ 27,748,349.50	\$ 27,748,349.50	\$ 27,748,349.50	\$ 27,748,349.50
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46
7	Total Generation and Purchase Power (per books)	980,924,756	980,924,756	980,924,756	980,924,756
8	Losses (kWh) (1-Line 2)/(Line 7)	59,902,132	59,902,132	59,902,132	59,902,132
9	Total Generation After Losses (kWh) (Line 7-Line 8)	921,022,624	921,022,624	921,022,624	921,022,624
10	kWh Subject to FPP	990,481,632	561,083,212	387,221,575	42,176,845
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	107.54%	60.92%	42.04%	4.58%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,380,959.93
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,380,959.93
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 184,104.42	\$ 127,056.38	\$ 13,839.20
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 8 x Line 11)	\$ 31,393,195.59	\$ 17,783,833.69	\$ 12,272,363.24	\$ 1,336,998.66
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (487,773.11)	\$ (269,093.28)	\$ (188,567.76)	\$ (10,122.07)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
19	EA Expense Allocated to FPP	\$ 697,795.48	\$ 395,283.77	\$ 272,798.05	\$ 29,713.64
20	EA Sales Margin Allocated to FPP	\$ (168,005.95)	\$ (94,038.24)	\$ (64,888.82)	\$ (7,068.89)
21	Net EA Cost (Line 19 + Line 20)	\$ 531,789.51	\$ 301,245.53	\$ 207,899.23	\$ 22,644.75
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 456,371.13	\$ 258,601.58	\$ 178,578.32	\$ 19,193.25
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 75,418.38	\$ 42,843.97	\$ 29,322.91	\$ 3,451.50
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
26	ER Expense Allocated to FPP	\$ 938,297.38	\$ 531,522.13	\$ 306,820.52	\$ 39,954.73
27	ER Revenue in FPP (per books)	\$ 1,590,706.97	\$ 901,732.38	\$ 621,710.17	\$ 67,264.42
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (652,409.59)	\$ (370,210.25)	\$ (284,889.65)	\$ (27,309.69)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
30	AEPS Expense	\$ 11,760.00	\$ 6,661.75	\$ 4,687.49	\$ 500.78
31	AEPS Sales Margin	\$ (817,834.00)	\$ (463,282.62)	\$ (319,726.24)	\$ (34,825.14)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (806,074.00)	\$ (456,620.87)	\$ (315,128.75)	\$ (34,324.38)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 208,757.86	\$ 116,932.88	\$ 81,020.74	\$ 8,804.24
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (1,012,831.86)	\$ (573,553.75)	\$ (396,149.49)	\$ (43,128.62)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,238,792.82	\$ 2,230,268.83	\$ 3,770,146.82	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,080,015.93	\$ 2,241,983.05	\$ 2,561,247.47	\$ 276,905.41
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 1,158,776.89	\$ (11,694.22)	\$ 1,208,899.45	\$ (40,428.34)
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 984,558.48	\$ 560,322.13	\$ 386,834.35	\$ 37,198.98
40	Actual SLA recovery through FPP	\$ 1,262,964.66	\$ 730,830.48	\$ 504,312.77	\$ 27,821.41
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,940,652.90	\$ 1,099,354.42	\$ 768,648.39	\$ 82,650.09
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (306,868.22)	\$ (191,998.19)	\$ (132,498.73)	\$ 17,628.70
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,207,687.51)	\$ (1,373,905.72)	\$ 268,126.73	\$ (99,908.52)
Net Under/(Over) Recovery of FPP Costs (Page 5Q, Line 43)					
44		\$ (1,148,231.74)	\$ (1,340,225.51)	\$ 289,370.63	\$ (97,378.78)
Net Adjustment for March 2010 (Line 43 - Line 44) To Page 3 Line 10					
45		\$ (59,455.77)	\$ (33,680.21)	\$ (23,243.80)	\$ (2,631.76)

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

Line	Reconciliation Adjustment (RA)	April 2010	Residential April 2010	Non-Residential April 2010	Voltage Reduction April 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98
7	Total Generation and Purchase Power (per books)	785,978,263	785,978,263	785,978,263	785,978,263
8	Losses (kWh) (1-Line 2)*(Line 7)	47,997,335	47,997,335	47,997,335	47,997,335
9	Total Generation After Losses (kWh) (Line 7-Line 8)	737,980,928	737,980,928	737,980,928	737,980,928
10	kWh Subject to FPP	734,641,382	410,793,626	297,920,110	25,927,646
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.55%	55.66%	40.37%	3.52%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,648.23	\$ 875,105.34
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,648.23	\$ 875,105.34
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,732.11	\$ 131,797.69	\$ 11,470.20
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 23,363,837.05	\$ 13,074,277.95	\$ 9,482,727.29	\$ 826,831.81
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (1,483,951.51)	\$ (818,598.93)	\$ (628,551.25)	\$ (36,803.33)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
20	EA Expense Allocated to FPP	\$ 524,209.19	\$ 293,125.05	\$ 212,583.26	\$ 18,500.88
21	EA Sales Margin Allocated to FPP	\$ (242,545.34)	\$ (135,625.46)	\$ (98,359.74)	\$ (8,560.14)
22	Net EA Cost (Line 19 + Line 20)	\$ 281,663.85	\$ 157,499.59	\$ 114,223.52	\$ 9,940.74
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 404,837.09	\$ 226,483.17	\$ 164,147.32	\$ 14,206.60
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (123,173.24)	\$ (68,983.58)	\$ (49,923.80)	\$ (4,265.86)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
27	ER Expense Allocated to FPP	\$ 958,774.77	\$ 536,123.57	\$ 388,813.23	\$ 33,837.97
28	ER Revenue in FPP (per books)	\$ 1,226,653.74	\$ 686,110.77	\$ 497,492.85	\$ 43,050.32
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (267,878.97)	\$ (149,987.20)	\$ (108,679.42)	\$ (8,212.35)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
31	AEPS Expense	\$ 115,132.88	\$ 64,379.51	\$ 46,689.99	\$ 4,063.38
32	AEPS Sales Margin	\$ (447,942.00)	\$ (250,451.55)	\$ (181,651.62)	\$ (15,838.83)
33	Net AEPS Cost (Line 31 + Line 32)	\$ (332,809.12)	\$ (186,072.04)	\$ (134,961.63)	\$ (11,775.45)
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 202,418.54	\$ 113,241.68	\$ 82,073.66	\$ 7,103.30
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (535,227.66)	\$ (299,313.62)	\$ (217,035.29)	\$ (18,878.75)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.63	\$ 1,110,207.24	\$ 2,644,108.57	\$ 199,189.82
37	Actual RA recovery through FPP	\$ 2,599,288.52	\$ 1,117,427.97	\$ 1,363,685.43	\$ 118,173.12
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,354,217.11	\$ (7,220.73)	\$ 1,280,423.14	\$ 81,016.70
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 730,873.20	\$ 410,382.83	\$ 297,622.19	\$ 22,868.18
41	Actual SLA recovery through FPP	\$ 1,018,619.38	\$ 579,530.46	\$ 420,469.67	\$ 18,819.26
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,441,580.72	\$ 806,010.88	\$ 584,596.82	\$ 50,973.02
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (307,911.86)	\$ (183,902.40)	\$ (133,495.04)	\$ 9,485.56
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,363,924.13)	\$ (1,528,004.48)	\$ 142,738.34	\$ 21,341.99

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

Line	Reconciliation Adjustment (RA)	April 2010	Residential April 2010	Non-Residential April 2010	Voltage Reduction April 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98
7	Total Generation and Purchase Power (per books)	785,978,263	785,978,263	785,978,263	785,978,263
8	Losses (kWh) (1-Line 2)*(Line 7)	47,997,335	47,997,335	47,997,335	47,997,335
9	Total Generation After Losses (kWh) (Line 7-Line 8)	737,980,928	737,980,928	737,980,928	737,980,928
10	kWh Subject to FPP	734,641,382	410,793,626	297,920,110	25,927,646
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.55%	55.68%	40.37%	3.52%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,732.11	\$ 131,797.69	\$ 11,470.20
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,229.00)	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 23,383,837.05	\$ 13,074,277.95	\$ 9,482,727.29	\$ 826,831.81
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (1,483,951.51)	\$ (818,596.93)	\$ (628,551.25)	\$ (36,803.33)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
20	EA Expense Allocated to FPP	\$ 524,209.19	\$ 293,125.05	\$ 212,583.26	\$ 18,500.88
21	EA Sales Margin Allocated to FPP	\$ (242,545.34)	\$ (135,625.46)	\$ (98,359.74)	\$ (8,560.14)
22	Net EA Cost (Line 19 + Line 20)	\$ 281,663.85	\$ 157,499.59	\$ 114,223.52	\$ 9,940.74
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 404,837.09	\$ 226,483.17	\$ 164,147.32	\$ 14,206.60
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (123,173.24)	\$ (68,983.58)	\$ (48,823.80)	\$ (4,266.86)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
27	ER Expense Allocated to FPP	\$ 3958,774.77	\$ 536,123.57	\$ 388,813.23	\$ 33,837.97
28	ER Revenue in FPP (per books)	\$ 1,226,653.74	\$ 686,110.77	\$ 497,492.65	\$ 43,050.32
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (267,878.97)	\$ (149,987.20)	\$ (188,679.42)	\$ (9,212.35)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
31	AEPS Expense	\$ 23,768.86	\$ 13,302.15	\$ 9,647.13	\$ 839.58
32	AEPS Sales Margin	\$ (447,942.00)	\$ (250,451.55)	\$ (181,651.62)	\$ (15,838.83)
33	Net AEPS Cost (Line 31 + Line 32)	\$ (424,153.14)	\$ (237,149.40)	\$ (172,004.49)	\$ (14,999.25)
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 202,418.54	\$ 113,241.58	\$ 82,073.86	\$ 7,103.30
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (626,571.68)	\$ (350,390.98)	\$ (254,078.15)	\$ (22,102.55)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.63	\$ 1,110,207.24	\$ 2,644,108.57	\$ 199,189.82
37	Actual RA recovery through FPP	\$ 2,599,286.52	\$ 1,117,427.97	\$ 1,363,685.43	\$ 118,173.12
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,354,219.11	\$ (7,220.73)	\$ 1,280,423.14	\$ 81,016.70
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0899 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 730,873.20	\$ 410,382.83	\$ 297,622.19	\$ 22,868.18
41	Actual SLA recovery through FPP	\$ 1,018,619.38	\$ 579,530.45	\$ 420,469.67	\$ 18,619.26
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,441,580.72	\$ 806,010.88	\$ 584,596.82	\$ 50,873.02
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (307,911.86)	\$ (183,902.40)	\$ (133,496.04)	\$ 9,486.58
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,455,268.15)	\$ (1,579,081.82)	\$ 105,685.48	\$ 18,118.19
Net Under/(Over) Recovery of FPP Costs (Page 5S, Line 44)					
45		\$ (1,363,924.13)	\$ (1,528,004.46)	\$ 142,738.34	\$ 21,341.99
Net Adjustment for April 2010 (Line 44 - Line 45) To Page 3 Line 9					
46		\$ (91,344.02)	\$ (51,077.36)	\$ (37,042.86)	\$ (3,223.80)

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

Line	Reconciliation Adjustment (RA)	May 2010	Residential May 2010	Non-Residential May 2010	Voltage Reduction May 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 27,702,366.09	\$ 27,702,366.09	\$ 27,702,366.09	\$ 27,702,366.09
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)
6	Net Fuel Cost (Line 3 + Line 4 - Line 5)	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22
7	Total Generation and Purchase Power (per books)	874,935,996	874,935,996	874,935,996	874,935,996
8	Losses (kWh) (1-Line 2)*(Line 7)	53,429,716	53,429,716	53,429,716	53,429,716
9	Total Generation After Losses (kWh) (Line 7-Line 8)	821,506,280	821,506,280	821,506,280	821,506,280
10	kWh Subject to FPP	662,602,497	369,660,453	269,051,741	23,890,303
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	80.66%	45.00%	32.75%	2.91%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 22,477,469.94	\$ 12,532,308.86	\$ 9,130,965.54	\$ 814,197.54
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 22,477,469.94	\$ 12,532,308.86	\$ 9,130,965.54	\$ 814,197.54
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,314.81	\$ 131,967.23	\$ 11,717.96
16	PowerShare Program (Case No. 08-920-EL-SSO)	\$ (12,583.33)	\$ (7,020.13)	\$ (5,109.50)	\$ (453.70)
17	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (268,455.00)	\$ (144,228.00)	\$ (144,227.00)	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 21,660,120.39	\$ 12,084,123.70	\$ 8,794,556.69	\$ 781,440.00
19	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 - Line 15 - Line 14)	\$ (783,387.88)	\$ (418,116.48)	\$ (353,778.12)	\$ (21,493.28)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
21	EA Expense Allocated to FPP	\$ 578,002.60	\$ 322,462.87	\$ 234,889.70	\$ 20,840.04
22	EA Sales Margin Allocated to FPP	\$ (900,089.48)	\$ (502,152.48)	\$ (365,484.05)	\$ (32,452.96)
23	Net EA Cost (Line 19 + Line 20)	\$ (322,086.88)	\$ (179,689.61)	\$ (130,784.35)	\$ (11,612.92)
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 365,366.10	\$ 203,752.99	\$ 148,415.29	\$ 13,217.82
26	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (687,472.98)	\$ (383,442.60)	\$ (279,199.64)	\$ (24,830.74)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
28	ER Expense Allocated to FPP	\$ 978,111.53	\$ 545,680.33	\$ 397,166.13	\$ 35,266.07
29	ER Revenue in FPP (per books)	\$ 1,107,118.20	\$ 617,251.70	\$ 449,812.61	\$ 40,063.99
30	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (129,006.67)	\$ (71,571.37)	\$ (52,847.38)	\$ (4,787.92)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
32	AEPS Expense	\$ 98,907.43	\$ 55,179.64	\$ 40,161.66	\$ 3,586.13
33	AEPS Sales Margin	\$ (938,199.36)	\$ (523,418.93)	\$ (380,932.67)	\$ (33,847.76)
34	Net AEPS Cost (Line 31 + Line 32)	\$ (839,291.93)	\$ (468,239.29)	\$ (340,771.01)	\$ (30,261.63)
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 182,693.05	\$ 101,878.49	\$ 74,207.65	\$ 6,608.91
36	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (1,021,984.98)	\$ (570,115.78)	\$ (414,978.66)	\$ (36,870.54)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.82	\$ 1,110,207.24	\$ 2,644,108.56	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,348,218.08	\$ 1,005,281.28	\$ 1,232,988.59	\$ 109,948.21
39	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,605,287.74	\$ 104,925.96	\$ 1,411,119.97	\$ 89,241.61
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0099 / 0.0882	0.0099	0.0099	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 659,144.73	\$ 369,290.79	\$ 268,782.69	\$ 21,071.25
42	Actual SLA recovery through FPP	\$ 918,862.77	\$ 521,387.94	\$ 380,171.48	\$ 17,323.35
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,364,525.04	\$ 761,264.90	\$ 554,031.68	\$ 49,228.48
44	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (213,462.46)	\$ (129,393.83)	\$ (94,922.49)	\$ 10,633.86
Net Under/(Over) Recovery of FPP Costs					
45	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,240,047.43)	\$ (1,467,714.10)	\$ 215,593.68	\$ 12,072.99

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

Line	Reconciliation Adjustment (RA)	May 2010	Residential May 2010	Non-Residential May 2010	Voltage Reduction May 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22
7	Total Generation and Purchase Power (per books)	874,935,996	874,935,996	874,935,996	874,935,996
8	Losses (kWh) (1-Line 2)*(Line 7)	53,429,716	53,429,716	53,429,716	53,429,716
9	Total Generation After Losses (kWh) (Line 7-Line 8)	821,506,280	821,506,280	821,506,280	821,506,280
10	kWh Subject to FPP	662,602,497	369,660,453	268,051,741	23,890,303
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	80.66%	45.00%	32.75%	2.91%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 22,477,469.94	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,197.54
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 22,477,469.94	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,197.54
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,314.81	\$ 131,997.23	\$ 11,717.96
16	PowerShare Program (Case No. 08-920-EL-SSO)	\$ (12,583.33)	\$ (7,020.13)	\$ (5,109.50)	\$ (453.70)
17	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,228.00)	\$ (144,227.00)	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 21,660,120.39	\$ 12,084,123.70	\$ 8,794,656.69	\$ 781,440.00
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (793,387.88)	\$ (418,116.48)	\$ (353,778.12)	\$ (21,493.28)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	268,051,741	23,890,303
21	EA Expense Allocated to FPP	\$ 578,002.60	\$ 322,482.87	\$ 234,699.70	\$ 20,840.04
22	EA Sales Margin Allocated to FPP	\$ (900,089.48)	\$ (502,152.48)	\$ (385,484.05)	\$ (32,452.96)
23	Net EA Cost (Line 19 + Line 20)	\$ (322,086.88)	\$ (179,669.61)	\$ (130,784.35)	\$ (11,612.92)
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 385,386.10	\$ 203,752.99	\$ 148,415.29	\$ 13,217.82
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (687,472.98)	\$ (383,442.60)	\$ (279,199.64)	\$ (24,830.74)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	268,051,741	23,890,303
28	ER Expense Allocated to FPP	\$ 978,111.53	\$ 545,680.33	\$ 397,165.13	\$ 35,266.07
29	ER Revenue in FPP (per books)	\$ 1,107,118.20	\$ 617,251.70	\$ 449,812.51	\$ 40,053.99
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (129,006.67)	\$ (71,571.37)	\$ (52,647.38)	\$ (4,787.92)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	268,051,741	23,890,303
32	AEPS Expense	\$ 350,803.86	\$ 195,710.57	\$ 142,444.96	\$ 12,648.33
33	AEPS Sales Margin	\$ (938,198.36)	\$ (523,418.93)	\$ (380,932.67)	\$ (33,847.76)
34	Net AEPS Cost (Line 32 + Line 33)	\$ (587,394.50)	\$ (327,708.36)	\$ (238,487.71)	\$ (21,199.43)
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 182,693.05	\$ 101,876.49	\$ 74,207.65	\$ 6,808.91
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (770,088.55)	\$ (429,584.85)	\$ (312,695.36)	\$ (27,808.34)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.62	\$ 1,110,207.24	\$ 2,644,108.56	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,348,218.08	\$ 1,005,281.28	\$ 1,232,968.59	\$ 109,948.21
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,605,287.54	\$ 104,925.96	\$ 1,411,139.97	\$ 89,241.61
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 859,144.73	\$ 389,280.79	\$ 268,782.69	\$ 21,071.25
42	Actual SLA recovery through FPP	\$ 818,882.77	\$ 521,367.94	\$ 380,171.48	\$ 17,323.35
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,364,525.04	\$ 781,284.90	\$ 554,031.68	\$ 49,228.46
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (213,482.46)	\$ (129,393.83)	\$ (94,922.49)	\$ 10,833.85
Net Under/(Over) Recovery of FPP Costs					
45	(Line 18+Line 25+Line 28+Line 35+Line 38+Line 43)	\$ (988,151.00)	\$ (1,327,183.17)	\$ 317,878.98	\$ 21,155.19
Net Under/(Over) Recovery of FPP Costs (Page 5U, Line 45)					
46		\$ (1,240,047.43)	\$ (1,467,714.10)	\$ 215,593.68	\$ 12,072.99
Net Adjustment for April 2010 (Line 45 - Line 46) To Page 3 Line 8					
47		\$ 251,896.43	\$ 140,530.93	\$ 102,283.30	\$ 9,082.20

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

Line	Reconciliation Adjustment (RA)	June 2010	Residential June 2010	Non-Residential June 2010	Voltage Reduction June 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86
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)	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06
7	Total Generation and Purchase Power (per books)	1,076,923,194	1,076,923,194	1,076,923,194	1,076,923,194
8	Losses (kWh) (1-Line 2)*(Line 7)	65,764,469	65,764,469	65,764,469	65,764,469
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,011,158,725	1,011,158,725	1,011,158,725	1,011,158,725
10	kWh Subject to FPP	880,040,304	570,092,435	283,349,570	26,598,299
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	87.03%	56.38%	28.02%	2.63%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 210,535.85	\$ 104,641.36	\$ 9,822.79
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ 129,000.00	\$ 83,586.54	\$ 41,534.57	\$ 3,898.89
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 29,037,790.18	\$ 18,811,336.44	\$ 9,348,947.27	\$ 877,506.47
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (641,115.68)	\$ (371,538.09)	\$ (258,870.11)	\$ (10,707.48)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
21	EA Expense Allocated to FPP	\$ 624,477.00	\$ 404,537.65	\$ 201,064.98	\$ 18,874.17
22	EA Sales Margin Allocated to FPP	\$ (146,440.24)	\$ (94,864.38)	\$ (47,149.66)	\$ (4,426.00)
23	Net EA Cost (Line 21 + Line 22)	\$ 478,036.76	\$ 309,673.27	\$ 153,915.32	\$ 14,448.17
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 485,155.99	\$ 314,316.08	\$ 156,197.74	\$ 14,642.17
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (7,119.23)	\$ (4,642.61)	\$ (2,282.62)	\$ (194.00)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
28	ER Expense Allocated to FPP	\$ 1,081,821.06	\$ 687,850.49	\$ 341,878.14	\$ 32,082.43
29	ER Revenue in FPP (per books)	\$ 1,469,962.33	\$ 952,192.82	\$ 473,396.29	\$ 44,370.22
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (408,141.27)	\$ (264,342.33)	\$ (131,521.15)	\$ (12,277.79)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
32	AEPS Expense	\$ 65,890.77	\$ 42,664.21	\$ 21,215.08	\$ 1,991.48
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 65,890.77	\$ 42,664.21	\$ 21,215.08	\$ 1,991.48
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 242,578.00	\$ 157,158.04	\$ 78,098.87	\$ 7,321.09
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (176,687.23)	\$ (114,473.83)	\$ (56,883.79)	\$ (5,329.61)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.62	\$ 1,110,207.24	\$ 2,644,108.66	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,970,219.04	\$ 1,550,780.06	\$ 1,297,642.73	\$ 121,796.25
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 983,286.58	\$ (440,572.82)	\$ 1,346,465.93	\$ 77,393.57
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 876,048.26	\$ 569,522.34	\$ 283,088.22	\$ 23,458.70
42	Actual SLA recovery through FPP	\$ 1,223,576.00	\$ 804,279.37	\$ 400,106.51	\$ 19,190.12
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,880,310.53	\$ 1,218,107.65	\$ 605,380.91	\$ 58,821.97
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (219,313.73)	\$ (155,694.06)	\$ (77,797.62)	\$ 14,172.15
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (469,090.56)	\$ (1,351,263.74)	\$ 819,116.34	\$ 63,056.84

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

Line	Reconciliation Adjustment (RA)	June 2010	Residential June 2010	Non-Residential June 2010	Voltage Reduction June 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86
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)	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,134,863.06)	\$ (1,134,863.06)	\$ (1,134,863.06)	\$ (1,134,863.06)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06
7	Total Generation and Purchase Power (per books)	1,076,923,194	1,076,923,194	1,076,923,194	1,076,923,194
8	Losses (kWh) (1-Line 2)*(Line 7)	85,764,469	85,764,469	85,764,469	85,764,469
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,011,158,725	1,011,158,725	1,011,158,725	1,011,158,725
10	kWh Subject to FPP	880,040,304	570,092,435	283,349,570	26,598,299
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	87.03%	56.36%	28.02%	2.63%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 29,844,450.88	\$ 19,332,749.92	\$ 9,809,785.31	\$ 901,935.63
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 29,844,450.88	\$ 19,332,749.92	\$ 9,809,785.31	\$ 901,935.63
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 210,535.85	\$ 104,841.36	\$ 9,822.79
16	Per Stipulation (Case No. 08-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,228.00)	\$ (144,228.00)	\$ -
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ 129,000.00	\$ 83,566.54	\$ 41,634.57	\$ 3,898.89
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 8 x Line 11)	\$ 29,037,780.18	\$ 18,811,336.44	\$ 9,348,947.27	\$ 877,508.47
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (641,115.88)	\$ (371,538.09)	\$ (258,870.11)	\$ (10,707.48)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
21	EA Expense Allocated to FPP	\$ 624,477.00	\$ 404,537.85	\$ 201,064.88	\$ 18,874.17
22	EA Sales Margin Allocated to FPP	\$ (146,440.24)	\$ (94,864.38)	\$ (47,149.86)	\$ (4,426.00)
23	Net EA Cost (Line 21 + Line 22)	\$ 478,036.76	\$ 309,673.47	\$ 153,915.12	\$ 14,448.17
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 485,155.99	\$ 314,318.08	\$ 156,197.74	\$ 14,842.17
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (7,119.23)	\$ (4,642.61)	\$ (2,282.62)	\$ (194.00)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
28	ER Expense Allocated to FPP	\$ 1,081,821.08	\$ 687,850.49	\$ 341,878.14	\$ 32,092.43
29	ER Revenue in FPP (per books)	\$ 1,489,982.33	\$ 952,192.82	\$ 473,399.29	\$ 44,370.22
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (408,141.27)	\$ (264,342.33)	\$ (131,521.15)	\$ (12,277.79)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
32	AEPS Expense	\$ 66,140.84	\$ 42,846.21	\$ 21,295.59	\$ 1,999.04
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 66,140.84	\$ 42,846.21	\$ 21,295.59	\$ 1,999.04
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 242,578.00	\$ 157,158.04	\$ 78,088.87	\$ 7,321.09
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (176,437.16)	\$ (114,311.83)	\$ (56,803.28)	\$ (5,322.05)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,853,505.62	\$ 1,110,207.24	\$ 2,644,108.56	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,970,219.04	\$ 1,550,780.06	\$ 1,297,642.73	\$ 121,796.25
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 883,286.58	\$ (440,572.82)	\$ 1,346,465.83	\$ 77,393.57
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 876,048.26	\$ 569,522.34	\$ 283,068.22	\$ 23,459.70
42	Actual SLA recovery through FPP	\$ 1,223,576.00	\$ 804,279.37	\$ 400,108.51	\$ 19,180.12
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,880,310.53	\$ 1,218,107.65	\$ 605,380.91	\$ 58,821.97
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (219,313.73)	\$ (156,894.08)	\$ (77,791.82)	\$ 14,172.15
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (488,840.49)	\$ (1,351,101.74)	\$ 819,198.85	\$ 83,064.40
Net Under/(Over) Recovery of FPP Costs (Page 5W, Line 45)					
46		\$ (488,090.56)	\$ (1,351,263.74)	\$ 819,118.34	\$ 63,056.84
Net Adjustment for June 2010 (Line 45 - Line 46) To Page 3 Line 7					
47		\$ 250.07	\$ 162.00	\$ 80.51	\$ 7.56

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

Line	Reconciliation Adjustment (RA)	July 2010	Residential July 2010	Non-Residential July 2010	Voltage Reduction July 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 38,029,305.23	\$ 38,029,305.23	\$ 38,029,305.23	\$ 38,029,305.23
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)	\$ 35,706,969.65	\$ 35,706,969.65	\$ 35,706,969.65	\$ 35,706,969.65
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,575,006.32)	\$ (1,575,006.32)	\$ (1,575,006.32)	\$ (1,575,006.32)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 36,012,178.15	\$ 36,012,178.15	\$ 36,012,178.15	\$ 36,012,178.15
7	Total Generation and Purchase Power (per books)	1,123,693,725	1,123,693,725	1,123,693,725	1,123,693,725
8	Losses (kWh) (1-Line 2)*(Line 7)	68,620,805	68,620,805	68,620,805	68,620,805
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,055,073,120	1,055,073,120	1,055,073,120	1,055,073,120
10	kWh Subject to FPP	1,006,730,934	697,349,985	283,182,658	26,198,291
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	95.42%	66.09%	26.84%	2.49%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 11,437.03	\$ 7,922.29	\$ 3,217.11	\$ 297.63
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 82,219.56	\$ 56,952.47	\$ 23,127.48	\$ 2,139.61
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 34,362,820.39	\$ 23,800,448.54	\$ 9,665,868.62	\$ 896,703.23
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 35,449.98	\$ 21,782.75	\$ 10,230.66	\$ 3,436.37
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,658	26,198,291
20	EA Expense Allocated to FPP	\$ 690,318.59	\$ 478,175.09	\$ 194,179.25	\$ 17,964.25
21	EA Sales Margin Allocated to FPP	\$ (504,166.04)	\$ (349,229.54)	\$ (141,816.52)	\$ (13,119.98)
22	Net EA Cost (Line 19 + Line 20)	\$ 186,152.55	\$ 128,945.55	\$ 52,362.73	\$ 4,844.27
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 650,900.55	\$ 450,896.98	\$ 183,018.17	\$ 16,985.40
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (464,748.00)	\$ (321,951.43)	\$ (130,655.44)	\$ (12,141.13)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,658	26,198,291
27	ER Expense Allocated to FPP	\$ 1,677,167.46	\$ 1,161,753.01	\$ 471,769.30	\$ 43,645.15
28	ER Revenue in FPP (per books)	\$ 1,739,077.33	\$ 1,204,191.95	\$ 489,664.51	\$ 45,220.87
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (61,909.87)	\$ (42,438.94)	\$ (17,895.21)	\$ (1,575.72)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,658	26,198,291
31	AEPS Expense	\$ 59,415.84	\$ 41,156.61	\$ 16,713.04	\$ 1,546.19
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 59,415.84	\$ 41,156.61	\$ 16,713.04	\$ 1,546.19
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 265,693.87	\$ 183,598.77	\$ 75,146.53	\$ 6,948.57
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (206,278.03)	\$ (142,442.16)	\$ (58,433.49)	\$ (5,402.36)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,719,559.00	\$ 315,897.88	\$ 1,284,763.31	\$ 118,897.80
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,003,337.72	\$ (63,885.83)	\$ 959,839.77	\$ 107,383.78
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 1,002,659.00	\$ 696,652.63	\$ 282,899.48	\$ 23,106.89
41	Actual SLA recovery through FPP	\$ 1,426,918.29	\$ 1,001,693.30	\$ 406,033.69	\$ 19,191.30
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,215,972.61	\$ 1,534,831.59	\$ 623,314.87	\$ 57,826.15
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (213,804.68)	\$ (183,514.34)	\$ (65,618.30)	\$ 15,527.96
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 92,247.12	\$ (712,449.95)	\$ 697,466.19	\$ 107,228.88

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

Line	Reconciliation Adjustment (RA)	July 2010	Residential July 2010	Non-Residential July 2010	Voltage Reduction July 2010
Fuel Component (FC)					
1	Net includable Fuel	\$ 37,483,338.99	\$ 37,483,338.99	\$ 37,483,338.99	\$ 37,483,338.99
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)	\$ 35,194,343.93	\$ 35,194,343.93	\$ 35,194,343.93	\$ 35,194,343.93
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,562,152.47)	\$ (1,562,152.47)	\$ (1,562,152.47)	\$ (1,562,152.47)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 35,512,406.28	\$ 35,512,406.28	\$ 35,512,406.28	\$ 35,512,406.28
7	Total Generation and Purchase Power (per books)	1,110,507,796	1,110,507,796	1,110,507,796	1,110,507,796
8	Losses (kWh) (1-Line 2)*(Line 7)	87,815,380	87,815,380	87,815,380	87,815,380
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,042,692,416	1,042,692,416	1,042,692,416	1,042,692,416
10	kWh Subject to FPP	1,006,730,934	697,349,985	283,182,858	26,198,291
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	96.55%	66.88%	27.16%	2.51%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 11,437.03	\$ 7,922.29	\$ 3,217.11	\$ 297.63
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 82,219.56	\$ 56,952.47	\$ 23,127.48	\$ 2,139.61
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 34,287,228.26	\$ 23,750,697.32	\$ 9,845,169.55	\$ 891,381.39
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (40,142.15)	\$ (27,968.47)	\$ (10,268.21)	\$ (1,905.47)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,858	26,198,291
20	EA Expense Allocated to FPP	\$ 690,079.69	\$ 478,009.61	\$ 194,112.05	\$ 17,958.03
21	EA Sales Margin Allocated to FPP	\$ (504,166.04)	\$ (349,229.54)	\$ (141,816.52)	\$ (13,119.98)
22	Net EA Cost (Line 19 + Line 20)	\$ 185,913.65	\$ 128,780.07	\$ 52,295.53	\$ 4,838.05
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 650,900.55	\$ 450,898.98	\$ 183,018.17	\$ 16,985.40
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (464,986.90)	\$ (322,116.91)	\$ (130,722.64)	\$ (12,147.35)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,858	26,198,291
27	ER Expense Allocated to FPP	\$ 1,677,187.46	\$ 1,161,753.02	\$ 471,769.30	\$ 43,645.14
28	ER Revenue in FPP (per books)	\$ 1,739,077.33	\$ 1,204,191.95	\$ 489,664.51	\$ 45,220.87
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (61,909.87)	\$ (42,438.93)	\$ (17,895.21)	\$ (1,575.73)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,858	26,198,291
31	AEPS Expense	\$ 69,720.84	\$ 48,294.76	\$ 19,611.73	\$ 1,814.35
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 69,720.84	\$ 48,294.76	\$ 19,611.73	\$ 1,814.35
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 265,693.87	\$ 163,598.77	\$ 75,146.53	\$ 6,948.57
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (195,973.03)	\$ (135,304.01)	\$ (55,534.80)	\$ (5,134.22)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.08	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,719,559.00	\$ 315,897.89	\$ 1,284,763.31	\$ 118,897.80
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,003,337.72	\$ (63,885.83)	\$ 959,839.77	\$ 107,383.78
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 1,002,659.00	\$ 698,652.63	\$ 282,899.48	\$ 23,106.89
41	Actual SLA recovery through FPP	\$ 1,426,918.29	\$ 1,001,693.30	\$ 406,033.69	\$ 19,191.30
42	Actual Losses on FPP Sales (Line 1 - Line 3) x (line 11))	\$ 2,210,024.73	\$ 1,530,879.90	\$ 621,691.06	\$ 57,453.77
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (218,552.56)	\$ (167,466.03)	\$ (87,242.11)	\$ 15,155.58
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 20,773.21	\$ (759,180.18)	\$ 678,176.80	\$ 101,776.59
45	Net Under/(Over) Recovery of FPP Costs (Page 5Y, Line 44)	\$ 92,247.12	\$ (712,449.95)	\$ 697,468.19	\$ 107,228.88
46	Net Adjustment for July 2010 (Line 45 - Line 44) To Page 3 Line 6	\$ (71,473.91)	\$ (46,730.23)	\$ (19,291.39)	\$ (5,452.29)

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

Line	Reconciliation Adjustment (RA)	August 2010	Residential August 2010	Non-Residential August 2010	Voltage Reduction August 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 32,637,496.30	\$ 32,637,496.30	\$ 32,637,496.30	\$ 32,637,496.30
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)	\$ 30,644,422.31	\$ 30,644,422.31	\$ 30,644,422.31	\$ 30,644,422.31
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,852,887.88	\$ 1,852,887.88	\$ 1,852,887.88	\$ 1,852,887.88
5	RSG Make Whole Payments & Secondary MISD Costs	\$ (1,054,771.84)	\$ (1,054,771.84)	\$ (1,054,771.84)	\$ (1,054,771.84)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 31,442,538.33	\$ 31,442,538.33	\$ 31,442,538.33	\$ 31,442,538.33
7	Total Generation and Purchase Power (per books)	984,182,166	984,182,166	984,182,166	984,182,166
8	Losses (kWh) (1-Line 2)*(Line 7)	60,101,052	60,101,052	60,101,052	60,101,052
9	Total Generation After Losses (kWh) (Line 7-Line 8)	924,081,114	924,081,114	924,081,114	924,081,114
10	kWh Subject to FPP	921,361,651	645,382,231	253,871,640	22,107,780
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.71%	69.84%	27.46%	2.38%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 31,502,945.60	\$ 22,066,943.97	\$ 8,680,149.68	\$ 755,851.95
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 31,502,945.60	\$ 22,066,943.97	\$ 8,680,149.68	\$ 755,851.95
15	Fuel Flexibility per Case No. 08-020-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-020-EL-SSO	\$ 119,149.84	\$ 83,460.38	\$ 32,830.50	\$ 2,858.96
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,351,354.97	\$ 21,959,468.77	\$ 8,640,409.53	\$ 751,475.67
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 14)	\$ (32,440.79)	\$ (24,014.82)	\$ (8,909.65)	\$ (1,518.32)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
20	EA Expense Allocated to FPP	\$ 587,477.06	\$ 411,507.53	\$ 161,873.21	\$ 14,098.32
21	EA Sales Margin Allocated to FPP	\$ (88,898.06)	\$ (69,274.70)	\$ (27,250.33)	\$ (2,373.03)
22	Net EA Cost (Line 19 + Line 20)	\$ 488,579.00	\$ 342,232.83	\$ 134,622.88	\$ 11,725.29
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 595,717.69	\$ 417,300.38	\$ 164,083.95	\$ 14,333.38
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (107,138.89)	\$ (75,067.55)	\$ (29,461.07)	\$ (2,610.07)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
27	ER Expense Allocated to FPP	\$ 739,726.75	\$ 518,153.22	\$ 203,824.03	\$ 17,748.50
28	ER Revenue in FPP (per books)	\$ 1,591,633.19	\$ 1,114,466.86	\$ 439,006.07	\$ 38,160.24
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (851,906.44)	\$ (596,313.66)	\$ (235,182.04)	\$ (20,410.74)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
31	AEPS Expense	\$ 76,283.89	\$ 53,434.25	\$ 21,019.23	\$ 1,830.41
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 76,283.89	\$ 53,434.25	\$ 21,019.23	\$ 1,830.41
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 243,154.59	\$ 169,918.72	\$ 67,372.22	\$ 6,863.65
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (166,870.70)	\$ (116,484.47)	\$ (46,352.99)	\$ (4,033.24)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.08	\$ 2,244,803.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,544,541.28	\$ 292,380.15	\$ 1,151,847.60	\$ 100,333.51
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,178,355.46	\$ (40,348.09)	\$ 1,092,755.48	\$ 126,948.07
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 917,853.68	\$ 644,736.85	\$ 253,617.77	\$ 19,498.06
41	Actual SLA recovery through FPP	\$ 1,307,278.67	\$ 927,066.58	\$ 364,027.31	\$ 16,194.83
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,987,294.07	\$ 1,391,662.87	\$ 547,696.73	\$ 47,634.47
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (237,838.28)	\$ (179,830.51)	\$ (69,848.35)	\$ 11,840.68
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (217,839.44)	\$ (1,032,059.10)	\$ 704,901.38	\$ 109,318.28

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

Line	Reconciliation Adjustment (RA)	August 2010	Residential August 2010	Non-Residential August 2010	Voltage Reduction August 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 32,359,871.08	\$ 32,359,871.08	\$ 32,359,871.08	\$ 32,359,871.08
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)	\$ 30,383,750.84	\$ 30,383,750.84	\$ 30,383,750.84	\$ 30,383,750.84
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,043,066.70)	\$ (1,043,066.70)	\$ (1,043,066.70)	\$ (1,043,066.70)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 31,193,572.00	\$ 31,193,572.00	\$ 31,193,572.00	\$ 31,193,572.00
7	Total Generation and Purchase Power (per books)	971,392.183	971,392.163	971,392.163	971,392.163
8	Losses (kWh) (1-Line 2)*(Line 7)	59,320,005	59,320,005	59,320,005	59,320,005
9	Total Generation After Losses (kWh) (Line 7-Line 8)	912,072.158	912,072.158	912,072.158	912,072.158
10	kWh Subject to FPP	921,361,651	645,382,231	253,871,640	22,107,780
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	101.02%	70.76%	27.84%	2.42%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 31,502,945.80	\$ 22,086,943.97	\$ 8,680,149.68	\$ 755,851.95
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 31,502,945.80	\$ 22,086,943.97	\$ 8,680,149.68	\$ 755,851.95
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 119,149.84	\$ 83,460.38	\$ 32,830.50	\$ 2,858.98
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,511,748.43	\$ 22,072,571.56	\$ 8,684,290.44	\$ 754,884.44
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 127,950.67	\$ 89,087.96	\$ 36,971.26	\$ 1,891.45
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
20	EA Expense Allocated to FPP	\$ 582,413.51	\$ 407,960.69	\$ 160,478.00	\$ 13,974.82
21	EA Sales Margin Allocated to FPP	\$ (98,898.06)	\$ (59,274.70)	\$ (27,250.33)	\$ (2,373.03)
22	Net EA Cost (Line 19 + Line 20)	\$ 483,515.45	\$ 338,685.99	\$ 133,227.67	\$ 11,601.79
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 595,717.69	\$ 417,300.38	\$ 164,083.95	\$ 14,333.36
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (112,202.24)	\$ (78,614.39)	\$ (30,856.28)	\$ (2,731.57)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
27	ER Expense Allocated to FPP	\$ 731,938.33	\$ 512,697.69	\$ 201,878.01	\$ 17,562.63
28	ER Revenue in FPP (per books)	\$ 1,591,833.19	\$ 1,114,486.88	\$ 439,006.07	\$ 38,180.24
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (859,694.86)	\$ (601,789.19)	\$ (237,328.08)	\$ (20,597.61)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
31	AEPS Expense	\$ 203,968.89	\$ 142,873.21	\$ 56,201.51	\$ 4,894.17
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 203,968.89	\$ 142,873.21	\$ 56,201.51	\$ 4,894.17
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 243,154.59	\$ 169,818.72	\$ 67,372.22	\$ 5,863.65
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (39,185.70)	\$ (27,045.51)	\$ (11,170.71)	\$ (889.48)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,544,541.26	\$ 292,360.15	\$ 1,151,847.60	\$ 100,333.51
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,178,355.46	\$ (40,348.09)	\$ 1,092,755.48	\$ 125,948.07
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0099 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 917,853.68	\$ 644,736.85	\$ 253,617.77	\$ 19,499.06
41	Actual SLA recovery through FPP	\$ 1,307,278.67	\$ 927,056.53	\$ 384,027.31	\$ 18,194.83
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,996,278.67	\$ 1,398,302.68	\$ 550,151.88	\$ 47,822.11
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (228,855.68)	\$ (173,490.70)	\$ (67,493.20)	\$ 12,128.22
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 66,367.65	\$ (832,179.92)	\$ 782,878.49	\$ 115,669.08
45	Net Under/(Over) Recovery of FPP Costs (Page 5AA, Line 44)	\$ (217,839.44)	\$ (1,032,059.10)	\$ 704,901.38	\$ 109,318.28
46	Net Adjustment for August 2010 (Line 45 - Line 44) To Page 3 Line 5	\$ 284,207.09	\$ 199,879.18	\$ 77,977.11	\$ 6,350.80

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

Line	Reconciliation Adjustment (RA)	September 2010	Residential September 2010	Non-Residential September 2010	Voltage Reduction September 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 22,941,044.05	\$ 22,941,044.05	\$ 22,941,044.05	\$ 22,941,044.05
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 21,540,103.31	\$ 21,540,103.31	\$ 21,540,103.31	\$ 21,540,103.31
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67
5	RSG Make Whole Payments & Secondary MISQ Costs	\$ (516,561.55)	\$ (516,561.55)	\$ (516,561.55)	\$ (516,561.55)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 22,169,516.43	\$ 22,169,516.43	\$ 22,169,516.43	\$ 22,169,516.43
7	Total Generation and Purchase Power (per books)	672,671,993	672,671,993	672,671,993	672,671,993
8	Losses (kWh) (Line 2) * (Line 7)	41,078,061	41,078,061	41,078,061	41,078,061
9	Total Generation After Losses (kWh) (Line 7 - Line 8)	631,593,932	631,593,932	631,593,932	631,593,932
10	kWh Subject to FPP	708,268,416	500,680,187	205,917,716	1,670,513
11	Ratio of FPP Sales to Total Generation (Line 10 / Line 9)	112.14%	79.27%	32.81%	0.26%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.68	\$ 57,113.86
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.68	\$ 57,113.86
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 14,294.82	\$ 10,105.12	\$ 4,155.99	\$ 33.72
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 128,471.17	\$ 90,817.22	\$ 37,350.94	\$ 303.01
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 24,880,895.72	\$ 17,573,775.67	\$ 7,229,479.31	\$ 57,640.74
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 781,720.56	\$ 554,274.28	\$ 226,682.68	\$ 863.61
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
21	EA Expense Allocated to FPP	\$ 495,446.11	\$ 350,234.52	\$ 144,043.03	\$ 1,168.66
22	EA Sales Margin Allocated to FPP	\$ (25,696.16)	\$ (18,166.22)	\$ (7,471.33)	\$ (60.61)
23	Net EA Cost (Line 21 + Line 22)	\$ 469,747.95	\$ 332,068.30	\$ 136,571.70	\$ 1,107.95
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 458,004.38	\$ 323,758.44	\$ 133,162.86	\$ 1,083.06
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 11,743.59	\$ 8,309.86	\$ 3,408.84	\$ 24.89
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
28	ER Expense Allocated to FPP	\$ 953,908.55	\$ 674,323.60	\$ 277,333.08	\$ 2,249.87
29	ER Revenue in FPP (per books)	\$ 1,223,908.54	\$ 864,648.28	\$ 356,276.79	\$ 2,883.47
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (269,901.99)	\$ (190,324.68)	\$ (78,943.71)	\$ (633.60)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
32	AEPS Expense	\$ 60,253.58	\$ 42,593.70	\$ 17,617.76	\$ 142.11
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 60,253.58	\$ 42,593.70	\$ 17,617.76	\$ 142.11
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 186,948.99	\$ 131,829.78	\$ 54,876.14	\$ 443.07
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (126,695.41)	\$ (89,236.08)	\$ (37,158.38)	\$ (300.96)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
38	Actual RA recovery through FPP	\$ 1,189,191.84	\$ 228,824.77	\$ 934,785.65	\$ 7,581.42
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,553,704.88	\$ 25,187.29	\$ 1,309,817.43	\$ 218,700.16
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0099 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 707,364.70	\$ 500,179.51	\$ 205,711.80	\$ 1,473.39
42	Actual SLA recovery through FPP	\$ 1,015,899.05	\$ 719,247.79	\$ 295,427.54	\$ 1,223.72
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,571,014.94	\$ 1,110,525.72	\$ 458,846.77	\$ 3,842.45
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (152,248.81)	\$ (108,901.58)	\$ (44,292.57)	\$ 845.34
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19 + Line 26 + Line 30 + Line 36 + Line 39 + Line 44)	\$ 1,798,322.82	\$ 199,308.09	\$ 1,379,414.29	\$ 218,599.44

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

Line	Reconciliation Adjustment (RA)	September 2010	Residential September 2010	Non-Residential September 2010	Voltage Reduction September 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 22,117,017.18	\$ 22,117,017.18	\$ 22,117,017.18	\$ 22,117,017.18
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 20,766,397.29	\$ 20,766,397.29	\$ 20,766,397.29	\$ 20,766,397.29
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67
5	RSG Make Whole Payments & Secondary MISQ Costs	\$ (585,593.06)	\$ (585,593.06)	\$ (585,593.06)	\$ (585,593.06)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 21,326,778.90	\$ 21,326,778.90	\$ 21,326,778.90	\$ 21,326,778.90
7	Total Generation and Purchase Power (per books)	660,480,934	660,480,934	660,480,934	660,480,934
8	Losses (kWh) (1-Line 2)/(Line 7)	40,333,589	40,333,589	40,333,589	40,333,589
9	Total Generation After Losses (kWh) (Line 7-Line 8)	620,147,345	620,147,345	620,147,345	620,147,345
10	kWh Subject to FPP	708,268,416	500,680,187	205,917,716	1,670,513
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	114.21%	80.74%	33.20%	0.27%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,221,841.15	\$ 17,120,423.73	\$ 7,044,403.66	\$ 57,113.66
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,221,841.15	\$ 17,120,423.73	\$ 7,044,403.66	\$ 57,113.66
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 14,029.81	\$ 9,917.78	\$ 4,078.94	\$ 33.09
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 128,471.17	\$ 90,817.22	\$ 37,350.94	\$ 303.01
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 24,357,314.18	\$ 17,219,241.28	\$ 7,080,490.59	\$ 57,582.31
19	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 17 + Line 18 - Line 14)	\$ 277,874.01	\$ 199,552.55	\$ 77,518.81	\$ 804.65
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
21	EA Expense Allocated to FPP	\$ 488,567.11	\$ 345,371.71	\$ 142,043.07	\$ 1,152.34
22	EA Sales Margin Allocated to FPP	\$ (25,698.16)	\$ (18,166.22)	\$ (7,471.33)	\$ (60.61)
23	Net EA Cost (Line 21 + Line 22)	\$ 462,868.95	\$ 327,205.49	\$ 134,571.74	\$ 1,091.73
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 458,004.38	\$ 323,758.44	\$ 133,162.86	\$ 1,083.06
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 4,864.59	\$ 3,447.05	\$ 1,408.88	\$ 8.67
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
28	ER Expense Allocated to FPP	\$ 936,222.08	\$ 661,822.32	\$ 272,181.60	\$ 2,208.18
29	ER Revenue in FPP (per books)	\$ 1,223,908.54	\$ 864,649.29	\$ 356,276.79	\$ 2,883.47
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (287,586.46)	\$ (202,825.06)	\$ (84,085.19)	\$ (675.31)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
32	AEPS Expense	\$ 62,103.58	\$ 43,901.48	\$ 18,055.62	\$ 146.48
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 62,103.58	\$ 43,901.48	\$ 18,055.62	\$ 146.48
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 186,948.99	\$ 131,829.78	\$ 54,676.14	\$ 443.07
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (124,845.41)	\$ (87,928.30)	\$ (36,620.52)	\$ (296.59)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,696.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
38	Actual RA recovery through FPP	\$ 1,189,191.84	\$ 228,824.77	\$ 934,785.66	\$ 7,561.42
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,553,704.88	\$ 25,187.29	\$ 1,309,817.43	\$ 218,700.16
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 707,364.70	\$ 500,179.51	\$ 205,711.80	\$ 1,473.39
42	Actual SLA recovery through FPP	\$ 1,015,899.05	\$ 719,247.79	\$ 285,427.54	\$ 1,223.72
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,642,642.88	\$ 1,090,490.50	\$ 448,405.80	\$ 3,646.67
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (180,720.77)	\$ (128,936.80)	\$ (52,733.54)	\$ 949.56
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 1,243,290.84	\$ (191,504.17)	\$ 1,215,303.97	\$ 219,491.04
Net Under/(Over) Recovery of FPP Costs (Page 5AC, Line 45)					
46		\$ 1,798,322.82	\$ 199,309.09	\$ 1,379,414.29	\$ 219,589.44
Net Adjustment for September 2010 (Line 45 - Line 46) To Page 3 Line 4					
47		\$ (555,031.98)	\$ (390,813.26)	\$ (164,110.32)	\$ (108.40)

FILE



39

Duke Energy Corporation
139 East Fourth Street
P.O. Box 980
Cincinnati, Ohio 45201-0980

May 31, 2011

The Public Utilities Commission of Ohio
Attention: Docketing Division
180 East Broad Street
13th Floor
Columbus, OH 43215-3793

RECEIVED-DOCKETING DIV
2011 JUN -1 AM 10:55
PUCO

RE: In the Matter of The Application of Duke Energy)
Ohio to Modify its Fuel, Economy Purchased) Case No. 11-974-EL-FAC
Power Component of Its Market-Based Standard)
Service Offer for 2011)

Docketing Division:

Enclosed for filing are fifteen (15) copies of the following attachments containing the Facts, Data, and Other Information pertinent to Duke Energy Ohio, Inc. fuel, economy purchased power, and emission allowance of its proposed market-based standard service offer (PTC-FPP):

- (a) Attachment I – Statement of Fuel Procurement Policies and Practices and
- (b) Attachment II – Narrative statement and applicable quarterly FPP forms supporting the proposed calculation of the fuel, economy purchased power, emission allowance, environmental reagent, and alternative energy portfolio standard component of its market-based standard service offer for the base period of July through September 2011. The FPP component will be applied to bills rendered during the quarter ending September 2011.

Please time-stamp the enclosed extra copy and return for our file. Thank you for your timely assistance in this regard.

Very truly yours,

Lisa D. Steinkuhl

Enclosures
Tariff memos/PUCO FPP filing/doc

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.
Technician HA Date Processed JUN 01 2011

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, SO₂, 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 Rider (PTC-FPP) of its standard service offer for the three-month projected period of July through September 2011.

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, 2011, and will coincide with the billing of Cycle 1 of the July 2011 revenue month and remain in effect through September 2011.

The methodology for calculating the proposed FPP Component of 3.2042 cents per kilowatt-hour for Residential, 3.3743 cents per kilowatt-hour for Non-Residential and 3.3227 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 2011 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 2.9260 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 2011 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 0.0173 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.

Environmental Reagents (ER)

Per Stipulation in Case No. 09-770-EL-UNC filed with the Commission on 11/19/09, environmental reagents will be recovered in the PTC-FPP rather than the PTC-AAC effective with the January 2010 revenue month. The base period of July through September 2011 was utilized to calculate the environmental reagents component (ER) for all types of customers. The proposed ER is composed of three months projected includable environmental reagent data. The total ER calculated portion of the FPP Component is 0.1946 cents per kilowatt-hour for all types of customers. This proposed ER is supported by the attached calculations on Page 2 of 5 of Schedule 1.

ATTACHMENT II

Alternative Energy Portfolio Standard (AEPS)

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 base period of July through September 2011 was utilized to calculate the alternative energy portfolio standard for all types of customers. The total alternative energy portfolio standard calculated portion of the FPP Component is 0.0350 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 RA component is based on the reconciliation of actual fuel, economy purchased power, emission allowance costs, environmental reagent costs, alternative energy portfolio standard and system loss adjustment to the FPP Component revenues for the three month period ending March 2011. The RA amount for the three month period ending March 2011 included in this filing is (\$1,090,186.13) for Residential customers and \$34,054.53 for Non-Residential customers and \$418,013.22 for Voltage Reduction customers. In addition to these RA amounts are \$202,344.81 for Residential customers and \$96,864.38 for Non-Residential customers and \$1,849.16 for Voltage Reduction customers which represents an updated adjustment to the 4th quarter 2010 RA amount filed in the 2nd quarter 2011 filing and is supported by the attached calculations on Page 5S thru 5X 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 September 2011. The total SLA calculated portion of the FPP Component is 0.0952 cents per kilowatt-hour for Residential and Non-Residential type customers, and 0.0436 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 0.0106 cents per kilowatt-hour which represents a Synchronization Adjustment. Based upon this information, the proposed SLA should be established at 0.1058 cents per kilowatt-hour for Residential and Non-Residential type customers and at 0.0542 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, the Environmental Reagent Component (ER) on Page 2 of Schedule 1, the Alternative Energy Portfolio Standard (AEPS) 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 3.2042 cents per kilowatt-hour be established for Residential type customers, 3.3743 cents per kilowatt-hour be established for Non-Residential type customers and 3.3227 cents per kilowatt-hour be established for Voltage Reduction type customers. These rates should be effective with bills rendered on and after July 1, 2011, to all consumers other than consumers taking generation service from Certified Retail Electric Suppliers. This will coincide with Cycle 1 billing for the July 2011 revenue month.

**Duke Energy Americas
Non-Regulated Generation
Duke Energy Ohio PTC-FPP
Q3 2011 Workpapers**

Duke Energy Ohio
Electric Department
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During
July 2011 through September 2011

Line	Description	(A) Includable Fuel Cost \$	(B) Other Includable MISO Costs From Page 1A \$	(C) Total Includable Costs \$	(D) Includable Energy (kWh)	(E) FPP Rate Components (Col. C + Col. D)
<u>Fuel & Economy Purchased Power Cost Expense (FC) - by Month (Projected)</u>						
1	July 2011	\$ 20,138,167.00	\$ (345,781.00)	\$ 19,792,386.00	674,057,249	
2	August 2011	\$ 20,862,114.00	\$ (345,781.00)	\$ 20,516,333.00	689,735,136	
3	September 2011	\$ 15,666,106.00	\$ (345,781.00)	\$ 15,320,325.00	537,418,434	
4	Total Fuel & Economy Purchased Power Cost Expense	\$ 56,666,387.00	\$ (1,037,343.00)	\$ 55,629,044.00	1,901,210,819	2.9260 ¢/kWh
5	Less: Baseline EFC Rate ^(a)					- ¢/kWh
6	Total FC Portion to be Included in FPP					2.9260 ¢/kWh
7	Emission Allowances Adjustment (EA) From Page 2					0.0173 ¢/kWh
8	Environmental Reagents (ER) From Page 2					0.1946 ¢/kWh
9	Alternative Energy Portfolio Standard From Page 2					0.0350 ¢/kWh
10	Total FPP Rate before RA and SLA					3.1729 ¢/kWh
<u>FPP Rate</u>						
		<u>Residential</u>	<u>Non-Residential</u>	<u>Voltage Reduction ^(b)</u>		
11	Total FPP Rate before RA and SLA (Line 10)	3.1729	3.1729	3.1729	¢/kWh	
12	Reconciliation Adjustment (RA) From Page 3	(0.0745)	0.0956	0.0956	¢/kWh	
13	System Loss Adjustment (SLA) From Page 4	0.1058	0.1058	0.0542	¢/kWh	
14	Total FPP Rate	3.2042	3.3743	3.3227	¢/kWh	

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

^(b) Rate for Customers taking service at 69 kV or greater.

Schedule 1
Page 1A of 5

Duke Energy Ohio
Electric Department
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During
July 2011 through September 2011

Other Includable MISO Costs	April 2011	May 2011	June 2011	Total For Period
(a)	(b)	(c)	(d)	(e)
FTR (Hourly, Monthly, Yearly, Transaction)	\$ (345,781)	\$ (345,781)	\$ (345,781)	\$ (1,037,343)
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	\$ -	\$ -	\$ -	\$ -
Total Other Includable MISO Costs	\$ (345,781)	\$ (345,781)	\$ (345,781)	\$ (1,037,343)

Duke Energy Ohio
Electric Department
Calculation of Quarterly Emission Allowances Component and Alternative Energy Portfolio Standard for Billing During
July 2011 through September 2011

Line	Description	(1) Includable Emission Allowances \$	(2) Includable Energy (kWh)	(3) EA Rate Components (Col. 1 + Col. 2)
Emission Allowances (EA) - by Month (Projected)				
1	July 2011	\$ 115,217.00	653,835,532	
2	August 2011	\$ 117,431.00	669,043,082	
3	September 2011	\$ 86,252.00	521,295,881	
4	EA Auction Proceeds Credits	\$ -		
5	Total Emission Allowance Expense	\$ 318,900.00	1,844,174,495	0.0173 \$/kWh
6	Less: Baseline EA Rate ^(c)			- \$/kWh
7	Quarterly Emission Allowance Rate (Rate will never be less than -0-)			0.0173 \$/kWh

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

Line	Description	(1) Includable Environmental Reagents \$	(2) Includable Energy (kWh)	(3) ER Rate Components (Col. 1 + Col. 2)
Environmental Reagents (ER) - by Month (Projected)				
8	July 2011	\$ 1,266,218.00	653,835,532	
9	August 2011	\$ 1,235,506.00	669,043,082	
10	September 2011	\$ 1,086,425.00	521,295,881	
11	Total Emission Allowance Expense	\$ 3,588,149.00	1,844,174,495	0.1946 \$/kWh

Line	Description	(1) Includable Alternative Energy Portfolio Standard \$	(2) Includable Energy (kWh)	(3) Alternative Energy Portfolio Standard Components (Col. 1 + Col. 2)
Alternative Energy Portfolio Standard - by Month (Projected)				
12	July 2011	\$ 217,348.00	653,835,532	
13	August 2011	\$ 224,122.00	669,043,082	
14	September 2011	\$ 203,676.00	521,295,881	
15	Total Alternative Energy Portfolio Standard Expense	\$ 645,146.00	1,844,174,495	0.0350 \$/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
July 2011 through September 2011

Line	Reconciliation Adjustment (RA)	Total	Residential	Total Non-Residential
1	March 2011 (See Page 3C Line 45)	\$ 716,292.84	\$ 260,031.99	\$ 456,260.85
2	February 2011 (See Page 3B Line 44)	\$ (1,437,929.32)	\$ (1,328,670.55)	\$ (109,258.77)
3	January 2011 (See Page 3A Line 44)	\$ 83,518.10	\$ (21,547.57)	\$ 105,065.67
4	December 2010 (See Page 5X Line 47)	\$ 36,399.69	\$ 27,077.65	\$ 9,322.03
5	November 2010 (See Page 5V Line 46)	\$ 66,014.44	\$ 42,989.30	\$ 23,025.14
6	October 2010 (See Page 5T Line 46)	\$ 198,644.23	\$ 132,277.86	\$ 66,366.37
7	September 2010 (See Page 5R Line 47)	\$ -	\$ -	\$ -
8	August 2010 (See Page 5P Line 46)	\$ -	\$ -	\$ -
9	July 2010 (See Page 5N Line 46)	\$ -	\$ -	\$ -
10	June 2010 (See Page 5L Line 47)	\$ -	\$ -	\$ -
11	May 2010 (See Page 5J Line 47)	\$ -	\$ -	\$ -
12	April 2010 (See Page 5H Line 46)	\$ -	\$ -	\$ -
13	March 2010 (See Page 5F Line 45)	\$ -	\$ -	\$ -
14	February 2010 (See Page 5D Line 45)	\$ -	\$ -	\$ -
15	January 2010 (See Page 5B Line 45)	\$ -	\$ -	\$ -
16	Miscellaneous Prior Period Adjustments	\$ -	\$ -	\$ -
17	Total Reconciliation Adjustment (Line 1 through Line 16)	\$ (337,060.03)	\$ (887,841.32)	\$ 550,781.29
18	Portion of Reconciliation deferred	\$ -	\$ -	\$ -
19	Reconciliation Adjustment to recover in 3rd quarter 2011	\$ (337,060.03)	\$ (887,841.32)	\$ 550,781.29
20	Projected Retail Energy (kWh)	1,787,003,000	1,190,969,000	576,034,000
21	Total RA Rate (Line 19 / Line 20) To Page 1 Line 12		<u>(0.0745)</u>	<u>0.0956</u> ¢/kWh

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

Line	Reconciliation Adjustment (RA)	January 2011	Residential January 2011	Non-Residential January 2011	Voltage Reduction January 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 23,329,294.21	\$ 23,329,294.21	\$ 23,329,294.21	\$ 23,329,294.21
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 21,904,644.20	\$ 21,904,644.20	\$ 21,904,644.20	\$ 21,904,644.20
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (398,405.19)	\$ (398,405.19)	\$ (398,405.19)	\$ (398,405.19)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (810,925.19)	\$ (810,925.19)	\$ (810,925.19)	\$ (810,925.19)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 20,895,313.82	\$ 20,895,313.82	\$ 20,895,313.82	\$ 20,895,313.82
7	Total Generation and Purchase Power (per books)	770,519,584	770,519,584	770,519,584	770,519,584
8	Losses (kWh) (1-Line 2)*(Line 7)	47,053,319	47,053,319	47,053,319	47,053,319
9	Total Generation After Losses (kWh) (Line 7-Line 8)	723,466,265	723,466,265	723,466,265	723,466,265
10	kWh Subject to FPP	756,705,155	573,998,765	180,935,702	1,770,688
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	104.59%	79.34%	25.01%	0.24%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 21,543,733.71	\$ 16,323,550.28	\$ 5,169,787.30	\$ 50,396.13
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 21,543,733.71	\$ 16,323,550.28	\$ 5,169,787.30	\$ 50,396.13
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 6,139.45	\$ 4,657.08	\$ 1,468.00	\$ 14.37
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 21,854,408.72	\$ 16,578,341.98	\$ 5,225,917.99	\$ 50,148.75
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 316,814.46	\$ 259,448.78	\$ 57,598.69	\$ (233.01)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	756,705,155	573,998,765	180,935,702	1,770,688
20	EA Expense Allocated to FPP	\$ 162,181.36	\$ 123,022.69	\$ 38,779.17	\$ 379.50
21	EA Sales Margin Allocated to FPP	\$ 66,282.05	\$ 50,278.26	\$ 15,848.70	\$ 155.09
22	Net EA Cost (Line 19 + Line 20)	\$ 228,463.41	\$ 173,300.95	\$ 54,627.87	\$ 534.59
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 172,248.58	\$ 130,769.74	\$ 41,077.38	\$ 401.44
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ 56,214.85	\$ 42,531.21	\$ 13,550.49	\$ 133.15
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	756,705,155	573,998,765	180,935,702	1,770,688
27	ER Expense Allocated to FPP	\$ 628,052.66	\$ 476,409.42	\$ 150,173.61	\$ 1,469.63
28	ER Revenue in FPP (per books)	\$ 1,069,672.55	\$ 810,772.36	\$ 256,402.37	\$ 2,497.82
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (441,619.89)	\$ (334,362.94)	\$ (106,228.76)	\$ (1,028.19)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	756,705,155	573,998,765	180,935,702	1,770,688
31	AEPS Expense	\$ 170,467.40	\$ 129,308.06	\$ 40,760.44	\$ 398.90
32	AEPS Sales Margin	\$ (3,583.60)	\$ (2,718.45)	\$ (856.93)	\$ (6.22)
33	Net AEPS Cost (Line 31 + Line 32)	\$ 166,883.80	\$ 126,589.61	\$ 39,903.51	\$ 390.68
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 271,310.35	\$ 205,744.39	\$ 64,928.78	\$ 637.20
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (104,426.55)	\$ (79,154.78)	\$ (25,025.25)	\$ (246.52)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 590,338.94	\$ (501,774.31)	\$ 944,670.89	\$ 147,442.36
37	Actual RA recovery through FPP	\$ 313,763.86	\$ (606,771.58)	\$ 911,652.87	\$ 8,882.57
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 276,575.08	\$ 104,997.27	\$ 33,018.02	\$ 138,559.79
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 755,741.29	\$ 573,424.77	\$ 180,754.77	\$ 1,561.75
41	Actual SLA recovery through FPP	\$ 754,340.00	\$ 571,899.65	\$ 181,535.53	\$ 904.82
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,490,041.44	\$ 1,130,317.31	\$ 356,304.97	\$ 3,419.16
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (20,039.85)	\$ (15,007.11)	\$ (5,985.33)	\$ 952.58
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 83,518.10	\$ (21,547.57)	\$ (33,072.14)	\$ 138,137.81

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

Line	Reconciliation Adjustment (RA)	February 2011	Residential February 2011	Non-Residential February 2011	Voltage Reduction February 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 17,404,915.84	\$ 17,404,915.84	\$ 17,404,915.84	\$ 17,404,915.84
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 16,342,049.85	\$ 16,342,049.85	\$ 16,342,049.85	\$ 16,342,049.85
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 246,736.24	\$ 246,736.24	\$ 246,736.24	\$ 246,736.24
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (556,454.73)	\$ (556,454.73)	\$ (556,454.73)	\$ (556,454.73)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 16,032,331.36	\$ 16,032,331.36	\$ 16,032,331.36	\$ 16,032,331.36
7	Total Generation and Purchase Power (per books)	616,519,808	616,519,808	616,519,808	616,519,808
8	Losses (kWh) (1-Line 2)*(Line 7)	37,649,015	37,649,015	37,649,015	37,649,015
9	Total Generation After Losses (kWh) (Line 7-Line 8)	578,870,793	578,870,793	578,870,793	578,870,793
10	kWh Subject to FPP	626,616,775	471,149,627	154,591,114	878,034
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	108.25%	81.39%	26.71%	0.15%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 17,823,782.86	\$ 13,410,255.80	\$ 4,388,593.97	\$ 24,933.09
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 17,823,782.86	\$ 13,410,255.80	\$ 4,388,593.97	\$ 24,933.09
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 5,319.18	\$ 3,999.46	\$ 1,312.28	\$ 7.44
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 17,354,998.70	\$ 13,048,714.49	\$ 4,282,235.71	\$ 24,048.50
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (483,464.98)	\$ (357,541.85)	\$ (105,045.98)	\$ (877.15)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	626,616,775	471,149,627	154,591,114	878,034
20	EA Expense Allocated to FPP	\$ 115,287.53	\$ 86,684.05	\$ 28,442.31	\$ 181.17
21	EA Sales Margin Allocated to FPP	\$ (11,398.15)	\$ (8,570.20)	\$ (2,812.01)	\$ (15.94)
22	Net EA Cost (Line 19 + Line 20)	\$ 103,889.38	\$ 78,113.85	\$ 25,630.30	\$ 145.23
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 142,499.91	\$ 107,431.02	\$ 34,870.28	\$ 198.81
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (38,610.53)	\$ (29,317.17)	\$ (9,239.98)	\$ (53.38)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	626,616,775	471,149,627	154,591,114	878,034
27	ER Expense Allocated to FPP	\$ 708,345.31	\$ 532,600.85	\$ 174,754.16	\$ 990.30
28	ER Revenue in FPP (per books)	\$ 884,966.15	\$ 666,072.31	\$ 217,658.06	\$ 1,235.78
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (176,620.84)	\$ (133,471.46)	\$ (42,903.90)	\$ (245.48)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	626,616,775	471,149,627	154,591,114	878,034
31	AEPS Expense	\$ 277,824.37	\$ 208,894.58	\$ 68,541.38	\$ 388.41
32	AEPS Sales Margin	\$ (1,023,410.00)	\$ (769,471.96)	\$ (252,519.92)	\$ (1,418.12)
33	Net AEPS Cost (Line 31 + Line 32)	\$ (745,585.63)	\$ (560,577.38)	\$ (183,978.54)	\$ (1,029.71)
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 224,467.60	\$ 169,024.80	\$ 55,117.55	\$ 315.25
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (970,043.23)	\$ (729,602.18)	\$ (239,096.09)	\$ (1,344.96)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 590,338.94	\$ (501,774.31)	\$ 944,670.89	\$ 147,442.36
37	Actual RA recovery through FPP	\$ 279,810.00	\$ (498,479.92)	\$ 773,895.34	\$ 4,394.58
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 310,528.94	\$ (3,294.39)	\$ 170,775.55	\$ 143,047.78
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 625,887.66	\$ 470,678.48	\$ 154,438.52	\$ 772.66
41	Actual SLA recovery through FPP	\$ 624,383.46	\$ 469,831.65	\$ 154,104.16	\$ 447.65
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,150,552.44	\$ 865,068.63	\$ 283,891.51	\$ 1,594.30
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (99,718.68)	\$ (75,443.50)	\$ (24,649.17)	\$ 373.99
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,437,829.32)	\$ (1,328,670.55)	\$ (250,159.57)	\$ 140,900.80

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

Line	Reconciliation Adjustment (RA)	March 2011	Residential March 2011	Non-Residential March 2011	Voltage Reduction March 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 17,433,144.58	\$ 17,433,144.58	\$ 17,433,144.58	\$ 17,433,144.58
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 16,368,554.74	\$ 16,368,554.74	\$ 16,368,554.74	\$ 16,368,554.74
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 251,231.65	\$ 251,231.65	\$ 251,231.65	\$ 251,231.65
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (429,977.65)	\$ (429,977.65)	\$ (429,977.65)	\$ (429,977.65)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 16,189,808.74	\$ 16,189,808.74	\$ 16,189,808.74	\$ 16,189,808.74
7	Total Generation and Purchase Power (per books)	579,593,351	579,593,351	579,593,351	579,593,351
8	Losses (kWh) (1-Line 2)*(Line 7)	35,393,417	35,393,417	35,393,417	35,393,417
9	Total Generation After Losses (kWh) (Line 7-Line 8)	544,199,934	544,199,934	544,199,934	544,199,934
10	kWh Subject to FPP	537,700,335	406,146,780	149,357,285	2,196,270
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.48%	74.63%	27.45%	0.40%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 15,882,410.93	\$ 11,565,999.67	\$ 4,253,902.50	\$ 62,508.76
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 15,882,410.93	\$ 11,565,999.67	\$ 4,253,902.50	\$ 62,508.76
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 0.00	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 16,591,316.00	\$ 12,082,454.26	\$ 4,444,102.50	\$ 64,759.24
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 708,905.07	\$ 516,454.59	\$ 190,200.00	\$ 2,250.48
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	557,700,335	406,146,780	149,357,285	2,196,270
21	EA Expense Allocated to FPP	\$ 108,142.38	\$ 78,754.98	\$ 28,981.53	\$ 425.87
22	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
23	Net EA Cost (Line 21 + Line 22)	\$ 108,142.38	\$ 78,754.98	\$ 28,981.53	\$ 425.87
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 126,954.47	\$ 92,658.48	\$ 33,800.07	\$ 497.92
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (18,812.09)	\$ (13,901.50)	\$ (4,838.54)	\$ (72.05)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	557,700,335	406,146,780	149,357,285	2,196,270
28	ER Expense Allocated to FPP	\$ 789,144.30	\$ 560,131.42	\$ 205,963.92	\$ 3,028.96
29	ER Revenue in FPP (per books)	\$ 788,546.21	\$ 574,470.18	\$ 210,977.86	\$ 3,088.17
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (597.09)	\$ (13,338.76)	\$ (4,993.94)	\$ (69.21)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	557,700,335	406,146,780	149,357,285	2,196,270
32	AEPS Expense	\$ 106,319.05	\$ 77,427.14	\$ 28,473.22	\$ 418.69
33	AEPS Sales Margin	\$ (98,217.00)	\$ (71,526.80)	\$ (26,303.42)	\$ (386.78)
34	Net AEPS Cost (Line 32 + Line 33)	\$ 8,102.05	\$ 5,900.34	\$ 2,169.80	\$ 31.91
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 199,995.80	\$ 145,779.53	\$ 53,425.92	\$ 790.35
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (191,893.75)	\$ (139,879.19)	\$ (51,256.12)	\$ (758.44)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 580,338.94	\$ (501,774.31)	\$ 944,870.89	\$ 147,442.36
38	Actual RA recovery through FPP	\$ 331,234.92	\$ (429,926.07)	\$ 750,143.52	\$ 11,017.47
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 249,104.02	\$ (71,848.24)	\$ 194,727.37	\$ 136,424.89
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 556,885.67	\$ 405,740.63	\$ 149,207.93	\$ 1,937.11
42	Actual SLA recovery through FPP	\$ 555,714.49	\$ 405,217.68	\$ 149,374.51	\$ 1,122.30
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,090,991.66	\$ 794,503.40	\$ 292,229.91	\$ 4,258.35
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (21,608.50)	\$ (16,454.91)	\$ (6,352.53)	\$ 1,188.94
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 718,292.84	\$ 260,031.99	\$ 317,286.24	\$ 138,974.61

Duke Energy Ohio
Electric Department
Calculation of Quarterly Voltage-Adjusted System Loss Adjustment
July 2011 through September 2011

Line	Description	Distribution (A)	Transmission (B)	Total Losses	
				Voltage Adjusted Methodology (C)	No Voltage Adjustment (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)	2.9260	2.9260	2.9260	2.9260
5	Projected Sales at Meter (kWh) ^(a)	1,673,842,000	93,161,000	1,767,003,000	1,767,003,000
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))	1,788,445,919	96,080,217	1,868,481,055	1,881,926,612
8	Energy Losses (kWh) (Line 7 - Line 5)	114,603,919	2,919,217	101,478,055	114,923,612
9	Value of Losses (Line 8 * Line 4)	3,353,310.67	85,416.28	2,969,247.89	3,362,664.89
10	Average Losses Rate (\$/kWh) (Line 9 * Line 5)	0.2003	0.0917	0.1680	0.1903
11	Losses in MBSSO (\$/kWh) (Line 3)	0.1051	0.0481	0.0882	0.0999
12	System Loss Adjustment (\$/kWh) (Line 10 - Line 11)	0.0952	0.0436	0.0798	0.0904
13	Synchronization Adj. (\$/kWh) (L 12, Column D - Column C)	0.0106	0.0106	0.0106	-
14	Adjusted SLA (\$/kWh) (Line 12 + Line 13)	0.1058	0.0542	0.0904	0.0904
Total SLA Rate (Line 14, Columns A & B) To Page 1 Line 13					

Notes: ^(a) Projected Sales at Meter for 3rd quarter 2011 were provided by the Load Forecasting Department.

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

Line	Reconciliation Adjustment (RA)	January 2010	Residential January 2010	Non-Residential January 2010	Voltage Reduction January 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78
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)	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89
7	Total Generation and Purchase Power (per books)	1,316,709,446	1,316,709,446	1,316,709,446	1,316,709,446
8	Losses (kWh) (1-Line 2)*(Line 7)	80,407,496	80,407,496	80,407,496	80,407,496
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,236,301,950	1,236,301,950	1,236,301,950	1,236,301,950
10	kWh Subject to FPP	1,269,923,992	764,134,697	481,905,942	23,883,353
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.72%	61.81%	38.98%	1.93%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 195,557.98	\$ 123,329.77	\$ 6,112.25
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 37,616,470.66	\$ 22,635,066.70	\$ 14,274,630.32	\$ 706,773.64
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (3,390,747.47)	\$ (2,006,318.31)	\$ (1,325,408.57)	\$ (59,020.59)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
19	EA Expense Allocated to FPP	\$ 754,190.45	\$ 453,809.12	\$ 286,197.33	\$ 14,184.00
20	EA Sales Margin Allocated to FPP	\$ (435,948.47)	\$ (262,317.55)	\$ (165,432.07)	\$ (8,188.85)
21	Net EA Cost (Line 19 + Line 20)	\$ 318,241.98	\$ 191,491.57	\$ 120,765.26	\$ 5,985.15
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 586,130.25	\$ 352,188.48	\$ 223,055.80	\$ 10,886.99
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (267,888.27)	\$ (160,696.89)	\$ (102,290.54)	\$ (4,900.84)
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
26	ER Expense Allocated to FPP	\$ 1,134,591.78	\$ 682,703.02	\$ 430,550.58	\$ 21,338.18
27	ER Revenue in FPP (per books)	\$ 2,042,781.40	\$ 1,228,065.86	\$ 776,584.64	\$ 38,150.90
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (908,189.62)	\$ (545,362.84)	\$ (346,014.06)	\$ (16,812.72)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
30	AEPS Expense	\$ 34,788.86	\$ 20,933.04	\$ 13,201.54	\$ 654.28
31	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
32	Net AEPS Cost (Line 31 + Line 32)	\$ 34,788.86	\$ 20,933.04	\$ 13,201.54	\$ 654.28
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 265,445.25	\$ 159,250.44	\$ 101,201.24	\$ 4,993.57
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (230,656.39)	\$ (138,317.40)	\$ (87,999.70)	\$ (4,339.29)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 6,409,517.27	\$ 3,053,320.86	\$ 3,199,198.48	\$ 156,997.93
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ (172,724.44)	\$ (823,052.03)	\$ 570,948.45	\$ 79,379.14
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,266,859.72	\$ 763,370.58	\$ 481,424.04	\$ 21,065.12
40	Actual SLA recovery through FPP	\$ 1,641,021.01	\$ 995,315.22	\$ 629,926.10	\$ 15,779.69
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,368,141.10	\$ 1,424,988.34	\$ 898,657.90	\$ 44,494.86
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (538,739.63)	\$ (333,697.44)	\$ (212,692.24)	\$ 7,650.05
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (5,608,945.82)	\$ (4,007,444.91)	\$ (1,503,456.66)	\$ 1,955.75

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

Line	Reconciliation Adjustment (RA)	January 2010	Residential January 2010	Non-Residential January 2010	Voltage Reduction January 2010
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78
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)	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89
7	Total Generation and Purchase Power (per books)	1,316,709,446	1,316,709,446	1,316,709,446	1,316,709,446
8	Losses (kWh) (1-Line 2)*(Line 7)	80,407,496	80,407,496	80,407,496	80,407,496
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,236,301,950	1,236,301,950	1,236,301,950	1,236,301,950
10	kWh Subject to FPP	1,269,923,992	764,134,697	481,905,942	23,883,353
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.72%	61.81%	38.98%	1.93%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 195,557.98	\$ 123,329.77	\$ 6,112.25
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 37,616,470.66	\$ 22,835,066.70	\$ 14,274,630.32	\$ 706,773.64
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (3,390,747.47)	\$ (2,006,318.31)	\$ (1,325,408.57)	\$ (59,020.59)
<u>Emissions Allowance Component (EA)</u>					
18	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
19	EA Expense Allocated to FPP	\$ 754,190.45	\$ 453,809.12	\$ 286,197.33	\$ 14,184.00
20	EA Sales Margin Allocated to FPP	\$ (435,948.47)	\$ (262,317.55)	\$ (165,432.07)	\$ (8,198.85)
21	Net EA Cost (Line 19 + Line 20)	\$ 318,241.98	\$ 191,491.57	\$ 120,765.26	\$ 5,985.15
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 586,130.25	\$ 352,188.46	\$ 223,055.80	\$ 10,885.99
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (267,888.27)	\$ (160,696.89)	\$ (102,290.54)	\$ (4,900.84)
<u>Environmental Reagents Component (ER)</u>					
25	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
26	ER Expense Allocated to FPP	\$ 1,134,581.78	\$ 682,703.02	\$ 430,550.58	\$ 21,338.18
27	ER Revenue in FPP (per books)	\$ 2,042,781.40	\$ 1,228,065.86	\$ 778,564.64	\$ 38,150.90
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (908,189.62)	\$ (545,362.84)	\$ (346,014.06)	\$ (16,812.72)
<u>Alternative Energy Portfolio Standard</u>					
29	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
30	AEPS Expense	\$ 34,788.86	\$ 20,933.04	\$ 13,201.54	\$ 654.28
31	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
32	Net AEPS Cost (Line 31 + Line 32)	\$ 34,788.86	\$ 20,933.04	\$ 13,201.54	\$ 654.28
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 266,445.25	\$ 159,250.44	\$ 101,201.24	\$ 4,993.57
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (230,856.39)	\$ (138,317.40)	\$ (87,999.70)	\$ (4,339.29)
<u>Reconciliation Adjustment Amortization (RA)</u>					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 6,409,517.27	\$ 3,053,320.86	\$ 3,199,198.48	\$ 156,997.93
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ (172,724.44)	\$ (823,052.03)	\$ 570,948.45	\$ 79,379.14
<u>System Loss Component (SLA)</u>					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,265,859.72	\$ 763,370.56	\$ 481,424.04	\$ 21,065.12
40	Actual SLA recovery through FPP	\$ 1,641,021.01	\$ 995,315.22	\$ 629,926.10	\$ 15,779.69
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,368,141.10	\$ 1,424,988.34	\$ 898,657.90	\$ 44,494.86
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (538,739.63)	\$ (333,697.44)	\$ (212,692.24)	\$ 7,650.05
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (5,508,945.82)	\$ (4,007,444.91)	\$ (1,503,456.66)	\$ 1,955.75
Net Under/(Over) Recovery of FPP Costs (Page 5A, Line 43)					
44		\$ (5,508,945.82)	\$ (4,007,444.91)	\$ (1,503,456.66)	\$ 1,955.75
Net Adjustment for January 2010 (Line 43- Line 44) To Page 3 Line 15					
45		\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	February 2010	Residential February 2010	Non-Residential February 2010	Voltage Reduction February 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08
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)	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,682,578.59	\$ 2,682,578.59	\$ 2,682,578.59	\$ 2,682,578.59
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68
7	Total Generation and Purchase Power (per books)	1,150,796,208	1,150,796,208	1,150,796,208	1,150,796,208
8	Losses (kWh) (1-Line 2)(Line 7)	70,275,672	70,275,672	70,275,672	70,275,672
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,080,520,536	1,080,520,536	1,080,520,536	1,080,520,536
10	kWh Subject to FPP	1,077,202,765	654,386,179	405,085,785	17,730,801
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.69%	60.56%	37.49%	1.64%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 578,131.05
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 578,131.05
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 197,433.13	\$ 122,217.36	\$ 5,349.51
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,242,471.56	\$ 20,194,242.92	\$ 12,501,356.80	\$ 546,871.84
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (1,450,545.46)	\$ (880,762.36)	\$ (545,873.40)	\$ (23,909.70)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
19	EA Expense Allocated to FPP	\$ 681,752.32	\$ 414,155.36	\$ 256,375.29	\$ 11,221.67
20	EA Sales Margin Allocated to FPP	\$ (34,604.45)	\$ (21,021.74)	\$ (13,013.12)	\$ (569.59)
21	Net EA Cost (Line 19 + Line 20)	\$ 647,147.87	\$ 393,133.62	\$ 243,362.17	\$ 10,652.08
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 496,593.93	\$ 301,643.70	\$ 188,825.21	\$ 8,125.02
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 150,553.94	\$ 91,489.92	\$ 56,536.96	\$ 2,527.06
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
26	ER Expense Allocated to FPP	\$ 1,151,728.71	\$ 699,659.69	\$ 433,111.52	\$ 18,957.50
27	ER Revenue in FPP (per books)	\$ 1,730,721.82	\$ 1,051,818.47	\$ 650,428.51	\$ 28,474.84
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (578,993.11)	\$ (352,158.78)	\$ (217,316.99)	\$ (9,517.34)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
30	AEPS Expense	\$ -	\$ 0.01	\$ -	\$ -
31	AEPS Sales Margin	\$ (162,700.00)	\$ (98,837.52)	\$ (61,185.91)	\$ (2,676.58)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (162,700.00)	\$ (98,837.51)	\$ (61,185.91)	\$ (2,676.58)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 224,885.77	\$ 136,395.41	\$ 84,763.29	\$ 3,727.07
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (387,585.77)	\$ (235,232.92)	\$ (145,949.20)	\$ (6,403.65)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,238,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,411,858.83	\$ 2,615,119.74	\$ 2,679,557.90	\$ 117,179.19
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 826,934.00	\$ (384,850.91)	\$ 1,090,589.03	\$ 119,197.88
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,074,051.06	\$ 653,731.79	\$ 404,680.70	\$ 15,638.57
40	Actual SLA recovery through FPP	\$ 1,391,857.12	\$ 852,471.33	\$ 527,608.24	\$ 11,777.55
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,025,473.33	\$ 1,230,441.01	\$ 761,711.28	\$ 33,321.06
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (440,434.85)	\$ (275,762.11)	\$ (170,577.68)	\$ 5,904.94
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,882,069.25)	\$ (2,037,277.16)	\$ 67,408.72	\$ 87,799.19

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

Line	Reconciliation Adjustment (RA)	February 2010	Residential February 2010	Non-Residential February 2010	Voltage Reduction February 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08
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)	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68
7	Total Generation and Purchase Power (per books)	1,150,796,208	1,150,796,208	1,150,796,208	1,150,796,208
8	Losses (kWh) (1-Line 2)*(Line 7)	70,275,672	70,275,672	70,275,672	70,275,672
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,080,520,536	1,080,520,536	1,080,520,536	1,080,520,536
10	kWh Subject to FPP	1,077,202,765	654,386,179	405,085,785	17,730,801
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.69%	60.56%	37.49%	1.64%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 576,131.05
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 576,131.05
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 197,433.13	\$ 122,217.36	\$ 5,349.51
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,242,471.56	\$ 20,194,242.92	\$ 12,501,356.80	\$ 546,871.84
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (1,450,545.46)	\$ (880,762.36)	\$ (545,873.40)	\$ (23,909.70)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
19	EA Expense Allocated to FPP	\$ 681,752.32	\$ 414,155.36	\$ 256,375.29	\$ 11,221.67
20	EA Sales Margin Allocated to FPP	\$ (34,604.45)	\$ (21,021.74)	\$ (13,013.12)	\$ (569.59)
21	Net EA Cost (Line 19 + Line 20)	\$ 647,147.87	\$ 393,133.62	\$ 243,362.17	\$ 10,652.08
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 496,593.93	\$ 301,843.70	\$ 186,825.21	\$ 8,125.02
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 150,553.94	\$ 91,489.92	\$ 56,536.96	\$ 2,527.06
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
26	ER Expense Allocated to FPP	\$ 1,151,728.71	\$ 699,659.69	\$ 433,111.52	\$ 18,957.50
27	ER Revenue in FPP (per books)	\$ 1,730,721.82	\$ 1,051,818.47	\$ 650,428.51	\$ 28,474.84
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (578,993.11)	\$ (352,158.78)	\$ (217,316.99)	\$ (9,517.34)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
30	AEPS Expense	\$ -	\$ 0.01	\$ -	\$ -
31	AEPS Sales Margin	\$ (162,700.00)	\$ (98,837.52)	\$ (61,185.91)	\$ (2,676.58)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (162,700.00)	\$ (98,837.51)	\$ (61,185.91)	\$ (2,676.58)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 224,885.77	\$ 136,395.41	\$ 84,763.29	\$ 3,727.07
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (387,585.77)	\$ (235,232.92)	\$ (145,949.20)	\$ (6,403.65)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,411,856.83	\$ 2,615,119.74	\$ 2,679,557.90	\$ 117,179.19
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 824,936.00	\$ (384,850.91)	\$ 1,090,589.03	\$ 119,197.88
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,074,051.06	\$ 653,731.79	\$ 404,680.70	\$ 15,638.57
40	Actual SLA recovery through FPP	\$ 1,391,857.12	\$ 852,471.33	\$ 527,608.24	\$ 11,777.55
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 2,025,473.33	\$ 1,230,441.01	\$ 761,711.26	\$ 33,321.06
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (440,434.85)	\$ (275,762.11)	\$ (170,577.68)	\$ 5,904.94
43	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,882,069.25)	\$ (2,037,277.16)	\$ 67,408.72	\$ 87,799.19
44	Net Under/(Over) Recovery of FPP Costs (Page 5C, Line 43)	\$ (1,882,069.25)	\$ (2,037,277.16)	\$ 67,408.72	\$ 87,799.19
45	Net Adjustment for February 2010 (Line 43 - Line 44) To Page 3 Line 14	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	March 2010	Residential March 2010	Non-Residential March 2010	Voltage Reduction March 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54
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)	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46
7	Total Generation and Purchase Power (per books)	980,924,756	980,924,756	980,924,756	980,924,756
8	Losses (kWh) (1-Line 2)*(Line 7)	59,902,132	59,902,132	59,902,132	59,902,132
9	Total Generation After Losses (kWh) (Line 7-Line 8)	921,022,624	921,022,624	921,022,624	921,022,624
10	kWh Subject to FPP	990,481,632	561,083,212	387,221,575	42,176,845
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	107.54%	60.92%	42.04%	4.58%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 184,104.42	\$ 127,056.38	\$ 13,839.20
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,393,195.59	\$ 17,783,833.69	\$ 12,272,363.24	\$ 1,336,998.66
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (467,773.11)	\$ (269,093.28)	\$ (188,557.76)	\$ (10,122.07)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
19	EA Expense Allocated to FPP	\$ 697,795.46	\$ 395,283.77	\$ 272,798.05	\$ 29,713.64
20	EA Sales Margin Allocated to FPP	\$ (166,005.95)	\$ (94,038.24)	\$ (64,898.82)	\$ (7,088.89)
21	Net EA Cost (Line 19 + Line 20)	\$ 531,789.51	\$ 301,245.53	\$ 207,899.23	\$ 22,644.75
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 456,371.13	\$ 258,601.56	\$ 178,576.32	\$ 19,193.25
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 75,418.38	\$ 42,643.97	\$ 29,322.91	\$ 3,451.50
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
26	ER Expense Allocated to FPP	\$ 938,297.38	\$ 531,522.13	\$ 366,820.52	\$ 39,954.73
27	ER Revenue in FPP (per books)	\$ 1,590,706.97	\$ 901,732.38	\$ 621,710.17	\$ 67,264.42
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (652,409.59)	\$ (370,210.25)	\$ (254,889.65)	\$ (27,309.69)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
30	AEPS Expense	\$ 11,760.00	\$ 6,661.75	\$ 4,597.49	\$ 500.76
31	AEPS Sales Margin	\$ (817,834.00)	\$ (463,282.62)	\$ (319,726.24)	\$ (34,825.14)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (806,074.00)	\$ (456,620.87)	\$ (315,128.75)	\$ (34,324.38)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 206,757.86	\$ 116,932.88	\$ 81,020.74	\$ 8,804.24
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (1,012,831.86)	\$ (573,553.75)	\$ (396,149.49)	\$ (43,128.62)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.82	\$ 2,230,268.83	\$ 3,770,146.92	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,080,015.93	\$ 2,241,963.05	\$ 2,561,247.47	\$ 276,805.41
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 1,156,776.89	\$ (11,694.22)	\$ 1,208,899.45	\$ (40,428.34)
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 984,556.46	\$ 560,522.13	\$ 386,834.35	\$ 37,199.98
40	Actual SLA recovery through FPP	\$ 1,262,964.66	\$ 730,830.48	\$ 504,312.77	\$ 27,821.41
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,940,652.90	\$ 1,099,354.42	\$ 758,648.39	\$ 82,650.09
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (306,868.22)	\$ (191,998.19)	\$ (132,498.73)	\$ 17,628.70
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,207,687.51)	\$ (1,373,905.72)	\$ 266,126.73	\$ (99,908.52)

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

Line	Reconciliation Adjustment (RA)	March 2010	Residential March 2010	Non-Residential March 2010	Voltage Reduction March 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54
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)	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46
7	Total Generation and Purchase Power (per books)	980,924,756	980,924,756	980,924,756	980,924,756
8	Losses (kWh) (1-Line 2)(Line 7)	59,902,132	59,902,132	59,902,132	59,902,132
9	Total Generation After Losses (kWh) (Line 7-Line 8)	921,022,624	921,022,624	921,022,624	921,022,624
10	kWh Subject to FPP	990,481,632	561,083,212	387,221,575	42,176,845
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	107.54%	60.92%	42.04%	4.58%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 184,104.42	\$ 127,056.38	\$ 13,839.20
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,393,195.59	\$ 17,783,833.69	\$ 12,272,363.24	\$ 1,336,998.66
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (467,773.11)	\$ (269,093.28)	\$ (188,557.76)	\$ (10,122.07)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
19	EA Expense Allocated to FPP	\$ 697,795.46	\$ 395,283.77	\$ 272,798.05	\$ 29,713.64
20	EA Sales Margin Allocated to FPP	\$ (166,005.95)	\$ (94,038.24)	\$ (64,898.82)	\$ (7,068.89)
21	Net EA Cost (Line 19 + Line 20)	\$ 531,789.51	\$ 301,245.53	\$ 207,899.23	\$ 22,644.75
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 456,371.13	\$ 258,601.56	\$ 178,576.32	\$ 19,193.25
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 75,418.38	\$ 42,643.97	\$ 29,322.91	\$ 3,451.50
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
26	ER Expense Allocated to FPP	\$ 938,297.38	\$ 531,522.13	\$ 366,820.52	\$ 38,954.73
27	ER Revenue in FPP (per books)	\$ 1,590,706.97	\$ 901,732.38	\$ 621,710.17	\$ 67,264.42
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (652,409.59)	\$ (370,210.25)	\$ (254,889.65)	\$ (27,309.69)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
30	AEPS Expense	\$ 11,760.00	\$ 6,661.75	\$ 4,597.49	\$ 500.76
31	AEPS Sales Margin	\$ (817,834.00)	\$ (463,282.62)	\$ (319,726.24)	\$ (34,825.14)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (806,074.00)	\$ (456,620.87)	\$ (315,128.75)	\$ (34,324.38)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 206,757.86	\$ 116,932.88	\$ 81,020.74	\$ 8,804.24
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (1,012,831.86)	\$ (573,553.75)	\$ (396,149.49)	\$ (43,128.62)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.82	\$ 2,230,268.83	\$ 3,770,146.92	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,080,015.93	\$ 2,241,963.05	\$ 2,561,247.47	\$ 276,805.41
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 1,156,776.89	\$ (11,694.22)	\$ 1,208,899.45	\$ (40,428.34)
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 884,558.46	\$ 560,522.13	\$ 386,834.35	\$ 37,199.98
40	Actual SLA recovery through FPP	\$ 1,262,964.66	\$ 730,830.48	\$ 504,312.77	\$ 27,821.41
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,940,652.90	\$ 1,099,354.42	\$ 758,648.39	\$ 82,650.09
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (306,868.22)	\$ (191,998.19)	\$ (132,498.73)	\$ 17,628.70
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,207,687.51)	\$ (1,373,905.72)	\$ 266,126.73	\$ (99,908.52)
Net Under/(Over) Recovery of FPP Costs (Page 5E, Line 43)					
44		\$ (1,207,687.51)	\$ (1,373,905.72)	\$ 266,126.73	\$ (99,908.52)
Net Adjustment for March 2010 (Line 43 - Line 44) To Page 3 Line 13					
45		\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	April 2010	Residential April 2010	Non-Residential April 2010	Voltage Reduction April 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98
7	Total Generation and Purchase Power (per books)	785,978,263	785,978,263	785,978,263	785,978,263
8	Losses (kWh) (1-Line 2)*(Line 7)	47,997,335	47,997,335	47,997,335	47,997,335
9	Total Generation After Losses (kWh) (Line 7-Line 8)	737,980,928	737,980,928	737,980,928	737,980,928
10	kWh Subject to FPP	734,641,382	410,793,626	297,920,110	25,927,646
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.55%	55.66%	40.37%	3.52%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,732.11	\$ 131,797.69	\$ 11,470.20
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 23,383,837.05	\$ 13,074,277.95	\$ 9,482,727.29	\$ 826,831.81
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (1,483,951.51)	\$ (818,596.93)	\$ (628,551.25)	\$ (36,803.33)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
20	EA Expense Allocated to FPP	\$ 524,209.19	\$ 293,125.05	\$ 212,583.28	\$ 18,500.88
21	EA Sales Margin Allocated to FPP	\$ (242,545.34)	\$ (135,625.46)	\$ (98,359.74)	\$ (8,560.14)
22	Net EA Cost (Line 19 + Line 20)	\$ 281,663.85	\$ 157,499.59	\$ 114,223.52	\$ 9,940.74
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 404,837.09	\$ 226,483.17	\$ 164,147.32	\$ 14,206.60
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (123,173.24)	\$ (68,983.58)	\$ (49,923.80)	\$ (4,265.86)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
27	ER Expense Allocated to FPP	\$ 958,774.77	\$ 536,123.57	\$ 388,813.23	\$ 33,837.97
28	ER Revenue in FPP (per books)	\$ 1,226,653.74	\$ 686,110.77	\$ 497,492.65	\$ 43,050.32
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (267,878.97)	\$ (149,987.20)	\$ (108,679.42)	\$ (9,212.35)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
31	AEPS Expense	\$ 23,788.86	\$ 13,302.15	\$ 9,647.13	\$ 839.58
32	AEPS Sales Margin	\$ (447,942.00)	\$ (250,451.55)	\$ (181,651.62)	\$ (15,838.83)
33	Net AEPS Cost (Line 31 + Line 32)	\$ (424,153.14)	\$ (237,149.40)	\$ (172,004.49)	\$ (14,999.25)
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 202,418.54	\$ 113,241.58	\$ 82,073.66	\$ 7,103.30
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (626,571.68)	\$ (350,390.98)	\$ (254,078.15)	\$ (22,102.55)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.63	\$ 1,110,207.24	\$ 2,644,108.57	\$ 199,189.82
37	Actual RA recovery through FPP	\$ 2,593,286.52	\$ 1,117,427.97	\$ 1,363,685.43	\$ 118,173.12
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,354,219.11	\$ (7,220.73)	\$ 1,280,423.14	\$ 81,016.70
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 730,873.20	\$ 410,382.83	\$ 297,622.19	\$ 22,868.18
41	Actual SLA recovery through FPP	\$ 1,018,619.38	\$ 579,530.45	\$ 420,469.67	\$ 18,619.26
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,441,580.72	\$ 806,010.88	\$ 584,596.82	\$ 50,973.02
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (307,911.86)	\$ (183,902.40)	\$ (133,496.04)	\$ 9,485.58
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,455,268.15)	\$ (1,579,081.82)	\$ 105,695.48	\$ 18,118.19

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

Line	Reconciliation Adjustment (RA)	April 2010	Residential April 2010	Non-Residential April 2010	Voltage Reduction April 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98
7	Total Generation and Purchased Power (per books)	785,978,263	785,978,263	785,978,263	785,978,263
8	Losses (kWh) (1-Line 2)*(Line 7)	47,997,335	47,997,335	47,997,335	47,997,335
9	Total Generation After Losses (kWh) (Line 7-Line 8)	737,980,928	737,980,928	737,980,928	737,980,928
10	kWh Subject to FPP	734,641,382	410,793,626	297,920,110	25,927,646
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.55%	55.66%	40.37%	3.52%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,732.11	\$ 131,797.69	\$ 11,470.20
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 23,383,837.05	\$ 13,074,277.95	\$ 9,482,727.29	\$ 826,831.81
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (1,483,951.51)	\$ (818,596.93)	\$ (628,551.25)	\$ (36,803.33)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
20	EA Expense Allocated to FPP	\$ 524,209.19	\$ 293,125.05	\$ 212,583.26	\$ 18,500.88
21	EA Sales Margin Allocated to FPP	\$ (242,545.34)	\$ (135,625.46)	\$ (98,359.74)	\$ (8,560.14)
22	Net EA Cost (Line 19 + Line 20)	\$ 281,663.85	\$ 157,499.59	\$ 114,223.52	\$ 9,940.74
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 404,837.09	\$ 226,483.17	\$ 164,147.32	\$ 14,206.80
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (123,173.24)	\$ (68,983.58)	\$ (49,923.80)	\$ (4,265.86)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
27	ER Expense Allocated to FPP	\$ 958,774.77	\$ 536,123.57	\$ 388,813.23	\$ 33,837.97
28	ER Revenue in FPP (per books)	\$ 1,226,653.74	\$ 686,110.77	\$ 497,482.65	\$ 43,050.32
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (267,878.97)	\$ (149,987.20)	\$ (108,679.42)	\$ (9,212.35)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
31	AEPS Expense	\$ 23,788.86	\$ 13,302.15	\$ 9,647.13	\$ 839.58
32	AEPS Sales Margin	\$ (447,942.00)	\$ (250,451.55)	\$ (181,651.62)	\$ (15,838.83)
33	Net AEPS Cost (Line 31 + Line 32)	\$ (424,153.14)	\$ (237,149.40)	\$ (172,004.49)	\$ (14,999.25)
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 202,418.54	\$ 113,241.58	\$ 82,073.66	\$ 7,103.30
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (626,571.68)	\$ (350,390.98)	\$ (254,078.15)	\$ (22,102.55)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.63	\$ 1,110,207.24	\$ 2,644,108.57	\$ 199,189.82
37	Actual RA recovery through FPP	\$ 2,599,286.52	\$ 1,117,427.97	\$ 1,363,685.43	\$ 118,173.12
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,354,219.11	\$ (7,220.73)	\$ 1,280,423.14	\$ 81,016.70
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 730,873.20	\$ 410,382.83	\$ 297,622.19	\$ 22,868.18
41	Actual SLA recovery through FPP	\$ 1,018,618.38	\$ 579,530.45	\$ 420,469.67	\$ 18,619.26
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,441,580.72	\$ 806,010.88	\$ 584,596.82	\$ 50,973.02
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (307,911.86)	\$ (183,902.40)	\$ (133,496.04)	\$ 9,485.58
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,455,268.15)	\$ (1,579,081.82)	\$ 105,695.48	\$ 18,118.19
45	Net Under/(Over) Recovery of FPP Costs (Page 5G, Line 44)	\$ (1,455,268.15)	\$ (1,579,081.82)	\$ 105,695.48	\$ 18,118.19
46	Net Adjustment for April 2010 (Line 44 - Line 45) To Page 3 Line 12	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	May 2010	Residential May 2010	Non-Residential May 2010	Voltage Reduction May 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96
5	RSG Make Whole Payments & Secondary MSO Costs	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22
7	Total Generation and Purchase Power (per books)	874,935,996	874,935,996	874,935,996	874,935,996
8	Losses (kWh) (1-Line 2)*(Line 7)	53,429,716	53,429,716	53,429,716	53,429,716
9	Total Generation After Losses (kWh) (Line 7-Line 8)	821,506,280	821,506,280	821,506,280	821,506,280
10	kWh Subject to FPP	662,602,497	369,660,453	269,051,741	23,890,303
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	80.66%	45.00%	32.75%	2.91%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 22,477,469.94	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,197.54
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 22,477,469.94	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,197.54
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,314.81	\$ 131,987.23	\$ 11,717.96
16	PowerShare Program (Case No. 08-920-EL-SSO)	\$ (12,583.33)	\$ (7,020.13)	\$ (5,109.50)	\$ (453.70)
17	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,228.00)	\$ (144,227.00)	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 21,660,120.39	\$ 12,084,123.70	\$ 8,794,556.69	\$ 781,440.00
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (793,387.88)	\$ (418,116.48)	\$ (353,778.12)	\$ (21,493.28)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
21	EA Expense Allocated to FPP	\$ 578,002.60	\$ 322,462.87	\$ 234,699.70	\$ 20,840.04
22	EA Sales Margin Allocated to FPP	\$ (900,089.48)	\$ (502,152.48)	\$ (365,484.05)	\$ (32,452.96)
23	Net EA Cost (Line 19 + Line 20)	\$ (322,086.88)	\$ (179,689.61)	\$ (130,784.35)	\$ (11,612.92)
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 365,386.10	\$ 203,752.99	\$ 148,415.29	\$ 13,217.82
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (687,472.98)	\$ (383,442.60)	\$ (279,199.64)	\$ (24,830.74)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
28	ER Expense Allocated to FPP	\$ 978,111.53	\$ 545,680.33	\$ 397,165.13	\$ 35,268.07
29	ER Revenue in FPP (per books)	\$ 1,107,118.20	\$ 617,251.70	\$ 449,812.51	\$ 40,053.99
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (129,006.67)	\$ (71,571.37)	\$ (52,647.38)	\$ (4,787.92)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
32	AEPS Expense	\$ 350,803.86	\$ 195,710.57	\$ 142,444.96	\$ 12,648.33
33	AEPS Sales Margin	\$ (938,199.36)	\$ (523,418.93)	\$ (380,932.67)	\$ (33,847.76)
34	Net AEPS Cost (Line 31 + Line 32)	\$ (587,395.50)	\$ (327,708.36)	\$ (238,487.71)	\$ (21,199.43)
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 182,693.05	\$ 101,876.49	\$ 74,207.65	\$ 6,608.91
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (770,088.55)	\$ (429,584.85)	\$ (312,695.36)	\$ (27,808.34)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.62	\$ 1,110,207.24	\$ 2,644,108.56	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,348,218.08	\$ 1,005,261.28	\$ 1,232,988.59	\$ 109,948.21
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,605,287.54	\$ 104,925.96	\$ 1,411,119.97	\$ 89,241.61
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 669,144.73	\$ 369,290.79	\$ 268,782.69	\$ 21,071.25
42	Actual SLA recovery through FPP	\$ 918,862.77	\$ 521,367.94	\$ 380,171.48	\$ 17,323.35
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,364,525.04	\$ 761,264.90	\$ 554,031.88	\$ 49,228.46
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (213,482.46)	\$ (129,393.83)	\$ (94,922.49)	\$ 10,833.86
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (988,151.00)	\$ (1,327,183.17)	\$ 317,876.98	\$ 21,155.19

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

Line	Reconciliation Adjustment (RA)	May 2010	Residential May 2010	Non-Residential May 2010	Voltage Reduction May 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22
7	Total Generation and Purchase Power (per books)	874,935,996	874,935,996	874,935,996	874,935,996
8	Losses (kWh) (1-Line 2)*(Line 7)	53,429,716	53,429,716	53,429,716	53,429,716
9	Total Generation After Losses (kWh) (Line 7-Line 8)	821,506,280	821,506,280	821,506,280	821,506,280
10	kWh Subject to FPP	662,602,497	369,660,453	269,051,741	23,890,303
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	80.66%	45.00%	32.75%	2.91%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 22,477,469.84	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,197.54
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 22,477,469.84	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,197.54
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,314.81	\$ 131,967.23	\$ 11,717.96
16	PowerShare Program (Case No. 08-920-EL-SSO)	\$ (12,583.33)	\$ (7,020.13)	\$ (5,109.50)	\$ (453.70)
17	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,228.00)	\$ (144,227.00)	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 21,680,120.39	\$ 12,084,123.70	\$ 8,794,556.69	\$ 781,440.00
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (793,387.88)	\$ (418,116.48)	\$ (353,778.12)	\$ (21,493.28)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
21	EA Expense Allocated to FPP	\$ 578,002.60	\$ 322,462.87	\$ 234,699.70	\$ 20,840.04
22	EA Sales Margin Allocated to FPP	\$ (900,088.48)	\$ (502,152.48)	\$ (365,484.05)	\$ (32,452.96)
23	Net EA Cost (Line 19 + Line 20)	\$ (322,086.88)	\$ (179,689.61)	\$ (130,784.35)	\$ (11,612.92)
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 365,386.10	\$ 203,752.99	\$ 148,415.29	\$ 13,217.82
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (687,472.98)	\$ (383,442.60)	\$ (279,199.64)	\$ (24,830.74)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
28	ER Expense Allocated to FPP	\$ 978,111.53	\$ 545,680.33	\$ 397,165.13	\$ 35,266.07
29	ER Revenue in FPP (per books)	\$ 1,107,118.20	\$ 817,251.70	\$ 449,812.51	\$ 40,053.99
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (129,006.67)	\$ (71,571.37)	\$ (52,647.38)	\$ (4,787.92)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
32	AEPS Expense	\$ 350,803.86	\$ 195,710.57	\$ 142,444.96	\$ 12,648.33
33	AEPS Sales Margin	\$ (938,199.36)	\$ (523,418.93)	\$ (380,932.67)	\$ (33,847.76)
34	Net AEPS Cost (Line 31 + Line 32)	\$ (587,395.50)	\$ (327,708.36)	\$ (238,487.71)	\$ (21,199.43)
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 182,693.05	\$ 101,876.49	\$ 74,207.65	\$ 6,608.91
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (770,088.55)	\$ (429,584.85)	\$ (312,695.36)	\$ (27,808.34)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.62	\$ 1,110,207.24	\$ 2,644,108.56	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,348,218.08	\$ 1,005,281.28	\$ 1,232,988.59	\$ 109,948.21
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,605,287.54	\$ 104,925.96	\$ 1,411,119.97	\$ 89,241.61
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 659,144.73	\$ 369,290.79	\$ 268,782.69	\$ 21,071.25
42	Actual SLA recovery through FPP	\$ 918,882.77	\$ 521,367.94	\$ 380,171.48	\$ 17,323.35
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,364,525.04	\$ 761,264.90	\$ 554,031.68	\$ 49,228.46
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (213,482.46)	\$ (129,363.83)	\$ (94,922.48)	\$ 10,833.86
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (988,151.00)	\$ (1,327,183.17)	\$ 317,876.98	\$ 21,155.19
46	Net Under/(Over) Recovery of FPP Costs (Page 5I, Line 45)	\$ (988,151.00)	\$ (1,327,183.17)	\$ 317,876.98	\$ 21,155.19
47	Net Adjustment for May 2010 (Line 45 - Line 46) To Page 3 Line 11	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	June 2010	Residential June 2010	Non-Residential June 2010	Voltage Reduction June 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86
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)	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06
7	Total Generation and Purchase Power (per books)	1,076,923,194	1,076,923,194	1,076,923,194	1,076,923,194
8	Losses (kWh) (1-Line 2)*(Line 7)	65,764,469	65,764,469	65,764,469	65,764,469
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,011,158,725	1,011,158,725	1,011,158,725	1,011,158,725
10	kWh Subject to FPP	880,040,304	570,092,435	283,349,570	26,598,299
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	87.03%	56.38%	28.02%	2.63%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 210,535.85	\$ 104,641.36	\$ 9,822.79
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Audit Fees for 2009 (Case No. 08-820-EL-SSO Commission Order 12/17/08)	\$ 129,000.00	\$ 83,566.54	\$ 41,534.57	\$ 3,898.89
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 29,037,790.18	\$ 18,811,336.44	\$ 9,348,947.27	\$ 877,506.47
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (641,115.68)	\$ (371,538.09)	\$ (258,870.11)	\$ (10,707.48)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
21	EA Expense Allocated to FPP	\$ 624,477.00	\$ 404,537.85	\$ 201,064.98	\$ 18,874.17
22	EA Sales Margin Allocated to FPP	\$ (146,440.24)	\$ (94,864.38)	\$ (47,149.88)	\$ (4,426.00)
23	Net EA Cost (Line 21 + Line 22)	\$ 478,036.76	\$ 309,673.47	\$ 153,915.12	\$ 14,448.17
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 485,155.99	\$ 314,316.08	\$ 156,197.74	\$ 14,642.17
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (7,119.23)	\$ (4,842.61)	\$ (2,282.62)	\$ (194.00)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
28	ER Expense Allocated to FPP	\$ 1,061,821.06	\$ 687,850.49	\$ 341,878.14	\$ 32,092.43
29	ER Revenue in FPP (per books)	\$ 1,469,962.33	\$ 952,192.82	\$ 473,399.29	\$ 44,370.22
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (408,141.27)	\$ (264,342.33)	\$ (131,521.15)	\$ (12,277.79)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
32	AEPS Expense	\$ 66,140.84	\$ 42,846.21	\$ 21,295.59	\$ 1,999.04
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 66,140.84	\$ 42,846.21	\$ 21,295.59	\$ 1,999.04
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 242,578.00	\$ 157,158.04	\$ 78,098.87	\$ 7,321.09
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (176,437.16)	\$ (114,311.83)	\$ (56,803.28)	\$ (5,322.05)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.62	\$ 1,110,207.24	\$ 2,644,108.56	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,970,219.04	\$ 1,550,780.06	\$ 1,297,842.73	\$ 121,796.25
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 983,286.58	\$ (440,572.82)	\$ 1,346,485.83	\$ 77,393.57
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 876,048.26	\$ 569,522.34	\$ 283,066.22	\$ 23,459.70
42	Actual SLA recovery through FPP	\$ 1,223,576.00	\$ 804,279.37	\$ 400,106.51	\$ 19,190.12
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,880,310.53	\$ 1,218,107.65	\$ 605,380.91	\$ 56,821.97
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (218,313.73)	\$ (155,694.06)	\$ (77,791.82)	\$ 14,172.15
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (468,840.49)	\$ (1,351,101.74)	\$ 819,196.85	\$ 63,064.40

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

Line	Reconciliation Adjustment (RA)	June 2010	Residential June 2010	Non-Residential June 2010	Voltage Reduction June 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86
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)	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06
7	Total Generation and Purchase Power (per books)	1,076,923,194	1,076,923,194	1,076,923,194	1,076,923,194
8	Losses (kWh) (1-Line 2)*(Line 7)	65,764,469	65,764,469	65,764,469	65,764,469
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,011,158,725	1,011,158,725	1,011,158,725	1,011,158,725
10	kWh Subject to FPP	880,040,304	570,092,435	283,349,570	26,598,299
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	87.03%	56.36%	28.02%	2.63%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 210,535.85	\$ 104,641.36	\$ 9,822.79
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ 129,000.00	\$ 83,566.54	\$ 41,534.57	\$ 3,898.89
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 29,037,790.18	\$ 18,811,336.44	\$ 9,348,947.27	\$ 877,506.47
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (641,115.88)	\$ (371,538.09)	\$ (258,870.11)	\$ (10,707.48)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
21	EA Expense Allocated to FPP	\$ 624,477.00	\$ 404,537.85	\$ 201,064.98	\$ 18,874.17
22	EA Sales Margin Allocated to FPP	\$ (148,440.24)	\$ (94,864.38)	\$ (47,149.86)	\$ (4,426.00)
23	Net EA Cost (Line 21 + Line 22)	\$ 478,036.76	\$ 309,673.47	\$ 153,915.12	\$ 14,448.17
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 485,155.99	\$ 314,316.08	\$ 158,197.74	\$ 14,642.17
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (7,119.23)	\$ (4,642.61)	\$ (2,282.62)	\$ (194.00)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
28	ER Expense Allocated to FPP	\$ 1,061,821.06	\$ 687,850.49	\$ 341,878.14	\$ 32,092.43
29	ER Revenue in FPP (per books)	\$ 1,469,962.33	\$ 952,192.82	\$ 473,399.29	\$ 44,370.22
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (408,141.27)	\$ (264,342.33)	\$ (131,521.15)	\$ (12,277.79)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
32	AEPS Expense	\$ 66,140.84	\$ 42,846.21	\$ 21,295.59	\$ 1,999.04
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 66,140.84	\$ 42,846.21	\$ 21,295.59	\$ 1,999.04
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 242,578.00	\$ 157,158.04	\$ 78,098.87	\$ 7,321.09
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (176,437.16)	\$ (114,311.83)	\$ (56,603.28)	\$ (5,322.05)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.62	\$ 1,110,207.24	\$ 2,644,108.56	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,970,219.04	\$ 1,550,780.06	\$ 1,297,642.73	\$ 121,796.25
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 983,286.58	\$ (440,572.82)	\$ 1,346,465.83	\$ 77,393.57
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 876,048.26	\$ 569,522.34	\$ 283,086.22	\$ 23,459.70
42	Actual SLA recovery through FPP	\$ 1,223,578.00	\$ 804,279.37	\$ 400,106.51	\$ 19,190.12
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,880,310.53	\$ 1,218,107.65	\$ 605,380.91	\$ 58,821.97
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (219,313.73)	\$ (155,684.06)	\$ (77,791.82)	\$ 14,172.15
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (468,840.49)	\$ (1,351,101.74)	\$ 819,196.85	\$ 63,064.40
Net Under/(Over) Recovery of FPP Costs (Page 5K, Line 45)					
46		\$ (468,840.49)	\$ (1,351,101.74)	\$ 819,196.85	\$ 63,064.40
Net Adjustment for June 2010 (Line 45 - Line 46) To Page 3 Line 10					
47		\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	July 2010	Residential July 2010	Non-Residential July 2010	Voltage Reduction July 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 37,483,338.99	\$ 37,483,338.99	\$ 37,483,338.99	\$ 37,483,338.99
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)	\$ 35,194,343.93	\$ 35,194,343.93	\$ 35,194,343.93	\$ 35,194,343.93
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,562,152.47)	\$ (1,562,152.47)	\$ (1,562,152.47)	\$ (1,562,152.47)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 35,512,406.28	\$ 35,512,406.28	\$ 35,512,406.28	\$ 35,512,406.28
7	Total Generation and Purchase Power (per books)	1,110,507,796	1,110,507,796	1,110,507,796	1,110,507,796
8	Losses (kWh) (1-Line 2)*(Line 7)	67,815,380	67,815,380	67,815,380	67,815,380
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,042,692,416	1,042,692,416	1,042,692,416	1,042,692,416
10	kWh Subject to FPP	1,006,730,934	697,349,985	283,182,658	26,198,291
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	96.55%	66.88%	27.16%	2.51%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 11,437.03	\$ 7,922.29	\$ 3,217.11	\$ 297.63
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 82,219.56	\$ 56,952.47	\$ 23,127.48	\$ 2,139.61
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 8 x Line 11)	\$ 34,287,228.26	\$ 23,750,697.32	\$ 9,645,169.55	\$ 891,361.39
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (40,142.15)	\$ (27,968.47)	\$ (10,268.21)	\$ (1,905.47)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,658	26,198,291
20	EA Expense Allocated to FPP	\$ 690,079.69	\$ 478,009.61	\$ 194,112.05	\$ 17,958.03
21	EA Sales Margin Allocated to FPP	\$ (504,186.04)	\$ (349,229.54)	\$ (141,818.52)	\$ (13,119.98)
22	Net EA Cost (Line 19 + Line 20)	\$ 185,913.65	\$ 128,780.07	\$ 52,293.53	\$ 4,838.05
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 650,900.55	\$ 450,896.98	\$ 183,018.17	\$ 16,985.40
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (464,986.90)	\$ (322,116.91)	\$ (130,722.64)	\$ (12,147.35)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,658	26,198,291
27	ER Expense Allocated to FPP	\$ 1,677,167.46	\$ 1,181,753.02	\$ 471,769.30	\$ 43,645.14
28	ER Revenue in FPP (per books)	\$ 1,739,077.33	\$ 1,204,191.95	\$ 489,664.51	\$ 45,220.87
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (61,909.87)	\$ (42,438.93)	\$ (17,895.21)	\$ (1,575.73)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,658	26,198,291
31	AEPS Expense	\$ 69,720.84	\$ 48,294.76	\$ 19,611.73	\$ 1,814.35
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 69,720.84	\$ 48,294.76	\$ 19,611.73	\$ 1,814.35
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 265,693.87	\$ 183,598.77	\$ 75,146.53	\$ 6,948.57
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (195,973.03)	\$ (135,304.01)	\$ (55,534.80)	\$ (5,134.22)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,719,559.00	\$ 315,897.89	\$ 1,284,763.31	\$ 118,897.80
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,003,337.72	\$ (63,885.83)	\$ 959,839.77	\$ 107,383.78
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 1,002,859.00	\$ 696,652.63	\$ 282,899.48	\$ 23,106.89
41	Actual SLA recovery through FPP	\$ 1,426,918.29	\$ 1,001,693.30	\$ 406,033.69	\$ 19,191.30
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 2,210,024.73	\$ 1,530,879.90	\$ 621,691.06	\$ 57,453.77
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (219,552.56)	\$ (167,486.03)	\$ (67,242.11)	\$ 15,155.58
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 20,773.21	\$ (759,180.18)	\$ 678,176.80	\$ 101,776.59

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

Line	Reconciliation Adjustment (RA)	July 2010	Residential July 2010	Non-Residential July 2010	Voltage Reduction July 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 37,483,338.99	\$ 37,483,338.99	\$ 37,483,338.99	\$ 37,483,338.99
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)	\$ 35,194,343.93	\$ 35,194,343.93	\$ 35,194,343.93	\$ 35,194,343.93
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,562,152.47)	\$ (1,562,152.47)	\$ (1,562,152.47)	\$ (1,562,152.47)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 35,512,406.28	\$ 35,512,406.28	\$ 35,512,406.28	\$ 35,512,406.28
7	Total Generation and Purchase Power (per books)	1,110,507,796	1,110,507,796	1,110,507,796	1,110,507,796
8	Losses (kWh) (1-Line 2)*(Line 7)	67,815,380	67,815,380	67,815,380	67,815,380
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,042,692,416	1,042,692,416	1,042,692,416	1,042,692,416
10	kWh Subject to FPP	1,006,730,934	697,349,985	283,182,658	26,198,291
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	96.55%	66.88%	27.16%	2.51%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 11,437.03	\$ 7,922.29	\$ 3,217.11	\$ 297.63
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 82,219.56	\$ 56,952.47	\$ 23,127.48	\$ 2,139.61
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 34,287,228.28	\$ 23,750,697.32	\$ 9,645,169.55	\$ 891,361.39
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (40,142.15)	\$ (27,968.47)	\$ (10,268.21)	\$ (1,905.47)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,658	26,198,291
20	EA Expense Allocated to FPP	\$ 890,079.69	\$ 478,009.61	\$ 194,112.05	\$ 17,958.03
21	EA Sales Margin Allocated to FPP	\$ (504,168.04)	\$ (349,229.54)	\$ (141,816.52)	\$ (13,119.96)
22	Net EA Cost (Line 19 + Line 20)	\$ 185,913.65	\$ 128,780.07	\$ 52,295.53	\$ 4,838.05
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 650,900.55	\$ 450,896.98	\$ 183,018.17	\$ 16,985.40
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (464,986.90)	\$ (322,116.91)	\$ (130,722.64)	\$ (12,147.35)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,658	26,198,291
27	ER Expense Allocated to FPP	\$ 1,677,167.46	\$ 1,161,753.02	\$ 471,769.30	\$ 43,645.14
28	ER Revenue in FPP (per books)	\$ 1,739,077.33	\$ 1,204,191.95	\$ 489,664.51	\$ 45,220.87
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (61,909.87)	\$ (42,438.93)	\$ (17,895.21)	\$ (1,575.73)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,658	26,198,291
31	AEPS Expense	\$ 69,720.84	\$ 48,294.76	\$ 19,611.73	\$ 1,814.35
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 69,720.84	\$ 48,294.76	\$ 19,611.73	\$ 1,814.35
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 265,693.87	\$ 183,598.77	\$ 75,146.53	\$ 6,948.57
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (195,973.03)	\$ (135,304.01)	\$ (55,534.80)	\$ (5,134.22)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,719,559.00	\$ 315,897.89	\$ 1,284,763.31	\$ 118,897.80
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,003,337.72	\$ (63,885.83)	\$ 959,839.77	\$ 107,383.78
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 1,002,659.00	\$ 696,652.63	\$ 282,899.48	\$ 23,106.89
41	Actual SLA recovery through FPP	\$ 1,426,918.29	\$ 1,001,893.30	\$ 406,033.69	\$ 19,191.30
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,210,024.73	\$ 1,530,879.90	\$ 621,691.06	\$ 57,453.77
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (219,552.56)	\$ (167,466.03)	\$ (67,242.11)	\$ 15,155.58
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 36+Line 38+Line 43)	\$ 20,773.21	\$ (759,180.18)	\$ 678,176.80	\$ 101,776.59
45	Net Under/(Over) Recovery of FPP Costs (Page 5M, Line 44)	\$ 20,773.21	\$ (759,180.18)	\$ 678,176.80	\$ 101,776.59
46	Net Adjustment for July 2010 (Line 44 - Line 45) To Page 3 Line 9	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	August 2010	Residential August 2010	Non-Residential August 2010	Voltage Reduction August 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 32,359,871.08	\$ 32,359,871.08	\$ 32,359,871.08	\$ 32,359,871.08
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)	\$ 30,383,750.84	\$ 30,383,750.84	\$ 30,383,750.84	\$ 30,383,750.84
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,043,066.70)	\$ (1,043,066.70)	\$ (1,043,066.70)	\$ (1,043,066.70)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 31,193,572.00	\$ 31,193,572.00	\$ 31,193,572.00	\$ 31,193,572.00
7	Total Generation and Purchase Power (per books)	971,392,163	971,392,163	971,392,163	971,392,163
8	Losses (kWh) (1-Line 2)*(Line 7)	59,320,005	59,320,005	59,320,005	59,320,005
9	Total Generation After Losses (kWh) (Line 7-Line 8)	912,072,158	912,072,158	912,072,158	912,072,158
10	kWh Subject to FPP	921,361,651	645,382,231	253,871,640	22,107,780
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	101.02%	70.76%	27.84%	2.42%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 31,502,945.60	\$ 22,066,943.97	\$ 8,680,149.68	\$ 755,851.95
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 31,502,945.60	\$ 22,066,943.97	\$ 8,680,149.68	\$ 755,851.95
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 119,149.84	\$ 83,460.38	\$ 32,830.50	\$ 2,858.96
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,511,748.43	\$ 22,072,571.55	\$ 8,684,290.44	\$ 754,884.44
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 127,950.67	\$ 89,087.96	\$ 36,971.26	\$ 1,891.45
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
20	EA Expense Allocated to FPP	\$ 582,413.51	\$ 407,960.69	\$ 160,478.00	\$ 13,974.82
21	EA Sales Margin Allocated to FPP	\$ (98,898.06)	\$ (69,274.70)	\$ (27,250.33)	\$ (2,373.03)
22	Net EA Cost (Line 19 + Line 20)	\$ 483,515.45	\$ 338,685.99	\$ 133,227.67	\$ 11,601.79
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 595,717.69	\$ 417,300.38	\$ 164,083.95	\$ 14,333.36
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (112,202.24)	\$ (78,614.39)	\$ (30,856.28)	\$ (2,731.57)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
27	ER Expense Allocated to FPP	\$ 731,938.33	\$ 512,697.69	\$ 201,678.01	\$ 17,562.63
28	ER Revenue in FPP (per books)	\$ 1,591,633.19	\$ 1,114,466.88	\$ 439,006.07	\$ 38,160.24
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (859,694.86)	\$ (601,769.19)	\$ (237,328.06)	\$ (20,597.61)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
31	AEPS Expense	\$ 203,968.89	\$ 142,873.21	\$ 56,201.51	\$ 4,894.17
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 203,968.89	\$ 142,873.21	\$ 56,201.51	\$ 4,894.17
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 243,154.59	\$ 189,918.72	\$ 67,372.22	\$ 5,863.65
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (39,185.70)	\$ (27,045.51)	\$ (11,170.71)	\$ (968.48)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,544,541.26	\$ 292,360.15	\$ 1,151,847.60	\$ 100,333.51
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,178,355.46	\$ (40,348.09)	\$ 1,092,755.48	\$ 125,948.07
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 917,853.68	\$ 644,736.85	\$ 253,617.77	\$ 19,499.06
41	Actual SLA recovery through FPP	\$ 1,307,278.67	\$ 927,056.53	\$ 364,027.31	\$ 18,194.83
42	Actual Losses on FPP Sales (Line 1 - Line 3) x (line 11))	\$ 1,996,276.67	\$ 1,398,302.68	\$ 550,151.88	\$ 47,822.11
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (228,855.68)	\$ (173,490.70)	\$ (67,493.20)	\$ 12,128.22
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 66,367.65	\$ (832,179.92)	\$ 782,878.49	\$ 115,689.08

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

Line	Reconciliation Adjustment (RA)	August 2010	Residential August 2010	Non-Residential August 2010	Voltage Reduction August 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 32,359,871.08	\$ 32,359,871.08	\$ 32,359,871.08	\$ 32,359,871.08
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)	\$ 30,383,750.84	\$ 30,383,750.84	\$ 30,383,750.84	\$ 30,383,750.84
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,043,066.70)	\$ (1,043,066.70)	\$ (1,043,066.70)	\$ (1,043,066.70)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 31,193,572.00	\$ 31,193,572.00	\$ 31,193,572.00	\$ 31,193,572.00
7	Total Generation and Purchase Power (per books)	971,392,163	971,392,163	971,392,163	971,392,163
8	Losses (kWh) (1-Line 2)*(Line 7)	59,320,005	59,320,005	59,320,005	59,320,005
9	Total Generation After Losses (kWh) (Line 7-Line 8)	912,072,158	912,072,158	912,072,158	912,072,158
10	kWh Subject to FPP	921,361,651	645,382,231	253,871,640	22,107,780
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	101.02%	70.76%	27.84%	2.42%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 31,502,945.60	\$ 22,066,943.97	\$ 8,680,149.68	\$ 755,851.95
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 31,502,945.60	\$ 22,066,943.97	\$ 8,680,149.68	\$ 755,851.95
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 119,149.84	\$ 83,480.38	\$ 32,830.50	\$ 2,858.96
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,511,746.43	\$ 22,072,571.55	\$ 8,684,290.44	\$ 754,884.44
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 127,950.67	\$ 89,087.96	\$ 36,971.26	\$ 1,891.45
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
20	EA Expense Allocated to FPP	\$ 582,413.51	\$ 407,960.69	\$ 160,478.00	\$ 13,974.82
21	EA Sales Margin Allocated to FPP	\$ (98,898.06)	\$ (69,274.70)	\$ (27,250.33)	\$ (2,373.03)
22	Net EA Cost (Line 19 + Line 20)	\$ 483,515.45	\$ 338,685.99	\$ 133,227.67	\$ 11,601.79
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 595,717.69	\$ 417,300.38	\$ 164,083.95	\$ 14,333.36
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (112,202.24)	\$ (78,614.39)	\$ (30,856.28)	\$ (2,731.57)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
27	ER Expense Allocated to FPP	\$ 731,938.33	\$ 512,697.69	\$ 201,678.01	\$ 17,562.63
28	ER Revenue in FPP (per books)	\$ 1,591,633.19	\$ 1,114,466.88	\$ 439,006.07	\$ 38,160.24
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (859,694.86)	\$ (601,769.19)	\$ (237,328.06)	\$ (20,597.61)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
31	AEPS Expense	\$ 203,968.89	\$ 142,873.21	\$ 56,201.51	\$ 4,894.17
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 203,968.89	\$ 142,873.21	\$ 56,201.51	\$ 4,894.17
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 243,154.59	\$ 169,918.72	\$ 67,372.22	\$ 5,863.65
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (39,185.70)	\$ (27,045.51)	\$ (11,170.71)	\$ (969.48)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 262,012.06	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,544,541.26	\$ 292,360.15	\$ 1,151,847.60	\$ 100,333.51
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,178,355.46	\$ (40,348.09)	\$ 1,092,755.48	\$ 125,948.07
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 917,853.68	\$ 644,736.85	\$ 263,617.77	\$ 19,499.06
41	Actual SLA recovery through FPP	\$ 1,307,278.67	\$ 927,066.53	\$ 364,027.31	\$ 16,194.83
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,996,276.67	\$ 1,398,302.68	\$ 550,151.88	\$ 47,822.11
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (228,856.68)	\$ (173,490.70)	\$ (67,493.20)	\$ 12,128.22
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 66,367.65	\$ (832,179.92)	\$ 782,878.49	\$ 115,669.08
45	Net Under/(Over) Recovery of FPP Costs (Page 50, Line 44)	\$ 66,367.65	\$ (832,179.92)	\$ 782,878.49	\$ 115,669.08
46	Net Adjustment for August 2010 (Line 44 - Line 45) To Page 3 Line 8	\$ -	\$ -	\$ -	\$ -

**Duke Energy Ohio
Electric Department**

**Calculation of Quarterly Reconciliation Adjustment Component for Billing
July 2011 through September 2011**

Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA)	September 2010	Residential September 2010	Non-Residential September 2010	Voltage Reduction September 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 22,117,017.18	\$ 22,117,017.18	\$ 22,117,017.18	\$ 22,117,017.18
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 20,766,397.29	\$ 20,766,397.29	\$ 20,766,397.29	\$ 20,766,397.29
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (585,593.06)	\$ (585,593.06)	\$ (585,593.06)	\$ (585,593.06)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 21,326,778.90	\$ 21,326,778.90	\$ 21,326,778.90	\$ 21,326,778.90
7	Total Generation and Purchase Power (per books)	660,480,934	660,480,934	660,480,934	660,480,934
8	Losses (kWh) (1-Line 2)*(Line 7)	40,333,589	40,333,589	40,333,589	40,333,589
9	Total Generation After Losses (kWh) (Line 7-Line 8)	620,147,345	620,147,345	620,147,345	620,147,345
10	kWh Subject to FPP	708,268,416	500,680,187	206,917,716	1,670,513
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	114.21%	80.74%	33.20%	0.27%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.56	\$ 57,113.86
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.56	\$ 57,113.86
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 14,029.81	\$ 9,917.78	\$ 4,078.94	\$ 33.09
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 128,471.17	\$ 90,817.22	\$ 37,350.94	\$ 303.01
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 24,357,314.18	\$ 17,219,241.28	\$ 7,080,490.59	\$ 57,582.31
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 277,874.01	\$ 199,552.55	\$ 77,516.91	\$ 804.55
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	206,917,716	1,670,513
21	EA Expense Allocated to FPP	\$ 488,567.11	\$ 345,371.71	\$ 142,043.07	\$ 1,152.34
22	EA Sales Margin Allocated to FPP	\$ (25,698.16)	\$ (18,166.22)	\$ (7,471.33)	\$ (60.61)
23	Net EA Cost (Line 21 + Line 22)	\$ 462,868.95	\$ 327,205.49	\$ 134,571.74	\$ 1,091.73
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 458,004.36	\$ 323,758.44	\$ 133,162.86	\$ 1,083.08
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 4,864.59	\$ 3,447.05	\$ 1,408.88	\$ 8.67
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	206,917,716	1,670,513
28	ER Expense Allocated to FPP	\$ 836,222.08	\$ 661,822.32	\$ 272,191.60	\$ 2,208.16
29	ER Revenue in FPP (per books)	\$ 1,223,808.54	\$ 864,648.28	\$ 356,276.79	\$ 2,883.47
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (287,586.46)	\$ (202,825.96)	\$ (84,085.19)	\$ (675.31)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	206,917,716	1,670,513
32	AEPS Expense	\$ 62,103.58	\$ 43,901.48	\$ 18,055.62	\$ 146.48
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 62,103.58	\$ 43,901.48	\$ 18,055.62	\$ 146.48
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 186,948.99	\$ 131,829.78	\$ 54,676.14	\$ 443.07
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (124,845.41)	\$ (87,828.30)	\$ (36,620.52)	\$ (296.58)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
38	Actual RA recovery through FPP	\$ 1,169,191.84	\$ 226,824.77	\$ 934,785.65	\$ 7,581.42
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,553,704.88	\$ 25,187.29	\$ 1,309,817.43	\$ 218,700.16
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AJR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 707,364.70	\$ 500,179.51	\$ 205,711.80	\$ 1,473.39
42	Actual SLA recovery through FPP	\$ 1,015,899.05	\$ 719,247.79	\$ 295,427.64	\$ 1,223.72
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,542,542.98	\$ 1,090,490.50	\$ 448,405.80	\$ 3,646.67
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (180,720.77)	\$ (128,936.80)	\$ (52,733.54)	\$ 949.56
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 1,243,290.84	\$ (191,604.17)	\$ 1,215,303.97	\$ 219,491.04

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

Line	Reconciliation Adjustment (RA)	September 2010	Residential September 2010	Non-Residential September 2010	Voltage Reduction September 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 22,117,017.18	\$ 22,117,017.18	\$ 22,117,017.18	\$ 22,117,017.18
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 20,766,397.29	\$ 20,766,397.29	\$ 20,766,397.29	\$ 20,766,397.29
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (585,593.06)	\$ (585,593.06)	\$ (585,593.06)	\$ (585,593.06)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 21,326,778.90	\$ 21,326,778.90	\$ 21,326,778.90	\$ 21,326,778.90
7	Total Generation and Purchase Power (per books)	660,480,934	660,480,934	660,480,934	660,480,934
8	Losses (kWh) (1-Line 2)*(Line 7)	40,333,589	40,333,589	40,333,589	40,333,589
9	Total Generation After Losses (kWh) (Line 7-Line 8)	620,147,345	620,147,345	620,147,345	620,147,345
10	kWh Subject to FPP	708,268,416	500,680,187	205,917,716	1,670,513
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	114.21%	80.74%	33.20%	0.27%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.56	\$ 57,113.86
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.56	\$ 57,113.86
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 14,029.81	\$ 9,917.78	\$ 4,078.94	\$ 33.09
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 128,471.17	\$ 90,817.22	\$ 37,350.94	\$ 303.01
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/06)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 24,357,314.18	\$ 17,219,241.26	\$ 7,080,490.59	\$ 57,582.31
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 277,874.01	\$ 199,552.55	\$ 77,516.01	\$ 804.55
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
21	EA Expense Allocated to FPP	\$ 488,567.11	\$ 345,371.71	\$ 142,043.07	\$ 1,152.34
22	EA Sales Margin Allocated to FPP	\$ (25,698.16)	\$ (18,166.22)	\$ (7,471.33)	\$ (60.61)
23	Net EA Cost (Line 21 + Line 22)	\$ 462,868.95	\$ 327,205.49	\$ 134,571.74	\$ 1,091.73
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 458,004.36	\$ 323,758.44	\$ 133,162.86	\$ 1,083.06
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 4,864.59	\$ 3,447.05	\$ 1,408.88	\$ 8.67
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
28	ER Expense Allocated to FPP	\$ 936,222.08	\$ 661,822.32	\$ 272,191.60	\$ 2,208.18
29	ER Revenue in FPP (per books)	\$ 1,223,808.54	\$ 864,848.26	\$ 356,276.79	\$ 2,883.47
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (287,586.46)	\$ (202,825.96)	\$ (84,085.19)	\$ (675.31)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
32	AEPS Expense	\$ 62,103.58	\$ 43,901.48	\$ 18,055.62	\$ 146.48
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 62,103.58	\$ 43,901.48	\$ 18,055.62	\$ 146.48
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 186,946.99	\$ 131,829.78	\$ 54,676.14	\$ 443.07
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (124,843.41)	\$ (87,928.30)	\$ (36,820.52)	\$ (296.59)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
38	Actual RA recovery through FPP	\$ 1,168,191.84	\$ 228,824.77	\$ 934,785.65	\$ 7,581.42
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,553,704.88	\$ 25,187.29	\$ 1,309,817.43	\$ 218,700.16
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 707,364.70	\$ 500,179.51	\$ 205,711.80	\$ 1,473.39
42	Actual SLA recovery through FPP	\$ 1,015,899.05	\$ 719,247.79	\$ 295,427.54	\$ 1,223.72
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,542,542.98	\$ 1,090,490.50	\$ 448,405.80	\$ 3,646.67
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (180,720.77)	\$ (128,936.80)	\$ (52,733.54)	\$ 949.56
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 1,243,290.84	\$ (191,504.17)	\$ 1,215,303.97	\$ 219,491.04
Net Under/(Over) Recovery of FPP Costs (Page 5Q, Line 45)					
46		\$ 1,243,290.84	\$ (191,504.17)	\$ 1,215,303.97	\$ 219,491.04
Net Adjustment for September 2010 (Line 45 - Line 46) To Page 3 Line 7					
47		\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	October 2010	Residential October 2010	Non-Residential October 2010	Voltage Reduction October 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 17,439,760.06	\$ 17,439,760.06	\$ 17,439,760.06	\$ 17,439,760.06
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 16,374,766.24	\$ 16,374,766.24	\$ 16,374,766.24	\$ 16,374,766.24
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,735,248.61	\$ 1,735,248.61	\$ 1,735,248.61	\$ 1,735,248.61
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (410,321.30)	\$ (410,321.30)	\$ (410,321.30)	\$ (410,321.30)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 17,699,693.55	\$ 17,699,693.55	\$ 17,699,693.55	\$ 17,699,693.55
7	Total Generation and Purchase Power (per books)	547,396,382	547,396,382	547,396,382	547,396,382
8	Losses (kWh) (1-Line 2)*(Line 7)	33,427,855	33,427,855	33,427,855	33,427,855
9	Total Generation After Losses (kWh) (Line 7-Line 8)	513,968,527	513,968,527	513,968,527	513,968,527
10	kWh Subject to FPP	502,998,290	334,028,999	168,080,614	888,677
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	97.87%	64.99%	32.70%	0.18%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 20,346,252.13	\$ 13,491,702.85	\$ 6,814,353.27	\$ 40,196.01
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 20,346,252.13	\$ 13,491,702.85	\$ 6,814,353.27	\$ 40,196.01
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ (168.32)	\$ (111.78)	\$ (56.24)	\$ (0.30)
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 108,175.35	\$ 71,836.63	\$ 36,147.60	\$ 191.12
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 17,322,690.08	\$ 11,503,030.84	\$ 5,787,799.79	\$ 31,859.45
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (2,915,555.02)	\$ (1,916,947.16)	\$ (990,462.12)	\$ (8,145.74)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
20	EA Expense Allocated to FPP	\$ 318,215.07	\$ 211,318.93	\$ 106,333.93	\$ 562.21
21	EA Sales Margin Allocated to FPP	\$ (29,794.50)	\$ (19,785.81)	\$ (9,956.05)	\$ (52.64)
22	Net EA Cost (Line 19 + Line 20)	\$ 288,420.57	\$ 191,533.12	\$ 96,377.88	\$ 509.57
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 355,924.43	\$ 236,129.40	\$ 119,094.48	\$ 700.55
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (67,503.86)	\$ (44,596.28)	\$ (22,716.60)	\$ (190.98)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
27	ER Expense Allocated to FPP	\$ 557,255.85	\$ 370,060.00	\$ 186,211.12	\$ 984.53
28	ER Revenue in FPP (per books)	\$ 795,490.17	\$ 527,074.55	\$ 266,843.27	\$ 1,572.35
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (238,234.52)	\$ (157,014.56)	\$ (80,632.15)	\$ (587.82)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
31	AEPS Expense	\$ 96,009.62	\$ 63,757.67	\$ 32,082.33	\$ 169.62
32	AEPS Sales Margin	\$ 4,150.58	\$ 2,756.16	\$ 1,386.77	\$ 7.63
33	Net AEPS Cost (Line 31 + Line 32)	\$ 100,160.18	\$ 66,513.83	\$ 33,469.10	\$ 177.25
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 211,713.87	\$ 140,553.21	\$ 70,740.33	\$ 420.33
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (111,553.69)	\$ (74,039.38)	\$ (37,271.23)	\$ (243.08)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.74	\$ 322,254.93
37	Actual RA recovery through FPP	\$ 394,568.89	\$ (975,439.29)	\$ 1,361,975.21	\$ 8,032.97
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,033,348.57	\$ (277,845.92)	\$ 996,772.53	\$ 314,221.96
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 502,391.31	\$ 333,694.97	\$ 167,912.53	\$ 783.81
41	Actual SLA recovery through FPP	\$ 957,736.46	\$ 635,300.52	\$ 321,465.55	\$ 970.39
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,042,309.45	\$ 692,139.49	\$ 348,252.98	\$ 1,916.98
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (417,818.32)	\$ (276,856.00)	\$ (141,125.10)	\$ 162.78
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (2,717,316.84)	\$ (2,747,099.29)	\$ (275,434.67)	\$ 305,217.12

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

Line	Reconciliation Adjustment (RA)	October 2010	Residential October 2010	Non-Residential October 2010	Voltage Reduction October 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 17,035,930.27	\$ 17,035,930.27	\$ 17,035,930.27	\$ 17,035,930.27
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 15,995,597.12	\$ 15,995,597.12	\$ 15,995,597.12	\$ 15,995,597.12
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,735,248.61	\$ 1,735,248.61	\$ 1,735,248.61	\$ 1,735,248.61
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (403,549.94)	\$ (403,549.94)	\$ (403,549.94)	\$ (403,549.94)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 17,327,295.79	\$ 17,327,295.79	\$ 17,327,295.79	\$ 17,327,295.79
7	Total Generation and Purchase Power (per books)	529,481,724	529,481,724	529,481,724	529,481,724
8	Losses (kWh) (1-Line 2)*(Line 7)	32,333,860	32,333,860	32,333,860	32,333,860
9	Total Generation After Losses (kWh) (Line 7-Line 8)	497,147,864	497,147,864	497,147,864	497,147,864
10	kWh Subject to FPP	502,998,290	334,028,999	168,080,614	888,677
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	101.18%	67.19%	33.81%	0.18%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 20,346,252.13	\$ 13,491,702.85	\$ 6,814,353.27	\$ 40,196.01
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 20,346,252.13	\$ 13,491,702.85	\$ 6,814,353.27	\$ 40,196.01
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ (162.44)	\$ (107.88)	\$ (54.27)	\$ (0.29)
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 108,175.35	\$ 71,836.63	\$ 36,147.60	\$ 191.12
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 17,531,757.88	\$ 11,642,210.04	\$ 5,858,358.71	\$ 31,189.13
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (2,706,481.34)	\$ (1,777,764.06)	\$ (919,901.23)	\$ (8,816.05)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
20	EA Expense Allocated to FPP	\$ 316,939.51	\$ 210,471.86	\$ 105,907.69	\$ 559.96
21	EA Sales Margin Allocated to FPP	\$ (29,794.50)	\$ (19,785.81)	\$ (9,956.05)	\$ (52.64)
22	Net EA Cost (Line 19 + Line 20)	\$ 287,145.01	\$ 190,686.05	\$ 95,951.64	\$ 507.32
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 355,924.43	\$ 238,129.40	\$ 119,094.48	\$ 700.55
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (68,779.42)	\$ (45,443.35)	\$ (23,142.84)	\$ (193.23)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
27	ER Expense Allocated to FPP	\$ 537,802.13	\$ 357,141.39	\$ 179,710.58	\$ 950.16
28	ER Revenue in FPP (per books)	\$ 795,490.17	\$ 527,074.55	\$ 266,843.27	\$ 1,572.35
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (257,688.04)	\$ (169,933.16)	\$ (87,132.69)	\$ (622.19)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
31	AEPS Expense	\$ 96,009.62	\$ 63,757.67	\$ 32,082.33	\$ 169.62
32	AEPS Sales Margin	\$ 4,150.56	\$ 2,756.24	\$ 1,386.94	\$ 7.38
33	Net AEPS Cost (Line 31 + Line 32)	\$ 100,160.18	\$ 66,513.91	\$ 33,469.27	\$ 177.00
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 211,713.87	\$ 140,553.21	\$ 70,740.33	\$ 420.33
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (111,553.69)	\$ (74,039.30)	\$ (37,271.06)	\$ (243.33)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.74	\$ 322,254.93
37	Actual RA recovery through FPP	\$ 394,568.89	\$ (975,439.29)	\$ 1,361,975.21	\$ 8,032.97
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,033,348.57	\$ (277,645.92)	\$ 996,772.53	\$ 314,221.96
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 502,391.31	\$ 333,694.97	\$ 167,912.53	\$ 783.81
41	Actual SLA recovery through FPP	\$ 957,736.46	\$ 635,300.52	\$ 321,465.55	\$ 970.39
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,052,609.08	\$ 698,989.85	\$ 351,736.84	\$ 1,872.59
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (407,518.69)	\$ (269,995.64)	\$ (137,641.44)	\$ 118.39
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (2,518,672.61)	\$ (2,614,821.43)	\$ (208,316.73)	\$ 304,466.55
45	Net Under/(Over) Recovery of FPP Costs (Page 5S, Line 44)	\$ (2,717,316.84)	\$ (2,747,099.29)	\$ (275,434.67)	\$ 305,217.12
46	Net Adjustment for October 2010 (Line 44 - Line 45) To Page 3 Line 6	\$ 198,644.23	\$ 132,777.56	\$ 67,117.94	\$ (751.57)

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

Line	Reconciliation Adjustment (RA)	November 2010	Residential November 2010	Non-Residential November 2010	Voltage Reduction November 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 20,007,066.33	\$ 20,007,066.33	\$ 20,007,066.33	\$ 20,007,066.33
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)	\$ 18,785,294.81	\$ 18,785,294.81	\$ 18,785,294.81	\$ 18,785,294.81
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 951,636.06	\$ 951,636.06	\$ 951,636.06	\$ 951,636.06
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (437,688.37)	\$ (437,688.37)	\$ (437,688.37)	\$ (437,688.37)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 19,299,242.50	\$ 19,299,242.50	\$ 19,299,242.50	\$ 19,299,242.50
7	Total Generation and Purchase Power (per books)	598,583,981	598,583,981	598,583,981	598,583,981
8	Losses (kWh) (1-Line 2)(Line 7)	36,553,728	36,553,728	36,553,728	36,553,728
9	Total Generation After Losses (kWh) (Line 7-Line 8)	562,030,253	562,030,253	562,030,253	562,030,253
10	kWh Subject to FPP	473,974,549	316,712,300	155,576,791	1,685,458
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	84.33%	56.35%	27.68%	0.30%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 19,138,982.91	\$ 12,786,121.58	\$ 6,284,831.42	\$ 68,029.91
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 19,138,982.91	\$ 12,786,121.58	\$ 6,284,831.42	\$ 68,029.91
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 16,275,051.20	\$ 10,875,123.15	\$ 5,342,030.32	\$ 57,897.73
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (2,863,931.71)	\$ (1,910,998.43)	\$ (942,801.10)	\$ (10,132.18)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
20	EA Expense Allocated to FPP	\$ 419,900.81	\$ 280,579.94	\$ 137,827.70	\$ 1,493.17
21	EA Sales Margin Allocated to FPP	\$ (35,195.69)	\$ (23,517.95)	\$ (11,552.59)	\$ (125.15)
22	Net EA Cost (Line 19 + Line 20)	\$ 384,705.12	\$ 257,061.99	\$ 126,275.11	\$ 1,368.02
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 334,806.11	\$ 223,780.44	\$ 109,840.02	\$ 1,185.65
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ 49,899.01	\$ 33,281.55	\$ 16,435.09	\$ 182.37
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
27	ER Expense Allocated to FPP	\$ 721,788.56	\$ 482,302.93	\$ 236,918.94	\$ 2,566.69
28	ER Revenue in FPP (per books)	\$ 748,278.75	\$ 499,509.91	\$ 246,107.72	\$ 2,661.12
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (26,490.19)	\$ (17,206.98)	\$ (9,188.78)	\$ (94.43)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
31	AEPS Expense	\$ 223,244.10	\$ 149,172.89	\$ 73,277.35	\$ 793.86
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 223,244.10	\$ 149,172.89	\$ 73,277.35	\$ 793.86
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 199,157.35	\$ 133,202.64	\$ 65,243.32	\$ 711.39
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ 24,086.75	\$ 15,970.25	\$ 8,034.03	\$ 82.47
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.74	\$ 322,254.93
37	Actual RA recovery through FPP	\$ 345,309.53	\$ (924,426.33)	\$ 1,256,140.42	\$ 13,595.44
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,082,607.93	\$ (328,658.88)	\$ 1,102,607.32	\$ 308,659.49
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 473,303.37	\$ 316,395.59	\$ 155,421.21	\$ 1,486.57
41	Actual SLA recovery through FPP	\$ 900,203.76	\$ 602,075.94	\$ 296,485.48	\$ 1,642.34
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,030,319.92	\$ 688,468.25	\$ 338,186.36	\$ 3,665.31
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (343,187.21)	\$ (230,003.28)	\$ (113,720.33)	\$ 536.40
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (2,077,015.42)	\$ (2,437,615.77)	\$ 61,366.23	\$ 299,234.12

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

Line	Reconciliation Adjustment (RA)	November 2010	Residential November 2010	Non-Residential November 2010	Voltage Reduction November 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 19,727,434.28	\$ 19,727,434.28	\$ 19,727,434.28	\$ 19,727,434.28
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)	\$ 18,522,739.05	\$ 18,522,739.05	\$ 18,522,739.05	\$ 18,522,739.05
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 951,636.06	\$ 951,636.06	\$ 951,636.06	\$ 951,636.06
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (416,172.82)	\$ (416,172.82)	\$ (416,172.82)	\$ (416,172.82)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 19,058,202.29	\$ 19,058,202.29	\$ 19,058,202.29	\$ 19,058,202.29
7	Total Generation and Purchase Power (per books)	588,648,911	588,648,911	588,648,911	588,648,911
8	Losses (kWh) (1-Line 2)*(Line 7)	35,947,023	35,947,023	35,947,023	35,947,023
9	Total Generation After Losses (kWh) (Line 7-Line 8)	552,701,888	552,701,888	552,701,888	552,701,888
10	kWh Subject to FPP	473,974,549	316,712,300	155,576,791	1,685,458
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	85.76%	57.30%	28.15%	0.31%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 19,138,982.91	\$ 12,786,121.58	\$ 6,284,831.42	\$ 68,029.91
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 19,138,982.91	\$ 12,786,121.58	\$ 6,284,831.42	\$ 68,029.91
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 16,344,314.28	\$ 10,920,349.91	\$ 5,364,883.94	\$ 59,080.43
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (2,794,668.63)	\$ (1,865,771.67)	\$ (919,947.48)	\$ (8,949.48)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
20	EA Expense Allocated to FPP	\$ 419,552.93	\$ 280,347.49	\$ 137,713.51	\$ 1,491.93
21	EA Sales Margin Allocated to FPP	\$ (35,195.69)	\$ (23,517.95)	\$ (11,552.59)	\$ (125.15)
22	Net EA Cost (Line 19 + Line 20)	\$ 384,357.24	\$ 256,829.54	\$ 126,160.92	\$ 1,366.78
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 334,806.11	\$ 223,780.44	\$ 109,840.02	\$ 1,185.65
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ 49,551.13	\$ 33,049.10	\$ 16,320.90	\$ 181.13
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
27	ER Expense Allocated to FPP	\$ 716,061.10	\$ 478,475.81	\$ 235,038.97	\$ 2,546.32
28	ER Revenue in FPP (per books)	\$ 748,278.75	\$ 499,509.91	\$ 246,107.72	\$ 2,661.12
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (32,217.65)	\$ (21,034.10)	\$ (11,068.75)	\$ (114.80)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
31	AEPS Expense	\$ 223,244.10	\$ 149,172.89	\$ 73,277.35	\$ 793.86
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 223,244.10	\$ 149,172.89	\$ 73,277.35	\$ 793.86
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 199,157.35	\$ 133,202.64	\$ 65,243.32	\$ 711.39
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ 24,086.75	\$ 15,970.25	\$ 8,034.03	\$ 82.47
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.74	\$ 322,254.93
37	Actual RA recovery through FPP	\$ 345,309.53	\$ (924,428.33)	\$ 1,256,140.42	\$ 13,595.44
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,082,607.93	\$ (328,656.88)	\$ 1,102,607.32	\$ 308,659.49
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 473,303.37	\$ 316,395.59	\$ 155,421.21	\$ 1,486.57
41	Actual SLA recovery through FPP	\$ 900,203.76	\$ 602,075.94	\$ 296,485.48	\$ 1,842.34
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,033,146.62	\$ 690,290.36	\$ 339,121.71	\$ 3,734.55
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (340,360.51)	\$ (228,181.17)	\$ (112,784.98)	\$ 605.64
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (2,011,000.98)	\$ (2,394,626.47)	\$ 83,161.04	\$ 300,464.45
45	Net Under/(Over) Recovery of FPP Costs (Page 5U, Line 44)	\$ (2,077,015.42)	\$ (2,437,615.77)	\$ 61,366.23	\$ 299,234.12
46	Net Adjustment for November 2010 (Line 44 - Line 45) To Page 3 Line 5	\$ 66,014.44	\$ 42,989.30	\$ 21,794.81	\$ 1,230.33

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

Line	Reconciliation Adjustment (RA)	December 2010	Residential December 2010	Non-Residential December 2010	Voltage Reduction December 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 26,476,035.45	\$ 26,476,035.45	\$ 26,476,035.45	\$ 26,476,035.45
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)	\$ 24,859,223.39	\$ 24,859,223.39	\$ 24,859,223.39	\$ 24,859,223.39
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,195,173.78	\$ 1,195,173.78	\$ 1,195,173.78	\$ 1,195,173.78
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (690,637.56)	\$ (690,637.56)	\$ (690,637.56)	\$ (690,637.56)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 25,363,759.61	\$ 25,363,759.61	\$ 25,363,759.61	\$ 25,363,759.61
7	Total Generation and Purchase Power (per books)	796,715,550	796,715,550	796,715,550	796,715,550
8	Losses (kWh) (1-Line 2)*(Line 7)	48,653,029	48,653,029	48,653,029	48,653,029
9	Total Generation After Losses (kWh) (Line 7-Line 8)	748,062,521	748,062,521	748,062,521	748,062,521
10	kWh Subject to FPP	675,707,818	493,858,216	180,019,813	1,829,789
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	90.33%	66.02%	24.07%	0.24%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 27,267,825.76	\$ 19,929,022.75	\$ 7,264,947.50	\$ 73,855.51
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 27,267,825.76	\$ 19,929,022.75	\$ 7,264,947.50	\$ 73,855.51
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 3,721.88	\$ 2,720.23	\$ 991.57	\$ 10.08
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ (434,886.31)	\$ (317,847.70)	\$ (115,860.95)	\$ (1,177.65)
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 22,911,084.06	\$ 16,745,154.09	\$ 6,105,056.94	\$ 60,873.02
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (4,787,906.13)	\$ (3,498,996.13)	\$ (1,274,759.94)	\$ (14,150.08)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
21	EA Expense Allocated to FPP	\$ 585,549.65	\$ 427,963.83	\$ 156,000.18	\$ 1,585.66
22	EA Sales Margin Allocated to FPP	\$ 414,238.10	\$ 302,756.43	\$ 110,359.93	\$ 1,121.74
23	Net EA Cost (Line 21 + Line 22)	\$ 999,787.75	\$ 730,720.26	\$ 266,360.11	\$ 2,707.39
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 477,050.93	\$ 348,794.23	\$ 126,969.52	\$ 1,287.18
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 522,736.82	\$ 381,926.03	\$ 139,390.59	\$ 1,420.21
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
28	ER Expense Allocated to FPP	\$ 710,913.46	\$ 519,589.15	\$ 189,399.18	\$ 1,925.12
29	ER Revenue in FPP (per books)	\$ 1,065,935.64	\$ 778,558.55	\$ 284,488.09	\$ 2,889.00
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (355,022.19)	\$ (258,969.40)	\$ (95,088.91)	\$ (963.88)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
32	AEPS Expense	\$ 414,598.06	\$ 303,019.52	\$ 110,455.83	\$ 1,122.71
33	AEPS Sales Margin	\$ 4,591.82	\$ 3,355.90	\$ 1,223.28	\$ 12.43
34	Net AEPS Cost (Line 32 + Line 33)	\$ 419,189.68	\$ 306,375.42	\$ 111,679.11	\$ 1,135.14
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 283,805.90	\$ 207,615.61	\$ 75,417.98	\$ 772.31
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 135,383.78	\$ 98,759.81	\$ 36,261.13	\$ 362.83
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.75	\$ 322,254.92
38	Actual RA recovery through FPP	\$ 25,942.14	\$ (1,440,852.36)	\$ 1,452,034.84	\$ 14,759.68
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,401,975.32	\$ 187,767.15	\$ 906,712.91	\$ 307,495.28
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 674,818.02	\$ 493,364.36	\$ 179,839.79	\$ 1,613.87
42	Actual SLA recovery through FPP	\$ 1,282,927.78	\$ 938,422.57	\$ 342,722.23	\$ 1,782.98
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,460,466.33	\$ 1,067,419.32	\$ 389,166.66	\$ 3,880.35
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (497,279.47)	\$ (364,367.61)	\$ (133,395.36)	\$ 483.50
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (3,580,111.87)	\$ (3,453,880.15)	\$ (420,879.58)	\$ 294,647.86

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

Line	Reconciliation Adjustment (RA)	December 2010	Residential December 2010	Non-Residential December 2010	Voltage Reduction December 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 26,976,970.91	\$ 26,976,970.91	\$ 26,976,970.91	\$ 26,976,970.91
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)	\$ 25,329,568.22	\$ 25,329,568.22	\$ 25,329,568.22	\$ 25,329,568.22
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,195,173.78	\$ 1,195,173.78	\$ 1,195,173.78	\$ 1,195,173.78
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (671,110.00)	\$ (671,110.00)	\$ (671,110.00)	\$ (671,110.00)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 25,853,632.00	\$ 25,853,632.00	\$ 25,853,632.00	\$ 25,853,632.00
7	Total Generation and Purchase Power (per books)	812,365,126	812,365,126	812,365,126	812,365,126
8	Losses (kWh) (1-Line 2)*(Line 7)	49,608,701	49,608,701	49,608,701	49,608,701
9	Total Generation After Losses (kWh) (Line 7-Line 8)	762,756,425	762,756,425	762,756,425	762,756,425
10	kWh Subject to FPP	675,707,818	493,858,216	180,019,813	1,829,789
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	88.59%	64.75%	23.60%	0.24%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 27,267,825.76	\$ 19,929,022.75	\$ 7,264,947.50	\$ 73,855.51
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 27,267,825.76	\$ 19,929,022.75	\$ 7,264,947.50	\$ 73,855.51
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 3,721.88	\$ 2,720.23	\$ 991.57	\$ 10.08
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ (434,886.31)	\$ (317,847.70)	\$ (115,860.95)	\$ (1,177.65)
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 22,903,732.59	\$ 18,740,226.72	\$ 6,101,457.15	\$ 82,048.72
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (4,795,257.60)	\$ (3,503,923.50)	\$ (1,278,359.73)	\$ (12,974.36)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
21	EA Expense Allocated to FPP	\$ 630,333.09	\$ 460,694.94	\$ 167,931.23	\$ 1,706.93
22	EA Sales Margin Allocated to FPP	\$ 414,238.10	\$ 302,756.43	\$ 110,359.83	\$ 1,121.74
23	Net EA Cost (Line 21 + Line 22)	\$ 1,044,571.19	\$ 763,451.37	\$ 278,291.16	\$ 2,828.67
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 477,050.93	\$ 348,794.23	\$ 126,969.52	\$ 1,287.18
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 567,520.26	\$ 414,657.14	\$ 151,321.64	\$ 1,541.49
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
28	ER Expense Allocated to FPP	\$ 710,913.45	\$ 519,589.14	\$ 188,389.18	\$ 1,925.12
29	ER Revenue in FPP (per books)	\$ 1,065,935.84	\$ 778,558.55	\$ 284,468.09	\$ 2,889.00
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (355,022.19)	\$ (258,969.41)	\$ (95,088.91)	\$ (963.88)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
32	AEPS Expense	\$ 414,598.06	\$ 303,019.52	\$ 110,455.83	\$ 1,122.71
33	AEPS Sales Margin	\$ 4,591.62	\$ 3,355.90	\$ 1,223.28	\$ 12.43
34	Net AEPS Cost (Line 32 + Line 33)	\$ 419,189.68	\$ 306,375.42	\$ 111,679.11	\$ 1,135.14
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 283,805.90	\$ 207,615.61	\$ 75,417.98	\$ 772.31
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 135,383.78	\$ 98,759.81	\$ 36,261.13	\$ 362.83
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.75	\$ 322,254.92
38	Actual RA recovery through FPP	\$ 25,942.14	\$ (1,440,852.36)	\$ 1,452,034.84	\$ 14,759.66
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,401,975.32	\$ 187,767.15	\$ 906,712.91	\$ 307,495.26
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 82-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 674,818.02	\$ 493,364.36	\$ 179,839.79	\$ 1,613.87
42	Actual SLA recovery through FPP	\$ 1,282,927.78	\$ 938,422.57	\$ 342,722.23	\$ 1,782.98
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,459,434.04	\$ 1,066,693.24	\$ 388,787.03	\$ 3,953.77
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (498,311.76)	\$ (365,093.69)	\$ (133,774.89)	\$ 556.92
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (3,543,712.19)	\$ (3,426,802.50)	\$ (412,927.95)	\$ 296,018.26
Net Under/(Over) Recovery of FPP Costs (Page 5W, Line 45)					
46		\$ (3,580,111.87)	\$ (3,453,880.15)	\$ (420,879.58)	\$ 294,647.86
Net Adjustment for December 2010 (Line 45 - Line 46) To Page 3 Line 4					
47		\$ 36,399.69	\$ 27,077.65	\$ 7,951.83	\$ 1,370.40

RECEIVED-DOCKETING DIV

2011 AUG 31 AM 9: 57

PUCO

August 30, 2011

The Public Utilities Commission of Ohio
Attention: Docketing Division
180 East Broad Street
13th Floor
Columbus, OH 43215-3793

RE: In the Matter of The Application of Duke Energy)
Ohio to Modify its Fuel, Economy Purchased) Case No. 11-974-EL-FAC
Power Component of Its Market-Based Standard)
Service Offer for 2011)

Docketing Division:

Enclosed for filing are fifteen (15) copies of the following attachments containing the Facts, Data, and Other Information pertinent to Duke Energy Ohio, Inc. fuel, economy purchased power, and emission allowance of its proposed market-based standard service offer (PTC-FPP):

- (a) Attachment I – Statement of Fuel Procurement Policies and Practices and
- (b) Attachment II – Narrative statement and applicable quarterly FPP forms supporting the proposed calculation of the fuel, economy purchased power, emission allowance, environmental reagent, and alternative energy portfolio standard component of its market-based standard service offer for the base period of October through December 2011. The FPP component will be applied to bills rendered during the quarter ending December 2011.

Please time-stamp the enclosed extra copy and return for our file. Thank you for your timely assistance in this regard.

Very truly yours,



Lisa D. Steinkuhl

Enclosures
Tariff memos/PUCO FPP filing/doc

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.
Technician RE Date Processed AUG 31 2011

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, SO₂, 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 Rider (PTC-FPP) of its standard service offer for the three-month projected period of October through December 2011.

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, 2011, and will coincide with the billing of Cycle 1 of the October 2011 revenue month and remain in effect through December 2011.

The methodology for calculating the proposed FPP Component of 3.3137 cents per kilowatt-hour for Residential, 3.2402 cents per kilowatt-hour for Non-Residential and 3.1926 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 2011 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 2.8154 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 2011 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 0.0166 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.

Environmental Reagents (ER)

Per Stipulation in Case No. 09-770-EL-UNC filed with the Commission on 11/19/09, environmental reagents will be recovered in the PTC-FPP rather than the PTC-AAC effective with the January 2010 revenue month. The base period of October through December 2011 was utilized to calculate the environmental reagents component (ER) for all types of customers. The proposed ER is composed of three months projected includable environmental reagent data. The total ER calculated portion of the FPP Component is 0.1359 cents per kilowatt-hour for all types of customers. This proposed ER is supported by the attached calculations on Page 2 of 5 of Schedule 1.

ATTACHMENT II

Alternative Energy Portfolio Standard (AEPS)

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 base period of October through December 2011 was utilized to calculate the alternative energy portfolio standard for all types of customers. The total alternative energy portfolio standard calculated portion of the FPP Component is 0.0341 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 RA amount includes (\$612,970) per Commission Order on August 24, 2011 in Case No. 10-974-EL-FAC. The proposed RA component is based on the reconciliation of actual fuel, economy purchased power, emission allowance costs, environmental reagent costs, alternative energy portfolio standard and system loss adjustment to the FPP Component revenues for the three month period ending June 2011. The RA amount for the three month period ending June 2011 included in this filing is \$1,830,146.77 for Residential customers and (\$200,529.36) for Non-Residential customers and \$906,772.57 for Voltage Reduction customers. In addition to these RA amounts are \$54,428.94 for Residential customers and \$17,812.11 for Non-Residential customers and (\$133.26) for Voltage Reduction customers which represents an updated adjustment to the 1st quarter 2011 RA amount filed in the 3rd quarter 2011 filing and is supported by the attached calculations on Page 5Y thru 5AD of 5 of Schedule 1. Also, there are RA amounts of \$39,765.13 for Residential customers and \$14,292.43 for Non-Residential customers and (\$739.14) for Voltage Reduction customers which represents an updated adjustment to the 4th quarter 2010 RA amount filed in the 2nd quarter 2011 filing and is supported by the attached calculations on Page 5S thru 5X 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 December 2011. The total SLA calculated portion of the FPP Component is 0.0877 cents per kilowatt-hour for Residential and Non-Residential type customers, and 0.0401 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 0.0097 cents per kilowatt-hour which represents a Synchronization Adjustment. Based upon this information, the proposed SLA should be established at 0.0974 cents per kilowatt-hour for Residential and Non-Residential type customers and at 0.0498 cents per kilowatt-hour for Voltage

ATTACHMENT II

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 Environmental Reagent Component (ER) on Page 2 of Schedule 1, the Alternative Energy Portfolio Standard (AEPS) 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 3.3137 cents per kilowatt-hour be established for Residential type customers, 3.2402 cents per kilowatt-hour be established for Non-Residential type customers and 3.1926 cents per kilowatt-hour be established for Voltage Reduction type customers. These rates should be effective with bills rendered on and after September 30, 2011, to all consumers other than consumers taking generation service from Certified Retail Electric Suppliers. This will coincide with Cycle 1 billing for the October 2011 revenue month.

**Duke Energy Americas
Non-Regulated Generation
Duke Energy Ohio PTC-FPP
Q4 2011 Workpapers**

Duke Energy Ohio
Electric Department
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During
October 2011 through December 2011

Line	Description	(A) Includable Fuel Cost \$	(B) Other Includable MISO Costs From Page 1A \$	(C) Total Includable Costs \$	(D) Includable Energy (kWh)	(E) FPP Rate Components (Col. C ÷ Col. D)
Fuel & Economy Purchased Power Cost Expense (FC) - by Month (Projected)						
1	October 2011	\$ 12,992,292.00	\$ (176,704.00)	\$ 12,815,588.00	455,278,055	
2	November 2011	\$ 12,820,659.00	\$ (176,704.00)	\$ 12,643,955.00	448,282,356	
3	December 2011	\$ 16,725,544.00	\$ (176,704.00)	\$ 16,548,840.00	588,511,708	
4	Total Fuel & Economy Purchased Power Cost Expense	\$ 42,538,495.00	\$ (530,112.00)	\$ 42,008,383.00	1,492,072,119	2.8154 ¢/kWh
5	Less: Baseline EFC Rate ^(a)					- ¢/kWh
6	Total FC Portion to be Included in FPP					2.8154 ¢/kWh
7	Emission Allowances Adjustment (EA) From Page 2					0.0166 ¢/kWh
8	Environmental Reagents (ER) From Page 2					0.1359 ¢/kWh
9	Alternative Energy Portfolio Standard From Page 2					0.0341 ¢/kWh
10	Total FPP Rate before RA and SLA					3.0020 ¢/kWh
FPP Rate						
		<u>Residential</u>	<u>Non-Residential</u>	<u>Voltage Reduction ^(b)</u>		
11	Total FPP Rate before RA and SLA (Line 10)	3.0020	3.0020	3.0020	¢/kWh	
12	Reconciliation Adjustment (RA) From Page 3	0.2143	0.1408	0.1408	¢/kWh	
13	System Loss Adjustment (SLA) From Page 4	0.0974	0.0974	0.0498	¢/kWh	
14	Total FPP Rate	3.3137	3.2402	3.1926	¢/kWh	

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

^(b) 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 2011 through December 2011

Other Includable MISO Costs	October 2011	November 2011	December 2011	Total For Period
(a)	(b)	(c)	(d)	(e)
FTR (Hourly, Monthly, Yearly, Transaction)	\$ (176,704)	\$ (176,704)	\$ (176,704)	\$ (530,112)
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	\$ -	\$ -	\$ -	\$ -
Total Other Includable MISO Costs	\$ (176,704)	\$ (176,704)	\$ (176,704)	\$ (530,112)

Duke Energy Ohio
Electric Department
Calculation of Quarterly Emission Allowances Component and Alternative Energy Portfolio Standard for Billing During
October 2011 through December 2011

Line	Description	(1) Includable Emission Allowances \$	(2) Includable Energy (kWh)	(3) EA Rate Components (Col. 1 + Col. 2)
<u>Emission Allowances (EA) - by Month (Projected)</u>				
1	October 2011	\$ 93,119.00	441,619,713	
2	November 2011	\$ 75,341.00	434,833,886	
3	December 2011	\$ 71,729.00	570,856,357	
4	EA Auction Proceeds Credits	\$ -		
5	Total Emission Allowance Expense	<u>\$ 240,189.00</u>	<u>1,447,309,956</u>	0.0166 ¢/kWh
6	Less: Baseline EA Rate ^(c)			- ¢/kWh
7	Quarterly Emission Allowance Rate (Rate will never be less than -0-)			<u>0.0166 ¢/kWh</u>

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

Line	Description	(1) Includable Environmental Reagents \$	(2) Includable Energy (kWh)	(3) ER Rate Components (Col. 1 + Col. 2)
<u>Environmental Reagents (ER) - by Month (Projected)</u>				
8	October 2011	\$ 603,615.00	441,619,713	
9	November 2011	\$ 589,052.00	434,833,886	
10	December 2011	\$ 773,742.00	570,856,357	
11	Total Emission Allowance Expense	<u>\$ 1,966,409.00</u>	<u>1,447,309,956</u>	<u>0.1359 ¢/kWh</u>

Line	Description	(1) Includable Alternative Energy Portfolio Standard \$	(2) Includable Energy (kWh)	(3) Alternative Energy Portfolio Standard Components (Col. 1 + Col. 2)
<u>Alternative Energy Portfolio Standard - by Month (Projected)</u>				
12	October 2011	\$ 153,607.00	441,619,713	
13	November 2011	\$ 146,071.00	434,833,886	
14	December 2011	\$ 194,124.00	570,856,357	
15	Total Alternative Energy Portfolio Standard Expense	<u>\$ 493,802.00</u>	<u>1,447,309,956</u>	<u>0.0341 ¢/kWh</u>

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 2011 through December 2011

Line	Reconciliation Adjustment (RA)	Total	Residential	Total Non-Residential	
1	June 2011 (See Page 3C Line 45)	\$ 2,422,973.82	\$ 1,934,377.46	\$ 488,596.36	
2	May 2011 (See Page 3B Line 44)	\$ 1,035,804.86	\$ 607,024.34	\$ 428,780.52	
3	April 2011 (See Page 3A Line 44)	\$ (922,388.70)	\$ (711,255.03)	\$ (211,133.67)	
4	March 2011 (See Page 5AD Line 47)	\$ 14,465.43	\$ 11,337.34	\$ 3,128.09	
5	February 2011 (See Page 5AB Line 46)	\$ 63,741.18	\$ 47,644.39	\$ 16,096.79	
6	January 2011 (See Page 5Z Line 46)	\$ (6,098.82)	\$ (4,552.79)	\$ (1,546.03)	
7	December 2010 (See Page 5X Line 47)	\$ 53,318.42	\$ 39,765.13	\$ 13,553.29	
8	November 2010 (See Page 5V Line 46)	\$ -	\$ -	\$ -	
9	October 2010 (See Page 5T Line 46)	\$ -	\$ -	\$ -	
10	September 2010 (See Page 5R Line 47)	\$ -	\$ -	\$ -	
11	August 2010 (See Page 5P Line 46)	\$ -	\$ -	\$ -	
12	July 2010 (See Page 5N Line 46)	\$ -	\$ -	\$ -	
13	June 2010 (See Page 5L Line 47)	\$ -	\$ -	\$ -	
14	May 2010 (See Page 5J Line 47)	\$ -	\$ -	\$ -	
15	April 2010 (See Page 5H Line 46)	\$ -	\$ -	\$ -	
16	March 2010 (See Page 5F Line 45)	\$ -	\$ -	\$ -	
17	February 2010 (See Page 5D Line 45)	\$ -	\$ -	\$ -	
18	January 2010 (See Page 5B Line 45)	\$ -	\$ -	\$ -	
19	Miscellaneous Prior Period Adjustments	\$ -	\$ -	\$ -	
20	Total Reconciliation Adjustment (Line 1 through Line 16)	\$ 2,661,816.19	\$ 1,924,340.84	\$ 737,475.35	
21	Portion of Reconciliation deferred	\$ -	\$ -	\$ -	
22	Reconciliation Adjustment to recover in 3rd quarter 2011	\$ 2,661,816.19	\$ 1,924,340.84	\$ 737,475.35	
23	Projected Retail Energy (kWh)	1,421,805,000	898,115,000	523,690,000	
24	Total RA Rate (Line 22 / Line 23) To Page 1 Line 12		<u>0.2143</u>	<u>0.1408</u>	¢/kWh

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

Line	Reconciliation Adjustment (RA)	April 2011	Residential April 2011	Non-Residential April 2011	Voltage Reduction April 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 14,334,366.50	\$ 14,334,366.50	\$ 14,334,366.50	\$ 14,334,366.50
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 13,459,009.74	\$ 13,459,009.74	\$ 13,459,009.74	\$ 13,459,009.74
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (64,292.10)	\$ (64,292.10)	\$ (64,292.10)	\$ (64,292.10)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (365,215.65)	\$ (365,215.65)	\$ (365,215.65)	\$ (365,215.65)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 13,029,501.99	\$ 13,029,501.99	\$ 13,029,501.99	\$ 13,029,501.99
7	Total Generation and Purchase Power (per books)	467,062,774	467,062,774	467,062,774	467,062,774
8	Losses (kWh) (1-Line 2)*(Line 7)	28,522,122	28,522,122	28,522,122	28,522,122
9	Total Generation After Losses (kWh) (Line 7-Line 8)	438,540,652	438,540,652	438,540,652	438,540,652
10	kWh Subject to FPP	458,281,516	326,423,480	130,349,946	1,508,090
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	104.50%	74.43%	29.73%	0.34%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 13,912,984.56	\$ 9,911,947.53	\$ 3,955,305.84	\$ 45,731.19
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 13,912,984.56	\$ 9,911,947.53	\$ 3,955,305.84	\$ 45,731.19
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 13,615,829.58	\$ 9,697,858.33	\$ 3,873,670.94	\$ 44,303.31
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (297,164.98)	\$ (214,089.20)	\$ (81,634.90)	\$ (1,430.88)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	458,281,516	326,423,480	130,349,946	1,508,090
20	EA Expense Allocated to FPP	\$ 128,234.86	\$ 91,338.77	\$ 36,474.10	\$ 421.99
21	EA Sales Margin Allocated to FPP	\$ (1,417.17)	\$ (1,009.42)	\$ (403.08)	\$ (4.66)
22	Net EA Cost (Line 19 + Line 20)	\$ 126,817.69	\$ 90,329.35	\$ 36,071.01	\$ 417.33
23	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ 204,323.33	\$ 145,534.85	\$ 58,116.10	\$ 672.38
24	EA Revenue in FPP (per books)	\$ 88,281.63	\$ 62,811.29	\$ 25,178.98	\$ 291.38
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (165,787.27)	\$ (118,016.79)	\$ (47,224.05)	\$ (546.43)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	458,281,516	326,423,480	130,349,946	1,508,090
27	ER Expense Allocated to FPP	\$ 542,918.90	\$ 386,708.77	\$ 154,423.52	\$ 1,786.61
28	ER Revenue in FPP (per books)	\$ 766,832.61	\$ 546,539.77	\$ 217,775.94	\$ 2,516.90
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (223,913.71)	\$ (159,831.00)	\$ (63,352.42)	\$ (730.29)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	458,281,516	326,423,480	130,349,946	1,508,090
31	AEPS Expense	\$ 94,364.47	\$ 67,213.66	\$ 26,840.28	\$ 310.53
32	AEPS Sales Margin	\$ (5,318.26)	\$ (3,787.92)	\$ (1,513.03)	\$ (17.31)
33	Net AEPS Cost (Line 31 + Line 32)	\$ 89,046.21	\$ 63,425.74	\$ 25,327.25	\$ 293.22
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 155,625.45	\$ 110,939.42	\$ 44,173.61	\$ 512.42
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (66,579.24)	\$ (47,513.68)	\$ (18,846.36)	\$ (219.20)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ (2,924,869.26)	\$ (2,972,163.23)	\$ (252,831.93)	\$ 300,125.90
37	Actual RA recovery through FPP	\$ (2,820,090.61)	\$ (2,846,901.23)	\$ 26,504.17	\$ 306.45
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ (104,778.65)	\$ (125,262.00)	\$ (279,336.10)	\$ 299,819.45
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 457,646.80	\$ 326,097.06	\$ 130,219.60	\$ 1,330.14
41	Actual SLA recovery through FPP	\$ 521,275.86	\$ 371,973.34	\$ 148,423.36	\$ 879.18
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 914,747.81	\$ 651,528.04	\$ 260,243.56	\$ 2,976.21
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (64,174.85)	\$ (46,542.38)	\$ (18,389.40)	\$ 766.91
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (922,388.70)	\$ (711,255.03)	\$ (508,793.23)	\$ 297,659.56

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

Line	Reconciliation Adjustment (RA)	May 2011	Residential May 2011	Non-Residential May 2011	Voltage Reduction May 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 17,660,375.96	\$ 17,660,375.96	\$ 17,660,375.96	\$ 17,660,375.96
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 16,581,909.79	\$ 16,581,909.79	\$ 16,581,909.79	\$ 16,581,909.79
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 449,211.28	\$ 449,211.28	\$ 449,211.28	\$ 449,211.28
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (457,696.67)	\$ (457,696.67)	\$ (457,696.67)	\$ (457,696.67)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 16,573,424.40	\$ 16,573,424.40	\$ 16,573,424.40	\$ 16,573,424.40
7	Total Generation and Purchase Power (per books)	531,962,687	531,962,687	531,962,687	531,962,687
8	Losses (kWh) (1-Line 2)*(Line 7)	32,485,365	32,485,365	32,485,365	32,485,365
9	Total Generation After Losses (kWh) (Line 7-Line 8)	499,477,322	499,477,322	499,477,322	499,477,322
10	kWh Subject to FPP	428,728,432	299,677,534	127,662,854	1,388,044
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	85.84%	60.00%	25.56%	0.28%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 12,995,830.36	\$ 9,076,052.07	\$ 3,877,687.36	\$ 42,090.93
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 12,995,830.36	\$ 9,076,052.07	\$ 3,877,687.36	\$ 42,090.93
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 14,291.34	\$ 9,989.53	\$ 4,255.55	\$ 46.26
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 14,226,627.50	\$ 9,944,054.64	\$ 4,236,167.28	\$ 46,405.58
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 1,245,088.48	\$ 877,992.10	\$ 362,735.47	\$ 4,360.91
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	428,728,432	299,677,534	127,662,854	1,388,044
20	EA Expense Allocated to FPP	\$ 101,586.53	\$ 71,008.12	\$ 30,249.51	\$ 328.89
21	EA Sales Margin Allocated to FPP	\$ (1,204.27)	\$ (841.77)	\$ (358.60)	\$ (3.90)
22	Net EA Cost (Line 19 + Line 20)	\$ 100,382.26	\$ 70,166.35	\$ 29,890.91	\$ 324.99
23	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ 204,323.33	\$ 142,820.27	\$ 60,841.54	\$ 661.51
24	EA Revenue in FPP (per books)	\$ 82,467.31	\$ 57,514.28	\$ 24,684.85	\$ 268.18
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (186,408.38)	\$ (130,168.20)	\$ (55,635.48)	\$ (604.70)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	428,728,432	299,677,534	127,662,854	1,388,044
27	ER Expense Allocated to FPP	\$ 650,502.35	\$ 454,695.82	\$ 193,700.67	\$ 2,106.08
28	ER Revenue in FPP (per books)	\$ 716,267.80	\$ 500,448.92	\$ 213,502.33	\$ 2,316.55
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (65,765.45)	\$ (45,753.30)	\$ (19,801.66)	\$ (210.49)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	428,728,432	299,677,534	127,662,854	1,388,044
31	AEPS Expense	\$ 454,596.54	\$ 317,759.12	\$ 135,365.62	\$ 1,471.80
32	AEPS Sales Margin	\$ 67,280.92	\$ 47,027.67	\$ 20,033.79	\$ 219.46
33	Net AEPS Cost (Line 31 + Line 32)	\$ 521,877.46	\$ 364,786.79	\$ 155,399.41	\$ 1,691.26
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 145,362.05	\$ 101,583.66	\$ 43,306.76	\$ 471.63
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ 376,515.41	\$ 263,203.13	\$ 112,092.65	\$ 1,219.63
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ (2,924,869.26)	\$ (2,972,163.23)	\$ (252,831.93)	\$ 300,125.90
37	Actual RA recovery through FPP	\$ (2,580,549.93)	\$ (2,606,816.04)	\$ 25,984.06	\$ 282.05
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ (344,319.33)	\$ (365,347.19)	\$ (278,815.99)	\$ 299,843.85
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 428,137.30	\$ 299,377.86	\$ 127,535.19	\$ 1,224.25
41	Actual SLA recovery through FPP	\$ 486,923.93	\$ 340,604.04	\$ 145,510.72	\$ 809.17
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 925,755.36	\$ 647,079.70	\$ 275,655.95	\$ 3,019.71
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ 10,694.13	\$ 7,097.80	\$ 2,610.04	\$ 986.29
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 1,035,804.86	\$ 607,024.34	\$ 123,185.03	\$ 305,595.49

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

Line	Reconciliation Adjustment (RA)	June 2011	Residential June 2011	Non-Residential June 2011	Voltage Reduction June 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 22,961,646.75	\$ 22,961,646.75	\$ 22,961,646.75	\$ 22,961,646.75
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 21,559,447.87	\$ 21,559,447.87	\$ 21,559,447.87	\$ 21,559,447.87
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (19,967.56)	\$ (19,967.56)	\$ (19,967.56)	\$ (19,967.56)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,147,638.80)	\$ (1,147,638.80)	\$ (1,147,638.80)	\$ (1,147,638.80)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 20,391,841.51	\$ 20,391,841.51	\$ 20,391,841.51	\$ 20,391,841.51
7	Total Generation and Purchase Power (per books)	640,243,306	640,243,306	640,243,306	640,243,306
8	Losses (kWh) (1-Line 2)*(Line 7)	39,097,738	39,097,738	39,097,738	39,097,738
9	Total Generation After Losses (kWh) (Line 7-Line 8)	601,145,568	601,145,568	601,145,568	601,145,568
10	kWh Subject to FPP	562,360,402	413,321,182	148,006,936	1,032,284
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	93.55%	68.76%	24.62%	0.17%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 17,062,487.76	\$ 12,541,218.51	\$ 4,489,966.35	\$ 31,302.90
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 17,062,487.76	\$ 12,541,218.51	\$ 4,489,966.35	\$ 31,302.90
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 0.00	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Audit Fees for 2010 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ 99,000.00	\$ 72,767.59	\$ 26,055.69	\$ 181.72
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 19,076,567.73	\$ 14,021,430.22	\$ 5,020,471.38	\$ 34,666.13
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 2,113,079.97	\$ 1,552,974.30	\$ 556,560.72	\$ 3,544.95
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	562,360,402	413,321,182	148,006,936	1,032,284
21	EA Expense Allocated to FPP	\$ 138,229.94	\$ 101,595.64	\$ 36,380.57	\$ 253.74
22	EA Sales Margin Allocated to FPP	\$ (14,563.38)	\$ (10,703.73)	\$ (3,832.92)	\$ (26.73)
23	Net EA Cost (Line 21 + Line 22)	\$ 123,666.56	\$ 90,891.91	\$ 32,547.65	\$ 227.01
24	EA Sales Margin refunded to customers per stipulation in Case No. 10-974-EL-FAC	\$ 204,323.33	\$ 150,179.29	\$ 53,772.75	\$ 371.30
25	EA Revenue in FPP (per books)	\$ 108,254.78	\$ 79,472.79	\$ 28,582.54	\$ 199.45
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (188,911.55)	\$ (138,760.77)	\$ (49,807.64)	\$ (343.74)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	562,360,402	413,321,182	148,006,936	1,032,284
28	ER Expense Allocated to FPP	\$ 667,872.48	\$ 490,869.99	\$ 175,776.53	\$ 1,225.96
29	ER Revenue in FPP (per books)	\$ 940,453.18	\$ 691,516.45	\$ 247,213.92	\$ 1,722.81
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (272,580.70)	\$ (200,646.46)	\$ (71,437.39)	\$ (496.85)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	562,360,402	413,321,182	148,006,936	1,032,284
32	AEPS Expense	\$ 204,989.45	\$ 150,662.25	\$ 53,950.92	\$ 376.28
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 204,989.45	\$ 150,662.25	\$ 53,950.92	\$ 376.28
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 190,863.03	\$ 140,367.52	\$ 50,144.81	\$ 350.75
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 14,126.37	\$ 10,294.73	\$ 3,806.11	\$ 25.53
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ (2,924,869.26)	\$ (2,972,163.23)	\$ (252,831.93)	\$ 300,125.90
38	Actual RA recovery through FPP	\$ (3,571,781.57)	\$ (3,602,078.23)	\$ 30,086.90	\$ 209.76
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 646,912.31	\$ 629,915.00	\$ (282,918.83)	\$ 299,916.14
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 561,677.26	\$ 412,907.86	\$ 147,858.93	\$ 910.47
42	Actual SLA recovery through FPP	\$ 639,732.37	\$ 470,644.03	\$ 168,486.56	\$ 601.78
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,311,757.05	\$ 964,151.95	\$ 345,221.36	\$ 2,383.74
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ 110,347.42	\$ 80,600.06	\$ 28,875.87	\$ 871.49
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 2,422,973.82	\$ 1,934,377.46	\$ 185,078.84	\$ 303,517.52

Duke Energy Ohio
Electric Department
Calculation of Quarterly Voltage-Adjusted System Loss Adjustment
October 2011 through December 2011

Line	Description	Distribution (A)	Transmission (B)	Total Losses	
				Voltage Adjusted Methodology (C)	No Voltage Adjustment (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)	2.8154	2.8154	2.8154	2.8154
5	Projected Sales at Meter (kWh) ^(e)	1,341,885,000	80,120,000	1,421,805,000	1,421,805,000
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))	1,433,546,932	82,630,574	1,503,458,515	1,514,277,377
8	Energy Losses (kWh) (Line 7 - Line 5)	91,861,932	2,510,574	81,653,515	92,472,377
9	Value of Losses (Line 8 * Line 4)	2,586,280.83	70,682.70	2,298,873.06	2,603,467.30
10	Average Losses Rate (\$/kWh) (Line 9 + Line 5)	0.1928	0.0882	0.1617	0.1831
11	Losses in MBSSO (\$/kWh) (Line 3)	0.1051	0.0481	0.0882	0.0999
12	System Loss Adjustment (\$/kWh) (Line 10 - Line 11)	0.0877	0.0401	0.0735	0.0832
13	Synchronization Adj. (\$/kWh) (L. 12, Column D - Column C)	0.0097	0.0097	0.0097	-
14	Adjusted SLA (\$/kWh) (Line 12 + Line 13)	0.0974	0.0498	0.0832	0.0832
<u>Total SLA Rate (Line 14, Columns A & B) To Page 1 Line 13</u>					

Notes: ^(e) Projected Sales at Meter for 4th quarter 2011 were provided by the Load Forecasting Department.

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

Line	Reconciliation Adjustment (RA)	January 2010	Residential January 2010	Non-Residential January 2010	Voltage Reduction January 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78
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)	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89
7	Total Generation and Purchase Power (per books)	1,316,709,446	1,316,709,446	1,316,709,446	1,316,709,446
8	Losses (kWh) (1-Line 2)*(Line 7)	80,407,496	80,407,496	80,407,496	80,407,496
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,236,301,950	1,236,301,950	1,236,301,950	1,236,301,950
10	kWh Subject to FPP	1,269,923,992	764,134,697	481,905,942	23,883,353
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.72%	61.81%	38.98%	1.93%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 195,567.98	\$ 123,329.77	\$ 6,112.25
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 37,616,470.66	\$ 22,635,066.70	\$ 14,274,630.32	\$ 706,773.64
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (3,390,747.47)	\$ (2,006,318.31)	\$ (1,325,408.57)	\$ (59,020.59)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
19	EA Expense Allocated to FPP	\$ 754,190.45	\$ 453,809.12	\$ 286,197.33	\$ 14,184.00
20	EA Sales Margin Allocated to FPP	\$ (435,948.47)	\$ (262,317.55)	\$ (165,432.07)	\$ (8,198.85)
21	Net EA Cost (Line 19 + Line 20)	\$ 318,241.98	\$ 191,491.57	\$ 120,765.26	\$ 5,985.15
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 586,130.25	\$ 352,188.48	\$ 223,055.80	\$ 10,885.99
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (267,888.27)	\$ (160,696.89)	\$ (102,290.54)	\$ (4,900.84)
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
26	ER Expense Allocated to FPP	\$ 1,134,591.78	\$ 682,703.02	\$ 430,550.58	\$ 21,338.18
27	ER Revenue in FPP (per books)	\$ 2,042,781.40	\$ 1,228,065.86	\$ 776,564.64	\$ 38,150.90
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (908,189.62)	\$ (545,362.84)	\$ (346,014.06)	\$ (16,812.72)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
30	AEPS Expense	\$ 34,788.86	\$ 20,933.04	\$ 13,201.54	\$ 654.28
31	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
32	Net AEPS Cost (Line 31 + Line 32)	\$ 34,788.86	\$ 20,933.04	\$ 13,201.54	\$ 654.28
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 265,445.25	\$ 159,250.44	\$ 101,201.24	\$ 4,993.57
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (230,656.39)	\$ (138,317.40)	\$ (87,999.70)	\$ (4,339.29)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 6,409,517.27	\$ 3,053,320.86	\$ 3,199,198.48	\$ 156,997.93
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ (172,724.44)	\$ (823,052.03)	\$ 570,948.45	\$ 79,379.14
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,265,859.72	\$ 763,370.56	\$ 481,424.04	\$ 21,065.12
40	Actual SLA recovery through FPP	\$ 1,641,021.01	\$ 995,315.22	\$ 629,926.10	\$ 15,779.69
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,368,141.10	\$ 1,424,988.34	\$ 898,657.90	\$ 44,494.86
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (538,739.63)	\$ (333,697.44)	\$ (212,692.24)	\$ 7,650.05
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (5,508,945.82)	\$ (4,007,444.91)	\$ (1,503,456.66)	\$ 1,955.75

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

Line	Reconciliation Adjustment (RA)	January 2010	Residential January 2010	Non-Residential January 2010	Voltage Reduction January 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78
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)	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89
7	Total Generation and Purchase Power (per books)	1,316,709,446	1,316,709,446	1,316,709,446	1,316,709,446
8	Losses (kWh) (1-Line 2)*(Line 7)	80,407,496	80,407,496	80,407,496	80,407,496
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,236,301,950	1,236,301,950	1,236,301,950	1,236,301,950
10	kWh Subject to FPP	1,269,923,992	764,134,697	481,905,942	23,883,353
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.72%	61.81%	38.98%	1.93%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 195,557.98	\$ 123,329.77	\$ 6,112.25
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 37,616,470.66	\$ 22,635,066.70	\$ 14,274,630.32	\$ 706,773.64
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (3,390,747.47)	\$ (2,006,318.31)	\$ (1,325,408.57)	\$ (59,020.59)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
19	EA Expense Allocated to FPP	\$ 754,190.45	\$ 453,809.12	\$ 286,197.33	\$ 14,184.00
20	EA Sales Margin Allocated to FPP	\$ (435,948.47)	\$ (262,317.55)	\$ (165,432.07)	\$ (8,198.85)
21	Net EA Cost (Line 19 + Line 20)	\$ 318,241.98	\$ 191,491.57	\$ 120,765.26	\$ 5,985.15
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 586,130.25	\$ 352,188.46	\$ 223,055.80	\$ 10,885.99
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (267,888.27)	\$ (160,696.89)	\$ (102,290.54)	\$ (4,900.84)
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
26	ER Expense Allocated to FPP	\$ 1,134,591.78	\$ 682,703.02	\$ 430,550.58	\$ 21,338.18
27	ER Revenue in FPP (per books)	\$ 2,042,781.40	\$ 1,228,065.86	\$ 776,564.64	\$ 38,150.90
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (908,189.62)	\$ (545,362.84)	\$ (346,014.06)	\$ (16,812.72)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
30	AEPS Expense	\$ 34,788.86	\$ 20,933.04	\$ 13,201.54	\$ 654.28
31	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
32	Net AEPS Cost (Line 31 + Line 32)	\$ 34,788.86	\$ 20,933.04	\$ 13,201.54	\$ 654.28
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 265,445.25	\$ 159,250.44	\$ 101,201.24	\$ 4,993.57
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (230,656.39)	\$ (138,317.40)	\$ (87,999.70)	\$ (4,339.29)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 6,409,517.27	\$ 3,053,320.86	\$ 3,199,198.48	\$ 156,997.93
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ (172,724.44)	\$ (823,052.03)	\$ 570,948.45	\$ 79,379.14
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,265,859.72	\$ 763,370.56	\$ 481,424.04	\$ 21,065.12
40	Actual SLA recovery through FPP	\$ 1,641,021.01	\$ 995,315.22	\$ 629,926.10	\$ 15,779.69
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,368,141.10	\$ 1,424,988.34	\$ 898,657.90	\$ 44,494.86
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (538,739.63)	\$ (333,897.44)	\$ (212,692.24)	\$ 7,650.05
43	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (5,508,945.82)	\$ (4,007,444.91)	\$ (1,503,456.66)	\$ 1,955.75
44	Net Under/(Over) Recovery of FPP Costs (Page 5A, Line 43)	\$ (5,508,945.82)	\$ (4,007,444.91)	\$ (1,503,456.66)	\$ 1,955.75
45	Net Adjustment for January 2010 (Line 43- Line 44) To Page 3 Line 18	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	February 2010	Residential February 2010	Non-Residential February 2010	Voltage Reduction February 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08
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)	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68
7	Total Generation and Purchase Power (per books)	1,150,796,208	1,150,796,208	1,150,796,208	1,150,796,208
8	Losses (kWh) (1-Line 2)*(Line 7)	70,275,672	70,275,672	70,275,672	70,275,672
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,080,520,536	1,080,520,536	1,080,520,536	1,080,520,536
10	kWh Subject to FPP	1,077,202,765	654,386,179	405,085,785	17,730,80
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.69%	60.66%	37.49%	1.64
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 576,131.0
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 576,131.0
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 197,433.13	\$ 122,217.36	\$ 5,349.5
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,242,471.56	\$ 20,194,242.92	\$ 12,501,356.80	\$ 546,871.8
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (1,450,545.46)	\$ (880,762.36)	\$ (545,673.40)	\$ (23,909.7
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,80
19	EA Expense Allocated to FPP	\$ 681,752.32	\$ 414,155.36	\$ 256,375.29	\$ 11,221.6
20	EA Sales Margin Allocated to FPP	\$ (34,804.45)	\$ (21,021.74)	\$ (13,013.12)	\$ (569.5
21	Net EA Cost (Line 19 + Line 20)	\$ 647,147.87	\$ 393,133.62	\$ 243,362.17	\$ 10,652.0
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 496,593.93	\$ 301,643.70	\$ 186,825.21	\$ 8,125.0
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 150,553.94	\$ 91,489.92	\$ 56,536.96	\$ 2,527.0
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,80
26	ER Expense Allocated to FPP	\$ 1,151,728.71	\$ 699,659.69	\$ 433,111.62	\$ 18,957.5
27	ER Revenue in FPP (per books)	\$ 1,730,721.82	\$ 1,051,818.47	\$ 650,428.51	\$ 28,474.8
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (578,993.11)	\$ (352,158.78)	\$ (217,316.99)	\$ (9,517.3
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,80
30	AEPS Expense	\$ -	\$ 0.01	\$ -	\$ -
31	AEPS Sales Margin	\$ (162,700.00)	\$ (98,837.52)	\$ (61,185.91)	\$ (2,676.5
32	Net AEPS Cost (Line 31 + Line 32)	\$ (162,700.00)	\$ (98,837.51)	\$ (61,185.91)	\$ (2,676.5
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 224,885.77	\$ 136,395.41	\$ 84,763.29	\$ 3,727.0
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (387,585.77)	\$ (235,232.92)	\$ (145,949.20)	\$ (6,403.6
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.0
36	Actual RA recovery through FPP	\$ 5,411,856.83	\$ 2,615,119.74	\$ 2,679,557.90	\$ 117,179.1
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 824,936.00	\$ (384,850.91)	\$ 1,090,589.03	\$ 119,197.8
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.088
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,074,051.06	\$ 653,731.79	\$ 404,680.70	\$ 15,638.5
40	Actual SLA recovery through FPP	\$ 1,391,857.12	\$ 852,471.33	\$ 527,608.24	\$ 11,777.5
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,025,473.33	\$ 1,230,441.01	\$ 761,711.28	\$ 33,321.0
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (440,434.85)	\$ (275,762.11)	\$ (170,577.68)	\$ 5,904.9
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,882,089.25)	\$ (2,037,277.16)	\$ 67,408.72	\$ 87,799.1

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

Line	Reconciliation Adjustment (RA)	February 2010	Residential February 2010	Non-Residential February 2010	Voltage Reduction February 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08
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)	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68
7	Total Generation and Purchase Power (per books)	1,150,796.208	1,150,796.208	1,150,796.208	1,150,796.208
8	Losses (kWh) (1-Line 2)*(Line 7)	70,275.672	70,275.672	70,275.672	70,275.672
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,080,520.536	1,080,520.536	1,080,520.536	1,080,520.536
10	kWh Subject to FPP	1,077,202.765	654,386.179	405,085.785	17,730.801
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.69%	60.56%	37.49%	1.64%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 576,131.05
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 576,131.05
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 197,433.13	\$ 122,217.36	\$ 5,349.51
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,242,471.56	\$ 20,194,242.92	\$ 12,501,366.80	\$ 546,871.84
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (1,450,545.46)	\$ (880,762.36)	\$ (545,873.40)	\$ (23,909.70)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,077,202.765	654,386.179	405,085.785	17,730.801
19	EA Expense Allocated to FPP	\$ 681,752.32	\$ 414,155.36	\$ 256,375.29	\$ 11,221.67
20	EA Sales Margin Allocated to FPP	\$ (34,604.45)	\$ (21,321.74)	\$ (13,013.12)	\$ (569.59)
21	Net EA Cost (Line 19 + Line 20)	\$ 647,147.87	\$ 393,133.62	\$ 243,362.17	\$ 10,652.08
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 496,593.93	\$ 301,643.70	\$ 186,825.21	\$ 8,125.02
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 150,553.94	\$ 91,489.92	\$ 56,536.96	\$ 2,527.06
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,077,202.765	654,386.179	405,085.785	17,730.801
26	ER Expense Allocated to FPP	\$ 1,151,728.71	\$ 699,659.69	\$ 433,111.52	\$ 18,957.50
27	ER Revenue in FPP (per books)	\$ 1,730,721.82	\$ 1,051,818.47	\$ 650,428.51	\$ 28,474.84
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (578,993.11)	\$ (352,158.78)	\$ (217,316.99)	\$ (9,517.34)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,077,202.765	654,386.179	405,085.785	17,730.801
30	AEPS Expense	\$ -	\$ 0.01	\$ -	\$ -
31	AEPS Sales Margin	\$ (162,700.00)	\$ (98,837.52)	\$ (61,185.91)	\$ (2,676.58)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (162,700.00)	\$ (98,837.51)	\$ (61,185.91)	\$ (2,676.58)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 224,885.77	\$ 136,395.41	\$ 84,783.29	\$ 3,727.07
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (387,585.77)	\$ (235,232.92)	\$ (145,949.20)	\$ (6,403.65)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,266.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,411,856.83	\$ 2,615,119.74	\$ 2,679,557.90	\$ 117,179.19
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 824,936.00	\$ (384,850.91)	\$ 1,090,589.03	\$ 119,197.88
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AJR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,074,051.06	\$ 653,731.79	\$ 404,680.70	\$ 15,838.57
40	Actual SLA recovery through FPP	\$ 1,391,857.12	\$ 852,471.33	\$ 527,608.24	\$ 11,777.55
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,025,473.33	\$ 1,230,441.01	\$ 761,711.26	\$ 33,321.06
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (440,434.85)	\$ (275,762.11)	\$ (170,577.68)	\$ 5,904.94
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,882,069.25)	\$ (2,037,277.16)	\$ 67,408.72	\$ 87,799.19
44	Net Under/(Over) Recovery of FPP Costs (Page 5C, Line 43)	\$ (1,882,069.25)	\$ (2,037,277.16)	\$ 67,408.72	\$ 87,799.19
45	Net Adjustment for February 2010 (Line 43 - Line 44) To Page 3 Line 17	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	March 2010	Residential March 2010	Non-Residential March 2010	Voltage Reduction March 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54
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)	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46
7	Total Generation and Purchase Power (per books)	980,924,756	980,924,756	980,924,756	980,924,756
8	Losses (kWh) (1-Line 2)*(Line 7)	59,902,132	59,902,132	59,902,132	59,902,132
9	Total Generation After Losses (kWh) (Line 7-Line 8)	921,022,624	921,022,624	921,022,624	921,022,624
10	kWh Subject to FPP	990,481,832	561,083,212	387,221,575	42,176,845
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	107.54%	60.92%	42.04%	4.58%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 184,104.42	\$ 127,056.38	\$ 13,839.20
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,393,195.59	\$ 17,783,833.69	\$ 12,272,363.24	\$ 1,336,998.66
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (467,773.11)	\$ (269,083.28)	\$ (188,557.76)	\$ (10,122.07)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	990,481,832	561,083,212	387,221,575	42,176,845
19	EA Expense Allocated to FPP	\$ 697,795.46	\$ 395,283.77	\$ 272,798.05	\$ 29,713.64
20	EA Sales Margin Allocated to FPP	\$ (166,005.95)	\$ (94,038.24)	\$ (64,898.82)	\$ (7,068.89)
21	Net EA Cost (Line 19 + Line 20)	\$ 531,789.51	\$ 301,245.53	\$ 207,899.23	\$ 22,644.75
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 456,371.13	\$ 258,601.56	\$ 178,576.32	\$ 19,193.25
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 75,418.38	\$ 42,643.97	\$ 29,322.91	\$ 3,451.50
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	990,481,832	561,083,212	387,221,575	42,176,845
26	ER Expense Allocated to FPP	\$ 938,297.38	\$ 531,522.13	\$ 366,820.52	\$ 39,954.73
27	ER Revenue in FPP (per books)	\$ 1,590,706.97	\$ 901,732.38	\$ 621,710.17	\$ 67,264.42
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (652,409.59)	\$ (370,210.25)	\$ (254,889.65)	\$ (27,309.69)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	990,481,832	561,083,212	387,221,575	42,176,845
30	AEPS Expense	\$ 11,760.00	\$ 6,661.75	\$ 4,597.49	\$ 500.76
31	AEPS Sales Margin	\$ (817,834.00)	\$ (463,282.62)	\$ (319,726.24)	\$ (34,825.14)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (806,074.00)	\$ (456,620.87)	\$ (315,128.75)	\$ (34,324.38)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 206,757.86	\$ 116,932.88	\$ 81,020.74	\$ 8,804.24
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (1,012,831.86)	\$ (573,553.75)	\$ (396,149.49)	\$ (43,128.62)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.82	\$ 2,230,268.83	\$ 3,770,146.92	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,080,015.93	\$ 2,241,963.05	\$ 2,561,247.47	\$ 276,805.41
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 1,156,776.89	\$ (11,694.22)	\$ 1,208,899.45	\$ (40,428.34)
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AJR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 984,556.46	\$ 560,522.13	\$ 386,834.35	\$ 37,199.98
40	Actual SLA recovery through FPP	\$ 1,262,964.68	\$ 730,830.48	\$ 504,312.77	\$ 27,821.41
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,940,652.90	\$ 1,099,354.42	\$ 758,648.39	\$ 82,650.09
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (306,868.22)	\$ (191,998.19)	\$ (132,498.73)	\$ 17,628.70
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,207,687.51)	\$ (1,373,905.72)	\$ 266,126.73	\$ (99,908.52)

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

Line	Reconciliation Adjustment (RA)	March 2010	Residential March 2010	Non-Residential March 2010	Voltage Reduction March 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54
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)	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46
7	Total Generation and Purchase Power (per books)	980,924,756	980,924,756	980,924,756	980,924,756
8	Losses (kWh) (1-Line 2)*(Line 7)	59,902,132	59,902,132	59,902,132	59,902,132
9	Total Generation After Losses (kWh) (Line 7-Line 8)	921,022,624	921,022,624	921,022,624	921,022,624
10	kWh Subject to FPP	980,481,632	561,083,212	387,221,575	42,176,845
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	107.54%	60.92%	42.04%	4.58%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 184,104.42	\$ 127,056.38	\$ 13,839.20
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,393,195.59	\$ 17,783,833.69	\$ 12,272,363.24	\$ 1,336,998.66
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (467,773.11)	\$ (269,093.28)	\$ (188,557.76)	\$ (10,122.07)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	980,481,632	561,083,212	387,221,575	42,176,845
19	EA Expense Allocated to FPP	\$ 697,795.46	\$ 395,283.77	\$ 272,798.05	\$ 29,713.64
20	EA Sales Margin Allocated to FPP	\$ (166,005.95)	\$ (94,038.24)	\$ (64,898.82)	\$ (7,068.89)
21	Net EA Cost (Line 19 + Line 20)	\$ 531,789.51	\$ 301,245.53	\$ 207,899.23	\$ 22,644.75
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 456,371.13	\$ 258,601.56	\$ 178,576.32	\$ 19,193.25
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 75,418.38	\$ 42,643.97	\$ 29,322.91	\$ 3,451.50
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	980,481,632	561,083,212	387,221,575	42,176,845
26	ER Expense Allocated to FPP	\$ 938,297.38	\$ 531,522.13	\$ 366,820.52	\$ 39,954.73
27	ER Revenue in FPP (per books)	\$ 1,590,706.97	\$ 901,732.38	\$ 621,710.17	\$ 67,264.42
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (652,409.59)	\$ (370,210.25)	\$ (254,889.65)	\$ (27,309.69)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	980,481,632	561,083,212	387,221,575	42,176,845
30	AEPS Expense	\$ 11,760.00	\$ 6,661.75	\$ 4,597.49	\$ 500.76
31	AEPS Sales Margin	\$ (817,834.00)	\$ (463,292.82)	\$ (319,728.24)	\$ (34,825.14)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (806,074.00)	\$ (456,631.07)	\$ (315,130.75)	\$ (34,324.38)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 206,757.86	\$ 116,932.88	\$ 81,020.74	\$ 8,804.24
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (1,012,831.86)	\$ (573,563.95)	\$ (396,151.49)	\$ (43,128.62)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.82	\$ 2,230,268.83	\$ 3,770,146.92	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,080,015.93	\$ 2,241,963.05	\$ 2,561,247.47	\$ 276,805.41
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 1,156,776.89	\$ (11,694.22)	\$ 1,208,899.45	\$ (40,428.34)
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1484-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 984,556.46	\$ 560,522.13	\$ 386,834.35	\$ 37,199.98
40	Actual SLA recovery through FPP	\$ 1,262,964.66	\$ 730,830.48	\$ 504,312.77	\$ 27,821.41
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,940,652.90	\$ 1,099,354.42	\$ 758,648.39	\$ 82,650.09
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (306,868.22)	\$ (191,998.19)	\$ (132,498.73)	\$ 17,628.70
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,207,687.51)	\$ (1,373,905.72)	\$ 266,126.73	\$ (99,908.52)
Net Under/(Over) Recovery of FPP Costs (Page 5F, Line 43)					
44		\$ (1,207,687.51)	\$ (1,373,905.72)	\$ 266,126.73	\$ (99,908.52)
Net Adjustment for March 2010 (Line 43 - Line 44) To Page 3 Line 16					
45		\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	April 2010	Residential April 2010	Non-Residential April 2010	Voltage Reduction April 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98
7	Total Generation and Purchase Power (per books)	785,978,263	785,978,263	785,978,263	785,978,263
8	Losses (kWh) (1-Line 2)(Line 7)	47,997,335	47,997,335	47,997,335	47,997,335
9	Total Generation After Losses (kWh) (Line 7-Line 8)	737,980,928	737,980,928	737,980,928	737,980,928
10	kWh Subject to FPP	734,641,382	410,793,626	297,920,110	25,927,646
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.55%	55.66%	40.37%	3.52%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,732.11	\$ 131,797.89	\$ 11,470.20
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 23,383,837.05	\$ 13,074,277.95	\$ 9,482,727.29	\$ 826,831.81
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (1,483,951.51)	\$ (818,598.93)	\$ (628,551.25)	\$ (36,803.33)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
20	EA Expense Allocated to FPP	\$ 524,209.19	\$ 293,125.05	\$ 212,583.26	\$ 18,500.88
21	EA Sales Margin Allocated to FPP	\$ (242,545.34)	\$ (135,625.46)	\$ (98,359.74)	\$ (8,560.14)
22	Net EA Cost (Line 19 + Line 20)	\$ 281,663.85	\$ 157,499.59	\$ 114,223.52	\$ 9,940.74
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 404,837.09	\$ 226,483.17	\$ 164,147.32	\$ 14,206.60
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (123,173.24)	\$ (68,983.58)	\$ (49,923.80)	\$ (4,265.86)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
27	ER Expense Allocated to FPP	\$ 958,774.77	\$ 536,123.57	\$ 388,813.23	\$ 33,837.97
28	ER Revenue in FPP (per books)	\$ 1,226,653.74	\$ 686,110.77	\$ 497,492.65	\$ 43,050.32
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (267,878.97)	\$ (149,987.20)	\$ (108,679.42)	\$ (9,212.35)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
31	AEPS Expense	\$ 23,788.86	\$ 13,302.15	\$ 9,847.13	\$ 839.58
32	AEPS Sales Margin	\$ (447,942.00)	\$ (250,451.55)	\$ (181,651.62)	\$ (15,838.83)
33	Net AEPS Cost (Line 31 + Line 32)	\$ (424,153.14)	\$ (237,149.40)	\$ (172,004.49)	\$ (14,999.25)
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 202,418.54	\$ 113,241.58	\$ 82,073.66	\$ 7,103.30
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (626,571.68)	\$ (350,390.98)	\$ (254,078.15)	\$ (22,102.55)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.63	\$ 1,110,207.24	\$ 2,644,108.57	\$ 199,189.82
37	Actual RA recovery through FPP	\$ 2,599,286.52	\$ 1,117,427.97	\$ 1,363,685.43	\$ 118,173.12
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,354,219.11	\$ (7,220.73)	\$ 1,280,423.14	\$ 81,016.70
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 730,873.20	\$ 410,382.83	\$ 297,622.19	\$ 22,868.18
41	Actual SLA recovery through FPP	\$ 1,018,619.38	\$ 579,530.45	\$ 420,469.67	\$ 18,619.26
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,441,580.72	\$ 806,010.88	\$ 564,596.82	\$ 50,973.02
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (307,911.86)	\$ (183,902.40)	\$ (133,496.04)	\$ 9,485.58
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,455,268.15)	\$ (1,579,081.82)	\$ 105,695.48	\$ 18,118.19

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

Line	Reconciliation Adjustment (RA)	April 2010	Residential April 2010	Non-Residential April 2010	Voltage Reduction April 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98
7	Total Generation and Purchase Power (per books)	785,978,263	785,978,263	785,978,263	785,978,263
8	Losses (kWh) (1-Line 2)/(Line 7)	47,997,335	47,997,335	47,997,335	47,997,335
9	Total Generation After Losses (kWh) (Line 7-Line 8)	737,980,928	737,980,928	737,980,928	737,980,928
10	kWh Subject to FPP	734,641,382	410,793,626	297,920,110	25,927,646
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.55%	55.66%	40.37%	3.52%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,732.11	\$ 131,797.69	\$ 11,470.20
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 23,383,637.05	\$ 13,074,277.95	\$ 9,482,727.29	\$ 626,831.81
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (1,483,951.51)	\$ (818,596.93)	\$ (628,551.25)	\$ (36,803.33)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
20	EA Expense Allocated to FPP	\$ 524,209.19	\$ 293,125.05	\$ 212,583.26	\$ 18,500.88
21	EA Sales Margin Allocated to FPP	\$ (242,545.34)	\$ (135,625.46)	\$ (98,359.74)	\$ (8,560.14)
22	Net EA Cost (Line 19 + Line 20)	\$ 281,663.85	\$ 157,499.59	\$ 114,223.52	\$ 9,940.74
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 404,837.09	\$ 226,483.17	\$ 164,147.32	\$ 14,206.60
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (123,173.24)	\$ (68,963.58)	\$ (49,923.80)	\$ (4,265.86)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
27	ER Expense Allocated to FPP	\$ 958,774.77	\$ 536,123.57	\$ 388,813.23	\$ 33,837.97
28	ER Revenue in FPP (per books)	\$ 1,226,653.74	\$ 686,110.77	\$ 497,492.65	\$ 43,050.32
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (267,878.97)	\$ (149,987.20)	\$ (108,679.42)	\$ (9,212.35)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
31	AEPS Expense	\$ 23,788.86	\$ 13,302.15	\$ 9,847.13	\$ 839.58
32	AEPS Sales Margin	\$ (447,942.00)	\$ (250,451.55)	\$ (181,651.62)	\$ (15,838.83)
33	Net AEPS Cost (Line 31 + Line 32)	\$ (424,153.14)	\$ (237,149.40)	\$ (172,004.49)	\$ (14,999.25)
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 202,418.54	\$ 113,241.58	\$ 82,073.66	\$ 7,103.30
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (626,571.68)	\$ (350,390.98)	\$ (254,078.15)	\$ (22,102.55)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.63	\$ 1,110,207.24	\$ 2,644,108.57	\$ 199,189.82
37	Actual RA recovery through FPP	\$ 2,599,286.52	\$ 1,117,427.97	\$ 1,363,685.43	\$ 118,173.12
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,354,219.11	\$ (7,220.73)	\$ 1,280,423.14	\$ 81,016.70
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 730,873.20	\$ 410,382.83	\$ 297,622.19	\$ 22,868.18
41	Actual SLA recovery through FPP	\$ 1,018,619.38	\$ 579,530.45	\$ 420,469.67	\$ 18,619.26
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,441,580.72	\$ 806,010.88	\$ 584,596.82	\$ 50,973.02
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (307,911.86)	\$ (183,902.40)	\$ (133,495.04)	\$ 9,485.58
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,455,268.15)	\$ (1,579,081.82)	\$ 105,695.48	\$ 18,118.19
Net Under/(Over) Recovery of FPP Costs (Page 5G, Line 44)					
45		\$ (1,455,268.15)	\$ (1,579,081.82)	\$ 105,695.48	\$ 18,118.19
Net Adjustment for April 2010 (Line 44 - Line 45) To Page 3 Line 15					
46		\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	May 2010	Residential May 2010	Non-Residential May 2010	Voltage Reduction May 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22
7	Total Generation and Purchase Power (per books)	874,935,996	874,935,996	874,935,996	874,935,996
8	Losses (kWh) (1-Line 2)*(Line 7)	53,429,716	53,429,716	53,429,716	53,429,716
9	Total Generation After Losses (kWh) (Line 7-Line 8)	821,506,280	821,506,280	821,506,280	821,506,280
10	kWh Subject to FPP	662,602,497	369,660,453	269,051,741	23,890,303
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	80.66%	45.00%	32.75%	2.91%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 22,477,469.94	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,197.54
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 22,477,469.94	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,197.54
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,314.81	\$ 131,967.23	\$ 11,717.96
16	PowerShare Program (Case No. 08-920-EL-SSO)	\$ (12,583.33)	\$ (7,020.13)	\$ (5,109.50)	\$ (453.70)
17	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,228.00)	\$ (144,227.00)	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 21,660,120.39	\$ 12,084,123.70	\$ 8,794,556.69	\$ 781,440.00
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (793,387.88)	\$ (418,116.48)	\$ (353,778.12)	\$ (21,493.28)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
21	EA Expense Allocated to FPP	\$ 578,002.60	\$ 322,462.87	\$ 234,699.70	\$ 20,840.04
22	EA Sales Margin Allocated to FPP	\$ (900,089.48)	\$ (502,152.48)	\$ (365,484.05)	\$ (32,452.96)
23	Net EA Cost (Line 19 + Line 20)	\$ (322,086.88)	\$ (179,689.61)	\$ (130,784.35)	\$ (11,612.92)
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 365,386.10	\$ 203,752.99	\$ 148,415.29	\$ 13,217.82
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (687,472.98)	\$ (383,442.60)	\$ (279,199.64)	\$ (24,830.74)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
28	ER Expense Allocated to FPP	\$ 978,111.53	\$ 545,680.33	\$ 397,165.13	\$ 35,266.07
29	ER Revenue in FPP (per books)	\$ 1,107,118.20	\$ 617,251.70	\$ 449,812.51	\$ 40,053.99
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (129,006.67)	\$ (71,571.37)	\$ (52,647.38)	\$ (4,787.92)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
32	AEPS Expense	\$ 350,803.86	\$ 195,710.57	\$ 142,444.96	\$ 12,648.33
33	AEPS Sales Margin	\$ (938,199.36)	\$ (523,418.93)	\$ (380,932.67)	\$ (33,847.76)
34	Net AEPS Cost (Line 31 + Line 32)	\$ (587,395.50)	\$ (327,708.36)	\$ (238,487.71)	\$ (21,199.43)
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 182,693.05	\$ 101,876.49	\$ 74,207.65	\$ 6,608.91
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (770,088.55)	\$ (429,584.85)	\$ (312,695.36)	\$ (27,808.34)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.62	\$ 1,110,207.24	\$ 2,644,108.56	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,348,218.08	\$ 1,005,281.28	\$ 1,232,988.59	\$ 109,948.21
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,605,287.54	\$ 104,925.96	\$ 1,411,119.97	\$ 89,241.61
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 659,144.73	\$ 369,290.79	\$ 268,782.69	\$ 21,071.25
42	Actual SLA recovery through FPP	\$ 918,882.77	\$ 521,367.94	\$ 380,171.48	\$ 17,323.35
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,384,525.04	\$ 781,284.90	\$ 554,031.68	\$ 49,228.46
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (213,482.48)	\$ (129,393.83)	\$ (94,922.49)	\$ 10,833.86
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 38+Line 39+Line 44)	\$ (988,151.00)	\$ (1,327,183.17)	\$ 317,876.98	\$ 21,155.19

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

Line	Reconciliation Adjustment (RA)	May 2010	Residential May 2010	Non-Residential May 2010	Voltage Reduction May 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22
7	Total Generation and Purchase Power (per books)	874,935,996	874,935,996	874,935,996	874,935,996
8	Losses (kWh) (1-Line 2)*(Line 7)	53,429,716	53,429,716	53,429,716	53,429,716
9	Total Generation After Losses (kWh) (Line 7-Line 8)	821,506,280	821,506,280	821,506,280	821,506,280
10	kWh Subject to FPP	662,602,497	369,660,453	269,051,741	23,890,303
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	80.66%	45.00%	32.75%	2.91%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 22,477,469.94	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,197.54
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 22,477,469.94	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,197.54
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,314.81	\$ 131,967.23	\$ 11,717.96
16	PowerShare Program (Case No. 08-920-EL-SSO)	\$ (12,583.33)	\$ (7,020.13)	\$ (5,109.50)	\$ (453.70)
17	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,228.00)	\$ (144,227.00)	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 21,660,120.39	\$ 12,084,123.70	\$ 8,794,556.89	\$ 781,440.00
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (793,387.88)	\$ (418,116.48)	\$ (353,778.12)	\$ (21,493.28)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
21	EA Expense Allocated to FPP	\$ 578,002.60	\$ 322,462.87	\$ 234,689.70	\$ 20,840.04
22	EA Sales Margin Allocated to FPP	\$ (900,089.48)	\$ (502,152.48)	\$ (365,484.05)	\$ (32,452.96)
23	Net EA Cost (Line 19 + Line 20)	\$ (322,086.88)	\$ (179,689.61)	\$ (130,794.35)	\$ (11,612.92)
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 385,386.10	\$ 203,752.99	\$ 148,415.29	\$ 13,217.82
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (687,472.98)	\$ (383,442.60)	\$ (279,199.64)	\$ (24,830.74)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
28	ER Expense Allocated to FPP	\$ 978,111.53	\$ 545,680.33	\$ 397,165.13	\$ 35,266.07
29	ER Revenue in FPP (per books)	\$ 1,107,118.20	\$ 617,251.70	\$ 449,812.51	\$ 40,053.99
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (129,006.67)	\$ (71,571.37)	\$ (52,847.38)	\$ (4,787.92)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
32	AEPS Expense	\$ 350,803.86	\$ 195,710.57	\$ 142,444.96	\$ 12,648.33
33	AEPS Sales Margin	\$ (938,199.36)	\$ (523,418.93)	\$ (380,932.67)	\$ (33,847.76)
34	Net AEPS Cost (Line 31 + Line 32)	\$ (587,395.50)	\$ (327,708.36)	\$ (238,487.71)	\$ (21,199.43)
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 182,693.05	\$ 101,876.49	\$ 74,207.65	\$ 6,608.91
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (770,088.55)	\$ (429,584.85)	\$ (312,695.36)	\$ (27,808.34)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.62	\$ 1,110,207.24	\$ 2,644,108.56	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,348,218.08	\$ 1,005,281.28	\$ 1,232,988.59	\$ 109,948.21
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,605,287.54	\$ 104,925.96	\$ 1,411,119.97	\$ 89,241.61
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 659,144.73	\$ 369,290.79	\$ 288,762.69	\$ 21,071.25
42	Actual SLA recovery through FPP	\$ 918,862.77	\$ 521,367.94	\$ 380,171.48	\$ 17,323.35
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,364,525.04	\$ 761,264.90	\$ 554,031.68	\$ 49,228.46
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (213,482.46)	\$ (129,393.83)	\$ (94,922.49)	\$ 10,833.86
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (988,151.00)	\$ (1,327,183.17)	\$ 317,876.98	\$ 21,155.19
46	Net Under/(Over) Recovery of FPP Costs (Page 5I, Line 45)	\$ (988,151.00)	\$ (1,327,183.17)	\$ 317,876.98	\$ 21,155.19
47	Net Adjustment for May 2010 (Line 45 - Line 46) To Page 3 Line 14	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	June 2010	Residential June 2010	Non-Residential June 2010	Voltage Reduction June 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86
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)	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06
7	Total Generation and Purchase Power (per books)	1,076,923,194	1,076,923,194	1,076,923,194	1,076,923,194
8	Losses (kWh) (1-Line 2)*(Line 7)	65,764,469	65,764,469	65,764,469	65,764,469
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,011,158,725	1,011,158,725	1,011,158,725	1,011,158,725
10	kWh Subject to FPP	880,040,304	570,092,435	283,349,570	26,598,299
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	87.03%	56.38%	28.02%	2.63%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 210,535.85	\$ 104,641.36	\$ 9,822.79
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ 129,000.00	\$ 83,566.54	\$ 41,534.57	\$ 3,898.89
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 29,037,790.18	\$ 18,811,336.44	\$ 9,348,947.27	\$ 877,506.47
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (641,115.68)	\$ (371,538.09)	\$ (258,870.11)	\$ (10,707.48)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
21	EA Expense Allocated to FPP	\$ 624,477.00	\$ 404,537.85	\$ 201,064.98	\$ 18,874.17
22	EA Sales Margin Allocated to FPP	\$ (146,440.24)	\$ (94,864.38)	\$ (47,149.86)	\$ (4,426.00)
23	Net EA Cost (Line 21 + Line 22)	\$ 478,036.76	\$ 309,673.47	\$ 153,915.12	\$ 14,448.17
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 485,155.99	\$ 314,316.08	\$ 156,197.74	\$ 14,642.17
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (7,119.23)	\$ (4,642.61)	\$ (2,282.62)	\$ (194.00)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
28	ER Expense Allocated to FPP	\$ 1,061,821.06	\$ 687,850.49	\$ 341,878.14	\$ 32,092.43
29	ER Revenue in FPP (per books)	\$ 1,469,962.33	\$ 952,192.62	\$ 473,399.29	\$ 44,370.22
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (408,141.27)	\$ (264,342.33)	\$ (131,521.15)	\$ (12,277.79)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
32	AEPS Expense	\$ 66,140.84	\$ 42,846.21	\$ 21,295.59	\$ 1,999.04
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 66,140.84	\$ 42,846.21	\$ 21,295.59	\$ 1,999.04
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 242,578.00	\$ 157,158.04	\$ 78,098.87	\$ 7,321.09
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (176,437.16)	\$ (114,311.83)	\$ (58,803.28)	\$ (5,322.05)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.62	\$ 1,110,207.24	\$ 2,644,108.56	\$ 198,189.82
38	Actual RA recovery through FPP	\$ 2,970,219.04	\$ 1,550,780.06	\$ 1,297,642.73	\$ 121,796.25
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 983,286.58	\$ (440,572.82)	\$ 1,346,465.83	\$ 77,393.57
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 876,048.26	\$ 569,522.34	\$ 283,066.22	\$ 23,459.70
42	Actual SLA recovery through FPP	\$ 1,223,576.00	\$ 804,279.37	\$ 400,106.51	\$ 19,190.12
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,880,310.53	\$ 1,218,107.65	\$ 605,380.91	\$ 56,821.97
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (219,313.73)	\$ (155,694.06)	\$ (77,791.82)	\$ 14,172.15
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (468,840.49)	\$ (1,351,101.74)	\$ 819,196.85	\$ 63,064.40

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

Line	Reconciliation Adjustment (RA)	June 2010	Residential June 2010	Non-Residential June 2010	Voltage Reduction June 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86
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)	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06
7	Total Generation and Purchase Power (per books)	1,076,923,194	1,076,923,194	1,076,923,194	1,076,923,194
8	Losses (kWh) (1-Line 2)*(Line 7)	65,764,469	65,764,469	65,764,469	65,764,469
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,011,158,725	1,011,158,725	1,011,158,725	1,011,158,725
10	kWh Subject to FPP	880,040,304	570,092,435	283,349,570	26,598,299
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	87.03%	56.38%	28.02%	2.63%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 210,535.85	\$ 104,641.36	\$ 9,822.79
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ 129,000.00	\$ 83,566.54	\$ 41,534.57	\$ 3,898.89
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 29,037,790.18	\$ 18,811,336.44	\$ 9,348,947.27	\$ 877,506.47
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (641,115.68)	\$ (371,538.09)	\$ (258,870.11)	\$ (10,707.48)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
21	EA Expense Allocated to FPP	\$ 624,477.00	\$ 404,537.85	\$ 201,064.98	\$ 18,874.17
22	EA Sales Margin Allocated to FPP	\$ (146,440.24)	\$ (94,864.38)	\$ (47,149.86)	\$ (4,426.00)
23	Net EA Cost (Line 21 + Line 22)	\$ 478,036.76	\$ 309,673.47	\$ 153,915.12	\$ 14,448.17
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 485,155.99	\$ 314,316.08	\$ 156,197.74	\$ 14,642.17
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (7,119.23)	\$ (4,642.61)	\$ (2,282.82)	\$ (194.00)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
28	ER Expense Allocated to FPP	\$ 1,081,821.06	\$ 687,950.49	\$ 341,878.14	\$ 32,092.43
29	ER Revenue in FPP (per books)	\$ 1,469,962.33	\$ 952,192.82	\$ 473,399.29	\$ 44,370.22
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (408,141.27)	\$ (264,342.33)	\$ (131,521.15)	\$ (12,277.79)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
32	AEPS Expense	\$ 66,140.84	\$ 42,846.21	\$ 21,295.59	\$ 1,999.04
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 66,140.84	\$ 42,846.21	\$ 21,295.59	\$ 1,999.04
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 242,578.00	\$ 157,158.04	\$ 78,098.87	\$ 7,321.09
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (176,437.16)	\$ (114,311.83)	\$ (56,803.28)	\$ (5,322.05)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,963,505.62	\$ 1,110,207.24	\$ 2,644,108.56	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,970,219.04	\$ 1,550,780.06	\$ 1,297,642.73	\$ 121,796.25
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 983,286.58	\$ (440,572.82)	\$ 1,346,465.83	\$ 77,393.57
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 876,048.26	\$ 569,522.34	\$ 283,066.22	\$ 23,459.70
42	Actual SLA recovery through FPP	\$ 1,223,576.00	\$ 804,279.37	\$ 400,106.51	\$ 19,190.12
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,880,310.53	\$ 1,218,107.65	\$ 605,380.91	\$ 56,821.97
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (219,313.73)	\$ (155,694.06)	\$ (77,791.82)	\$ 14,172.15
45	Net Under/(Over) Recovery of FPP Costs (Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (468,840.49)	\$ (1,351,101.74)	\$ 819,196.85	\$ 63,064.40
46	Net Under/(Over) Recovery of FPP Costs (Page 5K, Line 45)	\$ (468,840.49)	\$ (1,351,101.74)	\$ 819,196.85	\$ 63,064.40
47	Net Adjustment for June 2010 (Line 45 - Line 46) To Page 3 Line 13	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	July 2010	Residential July 2010	Non-Residential July 2010	Voltage Reduction July 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 37,483,338.99	\$ 37,483,338.99	\$ 37,483,338.99	\$ 37,483,338.99
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)	\$ 35,194,343.93	\$ 35,194,343.93	\$ 35,194,343.93	\$ 35,194,343.93
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,562,152.47)	\$ (1,562,152.47)	\$ (1,562,152.47)	\$ (1,562,152.47)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 35,512,406.28	\$ 35,512,406.28	\$ 35,512,406.28	\$ 35,512,406.28
7	Total Generation and Purchase Power (per books)	1,110,507.796	1,110,507.796	1,110,507.796	1,110,507.796
8	Losses (kWh) (1-Line 2)*(Line 7)	67,815.380	67,815.380	67,815.380	67,815.380
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,042,692.416	1,042,692.416	1,042,692.416	1,042,692.416
10	kWh Subject to FPP	1,006,730.934	697,349.985	283,182.658	26,198.291
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	96.55%	66.88%	27.16%	2.51%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 11,437.03	\$ 7,922.29	\$ 3,217.11	\$ 297.63
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 82,219.56	\$ 56,952.47	\$ 23,127.48	\$ 2,139.61
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 34,287,228.26	\$ 23,750,697.32	\$ 9,645,169.55	\$ 891,361.39
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (40,142.15)	\$ (27,968.47)	\$ (10,268.21)	\$ (1,905.47)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	1,006,730.934	697,349.985	283,182.658	26,198.291
20	EA Expense Allocated to FPP	\$ 690,079.69	\$ 478,009.61	\$ 194,112.05	\$ 17,958.03
21	EA Sales Margin Allocated to FPP	\$ (504,166.04)	\$ (349,229.54)	\$ (141,816.52)	\$ (13,119.98)
22	Net EA Cost (Line 19 + Line 20)	\$ 185,913.65	\$ 128,780.07	\$ 52,295.53	\$ 4,838.05
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 650,900.55	\$ 450,896.98	\$ 183,018.17	\$ 16,985.40
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (464,986.90)	\$ (322,116.91)	\$ (130,722.64)	\$ (12,147.35)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	1,006,730.934	697,349.985	283,182.658	26,198.291
27	ER Expense Allocated to FPP	\$ 1,677,167.46	\$ 1,161,753.02	\$ 471,769.30	\$ 43,645.14
28	ER Revenue in FPP (per books)	\$ 1,739,077.33	\$ 1,204,191.95	\$ 489,664.51	\$ 45,220.87
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (61,909.87)	\$ (42,438.93)	\$ (17,895.21)	\$ (1,575.73)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	1,006,730.934	697,349.985	283,182.658	26,198.291
31	AEPS Expense	\$ 89,720.84	\$ 48,294.76	\$ 19,611.73	\$ 1,814.35
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 89,720.84	\$ 48,294.76	\$ 19,611.73	\$ 1,814.35
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 265,693.87	\$ 183,698.77	\$ 75,148.53	\$ 6,948.57
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (195,973.03)	\$ (135,304.01)	\$ (55,534.80)	\$ (5,134.22)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,719,559.00	\$ 315,897.89	\$ 1,284,763.31	\$ 118,897.80
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,003,337.72	\$ (63,885.83)	\$ 959,839.77	\$ 107,383.78
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 1,002,659.00	\$ 696,652.63	\$ 282,899.48	\$ 23,106.89
41	Actual SLA recovery through FPP	\$ 1,426,918.29	\$ 1,001,693.30	\$ 406,033.69	\$ 19,191.30
42	Actual Losses on FPP Sales (Line 1 - Line 3) x (Line 11))	\$ 2,210,024.73	\$ 1,530,879.90	\$ 621,691.06	\$ 57,453.77
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (219,552.56)	\$ (167,466.03)	\$ (67,242.11)	\$ 15,155.58
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 20,773.21	\$ (759,180.18)	\$ 678,176.80	\$ 101,776.59

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

Line	Reconciliation Adjustment (RA)	July 2010	Residential July 2010	Non-Residential July 2010	Voltage Reduction July 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 37,483,338.99	\$ 37,483,338.99	\$ 37,483,338.99	\$ 37,483,338.99
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)	\$ 35,194,343.93	\$ 35,194,343.93	\$ 35,194,343.93	\$ 35,194,343.93
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,562,152.47)	\$ (1,562,152.47)	\$ (1,562,152.47)	\$ (1,562,152.47)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 35,512,406.28	\$ 35,512,406.28	\$ 35,512,406.28	\$ 35,512,406.28
7	Total Generation and Purchase Power (per books)	1,110,507.796	1,110,507.796	1,110,507.796	1,110,507.796
8	Losses (kWh) (1-Line 2)*(Line 7)	67,815.380	67,815.380	67,815.380	67,815.380
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,042,692.416	1,042,692.416	1,042,692.416	1,042,692.416
10	kWh Subject to FPP	1,006,730.934	697,349.985	283,182.658	26,198.291
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	96.55%	66.88%	27.16%	2.51%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 11,437.03	\$ 7,922.29	\$ 3,217.11	\$ 297.63
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 82,219.56	\$ 56,952.47	\$ 23,127.48	\$ 2,139.61
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 34,287,228.26	\$ 23,750,697.32	\$ 9,645,169.55	\$ 891,361.39
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (40,142.15)	\$ (27,968.47)	\$ (10,268.21)	\$ (1,905.47)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	1,006,730.934	697,349.985	283,182.658	26,198.291
20	EA Expense Allocated to FPP	\$ 690,079.69	\$ 478,009.81	\$ 194,112.05	\$ 17,958.03
21	EA Sales Margin Allocated to FPP	\$ (504,166.04)	\$ (349,229.54)	\$ (141,816.52)	\$ (13,119.98)
22	Net EA Cost (Line 19 + Line 20)	\$ 185,913.65	\$ 128,780.27	\$ 52,295.53	\$ 4,838.05
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 650,900.55	\$ 450,896.98	\$ 183,018.17	\$ 16,985.40
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (464,986.90)	\$ (322,116.91)	\$ (130,722.64)	\$ (12,147.35)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	1,006,730.934	697,349.985	283,182.658	26,198.291
27	ER Expense Allocated to FPP	\$ 1,677,167.46	\$ 1,161,753.02	\$ 471,769.30	\$ 43,645.14
28	ER Revenue in FPP (per books)	\$ 1,739,077.33	\$ 1,204,191.95	\$ 489,664.51	\$ 45,220.87
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (61,909.87)	\$ (42,438.93)	\$ (17,895.21)	\$ (1,575.73)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	1,006,730.934	697,349.985	283,182.658	26,198.291
31	AEPS Expense	\$ 69,720.84	\$ 48,294.76	\$ 19,611.73	\$ 1,814.35
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 69,720.84	\$ 48,294.76	\$ 19,611.73	\$ 1,814.35
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 265,693.87	\$ 183,598.77	\$ 75,146.53	\$ 6,948.57
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (195,973.03)	\$ (135,304.01)	\$ (55,534.80)	\$ (5,134.22)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,719,559.00	\$ 315,897.89	\$ 1,284,763.31	\$ 118,897.80
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,003,337.72	\$ (63,885.83)	\$ 959,839.77	\$ 107,383.78
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 1,002,659.00	\$ 696,652.63	\$ 282,899.48	\$ 23,106.89
41	Actual SLA recovery through FPP	\$ 1,426,918.29	\$ 1,001,693.30	\$ 406,033.69	\$ 19,191.30
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,210,024.73	\$ 1,530,879.90	\$ 621,691.06	\$ 57,453.77
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (219,552.56)	\$ (167,466.03)	\$ (67,242.11)	\$ 15,155.58
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 20,773.21	\$ (759,180.18)	\$ 678,176.80	\$ 101,776.59
Net Under/(Over) Recovery of FPP Costs (Page 5M, Line 44)					
45		\$ 20,773.21	\$ (759,180.18)	\$ 678,176.80	\$ 101,776.59
Net Adjustment for July 2010 (Line 44 - Line 45) To Page 3 Line 12					
46		\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	August 2010	Residential August 2010	Non-Residential August 2010	Voltage Reduction August 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 32,359,871.08	\$ 32,359,871.08	\$ 32,359,871.08	\$ 32,359,871.08
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)	\$ 30,383,750.84	\$ 30,383,750.84	\$ 30,383,750.84	\$ 30,383,750.84
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,043,066.70)	\$ (1,043,066.70)	\$ (1,043,066.70)	\$ (1,043,066.70)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 31,193,572.00	\$ 31,193,572.00	\$ 31,193,572.00	\$ 31,193,572.00
7	Total Generation and Purchase Power (per books)	971,392,163	971,392,163	971,392,163	971,392,163
8	Losses (kWh) (1-Line 2)*(Line 7)	59,320,005	59,320,005	59,320,005	59,320,005
9	Total Generation After Losses (kWh) (Line 7-Line 8)	912,072,158	912,072,158	912,072,158	912,072,158
10	kWh Subject to FPP	921,361,651	645,382,231	253,871,640	22,107,780
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	101.02%	70.76%	27.84%	2.42%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 31,502,945.60	\$ 22,066,943.97	\$ 8,680,149.68	\$ 755,851.95
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 31,502,945.60	\$ 22,066,943.97	\$ 8,680,149.68	\$ 755,851.95
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 119,149.84	\$ 83,460.38	\$ 32,830.50	\$ 2,858.96
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,511,746.43	\$ 22,072,571.55	\$ 8,684,290.44	\$ 754,684.44
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 127,950.67	\$ 89,087.96	\$ 36,971.26	\$ 1,891.45
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
20	EA Expense Allocated to FPP	\$ 582,413.51	\$ 407,960.69	\$ 160,478.00	\$ 13,974.82
21	EA Sales Margin Allocated to FPP	\$ (98,898.06)	\$ (69,274.70)	\$ (27,250.33)	\$ (2,373.03)
22	Net EA Cost (Line 19 + Line 20)	\$ 483,515.45	\$ 338,685.99	\$ 133,227.67	\$ 11,601.79
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 595,717.69	\$ 417,300.38	\$ 164,083.96	\$ 14,333.36
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (112,202.24)	\$ (78,814.39)	\$ (33,856.28)	\$ (2,731.57)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
27	ER Expense Allocated to FPP	\$ 731,938.33	\$ 512,697.69	\$ 201,678.01	\$ 17,562.63
28	ER Revenue in FPP (per books)	\$ 1,591,633.19	\$ 1,114,466.88	\$ 439,006.07	\$ 38,160.24
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (859,694.86)	\$ (601,769.19)	\$ (237,328.06)	\$ (20,597.61)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
31	AEPS Expense	\$ 203,968.89	\$ 142,873.21	\$ 56,201.51	\$ 4,894.17
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 203,968.89	\$ 142,873.21	\$ 56,201.51	\$ 4,894.17
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 243,154.59	\$ 169,918.72	\$ 67,372.22	\$ 5,863.65
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (39,185.70)	\$ (27,045.51)	\$ (11,170.71)	\$ (969.48)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,544,541.26	\$ 292,360.15	\$ 1,151,847.60	\$ 100,333.51
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,178,355.46	\$ (40,348.09)	\$ 1,092,755.48	\$ 125,948.07
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 917,853.68	\$ 644,736.85	\$ 253,617.77	\$ 19,499.06
41	Actual SLA recovery through FPP	\$ 1,307,278.67	\$ 927,056.53	\$ 364,027.31	\$ 16,194.83
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,996,276.67	\$ 1,398,302.68	\$ 550,151.88	\$ 47,822.11
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (228,855.68)	\$ (173,490.70)	\$ (67,493.20)	\$ 12,128.22
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 66,367.65	\$ (832,179.92)	\$ 782,878.49	\$ 115,669.08

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

Line	Reconciliation Adjustment (RA)	August 2010	Residential August 2010	Non-Residential August 2010	Voltage Reduction August 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 32,359,871.08	\$ 32,359,871.08	\$ 32,359,871.08	\$ 32,359,871.08
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)	\$ 30,383,750.84	\$ 30,383,750.84	\$ 30,383,750.84	\$ 30,383,750.84
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,043,066.70)	\$ (1,043,066.70)	\$ (1,043,066.70)	\$ (1,043,066.70)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 31,193,572.00	\$ 31,193,572.00	\$ 31,193,572.00	\$ 31,193,572.00
7	Total Generation and Purchase Power (per books)	971,392,163	971,392,163	971,392,163	971,392,163
8	Losses (kWh) (1-Line 2)(Line 7)	59,320,005	59,320,005	59,320,005	59,320,005
9	Total Generation After Losses (kWh) (Line 7-Line 8)	912,072,158	912,072,158	912,072,158	912,072,158
10	kWh Subject to FPP	921,361,651	645,382,231	253,871,640	22,107,780
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	101.02%	70.76%	27.84%	2.42%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 31,502,945.60	\$ 22,066,943.97	\$ 8,680,149.68	\$ 755,851.95
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 31,502,945.60	\$ 22,066,943.97	\$ 8,680,149.68	\$ 755,851.95
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 119,149.84	\$ 83,460.38	\$ 32,830.50	\$ 2,858.96
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,511,746.43	\$ 22,072,571.55	\$ 8,684,290.44	\$ 754,884.44
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 127,950.67	\$ 89,087.96	\$ 36,971.26	\$ 1,891.45
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
20	EA Expense Allocated to FPP	\$ 582,413.51	\$ 407,960.69	\$ 160,478.00	\$ 13,974.82
21	EA Sales Margin Allocated to FPP	\$ (98,898.06)	\$ (69,274.70)	\$ (27,250.33)	\$ (2,373.03)
22	Net EA Cost (Line 19 + Line 20)	\$ 483,515.45	\$ 338,685.99	\$ 133,227.67	\$ 11,601.79
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 595,717.69	\$ 417,300.38	\$ 164,083.95	\$ 14,333.36
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (112,202.24)	\$ (78,614.39)	\$ (30,856.28)	\$ (2,731.57)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
27	ER Expense Allocated to FPP	\$ 731,938.33	\$ 512,697.69	\$ 201,678.01	\$ 17,562.63
28	ER Revenue in FPP (per books)	\$ 1,591,633.19	\$ 1,114,466.88	\$ 439,006.07	\$ 38,180.24
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (859,694.86)	\$ (601,769.19)	\$ (237,328.06)	\$ (20,597.61)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
31	AEPS Expense	\$ 203,968.89	\$ 142,873.21	\$ 56,201.51	\$ 4,894.17
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 203,968.89	\$ 142,873.21	\$ 56,201.51	\$ 4,894.17
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 243,154.69	\$ 169,918.72	\$ 67,372.22	\$ 5,863.65
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (39,185.70)	\$ (27,045.51)	\$ (11,170.71)	\$ (969.48)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,544,541.26	\$ 292,360.15	\$ 1,151,847.60	\$ 100,333.51
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,178,355.46	\$ (40,348.09)	\$ 1,092,755.48	\$ 125,948.07
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 917,853.68	\$ 644,736.85	\$ 253,617.77	\$ 19,499.06
41	Actual SLA recovery through FPP	\$ 1,307,278.67	\$ 927,056.53	\$ 384,027.31	\$ 16,194.83
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,996,276.67	\$ 1,398,302.68	\$ 550,151.88	\$ 47,822.11
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (228,855.68)	\$ (173,490.70)	\$ (67,493.20)	\$ 12,128.22
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 66,367.65	\$ (832,179.92)	\$ 782,878.49	\$ 115,669.08
45	Net Under/(Over) Recovery of FPP Costs (Page 50, Line 44)	\$ 66,367.65	\$ (832,179.92)	\$ 782,878.49	\$ 115,669.08
46	Net Adjustment for August 2010 (Line 44 - Line 45) To Page 3 Line 11	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	September 2010	Residential September 2010	Non-Residential September 2010	Voltage Reduction September 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 22,117,017.18	\$ 22,117,017.18	\$ 22,117,017.18	\$ 22,117,017.18
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 20,766,397.29	\$ 20,766,397.29	\$ 20,766,397.29	\$ 20,766,397.29
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67
5	RSG Make Whole Payments & Secondary MISQ Costs	\$ (585,593.06)	\$ (585,593.06)	\$ (585,593.06)	\$ (585,593.06)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 21,326,778.90	\$ 21,326,778.90	\$ 21,326,778.90	\$ 21,326,778.90
7	Total Generation and Purchase Power (per books)	660,480,934	660,480,934	660,480,934	660,480,934
8	Losses (kWh) (1-Line 2)*(Line 7)	40,333,589	40,333,589	40,333,589	40,333,589
9	Total Generation After Losses (kWh) (Line 7-Line 8)	620,147,345	620,147,345	620,147,345	620,147,345
10	kWh Subject to FPP	708,268,416	500,680,187	205,917,716	1,670,513
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	114.21%	80.74%	33.20%	0.27%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.56	\$ 57,113.86
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.56	\$ 57,113.86
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 14,029.81	\$ 9,917.78	\$ 4,078.94	\$ 33.09
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 128,471.17	\$ 90,817.22	\$ 37,350.94	\$ 303.01
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 24,357,314.18	\$ 17,219,241.28	\$ 7,080,490.59	\$ 57,582.31
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 277,874.01	\$ 199,552.55	\$ 77,516.91	\$ 804.55
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
21	EA Expense Allocated to FPP	\$ 488,567.11	\$ 345,371.71	\$ 142,043.07	\$ 1,152.34
22	EA Sales Margin Allocated to FPP	\$ (25,698.16)	\$ (18,166.22)	\$ (7,471.33)	\$ (60.61)
23	Net EA Cost (Line 21 + Line 22)	\$ 462,868.95	\$ 327,205.49	\$ 134,571.74	\$ 1,091.73
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 458,004.36	\$ 323,758.44	\$ 133,162.86	\$ 1,083.06
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 4,864.59	\$ 3,447.05	\$ 1,408.88	\$ 8.67
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
28	ER Expense Allocated to FPP	\$ 936,222.08	\$ 661,822.32	\$ 272,191.60	\$ 2,208.16
29	ER Revenue in FPP (per books)	\$ 1,223,808.54	\$ 864,848.28	\$ 356,276.79	\$ 2,883.47
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (287,586.46)	\$ (202,825.90)	\$ (84,085.19)	\$ (675.31)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
32	AEPS Expense	\$ 62,103.58	\$ 43,901.48	\$ 18,055.62	\$ 146.48
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 62,103.58	\$ 43,901.48	\$ 18,055.62	\$ 146.48
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 186,948.99	\$ 131,829.78	\$ 54,676.14	\$ 443.07
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (124,845.41)	\$ (87,928.30)	\$ (36,620.52)	\$ (296.59)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
38	Actual RA recovery through FPP	\$ 1,169,191.84	\$ 226,824.77	\$ 934,785.65	\$ 7,581.42
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,553,704.88	\$ 25,187.29	\$ 1,309,817.43	\$ 218,700.16
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 707,364.70	\$ 500,179.51	\$ 205,711.80	\$ 1,473.39
42	Actual SLA recovery through FPP	\$ 1,015,899.05	\$ 719,247.79	\$ 295,427.54	\$ 1,223.72
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,642,642.98	\$ 1,090,490.50	\$ 448,405.80	\$ 3,646.67
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (180,720.77)	\$ (128,936.80)	\$ (52,733.54)	\$ 949.56
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 1,243,280.84	\$ (191,504.17)	\$ 1,215,303.97	\$ 219,491.04

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

Line	Reconciliation Adjustment (RA)	September 2010	Residential September 2010	Non-Residential September 2010	Voltage Reduction September 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 22,117,017.18	\$ 22,117,017.18	\$ 22,117,017.18	\$ 22,117,017.18
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 20,766,397.29	\$ 20,766,397.29	\$ 20,766,397.29	\$ 20,766,397.29
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (585,593.06)	\$ (585,593.06)	\$ (585,593.06)	\$ (585,593.06)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 21,326,778.90	\$ 21,326,778.90	\$ 21,326,778.90	\$ 21,326,778.90
7	Total Generation and Purchase Power (per books)	660,480,934	660,480,934	660,480,934	660,480,934
8	Losses (kWh) (1-Line 2)*(Line 7)	40,333,589	40,333,589	40,333,589	40,333,589
9	Total Generation After Losses (kWh) (Line 7-Line 8)	620,147,345	620,147,345	620,147,345	620,147,345
10	kWh Subject to FPP	708,268,416	500,680,187	205,917,716	1,670,513
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	114.21%	80.74%	33.20%	0.27%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.56	\$ 57,113.86
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.56	\$ 57,113.86
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 14,029.81	\$ 9,917.78	\$ 4,078.94	\$ 33.09
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 128,471.17	\$ 90,817.22	\$ 37,350.94	\$ 303.01
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 24,357,314.18	\$ 17,219,241.28	\$ 7,080,490.59	\$ 57,582.31
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 277,874.01	\$ 199,552.55	\$ 77,516.91	\$ 804.55
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
21	EA Expense Allocated to FPP	\$ 488,567.11	\$ 345,371.71	\$ 142,043.07	\$ 1,152.34
22	EA Sales Margin Allocated to FPP	\$ (25,698.16)	\$ (18,166.22)	\$ (7,471.33)	\$ (60.61)
23	Net EA Cost (Line 21 + Line 22)	\$ 462,868.95	\$ 327,205.49	\$ 134,571.74	\$ 1,091.73
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 458,004.36	\$ 323,758.44	\$ 133,162.86	\$ 1,083.06
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 4,864.59	\$ 3,447.05	\$ 1,408.88	\$ 8.67
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
28	ER Expense Allocated to FPP	\$ 936,222.08	\$ 661,822.32	\$ 272,191.60	\$ 2,208.16
29	ER Revenue in FPP (per books)	\$ 1,223,808.54	\$ 864,648.28	\$ 356,276.79	\$ 2,883.47
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (287,586.46)	\$ (202,825.96)	\$ (84,085.19)	\$ (675.31)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
32	AEPS Expense	\$ 62,103.58	\$ 43,901.48	\$ 18,055.62	\$ 146.48
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 62,103.58	\$ 43,901.48	\$ 18,055.62	\$ 146.48
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 186,948.99	\$ 131,829.78	\$ 54,676.14	\$ 443.07
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (124,845.41)	\$ (87,928.30)	\$ (36,620.52)	\$ (296.59)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
38	Actual RA recovery through FPP	\$ 1,169,191.84	\$ 226,824.77	\$ 934,785.65	\$ 7,581.42
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,553,704.88	\$ 25,187.29	\$ 1,309,817.43	\$ 218,700.16
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 707,364.70	\$ 500,179.51	\$ 205,711.80	\$ 1,473.39
42	Actual SLA recovery through FPP	\$ 1,015,899.05	\$ 719,247.79	\$ 295,427.54	\$ 1,223.72
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,542,542.98	\$ 1,090,490.50	\$ 448,405.80	\$ 3,646.67
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (180,720.77)	\$ (128,936.80)	\$ (52,733.54)	\$ 949.56
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 1,243,290.84	\$ (191,504.17)	\$ 1,215,303.97	\$ 219,491.04
Net Under/(Over) Recovery of FPP Costs (Page 5Q, Line 45)					
46		\$ 1,243,290.84	\$ (191,504.17)	\$ 1,215,303.97	\$ 219,491.04
Net Adjustment for September 2010 (Line 45 - Line 46) To Page 3 Line 10					
47		\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	October 2010	Residential October 2010	Non-Residential October 2010	Voltage Reduction October 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 17,035,930.27	\$ 17,035,930.27	\$ 17,035,930.27	\$ 17,035,930.27
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 15,995,597.12	\$ 15,995,597.12	\$ 15,995,597.12	\$ 15,995,597.12
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,735,248.61	\$ 1,735,248.61	\$ 1,735,248.61	\$ 1,735,248.61
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (403,549.94)	\$ (403,549.94)	\$ (403,549.94)	\$ (403,549.94)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 17,327,295.79	\$ 17,327,295.79	\$ 17,327,295.79	\$ 17,327,295.79
7	Total Generation and Purchase Power (per books)	529,481,724	529,481,724	529,481,724	529,481,724
8	Losses (kWh) (1-Line 2)*(Line 7)	32,333,860	32,333,860	32,333,860	32,333,860
9	Total Generation After Losses (kWh) (Line 7-Line 8)	497,147,864	497,147,864	497,147,864	497,147,864
10	kWh Subject to FPP	502,998,290	334,028,999	168,080,614	888,677
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	101.18%	67.19%	33.81%	0.18%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 20,346,252.13	\$ 13,491,702.85	\$ 6,814,353.27	\$ 40,196.01
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 20,346,252.13	\$ 13,491,702.85	\$ 6,814,353.27	\$ 40,196.01
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ (162.44)	\$ (107.88)	\$ (64.27)	\$ (0.29)
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 108,175.35	\$ 71,836.63	\$ 36,147.60	\$ 191.12
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 17,531,757.88	\$ 11,642,210.04	\$ 5,858,358.71	\$ 31,189.13
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (2,706,481.34)	\$ (1,777,764.06)	\$ (919,901.23)	\$ (8,816.05)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
20	EA Expense Allocated to FPP	\$ 316,939.51	\$ 210,471.86	\$ 105,907.69	\$ 559.96
21	EA Sales Margin Allocated to FPP	\$ (29,794.50)	\$ (19,765.81)	\$ (9,956.05)	\$ (52.64)
22	Net EA Cost (Line 19 + Line 20)	\$ 287,145.01	\$ 190,686.05	\$ 95,951.64	\$ 507.32
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 355,924.43	\$ 236,129.40	\$ 119,094.48	\$ 700.55
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (68,779.42)	\$ (45,443.35)	\$ (23,142.84)	\$ (193.23)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
27	ER Expense Allocated to FPP	\$ 537,802.13	\$ 357,141.39	\$ 179,710.58	\$ 950.16
28	ER Revenue in FPP (per books)	\$ 795,490.17	\$ 527,074.55	\$ 268,843.27	\$ 1,572.35
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (257,688.04)	\$ (169,933.16)	\$ (87,132.69)	\$ (622.19)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
31	AEPS Expense	\$ 96,009.82	\$ 63,757.67	\$ 32,082.33	\$ 169.62
32	AEPS Sales Margin	\$ 4,150.56	\$ 2,756.24	\$ 1,386.94	\$ 7.38
33	Net AEPS Cost (Line 31 + Line 32)	\$ 100,160.18	\$ 66,513.91	\$ 33,469.27	\$ 177.00
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 211,713.87	\$ 140,553.21	\$ 70,740.33	\$ 420.33
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (111,553.69)	\$ (74,039.30)	\$ (37,271.06)	\$ (243.33)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.74	\$ 322,254.93
37	Actual RA recovery through FPP	\$ 394,568.89	\$ (975,439.29)	\$ 1,361,975.21	\$ 8,032.97
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,033,348.57	\$ (277,645.92)	\$ 996,772.53	\$ 314,221.96
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 502,391.31	\$ 333,694.97	\$ 167,912.53	\$ 783.81
41	Actual SLA recovery through FPP	\$ 957,736.46	\$ 635,300.52	\$ 321,465.55	\$ 970.39
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,052,609.08	\$ 698,999.85	\$ 351,736.64	\$ 1,872.59
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (407,518.69)	\$ (269,995.64)	\$ (137,641.44)	\$ 118.39
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (2,518,672.61)	\$ (2,614,821.43)	\$ (208,316.73)	\$ 304,465.55

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

Line	Reconciliation Adjustment (RA)	October 2010	Residential October 2010	Non-Residential October 2010	Voltage Reduction October 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 17,035,930.27	\$ 17,035,930.27	\$ 17,035,930.27	\$ 17,035,930.27
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 15,995,597.12	\$ 15,995,597.12	\$ 15,995,597.12	\$ 15,995,597.12
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,735,248.61	\$ 1,735,248.61	\$ 1,735,248.61	\$ 1,735,248.61
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (403,549.94)	\$ (403,549.94)	\$ (403,549.94)	\$ (403,549.94)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 17,327,295.79	\$ 17,327,295.79	\$ 17,327,295.79	\$ 17,327,295.79
7	Total Generation and Purchase Power (per books)	529,481,724	529,481,724	529,481,724	529,481,724
8	Losses (kWh) (Line 7 - Line 6)	32,333,860	32,333,860	32,333,860	32,333,860
9	Total Generation After Losses (kWh) (Line 7 - Line 8)	497,147,864	497,147,864	497,147,864	497,147,864
10	kWh Subject to FPP	502,998,290	334,028,999	168,080,614	888,677
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	101.18%	67.19%	33.81%	0.18%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 20,346,252.13	\$ 13,491,702.85	\$ 6,814,353.27	\$ 40,196.01
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 20,346,252.13	\$ 13,491,702.85	\$ 6,814,353.27	\$ 40,196.01
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ (162.44)	\$ (107.88)	\$ (54.27)	\$ (0.29)
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 108,175.35	\$ 71,836.63	\$ 36,147.60	\$ 191.12
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 17,531,757.88	\$ 11,642,210.04	\$ 5,858,358.71	\$ 31,189.13
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (2,706,481.34)	\$ (1,777,764.06)	\$ (919,901.23)	\$ (8,116.05)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
20	EA Expense Allocated to FPP	\$ 316,939.51	\$ 210,471.86	\$ 105,907.69	\$ 559.96
21	EA Sales Margin Allocated to FPP	\$ (29,794.50)	\$ (19,785.81)	\$ (9,956.05)	\$ (52.64)
22	Net EA Cost (Line 19 + Line 20)	\$ 287,145.01	\$ 190,686.05	\$ 95,951.64	\$ 507.32
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 355,924.43	\$ 236,129.40	\$ 119,094.48	\$ 700.55
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (88,779.42)	\$ (45,443.35)	\$ (23,142.84)	\$ (193.23)
Environmental Remedies Component (ER)					
26	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
27	ER Expense Allocated to FPP	\$ 537,802.13	\$ 357,141.39	\$ 179,710.58	\$ 950.16
28	ER Revenue in FPP (per books)	\$ 795,490.17	\$ 527,074.55	\$ 266,843.27	\$ 1,572.35
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (257,688.04)	\$ (169,933.16)	\$ (87,132.69)	\$ (622.19)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
31	AEPS Expense	\$ 96,009.62	\$ 63,757.67	\$ 32,082.33	\$ 169.62
32	AEPS Sales Margin	\$ 4,150.56	\$ 2,756.24	\$ 1,386.94	\$ 7.38
33	Net AEPS Cost (Line 31 + Line 32)	\$ 100,160.18	\$ 66,513.91	\$ 33,469.27	\$ 177.00
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 211,713.87	\$ 140,553.21	\$ 70,740.33	\$ 420.33
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (111,553.69)	\$ (74,039.30)	\$ (37,271.06)	\$ (243.33)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.74	\$ 322,254.93
37	Actual RA recovery through FPP	\$ 394,568.89	\$ (975,439.29)	\$ 1,361,975.21	\$ 8,032.97
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,033,348.57	\$ (277,645.92)	\$ 996,772.53	\$ 314,221.96
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 502,391.31	\$ 333,694.97	\$ 167,912.53	\$ 783.81
41	Actual SLA recovery through FPP	\$ 957,736.46	\$ 635,300.52	\$ 321,465.55	\$ 970.39
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,052,609.08	\$ 698,999.85	\$ 351,736.64	\$ 1,872.59
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (407,518.69)	\$ (269,995.64)	\$ (137,641.44)	\$ 118.39
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18 + Line 25 + Line 29 + Line 35 + Line 38 + Line 43)	\$ (2,518,672.61)	\$ (2,614,821.43)	\$ (208,316.73)	\$ 304,465.55
Net Under/(Over) Recovery of FPP Costs (Page 5S, Line 44)					
45		\$ (2,518,672.61)	\$ (2,614,821.43)	\$ (208,316.73)	\$ 304,465.55
Net Adjustment for October 2010 (Line 44 - Line 45) To Page 3 Line 9					
46		\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	November 2010	Residential November 2010	Non-Residential November 2010	Voltage Reduction November 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 19,727,434.28	\$ 19,727,434.28	\$ 19,727,434.28	\$ 19,727,434.28
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)	\$ 18,522,739.05	\$ 18,522,739.05	\$ 18,522,739.05	\$ 18,522,739.05
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 951,636.06	\$ 951,636.06	\$ 951,636.06	\$ 951,636.06
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (416,172.82)	\$ (416,172.82)	\$ (416,172.82)	\$ (416,172.82)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 19,058,202.29	\$ 19,058,202.29	\$ 19,058,202.29	\$ 19,058,202.29
7	Total Generation and Purchase Power (per books)	588,648,911	588,648,911	588,648,911	588,648,911
8	Losses (kWh) (1-Line 2)*(Line 7)	35,947,023	35,947,023	35,947,023	35,947,023
9	Total Generation After Losses (kWh) (Line 7-Line 8)	552,701,888	552,701,888	552,701,888	552,701,888
10	kWh Subject to FPP	473,974,549	316,712,300	155,576,791	1,685,458
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	85.76%	57.30%	28.15%	0.31%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 19,138,982.91	\$ 12,786,121.58	\$ 6,284,831.42	\$ 68,029.91
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 19,138,982.91	\$ 12,786,121.58	\$ 6,284,831.42	\$ 68,029.91
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 16,344,314.28	\$ 10,920,349.91	\$ 5,364,883.94	\$ 59,080.43
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (2,794,668.63)	\$ (1,865,771.67)	\$ (919,947.48)	\$ (8,949.48)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
20	EA Expense Allocated to FPP	\$ 419,552.93	\$ 280,347.49	\$ 137,713.51	\$ 1,491.93
21	EA Sales Margin Allocated to FPP	\$ (35,195.69)	\$ (23,517.95)	\$ (11,552.59)	\$ (125.15)
22	Net EA Cost (Line 19 + Line 20)	\$ 384,357.24	\$ 256,829.54	\$ 126,160.92	\$ 1,366.78
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 334,806.11	\$ 223,780.44	\$ 109,840.02	\$ 1,185.65
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ 49,551.13	\$ 33,049.10	\$ 16,320.90	\$ 181.13
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
27	ER Expense Allocated to FPP	\$ 716,061.10	\$ 478,475.81	\$ 235,038.97	\$ 2,546.32
28	ER Revenue in FPP (per books)	\$ 748,278.75	\$ 499,509.91	\$ 246,107.72	\$ 2,661.12
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (32,217.65)	\$ (21,034.10)	\$ (11,068.75)	\$ (114.80)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
31	AEPS Expense	\$ 223,244.10	\$ 149,172.89	\$ 73,277.35	\$ 793.86
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 223,244.10	\$ 149,172.89	\$ 73,277.35	\$ 793.86
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 199,157.35	\$ 133,202.64	\$ 65,243.32	\$ 711.39
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ 24,086.75	\$ 15,970.25	\$ 8,034.03	\$ 82.47
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.74	\$ 322,254.93
37	Actual RA recovery through FPP	\$ 345,309.53	\$ (924,426.33)	\$ 1,256,140.42	\$ 13,595.44
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,082,607.93	\$ (328,658.88)	\$ 1,102,607.32	\$ 308,659.49
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 473,303.37	\$ 316,395.59	\$ 155,421.21	\$ 1,486.57
41	Actual SLA recovery through FPP	\$ 900,203.76	\$ 602,075.94	\$ 296,485.48	\$ 1,642.34
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,033,146.62	\$ 690,290.36	\$ 339,121.71	\$ 3,734.55
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (340,360.51)	\$ (228,181.17)	\$ (112,784.98)	\$ 605.64
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (2,011,000.98)	\$ (2,394,626.47)	\$ 83,161.04	\$ 300,464.45

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

Line	Reconciliation Adjustment (RA)	November 2010	Residential November 2010	Non-Residential November 2010	Voltage Reduction November 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 19,727,434.28	\$ 19,727,434.28	\$ 19,727,434.28	\$ 19,727,434.28
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)	\$ 18,522,739.05	\$ 18,522,739.05	\$ 18,522,739.05	\$ 18,522,739.05
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 951,636.06	\$ 951,636.06	\$ 951,636.06	\$ 951,636.06
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (416,172.82)	\$ (416,172.82)	\$ (416,172.82)	\$ (416,172.82)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 19,058,202.29	\$ 19,058,202.29	\$ 19,058,202.29	\$ 19,058,202.29
7	Total Generation and Purchase Power (per books)	588,648,911	588,648,911	588,648,911	588,648,911
8	Losses (kWh) (1-Line 2)*(Line 7)	35,947,023	35,947,023	35,947,023	35,947,023
9	Total Generation After Losses (kWh) (Line 7-Line 8)	552,701,888	552,701,888	552,701,888	552,701,888
10	kWh Subject to FPP	473,974,549	316,712,300	155,576,791	1,685,458
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	85.76%	57.30%	28.15%	0.31%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 19,138,982.91	\$ 12,786,121.58	\$ 6,284,831.42	\$ 68,029.91
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 19,138,982.91	\$ 12,786,121.58	\$ 6,284,831.42	\$ 68,029.91
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 16,344,314.28	\$ 10,920,349.91	\$ 5,364,883.94	\$ 59,080.43
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (2,794,668.63)	\$ (1,865,771.67)	\$ (919,947.48)	\$ (8,949.48)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
20	EA Expense Allocated to FPP	\$ 419,552.93	\$ 280,347.49	\$ 137,713.51	\$ 1,491.93
21	EA Sales Margin Allocated to FPP	\$ (35,195.69)	\$ (23,517.96)	\$ (11,552.59)	\$ (125.15)
22	Net EA Cost (Line 19 + Line 20)	\$ 384,357.24	\$ 256,829.54	\$ 126,160.92	\$ 1,366.78
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 334,806.11	\$ 223,780.44	\$ 109,840.02	\$ 1,185.65
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ 49,551.13	\$ 33,049.10	\$ 16,320.90	\$ 181.13
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
27	ER Expense Allocated to FPP	\$ 716,061.10	\$ 478,475.81	\$ 235,038.97	\$ 2,546.32
28	ER Revenue in FPP (per books)	\$ 748,278.75	\$ 499,509.91	\$ 246,107.72	\$ 2,661.12
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (32,217.65)	\$ (21,034.10)	\$ (11,068.75)	\$ (114.80)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
31	AEPS Expense	\$ 223,244.10	\$ 149,172.89	\$ 73,277.35	\$ 793.86
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 223,244.10	\$ 149,172.89	\$ 73,277.35	\$ 793.86
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 199,157.35	\$ 133,202.64	\$ 65,243.32	\$ 711.39
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ 24,086.75	\$ 15,970.25	\$ 8,034.03	\$ 82.47
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.74	\$ 322,254.93
37	Actual RA recovery through FPP	\$ 345,309.53	\$ (924,426.33)	\$ 1,256,140.42	\$ 13,595.44
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,082,607.93	\$ (328,658.88)	\$ 1,102,607.32	\$ 308,659.49
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0682	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 473,303.37	\$ 316,395.59	\$ 155,421.21	\$ 1,486.57
41	Actual SLA recovery through FPP	\$ 900,203.76	\$ 602,075.94	\$ 296,485.48	\$ 1,642.34
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,038,146.62	\$ 690,290.38	\$ 339,121.71	\$ 3,734.55
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (340,360.51)	\$ (228,181.17)	\$ (112,784.98)	\$ 605.64
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (2,011,000.98)	\$ (2,394,626.47)	\$ 83,161.04	\$ 300,464.45
45	Net Under/(Over) Recovery of FPP Costs (Page 5U, Line 44)	\$ (2,011,000.98)	\$ (2,394,626.47)	\$ 83,161.04	\$ 300,464.45
46	Net Adjustment for November 2010 (Line 44 - Line 45) To Page 3 Line 8	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	December 2010	Residential December 2010	Non-Residential December 2010	Voltage Reduction December 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 26,976,970.91	\$ 26,976,970.91	\$ 26,976,970.91	\$ 26,976,970.91
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)	\$ 25,329,568.22	\$ 25,329,568.22	\$ 25,329,568.22	\$ 25,329,568.22
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,195,173.78	\$ 1,195,173.78	\$ 1,195,173.78	\$ 1,195,173.78
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (671,110.00)	\$ (671,110.00)	\$ (671,110.00)	\$ (671,110.00)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 25,853,632.00	\$ 25,853,632.00	\$ 25,853,632.00	\$ 25,853,632.00
7	Total Generation and Purchase Power (per books)	812,365,126	812,365,126	812,365,126	812,365,126
8	Losses (kWh) (1-Line 2)*(Line 7)	49,608,701	49,608,701	49,608,701	49,608,701
9	Total Generation After Losses (kWh) (Line 7-Line 8)	762,756,425	762,756,425	762,756,425	762,756,425
10	kWh Subject to FPP	675,707,818	493,858,216	180,019,813	1,829,789
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	88.59%	64.75%	23.60%	0.24%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 27,267,825.76	\$ 19,929,022.75	\$ 7,264,947.50	\$ 73,855.51
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 27,267,825.76	\$ 19,929,022.75	\$ 7,264,947.50	\$ 73,855.51
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 3,721.88	\$ 2,720.23	\$ 991.57	\$ 10.08
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ (434,886.31)	\$ (317,847.70)	\$ (115,860.95)	\$ (1,177.65)
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO - Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 22,903,732.59	\$ 16,740,226.72	\$ 6,101,457.15	\$ 62,048.71
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (4,795,257.60)	\$ (3,503,923.50)	\$ (1,278,359.73)	\$ (12,974.37)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
21	EA Expense Allocated to FPP	\$ 630,333.09	\$ 460,694.94	\$ 167,931.23	\$ 1,706.92
22	EA Sales Margin Allocated to FPP	\$ 414,238.10	\$ 302,756.43	\$ 110,359.93	\$ 1,121.74
23	Net EA Cost (Line 21 + Line 22)	\$ 1,044,571.19	\$ 763,451.37	\$ 278,291.16	\$ 2,828.66
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 477,050.93	\$ 348,794.23	\$ 126,969.52	\$ 1,287.18
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 567,520.26	\$ 414,657.14	\$ 151,321.64	\$ 1,541.48
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
28	ER Expense Allocated to FPP	\$ 710,913.45	\$ 519,589.14	\$ 189,399.18	\$ 1,925.13
29	ER Revenue in FPP (per books)	\$ 1,065,935.64	\$ 778,558.55	\$ 284,488.09	\$ 2,889.00
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (355,022.19)	\$ (258,969.41)	\$ (95,088.91)	\$ (963.87)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
32	AEPS Expense	\$ 414,598.06	\$ 303,019.52	\$ 110,455.83	\$ 1,122.71
33	AEPS Sales Margin	\$ 4,591.62	\$ 3,355.90	\$ 1,223.28	\$ 12.44
34	Net AEPS Cost (Line 32 + Line 33)	\$ 419,189.68	\$ 306,375.42	\$ 111,679.11	\$ 1,135.15
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 283,805.90	\$ 207,615.61	\$ 75,417.98	\$ 772.31
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 135,383.78	\$ 98,759.81	\$ 36,261.13	\$ 362.84
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,817.46	\$ (1,263,085.21)	\$ 2,358,747.75	\$ 322,254.92
38	Actual RA recovery through FPP	\$ 25,942.14	\$ (1,440,852.36)	\$ 1,452,034.84	\$ 14,759.66
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,401,875.32	\$ 187,767.15	\$ 906,712.91	\$ 307,495.26
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 674,818.02	\$ 493,364.36	\$ 179,839.79	\$ 1,613.87
42	Actual SLA recovery through FPP	\$ 1,282,927.78	\$ 938,422.57	\$ 342,722.23	\$ 1,782.98
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,459,434.04	\$ 1,066,693.24	\$ 388,787.03	\$ 3,953.77
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (498,311.76)	\$ (365,093.69)	\$ (133,774.99)	\$ 558.92
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (3,543,712.19)	\$ (3,426,802.50)	\$ (412,927.95)	\$ 296,018.26

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

Line	Reconciliation Adjustment (RA)	December 2010	Residential December 2010	Non-Residential December 2010	Voltage Reduction December 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 26,685,070.62	\$ 26,685,070.62	\$ 26,685,070.62	\$ 26,685,070.62
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)	\$ 25,055,493.41	\$ 25,055,493.41	\$ 25,055,493.41	\$ 25,055,493.41
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,195,173.78	\$ 1,195,173.78	\$ 1,195,173.78	\$ 1,195,173.78
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (701,746.20)	\$ (701,746.20)	\$ (701,746.20)	\$ (701,746.20)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 25,548,920.99	\$ 25,548,920.99	\$ 25,548,920.99	\$ 25,548,920.99
7	Total Generation and Purchase Power (per books)	801,454,967	801,454,967	801,454,967	801,454,967
8	Losses (kWh) (1-Line 2)*(Line 7)	48,942,450	48,942,450	48,942,450	48,942,450
9	Total Generation After Losses (kWh) (Line 7-Line 8)	752,512,517	752,512,517	752,512,517	752,512,517
10	kWh Subject to FPP	675,707,818	493,858,216	180,019,813	1,829,789
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	89.79%	65.63%	23.92%	0.24%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 27,267,825.76	\$ 19,929,022.75	\$ 7,264,947.50	\$ 73,855.51
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 27,267,825.76	\$ 19,929,022.75	\$ 7,264,947.50	\$ 73,855.51
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 3,787.69	\$ 2,768.33	\$ 1,009.10	\$ 10.26
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ (434,886.31)	\$ (317,847.70)	\$ (115,860.95)	\$ (1,177.65)
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 22,940,376.16	\$ 16,767,756.85	\$ 6,111,301.90	\$ 61,317.40
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (4,758,548.22)	\$ (3,476,345.27)	\$ (1,268,497.45)	\$ (13,705.50)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
21	EA Expense Allocated to FPP	\$ 630,612.36	\$ 460,899.06	\$ 168,006.63	\$ 1,707.67
22	EA Sales Margin Allocated to FPP	\$ 414,238.10	\$ 302,756.43	\$ 110,359.93	\$ 1,121.74
23	Net EA Cost (Line 21 + Line 22)	\$ 1,044,850.46	\$ 763,655.49	\$ 278,366.56	\$ 2,829.41
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 477,050.93	\$ 348,794.23	\$ 126,969.52	\$ 1,287.18
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 567,799.53	\$ 414,861.26	\$ 151,396.04	\$ 1,542.23
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
28	ER Expense Allocated to FPP	\$ 723,479.88	\$ 528,773.64	\$ 192,747.09	\$ 1,859.15
29	ER Revenue in FPP (per books)	\$ 1,065,935.64	\$ 778,558.55	\$ 284,488.09	\$ 2,889.00
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (342,455.76)	\$ (249,784.91)	\$ (91,741.00)	\$ (929.85)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
32	AEPS Expense	\$ 414,598.06	\$ 303,019.52	\$ 110,455.83	\$ 1,122.72
33	AEPS Sales Margin	\$ 4,591.62	\$ 3,355.90	\$ 1,223.28	\$ 12.43
34	Net AEPS Cost (Line 32 + Line 33)	\$ 419,189.68	\$ 306,375.42	\$ 111,679.11	\$ 1,135.15
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 283,805.90	\$ 207,615.61	\$ 75,417.98	\$ 772.31
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 135,383.78	\$ 98,759.81	\$ 36,261.13	\$ 362.84
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.75	\$ 322,254.92
38	Actual RA recovery through FPP	\$ 25,942.14	\$ (1,440,852.36)	\$ 1,452,034.84	\$ 14,759.66
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,401,975.32	\$ 187,767.15	\$ 906,712.91	\$ 307,495.26
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 674,818.02	\$ 493,364.36	\$ 179,839.79	\$ 1,613.87
42	Actual SLA recovery through FPP	\$ 1,282,927.78	\$ 938,422.57	\$ 342,722.23	\$ 1,782.98
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,463,197.38	\$ 1,069,491.52	\$ 389,794.87	\$ 3,910.99
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (494,548.42)	\$ (362,295.41)	\$ (132,767.15)	\$ 514.14
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (3,490,393.77)	\$ (3,387,037.37)	\$ (398,635.52)	\$ 295,779.12
Net Under/(Over) Recovery of FPP Costs (Page 5W, Line 45)					
46		\$ (3,543,712.19)	\$ (3,426,802.50)	\$ (412,927.95)	\$ 286,018.26
Net Adjustment for December 2010 (Line 45 - Line 46) To Page 3 Line 7					
47		\$ 53,318.42	\$ 39,765.13	\$ 14,292.43	\$ (739.14)

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

Line	Reconciliation Adjustment (RA)	January 2011	Residential January 2011	Non-Residential January 2011	Voltage Reduction January 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 23,329,294.21	\$ 23,329,294.21	\$ 23,329,294.21	\$ 23,329,294.21
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 21,904,644.20	\$ 21,904,644.20	\$ 21,904,644.20	\$ 21,904,644.20
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (398,405.19)	\$ (398,405.19)	\$ (398,405.19)	\$ (398,405.19)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (610,925.19)	\$ (610,925.19)	\$ (610,925.19)	\$ (610,925.19)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 20,895,313.82	\$ 20,895,313.82	\$ 20,895,313.82	\$ 20,895,313.82
7	Total Generation and Purchase Power (per books)	770,519,584	770,519,584	770,519,584	770,519,584
8	Losses (kWh) (1-Line 2)*(Line 7)	47,053,319	47,053,319	47,053,319	47,053,319
9	Total Generation After Losses (kWh) (Line 7-Line 8)	723,466,265	723,466,265	723,466,265	723,466,265
10	kWh Subject to FPP	756,705,155	573,998,765	180,935,702	1,770,688
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	104.59%	79.34%	25.01%	0.24%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 21,543,733.71	\$ 16,323,550.28	\$ 5,169,787.30	\$ 50,396.13
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 21,543,733.71	\$ 16,323,550.28	\$ 5,169,787.30	\$ 50,396.13
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 6,139.45	\$ 4,857.08	\$ 1,468.00	\$ 14.37
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 21,854,408.72	\$ 16,578,341.98	\$ 5,225,917.99	\$ 50,148.75
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 316,814.46	\$ 259,448.78	\$ 67,598.69	\$ (233.01)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	756,705,155	573,998,765	180,935,702	1,770,688
20	EA Expense Allocated to FPP	\$ 162,181.36	\$ 123,022.69	\$ 38,779.17	\$ 379.50
21	EA Sales Margin Allocated to FPP	\$ 66,282.05	\$ 50,278.26	\$ 15,848.70	\$ 155.09
22	Net EA Cost (Line 19 + Line 20)	\$ 228,463.41	\$ 173,300.95	\$ 54,627.87	\$ 534.59
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 172,248.56	\$ 130,769.74	\$ 41,077.38	\$ 401.44
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ 56,214.85	\$ 42,531.21	\$ 13,550.49	\$ 133.15
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	756,705,155	573,998,765	180,935,702	1,770,688
27	ER Expense Allocated to FPP	\$ 628,052.66	\$ 476,409.42	\$ 150,173.61	\$ 1,469.63
28	ER Revenue in FPP (per books)	\$ 1,089,672.55	\$ 810,772.36	\$ 256,402.37	\$ 2,497.82
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (441,619.89)	\$ (334,362.94)	\$ (106,228.76)	\$ (1,028.19)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	756,705,155	573,998,765	180,935,702	1,770,688
31	AEPS Expense	\$ 170,467.40	\$ 129,308.06	\$ 40,760.44	\$ 398.90
32	AEPS Sales Margin	\$ (3,583.60)	\$ (2,718.45)	\$ (856.93)	\$ (8.22)
33	Net AEPS Cost (Line 31 + Line 32)	\$ 166,883.80	\$ 126,589.61	\$ 39,903.51	\$ 390.68
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 271,310.35	\$ 205,744.39	\$ 64,926.76	\$ 637.20
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (104,426.55)	\$ (79,154.78)	\$ (25,025.25)	\$ (246.52)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 590,338.94	\$ (501,774.31)	\$ 944,670.89	\$ 147,442.38
37	Actual RA recovery through FPP	\$ 313,763.86	\$ (606,771.58)	\$ 911,652.87	\$ 8,882.57
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 276,575.08	\$ 104,997.27	\$ 33,018.02	\$ 138,559.79
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 755,741.29	\$ 573,424.77	\$ 180,754.77	\$ 1,561.75
41	Actual SLA recovery through FPP	\$ 754,340.00	\$ 571,899.65	\$ 181,535.53	\$ 904.82
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,490,041.44	\$ 1,130,317.31	\$ 356,304.97	\$ 3,419.16
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (20,039.85)	\$ (15,007.11)	\$ (5,985.33)	\$ 952.59
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 83,518.10	\$ (21,547.57)	\$ (33,072.14)	\$ 138,137.81

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

Line	Reconciliation Adjustment (RA)	January 2011	Residential January 2011	Non-Residential January 2011	Voltage Reduction January 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 23,378,559.70	\$ 23,378,559.70	\$ 23,378,559.70	\$ 23,378,559.70
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)	\$ 21,950,901.20	\$ 21,950,901.20	\$ 21,950,901.20	\$ 21,950,901.20
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (398,405.19)	\$ (398,405.19)	\$ (398,405.19)	\$ (398,405.19)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (612,091.08)	\$ (612,091.08)	\$ (612,091.08)	\$ (612,091.08)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 20,940,404.93	\$ 20,940,404.93	\$ 20,940,404.93	\$ 20,940,404.93
7	Total Generation and Purchase Power (per books)	772,965,137	772,965,137	772,965,137	772,965,137
8	Losses (kWh) (1-Line 2)(Line 7)	47,202,662	47,202,662	47,202,662	47,202,662
9	Total Generation After Losses (kWh) (Line 7-Line 8)	725,762,475	725,762,475	725,762,475	725,762,475
10	kWh Subject to FPP	756,706,155	573,998,765	180,935,702	1,770,688
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	104.26%	79.09%	24.93%	0.24%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 21,543,733.71	\$ 16,323,550.28	\$ 5,169,787.30	\$ 50,396.13
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 21,543,733.71	\$ 16,323,550.28	\$ 5,169,787.30	\$ 50,396.13
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 6,171.50	\$ 4,681.39	\$ 1,475.67	\$ 14.44
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 21,832,466.18	\$ 16,561,766.26	\$ 5,220,442.95	\$ 50,256.97
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 294,903.97	\$ 242,897.37	\$ 52,131.32	\$ (124.72)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	756,706,155	573,998,765	180,935,702	1,770,688
20	EA Expense Allocated to FPP	\$ 176,282.66	\$ 133,719.23	\$ 42,150.93	\$ 412.50
21	EA Sales Margin Allocated to FPP	\$ 66,282.05	\$ 50,278.26	\$ 15,848.70	\$ 155.09
22	Net EA Cost (Line 19 + Line 20)	\$ 242,564.71	\$ 183,997.49	\$ 57,999.63	\$ 567.59
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 172,248.56	\$ 130,769.74	\$ 41,077.38	\$ 401.44
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ 70,316.15	\$ 53,227.75	\$ 16,922.25	\$ 166.15
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	756,706,155	573,998,765	180,935,702	1,770,688
27	ER Expense Allocated to FPP	\$ 831,327.72	\$ 478,893.71	\$ 150,956.71	\$ 1,477.30
28	ER Revenue in FPP (per books)	\$ 1,069,672.55	\$ 810,772.36	\$ 256,402.37	\$ 2,497.82
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (438,344.83)	\$ (331,878.65)	\$ (105,445.66)	\$ (1,020.52)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	756,706,155	573,998,765	180,935,702	1,770,688
31	AEPS Expense	\$ 170,467.40	\$ 129,308.06	\$ 40,760.44	\$ 398.90
32	AEPS Sales Margin	\$ (3,583.60)	\$ (2,718.46)	\$ (856.89)	\$ (8.25)
33	Net AEPS Cost (Line 31 + Line 32)	\$ 166,883.80	\$ 126,589.60	\$ 39,903.55	\$ 390.65
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 271,310.35	\$ 205,744.39	\$ 64,928.76	\$ 637.20
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (104,426.55)	\$ (79,154.79)	\$ (25,025.21)	\$ (246.55)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 590,338.94	\$ (501,774.31)	\$ 944,670.89	\$ 147,442.38
37	Actual RA recovery through FPP	\$ 313,763.86	\$ (606,771.58)	\$ 911,652.87	\$ 8,882.57
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 276,575.08	\$ 104,997.27	\$ 33,018.02	\$ 138,559.79
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 755,741.29	\$ 573,424.77	\$ 180,754.77	\$ 1,561.75
41	Actual SLA recovery through FPP	\$ 754,340.00	\$ 571,899.65	\$ 181,535.53	\$ 904.82
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,488,476.75	\$ 1,129,135.11	\$ 355,915.26	\$ 3,426.38
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (21,604.54)	\$ (16,189.31)	\$ (6,375.04)	\$ 959.81
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 77,419.28	\$ (26,100.36)	\$ (34,774.32)	\$ 138,293.96
Net Under/(Over) Recovery of FPP Costs (Page 5Y, Line 44)					
45		\$ 83,518.10	\$ (21,547.57)	\$ (33,072.14)	\$ 138,137.81
Net Adjustment for January 2011 (Line 44 - Line 45) To Page 3 Line 6					
46		\$ (6,098.82)	\$ (4,552.79)	\$ (1,702.18)	\$ 156.15

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

Line	Reconciliation Adjustment (RA)	February 2011	Residential February 2011	Non-Residential February 2011	Voltage Reduction February 2011
Fuel Component (FG)					
1	Net Includable Fuel	\$ 17,404,915.84	\$ 17,404,915.84	\$ 17,404,915.84	\$ 17,404,915.84
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 16,342,049.85	\$ 16,342,049.85	\$ 16,342,049.85	\$ 16,342,049.85
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 246,736.24	\$ 246,736.24	\$ 246,736.24	\$ 246,736.24
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (556,454.73)	\$ (556,454.73)	\$ (556,454.73)	\$ (556,454.73)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 16,032,331.36	\$ 16,032,331.36	\$ 16,032,331.36	\$ 16,032,331.36
7	Total Generation and Purchase Power (per books)	616,519,808	616,519,808	616,519,808	616,519,808
8	Losses (kWh) (1-Line 2)*(Line 7)	37,649,015	37,649,015	37,649,015	37,649,015
9	Total Generation After Losses (kWh) (Line 7-Line 8)	578,870,793	578,870,793	578,870,793	578,870,793
10	kWh Subject to FPP	626,616,775	471,149,627	154,591,114	876,034
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	108.25%	81.39%	26.71%	0.15%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 17,823,782.86	\$ 13,410,255.80	\$ 4,388,593.97	\$ 24,933.09
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 17,823,782.86	\$ 13,410,255.80	\$ 4,388,593.97	\$ 24,933.09
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 5,319.18	\$ 3,999.46	\$ 1,312.28	\$ 7.44
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 17,354,998.70	\$ 13,048,714.49	\$ 4,282,235.71	\$ 24,048.50
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (463,464.98)	\$ (357,541.85)	\$ (105,045.98)	\$ (877.15)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	626,616,775	471,149,627	154,591,114	876,034
20	EA Expense Allocated to FPP	\$ 115,287.53	\$ 86,684.05	\$ 28,442.31	\$ 161.17
21	EA Sales Margin Allocated to FPP	\$ (11,398.15)	\$ (8,570.20)	\$ (2,812.01)	\$ (15.94)
22	Net EA Cost (Line 19 + Line 20)	\$ 103,889.38	\$ 78,113.85	\$ 25,630.30	\$ 145.23
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 142,499.91	\$ 107,431.02	\$ 34,870.28	\$ 198.61
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (38,610.53)	\$ (29,317.17)	\$ (9,239.98)	\$ (53.38)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	626,616,775	471,149,627	154,591,114	876,034
27	ER Expense Allocated to FPP	\$ 708,345.31	\$ 532,600.85	\$ 174,754.16	\$ 990.30
28	ER Revenue in FPP (per books)	\$ 884,966.15	\$ 668,072.31	\$ 217,658.06	\$ 1,235.78
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (176,620.84)	\$ (133,471.46)	\$ (42,903.90)	\$ (245.48)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	626,616,775	471,149,627	154,591,114	876,034
31	AEPS Expense	\$ 277,824.37	\$ 208,894.58	\$ 68,541.38	\$ 388.41
32	AEPS Sales Margin	\$ (1,023,410.00)	\$ (769,471.96)	\$ (252,519.92)	\$ (1,418.12)
33	Net AEPS Cost (Line 31 + Line 32)	\$ (745,585.63)	\$ (560,577.38)	\$ (183,978.54)	\$ (1,029.71)
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 224,457.60	\$ 169,024.80	\$ 55,117.55	\$ 315.25
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (970,043.23)	\$ (729,602.18)	\$ (239,096.09)	\$ (1,344.96)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 590,338.94	\$ (501,774.31)	\$ 944,670.89	\$ 147,442.36
37	Actual RA recovery through FPP	\$ 279,810.00	\$ (498,479.92)	\$ 773,895.34	\$ 4,394.58
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 310,528.94	\$ (3,294.39)	\$ 170,775.55	\$ 143,047.78
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 625,887.66	\$ 470,678.48	\$ 154,436.52	\$ 772.66
41	Actual SLA recovery through FPP	\$ 624,383.46	\$ 469,831.65	\$ 154,104.16	\$ 447.65
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,150,552.44	\$ 865,066.63	\$ 283,891.51	\$ 1,594.30
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (99,718.68)	\$ (75,443.50)	\$ (24,649.17)	\$ 373.99
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,437,929.32)	\$ (1,328,670.55)	\$ (250,159.57)	\$ 140,900.80

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

Line	Reconciliation Adjustment (RA)	February 2011	Residential February 2011	Non-Residential February 2011	Voltage Reduction February 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 17,501,790.30	\$ 17,501,790.30	\$ 17,501,790.30	\$ 17,501,790.30
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 16,433,008.47	\$ 16,433,008.47	\$ 16,433,008.47	\$ 16,433,008.47
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 246,736.24	\$ 246,736.24	\$ 246,736.24	\$ 246,736.24
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (558,010.05)	\$ (558,010.05)	\$ (558,010.05)	\$ (558,010.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 16,121,734.66	\$ 16,121,734.66	\$ 16,121,734.66	\$ 16,121,734.66
7	Total Generation and Purchase Power (per books)	618,850,396	618,850,396	618,850,396	618,850,396
8	Losses (kWh) (1-Line 2)*(Line 7)	37,791,337	37,791,337	37,791,337	37,791,337
9	Total Generation After Losses (kWh) (Line 7-Line 8)	581,059,059	581,059,059	581,059,059	581,059,059
10	kWh Subject to FPP	626,616,775	471,149,627	154,591,114	876,034
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	107.84%	81.08%	26.61%	0.15%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 17,823,782.86	\$ 13,410,255.80	\$ 4,388,593.97	\$ 24,933.09
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 17,823,782.86	\$ 13,410,255.80	\$ 4,388,593.97	\$ 24,933.09
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 5,316.52	\$ 3,997.46	\$ 1,311.63	\$ 7.43
16	PowerShare Program per Case No. 03-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 17,385,678.66	\$ 13,071,502.46	\$ 4,289,993.59	\$ 24,182.61
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (432,787.68)	\$ (334,755.88)	\$ (97,288.75)	\$ (743.05)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	626,616,775	471,149,627	154,591,114	876,034
20	EA Expense Allocated to FPP	\$ 146,702.59	\$ 110,304.85	\$ 36,192.64	\$ 205.09
21	EA Sales Margin Allocated to FPP	\$ (11,388.15)	\$ (8,570.20)	\$ (2,612.01)	\$ (15.94)
22	Net EA Cost (Line 19 + Line 20)	\$ 135,304.44	\$ 101,734.65	\$ 33,380.63	\$ 189.15
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 142,499.91	\$ 107,431.02	\$ 34,870.28	\$ 198.61
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (7,195.47)	\$ (5,696.37)	\$ (1,489.85)	\$ (9.46)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	626,616,775	471,149,627	154,591,114	876,034
27	ER Expense Allocated to FPP	\$ 707,972.25	\$ 532,320.35	\$ 174,662.13	\$ 989.78
28	ER Revenue in FPP (per books)	\$ 884,966.15	\$ 686,072.31	\$ 217,858.06	\$ 1,235.78
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (176,993.90)	\$ (133,751.96)	\$ (42,895.93)	\$ (246.00)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	626,616,775	471,149,627	154,591,114	876,034
31	AEPS Expense	\$ 277,824.37	\$ 208,894.58	\$ 68,541.38	\$ 388.41
32	AEPS Sales Margin	\$ (1,023,410.00)	\$ (769,455.52)	\$ (252,530.97)	\$ (1,423.51)
33	Net AEPS Cost (Line 31 + Line 32)	\$ (745,585.63)	\$ (560,560.94)	\$ (183,989.59)	\$ (1,035.10)
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 224,457.60	\$ 169,024.80	\$ 55,117.55	\$ 315.25
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (970,043.23)	\$ (729,585.74)	\$ (239,107.14)	\$ (1,350.35)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 590,338.94	\$ (501,774.31)	\$ 944,670.89	\$ 147,442.36
37	Actual RA recovery through FPP	\$ 279,810.00	\$ (498,479.92)	\$ 773,895.34	\$ 4,394.58
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 310,528.94	\$ (3,294.39)	\$ 170,775.55	\$ 143,047.78
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 625,887.66	\$ 470,678.48	\$ 154,436.52	\$ 772.66
41	Actual SLA recovery through FPP	\$ 624,383.46	\$ 469,831.65	\$ 154,104.16	\$ 447.65
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,152,574.32	\$ 866,568.31	\$ 284,402.84	\$ 1,603.17
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (97,696.80)	\$ (73,941.82)	\$ (24,137.84)	\$ 382.86
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,374,188.14)	\$ (1,281,026.16)	\$ (234,243.76)	\$ 141,061.78
45	Net Under/(Over) Recovery of FPP Costs (Page 5AA, Line 44)	\$ (1,437,929.32)	\$ (1,328,670.55)	\$ (250,159.57)	\$ 140,900.80
46	Net Adjustment for February 2011 (Line 44 - Line 45) To Page 3 Line 5	\$ 63,741.18	\$ 47,644.39	\$ 15,915.81	\$ 180.98

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

Line	Reconciliation Adjustment (RA)	March 2011	Residential March 2011	Non-Residential March 2011	Voltage Reduction March 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 17,433,144.58	\$ 17,433,144.58	\$ 17,433,144.58	\$ 17,433,144.58
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 16,368,554.74	\$ 16,368,554.74	\$ 16,368,554.74	\$ 16,368,554.74
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 251,231.65	\$ 251,231.65	\$ 251,231.65	\$ 251,231.65
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (429,977.65)	\$ (429,977.65)	\$ (429,977.65)	\$ (429,977.65)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 16,189,808.74	\$ 16,189,808.74	\$ 16,189,808.74	\$ 16,189,808.74
7	Total Generation and Purchase Power (per books)	579,583,351	579,583,351	579,583,351	579,583,351
8	Losses (kWh) (1-Line 2)/(Line 7)	35,393,417	35,393,417	35,393,417	35,393,417
9	Total Generation After Losses (kWh) (Line 7-Line 8)	544,189,934	544,189,934	544,189,934	544,189,934
10	kWh Subject to FPP	557,700,335	406,146,780	149,357,285	2,196,270
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.48%	74.63%	27.45%	0.40%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 15,882,410.93	\$ 11,565,999.67	\$ 4,263,902.50	\$ 62,508.76
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 15,882,410.93	\$ 11,565,999.67	\$ 4,263,902.50	\$ 62,508.76
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 0.00	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 16,591,316.00	\$ 12,082,454.26	\$ 4,444,102.50	\$ 64,759.24
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 708,905.07	\$ 516,454.59	\$ 190,200.00	\$ 2,250.48
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	557,700,335	406,146,780	149,357,285	2,196,270
21	EA Expense Allocated to FPP	\$ 108,142.38	\$ 78,754.98	\$ 28,961.53	\$ 425.87
22	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
23	Net EA Cost (Line 21 + Line 22)	\$ 108,142.38	\$ 78,754.98	\$ 28,961.53	\$ 425.87
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 126,954.47	\$ 92,656.48	\$ 33,800.07	\$ 497.92
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (18,812.09)	\$ (13,901.50)	\$ (4,838.54)	\$ (72.95)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	557,700,335	406,146,780	149,357,285	2,196,270
28	ER Expense Allocated to FPP	\$ 769,144.30	\$ 560,131.42	\$ 205,983.92	\$ 3,028.96
29	ER Revenue in FPP (per books)	\$ 788,546.21	\$ 574,470.18	\$ 210,977.66	\$ 3,098.17
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (19,401.91)	\$ (14,338.76)	\$ (4,993.94)	\$ (69.21)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	557,700,335	406,146,780	149,357,285	2,196,270
32	AEPS Expense	\$ 106,319.05	\$ 77,427.14	\$ 28,473.22	\$ 418.69
33	AEPS Sales Margin	\$ (98,217.00)	\$ (71,526.80)	\$ (26,303.42)	\$ (386.78)
34	Net AEPS Cost (Line 32 + Line 33)	\$ 8,102.05	\$ 5,900.34	\$ 2,169.80	\$ 31.91
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 199,995.80	\$ 145,779.53	\$ 53,425.92	\$ 790.35
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (191,893.75)	\$ (139,879.19)	\$ (51,256.12)	\$ (758.44)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 590,338.94	\$ (501,774.31)	\$ 944,670.89	\$ 147,442.36
38	Actual RA recovery through FPP	\$ 331,234.92	\$ (429,926.07)	\$ 750,143.52	\$ 11,017.47
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 259,104.02	\$ (71,848.24)	\$ 194,527.37	\$ 136,424.89
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0998	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 556,885.67	\$ 405,740.63	\$ 149,207.93	\$ 1,937.11
42	Actual SLA recovery through FPP	\$ 555,714.49	\$ 405,217.68	\$ 149,374.51	\$ 1,122.30
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,090,991.66	\$ 794,503.40	\$ 292,229.91	\$ 4,258.35
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (21,608.50)	\$ (16,454.91)	\$ (6,352.53)	\$ 1,188.94
Net Under/(Over) Recovery of FPP Costs (Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)					
45		\$ 716,292.84	\$ 260,031.99	\$ 317,286.24	\$ 138,974.61

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

Line	Reconciliation Adjustment (RA)	March 2011	Residential March 2011	Non-Residential March 2011	Voltage Reduction March 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 17,292,562.51	\$ 17,292,562.51	\$ 17,292,562.51	\$ 17,292,562.51
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)	\$ 16,236,557.59	\$ 16,236,557.59	\$ 16,236,557.59	\$ 16,236,557.59
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 251,231.65	\$ 251,231.65	\$ 251,231.65	\$ 251,231.65
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (430,566.23)	\$ (430,566.23)	\$ (430,566.23)	\$ (430,566.23)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 16,057,223.01	\$ 16,057,223.01	\$ 16,057,223.01	\$ 16,057,223.01
7	Total Generation and Purchase Power (per books)	575,156,391	575,156,391	575,156,391	575,156,391
8	Losses (kWh) (1-Line 2)*(Line 7)	35,123,075	35,123,075	35,123,075	35,123,075
9	Total Generation After Losses (kWh) (Line 7-Line 8)	540,033,316	540,033,316	540,033,316	540,033,316
10	kWh Subject to FPP	557,700,335	406,146,780	149,357,285	2,196,270
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	103.27%	75.21%	27.66%	0.40%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 15,882,410.93	\$ 11,565,999.67	\$ 4,263,902.50	\$ 62,508.76
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 15,882,410.93	\$ 11,565,999.67	\$ 4,263,902.50	\$ 62,508.76
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 0.00	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 16,582,294.20	\$ 12,076,637.43	\$ 4,441,427.88	\$ 64,228.89
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 699,883.27	\$ 510,637.76	\$ 187,525.38	\$ 1,720.13
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	557,700,335	406,146,780	149,357,285	2,196,270
21	EA Expense Allocated to FPP	\$ 137,216.56	\$ 99,928.33	\$ 36,747.86	\$ 540.37
22	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
23	Net EA Cost (Line 21 + Line 22)	\$ 137,216.56	\$ 99,928.33	\$ 36,747.86	\$ 540.37
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 126,954.47	\$ 92,656.48	\$ 33,800.07	\$ 497.92
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 10,262.09	\$ 7,271.85	\$ 2,947.79	\$ 42.45
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	557,700,335	406,146,780	149,357,285	2,196,270
28	ER Expense Allocated to FPP	\$ 764,012.73	\$ 556,394.34	\$ 204,609.64	\$ 3,008.76
29	ER Revenue in FPP (per books)	\$ 788,546.21	\$ 574,470.18	\$ 210,977.86	\$ 3,098.17
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (24,533.48)	\$ (18,075.84)	\$ (6,368.22)	\$ (89.41)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	557,700,335	406,146,780	149,357,285	2,196,270
32	AEPS Expense	\$ 106,319.05	\$ 77,427.14	\$ 28,473.22	\$ 418.69
33	AEPS Sales Margin	\$ (98,217.00)	\$ (71,526.80)	\$ (26,303.42)	\$ (386.78)
34	Net AEPS Cost (Line 32 + Line 33)	\$ 8,102.05	\$ 5,900.34	\$ 2,169.80	\$ 31.91
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 199,995.80	\$ 145,779.53	\$ 53,425.92	\$ 790.35
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (191,893.75)	\$ (139,879.19)	\$ (51,256.12)	\$ (758.44)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 590,338.94	\$ (501,774.31)	\$ 944,670.89	\$ 147,442.36
38	Actual RA recovery through FPP	\$ 331,234.92	\$ (429,926.07)	\$ 750,143.52	\$ 11,017.47
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 259,104.02	\$ (71,848.24)	\$ 194,527.37	\$ 136,424.89
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 556,885.67	\$ 405,740.63	\$ 149,207.93	\$ 1,937.11
42	Actual SLA recovery through FPP	\$ 555,714.49	\$ 405,217.68	\$ 149,374.51	\$ 1,122.30
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,090,536.28	\$ 794,221.30	\$ 292,090.96	\$ 4,224.01
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (22,063.88)	\$ (16,737.01)	\$ (6,491.48)	\$ 1,164.60
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 730,758.27	\$ 271,369.33	\$ 320,884.72	\$ 138,504.22
Net Under/(Over) Recovery of FPP Costs (Page 5AC, Line 45)					
46		\$ 716,282.84	\$ 260,031.99	\$ 317,286.24	\$ 138,974.61
Net Adjustment for March 2011 (Line 44 - Line 45) To Page 3 Line 4					
47		\$ 14,465.43	\$ 11,337.34	\$ 3,598.48	\$ (470.39)

DUKE ENERGY OHIO

DETERMINATION OF SYSTEM RELIABILITY TRACKER - RIDER BRT - BY RETAIL RATE GROUP
REFLECTING RECOVERY OF ESTIMATED 2011 CAPACITY AND PURCHASED POWER COSTS EXCLUDING ENERGY COST
FOR THE PERIOD JANUARY THROUGH DECEMBER 2011 TO BE APPLIED TO CUSTOMER BILLS OVER A THREE-MONTH PERIOD

Line No.	Description	Allocated Percentage Share of System Peak Demand for the Company's Retail Electric Customers (%)	Estimate of 2011		Estimated Rider BRT Billing for January thru September 2011	Prior Period Rider BRT Over/Under-Collections to be Collected from Customer Z	Estimate of 2011 Net Power Costs by Retail Rate Group to be Collected Through System Reliability Tracker - Rider BRT	Allocated Capacity and Purchased Power Costs	Month-Hour Sales For The Time Months Ended December 31, 2011 Y	Estimated Billing by Billing MW	SRT Adjustment Factor By Rate Group (LIVE-BYMW)	Line No.
			(A)	(B)								
Retail Rate Group												
1	Rate RS, ORH, HEC, TD, CUM											1
2	Non-Reserved (Purchased Power)											2
DS Rate Group												
3	Rate DS											3
4	First 1,000 kW											4
5	Additional kW											5
6	First 300 kW/kVA											6
7	Additional kW											7
8	Total Rate DS											8
9	Total Rate DS											9
10	Rate GS-FL											10
11	Rate EH											11
12	Total Rate DS, GS-FL, EH											12
Rate OM												
13	Rate OM											13
Rate DP												
14	First 1,000 kW											14
15	Additional kW											15
16	First 300 kW/kVA											16
17	Additional kW											17
18	Additional kW											18
19	Total Rate DP											19
Rate TS												
20	First 60,000 kVA											20
21	Additional kVA											21
22	First 300 kW/kVA											22
23	Additional kVA											23
24	Additional kVA											24
25	Total Rate TS											25
Lighting Rate Group												
26	Rate SL, TL, OL, NSU, NSP, SC, SE, UOLS											26
27												27
28												28
29	Total Rate											29

1/ Rate Group NS based on applicable peak demands from the Company's cost of service study in Case No. 92-1464-EL-AIR. Non-represented based on 12 months actual kWh ending July 2011

2/ See Schedule A

3/ Based on actual sales to SRT customers for the 3 months, December 31, 2010.

DUKE ENERGY OHIO

DETERMINATION OF SYSTEM RELIABILITY TRACKER - RIDER SRT - BY RETAIL RATE GROUP
REFLECTING RECOVERY OF ESTIMATED 2011 CAPACITY AND PURCHASED POWER COSTS EXCLUDING ENERGY COST
FOR THE PERIOD JANUARY THROUGH DECEMBER 2011 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/	Capacity and Purchased Power Costs by Retail Rate Group to be Collected Through System Reliability Tracker - Rider SRT	Estimated Rider SRT Billings for January thru June 2011	Prior Period Rider SRT Over Under-Collections to be Collected from Customers 2/	Estimate of 2011 Net Power Costs by Retail Rate Group to be Collected Through System Reliability Tracker - Rider SRT	Allocated Capacity and Purchased Power Costs	Estimated Month-hour Bases For This Six Months Ended December 31, 2011 3/	Estimated Billing kW Demand	SRT Adjustment Factor By Rate Group (44461/24/25)	Line No.
1	Residual Rate Group										1
2	Rate RS, ORH, HEC, TO, CUR									0.00038	2
3	DS Rate Group										3
4	Rate DS									0.009800	4
5	Peak 1,000 kW									0.005430	5
6	Additional kWh									0.002480	6
7	Peak 500 kW									0.000144	7
8	Additional kWh										8
9	Total Rate DS										9
10	Rate GS-FL									0.000648	10
11	Rate EH									0.001620	11
12	Total Rates DS, GS-FL, EH										12
13	Rate DM									0.001510	13
14	Rate DP									0.039400	14
15	Peak 1,000 kW									0.029800	15
16	Additional kWh									0.000483	16
17	Peak 500 kW									0.000040	17
18	Additional kWh										18
19	Total Rate DP										19
20	Rate TS									0.298100	20
21	Peak 50,000 kVA									0.298100	21
22	Additional kVA									0.000348	22
23	Peak 300 MW									0.000222	23
24	Additional kWh										24
25	Total Rate TS										25
26	Ludlow Rate Group										26
27	Rate SL, TL, DL, NSU, NSP									0.000638	27
28	SC, SE, UCL, S										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. 92-1464-EL-AIR. Non-residential based on 12 months actual kWh ending April 2011.

2/ See Schedule A

3/ Based on actual sales to SRT customers for the 6 months, December 31, 2010

DUKE ENERGY OHIO

DETERMINATION OF SYSTEM RELIABILITY TRACKER - HYDRO-SST - BY RETAIL RATE GROUP
APPLICABLE COMPONENT OF ESTIMATED HYDRO-SST CAPACITY AND PURCHASED POWER COST'S INCLUDING ENERGY COST
FOR THE PERIOD JANUARY THROUGH DECEMBER 2011 TO BE APPLIED TO CUSTOMER BILLS OF RATES A WEEK MONTH PERIOD

Line No.	Description	Allocated Percentage Share of System Peak Demands for the Company's Retail Electric Customers II	Capacity and Purchased Power Costs by Retail Rate Group to be Collected Through System Reliability Tracker - Rider SST	Estimated Rider SST Allowance for January thru March 2011	Prior Period Rider SST Cost/Under-Collection to be Collected from Customers II	Estimate of 2011 Net Power Costs by Retail Rate Group to be Collected Through System Reliability Tracker - Rider SST	Allocated Capacity and Purchased Power Costs	Estimated Sales for the Month Ended December 31, 2011 W	Estimated Billing MW	SST Adjustment Factor By Rate Group (BTR-2011)	Line No.
Retail Rate Group											
1	Rate RS, CRH, MEC, TD, CUR										1
2	Non-Residential (Outgoing Power)										2
D2 Rate Group											
3	Rate D3										3
4	Rate 1,000 MW										4
5	Additional MW										5
6	Rate 300 MW/MW										6
7	Additional MW										7
8	Total Rate D3										8
9	Rate GS-FL										9
10	Rate EH										10
11	Total Rate D3, GS-FL, EH										11
Rate DM											
12	Rate DM										12
Rate OP											
13	Rate 1,000 MW										13
14	Additional MW										14
15	Rate 300 MW/MW										15
16	Additional MW										16
17	Total Rate OP										17
Rate TS											
18	Rate 50,000 WVA										18
19	Additional WVA										19
20	Rate 300 MW/MW										20
21	Additional MW										21
22	Total Rate TS										22
Customer Rate Group											
23	Rate SL, TL, OL, NSU, NSP, SC, SE, UO,LS										23
24	Total Retail										24
25											25
26											26
27											27
28											28
29											29

1/ Rate Group RS based on applicable peak demands from the Company's cost of service study in Case No. 02-1464 EL-ARL. Non-residential based on 12 months actual (WVA ending December 2010
2/ See Schedule A
3/ Based on actual sales to SST customers for the 6 months, December 31, 2010

DUKE ENERGY OHIO

DETERMINATION OF SYSTEM RELIABILITY TRACKER - RACER SRT - BY RETAIL RATE GROUP
REFLECTING RECOVERY OF ESTIMATED 2011 CAPACITY AND PURCHASED POWER COSTS (EXCLUDING ENERGY COST
FOR THE PERIOD JANUARY THROUGH DECEMBER 2011) TO BE APPLIED TO CUSTOMER BILLS OVER NINE MONTH PERIOD

Line No.	Description	Allocated Percentage Share of System Peak Demands for the Company's Retail Electric Customers 1/	Estimate of 2011		Estimated Rider SRT Billing for January thru December 2011	Prior Period Rider SRT Over/Under-Collections to be Collected from Customers 2/	Estimate of 2011		Allocated Capacity and Purchased Power Costs	Estimated kilowatt-hour Sales For The Twelve Months Ended December 31, 2010 3/	Estimated Billing W/ Rider 4/	SRT Adjustment Factor By Rate Group (Ratio: RWH)
			(A)	(B)			(C)	(D)				
1	Residual Rate Group											
2	Rate RS, OH, REC, TD, CUR											
3	Non-Residential (Detailed Below)											
4	DS Rate Group											
5	Rate DS											
6	First 1,000 kW											
7	Additional kW											
8	First 500 WWHVA											
9	Additional WWH											
10	Total Rate DS											
11	Rate GS-FL											
12	Rate EH											
13	Total Rates DS, GS-FL, EH											
14	Rate DM											
15	Rate DP											
16	First 1,000 kW											
17	Additional kW											
18	First 500 WWHVA											
19	Additional WWH											
20	Total Rate DP											
21	Rate TS											
22	First 50,000 kVA											
23	Additional kVA											
24	First 300 WWHVA											
25	Additional WWH											
26	Total Rate TS											
27	Rate LTR											
28	Rate 51,771, 00, NSU, NSP, SC, SF, UOLS											
29	Total Rate LTR											

1/ Rate Group RS based on applicable peak demands from the Company's cost of service study in Case No. 92-1444-EL-ADR. Non-residential based on 12 months actual WWH ending October 2010.
2/ See Schedule A.
3/ Based on actual sales to SRT customers for the 12 months, October 31, 2010.